



June 30, 2024 (with summarized financial
Information for June 30, 2023)

The Catholic Foundation of Oklahoma, Inc.

The Catholic Foundation of Oklahoma, Inc.

Table of Contents

June 30, 2024

Independent Auditor’s Report 1

Financial Statements

 Statement of Financial Position 4

 Statement of Activities..... 5

 Statement of Functional Expenses..... 6

 Statement of Cash Flows 7

 Notes to Financial Statements 8

Supplementary Information

 Detailed Funds Held for Others 19



Independent Auditor's Report

To the Board of Directors,
The Catholic Foundation of Oklahoma, Inc.
Oklahoma City, Oklahoma

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Catholic Foundation of Oklahoma, Inc., which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Catholic Foundation of Oklahoma, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Catholic Foundation of Oklahoma, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Catholic Foundation of Oklahoma, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's 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 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 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 Catholic Foundation of Oklahoma, Inc.'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 Catholic Foundation of Oklahoma, Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The detailed funds held for others is presented for the purposes of additional analysis and is 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 audits 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.

Report on Summarized Comparative Information

We have previously audited the 2023 financial statements of the Catholic Foundation of Oklahoma, Inc., and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 9, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Oklahoma City, Oklahoma
November 7, 2024

The Catholic Foundation of Oklahoma, Inc.
Statement of Financial Position
June 30, 2024
(with summarized financial information for June 30, 2023)

	2024	2023
Assets		
Cash and cash equivalents	\$ 1,720,875	\$ 343,104
Accounts receivable	439,061	316,187
Investments		
Agency	47,580,362	45,371,575
Operating	9,350,618	7,973,344
Endowment	25,348,286	22,259,007
Other	779,893	495,463
Total assets	\$ 85,219,095	\$ 76,758,680
Liabilities and Net Assets		
Liabilities		
Distributions and accounts payable	\$ 784,327	\$ 374,884
Deferred revenue	188,750	187,227
Annuities payable	831,548	819,374
Funds held for others	47,580,362	45,371,575
Total liabilities	49,384,987	46,753,060
Net Assets		
Without donor restrictions		
Designated for specific purposes	1,963,195	1,451,273
Undesignated	9,226,686	7,858,497
	11,189,881	9,309,770
Perpetual in nature	17,770,222	15,337,068
Purpose restrictions	6,874,005	5,358,782
With donor restrictions	24,644,227	20,695,850
Total net assets	35,834,108	30,005,620
Total liabilities and net assets	\$ 85,219,095	\$ 76,758,680

The Catholic Foundation of Oklahoma, Inc.
Statement of Activities
Year Ended June 30, 2024
(with summarized financial information for June 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Revenues, gains, and other support				
Contributions	\$ 84,354	\$ 3,336,069	\$ 3,420,423	\$ 4,170,556
Net investment (loss) return	1,259,164	2,615,907	3,875,071	1,952,369
Fund management fees	680,318	-	680,318	649,189
Royalties	493,642	-	493,642	400,126
Event income, net	369,057	-	369,057	(4,343)
Other	424,550	-	424,550	209,040
Net assets released from restrictions	2,003,599	(2,003,599)	-	-
Total revenues, gains, and other support	<u>5,314,684</u>	<u>3,948,377</u>	<u>9,263,061</u>	<u>7,376,937</u>
Programs expenses				
Scholarships	29,067	-	29,067	141,238
Grants	2,259,589	-	2,259,589	1,857,121
Other supported programs	79,382	-	79,382	60,748
Other	272,940	-	272,940	99,961
Total program expenses	<u>2,640,978</u>	<u>-</u>	<u>2,640,978</u>	<u>2,159,068</u>
Supporting services				
Management and general	530,262	-	530,262	805,588
Fundraising	263,333	-	263,333	-
Total supporting services	<u>793,595</u>	<u>-</u>	<u>793,595</u>	<u>805,588</u>
Total expenses	<u>3,434,573</u>	<u>-</u>	<u>3,434,573</u>	<u>2,964,656</u>
Change in net assets	1,880,111	3,948,377	5,828,488	4,412,281
Net assets, beginning of year	<u>9,309,770</u>	<u>20,695,850</u>	<u>30,005,620</u>	<u>25,593,339</u>
Net assets, end of year	<u>\$ 11,189,881</u>	<u>\$ 24,644,227</u>	<u>\$ 35,834,108</u>	<u>\$ 30,005,620</u>

The Catholic Foundation of Oklahoma, Inc.
Statement of Functional Expenses
Year Ended June 30, 2024
(with summarized financial information for June 30, 2023)

	2024			Total Expenses	2023 Total
	Program Services	Supporting Services Management and General	Fundraising Activities		
Salaries	\$ 151,764	\$ 145,365	\$ 141,766	\$ 438,895	\$ 436,318
Payroll taxes and benefits	33,801	32,376	31,575	97,752	100,669
Office expenses	-	76,852	-	76,852	55,087
Professional fees	-	61,284	-	61,284	59,036
Rent and telephone, charged by Archdiocesan Pastoral Center	-	18,000	-	18,000	18,000
Scholarships	29,067	-	-	29,067	141,238
Grants	2,259,589	-	-	2,259,589	1,857,121
Event-related expenses	-	-	252,453	252,453	151,859
Other supported programs	79,382	-	-	79,382	60,748
Other	87,375	196,385	-	283,760	236,439
Total expenses	<u>\$ 2,640,978</u>	<u>\$ 530,262</u>	<u>\$ 425,794</u>	<u>\$ 3,597,034</u>	<u>\$ 3,116,515</u>
Less expenses included with revenues on the statement of activities	-	-	(162,461)	(162,461)	(151,859)
Total expenses per statement of activities	<u>\$ 2,640,978</u>	<u>\$ 530,262</u>	<u>\$ 263,333</u>	<u>\$ 3,434,573</u>	<u>\$ 2,964,656</u>

The Catholic Foundation of Oklahoma, Inc.
Statement of Cash Flows
Year Ended June 30, 2024
(with summarized financial information for June 30, 2023)

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ 5,828,488	\$ 4,412,281
Adjustments to reconcile increase in net assets to net cash used for operating activities		
Endowment net investment return	(6,132,839)	(1,370,062)
Contributions restricted to endowment	(3,336,069)	(3,985,747)
Changes in operating assets and liabilities		
Accounts receivable	(122,874)	(89,182)
Other assets	(284,430)	(7,005)
Distributions and accounts payable	409,443	38,776
Deferred revenue	12,174	(118,194)
Annuities payable	1,523	120,167
	(3,624,584)	(998,966)
Net Cash used for Operating Activities		
Cash Flows from Investing Activities		
Purchases of investments	(10,873,779)	(4,305,229)
Proceeds from sales of investments	10,331,278	574,275
	(542,501)	(3,730,954)
Net Cash used for Investing Activities		
Cash Flows from Financing Activities		
Net change in funds held for others	2,208,787	(351,279)
Collections of contributions restricted to endowment	3,336,069	3,985,747
	5,544,856	3,634,468
Net Cash from Financing Activities		
Net Change in Cash and Cash Equivalents	1,377,771	(1,095,452)
Cash and Cash Equivalents, Beginning of Year	343,104	1,438,556
Cash and Cash Equivalents, End of Year	\$ 1,720,875	\$ 343,104

Note 1 - Summary of Significant Accounting Policies

Organization

The Catholic Foundation of Oklahoma, Inc. (the Foundation) is a nonprofit corporation which serves the people of the Roman Catholic Archdiocese of Oklahoma City. The primary purpose of the Foundation is to procure and build endowment funds while serving as a permanent organization for the management and administration of funds given to the Archdiocese of Oklahoma City for the advancement and expansion of the Roman Catholic Church in Central and Western Oklahoma. The Foundation also manages funds for various related Catholic entities located in the Roman Catholic Archdiocese of Oklahoma City.

The Foundation's revenue includes contributions, investment income (loss) and royalties. It also includes service fees charged to the related entities in relation to the funds the entities have invested. Services provided by the Foundation include scholarships, grants, endowment funding, and annuity payments.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Foundation's audited financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Cash and Cash Equivalents

The Foundation considers cash to include only those amounts held in demand deposit accounts for the Foundation by depository institutions. All sweep accounts, money market funds, and time deposits held with brokerage firms or trust departments of financial institutions are included in investments.

Accounts Receivable

Accounts receivable results from the fees charged to various custodian accounts. The Foundation has tracked historical loss information for its receivables and compiled historical credit loss values. Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for receivables held at year-end because the composition of the receivables at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. At June 30, 2024 and 2023, no allowance was deemed necessary.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position.

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income is reported as an increase in net assets without donor restrictions unless the donor places restrictions on the income's use.

If the income is donor restricted, it is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. Gains or losses are reported as increases or decreases in net assets without donor restrictions unless the donor places restrictions on the gains and losses.

Investments consist of pooled funds of the Foundation and other affiliates. Pooled funds are held by a major investment company, which has discretionary investment authority over investment transactions subject to investment policies which are established and periodically updated by the board of directors of the Foundation (the Board). The pooled funds are not allocated by short-term, custody or endowment investments. The income earned on the pooled funds is allocated monthly using a blended rate of return, which represents an overall weighted average rate of return computed from the individual rates of return generated by the investment company. Investment activity including types of investment return is shown by classification on the statement of activities.

Annuities Payable

Annuities payable result from funds received from donors on which the donor, or a designee, retains the right to receive stipulated payments during their lifetime. Annuities payable represent the amounts due donors or designees based on actuarial factors including mortality tables and a discount rate computed as of the date funds are received. To the extent the present value of such liabilities is less than the fair value of the underlying assets, such amount is recognized as net assets of the Foundation (see Note 6). The annual change in annuities payable consists of accretion of interest and changes in estimates of the present value of the required annuity payments.

The principal and income on these funds, net of annuity payments, will revert to the Foundation upon the death of the donor and are recognized as net assets of the Foundation.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for specific purpose and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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 statements of activities as net assets released from restrictions. Donor restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Revenue is recognized from management fee services when the services are provided. The Foundation records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. Revenues from mineral and royalty interests in properties are recorded when the designated operator performs the underlying drilling and completion operations which is provided from the operator's statement accompanying the revenue check. All goods and services are transferred at a point in time.

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give, is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. There were no conditional promises to give as of June 30, 2024 and 2023.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent, telephone, and insurance which are allocated on a square footage basis.

Income Taxes

The Foundation was organized as an Oklahoma nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be private foundation under Sections 509(a)(1). The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Foundation is subject to unrelated business income tax on investment income and will file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

As of June 30, 2024, the Foundation has no accrued liabilities for unrelated business taxes.

The Foundation believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

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

Financial Instruments and Credit Risk

The Foundation manages deposit concentration risk by placing cash with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts. Investments are made by diversified investment managers whose performance is monitored by management and the Investment Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Investment Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Foundation. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from other Catholic entities supportive of the Foundation's mission.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on net assets or changes in net assets.

Adoption of Accounting Standards Codification Topic 842

As of July 1, 2023, the Foundation adopted Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost, including trade and loan receivables, and held to maturity debt securities. CECL requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This standard provides financial statement users with more decision-useful information about the expected losses on financial instruments.

The Foundation adopted ASU 2016-13 using the modified retrospective review method for all financial assets measured at amortized cost. Results for reporting periods beginning after July 1, 2023, are presented under Topic 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The adoption of the new standard did not materially impact the Foundation's financial statements.

Subsequent Events

The Foundation has evaluated subsequent events through November 7, 2024, the date which the financial statements were available to be issued.

Note 2 - Liquidity and Availability

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

Cash and cash equivalents	\$ 1,720,875
Accounts receivable	439,061
Operating investments	<u>9,350,618</u>
	<u>\$ 11,510,554</u>

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Donor-restricted endowment funds are not available for general expenditure. The majority of income from donor-restricted endowments is available for general use. However, as the income is not easily assessable by the Foundation, such funds are not considered in the liquidity disclosure above.

Note 3 - Fair Value Measurements and Disclosures

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Foundation’s assessment of the quality, risk or liquidity profile of the asset or liability.

A significant portion of investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values.

The following table presents assets and liabilities measured at fair value on a recurring basis and excludes those measured at cost or by using net asset value (NAV) as a practical expedient, at June 30, 2024:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments:				
Mutual Funds:				
Equity	\$ 45,297,661	\$ 45,297,661	\$ -	\$ -
Fixed income	26,318,858	26,318,858	-	-
	<u>\$ 71,616,519</u>	<u>\$ 71,616,519</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities				
Funds held for others	<u>\$ 47,580,362</u>	<u>\$ -</u>	<u>\$ 47,580,362</u>	<u>\$ -</u>

Net Asset Value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, is used to estimate the fair values of partnerships, limited liability companies, and real estate funds which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

Investments in certain entities that are measured at fair value using NAV per share are as follows at June 30, 2024:

Fund/Investment Name	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Henderson Park Real Estate Fund I, LP	\$ 1,996,348	\$ 188,904	No liquidity	N/A
Walton Street Real Estate Partners VIII, L.P.	<u>830,270</u>	486,457	No liquidity	N/A
Total Real Estate Funds	<u>\$ 2,826,618</u>			
Birch Grove Credit Strategies Fund Ltd.	\$ 2,736,171	\$ -	Quarterly	65 days notice
MidOcean Credit Opportunity Offshore Fund, LTD.	154,821	-	Quarterly	45 days notice
VPC Special Opportunities Fund III Onshore	1,454,235	629,070	No liquidity	N/A
Kayne Anderson Energy Fund VII, L.P.	1,278,157	590,767	No liquidity	N/A
Direct Lending Fund II USD	<u>150,951</u>	574,208	No liquidity	N/A
Total Private Markets	<u>\$ 5,774,335</u>			
KKR Lending Partners III L.P.	\$ 1,183,923	\$ 963,808	No liquidity	N/A
KKR Special Situations Fund II L.P.	692,970	169,578	No liquidity	N/A
KKR Lending Partners II L.P.	<u>184,901</u>	352,123	No liquidity	N/A
Total Private Equity	<u>\$ 2,061,794</u>			
Total Alternative Investments	<u><u>\$ 10,662,747</u></u>			

Private Markets and Private Equity – A mix of domestic and foreign funds focused on energy, upper mid-market companies in the United States, and distressed companies. These investments are not readily redeemable; however, a secondary market does exist. Distributions normally are received through the liquidation of the underlying assets in the fund.

Real Estate Funds – Funds focused on foreign and domestic real estate assets in United States. These investments are not redeemable. Instead, distributions are received through the liquidation of the underlying assets in the fund.

Note 4 - Funds Held for Others

Funds held for others include funds that the Foundation, as agent under management agreements, invests for certain related parties. Management fees of up to 0.25% annually calculated on the beginning of the month balance are charged to such parties for these services and are included in revenues without donor restrictions. In addition, funds held for others include certain revocable and irrevocable trusts and custodian funds for which the Foundation has been designated as custodian.

Activity in funds held for others is not reflected in the Foundation's accompanying financial statements and consists of the following for the year ended June 30, 2024:

Funds Held for Others	
Beginning of year	\$ 45,371,575
Funds received for custody management	881,930
Distributions and withdrawals	(4,004,716)
Investment return	<u>5,331,573</u>
Total funds held for others at end of year	<u><u>\$ 47,580,362</u></u>

Note 5 - Endowments

The Foundation's endowment (the Endowment) consists of approximately five individual funds established by donors to provide annual funding for specific activities and general operations. The Endowment also includes certain net assets without donor restrictions that have been designated for quasi-endowment by the Board of Directors.

The Board of Directors has interpreted the Oklahoma Prudent Management of Institutional Funds Act (the "Act") as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2024, there were no such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by the Act. The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

As of June 30, 2024, endowment net asset composition by type of fund is as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets by Type of Fund			
Board-designated endowment funds	\$ 704,059	\$ -	\$ 704,059
Endowment funds held in perpetuity	-	17,770,222	17,770,222
Unspent endowment earnings	-	6,874,005	6,874,005
	<u>\$ 704,059</u>	<u>\$ 24,644,227</u>	<u>\$ 25,348,286</u>

Investment and Spending Policies

The Foundation has adopted investment policies for endowment funds that facilitate the Foundation's ability to provide funding for programs and provide adequate returns for invested funds. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as board designated funds. Under this policy, the endowment assets are invested in a manner that is intended to provide acceptable investment returns, while assuming a moderate level of investment risk. The Foundation has established an investment committee to monitor the rates of returns of endowment funds in order to maximize earnings. Actual returns in any given year are dependent on market conditions and other factors, and they may vary from time to time.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation's investment policy relating to its investment objectives allocates its assets through a prudent diversification that includes cash, fixed income, and equity. The target annual distribution for scholarships and grants is an amount based on 3% of the average market value of the fund, with the average market value based on an average quarterly value for the preceding eight quarters. These and other expenses from the fund are based on a budget prepared at the beginning of the fiscal year and are at the discretion of the Board of Directors. The Foundation honors the specific requests of each donor and makes distributions accordingly.

Changes in Endowment net assets for the year ended June 30, 2024 are as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,889,800	\$ 20,369,207	\$ 22,259,007
Contributions and other revenues	-	3,336,069	3,336,069
Investment return, net			
Investment income, net of fees	34,048	300,587	334,635
Net realized and unrealized gains (losses)	126,500	2,315,320	2,441,820
Appropriation of endowment assets pursuant to spending-rate policy	<u>(1,346,289)</u>	<u>(1,676,956)</u>	<u>(3,023,245)</u>
Endowment net assets, end of year	<u>\$ 704,059</u>	<u>\$ 24,644,227</u>	<u>\$ 25,348,286</u>

Underwater Endowment Funds

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 UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

As of June 30, 2024, there were some funds in a deficiency position due to the market conditions. As part of the Foundation’s spending policy, spending is permitted from underwater endowment funds, unless otherwise precluded by donor intent or relevant laws and regulations.

Note 6 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30, 2024 :

Perpetual in nature	\$ 17,770,222
Subject to expenditure for specified purpose	
Scholarships, schools and other	<u>6,874,005</u>
	<u>\$ 24,644,227</u>

Net assets were released from restrictions as follows during the year ended June 30, 2024:

Satisfaction of purpose restrictions	
Scholarships and grants to parishes	<u>\$ 2,003,599</u>

Note 7 - Related Party

The Foundation conducts business from offices located inside the building owned and occupied by the Archdiocese of Oklahoma City. The Foundation also reimburses the Archdiocese for salaries, payroll taxes, retirement and other benefits, insurance, rent, and telephone expenses. The total paid to the Archdiocese for the year ended June 30, 2024 was approximately \$975,000. Accounts payable includes \$2,091 due to the Archdiocese. Included in funds held for others at June 30, 2024 was \$12,998,167 that is due to the Archdiocese. Fund management fees from the Archdiocese for 2024 were \$193,500.