



Financial Statements
and
Independent Auditors' Report



The Catholic Community Foundation
For the Catholic Diocese of Belleville

June 30, 2025 and 2024

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	5
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	6
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8

Independent Auditors' Report

Members of the Diocesan Finance Council
and the Board of Directors
The Catholic Community Foundation
for the Catholic Diocese of Belleville

Opinion

We have audited the financial statements of The Catholic Community Foundation for the Catholic Diocese of Belleville (the Foundation), which comprise the statements of financial position as of June 30, 2025 and 2024, 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, 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 (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 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 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.

Heber, Eck & Braeckel LLP

Springfield, Illinois
October 29, 2025

The Catholic Community Foundation for the Catholic Diocese of Belleville
STATEMENTS OF FINANCIAL POSITION
June 30

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 8,357	\$ 5,694
Investments	36,039,356	31,769,336
	<u>36,047,713</u>	<u>31,775,030</u>
Total assets	<u>\$ 36,047,713</u>	<u>\$ 31,775,030</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Due to related party	\$ 4	\$ 88
Accrued expenses	12,000	11,500
Deposits held for others	35,329,259	31,172,435
	<u>35,341,263</u>	<u>31,184,023</u>
Total liabilities	35,341,263	31,184,023
NET ASSETS		
Without donor restrictions	663,903	549,059
With donor restrictions	42,547	41,948
	<u>706,450</u>	<u>591,007</u>
Total net assets	<u>706,450</u>	<u>591,007</u>
Total liabilities and net assets	<u>\$ 36,047,713</u>	<u>\$ 31,775,030</u>

The accompanying notes are an integral part of these statements.

The Catholic Community Foundation for the Catholic Diocese of Belleville
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended June 30

	2025			2024		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE						
Administrative fees	\$ 144,917	\$ -	\$ 144,917	\$ 147,944	\$ -	\$ 147,944
Investment income, net of fees of \$ 2,703 and \$ 2,426 for 2025 and 2024, respectively	51,503	3,799	55,302	49,913	4,418	54,331
Contributions	10,000	-	10,000	-	-	-
Net assets released from restrictions	3,200	(3,200)	-	7,000	(7,000)	-
Total support and revenue	209,620	599	210,219	204,857	(2,582)	202,275
EXPENSES						
Program services						
Management fee	63,200	-	63,200	54,400	-	54,400
Donations	3,200	-	3,200	7,000	-	7,000
Total program services	66,400	-	66,400	61,400	-	61,400
Supporting services						
Management and general						
Management fee	15,800	-	15,800	13,600	-	13,600
Professional fees	12,000	-	12,000	11,500	-	11,500
Miscellaneous	576	-	576	626	-	626
Total supporting services	28,376	-	28,376	25,726	-	25,726
Total expenses	94,776	-	94,776	87,126	-	87,126
CHANGE IN NET ASSETS	114,844	599	115,443	117,731	(2,582)	115,149
NET ASSETS - Beginning of year	549,059	41,948	591,007	431,328	44,530	475,858
NET ASSETS - End of year	\$ 663,903	\$ 42,547	\$ 706,450	\$ 549,059	\$ 41,948	\$ 591,007

The accompanying notes are an integral part of these statements.

The Catholic Community Foundation for the Catholic Diocese of Belleville
STATEMENTS OF CASH FLOWS
For the years ended June 30

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ 115,443	\$ 115,149
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Unrealized gain on Foundation investments	(55,302)	(54,331)
Changes in assets and liabilities		
Due to related party	(84)	51
Accrued expenses	500	500
	<hr/>	<hr/>
Net cash provided by operating activities	60,557	61,369
Cash flows from investing activities		
Sales of investments	687,116	590,105
Purchases of investments	(2,410,988)	(2,428,214)
	<hr/>	<hr/>
Net cash used in investing activities	(1,723,872)	(1,838,109)
Cash flows from financing activities		
Net earnings and increase in deposits held for others	1,665,978	1,769,164
	<hr/>	<hr/>
Net cash provided by financing activities	1,665,978	1,769,164
Net increase (decrease) in cash	2,663	(7,576)
Cash at beginning of year	<hr/> 5,694	<hr/> 13,270
Cash at end of year	<hr/> <hr/> \$ 8,357	<hr/> <hr/> \$ 5,694
Noncash transactions:		
Unrealized gain on investments held by depositors	\$ 2,490,846	\$ 2,734,270

The accompanying notes are an integral part of these statements.

The Catholic Community Foundation for the Catholic Diocese of Belleville
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE A | NATURE OF ORGANIZATION

The Catholic Community Foundation for the Catholic Diocese of Belleville (the Foundation) was created as an Illinois not-for-profit corporation as of December 24, 1999.

The by-laws set forth the purposes, objectives and activities of the Foundation are as follows:

- a) To provide for the common administration of endowment, quasi-endowment, and other funds held by and/or through the Diocese of Belleville.
- b) To provide for the common investment and administration of funds received from parishes, schools, and other organizations within the Diocese of Belleville.
- c) To receive and administer funds for the benefit of the Diocese of Belleville, its members, and those participating in its programs.
- d) To do and perform such acts as may be necessary or appropriate to carry out the foregoing purposes of the Foundation, and in connection therewith, to exercise any of the powers granted to not-for-profit corporations by the Corporation Laws of the State of Illinois.

The by-laws provide for a Board of Directors with general powers to the extent delegated by the Bishop of the Diocese of Belleville. The Board of Directors shall manage the finances and affairs of the Foundation and shall do and perform every act and thing which it shall deem necessary, expedient, or advisable to carry out the purposes of the Foundation.

The Bishop shall have reserved to him the power and authority to rescind and overturn any and all actions of the Board of Directors.

Investment Agreements

Investments are held under investment agreements between the Foundation and participants. There are two types of investment agreements.

The first is for fully endowed funds, which are intended to serve as a permanent resource for the general welfare, benefit, and support of the religious, educational, and charitable needs of the participant. Corpus resulting from funds invested by the participant under this agreement may not be withdrawn by the participant following the date of investment. In the event of the dissolution of the Foundation, the corpus and any accrued, undistributed earnings will be distributed to the participant, or if the participant is not then in existence, to the Diocese. This type of agreement is no longer offered.

The Catholic Community Foundation for the Catholic Diocese of Belleville
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE A | NATURE OF ORGANIZATION

Investment Agreements - Continued

The second is for limited term investment agreements, which are intended to serve as a resource for the general welfare, benefit, and support of the religious, educational and charitable needs of the participant. The funds held under the limited term agreements can be used on behalf of the participant. Funds invested by the participant under this agreement may be withdrawn at any time by giving written notice to the Foundation.

Articles in the agreements provide for funds to be held and invested under the terms of the Foundation's Investment Policy. The initial funds transferred to the Foundation by the participant shall be invested between the Fixed Income Fund and Growth Fund as determined by the participant.

The agreements provide for amendments of the allocation between the two funds, time of investment, allocation of earnings, withdrawals of earnings, withdrawals of corpus, and administrative expenses. Funds are owned and completely controlled by participants. Participants have the sole obligation to manage compliance surrounding Endowment terms and conditions.

Investments consist of various accounts at Christian Brothers Investment Services, Inc. The Foundation has engaged an investment consultant and one or more investment managers to manage the investment of the assets within each investment fund. A decision regarding the allocation of assets and purchase and sale of investment securities within each fund rests with the Board of Directors.

Donor Advised Fund

This fund is intended to serve as a resource for the general welfare, benefit, and support of the religious, educational and/or charitable needs of the Diocese of Belleville and other organizations determined to be tax exempt under Section 501(c)(3) of the Internal Revenue Code (Title 26 United States Code), whose goals are not inconsistent with the Roman Catholic Church. The fund is to be operated exclusively for charitable purposes and all transfers to the fund are irrevocable charitable gifts. As of June 30, 2025 and 2024, net assets with donor restrictions consist of donor advised funds and the respective earnings (losses) on those funds.

The Catholic Community Foundation for the Catholic Diocese of Belleville
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE A | NATURE OF ORGANIZATION

Investment Policy

The Board of Directors is authorized to and has adopted an investment policy for the Foundation. The Board of Directors reserves the power to amend the investment policy subject to the right by the Bishop to rescind such policy.

The Board of Directors has appointed a Financial and Investment Committee who has the responsibility to develop and monitor the investment objectives and guidelines. In the course of its monitoring and renewing the investment policy, the committee may make recommendations regarding suggested revisions.

The investment policy provides that the Foundation shall maintain two separate types of investment funds:

1. The Growth Fund
2. The Fixed Income Fund

The investment goal of the Growth Fund is to achieve a minimum rate of return over rolling four-quarter periods, net of fees, greater than the return on the U.S. equity market as represented by certain index benchmarks.

The investment goal for the Fixed Income Fund is to achieve a minimum rate of return over rolling four-quarter periods, net of fees, greater than the return on the U.S. fixed income market as represented by certain index benchmarks.

The Catholic Community Foundation for the Catholic Diocese of Belleville
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE B | SUMMARY OF ACCOUNTING POLICIES

A summary of the Foundation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Basis of Accounting

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

2. Financial Statement Presentation

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.

Net Assets without Donor Restrictions - These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions - These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, or permanently, in which the donor has stipulated the funds be maintained in perpetuity.

When a donor 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 changes in net assets as net assets released from donor restrictions.

The Catholic Community Foundation for the Catholic Diocese of Belleville
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE B | SUMMARY OF ACCOUNTING POLICIES

3. *Investments*

Investments in marketable securities with readily determined fair values are valued at their fair value in the statement of financial position. Dividends and interest (net of fees), realized gains and losses, and unrealized gains and losses on donor advised funds are included in the statements of activities and changes in net assets.

Related dividends and interest are accrued when earned and related investment counseling fees are accrued when due. Investment income and realized and unrealized gains and losses are included in the statements of activities and changes in net assets.

4. *Cash and Cash Equivalents*

Cash and cash equivalents consist of short-term highly liquid investments, which are readily convertible into cash within ninety (90) days of purchase. The Foundation did not have any cash equivalents as of June 30, 2025 and 2024.

5. *Income Taxes*

The Foundation is a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code and, as such, is exempt from Federal income taxes under Section 501(a) of the Code. Each participant depositor in the Foundation is also a tax-exempt organization pursuant to Section 501(c)(3).

The Foundation has recognized in the financial statements the effects of all tax positions and continually evaluates expiring statutes of limitations, audits, changes in tax law, and new authoritative rulings. The Foundation is not aware of any circumstances or events that make it reasonably possible that unrecognized tax benefits may increase or decrease within 12 months of the statement of financial position date. Penalties and interest assessed by taxing authorities are included in the provision for income taxes, if applicable. There were no penalties or interest paid during 2025 and 2024.

The Catholic Community Foundation for the Catholic Diocese of Belleville
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE B | SUMMARY OF ACCOUNTING POLICIES

6. *Functional Allocation of Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates made by management.

7. *Revenue Recognition*

Contributions received are recorded in the period received.

8. *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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

9. *Subsequent Events*

Management has evaluated subsequent events for recognition and disclosure in the financial statements through October 29, 2025, which is the date the financial statements were available to be issued. Through October 29, 2025, no subsequent events required recognition or disclosure in the financial statements.

The Catholic Community Foundation for the Catholic Diocese of Belleville
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE C | FAIR VALUE MEASUREMENTS

The Foundation follows the fair value measurement guidance for financial assets and financial liabilities. The guidance defines fair value, establishes a framework for measuring value and expands disclosure about fair value measurements. In addition, the guidance permits an entity to measure eligible financial instruments and other items at fair value. The Foundation has not made any fair value elections.

Fair value is defined to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level hierarchy has been established for fair value measurements based upon the inputs to the valuation of an asset or liability as follows:

Level 1 - Valuation is based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuation is derived from inputs, other than quoted prices included in Level 1, which are observable for the asset or liability either directly or indirectly. Investments classified as Level 2 are generally valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. The significant inputs used in this approach include interest rates, prepayment timing, yield spreads, maturities, credit losses and credit ratings of the securities.

Level 3 - Valuation is derived from unobservable inputs that are not corroborated by market data.

Fair value of the mutual funds have been determined by quoted market prices as determined by the Foundation's custodian. The mutual funds held by the Foundation are deemed to be actively traded.

Fair value of deposits held for others is based on the fair values of the investments supporting these liabilities.

The Catholic Community Foundation for the Catholic Diocese of Belleville
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE C | FAIR VALUE MEASUREMENTS

The following table presents the Foundation’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2025</u>				
<u>Assets</u>				
Investments				
Fixed income				
Mutual funds	\$ 14,449,502	\$ -	\$ -	\$ 14,449,502
Growth				
Mutual funds	<u>21,589,854</u>	<u>-</u>	<u>-</u>	<u>21,589,854</u>
Total investments	<u>\$ 36,039,356</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,039,356</u>
<u>Liabilities</u>				
Deposits held for others	<u>\$ 35,329,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,329,259</u>
<u>2024</u>				
<u>Assets</u>				
Investments				
Fixed income				
Mutual funds	\$ 11,853,023	\$ -	\$ -	\$ 11,853,023
Growth				
Mutual funds	<u>19,916,313</u>	<u>-</u>	<u>-</u>	<u>19,916,313</u>
Total investments	<u>\$ 31,769,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,769,336</u>
<u>Liabilities</u>				
Deposits held for others	<u>\$ 31,172,435</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,172,435</u>

The Catholic Community Foundation for the Catholic Diocese of Belleville
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE D | DEPOSITS HELD FOR OTHERS

Deposits held for others are composed of the amounts deposited, investment earnings, administrative expenses, and unrealized appreciation and depreciation of investments.

A reconciliation of deposits held for others for the years ended June 30 is as follows:

	<u>2025</u>	<u>2024</u>
Balance at beginning of year	\$ 31,172,435	\$ 26,669,001
Participants' deposits	3,152,150	2,061,038
Participants' withdrawals	(2,201,154)	(860,099)
Investment gain	3,348,042	3,447,814
Administrative fees	<u>(142,214)</u>	<u>(145,319)</u>
Balance at end of year	<u>\$ 35,329,259</u>	<u>\$ 31,172,435</u>

Funds invested in each investment fund will be allocated to purchase shares or units in that investment fund based upon the aggregate value of that investment fund and the total outstanding shares or units in that fund on the date of investment to determine the "per share/unit" value of that investment fund on that date of purchase.

Earnings within each investment fund will be allocated on a monthly basis proportionate to each investing entity's investment and shares/units in that fund based upon the participant's balance of investment at the conclusion of each month.

The Foundation will be compensated for the administrative expenses incurred on behalf of the participants. The administrative fee will be calculated based upon the month ending balance of the account. The fee will be deducted monthly from earnings on the last day of the month.

Unrealized appreciation or depreciation in each investment will be allocated to shares or units of the investment fund based upon the per share/unit value of the investment fund each month.

The Catholic Community Foundation for the Catholic Diocese of Belleville
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE E | RELATED-PARTY TRANSACTIONS

The Foundation’s participants are comprised of the Catholic Diocese of Belleville, parishes, schools, and other agencies of the Diocese. Additionally, the Foundation paid management fees of \$ 79,000 and \$ 68,000 to the Diocese for the years ended June 30, 2025 and 2024, respectively. The Foundation had payables to the Diocese of \$ 4 and \$ 88 as of June 30, 2025 and 2024, respectively.

NOTE F | LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Foundation’s financial assets as of June 30. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	<u>2025</u>	<u>2024</u>
Financial assets		
Cash	\$ 8,357	\$ 5,694
Investments	<u>36,039,356</u>	<u>31,769,336</u>
Financial assets at year-end	36,047,713	31,775,030
Less amounts unavailable for general expenditure within one year		
Program restrictions	42,547	41,948
Deposits held for others	<u>35,329,259</u>	<u>31,172,435</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 675,907</u>	<u>\$ 560,647</u>

The Foundation’s goal is to structure its financial assets to be available to meet the obligations to support the ministries and operating expenses as they come due. The structure is determined as a part of its investment policy. Cash in excess of near-term obligations is invested accordingly to generate additional income for program and general expenses.