



CATHOLIC COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025



CATHOLIC COMMUNITY FOUNDATION

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Independent Auditors' Report

The Board of Directors of
Catholic Community Foundation

Opinion

We have audited the financial statements of Catholic Community Foundation (the "Foundation"), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2026 and 2025, 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 ("GAAS"). 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 Foundation 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 Foundation's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Foundation'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 Foundation'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.

CBIZ CPAs P.C.

Phoenix, Arizona
September 24, 2026

CATHOLIC COMMUNITY FOUNDATION**STATEMENTS OF FINANCIAL POSITION**

June 30, 2026 and 2025

	2026	2025
Assets		
Cash and Cash Equivalents	\$ 251,821	\$ 114,048
Contributions Receivable	5,158	15,158
Investments (Note 2)	153,082,230	127,130,670
Split Interest Agreements (Note 3)	5,258,007	4,776,937
Asset Held for Sale	2,021,000	2,021,000
Prepays	3,067	36,438
Other Assets	--	5,198
Operating Lease Right of Use Asset, Net	<u>174,300</u>	<u>211,573</u>
Total Assets	<u>\$ 160,795,583</u>	<u>\$ 134,311,022</u>

The accompanying notes are an integral part of these financial statements.

CATHOLIC COMMUNITY FOUNDATION
STATEMENTS OF FINANCIAL POSITION (CONTINUED)

June 30, 2026 and 2025

	2026	2025
Liabilities and Net Assets		
Accounts Payable and Accrued Expenses	\$ 207,048	\$ 117,280
Present Value of Annuity Payments (Note 3)	1,953,471	2,027,452
Agency Endowment Funds (Note 5)	28,799,142	25,236,552
Agency Savings and Brokerage Funds (Note 5)	23,063,042	14,693,452
Operating Lease Liability	<u>178,612</u>	<u>215,389</u>
Total Liabilities	<u>54,201,315</u>	<u>42,290,125</u>
Net Assets		
Without donor restrictions		
Board designated	16,476,253	14,527,182
Undesignated	<u>18,517,824</u>	<u>17,705,333</u>
Total net assets without donor restrictions	34,994,077	32,232,515
With donor restrictions (Note 7)	<u>71,600,191</u>	<u>59,788,382</u>
Total Net Assets	<u>106,594,268</u>	<u>92,020,897</u>
Total Liabilities and Net Assets	<u><u>\$ 160,795,583</u></u>	<u><u>\$ 134,311,022</u></u>

The accompanying notes are an integral part of these financial statements.

CATHOLIC COMMUNITY FOUNDATION

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

For the Year Ended June 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
Contributions and Support			
Contributions	\$ 3,143,748	\$ 4,115,101	\$ 7,258,849
Investment return	4,922,476	10,373,767	15,296,243
Change in value of split-interest agreements	<u>(281,308)</u>	<u>52,407</u>	<u>(228,901)</u>
Total contributions and support before fundraising events, transfers and net assets released from	<u>7,784,916</u>	<u>14,541,275</u>	<u>22,326,191</u>
Fundraising events:			
Fundraising events revenue	508,071	--	508,071
Less: cost of direct donor benefits	<u>(139,722)</u>	<u>--</u>	<u>(139,722)</u>
Gross profit on fundraising events	<u>368,349</u>	<u>--</u>	<u>368,349</u>
Million Dollar Match transfers	<u>(43,469)</u>	43,469	--
Net assets released from restrictions	<u>2,772,935</u>	<u>(2,772,935)</u>	<u>--</u>
Total Contributions and Support	<u>10,882,731</u>	<u>11,811,809</u>	<u>22,694,540</u>
Expenses			
Scholarships, grants, and awards	5,981,564	--	5,981,564
Salaries and wages	1,101,612	--	1,101,612
Employee benefits and taxes	304,740	--	304,740
Professional fees	149,929	--	149,929
Conferences and travel	21,239	--	21,239
Subscriptions and contract costs	82,660	--	82,660
Supplies	8,622	--	8,622
Facilities and operations	127,756	--	127,756
Venue and catering	48,455	--	48,455
Printing and design	49,747	--	49,747
Sponsorships	106,850	--	106,850
Advertising and promotion	41,147	--	41,147
Other expenses	<u>96,848</u>	<u>--</u>	<u>96,848</u>
Total Expenses	<u>8,121,169</u>	<u>--</u>	<u>8,121,169</u>
Change in Net Assets	2,761,562	11,811,809	14,573,371
Net Assets - Beginning of year	<u>32,232,515</u>	<u>59,788,382</u>	<u>92,020,897</u>
Net Assets - End of year	<u>\$ 34,994,077</u>	<u>\$ 71,600,191</u>	<u>\$ 106,594,268</u>

The accompanying notes are an integral part of these financial statements.

CATHOLIC COMMUNITY FOUNDATION

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS (CONTINUED)

For the Years Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Contributions and Support			
Contributions	\$ 6,013,526	\$ 4,176,057	\$ 10,189,583
Investment return	3,084,152	5,930,142	9,014,294
Change in value of split-interest agreements	(178,961)	(60,059)	(239,020)
Total contributions and support before transfers and net assets released from restrictions	8,918,717	10,046,140	18,964,857
Fundraising events:			
Fundraising events revenue	494,214	--	494,214
Less: cost of direct donor benefits	(186,364)	--	(186,364)
Gross profit on fundraising events	307,850	--	307,850
Million Dollar Match transfers	(141,531)	141,531	--
Net assets released from restrictions	2,257,881	(2,257,881)	--
Total Contributions and Support	11,342,917	7,929,790	19,272,707
Expenses			
Scholarships, grants, and awards	3,759,461	--	3,759,461
Salaries and wages	890,597	--	890,597
Employee benefits and taxes	232,304	--	232,304
Professional fees	119,416	--	119,416
Conferences and travel	13,117	--	13,117
Subscriptions and contract costs	62,918	--	62,918
Supplies	3,082	--	3,082
Facilities and operations	128,881	--	128,881
Venue and catering	8,375	--	8,375
Printing and design	41,755	--	41,755
Sponsorships	79,109	--	79,109
Advertising and promotion	39,153	--	39,153
Other expenses	88,553	--	88,553
Total Expenses	5,466,721	--	5,466,721
Change in Net Assets	5,876,196	7,929,790	13,805,986
Net Assets - Beginning of year	26,356,319	51,858,592	78,214,911
Net Assets - End of year	\$ 32,232,515	\$ 59,788,382	\$ 92,020,897

The accompanying notes are an integral part of these financial statements.

CATHOLIC COMMUNITY FOUNDATION

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows From Operating Activities		
Change in net assets	\$ 14,573,371	\$ 13,805,986
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized gains on agency funds	(12,615,759)	(6,635,633)
Contributions restricted in perpetuity	4,271,924	2,321,259
Non-cash lease expense	(1,529,251)	(3,069,327)
Changes in operating assets and liabilities:	66,295	58,763
Decrease (increase) in:		
Contributions receivable	10,000	19,980
Prepays	33,371	28,229
Other assets	5,198	--
Increase (decrease) in:		
Grants payable	--	(69,075)
Accounts payable and accrued expenses	89,768	(1,993)
Present value of annuity payments	(26,632)	(52,235)
Deferred revenue	--	(126,728)
Change in lease liability	(65,799)	(56,582)
Agency funds	7,660,256	(3,770,997)
Net Cash Provided by Operating Activities	<u>12,472,742</u>	<u>2,451,647</u>
Cash Flows From Investing Activities		
Purchases of investments	(92,535,823)	(58,905,223)
Proceeds from sale of investments	78,626,603	53,233,936
Proceeds from sale of partnership interest	45,000	--
Net Cash Used in Investing Activities	<u>(13,864,220)</u>	<u>(5,671,287)</u>
Cash Flows Provided by Financing Activities		
Proceeds from receipt of contributions restricted in perpetuity	1,529,251	3,069,327
Net Change in Cash and Cash Equivalents	137,773	(150,313)
Cash and Cash Equivalents - Beginning of year	114,048	264,361
Cash and Cash Equivalents - End of year	<u>\$ 251,821</u>	<u>\$ 114,048</u>
Supplemental Disclosure of Non-Cash Information and Noncash Investing Activities		
Right-of-use operating lease assets recognized in exchange for operating lease liabilities	\$ 29,022	\$ --
Real estate acquired in exchange for partnership interest	\$ --	\$ 2,150,000

The accompanying notes are an integral part of these financial statements.

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 1 – FOUNDATION’S OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOUNDATION OPERATIONS

Catholic Community Foundation (the “Foundation”) was incorporated on October 7, 1983 in Arizona as a nonprofit corporation. Its sole members were the Bishop of Phoenix and his successors in office. On September 3, 2003, the Foundation amended and restated its Articles of Incorporation, and since then it has been a nonprofit corporation with no members. In 2015, the Foundation received a decree recognizing it as a private juridic person under canon law. The decree confirmed that the Foundation is an entity independent of the Diocese of Phoenix.

The Foundation’s mission is to promote the Catholic faith by building charitable resources that support Catholic ministries and the broader Arizona community, for present and future generations. The Foundation connects individuals and families who want to give with parishes, schools, and charitable organizations that need support.

The Foundation’s principal activities include:

- Endowment and fund management – administering and investing endowment and other long-term funds for parishes, schools, and other Catholic and charitable organizations.
- Facilitating efficient giving – educating donors on giving efficiently today through tax-smart planning, offering vehicles such as donor advised funds, and accepting complex gifts such as appreciated securities, closely held business interests, and real estate, including rental property.
- Planned giving – educating donors, helping them structure simple and complex gift plans through a range of giving vehicles, and, as a fiduciary, protecting donor intent after their lifetimes.
- Grantmaking – distributing grants to charitable organizations from donor advised, designated, and other funds.
- Stewardship support – providing no-cost consultation to Catholic organizations on endowment building, planned giving, and financial stewardship.

The Foundation invests fund assets mainly through pooled investment portfolios, following its investment policy and the Socially Responsible Investment Guidelines of the United States Conference of Catholic Bishops.

The significant accounting policies followed by the Foundation are summarized below:

BASIS OF PRESENTATION

The Foundation’s financial statements are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, Not-for-Profit Entities – Presentation of Financial Statements. Under FASB ASC 958-205, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The Foundation maintains its accounts on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 1 – FOUNDATION’S OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation’s management and the Board of Directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Change in donor intent – From time to time, the Foundation receives requests by donors or their designees to change the use for which the donor’s original gift was intended. These donor requests may result in the reclassification of net assets between those with donor restrictions and those without.

MANAGEMENT’S USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) 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 these estimates.

CONTRIBUTIONS

The Foundation evaluates grants and contributions for evidence of the transfer of commensurate value from the Foundation to the grantor or resource provider. The transfer of commensurate value from the Foundation to the grantor or resource provider may include instances when a) the goods or services provided by the Foundation directly benefit the grantor or resource provider or are for the sole use of the grantor or resource provider or b) the grantor or resource provider obtains proprietary rights or other privileges from the goods or services provided by the Foundation. When such factors exist, the Foundation accounts for the grants or contributions as exchange transactions under ASC 606, Revenue from Contracts with Customers, or other appropriate guidance. In the absence of these factors, the Foundation accounts for the award under the contribution accounting model.

In the absence of the transfer of commensurate value from the Foundation to the resource provider, the Foundation evaluates the contribution for criteria indicating the existence of measurable barriers to entitlement for the Foundation or the right of return to the resource provider. A barrier to entitlement is subject to judgment and generally represents an unambiguous threshold for entitlement that provides clarity to both the Foundation and resource provider whether the threshold has been met and when. These factors may include measurable performance thresholds or limited discretion on the part of the Foundation to use the funds. Should the existence of a measurable barrier to entitlement exist and be accompanied by a right of return of the funds to the resource provider or release of the resource provider from the obligation, the contribution is treated as a conditional contribution. If both the barrier to entitlement and right of return do not exist, the contribution is unconditional.

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 1 – FOUNDATION’S OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONTRIBUTIONS (CONTINUED)

The Foundation recognizes amounts received from unconditional contributions at the time the Foundation receives notification of the award. Contributions that include conditions imposed by the grantor or resource provider are recognized when those conditions are met by the Foundation.

The Foundation accounts for contributions in accordance with FASB ASC 958-605, Not-for-Profit Entities –Revenue Recognition. In accordance with FASB ASC 958-605, contributions received are recorded as contributions with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions on the statement of activities and change in net assets depending on the nature of the restriction. All contributions are considered to be available for use unless specifically restricted by the donor. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets released from restrictions. Additionally, contributions of land, buildings and equipment without donor stipulations concerning the use of such long-lived assets are reported as contributions without donor restrictions. Contributions of cash or other assets to be used to acquire land, buildings and equipment with such donor stipulations are reported as contributions with donor restrictions. The restrictions are considered to be released at the time such long-lived assets are placed into service.

CONTRIBUTIONS RECEIVABLE

Contributions receivable (pledges) are recognized as revenues in the period where the unconditional promise is received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions receivable are stated at the amount management expects to collect. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual balances. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to an allowance for uncollectable accounts and a credit to contributions receivable. All contributions receivable are expected to be collected within one year. Management considers contributions receivable fully collectible as of June 30, 2026 and 2025, accordingly, an allowance is not considered necessary.

CASH AND CASH EQUIVALENTS

For purposes of reporting cash flows, cash and cash equivalents include liquid accounts with original maturities of three months or less that are not designated for investment purposes. Investments carried at fair value include certain liquid accounts which are generally not used in operations. Cash deposits are insured in limited amounts by the Federal Deposit Insurance Corporation (“FDIC”).

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 1 – FOUNDATION’S OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS

The Foundation accounts for their equity securities in accordance with FASB ASC 958-321, Not-for-Profit Entities – Investments – Equity Securities and their debt securities in accordance with FASB ASC 958-320, Not-for-Profit Entities – Investments – Debt Securities. Under FASB ASC 958-320 and FASB ASC 958-321, the Foundation reports investments in equity and debt securities at fair value. The fair values of marketable equity securities with readily determinable fair values are based on quoted market prices. The fair values of fixed income securities are measured using quoted market prices multiplied by the quantity held when quoted market prices are observable. If quoted market prices are not available, fair value is determined using one, or a combination, of the following methods (1) a matrix pricing for similar bonds, (2) quoted prices for recent trading activity of assets with similar characteristics to the bond or (3) using an income approach valuation technique that considers, among other things, rates currently observed in publicly traded debt markets for debt of similar terms to companies with comparable credit risk and a credit value adjustment to consider the likelihood of counterparty nonperformance, after consideration for the impact of collateralization and netting agreements, if applicable.

As of June 30, 2026 and 2025, the Foundation’s investments in equity instruments without readily determinable fair values consisted of investments in non-traded partnership interests. The Foundation adjusts the carrying value of non-marketable equity securities up or down for observable price changes in orderly transactions for identical or similar investments of the same issuer and for impairment, if any (referred to as the measurement alternative). All gains and losses on non-marketable equity securities, realized and unrealized, are recognized in the statement of activities and change in net assets as changes in net assets.

During 2025, the Foundation exchanged its interest in a non-traded partnership for a direct interest in real estate, which is included in investments as real estate held for sale. The real estate is actively listed for sale and the carrying value approximates the anticipated sales price less costs to sell.

Investment return (including interest, dividends, unrealized gains and losses, and realized gains and losses on investments, and investment fees) is included in operations.

Investments are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the accompanying financial statements.

The Foundation is invested in several annuity contracts. Under the terms of the contracts, the Foundation receives fixed annual payments over the terms of the contracts. The annuity contracts are carried at fair value. Based on the terms of the contracts and the use of a discount rate of 4.25% for both years ended June 30, 2026 and 2025, the present value of the contracts is \$204,955 and \$252,304 as of June 30, 2026 and 2025, respectively.

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 1 – FOUNDATION’S OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT AND DEPRECIATION AND AMORTIZATION

Purchased property and equipment are valued at cost and donated property and equipment are recorded at fair value at the date of the gift to the Foundation. Maintenance and repairs are charged to operations when incurred. Generally, property and equipment in excess of \$1,000 are capitalized. Property and equipment consist of furniture, fixtures, and equipment with a total cost of \$78,303 and accumulated depreciation of \$78,303 at both June 30, 2026 and 2025. Depreciation and amortization of property and equipment are computed on a straight-line basis over the lesser of the lease term or estimated useful lives of 3 to 7 years. There was no depreciation and amortization expense charged to operations for the years ended June 30, 2026 and 2025.

DONATED ASSETS

Assets and other non-cash items donated to the Foundation are recorded as contributions at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire long-lived assets are reported as restricted contributions. The Foundation records donations of property and equipment that are not restricted as to their use by the donor as contributions without donor restrictions and, accordingly, increases in net assets without donor restrictions. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions when the donated assets are placed in service.

FUNCTIONAL ALLOCATIONS OF EXPENSES

The costs of providing various programs and other activities have been summarized by function and nature in Note 12 to the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to program and supporting services on the basis of personnel activity and other appropriate allocation methods. The management and general expense category includes those expenses that are not directly identifiable with any specific program, but provide for the overall support and direction of the Foundation and are allocated based on personnel activity or other appropriate indicators. Fundraising expenses include those expenses related to the overall acquisition of contributions to the Foundation.

Expenses that have been allocated include the following:

Expense	Allocation Basis
Salaries and employee related costs	Time incurred
Facilities and operations	Time incurred

FAIR VALUE MEASUREMENTS

FASB ASC 820, Fair Value Measurement, establishes a common definition for fair value to be applied to accounting principles generally accepted in the United States of America requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. FASB ASC 820 also establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values by requiring that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 1 – FOUNDATION’S OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Unobservable inputs for the asset or liability.

INCOME TAX STATUS

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and, accordingly, there is no provision for income taxes. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170 of the Code and has been classified as an organization that is not a private foundation. Income determined to be unrelated business taxable income would be taxable. The Foundation evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts.

The Foundation’s federal Return of Organization Exempt from Income Tax (Form 990) for fiscal 2023, 2024, and 2025 are subject to examination by the IRS, generally for three years after they were filed. The Foundation’s fiscal 2026 return has not yet been filed as of the date of this report.

SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through September 24, 2026, which is the date the financial statements were available to be issued.

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 2 – INVESTMENTS

Investments consist of the following at June 30:

	2026	2025
Cash and cash equivalents	\$ 3,541,771	\$ 6,513,376
Equity mutual funds		
US large cap mutual funds	57,074,264	48,965,774
US mid cap mutual funds	11,247,502	8,723,213
US small cap mutual funds	3,634,345	3,871,548
Developed international mutual funds	15,773,632	11,754,906
Emerging markets mutual funds	8,764,063	5,149,590
Other mutual funds	1,216,381	1,095,194
Total equity mutual funds	97,710,187	79,560,225
Fixed income		
Corporate bonds	25,172,342	20,662,982
Pooled vehicle fixed income	9,825,682	8,287,715
U.S. Treasury bonds	14,338,669	10,067,173
Mortgage backed securities	6,090,223	5,410,492
Other fixed income	398,068	--
Total fixed income	55,824,984	44,428,362
Convertible notes	150,000	200,000
Annuity contracts	204,955	252,304
Non-marketable partnership interests	908,340	953,340
Real estate held for sale	2,021,000	2,021,000
Total	160,361,237	133,928,607
Investments in split interest agreements	(5,258,007)	(4,776,937)
Total Investments	<u>\$ 155,103,230</u>	<u>\$ 129,151,670</u>

Investment return for the year ended June 30, 2026 consists of:

	Without Donor Restrictions	With Donor Restrictions	Totals
Interest, dividend, and fee income, net of fees	\$ 1,177,154	\$ 1,503,330	\$ 2,680,484
Realized/unrealized gains on investments	3,745,322	8,870,437	12,615,759
Total Investment Return	<u>\$ 4,922,476</u>	<u>\$ 10,373,767</u>	<u>\$ 15,296,243</u>

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 2 – INVESTMENTS (CONTINUED)

Investment return for the year ended June 30, 2025 consists of:

	Without Donor Restrictions	With Donor Restrictions	Totals
Interest, dividend, and fee income, net of fees	\$ 768,465	\$ 1,356,196	\$ 2,124,661
Realized/unrealized gains on investments	2,315,687	4,573,946	6,889,633
Total Investment Return	<u>\$ 3,084,152</u>	<u>\$ 5,930,142</u>	<u>\$ 9,014,294</u>

NOTE 3 – SPLIT INTEREST AGREEMENTS

At June 30, 2026 and 2025, the Foundation administered 21 charitable gift annuities in both years. The assets contributed under the charitable gift annuities are carried at fair value. The gift annuities totaling \$5,258,007 and \$4,776,937 at June 30, 2026 and 2025, respectively, are included in investments as identified in Note 2. Contribution revenues are recognized at the date the annuities are established after recording liabilities for the present value of the estimated future payments to be made to the donors and/or other beneficiaries. Present values are calculated using discount rates that reflect the fair value as determined at the time the annuities are established and range from 0.40% to 6.2%, and actuarial tables and guidelines used for calculating the available deduction for income tax purposes. The liabilities are adjusted for the accretion of the discount and other changes in the estimates of future benefits. The present value of the estimated annuity payments associated with the charitable gift annuities is \$1,953,471 and \$2,027,452 at June 30, 2026 and 2025, respectively.

NOTE 4 – GRANTS PAYABLE

The Foundation accounts for their conditional scholarship grants in accordance with FASB ASU No. 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions. In accordance with ASU 2018-08, conditional scholarship grants are not recorded until the students meet the terms of the conditions (typically enrollment).

As of June 30, 2026 and 2025, there are \$1,382,000 and \$1,287,000, respectively, of conditional awards granted through scholarship programs which have not yet been accrued within the financial statements. The students must satisfy the scholarship conditions annually to receive the future payments.

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 5 – AGENCY FUNDS

The Foundation maintains variance power and legal ownership of the assets within the agency funds and as such continues to report the funds as cash and investments of the Foundation.

However, FASB ASC 958-605 establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to another entity that is specified by the donor. FASB ASC 958-605 specifically requires that if a not-for-profit organization (“NPO”) establishes a fund at a community foundation with its own funds and specifies itself or one of its affiliates as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability.

In accordance with FASB ASC 958-605, a liability has been established for the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to the NPOs.

The Foundation’s agency funds consist of agency endowment funds, agency savings funds and agency brokerage funds. Agency endowment funds are intended to be perpetual in nature and distribute earnings to the beneficiaries on an annual basis. Catholic savings funds provide a short-term investment option for fund beneficiaries with a guaranteed investment return. Catholic brokerage funds provide a mid to long-term investment option without a guaranteed return and an administrative fee is charged for holding and investing funds in accordance with the fund holder’s requests.

The activity for the agency funds for the years ended June 30, 2026 and 2025 is summarized below:

	2026	2025
Agency funds, beginning of the year	\$ 39,930,004	\$ 41,379,742
Contributions	9,311,188	3,247,011
Investment income, net	1,191,858	1,027,447
Realized and unrealized investment gains	4,271,924	2,321,259
Distributions	(2,442,138)	(7,681,278)
Administration fees	(400,652)	(364,177)
Agency funds, end of year	<u>\$ 51,862,184</u>	<u>\$ 39,930,004</u>
Agency funds consist of:		
Agency endowment funds	\$ 28,799,142	\$ 25,236,552
Catholic savings and brokerage funds	<u>23,063,042</u>	<u>14,693,452</u>
Total Agency Funds	<u>\$ 51,862,184</u>	<u>\$ 39,930,004</u>

Both the liability and the assets are measured at fair value. The inputs used to determine the fair value of the invested assets are based upon the nature of the assets held in the agency funds. The inputs used to determine the fair value of the liability are based upon the fair value of the underlying assets of the agency funds. Since the fair value of the liability is based primarily upon the observable inputs used during the valuation of the assets but not based upon identical inputs for identical agency liabilities, the fair value inputs for the agency funds are considered to be Level 2 inputs in the fair value hierarchy.

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 6 – LINE OF CREDIT

The Organization has a line of credit agreement with a financial institution with a maximum borrowing capacity of \$9,000,000 as of June 30, 2026. The line of credit bears interest at a variable rate of prime minus 0.75% (6.00% at June 30, 2026) and matures on January 1, 2027. The line is collateralized by investment funds held in an account with the financial institution. At June 30, 2026, no amount was outstanding under the line of credit and there was no interest expense incurred for the year ended June 30, 2026. The line of credit is subject to certain non-financial covenants.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions include certain assets for which the donors stipulated the principal is to be maintained in perpetuity. The earnings and net appreciation on these funds are reported as follows:

- An increase in net assets with donor restrictions held in perpetuity if the terms of the gift or the Foundation's board interpretation of relevant state law require that they be added to the principal of a permanent endowment fund;
- An increase in net assets with donor restrictions for a specific purpose if the terms of the gift impose restrictions on the use of income; or
- An increase in net assets with donor restrictions for a specific period until appropriated for expenditure.

Net assets with donor restrictions for a specified purpose or time period consist primarily of earnings on net assets with donor restrictions held in perpetuity as described above, donor restricted quasi-endowments and scholarship funds. These earnings are donor designated for specific purposes including scholarships, granting programs, and for the support of the fund's beneficiary organizations and their missions and programs.

Net assets with donor restrictions are restricted for purposes or time periods as follows at June 30:

	2026	2025
Restricted for scholarships and other programs	\$ 19,056,731	\$ 15,160,598
Net accumulated earnings on donor restricted endowments subject to the Foundation's spending policy	<u>16,506,398</u>	<u>10,413,818</u>
Total net assets subject to restriction for a specified purpose or time	<u>35,563,129</u>	<u>25,574,416</u>
Subject to restriction in perpetuity:		
Investments in perpetuity subject to donor restrictions	34,999,866	33,377,659
Annuity agreements	<u>1,037,196</u>	<u>836,307</u>
Total net assets subject to restriction in perpetuity	<u>36,037,062</u>	<u>34,213,966</u>
Total Net Assets with Donor Restrictions	<u>\$ 71,600,191</u>	<u>\$ 59,788,382</u>

Net assets released from restrictions consist primarily of scholarship awards and annual endowment disbursements.

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 8 – ENDOWMENTS

The Foundation's endowments consist of 251 and 245 individual donor restricted endowments and board designated endowments established for a variety of purposes as of June 30, 2026 and 2025, respectively. Additionally, at June 30, 2026 and 2025, the Foundation's endowments included 1 donor restricted quasi-endowment and 18 board designated endowments. As required by accounting principles generally accepted in the United States of America ("GAAP"), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

In September 2008, the State of Arizona enacted ARS§10-11801 et seq Management of Charitable Funds Act ("MCFA"). The Board of Directors of the Foundation has interpreted MCFA 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 Foundation classifies as net assets restricted in perpetuity (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in net assets restricted in perpetuity is classified as net assets subject to purpose or time restrictions based on the presence or absence of direction from the donor and are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by MCFA.

The Foundation has adopted investment and spending policies for endowment assets that seek to provide a predictable stream of funding to programs supported by its endowments while maintaining the purchasing power of the endowment assets. The Foundation's spending and investment policies work together to achieve this objective. Actual returns in any given year may vary.

To achieve its investment objectives over long periods of time, the Foundation has adopted an investment strategy that invests in domestic and international equities, alternative, and fixed income investments. The majority of assets are invested in equity or equity-like securities. Fixed income assets are used to lower short-term volatility. Alternative investments diversify income streams and help to mitigate volatility of the underlying portfolio. Diversifications by asset class, investment style, etc. are employed to avoid undue risk concentration and enhance total return. The primary performance objective is to achieve an annualized total rate of return that is equal to or greater than the Consumer Price Index + 5.8% over long periods of time.

The spending policy determines the amount of money in a given year that will be distributed from the Foundation's various endowment assets, which includes agency, designated and restricted funds. The normal spending policy is to distribute an amount equal to 4% of the previous twelve quarter rolling average balance of each fund's assets at market value. New permanent endowment funds may withdraw up to 4% after the first full year (up to the third year) even if in existence less than twelve quarters.

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 8 – ENDOWMENTS (CONTINUED)

Based on the spending policy, over the long term, the Foundation expects its endowment assets to grow at the rate of inflation. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment returns.

Endowment net asset composition by type of fund as of June 30, 2026 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment	\$ 16,476,253	\$ --	\$ 16,476,253
Donor restricted quasi-endowment	--	4,261,630	4,261,630
Donor restricted endowments held in perpetuity	--	34,999,866	34,999,866
Net accumulated earnings on donor restricted endowments subject to spending policies	--	16,506,398	16,506,398
Endowment Net Assets, Total Funds	<u>\$ 16,476,253</u>	<u>\$ 55,767,894</u>	<u>\$ 72,244,147</u>

Endowment net asset composition by type of fund as of June 30, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment	\$ 14,527,182	\$ --	\$ 14,527,182
Donor restricted quasi-endowment	--	3,743,928	3,743,928
Donor restricted endowments held in perpetuity	--	33,377,659	33,377,659
Net accumulated earnings on donor restricted endowments subject to spending policies	--	10,413,818	10,413,818
Endowment Net Assets, Total Funds	<u>\$ 14,527,182</u>	<u>\$ 47,535,405</u>	<u>\$ 62,062,587</u>

The changes in endowment net assets for the year ended June 30, 2026 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2025	\$ 14,527,182	\$ 47,535,405	\$ 62,062,587
Contributions	41,000	1,529,251	1,570,251
Changes in donor intent	--	49,486	49,486
Million Dollar Match transfers	(43,469)	43,469	--
Investment return:			
Investment income	346,458	1,189,980	1,536,438
Realized and unrealized gains	2,196,469	7,309,887	9,506,356
Appropriation of endowment assets for expenditure	(591,387)	(1,889,584)	(2,480,971)
Endowment Net Assets, June 30, 2026	<u>\$ 16,476,253</u>	<u>\$ 55,767,894</u>	<u>\$ 72,244,147</u>

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 8 – ENDOWMENTS (CONTINUED)

The changes in endowment net assets for the year ended June 30, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2024	\$ 13,068,152	\$ 41,110,122	\$ 54,178,274
Contributions	650,000	3,069,327	3,719,327
Changes in donor intent	--	87,783	87,783
Million Dollar Match transfers	(141,531)	141,531	--
Investment return:			
Investment income	337,370	1,101,987	1,439,357
Realized and unrealized gains	1,168,666	3,744,000	4,912,666
Appropriation of endowment assets for expenditure	(555,475)	(1,719,345)	(2,274,820)
Endowment Net Assets, June 30, 2025	\$ 14,527,182	\$ 47,535,405	\$ 62,062,587

To encourage endowment building, the Foundation started the Million Dollar Match initiative, which offers a matching grant from the Foundation's board designated endowment to the donor restricted endowment fund that an individual contributes to, all of which are held at the Foundation. New gifts were matched at 25% for new contributions made, up to \$250,000 per individual or organization, on a per gift basis. During fiscal year 2026 and 2025, the Foundation transferred approximately \$43,000 and \$142,000, respectively, in matching grants from the board designated endowment to the donor restricted endowments for a cumulative value of approximately \$2,295,000 since the inception of the initiative. The Million Dollar Match initiative available to the public was retired on February 28, 2023. The Foundation continues to make the Million Dollar Match incentive to select opportunities for its endowment drive program.

Funds with Deficiencies – 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 Foundation has interpreted MCFA to permit spending from underwater endowments in accordance with prudent measures required under law. The Foundation will cease spending from underwater endowment funds if they become 15% underwater and have a fair market value in excess of \$20,000 until the principal has been recovered.

At June 30, 2026 and 2025, the Foundation had certain funds in which the fair value of the funds fell below its original corpus. Underwater funds at June 30, 2026 and 2025, are as follows:

	2026	2025
Fair value of underwater endowment funds	\$ 36,581	\$ 254,909
Original gift values	59,519	282,109
Fund Deficiencies	\$ (22,938)	\$ (27,200)

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 9 – PENSION PLAN

The Foundation participates in the Lay Employees Retirement Plan (the “Plan”), a multi-employer defined benefit pension plan administered by the Diocese of Phoenix. The Plan covers lay employees of the Diocese of Phoenix, the Central Administrative Office, the Diocesan High Schools, the parishes, and employees of the Foundation. Contributions to the Plan are based on salary levels of eligible employees. The Foundation made contributions to the Plan of \$104,354 and \$84,180 for the years ended June 30, 2026 and 2025, respectively. The portion of the Plan’s assets and liabilities allocable to the Foundation has not been determined with respect to accumulated benefits. In the event of withdrawals from the Plan and under certain other conditions, a contributor to a multi-employer plan may be liable to the Plan for a portion of the underfunded status, if any.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

RIGHT OF USE OPERATING LEASES

The Foundation signed a lease agreement for office space expiring in July 2025. During fiscal year 2024, the Foundation amended the original lease agreement, which expanded the amount of office space and extended the lease term until December 2028. The Foundation also leases office equipment under two operating lease agreements with both terms expiring in fiscal 2030. Neither lease has an option to renew.

Future minimum lease commitments for facilities and equipment under these leases with an initial term in excess of one year are as follows:

Years Ending June 30,	Amount
2027	\$ 73,782
2028	73,606
2029	39,652
2030	1,036
Total future lease payments	\$ 188,076
Less: imputed interest	(9,464)
Present Value of Lease Liabilities	\$ 178,612

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 10 – COMMITMENTS AND CONTINGENCIES

RIGHT OF USE OPERATING LEASES

The following summarizes other information regarding operations leases as of and for the years June 30, 2026 and 2025:

	2026	2025
Operating expense	\$ 73,673	\$ 68,395
Operating cash flows from operating leases	\$ 73,328	\$ 66,510
Weighted average remaining lease term (years)	2.60	3.45
Weighted average discount rate	3.95%	3.92%
Latest maturity	Fiscal 2030	Fiscal 2029

NOTE 11 – FAIR VALUE MEASUREMENTS

The following table sets forth the level, within the fair value hierarchy, of the Foundation's assets and liabilities subject to recurring fair value measurement as of June 30, 2026:

	Level 1	Level 2	Level 3	Total
Equity mutual funds				
US large cap mutual funds	57,074,264	--	--	57,074,264
US mid cap mutual funds	11,247,502	--	--	11,247,502
US small cap mutual funds	3,634,345	--	--	3,634,345
Developed international mutual funds	15,773,632	--	--	15,773,632
Emerging markets mutual funds	8,764,063	--	--	8,764,063
Other mutual funds	279	--	1,216,102	1,216,381
Total equity mutual funds	96,494,085	--	1,216,102	97,710,187
Fixed income				
Corporate bonds	--	25,172,342	--	25,172,342
Pooled vehicle fixed income	9,825,682	--	--	9,825,682
U.S. Treasury bonds	14,338,669	--	--	14,338,669
Mortgage backed securities	--	6,090,223	--	6,090,223
Other fixed income	--	398,068	--	398,068
Total fixed income	24,164,351	31,660,633	--	55,824,984
Cash equivalents	1,826,688	--	--	1,826,688
Convertible notes	--	--	150,000	150,000
Annuity contracts	--	--	204,955	204,955
Agency fund liability	--	(51,862,184)	--	(51,862,184)

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 11 – FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth the level, within the fair value hierarchy, of the Foundation's assets and liabilities subject to recurring fair value measurement as of June 30, 2025:

	Level 1	Level 2	Level 3	Total
Equity mutual funds				
US large cap mutual funds	48,965,774	--	--	48,965,774
US mid cap mutual funds	8,723,213	--	--	8,723,213
US small cap mutual funds	3,871,548	--	--	3,871,548
Developed international mutual funds	11,754,906	--	--	11,754,906
Emerging markets mutual funds	5,149,590	--	--	5,149,590
Other mutual funds	75,094	--	1,020,100	1,095,194
Total equity mutual funds	78,540,125	--	1,020,100	79,560,225
Fixed income				
Corporate bonds	17,876,879	2,574,623	211,480	20,662,982
Pooled vehicle fixed income	8,287,715	--	--	8,287,715
Treasury bonds	10,067,173	--	--	10,067,173
Mortgage backed securities	--	5,410,492	--	5,410,492
Other fixed income	--	--	--	--
Total fixed income	36,231,767	7,985,115	211,480	44,428,362
Structured notes	--	--	--	--
Convertible notes	--	--	200,000	200,000
Annuity contracts	--	--	252,304	252,304
Agency fund liability	--	(39,930,004)	--	(39,930,004)

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 12 – FUNCTIONAL EXPENSES

The Foundation's expenses by function and nature for the year ended June 30, 2026 are as follows:

	Grants and Scholarships Programs	Development and Fundraising	Management and General	Total
Scholarships, grants, and awards	\$ 5,981,564	\$ --	\$ --	\$ 5,981,564
Salaries and wages	144,986	581,004	375,622	1,101,612
Employee benefits and taxes	39,585	159,435	105,720	304,740
Professional fees	1,025	18,456	130,448	149,929
Conferences and travel	428	12,018	8,793	21,239
Subscriptions and contract costs	20,181	30,220	32,259	82,660
Supplies	1,041	1,596	5,985	8,622
Facilities and operations	14,073	78,417	35,266	127,756
Venue and catering	800	47,655	--	48,455
Printing and design	7,069	25,848	16,830	49,747
Sponsorships	106,850	--	--	106,850
Advertising and promotion	13,516	13,516	14,115	41,147
Other expenses	1,909	41,072	53,867	96,848
Total	\$ 6,333,027	\$ 1,009,237	\$ 778,905	\$ 8,121,169

The Foundation's expenses by function and nature for the year ended June 30, 2025 are as follows:

	Grants and Scholarships Programs	Development and Fundraising	Management and General	Total
Scholarships, grants, and award	\$ 3,759,461	\$ --	\$ --	\$ 3,759,461
Salaries and wages	122,536	435,890	332,171	890,597
Employee benefits and taxes	31,406	112,246	88,652	232,304
Professional fees	--	23,669	95,747	119,416
Conferences and travel	168	7,270	5,679	13,117
Subscriptions and contract costs	--	3,796	59,122	62,918
Supplies	43	702	2,337	3,082
Facilities and operations	13,459	47,876	67,546	128,881
Venue and catering	2,492	179,632	--	182,124
Printing and design	873	9,652	31,230	41,755
Sponsorships	79,109	--	--	79,109
Advertising and promotion	224	1,544	37,385	39,153
Other expenses	409	45,476	55,283	101,168
Total	\$ 4,010,180	\$ 867,753	\$ 775,152	\$ 5,653,085

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 13 – LIQUIDITY AND AVAILABILITY OF RESOURCES

As of June 30, 2026 and 2025, the Foundation's assets available within one year of the statement of financial position date for general expenditures consist of the following:

	2026	2025
Cash and cash equivalents	\$ 251,821	\$ 114,048
Contributions receivable	5,158	15,158
Investments in financial assets	153,082,230	127,130,670
Split interest agreements	<u>5,258,007</u>	<u>4,776,937</u>
Total financial assets available within one year	158,597,216	132,036,813
Less: contractual or donor-imposed restrictions making financial assets unavailable within one year:		
Restricted by donors with purpose restrictions	(19,056,731)	(15,160,598)
Endowments restricted in perpetuity	(36,037,062)	(34,213,966)
Investments held in trust, less amounts to be received within one year	(204,955)	(252,304)
Agency investments	(51,862,184)	(39,930,004)
Investments held for annuity agreements	(5,258,007)	(4,776,937)
Non marketable partnership interests	(908,340)	(953,340)
Board designations for quasi endowment funds, primarily for long-term investing, net of spending policy	(15,817,203)	(13,946,095)
Accumulated earnings on endowments, net of spending policy	(15,846,142)	(9,997,265)
Donor advised funds with an implied restriction of not available for general expenditures	<u>(10,527,727)</u>	<u>(10,628,901)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 3,078,865</u></u>	<u><u>\$ 2,177,403</u></u>

The Foundation is substantially supported by the administrative fees that are earned through the management of the underlying investment balances of fund holders, which entails the monitoring of investment allocation decisions, providing donor education and resources, and performing administrative functions to operate and maintain the funds of donors. During fiscal year 2026 and 2025, \$1,472,000 and \$1,293,000, respectively, of administrative fees were earned and primarily reflected as net assets released from restrictions. These fees are available to be used at the discretion of management and are earned and reallocated to operations on a monthly basis.

As described in Note 8, the Foundation's endowment spending policy determines the amount of money in a given year that will be distributed from the Foundation's various endowment assets, which includes agency, designated, restricted and unrestricted funds. The normal spending policy is to distribute an amount equal to 4% of the previous twelve quarter rolling average balance of each fund's assets at market value. New permanent endowment funds may withdraw up to 4% after the first full year (up to the third year) even if in existence less than twelve quarters.

CATHOLIC COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2026 and 2025

NOTE 13 – LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

As part of the Foundation's liquidity management, the board has granted management discretion to utilize board designated assets to assist in addressing any financial distress or any immediate liquidity needs resulting from budget shortfalls or operating needs. The CEO has the ability to use up to \$50,000 of quasi-endowment funds, in addition to the current year available to spend generated from these quasi-endowments, before approaching the board for further funding.

As part of the Foundation's liquidity management plan, the Foundation holds \$150,000 as a target for liquidity to fulfill cash requirements that arise from the requests of fund holders and to meet operational needs. Cash in excess of the \$150,000 is invested in various investment vehicles including corporate bonds, money market accounts and equities.

NOTE 14 – CONCENTRATIONS

For the years ended June 30, 2026 and 2025, the Foundation recognized \$162,746 and \$694,649, respectively, of contribution and fundraising event revenue from members of the Board of Directors and their respective business entities. Additionally, one donor comprised approximately 14% of total contributions for the year ended June 30, 2026, and two donors comprised approximately 35% of total contributions for the year ended June 30, 2025.