

**THE FUND FOR CATHOLIC SCHOOLS, INC.**

**FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

## THE FUND FOR CATHOLIC SCHOOLS, INC.

### Contents June 30, 2025 and 2024

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### Independent Auditor's Report

To the Board of Trustees of  
The Fund for Catholic Schools, Inc.:

#### **Opinion**

We have audited the financial statements of The Fund for Catholic Schools, Inc. (a Massachusetts corporation, not for profit) (the Fund), 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 Fund for Catholic Schools, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Fund 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, which raise substantial doubt about the Fund'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 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.

## **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

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 Fund'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, which raise substantial doubt about the Fund'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.

*AAPCPAs, Inc.*

Westborough, Massachusetts

December 2, 2025

**THE FUND FOR CATHOLIC SCHOOLS, INC.****Statements of Financial Position**

June 30, 2025 and 2024

<b>Assets</b>	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 11,321,012	\$ 8,880,092
Contributions receivable, net	7,234,436	10,917,187
Certificates of deposit	2,033,998	1,425,814
Investments	8,705,502	6,354,355
Dividends receivable	81,527	63,342
Due from related organizations	4,291	95,927
 Total assets	 <u>\$ 29,380,766</u>	 <u>\$ 27,736,717</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Due to related organizations	\$ 6,459	\$ 4,717
Grants payable	-	251,574
Note payable to related organization	-	1,171,889
 Total liabilities	 <u>6,459</u>	 <u>1,428,180</u>
Net Assets:		
Without donor restrictions	1,778,696	59,622
With donor restrictions	<u>27,595,611</u>	<u>26,248,915</u>
 Total net assets	 <u>29,374,307</u>	 <u>26,308,537</u>
 Total liabilities and net assets	 <u>\$ 29,380,766</u>	 <u>\$ 27,736,717</u>

**THE FUND FOR CATHOLIC SCHOOLS, INC.**

Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2025

(With Summarized Comparative Totals for the Year Ended June 30, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenue:</b>				
Contributions	\$ 334,696	\$ 4,219,761	\$ 4,554,457	\$ 12,279,771
Appropriation of endowment return for operations	320,810	-	320,810	299,323
Net assets released from restrictions	<u>4,718,530</u>	<u>(4,718,530)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>5,374,036</u>	<u>(498,769)</u>	<u>4,875,267</u>	<u>12,579,094</u>
<b>Expenses:</b>				
Program	2,771,045	-	2,771,045	2,519,950
Fundraising (including special events)	732,974	-	732,974	933,434
General and administrative	<u>382,499</u>	<u>-</u>	<u>382,499</u>	<u>333,668</u>
Total expenses	<u>3,886,518</u>	<u>-</u>	<u>3,886,518</u>	<u>3,787,052</u>
Changes in net assets from operations	<u>1,487,518</u>	<u>(498,769)</u>	<u>988,749</u>	<u>8,792,042</u>
<b>Non-operating Revenue (Expense):</b>				
Endowment contributions	-	1,669,573	1,669,573	411,975
Interest and dividend income	231,556	285,717	517,273	266,094
Net realized and unrealized gain on investments	-	210,985	210,985	522,681
Appropriation of endowment return for operations	<u>-</u>	<u>(320,810)</u>	<u>(320,810)</u>	<u>(299,323)</u>
Total non-operating revenue (expense)	<u>231,556</u>	<u>1,845,465</u>	<u>2,077,021</u>	<u>901,427</u>
Changes in net assets	<u>1,719,074</u>	<u>1,346,696</u>	<u>3,065,770</u>	<u>9,693,469</u>
<b>Net Assets, beginning of year</b>	<u>59,622</u>	<u>26,248,915</u>	<u>26,308,537</u>	<u>16,615,068</u>
<b>Net Assets, end of year</b>	<u><u>\$ 1,778,696</u></u>	<u><u>\$ 27,595,611</u></u>	<u><u>\$ 29,374,307</u></u>	<u><u>\$ 26,308,537</u></u>

**THE FUND FOR CATHOLIC SCHOOLS, INC.**

Statement of Activities and Changes in Net Assets  
For the Year Ended June 30, 2024

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue:</b>			
Contributions	\$ 771,544	\$ 11,508,227	\$ 12,279,771
Appropriation of endowment return for operations	299,323	-	299,323
Net assets released from restrictions	3,854,086	(3,854,086)	-
 Total revenue	 4,924,953	 7,654,141	 12,579,094
<b>Expenses:</b>			
Program	2,519,950	-	2,519,950
Fundraising (including special events)	933,434	-	933,434
General and administrative	333,668	-	333,668
 Total expenses	 3,787,052	 -	 3,787,052
 Changes in net assets from operations	 1,137,901	 7,654,141	 8,792,042
<b>Non-operating Revenue (Expense):</b>			
Endowment contributions	-	411,975	411,975
Interest and dividend income	33,395	232,699	266,094
Net realized and unrealized gain on investments	-	522,681	522,681
Appropriation of endowment return for operations	-	(299,323)	(299,323)
 Total non-operating revenue (expense)	 33,395	 868,032	 901,427
 Changes in net assets	 1,171,296	 8,522,173	 9,693,469
 <b>Net Assets, beginning of year</b>	 <u>(1,111,674)</u>	 <u>17,726,742</u>	 <u>16,615,068</u>
 <b>Net Assets, end of year</b>	 <u>\$ 59,622</u>	 <u>\$ 26,248,915</u>	 <u>\$ 26,308,537</u>

**THE FUND FOR CATHOLIC SCHOOLS, INC.**

Statements of Cash Flows  
For the Years Ended June 30, 2025 and 2024

	<b>2025</b>	<b>2024</b>
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	\$ 3,065,770	\$ 9,693,469
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Endowment contributions	(1,669,573)	(411,975)
Realized and unrealized gain on investments	(210,985)	(522,681)
Change in discount on contributions receivable	88,356	135,710
Changes in operating assets and liabilities:		
Contributions receivable	3,536,895	(3,176,314)
Dividends receivable	(18,185)	(10,436)
Prepaid expenses	-	27,500
Due from related organizations	91,636	(64,773)
Due to related organizations	1,742	-
Grants payable	<u>(251,574)</u>	<u>251,574</u>
Net cash provided by operating activities	<u>4,634,082</u>	<u>5,922,074</u>
<b>Cash Flows from Financing Activities:</b>		
Principal payments on note payable to related organization	<u>(1,171,889)</u>	<u>(378,900)</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of and interest earned on certificates of deposit	(608,184)	(1,425,814)
Purchase of investments	(2,140,162)	(368,094)
Endowment contributions	1,727,073	190,975
Proceeds from sale of investments	<u>-</u>	<u>75,205</u>
Net cash used in investing activities	<u>(1,021,273)</u>	<u>(1,527,728)</u>
<b>Net Change in Cash and Cash Equivalents</b>	<b>2,440,920</b>	<b>4,015,446</b>
<b>Cash and Cash Equivalents:</b>		
Beginning of year	<u>8,880,092</u>	<u>4,864,646</u>
End of year	<u>\$ 11,321,012</u>	<u>\$ 8,880,092</u>

## THE FUND FOR CATHOLIC SCHOOLS, INC.

Notes to Financial Statements  
June 30, 2025 and 2024

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### 1. NATURE OF ORGANIZATION

The Fund for Catholic Schools, Inc. (the Fund) was organized under Massachusetts law on March 10, 2008. The purpose of the Fund is to aid, support and enhance Catholic education within the Archdiocese of Boston (the Archdiocese). The Fund receives, manages, and distributes gifts and bequests on behalf of various Catholic schools within the Archdiocese (Corporation Sole).

Boston Catholic Development Services (BCDS) is the fundraising arm of the Archdiocese of Boston. The Fund purchases gift processing and financial support services from BCDS and the Archdiocese on a fee for service basis (see Note 9).

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fund's financial statements have been prepared in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

#### Financial Statement Presentation

The Fund classifies net assets and the changes in those net assets based on the existence or absence of donor-imposed restrictions, either explicit or implicit. Accordingly, net assets of the Fund and changes therein are classified and reported as follows:

*Net assets without donor restrictions* - Assets and contributions that are not restricted by the donor or for which restrictions have expired.

*Net assets with donor restrictions* (see Note 6) - Net assets subject to donor-imposed restrictions that permit the Fund to use or expend the donated assets as specified and which are satisfied by either the passage of time or by actions of the Fund. Endowment Corpus net assets are subject to donor-imposed stipulations that they be maintained in perpetuity by the Fund. Generally, the donors of these assets permit the Fund to use, all or in part, the income earned on the underlying assets for general or specific purposes. Unexpended appreciation on endowment corpus net assets is classified as net assets with donor restrictions. Interest and dividends on endowment corpus net assets are classified as net assets with donor restrictions until they are distributed to the beneficiary organization, which is generally within the same year earned.

#### Cash and Cash Equivalents

Financial instruments with original maturities of three months or less at the purchase date are classified as cash equivalents.

The Fund deposits all of its cash balance with the Revolving Loan Fund (RLF) of the Corporation Sole. These deposits are not insured against losses. They are available for withdrawal on a daily basis.

#### Certificates of Deposit

At June 30, 2025, Certificate of deposits (CD's) consists of seven, six-month CD's, with the RLF, which mature on December 31, 2025. At June 30, 2024, CD's consisted of six, six-month CD's, with the RLF, which matured on December 31, 2024. CD's are valued at original cost-plus accrued interest, which approximates fair value, and are classified within Level 2 of the fair value hierarchy.

## THE FUND FOR CATHOLIC SCHOOLS, INC.

Notes to Financial Statements  
June 30, 2025 and 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments

The Fund's investments are carried at fair value. Changes in fair value are reflected in the accompanying statements of activities and changes in net assets, as net realized and unrealized gain or loss on investments. Interest and dividend income are recorded when earned or declared.

Investments represent the Fund's unit holdings in the Common Investment Fund, Roman Catholic Archbishop of Boston (the Common Investment Fund), a separate related organization established to provide a common investment pool in which the Fund and other related organizations may participate. The Common Investment Fund invests nearly all of its funds in the RCAB Collective Investment Partnership (the Investment Partnership); the underlying investments of which are primarily equity and fixed-income securities (U.S. Government and agency securities, asset-backed securities and corporate bonds) owned either directly or indirectly through mutual funds and private investment entities.

The fair value of the Investment Partnership's investments in actively traded domestic securities is determined by State Street Corporation. Securities listed on a securities exchange for which market quotations are readily available are valued at the last sales price or official closing price on each business day, or, if there is no such reported sale or official closing price, at the most recent quoted bid price. Securities which are primarily traded on foreign exchanges are generally valued at the preceding closing values of such securities on their respective exchanges and those values are then translated into U.S. dollars at the current exchange rate. Investments in traded foreign securities are valued by State Street Corporation at the means between bid and asked prices. For those securities whose prices are not available through independent pricing services, bid price quotations are obtained by State Street Corporation from principal market makers in those securities or at fair value as determined in good faith by management.

Investment holdings of private investment entities that are not actively traded are valued by the managers of these entities at the net asset value per share. In accordance with such guidance, the Investment Partnership has the ability to measure the fair value of an investment in an investee based on the investee's net asset value per share or its equivalent.

#### Contributions Receivable

Unconditional promises to give are reported as contributions receivable at net realizable value on the date the promise is verifiably committed. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value, and those that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using the Fund's average borrowing rate. Amortization of discounts is classified as contributions revenue. Conditional promises to give are not included as support until the conditions are substantially met.

#### Contributions

In accordance with ASC Subtopic 958-605, *Revenue Recognition*, the Fund must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement.

## THE FUND FOR CATHOLIC SCHOOLS, INC.

Notes to Financial Statements  
June 30, 2025 and 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Contributions (Continued)

Topic 958 prescribes that the Fund should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met. There were no conditional promises to give at June 30, 2025 and 2024.

Contributions received by the Fund are recorded as revenue and are primarily for related Catholic Schools within the geographic territory of the Archdiocese of Boston. The Fund and these ultimate beneficiaries meet certain criteria under U.S. GAAP, permitting the Fund to recognize all contributions received as revenue.

The Fund reports gifts of cash and other assets as restricted support if they are restricted as to purpose or time. 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 accompanying statements of activities and changes in net assets, as net assets released from restrictions (see Note 6).

#### Allowance for Uncollectible Contributions

The allowance for uncollectible contributions is determined to approximate the portion of contributions receivable which will not ultimately be collected. The estimate made by management is based on a review of overdue accounts and projected total future collections based on historical experience. The allowance represents an estimate and actual uncollected pledges may vary significantly from the amount currently recorded with adjustments to be recorded in the period they become known. Contributions receivable are written-off based either upon donor cancellation or a time lapse without donor activity. There was no allowance for uncollectible contributions deemed necessary as of June 30, 2025 and 2024.

#### Expense Allocation

Expenses related directly to a function or program are distributed to that function or program, while other expenses are allocated based upon management's estimate of the percentage attributable to each function or program. Management fees are allocated based on estimates of time and effort by management staff.

#### Special Events Expenses

Special events expenses are recognized as incurred.

#### Program Grant Expense

Grants are recorded when awarded by the Fund and all conditions of the grant are met by the grantee. Grants are generally paid in the year awarded. The endowed scholarship grant distributions of \$251,574 in the aggregate, were approved during fiscal year 2024, and were paid during fiscal year 2025. These grants are reflected as grants payable in the accompanying statement of financial position as of June 30, 2024. All grants awarded during fiscal year 2025 were paid in full as of June 30, 2025.

## THE FUND FOR CATHOLIC SCHOOLS, INC.

Notes to Financial Statements  
June 30, 2025 and 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Concentrations

The Fund's financial instruments that are subject to concentrations of credit risk consist primarily of cash, cash equivalents, and contributions receivable. At June 30, 2025 and 2024, all cash, money market funds and certificates of deposit were held by the RLF (see page 6).

For the year ended June 30, 2025, two donors accounted for 71% of total contributions recognized. For the year ended June 30, 2024, one donor accounted for 14% of total contributions recognized. See Note 3 for concentrations of contributions receivable.

#### Statement of Activities

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating revenue and support and operating expenses in the accompanying statements of activities. Peripheral or incidental transactions are reported as non-operating revenue. Non-operating revenue consists of investment and endowment activity.

#### Income Taxes

The Fund is included in the United States Conference of Catholic Bishops Group Ruling and in the Official Catholic Directory and is therefore exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is not required to file informational or income tax returns. Accordingly, no provision for income taxes is included in these financial statements. The Fund's management has reviewed the tax positions as of June 30, 2025 and 2024, and determined that no provision for income tax is required in these financial statements.

#### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for uncollectible accounts, discount on contributions receivable and revenue recognition for restricted awards. Actual results could vary from those estimates.

#### Subsequent Events

Subsequent events have been evaluated through December 2, 2025, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

### 3. CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Amounts due within:		
One year	\$ 3,526,480	\$ 3,559,710
Two years	2,309,893	3,043,227
Three years	1,833,164	2,594,893
Four years	21	2,065,861
Five to six years	-	262
	<u>7,669,558</u>	<u>11,263,953</u>
Less - unamortized discount	<u>(435,122)</u>	<u>(346,766)</u>
Net contributions receivable	<u><u>\$ 7,234,436</u></u>	<u><u>\$ 10,917,187</u></u>

## THE FUND FOR CATHOLIC SCHOOLS, INC.

Notes to Financial Statements  
June 30, 2025 and 2024

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### 3. CONTRIBUTIONS RECEIVABLE (Continued)

The average rate used to discount contributions receivable was 3.5% and 2.5% as of June 30, 2025 and 2024, respectively.

At June 30, 2025, one donor accounted for 21% of net contributions receivable. At June 30, 2024, two donors accounted for 30% of net contributions receivable.

### 4. ENDOWMENTS

The Fund's endowment consists of twenty-six individual funds at June 30, 2025, and twenty-three individual funds at June 30, 2024, the majority of which were established for the purpose of providing support for tuition aid for needy students attending Saint John Paul II Catholic Academy, Inc. (SJPII). As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

#### Interpretation of Relevant Law

The Fund follows a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as enacted by the Commonwealth of Massachusetts. Although UPMIFA offers short-term spending flexibility, the explicit consideration of the preservation of the endowed funds among factors for prudent investment and spending suggests that a donor-restricted endowment fund is still perpetual in nature. As is the case in the current financial environment, there is no guarantee that the amount with restrictions of an endowed fund will remain intact at all times.

#### Strategies Employed for Achieving Objectives

Under UPMIFA, the Fund is permitted to determine and continue a prudent payout amount, even if the value of the fund is below the historic-dollar-value. There is an expectation that, over time, the amount with restrictions will generally remain intact. This perspective is aligned with the accounting standards definition that funds with restrictions are those that must be held in perpetuity even though the historic-dollar-value may be spent on a temporary basis. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions, and is regarded as net appreciation, is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Fund in a manner consistent with the Fund's spending policy.

#### Funds with Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the "historic-dollar-value". Deficiencies of this nature are reported by a change to net assets with donor restriction. There were no such deficiencies at June 30, 2025 and June 30, 2024.

#### Endowment Investment Policy

The Fund has adopted an investment philosophy which, combined with the spending rate, attempts to provide a predictable stream of returns, thereby making funds available to programs that are supported by its endowment while at the same time seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Fund must hold in perpetuity or for donor-specified periods.

Under the Fund's investment policy and spending rate, both of which are approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce an inflation-adjusted return in excess of the spending rate over a long period of time. Actual returns in any given year may vary.

## THE FUND FOR CATHOLIC SCHOOLS, INC.

Notes to Financial Statements  
June 30, 2025 and 2024

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### 4. ENDOWMENTS (Continued)

#### Endowment Investment Policy (Continued)

Spending from every donor-restricted endowment fund is governed by the UPMIFA. The spending amount for the next fiscal year is calculated by multiplying a trailing average of the market value of the Fund at December 31<sup>st</sup>, and the preceding three calendar quarters by up to a 4% spending rate. To satisfy its long-term rate-of-return objectives, the Fund relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

#### Spending Policy

The Fund invests its investment portfolio in the Common Investment Fund, which in-turn invests in the Investment Partnership. The Investment Committee of the Corporation Sole's Finance Council is responsible for selecting the investment managers of the Investment Partnership. The Investment Committee's investment rationale is to include an array of different strategies and investment managers for the Investment Partnership's portfolio to reduce overall volatility, while providing investment returns above industry benchmarks. See Note 8 for more details on the Fund's investments and how they are valued.

Endowment net assets composition by type of fund and change in those net assets as of and for the years ended June 30, 2025 and 2024, are as follows:

	Appreciation on Endowment	Endowment Corpus	Total
<b>Endowment net assets, June 30, 2023</b>	<u>\$ 221,812</u>	<u>\$ 5,366,764</u>	<u>\$ 5,588,576</u>
Clarification of donor intent	<u>-</u>	<u>183,998</u>	<u>183,998</u>
Contributions	<u>-</u>	<u>411,975</u>	<u>411,975</u>
Investment return:			
Interest and dividend income	<u>232,699</u>	<u>-</u>	<u>232,699</u>
Net realized and unrealized gain on investments	<u>522,681</u>	<u>-</u>	<u>522,681</u>
Total investment return	<u>755,380</u>	<u>-</u>	<u>755,380</u>
Appropriation of endowment return for operations (draw)	<u>(299,323)</u>	<u>-</u>	<u>(299,323)</u>
<b>Endowment net assets, June 30, 2024</b>	<u>677,869</u>	<u>5,962,737</u>	<u>6,640,606</u>
Contributions	<u>-</u>	<u>1,669,573</u>	<u>1,669,573</u>
Clarification of donor intent	<u>-</u>	<u>391,875</u>	<u>391,875</u>
Investment return:			
Interest and dividend income	<u>285,717</u>	<u>-</u>	<u>285,717</u>
Net realized and unrealized gain on investments	<u>210,985</u>	<u>-</u>	<u>210,895</u>
Total investment return	<u>496,702</u>	<u>-</u>	<u>496,702</u>
Appropriation of endowment return for operations (draw)	<u>(320,810)</u>	<u>-</u>	<u>(320,810)</u>
<b>Endowment net assets, June 30, 2025</b>	<u>\$ 853,761</u>	<u>\$ 8,024,185</u>	<u>\$ 8,877,946</u>

## THE FUND FOR CATHOLIC SCHOOLS, INC.

Notes to Financial Statements  
June 30, 2025 and 2024

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### 4. ENDOWMENTS (Continued)

During fiscal years 2025 and 2024, there was clarification of intent regarding certain restricted gifts totaling \$391,875 and \$183,998, respectively. These gifts were consequently transferred to endowment net assets.

### 5. NOTE PAYABLE

During fiscal year 2010, the Fund and SJPII jointly and severally with RLF, assumed responsibility of a construction note that was originally acquired for renovation to Saint John Paul II's facilities. The note bore no interest and under an amended payment agreement, annual payments of \$378,900 were due through fiscal year 2027 with the remaining balance due in fiscal year 2028. The balance on the remaining construction note was \$1,171,889 on June 30, 2024. During fiscal years 2025, the Fund paid in full the remaining principal balance of \$1,171,889.

### 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at June 30:

	<u>2025</u>	<u>2024</u>
Campaign Administration and Directed Archdiocese Catholic School Support	\$ 15,747,782	\$ 16,345,317
Individual Schools:		
Brockton - Trinity Catholic Academy	1,721,638	1,837,153
Dorchester - Saint John Paul II	1,221,236	1,398,830
South Boston - South Boston Catholic	27,009	27,009
Endowments:		
Appreciation on endowment	853,761	677,869
Endowment corpus	<u>8,024,185</u>	<u>5,962,737</u>
Total net assets with donor restrictions	<u>\$ 27,595,611</u>	<u>\$ 26,248,915</u>

Net assets released from donor restrictions through satisfaction of program and time restrictions were expended for the following purposes during the years ended June 30:

	<u>2025</u>	<u>2024</u>
Net assets released from restrictions:		
Campaign	\$ 2,303,031	\$ 2,502,121
Dorchester - Saint John Paul II	1,680,202	885,000
Brockton - Trinity Catholic	<u>735,297</u>	<u>466,965</u>
Total net assets released from restrictions	<u>\$ 4,718,530</u>	<u>\$ 3,854,086</u>

Included in the amount released from restrictions is \$1,171,889 and \$378,900 of debt repayment to support Saint John Paull II during the year ended June 30, 2025 and 2024, respectively.

### 7. CONTRIBUTIONS AND PROGRAM EXPENSES

During the years ended June 30, 2025 and 2024, the Fund received contributions, net of discount, totaling \$4,554,458 and \$12,279,771, respectively, relating to the General Campaign and for Catholic schools in Brockton and Dorchester, Massachusetts.

During the years ended June 30, 2025 and 2024, the Fund distributed program grants totaling \$2,568,503 and \$2,358,130, respectively, primarily to Catholic schools in Brockton and Dorchester, Massachusetts.

## THE FUND FOR CATHOLIC SCHOOLS, INC.

Notes to Financial Statements  
June 30, 2025 and 2024

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### 8. FAIR VALUE MEASUREMENTS

The Fund measures the fair values of assets and liabilities as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value hierarchy is used to prioritize the inputs to valuation techniques used to measure fair value. The Fund classifies its assets and liabilities into Level 1 (securities value using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which observable market inputs are readily available) and Level 3 (securities valued based on significant unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

#### Investments

The Fund's unit holdings in the Common Investment Fund do not have quoted prices in active markets or significant other observable inputs that have quoted market prices, although the Fund can redeem its investments at the net asset value per share at June 30, 2025 and 2024. The fair value amounts in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying statements of financial position (see Note 2). The Fund estimates the fair value of its unit holdings in the Common Investment Fund based on the Fund's share of the underlying investment portfolio that consists of actively-traded equities, bonds, private investment entities, mutual funds and money market funds.

There were no unfunded commitments on these investments as of June 30, 2025 and 2024. These investments are available for redemption on a monthly basis.

Assets	2025			Total
	Level 1	Level 2	Level 3	
Investments - Common Investment Fund (CIF) *	\$ -	\$ -	\$ -	\$ 8,705,502
2024				
Assets	Level 1	Level 2	Level 3	Total
Investments - Common Investment Fund (CIF) *	\$ -	\$ -	\$ -	\$ 6,354,355

\* In accordance with ASC Subtopic 820-10, *Fair Value Measurements*, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying statements of financial position.

### 9. RELATED PARTY TRANSACTIONS

The Corporation Sole advances monies and is fully reimbursed by the Fund during the fiscal year to assist in the payment of operating expenses. During the years ended June 30, 2025 and 2024, the Fund incurred and paid management and other fees of \$1,244,834 and \$1,067,310, respectively, to BCDS, including fees for shared services.

The Fund also paid investment fees of \$69,231 and \$54,617 a to the Common Investment Fund for the years ended June 30, 2025 and 2024, respectively.

## THE FUND FOR CATHOLIC SCHOOLS, INC.

Notes to Financial Statements  
June 30, 2025 and 2024

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### 9. RELATED PARTY TRANSACTIONS (Continued)

As of June 30, 2025, BCDS owed the fund \$4,291 and \$95,928 as of June 30, 2025 and 2024, respectively. As of June 30, 2025, the fund owed the Corporation sole \$6,459 and \$4,717 as of June 30, 2025 and 2024.

Amounts recorded in contributions revenue are amounts raised by the Fund on behalf of donor-specified Archdiocese schools. Distributions to the specified schools are recorded as expenses upon payment of these amounts. Amounts paid are based on actual cash collections associated with the underlying pledges and gifts raised on behalf of the specified schools. The Fund also makes other appropriations from general contributions to Catholic schools in Brockton, Dorchester and South Boston, Massachusetts.

### 10. CAMPAIGN OPERATIONS

In 2008, the Fund launched campaigns to fund capital and operational improvements for archdiocesan schools in Brockton, Dorchester and Gloucester, Massachusetts. An additional campaign was added in 2009 for South Boston and completed in 2010. The capital and operational improvements completed in Dorchester and Brockton, Massachusetts, were partially financed with temporary borrowings from the Archdiocesan RLF.

During 2017, the Fund launched The Fund for the Future Campaign to raise \$25 million dollars over a five-year period. The Fund for the Future Campaign sought to invest in academics, operational needs, teacher and leadership initiatives, long-term sustainability and endowment support. Having achieved its initial \$25 million goal, in fiscal 2022, the Fund committed to raise an additional \$25 million to further the progress achieved through The Fund for the Future Campaign initiative. Phase two has been successfully achieved with school programs advanced, operations sustained, and RLF borrowings repaid in full to further long-term sustainability.

During late fiscal year 2025, The Fund committed to increase its annual Academy support by \$1 million per year to launch a new teacher compensation program to increase the base pay for all Academy teachers by up to \$10k, while also increasing the starting wage to \$50k. The Fund secured an initial \$3 Million gift and is actively working to match this initial gift and build a long-term teacher compensation endowment to sustain this new initiative.

In fiscal year 2019, the by-laws of Saint John Paul II Catholic Academy, Inc. and Trinity Catholic Academy, Inc. were amended and restated to reflect a revision to the Membership provisions. Under the amended and restated by-laws, the Members will be constituted as follows: One Member is appointed by the Roman Catholic Archbishop of Boston, a Corporation Sole, one Member is appointed by the Fund for Catholic Schools, Inc., one of the Members shall be the Superintendent of Schools of the Roman Catholic Archdiocese of Boston (ex officio), one of the Members shall be the Executive Director of the Fund for Catholic Schools, Inc. (ex officio), and one Member shall be elected by the affirmative vote of at least three of the other four Members. All Members must receive the prior approval of the Roman Catholic Archbishop of Boston.

### 11. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following schedule reflects the Fund's financial assets at June 30, 2025 and 2024, reduced by amounts not available for general use within one year of the statements of financial position date because of contractual or donor-imposed restrictions, or internal special designation of funds.

## THE FUND FOR CATHOLIC SCHOOLS, INC.

Notes to Financial Statements  
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### 11. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

These financial assets available for general expenditure, such as without donor restrictions or other restrictions limiting their use, within one year of the statements of financial position includes the following:

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 11,321,012	\$ 8,880,092
Certificates of deposit	2,033,998	1,425,814
Current portion of contributions receivable	<u>3,526,480</u>	<u>3,559,710</u>
Total financial assets	<u>16,881,490</u>	<u>13,865,616</u>
Contractual or donor-imposed restrictions -		
Cash and cash equivalents	(1,061,703)	(1,397,084)
Current portion of contributions receivable	(1,714,375)	(1,794,625)
Endowment funds	<u>-</u>	<u>(60,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 14,105,412</u></u>	<u><u>\$ 10,613,907</u></u>

The Fund pays all grant expenses from financial assets with donor restrictions. Administrative and fundraising expenses are primarily funded by unrestricted contributions.

### 12. EXPENSES BY NATURE AND FUNCTION

The financial statements reflect the expenses of providing programs and other supporting activities and have been summarized in the accompanying statements of activities and changes in net assets. Management costs for fundraising and direct administration include BCDS shared fee for services and estimates of employee time and effort related to supporting the Fund and individual Catholic schools.

The Fund's operating expenses by their natural and functional classifications are as follows for the year ended June 30, 2025:

	<b>Program Services</b>	<b>Fundraising Services</b>	<b>General and Adminis- trative</b>	<b>Total</b>
Grants to schools and others:				
Saint John Paul II	\$ 1,384,139	\$ -	\$ -	\$ 1,384,139
Trinity Catholic	895,469	-	-	895,469
Scholarships	288,895	-	-	288,895
Management fees	202,542	732,974	309,318	1,244,834
Bank and other fees	<u>-</u>	<u>-</u>	<u>73,181</u>	<u>73,181</u>
Total	<u><u>\$ 2,771,045</u></u>	<u><u>\$ 732,974</u></u>	<u><u>\$ 382,499</u></u>	<u><u>\$ 3,886,518</u></u>

## THE FUND FOR CATHOLIC SCHOOLS, INC.

Notes to Financial Statements  
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### 12. EXPENSES BY NATURE AND FUNCTION (Continued)

The Fund's operating expenses by their natural and functional classifications are as follows for the year ended June 30, 2024:

	<u>Program Services</u>	<u>Fundraising Services</u>	<u>General and Adminis- trative</u>	<u>Total</u>
Grants to schools and others:				
Saint John Paul II	\$ 1,200,268	\$ -	\$ -	\$ 1,200,268
Trinity Catholic	867,311	-	-	867,311
Scholarships	290,551	-	-	290,551
Management fees	161,820	632,113	273,377	1,067,310
Special events	-	301,321	-	301,321
Bank and other fees	—	—	60,291	60,291
Total	<u>\$ 2,519,950</u>	<u>\$ 933,434</u>	<u>\$ 333,668</u>	<u>\$ 3,787,052</u>

### 13. RECLASSIFICATION

Certain amounts in the 2024 financial statements have been reclassified to conform with the 2025 presentation.