FOUNDATION TO ADVANCE CATHOLIC EDUCATION, INC.

FALL RIVER, MASSACHUSETTS

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

JUNE 30, 2025 AND 2024

LIVINGSTON & HAYNES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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Established 1936

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Foundation to Advance Catholic Education, Inc.
Fall River, Massachusetts

Opinion

We have audited the accompanying financial statements of the Foundation to Advance Catholic Education, Inc. (a nonprofit organization) ("the Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation to Advance Catholic Education, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Livingston + Haynes, P.C.

Wellesley, Massachusetts
December 11, 2025

FOUNDATION TO ADVANCE CATHOLIC EDUCATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS

	2025	2024
Cash and cash equivalents	$ 597,202	$ 828,483
Due from the Roman Catholic Bishop of Fall River	4,222	15,903
Due from related party	50,000	-
Operating investments, at fair value	2,097,276	2,226,615
Accrued interest receivable	12,540	13,031
Other receivables	-	2,184
Intangible assets, net of acccumulated amortization of $6,700	-	-
Long-term investments, at fair value	5,567,905	5,023,806
TOTAL ASSETS	$ 8,329,145	$ 8,110,022

LIABILITIES AND NET ASSETS

	2025	2024
Accounts payable and accrued expenses	$ -	$ 250
Due to related party	-	87,500
Refundable advances	47,246	50,816
TOTAL LIABILITIES	47,246	138,566
Net Assets:		
Without donor restrictions	2,359,223	2,622,835
With donor restrictions	5,922,676	5,348,621
TOTAL NET ASSETS	8,281,899	7,971,456
TOTAL LIABILITIES AND NET ASSETS	$ 8,329,145	$ 8,110,022

See accompanying notes to financial statements.

FOUNDATION TO ADVANCE CATHOLIC EDUCATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:						
Contributions of cash and other financial assets	$ 346,974	$ 309,191	$ 656,165	$ 441,829	$ 143,700	$ 585,529
Special events	509,213	-	509,213	481,290	-	481,290
Contributions of nonfinancial assets	8,950	-	8,950	4,300	-	4,300
Other income	16	-	16	871	-	871
Investment return, net	232,847	582,114	814,961	298,582	641,688	940,270
Net assets released from restrictions	317,250	(317,250)	-	153,650	(153,650)	-
TOTAL REVENUE AND OTHER SUPPORT	1,415,250	574,055	1,989,305	1,380,522	631,738	2,012,260
Expenses:						
Program services: student scholarships	1,388,108	-	1,388,108	1,499,253	-	1,499,253
Supporting services:						
Fundraising	149,304	-	149,304	131,472	-	131,472
Management and general	141,450	-	141,450	130,828	-	130,828
TOTAL SUPPORTING SERVICES	290,754	-	290,754	262,300	-	262,300
TOTAL EXPENSES	1,678,862	-	1,678,862	1,761,553	-	1,761,553
CHANGES IN NET ASSETS	(263,612)	574,055	310,443	(381,031)	631,738	250,707
Net assets at beginning of year	2,622,835	5,348,621	7,971,456	3,003,866	4,716,883	7,720,749
NET ASSETS AT END OF YEAR	$ 2,359,223	$ 5,922,676	$ 8,281,899	$ 2,622,835	$ 5,348,621	$ 7,971,456

See accompanying notes to financial statements.

FOUNDATION TO ADVANCE CATHOLOIC EDUCATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025				
	PROGRAM SERVICES	SUPPORTING SERVICES			
	Student Scholarships	Fundraising	Management and General	Total Supporting Services	Total
Grants	$ 1,270,820	$ -	$ -	$ -	$ 1,270,820
Fundraising events	-	114,849	-	114,849	114,849
Related party services	115,937	33,126	115,937	149,063	265,000
Printing	-	1,329	-	1,329	1,329
Professional fees	1,351	-	16,228	16,228	17,579
Advertising	-	-	-	-	-
Office expenses	-	-	4,555	4,555	4,555
Bad debt	-	-	2,184	2,184	2,184
Miscellaneous	-	-	2,546	2,546	2,546
TOTAL EXPENSES AS PRESENTED ON THE STATEMENTS OF ACTIVITIES	$ 1,388,108	$ 149,304	$ 141,450	$ 290,754	$ 1,678,862

	2024				
	PROGRAM SERVICES	SUPPORTING SERVICES			
	Student Scholarships	Fundraising	Management and General	Total Supporting Services	Total
Grants	$ 1,388,513	$ -	$ -	$ -	$ 1,388,513
Fundraising events	-	95,170	-	95,170	95,170
Related party services	109,375	31,250	109,375	140,625	250,000
Printing	-	1,785	-	1,785	1,785
Professional fees	1,365	-	15,450	15,450	16,815
Advertising	-	3,267	-	3,267	3,267
Office expenses	-	-	3,792	3,792	3,792
Bad debt	-	-	-	-	-
Miscellaneous	-	-	2,211	2,211	2,211
TOTAL EXPENSES AS PRESENTED ON THE STATEMENTS OF ACTIVITIES	$ 1,499,253	$ 131,472	$ 130,828	$ 262,300	$ 1,761,553

See accompanying notes to financial statements

FOUNDATION TO ADVANCE CATHOLIC EDUCATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Changes in net assets	$ 310,443	$ 250,707
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Net realized and unrealized (gains) losses on investments	(652,790)	(769,975)
Contributions restricted for permanent endowment	(134,741)	(100)
Bad debt	2,184	-
Changes in operating assets and liabilities:		
(Increase) decrease in due from the Roman Catholic Bishop of Fall River	11,681	17,494
(Increase) decrease in due from related party	(50,000)	-
(Increase) decrease in accrued interest receivable	491	(5,099)
(Increase) decrease in other receivables	-	12,442
Increase (decrease) in accounts payable and accrued expenses	(250)	250
Increase (decrease) in refundable advances	(3,570)	36,517
Increase (decrease) in due to related party	(87,500)	87,500
TOTAL ADJUSTMENTS	(914,495)	(620,971)
NET CASH USED BY OPERATING ACTIVITIES	(604,052)	(370,264)
Cash flows from investing activities:		
Purchase of investments	(1,875,226)	(2,798,315)
Proceeds from sale of investments	2,113,256	3,149,268
NET CASH PROVIDED BY INVESTING ACTIVITIES	238,030	350,953
Cash flows from financing activities:		
Proceeds from contributions restricted for permanent endowment	134,741	100
NET CASH PROVIDED BY FINANCING ACTIVITIES	134,741	100
DECREASE IN CASH AND CASH EQUIVALENTS	(231,281)	(19,211)
Cash and cash equivalents at beginning of year	828,483	847,694
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 597,202	$ 828,483
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Income taxes	$ -	$ -
Interest	$ -	$ -

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Foundation to Advance Catholic Education, Inc. (the "Organization") is a non-profit corporation located in Fall River, Massachusetts. The Organization's purpose is to administer its net assets for educational and charitable purposes to be used to benefit parochial schools of the Roman Catholic Bishop of Fall River (the “Diocese”).

The significant accounting policies followed by the Organization are described below.

Accrual Basis

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulations or law. Expirations of time restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets as net assets released from restrictions.

Special events revenue is generated from various events held to raise funds for the Organization. The Organization has chosen not to break out separately the exchange portion of the special events revenue. The cost of the direct benefits to the donor is netted with the special events revenue when it is considered material. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

Contributed Support

Grants and contributions are considered contributed support. In connection with conditional grants and other conditional funding for which funding sources have a right of return or right of release, the Organization recognizes the related revenue after it has overcome any applicable barriers thereby entitling the Organization to the assets transferred or promised. Amounts received prior to overcoming the applicable barriers are reported as deferred revenues in the statements of financial position.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions to be used to acquire property and equipment are reported as revenue of the net assets with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets. Contributions of financial assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable would be provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fundraising activity.

Contributions of Nonfinancial Assets

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with the operations, office duties and fundraising. Contributed services are recognized at standard per-diem rates if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as contributed services are offset by like amounts included in expenses.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Contributions of Nonfinancial Assets (Continued)

Contributions of property and equipment without donor restrictions concerning the use of such long-lived assets are reported as revenue of the net assets without donor restrictions. Contributions of other nonfinancial assets are recorded at their estimated fair value.

During the years ended June 30, 2025 and 2024, the Organization received contributions of nonfinancial assets which consisted of auction items for fundraising events. These contributions were considered without donor restrictions and able to be used by the Organization as determined by the Board of Directors and management.

The Organization's policy related to contributions of nonfinancial assets is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

The total contributions of nonfinancial assets received during the years ended June 30, 2025 and 2024 for auction items for fundraising events were $8,950 and $4,300, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include related party services, which are allocated on the basis of estimates of time and effort.

Grants

Unconditional student scholarship grants are expensed in the year the grants are awarded and are included in program services. Conditional scholarship grants are expensed when paid or when the payments become unconditionally due. Grants payable at year end include scholarship grants that have been approved but not yet paid. There were no grants payable as of June 30, 2025 and 2024.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash in bank and short-term highly liquid investments with maturities, at purchase, of less than three months. The cash equivalents, included in Note B - Investments, are not considered cash and cash equivalents in the statements of cash flows since they are managed by an outside investment advisor.

Investments

The Organization records investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. The fair value of investments is valued at the closing price on the last business day of the fiscal year. Realized gains and losses are determined based on various methods, including the average cost method, first-in, first-out method, and specific identification method depending on the type of underlying fund. Interest and dividend income is recorded when earned. Investment return, net is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

The Organization utilizes various methods to measure the fair value of its investments on a recurring basis. Accounting principles generally accepted in the United States of America establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level 1 - Quoted prices in active markets for identical assets or liabilities. Assets utilizing Level 1 inputs include the Organization's cash equivalents, marketable equity securities, U.S. government and agencies obligations, and mutual funds. Valuations of these instruments do not require a high degree of judgment as the valuations are based on quoted prices in active markets that are readily available.

Level 2 - Other significant observable inputs that reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from independent market sources. These observable inputs include quoted prices for similar investments, quoted prices in markets that are not active and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset and liability. Assets utilizing Level 2 inputs include the Organization's corporate obligations, asset backed securities, and municipal obligations. Valuations in this category are inherently less reliable than quoted market price due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions.

Level 3 - Unobservable inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability based upon the best information available in the circumstances.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Intangible Assets

Intangible assets consist of an external website developed by the Organization. The website is used by the Organization for advertising purposes only. The costs associated with the website application and the infrastructure development of the website were capitalized and were amortized over a period of three years - the estimated useful life of the website.

Intentions to Give

Throughout the year, the Organization receives commitments from individual donors to provide future funds to the Organization. The Organization deems these to be intentions to give and not unconditional promises to give. The Organization recognizes contribution revenue and a receivable for the contribution once the intention to give is legally enforceable and the Organization is able to determine a fair value for the contribution.

Refundable Advances

Refundable advances represent amounts received by the Organization from donors that will be attending special fundraising events to be held after the end of the fiscal year. The amount includes both the ticket sales and any additional contributions whose recognition is conditioned on the event taking place.

Endowment Fund Investment and Spending Policies

The Organization's endowment funds consist of funds that are set aside as donor-restricted endowment funds for scholarships. Presently, the Organization’s endowment only includes donor-restricted funds and does not include funds designated by the Board of Directors to function as endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund Investment and Spending Policies (Continued)

The Organization follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted in the Commonwealth of Massachusetts and its own governing documents in the management and investment of its donor-restricted endowment funds. UPMIFA eliminated the concept of historic dollar value threshold, the amount below which an organization could not spend from the fund, in favor of a more robust set of guidelines about what constitutes prudent spending. As required by UPMIFA, the Organization's policy is to follow the terms of their governing documents.

Under accounting principles generally accepted in the United States of America, the Organization is also required to include expanded disclosures for all donor-restricted endowment funds. These additional disclosures are found below and in Note F.

The Board of Directors of the Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies

The Organization has adopted an investment policy, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds any distributions made with acceptable levels of risk.

Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make distributions, if needed, while growing the funds if possible.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Investment and Spending Policies (Continued)

Investment Return Objectives, Risk Parameters, and Strategies (Continued)

Therefore, the Organization expects its endowment assets, over time, to earn a rate of return which exceeds the inflation rate plus the level of spending. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized), rather than current yield (interest and dividends). The Organization targets a diversified asset allocation that places an emphasis on equity investments to achieve its long-term return objectives within prudent risk parameters.

Spending Policy

The Organization adopted a spending policy for its endowment. The policy includes a spending rate of 5% for any endowment funds without donor restrictions and up to 75% of the prior-year's earnings for a majority of the larger endowments for scholarships with donor restrictions. For the remaining smaller endowment funds, the policy specifies how much is to be spent each year per fund as long as that does not exceed earnings. In establishing this policy, the Organization considered the long-term expected return on the endowment and set the rate with the objective of maintaining the purchasing power of the endowment over time.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. Losses on the investments of donor-restricted endowment funds reduce net assets with donor restrictions. Subsequent gains that restore the value of the endowment fund to the required level are classified as an increase in net assets with donor restrictions. As of June 30, 2025, there were no underwater endowments. As of June 30, 2024, funds with original gift values of $15,418, fair values of $14,961 and deficiencies of $457 were reported in net assets with donor restrictions.

Income Taxes

The Organization is included in the annual United States Conference of Catholic Bishops Internal Revenue Service Group Ruling and is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code, as amended (the "Code"), and is generally exempt from income taxes pursuant to Section 501(a) of the Code.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Organization recognizes the tax benefit from any uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the tax position. Any tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. Management has analyzed the Organization's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open years (for the years ended June 30, 2022 through June 30, 2024) or expected to be taken in the Organization's tax returns for the year ended June 30, 2025.

The Organization identifies its major tax jurisdictions as U.S. Federal and the Commonwealth of Massachusetts; however, the Organization is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months. The Organization also follows the policy to recognize interest and penalties related to unrecognized tax benefits (if any) in income tax expense. No such interest and penalties have been recorded as of June 30, 2025 and 2024.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by them to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and amounts reported in the financial statements.

Beneficiary in Wills and Estates

The Organization is named as a beneficiary in numerous wills and estates. The Organization deems these to be intentions to give and not unconditional promises to give. The Organization recognizes contribution revenue and a receivable for its interest in the estate based upon a probate court having declared an individual will to be valid and the Organization having the ability to determine the fair value of the estate.

NOTE B - INVESTMENTS

Investments, at fair values, are classified in the statements of financial position as follows:

	2025	2024
Operating investments, at fair value	$ 2,097,276	$ 2,226,615
Long-term investments, at fair value	5,567,905	5,023,806
	$ 7,665,181	$ 7,250,421

Investment return, net consists of the following:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 71,204	$ 125,930	$ 197,134
Realized and unrealized gains on investments	170,946	481,844	652,790
Investment advisory fees	(9,303)	(25,660)	(34,963)
Total investment return, net	$ 232,847	$ 582,114	$ 814,961

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 82,110	$ 122,058	$ 204,168
Realized and unrealized gains on investments	226,634	543,341	769,975
Investment advisory fees	(10,162)	(23,711)	(33,873)
Total investment return, net	$ 298,582	$ 641,688	$ 940,270

NOTE B - INVESTMENTS (Continued)

The following tables summarize inputs used in determining the fair valuation of the Organization's investments as of June 30, 2025 and 2024:

	2025			
	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 388,905	$ -	$ -	$ 388,905
Marketable debt securities:				
U.S. government and agencies obligations	454,640	-	-	454,640
Municipal obligations	-	117,104	-	117,104
Asset backed securities	-	767,336	-	767,336
Corporate obligations	-	826,988	-	826,988
Total marketable debt securities	454,640	1,711,428	-	2,166,068
Marketable equity securities:				
Consumer discretionary	332,441	-	-	332,441
Consumer staples	214,014	-	-	214,014
Energy	155,913	-	-	155,913
Materials	89,903	-	-	89,903
Information technology	1,035,480	-	-	1,035,480
Communication services	232,342	-	-	232,342
Industrials	510,735	-	-	510,735
Financials	630,743	-	-	630,743
Utilities	61,647	-	-	61,647
Real estate	121,459	-	-	121,459
Health care	450,775	-	-	450,775
Total marketable equity securities	3,835,452	-	-	3,835,452
Mutual funds:				
Equity - international funds	964,423	-	-	964,423
Fixed income	310,333	-	-	310,333
Total mutual funds	1,274,756	-	-	1,274,756
	$ 5,953,753	$ 1,711,428	$ -	$ 7,665,181

NOTE B - INVESTMENTS (Continued)

	2024			
	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 291,820	$ -	$ -	$ 291,820
Marketable debt securities:				
U.S. government and agencies obligations	518,910	-	-	518,910
Municipal obligations	-	113,114	-	113,114
Asset backed securities	-	651,726	-	651,726
Corporate obligations	-	878,711	-	878,711
Total marketable debt securities	518,910	1,643,551	-	2,162,461
Marketable equity securities:				
Consumer discretionary	300,449	-	-	300,449
Consumer staples	197,510	-	-	197,510
Energy	174,970	-	-	174,970
Materials	120,723	-	-	120,723
Information technology	969,846	-	-	969,846
Communication services	288,287	-	-	288,287
Industrials	446,271	-	-	446,271
Financials	535,531	-	-	535,531
Utilities	38,852	-	-	38,852
Real estate	94,204	-	-	94,204
Health care	413,030	-	-	413,030
Total marketable equity securities	3,579,673	-	-	3,579,673
Mutual funds:				
Equity - international funds	942,352	-	-	942,352
Fixed income	274,115	-	-	274,115
Total mutual funds	1,216,467	-	-	1,216,467
	$ 5,606,870	$ 1,643,551	$ -	$7,250,421

NOTE C - RELATED PARTY TRANSACTIONS

During the years ended June 30, 2025 and 2024, certain personnel employed by related entities performed services for the Organization. The applicable salaries and benefits of these employees are reimbursed by the Organization. The value of these services was $265,000 and $250,000 for the years ended June 30, 2025 and 2024, respectively. The value of these services is included in related party services on the statements of functional expenses and in program services - student scholarships and supporting services - fundraising and management and general on the statements of activities. At June 30, 2025 and 2024, the Organization owed $-0- and $87,500, respectively, to these related entities for these services.

At June 30, 2025 and 2024, an affiliated Organization had collected $50,000 and $-0-, respectively, in contributions for the Organization. This amount was paid to the Organization in fiscal year 2026. This amount is included in due from related party on the statements of financial position at June 30, 2025 and 2024.

During the years ended June 30, 2025 and 2024, the Organization received contributions from affiliated Organizations, Parishes and Schools of the Diocese of approximately $434,835 and $264,235, respectively.

During the years ended June 30, 2025 and 2024, the Organization awarded scholarships of $1,270,820 and $1,388,513, respectively, to affiliated Schools of the Diocese, which are included in program services - student scholarships in the statements of activities.

Included in due from the Roman Catholic Bishop of Fall River on the statements of financial position are funds on deposit with the Diocese which totaled $4,222 and $15,903 at June 30, 2025 and 2024, respectively. Also, included in investment return, net on the statements of activities for the years ended June 30, 2025 and 2024 is $320 and $506, respectively, of interest income earned on these funds.

NOTE D - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in various financial institutions' deposit accounts which, at times, may exceed federally insured limits. At June 30, 2025 and 2024, the Organization had funds on deposit with one financial institution in excess of the federally insured limit by approximately $343,200 and $578,500, respectively. However, this financial institution is a bank that maintains additional insurance covering all deposits in full through the Depositors Insurance Fund (“DIF”), a private, industry-sponsored fund owned by the member banks. Thus, all of the $343,200 and $578,500, respectively, is covered by DIF at June 30, 2025 and 2024. The Organization has not experienced any losses in such accounts, and does not believe it is exposed to any significant credit risk on cash.

The Organization received contributions representing approximately 18% and 16% of its total contributions of cash and other financial assets and special events revenue during the year ended June 30, 2025 from two donors.

The Organization received contributions representing approximately 11% of its total contributions of cash and other financial assets and special events revenue during the year ended June 30, 2024 from one donor.

NOTE D - CONCENTRATION OF CREDIT RISK (Continued)

The Organization has funds on deposit with the Diocese that are not insured (refer to Note C). Management does not believe there is any risk of loss to these deposits.

NOTE E - NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2025 and 2024, net assets with donor restrictions consist of funds received from donors that are restricted for the following purposes:

	2025	2024
Subject to expenditure for specified purpose:		
Scholarships under the Hope & Opportunity Initiative	$ 55,000	$ 60,000
Scholarships for children from families with low to moderate income	55,000	25,400
Scholarships for students in grades K-8 attending Catholic Schools in Fall River and New Bedford	45,000	45,000
Scholarships for students designated by the Prevost Association	4,223	15,903
Scholarships for graduating seniors pursing engineering	178,880	161,759
	338,103	308,062
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for:		
Scholarships	1,299,495	890,222
Subject to the Organization's endowment spending policy and appropriation:		
Scholarships	4,285,078	4,150,337
Total endowments	5,584,573	5,040,559
	$ 5,922,676	$ 5,348,621

NOTE E - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors are as follows for the years ended June 30, 2025 and 2024:

	2025	2024
Scholarships under the Hope & Opportunity Initiative	$ 55,000	$ -
Other scholarships for specific purposes	95,850	39,200
Scholarships for students designated by the Prevost Association	12,000	18,000
Endowment scholarships	154,400	96,450
	$ 317,250	$ 153,650

NOTE F - ENDOWMENT

Endowment net asset composition by type of fund is as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ -	$ -	$ -
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	4,285,078	4,285,078
Accumulated investment return, net	-	1,299,495	1,299,495
Total funds	$ -	$ 5,584,573	$ 5,584,573

NOTE F - ENDOWMENT (Continued)

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ -	$ -	$ -
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	4,150,337	4,150,337
Accumulated investment return, net	-	890,222	890,222
Total funds	$ -	$ 5,040,559	$ 5,040,559

Changes in endowment net assets for the years ended June 30, 2025 and 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2023:	$ -	$ 4,515,551	$ 4,515,551
Investment return, net	-	621,358	621,358
Contributions	-	100	100
Amounts appropriated for expenditure	-	(96,450)	(96,450)
Endowment net assets, June 30, 2024	-	5,040,559	5,040,559
Investment return, net	-	563,673	563,673
Contributions	-	134,741	134,741
Amounts appropriated for expenditure	-	(154,400)	(154,400)
Endowment net assets, June 30, 2025	$ -	$ 5,584,573	$ 5,584,573

NOTE G - INTANGIBLE ASSETS

At June 30, 2025 and 2024, intangible assets consist of:

	2025	2024
Website costs	$ 6,700	$ 6,700
Less: accumulated amortization of website costs	(6,700)	(6,700)
	$ -	$ -

NOTE H - LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal including cash and cash equivalents and investments.

For purposes of analyzing resources available to meet the general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of providing scholarships to students attending and other support to benefit parochial schools of the Roman Catholic Bishop of Fall River, as well as the conduct of services undertaken to support those activities, to be general expenditures.

Financial assets available for general expenditure; that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	2025	2024
Cash and cash equivalents	$ 597,202	$ 828,483
Accrued interest receivable	12,540	13,031
Due from related party	50,000	-
Due from Roman Catholic Bishop of Fall River	4,222	15,903
Other receivables	-	2,184
Operating investments, at fair value	2,097,276	2,226,615
Long-term investments, at fair value	5,567,905	5,023,806
	8,329,145	8,110,022
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	5,922,676	5,348,621
Financial assets available to meet general expenditures over the next twelve months	$ 2,406,469	$ 2,761,401

NOTE I - COMMITMENTS AND CONTINGENCIES

During the year ended June 30, 2025, the Organization entered into a contract with an event facility for a fundraising event to be held in the next fiscal year. The contract was for a total of $45,759. As of June 30, 2025, $1,250 had been paid to the facility and expensed by the Organization. The remaining amount will be paid during the year ending June 30, 2026.

During the year ended June 30, 2024, the Organization entered into a contract with an event facility for a fundraising event to be held in the next fiscal year. The contract was for a total of $40,374. As of June 30, 2024, $2,000 had been paid to the facility and expensed by the Organization. The remaining amount was paid during the year ended June 30, 2025.

NOTE J - SUBSEQUENT EVENTS

The Organization has evaluated the impact of all subsequent events through December 11, 2025, the date the financial statements were available to be issued, and has determined that there were no subsequent events requiring adjustment or disclosure in the financial statements.