

THE CATHOLIC FOUNDATION OF
GREATER PHILADELPHIA

REPORT ON AUDIT OF
FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

February 10, 2023

The Board of Trustees
The Catholic Foundation of Greater Philadelphia
Philadelphia, Pennsylvania

Opinion

We have audited the accompanying financial statements of The Catholic Foundation of Greater Philadelphia (CFGP) which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CFGP as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under 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 CFGP 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 CFGP'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 generally accepted auditing standards will always detect a material misstatement when it exists.

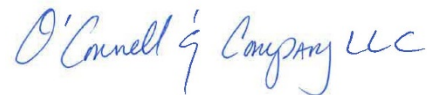
Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CFGP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies 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 CFGP'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.



O'Connell and Company, LLC

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 4,510,842	\$ 3,227,348
Investments	27,322,811	24,863,055
Accounts receivable	252,860	170,582
Pledges receivable	12,585,040	2,783,878
Other assets	199,887	169,141
Fixed assets, net	<u>67,992</u>	<u>31,693</u>
TOTAL ASSETS	<u>\$ 44,939,432</u>	<u>\$ 31,245,697</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 270,669	\$ 205,900
Funds held for others	<u>7,546,628</u>	<u>6,785,623</u>
Total Liabilities	<u>7,817,297</u>	<u>6,991,523</u>
Net Assets		
Without Donor Restrictions		
Undesignated	3,581,378	3,323,515
Donor advised funds	<u>28,342,114</u>	<u>15,169,568</u>
Total Without Donor Restrictions	31,923,492	18,493,083
With Donor Restrictions		
Restricted for specific purpose	140,176	161,241
Perpetual in nature	<u>5,058,467</u>	<u>5,599,850</u>
Total With Donor Restrictions	<u>5,198,643</u>	<u>5,761,091</u>
Total Net Assets	<u>37,122,135</u>	<u>24,254,174</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 44,939,432</u>	<u>\$ 31,245,697</u>

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

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE, GAINS AND OTHER SUPPORT				
Contributions	\$ 18,583,252	\$ 374,060	\$ 18,957,312	\$ 5,245,005
In-kind contributions	27,065	-	27,065	22,094
Program contracts	3,852,796	-	3,852,796	3,843,439
CFGP fund service fees	80,757	-	80,757	63,989
Investment (loss) income	(2,003,633)	(739,355)	(2,742,988)	3,123,482
Other revenue	-	-	-	286,327
Endowment transfers	109,671	(109,671)	-	-
Satisfaction of program restrictions	87,482	(87,482)	-	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	<u>20,737,390</u>	<u>(562,448)</u>	<u>20,174,942</u>	<u>12,584,336</u>
EXPENSES				
Program	5,807,250	-	5,807,250	4,269,652
Management and general	611,989	-	611,989	528,112
Development	887,742	-	887,742	748,153
TOTAL EXPENSES	<u>7,306,981</u>	<u>-</u>	<u>7,306,981</u>	<u>5,545,917</u>
INCREASE (DECREASE) IN NET ASSETS	13,430,409	(562,448)	12,867,961	7,038,419
NET ASSETS - Beginning of Year	<u>18,493,083</u>	<u>5,761,091</u>	<u>24,254,174</u>	<u>17,215,755</u>
NET ASSETS - End of Year	<u>\$ 31,923,492</u>	<u>\$ 5,198,643</u>	<u>\$ 37,122,135</u>	<u>\$ 24,254,174</u>

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

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022				2021			
	Program	Management & General	Development	Total	Program	Management & General	Development	Total
Salaries	\$ 1,006,158	\$ 291,163	\$ 488,852	\$ 1,786,173	\$ 961,303	\$ 242,841	\$ 450,475	\$ 1,654,619
Payroll taxes	86,020	24,893	41,794	152,707	83,854	21,183	39,295	144,332
Employee benefits	184,293	53,331	89,541	327,165	168,433	42,549	78,929	289,911
Total Personnel	1,276,471	369,387	620,187	2,266,045	1,213,590	306,573	568,699	2,088,862
Bank fees	-	14,583	-	14,583	-	9,342	-	9,342
Depreciation and amortization	10,937	-	-	10,937	9,157	-	-	9,157
Grants awarded	2,937,551	-	-	2,937,551	1,479,377	-	-	1,479,377
Insurance	-	40,085	-	40,085	-	23,124	-	23,124
Interest	-	-	-	-	-	3,757	-	3,757
Meals, travel, and conferences	11,941	-	-	11,941	1,124	-	-	1,124
Office equipment	10,078	2,916	4,896	17,890	8,512	2,150	3,989	14,651
Office supplies	43,392	12,557	21,082	77,031	52,762	13,329	24,725	90,816
Printing and postage - contracts	1,010,968	-	-	1,010,968	1,018,521	-	-	1,018,521
Professional fees	316,144	118,551	153,602	588,297	363,564	134,577	95,416	593,557
Rent and occupancy	181,072	52,398	87,975	321,445	118,061	29,824	55,324	203,209
Unrelated business tax	-	1,512	-	1,512	-	5,436	-	5,436
Website	8,696	-	-	8,696	4,984	-	-	4,984
	<u>\$ 5,807,250</u>	<u>\$ 611,989</u>	<u>\$ 887,742</u>	<u>\$ 7,306,981</u>	<u>\$ 4,269,652</u>	<u>\$ 528,112</u>	<u>\$ 748,153</u>	<u>\$ 5,545,917</u>

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

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 12,867,961	\$ 7,038,419
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	10,937	9,157
Loss (Gain) on investments	3,027,200	(2,971,445)
Contributions restricted to donor advised capital campaigns	(15,011,000)	(3,000,000)
Change in present value discount	164,179	46,122
Extinguishment of debt - PPP Loan	-	(286,327)
Accrued interest - Paycheck Protection Program	-	1,798
Changes in operating assets and liabilities		
(Increase) Decrease		
Accounts receivable	(82,278)	(147,553)
Pledges receivable	20,000	(60,000)
Other assets	(30,746)	83,215
Increase (Decrease)		
Accounts payable and accrued expenses	64,769	(15,466)
Funds held for others	761,005	1,509,301
Grants payable	-	(9,125)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,792,027</u>	<u>2,198,096</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(7,882,635)	(4,141,974)
Proceeds from sale of investments	2,395,679	1,659,131
Decrease in certificates of deposit	-	747,117
Purchase of fixed assets	(47,236)	(24,440)
NET CASH USED BY INVESTING ACTIVITIES	<u>(5,534,192)</u>	<u>(1,760,166)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments received for donor advised capital campaigns	5,025,659	250,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>5,025,659</u>	<u>250,000</u>
INCREASE IN CASH AND CASH EQUIVALENTS	1,283,494	687,930
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,227,348</u>	<u>2,539,418</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 4,510,842</u>	<u>\$ 3,227,348</u>
SUPPLEMENTAL INFORMATION		
Interest Paid	<u>\$ -</u>	<u>\$ -</u>
Interest Capitalized	<u>\$ -</u>	<u>\$ -</u>

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

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

Following the charitable example of Jesus Christ, The Catholic Foundation of Greater Philadelphia (CFGP) exists to serve the mission of the Catholic Church for the betterment of the lives of the people in Southeastern Pennsylvania. Specifically, it provides donors an avenue to fulfill their charitable goals through the support of projects, programs, organizations and initiatives of a Catholic nature that respond to their need to love and support others. CFGP provides parishes, ministries, and Catholic organizations the tools and the structure to develop additional resources and support. Grounded in best practices and committed to the principles of transparency, accountability, operational effectiveness and clarity of purpose, CFGP stewards and manages gifts from donors to ensure they are used for their intended purpose. CFGP is a not-for-profit organization that qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; accordingly, there is no income tax applicable to its activities.

1 Summary of Significant Accounting Policies

Basis of Accounting -- The financial statements of CFGP have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents -- Cash and cash equivalents include cash on deposit, cash on hand, money market funds and certificates of deposit with original maturities less than three months.

Investments -- Investments are reported at fair value.

Accounts Receivable -- Accounts receivable are presented at face value, net of the allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against expense and is maintained at a level believed adequate by management to absorb estimated bad debts based on current economic conditions. Management considers all accounts receivable to be collectible and, therefore, has not established a provision for uncollectible accounts for the year ended June 30, 2022.

Pledges Receivable -- These amounts, less an appropriate allowance, are reported at their present value.

Funds Held for Others -- Funds held for others represent funds CFGP holds on behalf of organizations investing funds through CFGP. Funds held for others have been reported as a liability on the statement of financial position.

Fixed Assets -- Fixed Assets are recorded at cost. CFGP's policy is to capitalize major improvements to buildings and grounds and equipment with a unit cost of \$1,000 or more. Depreciation is calculated by the straight-line method over the estimated useful lives of the depreciable assets. Estimated useful lives are as follows:

Leasehold improvements	10 years
Furniture and equipment	5 - 7 years

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

1 Summary of Significant Accounting Policies (Continued)

Net Assets -- Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor 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 or grantor restrictions. CFGP offers donor advised funds that are included with net assets without donor restrictions. The donor advised funds include several types of funds that enable donors to identify funding opportunities aligned with CFGP's values and charitable interests. Donor advised funds allow donors to recommend grant recipients, subject to CFGP's due diligence and approval.

Net Assets With Donor Restrictions - Net assets subject to donor or grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period when the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

Revenue and Revenue Recognition -- Revenue is recorded on the accrual basis of accounting. CFGP derives its revenue primarily from contributions and program contracts. CFGP recognizes program revenue during the year in which the related services are provided. The performance obligation of program revenue is simultaneously received and consumed; therefore, the revenue is recognized in the period earned.

Contributions -- CFGP records contributions of cash and other assets when an unconditional promise to give such assets is received from a donor. Contributions are recorded at the fair market value of the assets received and are classified as either with donor restrictions or without donor restrictions, depending on whether the donor has imposed a restriction on the use of such assets.

Functional Allocation of Expenses -- The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising -- Advertising is charged to expense as incurred.

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

1 Summary of Significant Accounting Policies (Continued)

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements -- Fair value is defined as 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. This guidance establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term as the financial instrument. Alternative investments' fair value are based on their net asset value per unit as reported by their managers.

Level 3 - Inputs to the valuation methodology are unobservable.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Assets and liabilities that are measured at fair value are based on one or more of the three valuation techniques that follow:

Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Cost approach - Amount that would be required to replace the service capacity of an asset (i.e., replacement cost).

Income approach - Techniques to convert future amounts to a single present amount based on market expectations, including present value techniques and option-pricing models.

Income Taxes -- CFGP is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. CFGP has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations; and to identify and evaluate other matters that may be considered tax positions. CFGP has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

2 Liquidity

The table below represents financial assets available for general expenditures within one year at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 4,510,842	\$ 3,227,348
Investments	27,322,811	24,863,055
Accounts receivable	252,860	170,582
Pledges receivable	<u>12,585,040</u>	<u>2,783,878</u>
Total financial assets	44,671,553	31,044,863
Less amounts not available to be used within one year:		
Funds held for others	7,546,628	6,785,623
Donor advised funds	28,342,114	15,169,568
Donor restricted funds with liquidity horizons greater than one year	135,971	156,404
Endowment funds with liquidity horizons greater than one year	<u>4,898,592</u>	<u>5,463,117</u>
Financial assets not available to be used within one year	<u>40,923,305</u>	<u>27,574,712</u>
Financial assets available to meet general expenditures within one year	<u>\$ 3,748,248</u>	<u>\$ 3,470,151</u>

CFGP has certain donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above for financial assets to meet general expenditures within one year. CFGP has other donor restricted assets that are not available for general expenditure within one year in the normal course of operations. These limited use assets, which are more fully described in Note 12, are not available for general expenditure within the next year. CFGP's donor advised funds are assets without donor restriction, and are therefore available to use. However, in practice, CFGP receives input from the donor before making grant awards from these funds. These grant awards from donor advised funds have not been included in financial assets available to meet general expenditures within one year. CFGP estimates that grants awarded from donor advised funds will be made in amounts consistent with prior during the year ended June 30, 2023.

As part of CFGP's liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds.

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

3 Related Party

Donations

CFGF received donations and pledge payments from members of its Board of Trustees totaling \$280,744 and \$283,502 during the fiscal years ended June 30, 2022 and 2021, respectively.

Leases

CFGF leases office space from the Archdiocese of Philadelphia for \$1,600 per month.

In-Kind Contributions

During the years ended June 30, 2022 and 2021, CFGF received professional services from an attorney who is a member of CFGF's board of trustees. These services were valued at \$27,065 and \$22,094, respectively.

4 Concentrations

CFGF maintains its cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. CFGF has not experienced any losses in such accounts. Management believes CFGF is not exposed to any significant credit risk related to cash and cash equivalents.

CFGF's contribution revenue on the statement of activities for the years ended June 30, 2022 and 2021 include over \$15,000,000 and \$2,500,000, respectively, in contributions to two funds running capital campaigns.

5 Certificates of Deposit

CFGF had various certificates of deposit with an interest rate of 0.65%. The certificates were due to mature in August, 2022. The certificates of deposit were valued at \$497,333 as of June 30, 2022 and have been reported with "Cash and cash equivalents" on the statement of financial position.

6 Pledges Receivable

CFGF had pledges receivable of \$12,795,342 as of June 30, 2022. Pledges are recorded at their present value using a discount rate of 2%. Management estimates that all pledges will be collected as set forth below:

Year ended June 30, 2023	\$ 5,611,742
Year ended June 30, 2024	4,375,200
Year ended June 30, 2025	2,188,400
Year ended June 30, 2026	410,000
Year ended June 30, 2027	<u>210,000</u>
Gross pledges receivable	12,795,342
Less present value discount	<u>(210,302)</u>
	<u>\$12,585,040</u>

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

7 Investments

CFGP's unrestricted investments, the donor advised funds, funds held for others, and program funds established within CFGP are invested in a portfolio (Portfolio) established specifically for CFGP and managed by a third-party investment firm.

The Portfolio had the following investments, as set forth by level, within the fair value hierarchy as of June 30, 2022:

	Investments at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Equities	\$ 13,582,732	\$ -	\$ -	\$ 13,582,732
Fixed income ETFs	7,445,842	-	-	7,445,842
US Treasury bills	3,659,236	-	-	3,659,236
Mutual funds	1,399,731	-	-	1,399,731
Cash and cash equivalents	1,235,270	-	-	1,235,270
Total assets at fair value	\$ 27,322,811	\$ -	\$ -	\$ 27,322,811

The Portfolio had the following investments, as set forth by level, within the fair value hierarchy as of June 30, 2021:

	Investments at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Equities	\$ 12,906,050	\$ -	\$ -	\$ 12,906,050
Fixed income ETFs	8,395,265	-	-	8,395,265
US Treasury bills	1,128,161	-	-	1,128,161
Mutual funds	1,634,548	-	-	1,634,548
Cash and cash equivalents	799,031	-	-	799,031
Total assets at fair value	\$ 24,863,055	\$ -	\$ -	\$ 24,863,055

Investment income consists of the following:

	2022	2021
Interest and dividends	\$ 416,751	\$ 284,385
(Loss) Gain on investments	(3,027,200)	2,971,445
Third party management fees	(132,539)	(132,348)
	\$ (2,742,988)	\$ 3,123,482

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

8 Accounts Receivable

CFGP collects service fees for development and processing services. Accounts receivable represents current service contract revenue receivable. Total accounts receivable were \$252,860 and \$170,582 as of June 30, 2022 and 2021, respectively. Management believes that accounts receivable are fully collectible.

9 Fixed Assets

Fixed assets consist of the following:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 141,206	\$ 93,970
Less: accumulated depreciation	<u>(73,214)</u>	<u>(62,277)</u>
	<u>\$ 67,992</u>	<u>\$ 31,693</u>

Depreciation expense was \$10,937 and \$9,157 for the years ended June 30, 2022 and 2021, respectively.

10 Funds Held for Others

CFGP receives transfers of assets to benefit various parish and program funds. According to the agreements governing these funds, CFGP retains legal title to these assets and future earnings. However, generally accepted accounting principles require that assets transferred from resource providers who specify themselves as the beneficiary, and the subsequent investment earnings on those assets, be recorded as a liability of CFGP.

During the years ended June 30, 2022 and 2021, resource provider funds transferred to CFGP had the following activity:

	<u>2022</u>	<u>2021</u>
Beginning Balance	\$ 6,785,623	\$ 5,276,322
Donations	4,062,596	1,277,959
Investment (loss) return	(1,111,973)	1,087,748
CFGP fund management fee	(71,419)	(55,889)
Funds released	<u>(2,118,199)</u>	<u>(800,517)</u>
Ending Balance	<u>\$ 7,546,628</u>	<u>\$ 6,785,623</u>

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

11 Loan Payable - Paycheck Protection Program

CFGP received a \$284,070 loan through the U.S. Small Business Administration's Paycheck Protection Program (PPP Loan) on May 1, 2020. The PPP Loan program was authorized as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which was signed into law on March 27, 2020. Small businesses and eligible not-for-profit organizations were encouraged to apply for the PPP Loan to help retain their current employees and their salary levels during the COVID-19 pandemic. The PPP Loan and accrued interest are eligible to be forgiven if CFGP maintains its employee count and salary level; and uses the funds for payroll and payroll related costs, interest on mortgages, rent, and utilities; and if 60% of the loan proceeds are used for payroll and payroll related costs.

CFGP elected to account for the PPP Loan as a financial liability in accordance with FASB ASC 470, which prohibited CFGP from recognizing forgiveness of the loan and gain on extinguishment until they were released as the primary obligor. During the year ended June 30, 2021, CFGP applied for and received forgiveness of the PPP loan from the Small Business Administration. The amount of loan forgiveness is reported as "Other revenue" on the statement of activities.

12 Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Field of Interest Funds	\$ 95,614	\$ 112,270
Program Funds	22,893	26,531
CFGP Emergency Relief Fund	21,669	12,140
CFGP Marketing Initiative	-	10,300
	<u>140,176</u>	<u>161,241</u>
Subject to endowment spending policy:		
Endowment funds	<u>5,058,467</u>	<u>5,599,850</u>
	<u>\$ 5,198,643</u>	<u>\$ 5,761,091</u>

Net assets were reduced from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrences of other events specified by donors as follows:

	<u>2022</u>	<u>2021</u>
Purpose Restriction Accomplished		
Investment fees	\$ 67,182	\$ 45,420
CFGP Marketing Initiative	10,300	16,464
Field of Interest funds	10,000	57,330
Grant Awards - CFGP Emergency Relief Fund	-	80,000
Grant Awards - Program Funds	-	6,000
	<u>\$ 87,482</u>	<u>\$ 205,214</u>

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

13 Endowment Funds

CFGP's endowment funds consist of pledges receivable and various endowment funds established to benefit care for the aged or disabled, seminarian formation and education, and other programs. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence of donor imposed restrictions or state law. The donor requires that the principal of the fund shall not be invaded and that distributions from the fund be made only from the funds' earnings based on the spending policy of CFGP. Commonwealth of Pennsylvania law permits not-for-profit organizations to define as income (and release from restriction) a portion of the average value of the fund. The total amount so designated cannot be less than 2% nor more than 7% of the prior three years, fair values of the endowment fund investments. These entities may now designate up to 10% of such three-year average value. The increased expenditure provisions apply only to calendar years 2020-2022 (and fiscal years ending therein). Pursuant to the Commonwealth of Pennsylvania law and at the direction of CFGP's Board of Trustees, a spending rate of 3% was adopted for each of the fiscal years ended June 30, 2022 and 2021.

CFGP's endowment assets had the following activity for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Beginning of year	\$ 5,599,850	\$ 3,593,390
Contributions and fund transfers	354,256	1,321,068
Investment (loss) income	(720,551)	832,207
Endowment transfers and satisfactions	<u>(175,088)</u>	<u>(146,815)</u>
Changes in net assets	<u>(541,383)</u>	<u>2,006,460</u>
End of year	<u>\$ 5,058,467</u>	<u>\$ 5,599,850</u>

Endowment assets were restricted for the following purposes as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Program Endowment Funds	\$ 2,211,877	\$ 2,406,122
Nursing care for the aged and disabled	1,749,101	2,089,000
Seminarian formation and education	<u>1,097,489</u>	<u>1,104,728</u>
	<u>\$ 5,058,467</u>	<u>\$ 5,599,850</u>

Return Objectives and Risk Parameters

CFGP has adopted investment and spending policies for permanently restricted assets that attempt to provide a relatively predictable and growing stream of annual distributions in support of the institution while preserving the long-term, real purchasing power of assets.

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

13 Endowment Funds (Continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, CFGP 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). CFGP's current assets allocation for permanently restricted funds is structured to achieve the appropriate level of investment return.

14 Operating Leases

CFGP has entered into various operating leases for equipment. The leases range from sixty months to one hundred and eight months.

CFGP entered into a lease for building suite space during the year ended June 30, 2022. The lease began on November 1, 2021 and ends October 31, 2022. Monthly rent payments began on November 1, 2021. The lease calls for minimum lease payments totaling \$1,600 per month. Subsequent to June 30, 2022, but prior to the date of this report, the lease was renewed.

CFGP entered into a lease for office space during the year ended June 30, 2022. The lease began on January 1, 2022 and ends September 30, 2030. Monthly rent payments will begin on October 10, 2022. Minimum lease payments escalate from \$17,006 per month to \$18,314 per month over the life of the lease.

Future minimum lease payments are as follows for the years ending June 30:

	<u>Equipment</u>	<u>Suite Space</u>	<u>Office Space</u>
2023	\$ 12,649	\$ 6,400	\$ 153,056
2024	10,633	-	207,017
2025	6,268	-	210,942
2026	3,656	-	214,866
2027	-	-	218,791
Thereafter	-	-	714,259
	<u>\$ 33,206</u>	<u>\$ 6,400</u>	<u>\$ 1,718,931</u>

Lease expense was \$226,028 and \$159,411 for the fiscal years ended June 30, 2022 and 2021, respectively.

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

15 Advertising Expense

Advertising expense was \$175,163 and \$143,658 for the years ended June 30, 2022 and 2021, respectively.

16 Pension Plan

CFGF sponsors a 403(B) plan to which they make discretionary contributions for all employees who meet the plan requirements. Pension expense for years ended June 30, 2022 and 2021 was \$60,275 and \$49,515, respectively.

17 Reclassification

Certain prior year amounts have been reclassified to conform with current year presentation.

18 Subsequent Event

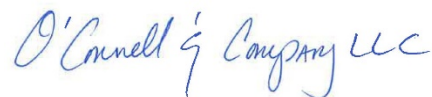
CFGF has evaluated all subsequent events through February 10, 2023, the date the financial statements were available to be issued.

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

February 10, 2023

The Board of Trustees
The Catholic Foundation of Greater Philadelphia
Philadelphia, Pennsylvania

We have audited the financial statements of The Catholic Foundation of Greater Philadelphia as of and for the years ended June 30, 2022 and 2021, and have issued our report thereon dated February 10, 2023, which contained an unqualified opinion on those financial statements. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The detailed statement of financial positions and activities on pages 19 through 22 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements 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.



O'Connell and Company, LLC

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

DETAILED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

	<u>CFGP</u>	<u>Donor Advised Funds</u>	<u>With Donor Restrictions - Purpose and Funds Held for Others</u>	<u>With Donor Restrictions - Perpetual in Nature</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 2,845,890	\$ 1,664,952	\$ -	\$ -	\$ 4,510,842
Investments	485,418	14,150,954	7,686,804	4,999,635	27,322,811
Accounts receivable	252,860	-	-	-	252,860
Pledges receivable	-	12,526,208	-	58,832	12,585,040
Other assets	199,887	-	-	-	199,887
Fixed assets, net	67,992	-	-	-	67,992
TOTAL ASSETS	<u>\$ 3,852,047</u>	<u>\$ 28,342,114</u>	<u>\$ 7,686,804</u>	<u>\$ 5,058,467</u>	<u>\$ 44,939,432</u>
 LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable and accrued expenses	\$ 270,669	\$ -	\$ -	\$ -	\$ 270,669
Funds held for others	-	-	7,546,628	-	7,546,628
Total Liabilities	<u>270,669</u>	<u>-</u>	<u>7,546,628</u>	<u>-</u>	<u>7,817,297</u>
 Net Assets					
Without Donor Restrictions					
Undesignated	3,581,378	-	-	-	3,581,378
Donor Advised Funds	-	28,342,114	-	-	28,342,114
Total Without Donor Restrictions	<u>3,581,378</u>	<u>28,342,114</u>	<u>-</u>	<u>-</u>	<u>31,923,492</u>
 With Donor Restrictions					
Restricted for specific purpose	-	-	140,176	-	140,176
Perpetual in nature	-	-	-	5,058,467	5,058,467
Total With Donor Restrictions	<u>-</u>	<u>-</u>	<u>140,176</u>	<u>5,058,467</u>	<u>5,198,643</u>
Total Net Assets	<u>3,581,378</u>	<u>28,342,114</u>	<u>140,176</u>	<u>5,058,467</u>	<u>37,122,135</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,852,047</u>	<u>\$ 28,342,114</u>	<u>\$ 7,686,804</u>	<u>\$ 5,058,467</u>	<u>\$ 44,939,432</u>

See independent auditor's report on additional information.

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

DETAILED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

	<u>CFGP</u>	<u>Donor Advised Funds</u>	<u>With Donor Restrictions - Purpose and Funds Held for Others</u>	<u>With Donor Restrictions - Perpetual in Nature</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 2,619,876	\$ 597,172	\$ 10,300	\$ -	\$ 3,227,348
Investments	538,123	11,866,196	6,936,564	5,522,172	24,863,055
Accounts receivable	170,582	-	-	-	170,582
Pledges receivable	-	2,706,200	-	77,678	2,783,878
Other assets	169,141	-	-	-	169,141
Fixed assets, net	31,693	-	-	-	31,693
TOTAL ASSETS	<u>\$ 3,529,415</u>	<u>\$ 15,169,568</u>	<u>\$ 6,946,864</u>	<u>\$ 5,599,850</u>	<u>\$ 31,245,697</u>
 LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable and accrued expenses	\$ 205,900	\$ -	\$ -	\$ -	\$ 205,900
Funds held for others	-	-	6,785,623	-	6,785,623
Total Liabilities	<u>205,900</u>	<u>-</u>	<u>6,785,623</u>	<u>-</u>	<u>6,991,523</u>
 Net Assets					
Without Donor Restrictions					
Undesignated	3,323,515	-	-	-	3,323,515
Donor Advised Funds	-	15,169,568	-	-	15,169,568
Total Without Donor Restrictions	<u>3,323,515</u>	<u>15,169,568</u>	<u>-</u>	<u>-</u>	<u>18,493,083</u>
 With Donor Restrictions					
Restricted for specific purpose	-	-	161,241	-	161,241
Perpetual in nature	-	-	-	5,599,850	5,599,850
Total With Donor Restrictions	<u>-</u>	<u>-</u>	<u>161,241</u>	<u>5,599,850</u>	<u>5,761,091</u>
Total Net Assets	<u>3,323,515</u>	<u>15,169,568</u>	<u>161,241</u>	<u>5,599,850</u>	<u>24,254,174</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,529,415</u>	<u>\$ 15,169,568</u>	<u>\$ 6,946,864</u>	<u>\$ 5,599,850</u>	<u>\$ 31,245,697</u>

See independent auditor's report on additional information.

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

DETAILED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>			<u>With Donor Restrictions</u>			<u>Total</u>
	<u>Undesignated</u>	<u>Donor Advised</u>	<u>Total</u>	<u>Purpose Restriction</u>	<u>Perpetual in Nature</u>	<u>Eliminations</u>	
REVENUE, GAINS AND OTHER SUPPORT							
Contributions	\$ 862,228	\$17,918,141	\$18,780,369	\$ 19,804	\$ 354,256	\$(197,117)	\$18,957,312
In-kind contributions	27,065	-	27,065	-	-	-	27,065
Program contracts	3,867,341	-	3,867,341	-	-	(14,545)	3,852,796
CFGF fund services fees	287,771	-	287,771	-	-	(207,014)	80,757
Investment loss	(206,746)	(1,796,887)	(2,003,633)	(18,804)	(720,551)	-	(2,742,988)
Endowment transfers	109,671	-	109,671	-	(109,671)	-	-
Satisfaction of program restrictions	87,482	-	87,482	(22,065)	(65,417)	-	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	<u>5,034,812</u>	<u>16,121,254</u>	<u>21,156,066</u>	<u>(21,065)</u>	<u>(541,383)</u>	<u>(418,676)</u>	<u>20,174,942</u>
EXPENSES							
Program	3,196,682	2,822,230	6,018,912	-	-	(211,662)	5,807,250
Management and general	692,525	126,478	819,003	-	-	(207,014)	611,989
Development	887,742	-	887,742	-	-	-	887,742
TOTAL EXPENSES	<u>4,776,949</u>	<u>2,948,708</u>	<u>7,725,657</u>	<u>-</u>	<u>-</u>	<u>(418,676)</u>	<u>7,306,981</u>
INCREASE (DECREASE) IN NET ASSETS	257,863	13,172,546	13,430,409	(21,065)	(541,383)	-	12,867,961
NET ASSETS - Beginning of Year	<u>3,323,515</u>	<u>15,169,568</u>	<u>18,493,083</u>	<u>161,241</u>	<u>5,599,850</u>	<u>-</u>	<u>24,254,174</u>
NET ASSETS - End of Year	<u>\$ 3,581,378</u>	<u>\$28,342,114</u>	<u>\$31,923,492</u>	<u>\$140,176</u>	<u>\$5,058,467</u>	<u>\$ -</u>	<u>\$37,122,135</u>

See independent auditor's report on additional information.

THE CATHOLIC FOUNDATION OF GREATER PHILADELPHIA

DETAILED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>			<u>With Donor Restrictions</u>			<u>Total</u>
	<u>Undesignated</u>	<u>Donor Advised</u>	<u>Total</u>	<u>Purpose Restriction</u>	<u>Perpetual in Nature</u>	<u>Eliminations</u>	
REVENUE, GAINS AND OTHER SUPPORT							
Contributions	\$ 181,624	\$ 3,818,427	\$ 4,000,051	\$ 112,247	\$ 1,321,068	\$ (188,361)	\$ 5,245,005
In-kind contributions	22,094	-	22,094	-	-	-	22,094
Program contracts	3,843,439	-	3,843,439	-	-	-	3,843,439
CFGF fund services fees	234,822	-	234,822	-	-	(170,833)	63,989
Investment income	(32,875)	2,296,128	2,263,253	28,022	832,207	-	3,123,482
Other revenue	286,327	-	286,327	-	-	-	286,327
Endowment transfers	103,802	-	103,802	-	(103,802)	-	-
Satisfaction of program restrictions	205,214	-	205,214	(162,201)	(43,013)	-	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	<u>4,844,447</u>	<u>6,114,555</u>	<u>10,959,002</u>	<u>(21,932)</u>	<u>2,006,460</u>	<u>(359,194)</u>	<u>12,584,336</u>
EXPENSES							
Program	2,970,842	1,487,171	4,458,013	-	-	(188,361)	4,269,652
Management and general	571,570	127,375	698,945	-	-	(170,833)	528,112
Development	748,153	-	748,153	-	-	-	748,153
TOTAL EXPENSES	<u>4,290,565</u>	<u>1,614,546</u>	<u>5,905,111</u>	<u>-</u>	<u>-</u>	<u>(359,194)</u>	<u>5,545,917</u>
INCREASE (DECREASE) IN NET ASSETS	553,882	4,500,009	5,053,891	(21,932)	2,006,460	-	7,038,419
NET ASSETS - Beginning of Year	<u>2,769,633</u>	<u>10,669,559</u>	<u>13,439,192</u>	<u>183,173</u>	<u>3,593,390</u>	<u>-</u>	<u>17,215,755</u>
NET ASSETS - End of Year	<u>\$3,323,515</u>	<u>\$15,169,568</u>	<u>\$18,493,083</u>	<u>\$161,241</u>	<u>\$5,599,850</u>	<u>\$ -</u>	<u>\$24,254,174</u>

See independent auditor's report on additional information.