

***Catholic Foundation of
Eastern Pennsylvania, Inc.***

June 30, 2022 and 2021

***Financial Statements and
Independent Auditor's Report***

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA, INC.
JUNE 30, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Catholic Foundation of Eastern Pennsylvania, Inc.

Opinion

We have audited the accompanying financial statements of Catholic Foundation of Eastern Pennsylvania, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022, and 2021, and the related statements of activities and 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 Organization as of June 30, 2022 and 2021, 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 these standards are further described in the Auditor's Responsibilities for the Audits 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 these 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.

Auditor's Responsibilities for the Audits 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 auditor's 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, including omissions, 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 judgment 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 judgement, 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 charge with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Concannon, Miller + Co., P.C.

Bethlehem, PA
October 25, 2022

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA
STATEMENTS OF FINANCIAL POSITION

	June 30,	
<u>ASSETS</u>	2022	2021
Cash	\$ 65,939	\$ 67,014
Investments, at fair value	22,535,421	24,015,180
Pledge receivable	50,000	30,000
Other receivable	927	0
Total Assets	\$ 22,652,287	\$ 24,112,194
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 4,441	\$ 2,625
Total Current Liabilities	4,441	2,625
AGENCY ENDOWMENTS		
Total Liabilities	13,682,644	13,613,602
	13,687,085	13,616,227
NET ASSETS		
Without donor restrictions:		
Undesignated	407,210	415,390
Donor endowments	8,557,992	10,080,577
Total Net Assets	8,965,202	10,495,967
Total Liabilities and Net Assets	\$ 22,652,287	\$ 24,112,194

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

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA
STATEMENTS OF ACTIVITIES AND FUNCTIONAL EXPENSES

	Years Ended June 30,	
	2022	2021
REVENUES AND SUPPORT		
Contributions and gifts	\$ 3,717,217	\$ 5,498,145
Less: agency contributions	<u>(2,888,790)</u>	<u>(3,845,510)</u>
	828,427	1,652,635
Administration fees	239,967	177,735
Less: non-agency administration fees	<u>(102,116)</u>	<u>(76,609)</u>
	137,851	101,126
Investment return, net of advisory fees	(4,429,271)	4,686,447
Less: agency investment return, net of advisory fees	<u>2,559,525</u>	<u>(2,645,497)</u>
	<u>(1,869,746)</u>	<u>2,040,950</u>
Total Revenue and Support	<u>(903,468)</u>	<u>3,794,711</u>
EXPENSES		
Program Expenses:		
Salaries and wages	140,857	76,875
Employer payroll taxes	11,804	5,881
Employee benefits	13,879	8,937
Contract services	0	11,215
Printing	12,559	0
Endowment distributions	429,825	306,255
Less: agency endowment distributions	<u>(122,372)</u>	<u>(69,618)</u>
Total Program Expenses	<u>486,552</u>	<u>339,545</u>
Management and General:		
Salaries and wages	29,987	56,493
Employer payroll taxes	2,513	5,156
Employee benefits	4,017	2,979
Accounting and audit	51,775	26,410
Bank and service fees	2,351	972
Contract services	10,159	8,606
Information technology	6,205	8,127
Insurance	5,023	4,852
Legal fees	1,593	2,290
Meetings	1,601	0
Professional memberships	2,175	0
Miscellaneous	503	512
Office supplies and expense	2,069	4,641
Postage	668	1,677
Printing	15,495	15,632
Travel	<u>4,611</u>	<u>1,010</u>
Total Management and General Expense	<u>140,745</u>	<u>139,357</u>
Total Expenses	<u>627,297</u>	<u>478,902</u>
CHANGE IN NET ASSETS	(1,530,765)	3,315,809
NET ASSETS, BEGINNING OF YEAR	10,495,967	7,180,158
NET ASSETS, END OF YEAR	<u>\$ 8,965,202</u>	<u>\$ 10,495,967</u>

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

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA
STATEMENTS OF CASH FLOWS

	Years Ended	
	June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,530,765)	\$ 3,315,809
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Realized (gains) losses on investments	12,088	(140,153)
Unrealized (gains) losses on investments	2,308,772	(3,972,018)
(Increase) decrease in assets:		
Pledge receivable	(20,000)	35,000
Other assets	(927)	0
Increase (decrease) in liabilities:		
Accounts payable	1,816	2,625
Agency endowments	69,042	6,320,263
Net Cash Provided by Operating Activities	<u>840,026</u>	<u>5,561,526</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of investment securities, net	<u>(841,101)</u>	<u>(5,539,536)</u>
Net Cash Used in Investing Activities	<u>(841,101)</u>	<u>(5,539,536)</u>
NET INCREASE (DECREASE) IN CASH	(1,075)	21,990
CASH, BEGINNING OF YEAR	<u>67,014</u>	<u>45,024</u>
CASH, END OF YEAR	<u><u>\$ 65,939</u></u>	<u><u>\$ 67,014</u></u>

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

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 Nature and Purpose of the Organization

Catholic Foundation of Eastern Pennsylvania, Inc (the “Organization”) is a private, not-for-profit charitable organization tax exempt under Section 501(c)(3) of the Internal Revenue Code and incorporated under the laws of the Commonwealth of Pennsylvania designed to manage assets, generate perpetual income, and provide financial stability for Catholic parishes, educational institutions, and non-profit organizations in Berks, Carbon, Lehigh, Northampton, and Schuylkill counties.

NOTE 2 Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with FASB ASC 958, *Not-for-Profit Entities*.

Basis of Presentation

The Organization’s net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions or law.

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. As of June 30, 2022 and 2021, the Organization did not have any net assets with donor restrictions.

Cash and Cash Equivalents

Cash consists solely of the Organization’s checking account held at one financial institution.

Contributions Receivable

Contributions receivable, including unconditional promises to give, are recognized as contributions in the period the contribution or promise is made and the amount due the Organization can be reasonably estimated. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Amortization of the discounts is included in contribution revenue. Management believes all amounts are fully collectible and has not established an allowance.

Conditional promises to give are not included as support until the conditions on which they depend are substantially met.

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022 AND 2021

NOTE 2 Summary of Significant Accounting Policies (Continued)

Bequests

Bequests are not recognized or recorded as support until all of the following conditions are met: the demise of testator, the amount of the bequest is known, the Organization is certain that, based on the estate's net assets, the amount bequeathed is realizable, and the probate court has declared the will valid.

Valuation of Investments in Securities at Fair Value

The Organization complies with the provisions of FASB ASC 820, *Fair Value Measurement and Disclosures*. Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Agency Funds

The Organization accepts funds to manage and invest on behalf of Catholic organizations primarily within the Berks, Carbon, Lehigh, Northampton, and Schuylkill counties. Accordingly, these assets are carried at fair value with a corresponding liability (see Note 7). Any activity related to these funds are presented as reductions in current year activity in the statement of activities.

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022 AND 2021

NOTE 2 Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Administrative Fee Revenue

In accordance with ASC 606, *Revenue from Contracts with Customers*, revenue from the Organization's administration of the various funds maintained on behalf of its donors and related beneficiaries is comprised of administrative fees. Historically and through September 30, 2020, the administrative fees were based on an annual rate of 100 basis points and charged monthly at 1/12th of that rate on beginning balance of each fund. As approved on August 25, 2020 and effective beginning October 1, 2020, the Board of Directors instituted a sliding scale for administrative fees which would range from an annual rate of 35 to 100 basis points depending on the size of the respective fund. Further, the fee for any funds which are intended to support other than long-term objectives would be charged at 50 basis points. Fees are assessed quarterly on the first business day of the first month of each quarter and are calculated based on a partner's total assets in all of its funds.

The Catholic Foundation uses the administrative fees collected for operating and program services that provide added-value benefits to its partners. These services include, but are not limited to investment strategy, investment monitoring, marketing, fundraising guidance, legal, tax filings, etc.

As of June 30, 2022, the Organization held contract assets (investments) and contract liabilities (agency funds) as a result of the fund agreements. See Note 7 for additional details.

Public Support

In accordance with ASC 958, public support is comprised primarily of contributions which are recorded as revenue when an unconditional promise to give has been made. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

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 statements of activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the Organization's program and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022 AND 2021

NOTE 2 Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses (Continued)

Expenses that can be identified with a specific program or support service are allocated directly according to their natural classification. Other expenses that are common to several functions are allocated based on estimates made for time spent by key personnel between functions, space occupied by function, and other objective bases

Income Taxes

No provision for income taxes has been made in the financial statements since the Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. However, income from activities not directly related to the Organization's tax-exempt purpose, if any, would be subject to taxation as unrelated business income.

The Organization complies with the guidance for uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. Using that guidance tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by tax authorities.

As of June 30, 2022, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 Liquidity and Availability

The Organization's cash flows, and liquidity are primarily driven by the monthly receipt of the administration fees charged to each endowment fund managed. In addition, the Organization solicits contributions to support the general operations. The Organization manages its liquidity in accordance with two guiding principles: (1) controlling its operations within a prudent range of financial soundness and stability and, (2) maintaining adequate liquid assets to fund near – term operating requirements.

Financial assets available for general expenditure within one year of the statement of financial position date, comprise the following:

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022 AND 2021

NOTE 3 Liquidity and Availability (Continued)

	June 30	
	2022	2021
Cash	\$ 65,939	\$ 67,014
Investments	22,535,421	24,015,180
Less investments held for agency funds	(13,682,644)	(13,613,602)
Less investments held for donor endowments	(8,557,992)	(10,080,577)
Pledge receivable expected within the next twelve months	50,000	30,000
	\$ 410,724	\$ 418,015

NOTE 4 Concentration of Credit Risk

The Organization may be subject to credit risk on its cash balances, which are placed at one commercial bank. The amounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to a maximum of \$250,000. The risk is managed by maintaining all deposits in a high-quality financial institution. From time to time, the Organization may have amounts on deposit in excess of the FDIC limits. At June 30, 2022, the Organization’s cash balance was not at risk.

NOTE 5 Pledge Receivable

At June 30, 2022 and 2021, the Organization’s pledge receivable balances of \$50,000 and \$30,000, respectively, are comprised of pledge(s) from two and one donors, respectively. The balance remaining as of June 30, 2022 is expected to be collected within the following fiscal year.

NOTE 6 Investments

The Organization’s investments are recorded at fair value and have been categorized based upon a fair value hierarchy, in accordance with ASC 820 (see Note 2). All investments held at June 30, 2022 and 2021 are summarized as follows:

	Investments at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Cash Equivalents				
Money market funds	\$ 95,764	\$ 0	\$ 0	\$ 95,764
Fixed Income				
US government bonds	2,335,293			2,335,293
Corporate bonds	2,473,509			2,473,509
Foreign bonds	311,570			311,570

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022 AND 2021

NOTE 6 Investments (Continued)

	Investments at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Mutual Funds				
Equities	\$ 13,870,644			\$ 13,870,644
Fixed income	2,446,571			2,446,571
Balanced	1,002,070			1,002,070
Total Investments	\$ 22,535,421	\$ 0	\$ 0	\$ 22,535,421

	Investments at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Cash Equivalents				
Money market funds	\$ 155,952	\$ 0	\$ 0	\$ 155,952
Fixed Income				
US government bonds	2,556,979			2,556,979
Corporate bonds	2,438,294			2,438,294
Foreign bonds	417,080			417,080
Mutual Funds				
Equities	14,616,470			14,616,470
Fixed income	2,502,571			2,502,571
Balanced	1,327,834			1,327,834
Total Investments	\$ 24,015,180	\$ 0	\$ 0	\$ 24,015,180

Generally, for all mutual funds, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions.

Investment return, as reported on the statements of activities, is comprised of:

	Years Ended June 30,	
	2022	2021
Interest and dividends	\$ 1,097,665	\$ 609,504
Unrealized gains (losses)	(5,448,055)	3,972,018
Realized gains (losses)	(32,613)	140,153
Less investment fees	(46,268)	(35,228)
	(4,429,271)	4,686,447
Less agency investment return, net of advisory fees	2,559,525	(2,645,497)
	\$ (1,869,746)	\$ 2,040,950

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022 AND 2021

NOTE 7 Agency Endowments

The Organization accepts funds to invest and manage from Catholic organizations primarily in Berks, Carbon, Lehigh, Northampton, and Schuylkill counties. Contributions to the various funds have been recorded as liabilities or contribution revenue for audit and accounting purposes in accordance with FASB AC 958-605-50 *Transfer of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*.

Contributions made to the Organization, where the donor names itself as the beneficiary of the assets, are recorded as agency endowment liabilities in the Statement of Net Position. Subsequent changes in the value of these investments are recorded as increases or decreases in the agency endowment liability in the Statement of Net Position.

Contributions made to the Organization, where the donor is not the beneficiary and the donor agreement grants the Board of Directors of the Organization variance power, are recorded as contribution revenue in the Statement of Activities. Subsequent changes in the value of these investments are recorded in the Statement of Activities.

For the years ended June 30, 2022 and 2021, \$13,682,644 and \$13,613,602, respectively, of the total investments disclosed in Note 6 were agency endowment liabilities. The following is a summary of the change in the agency endowment liability during the year ended June 30, 2022 and 2021. This activity is included in the Organization's statements of activities as a reduction to the gross receipts and disbursements collected and disbursed, respectively, during the year.

	Years Ended June 30,	
	2022	2021
Investment income, net of advisory fees	\$ (2,559,525)	\$ 2,645,497
Administration fees charged by the Organization	(137,851)	(101,126)
Agency accounts additions	2,888,790	3,845,510
Agency accounts distributions	(122,372)	(69,618)
Net agency activity	69,042	6,320,263
Agency liability – July 1	13,613,602	7,293,339
Agency liability – June 30	\$ 13,682,644	\$ 13,613,602

NOTE 8 Related Party Contributions

The Organization receives contributions from its board members and staff. Contributions received from these related parties during the years ended June 30, 2022 and 2021 totaled \$124,537, including \$37,500 of matching contributions and \$110,055, including \$37,500 of matching contributions, respectively.

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022 AND 2021

NOTE 9 Retirement Plan

During the year ended June 30, 2021, the Board of Directors approved a deferred compensation plan for its President to be set up in the form of a Simplified Employee Pension (SEP) IRA. The Foundation contributes quarterly to the IRA plan. Total employer contributions to the plan for the years ended June 30, 2022 and 2021 was \$10,750 and \$11,916, respectively.

NOTE 10 Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, the Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 25, 2022. No events or transactions have occurred through this date that would require recognition or disclosure in the financial statements.

NOTE 11 Recent Accounting Pronouncements

Leases

In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the Organization's leasing activities. The guidance will initially be applied using a modified retrospective approach. The amendments in the guidance will be effective for the fiscal year ending June 30, 2023. Early adoption is permitted. Management has determined that this statement has no impact on the Organization's financial statements.

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION

To the Board of Directors of
Catholic Foundation of Eastern Pennsylvania, Inc.

We have audited the statements of financial position of Catholic Foundation of Eastern Pennsylvania, Inc. as of June 30, 2022 and 2021, and the related statements of activities and functional expenses and cash flows for the years then ended, and have issued our report thereon dated October 25, 2022, which contained an unmodified opinion on those financial statements. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Financial Position – Fund Basis and Statement of Activities and Functional Expenses – Fund Basis are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Concannon, Miller + Co., P.C.

Bethlehem, PA
October 25, 2022

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA
STATEMENT OF FINANCIAL POSITION - FUND BASIS
JUNE 30, 2022

	Operating Fund	Endowment Fund	Total
<u>ASSETS</u>			
Cash	\$ 62,676	\$ 3,263	\$ 65,939
Investments, at fair value	323,048	22,212,373	22,535,421
Pledge receivable	25,000	25,000	50,000
Other receivable	927		927
Total Assets	\$ 411,651	\$ 22,240,636	\$ 22,652,287
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES			
Accounts payable	\$ 4,441	\$ 0	\$ 4,441
Total Current Liabilities	4,441	0	4,441
AGENCY ENDOWMENTS			
Total Liabilities	4,441	13,682,644	13,687,085
NET ASSETS			
Without donor restrictions:			
Undesignated	407,210		407,210
Donor endowments		8,557,992	8,557,992
Total Net Assets	407,210	8,557,992	8,965,202
Total Liabilities and Net Assets	\$ 411,651	\$ 22,240,636	\$ 22,652,287

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA
STATEMENT OF ACTIVITIES AND FUNCTIONAL EXPENSES - FUND BASIS
YEAR ENDED JUNE 30, 2022

	Operating Fund	Endowment Fund	Total
REVENUES AND SUPPORT			
Contributions and gifts	\$ 107,650	\$ 3,609,567	\$ 3,717,217
Less: agency contributions and gifts		(2,888,790)	(2,888,790)
	<u>107,650</u>	<u>720,777</u>	<u>828,427</u>
Administration fees	239,967		239,967
Less: non-agency administration fees		(102,116)	(102,116)
	<u>239,967</u>	<u>(102,116)</u>	<u>137,851</u>
Investment return, net of advisory fees	(35,953)	(4,393,318)	(4,429,271)
Less: agency investment return, net of advisory fees		2,559,525	2,559,525
	<u>(35,953)</u>	<u>(1,833,793)</u>	<u>(1,869,746)</u>
Total Revenue and Support	<u>311,664</u>	<u>(1,215,132)</u>	<u>(903,468)</u>
EXPENSES			
Program Expenses:			
Salaries and wages	140,857		140,857
Employer payroll taxes	11,804		11,804
Employee benefits	13,879		13,879
Printing	12,559		12,559
Endowment distributions		429,825	429,825
Less: agency endowment distributions		(122,372)	(122,372)
Total Program Expenses	<u>179,099</u>	<u>307,453</u>	<u>486,552</u>
Management and General:			
Salaries and wages	29,987		29,987
Employer payroll taxes	2,513		2,513
Employee benefits	4,017		4,017
Accounting and audit	51,775		51,775
Bank and service fees	2,351		2,351
Contract services	10,159		10,159
Information technology	6,205		6,205
Insurance	5,023		5,023
Legal fees	1,593		1,593
Meetings	1,601		1,601
Professional memberships	2,175		2,175
Miscellaneous	503		503
Office supplies and expense	2,069		2,069
Postage	668		668
Printing	15,495		15,495
Travel	4,611		4,611
Total Management and General Expenses	<u>140,745</u>	<u>0</u>	<u>140,745</u>
Total Expenses	<u>319,844</u>	<u>307,453</u>	<u>627,297</u>
CHANGE IN NET ASSETS	(8,180)	(1,522,585)	(1,530,765)
NET ASSETS, BEGINNING OF YEAR	<u>415,390</u>	<u>10,080,577</u>	<u>10,495,967</u>
NET ASSETS, END OF YEAR	<u>\$ 407,210</u>	<u>\$ 8,557,992</u>	<u>\$ 8,965,202</u>