

THE CATHOLIC FOUNDATION OF  
SOUTHEASTERN MASSACHUSETTS, INC.

FALL RIVER, MASSACHUSETTS

FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT

JUNE 30, 2021 AND 2020

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The Catholic Foundation of Southeastern Massachusetts, Inc.  
Fall River, Massachusetts

We have audited the accompanying financial statements of The Catholic Foundation of Southeastern Massachusetts, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility 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; this includes 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Catholic Foundation of Southeastern Massachusetts, Inc. as of June 30, 2021 and 2020, 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.

*Livingston + Haynes . P.C.*

Wellesley, Massachusetts  
December 16, 2021

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 586,006	\$ 2,077,656
Accrued interest and dividends receivable	4,126	1,089
Due from a related party	-	1,500
Other receivables	8,580	-
Prepaid expenses	-	25,869
Operating investments, at fair value	1,449,694	26,917
Property and equipment, net of accumulated depreciation of \$1,627 and \$697, respectively	7,669	8,599
Intangible assets, net of accumulated amortization of \$10,324 and \$5,649, respectively	3,701	8,376
Long-term investments, at fair value	<u>714,497</u>	<u>490,703</u>
TOTAL ASSETS	<u>\$ 2,774,273</u>	<u>\$ 2,640,709</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 41,980	\$ 21,011
Refundable advances	32,875	32,875
Due to the Roman Catholic Bishop of Fall River	<u>100,455</u>	<u>248,598</u>
TOTAL LIABILITIES	175,310	302,484
Net assets:		
Without donor restrictions	1,513,222	1,133,613
With donor restrictions	<u>1,085,741</u>	<u>1,204,612</u>
TOTAL NET ASSETS	<u>2,598,963</u>	<u>2,338,225</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,774,273</u>	<u>\$ 2,640,709</u>

See accompanying notes to financial statements.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
 STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
	Revenue and other support:					
Contributions and bequests	\$ 778,664	\$ 858,772	\$ 1,637,436	\$ 815,746	\$ 1,257,308	\$ 2,073,054
Contributed goods and services	-	-	-	3,940	-	3,940
Program service fees	587,750	-	587,750	482,000	-	482,000
Other income	107,037	-	107,037	10,882	-	10,882
Investment return, net	102,087	-	102,087	4,763	-	4,763
Net assets released from restrictions	<u>1,176,151</u>	<u>(1,176,151)</u>	<u>-</u>	<u>596,250</u>	<u>(596,250)</u>	<u>-</u>
TOTAL OPERATING REVENUES	<u>2,751,689</u>	<u>(317,379)</u>	<u>2,434,310</u>	<u>1,913,581</u>	<u>661,058</u>	<u>2,574,639</u>
Operating expenses:						
Program services	1,974,436	-	1,974,436	1,277,226	-	1,277,226
Supporting services:						
Fundraising	79,100	-	79,100	71,041	-	71,041
Management and general	<u>318,544</u>	<u>-</u>	<u>318,544</u>	<u>335,114</u>	<u>-</u>	<u>335,114</u>
TOTAL SUPPORTING SERVICES	<u>397,644</u>	<u>-</u>	<u>397,644</u>	<u>406,155</u>	<u>-</u>	<u>406,155</u>
TOTAL OPERATING EXPENSES	<u>2,372,080</u>	<u>-</u>	<u>2,372,080</u>	<u>1,683,381</u>	<u>-</u>	<u>1,683,381</u>
CHANGES IN NET ASSETS FROM OPERATING ACTIVITIES	379,609	(317,379)	62,230	230,200	661,058	891,258
Nonoperating activities:						
Contributions and bequests	-	50,045	50,045	-	507,104	507,104
Investment return, net	<u>-</u>	<u>148,463</u>	<u>148,463</u>	<u>-</u>	<u>34,978</u>	<u>34,978</u>
CHANGES IN NET ASSETS FROM NONOPERATING ACTIVITIES	<u>-</u>	<u>198,508</u>	<u>198,508</u>	<u>-</u>	<u>542,082</u>	<u>542,082</u>
CHANGES IN NET ASSETS	379,609	(118,871)	260,738	230,200	1,203,140	1,433,340
Net assets at beginning of year	<u>1,133,613</u>	<u>1,204,612</u>	<u>2,338,225</u>	<u>903,413</u>	<u>1,472</u>	<u>904,885</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,513,222</u>	<u>\$ 1,085,741</u>	<u>\$ 2,598,963</u>	<u>\$ 1,133,613</u>	<u>\$ 1,204,612</u>	<u>\$ 2,338,225</u>

See accompanying notes to financial statements.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021					
	PROGRAM SERVICES	SUPPORTING SERVICES			Total Supporting Services	Total
		Fundraising	Management and General			
Related party services	\$ 537,330	\$ 76,762	\$ 153,522	\$ 230,284	\$ 767,614	
Marketing and promotion	9,809	-	-	-	9,809	
Professional fees	159,448	-	129,176	129,176	288,624	
Grants	1,191,151	-	-	-	1,191,151	
Depreciation and amortization	2,337	2,338	930	3,268	5,605	
Office expense	74,361	-	25,184	25,184	99,545	
Meals and entertainment	-	-	334	334	334	
Travel	-	-	279	279	279	
Occupancy	-	-	2,096	2,096	2,096	
Miscellaneous	-	-	7,023	7,023	7,023	
	<u>\$ 1,974,436</u>	<u>\$ 79,100</u>	<u>\$ 318,544</u>	<u>\$ 397,644</u>	<u>\$ 2,372,080</u>	
TOTAL EXPENSES AS PRESENTED ON THE STATEMENTS OF ACTIVITIES						

See accompanying notes to financial statements.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2020				
	PROGRAM SERVICES	SUPPORTING SERVICES			Total
		Fundraising	Management and General	Total Supporting Services	
Related party services	\$ 490,633	\$ 57,878	\$ 156,850	\$ 214,728	\$ 705,361
Marketing and promotion	25,928	-	-	-	25,928
Professional fees	90,533	2,063	134,737	136,800	227,333
Grants	611,250	-	-	-	611,250
Depreciation and amortization	2,338	2,337	697	3,034	5,372
Office expense	48,530	4,840	27,634	32,474	81,004
Meals and entertainment	-	3,923	295	4,218	4,218
Travel	-	-	5,609	5,609	5,609
Occupancy	-	-	2,219	2,219	2,219
Miscellaneous	8,014	-	7,073	7,073	15,087
	<u>\$ 1,277,226</u>	<u>\$ 71,041</u>	<u>\$ 335,114</u>	<u>\$ 406,155</u>	<u>\$ 1,683,381</u>
TOTAL EXPENSES AS PRESENTED ON THE STATEMENTS OF ACTIVITIES	<u>\$ 1,277,226</u>	<u>\$ 71,041</u>	<u>\$ 335,114</u>	<u>\$ 406,155</u>	<u>\$ 1,683,381</u>

See accompanying notes to financial statements.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Changes in net assets	\$ 260,738	\$ 1,433,340
Adjustments to reconcile changes in net assets to to net cash provided (used) by operating activities:		
Depreciation and amortization	5,605	5,372
Realized (gains)/losses on sale of investments	(48,454)	256
Unrealized gains on investments	(184,315)	(34,785)
Contributions restricted for permanent endowment	(50,045)	(507,104)
(Increase) decrease in assets:		
Accrued interest and dividends receivable	(3,037)	(1,089)
Prepaid expenses	25,869	(25,869)
Due from a related party	1,500	(1,500)
Other receivables	(8,580)	-
Increase (decrease) in liabilities:		
Accounts payable	20,969	14,354
Refundable advances	-	32,875
Due to the Roman Catholic Bishop of Fall River	(148,143)	109,606
TOTAL ADJUSTMENTS	(388,631)	(407,884)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(127,893)	1,025,456
Cash flows from investing activities:		
Proceeds from sale of investments	216,188	28,000
Purchases of investments	(1,629,990)	(511,091)
Purchase of property and equipment	-	(9,296)
NET CASH USED BY INVESTING ACTIVITIES	(1,413,802)	(492,387)
Cash flows from financing activities:		
Proceeds from contributions restricted for permanent endowment	50,045	507,104
NET CASH PROVIDED BY FINANCING ACTIVITIES	50,045	507,104
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,491,650)	1,040,173
Cash and cash equivalents at beginning of year	2,077,656	1,037,483
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 586,006	\$ 2,077,656
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Income taxes	\$ -	\$ -
Interest	\$ -	\$ -
Noncash donated marketable equity securities	\$ 638,715	\$ 586,487

See accompanying notes to financial statements.



THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Catholic Foundation of Southeastern Massachusetts, Inc. (the "Organization") is a non-profit corporation located in Fall River, Massachusetts. The Organization's purpose is to raise, manage and distribute philanthropic funds to provide long-term, sustainable support for the parishes, schools and ministries across the Roman Catholic Bishop of Fall River (the "Diocese").

The significant accounting policies followed by the Organization are described below.

Accrual Basis

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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.

Basis of Presentation

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-imposed stipulations.

*Net assets with donor restrictions* - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed 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.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulations or law.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

Basis of Presentation (Continued)

Expirations of time restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets as net assets released from restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of property and equipment without donor restrictions concerning the use of such long-lived assets are reported as revenue of the net assets without donor restrictions. Contributions of cash or other assets to be used to acquire property and equipment are reported as revenue of the net assets with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Operations

The statements of activities report the changes in net assets from operating and nonoperating activities. Operating revenues consist of those items attributable to the Organization's mission. Investment income attributable to those assets is reported as operating revenue if used in the Organization's daily cash management activities or approved by the Organization's Board of Directors to be used in operations. All other investment income is reported as nonoperating revenues. Additionally, gains and losses on disposal of property and equipment are classified as operating if they result from the disposal of operating assets and as nonoperating if from the disposal of nonoperating assets. Contributions are classified as nonoperating if the Organization cannot use them in its daily cash management activities either by donor restriction or Board designation.

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 program and supporting services benefited.

The financial statements report certain categories 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 related party services which are allocated on the basis of estimates of time and effort and depreciation and amortization which are allocated on a square footage basis.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

Program Service Fees

The Organization's program service fees are derived from providing various types of services to related entities in the Diocese to raise, manage and distribute philanthropic funds. The services provided by the Organization are usually annual contracts that follow the Organization's fiscal year.

In order to recognize revenue from the program service fees, the Organization identifies the related party's contract, identifies the performance obligations in the contract, determines the transaction price, allocates the transaction price to the performance obligations in the contract, and recognizes revenue when or as the Organization satisfies a performance obligation.

The Organization's program service fees are recognized over the contract period as the performance obligations in the contract are provided to the related entities.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash in bank and short-term highly liquid investments with maturities at purchase of less than three months. The cash equivalents, in Note D - Investments, are not considered cash and cash equivalents in the statements of cash flows since these amounts are managed by outside investment advisors and are not considered available for operating cash flows.

Investments

The Organization records investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Investment return, net is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

The Organization utilizes various methods to measure the fair value of its investments on a recurring basis. Accounting principles generally accepted in the United States of America establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

- Level 1 - Quoted prices in active markets for identical assets or liabilities. Assets utilizing Level 1 inputs include the Organization's marketable equity securities and mutual funds. Valuations of these instruments do not require a high degree of judgment as the valuations are based on quoted prices in active markets that are readily available.
- Level 2 - Other significant observable inputs that reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from independent market sources. These observable inputs include quoted prices for similar investments, quoted prices in markets that are not active and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset and liability. Valuations in this category are inherently less reliable than quoted market price due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

Investments (Continued)

Level 3 - Unobservable inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability based upon the best information available in the circumstances.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Property and Equipment

Property and equipment are stated at cost at the date of acquisition or, if donated, at the market value on the date of the gift less accumulated depreciation and amortization. Maintenance repairs and minor renewals are expensed as incurred and renewals and betterments are capitalized. When an asset is retired or disposed of, the related costs and allowances for depreciation or amortization are removed from the accounts and any gain or loss on the disposition is reflected in the statements of activities. Provision for depreciation and amortization is made on the straight-line method by annual charges to the statements of activities calculated to absorb the costs over the estimated useful lives of the assets.

The estimated useful lives of these assets are as follows:

Furniture and fixtures	10 years
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Donated Property

No amounts have been reflected in the accompanying financial statements for certain space used by the Organization but owned by the Diocese, inasmuch as no objective basis is available to measure the value of such space.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

Intangible Assets

Intangible assets consist of an external website developed by the Organization. The website is used by the Organization for advertising purposes only. The costs associated with the website application and infrastructure development of the website were capitalized and are being amortized over a period of three years - the estimated useful life of the website.

Intentions to Give

The Organization has received commitments from board members, individual donors, and other nonprofit organizations to provide future funds to the Organization. The Organization deems these to be intentions to give and not unconditional promises to give. The Organization recognizes contribution revenue and a receivable for the contribution once the intention to give is legally enforceable and the Organization is able to determine a fair value for the contribution.

Refundable Advances

Refundable advances represent amounts received by the Organization from donors that will be attending a special fundraising event to be held after the end of the fiscal year. The amount includes both the ticket sales and any additional contributions whose recognition is conditioned on the event taking place.

Contributed Goods and Services

Significant goods and services were donated to the Organization by various individuals and organizations. Contributed goods were \$-0- and \$1,595 for the years ended June 30, 2021 and 2020, respectively, which were recorded at fair value at the date of donation and were included in revenue and expenses in the statements of activities for the respective years. These contributed goods represented the cost of fundraising dinners contributed by donors.

Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contribution revenue recognized from contributed services consisted of \$-0- and \$2,345 in marketing and promotional services for the years ended June 30, 2021 and 2020, respectively. Contributed services were recognized as revenue and expenses in the statements of activities for the respective years.

Grants

All appropriations for grants to other related entities in the Diocese are recorded as an expense in the year they are awarded.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

Endowment Fund Investment and Spending Policies

The Organization's endowment funds consist principally of funds that are set aside as donor-restricted endowment funds. Presently, the Organization's endowment only includes donor-restricted funds and does not include funds designated by the Board of Directors to function as endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted in the Commonwealth of Massachusetts and its own governing documents in the management and investment of its donor-restricted endowment funds. UPMIFA eliminated the concept of historic dollar value threshold, the amount below which an organization could not spend from the fund, in favor of a more robust set of guidelines about what constitutes prudent spending. As required by UPMIFA, the Organization's policy is to follow the terms of their governing documents.

Under accounting principles generally accepted in the United States of America, the Organization is also required to include expanded disclosures for all donor-restricted endowment funds. These additional disclosures are found below and in Note F.

The Board of Directors of the Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies. The Organization's donors have placed restrictions on the use of the investment income and net appreciation resulting from the donor-restricted endowment funds.

The Board of Directors has determined that the Organization's endowment contributions are subject to the terms of its governing documents and the various gift instruments received. Under these terms, the Board of Directors must preserve the original principal amount of the contribution.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

Endowment Fund Investment and Spending Policies (Continued)

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 Board of Directors of the Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. If the original principal amount is eroded, then the difference is reclassified first to net assets with donor restrictions (up to the amount of any income on the contribution remaining there) and then to net assets without donor restrictions. Future gains, if any, that restore the assets of the endowment fund to the original level will increase net assets without donor restrictions.

*Investment Return Objectives, Risk Parameters, and Strategies*

The Organization has adopted an investment policy, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds any distributions made with acceptable levels of risk.

Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make distributions, if needed, while growing the funds if possible. Therefore, the Organization expects its endowment assets, over time, to earn a rate of return which exceeds the inflation rate plus the level of spending. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized), rather than current yield (interest and dividends). The Organization targets a diversified asset allocation that places an emphasis on equity investments to achieve its long-term return objectives within prudent risk parameters.

*Spending Policy*

The Organization adopted a spending policy of appropriating for distribution annually up to 75% of prior fiscal year earnings for all of its endowment funds. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow to exceed the inflation rate annually, which is consistent with the Organization's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through investment return.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

Income Taxes

The Organization is classified as a public charity and exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(B) of the Code and has been classified as an organization that is not a private foundation under Section 509 (a)(2) of the Code.

The Organization recognizes the tax benefit from any uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the tax position. Any tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. Management has analyzed the Organization's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open years (for years ended June 30, 2018-2020) or expected to be taken in the Organization's tax returns for the year ended June 30, 2021. The Organization identifies its major tax jurisdictions as U.S. Federal and the Commonwealth of Massachusetts; however, the Organization is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months. The Organization also follows the policy to recognize interest and penalties related to unrecognized tax benefits (if any) in income tax expense. No such interest and penalties have been recorded as of June 30, 2021 and 2020.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by them to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Investments are made by an investment manager whose performance is monitored by management and the finance committee of the Board of Directors. Although the fair values of the investments are subject to fluctuation, management and the finance committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Beneficiary in Wills and Estates

The Organization is named as a beneficiary in numerous wills and estates. The Organization deems these to be intentions to give and not unconditional promises to give. The Organization recognizes contribution revenue and a receivable for its interest in the estate based upon a probate court having declared an individual will to be valid and the Organization having the ability to determine the fair value of the estate.



THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

**NOTE B - RELATED PARTY TRANSACTIONS**

During the years ended June 30, 2021 and 2020, certain employees of the Diocese performed services for the Organization. The applicable salaries and benefits of these employees are reimbursed by the Organization. The value of these services was \$827,614 and \$765,361, respectively. These services are included in related party services and professional fees on the statements of activities. The Organization owes \$98,434 and \$248,598, respectively, for these services at June 30, 2021 and 2020 which is included in due to the Roman Catholic Bishop of Fall River on the statements of financial position.

During the years ended June 30, 2021 and 2020, the Organization signed service agreements with the Diocese and other related Diocesan entities to provide these entities professional services. The value of these services provided was \$587,750 and \$482,000, respectively, and are included on the statements of activities as program service fees. At June 30, 2021 and 2020, the Diocese and the other entities did not owe any amounts to the Organization for these services.

During the years ended June 30, 2021 and 2020, the Organization awarded grants of \$1,191,151 and \$611,250, respectively, to the Diocese and related Diocesan entities, which are included in program services expenses in the statements of activities. At June 30, 2021 and 2020 the Organization owes \$12,521 and \$0-, respectively, to the Diocese and these related entities which are included in accounts payable and due to the Roman Catholic Bishop of Fall River on the statements of financial position.

During the year ended June 30, 2020, a related entity received contributions on behalf of the Organization in the amount of \$1,500. No amounts were paid out to the Organization by the related entity during the year ended June 30, 2020. Therefore, at June 30, 2020, the related entity owed the Organization \$1,500 for these contributions which is included on the statements of financial position as due from a related entity at June 30, 2020. The Organization received these funds during the year ended June 30, 2021.

During the years ended June 30, 2021 and 2020, the Organization held funds in three accounts with a bank for which one of the officers of the Organization is the President of the bank. The Organization also owns three investment portfolios with an investment management company that is 80% owned by the same bank.

During the year ended June 30, 2021, the Diocese received funds from the Small Business Association's Payroll Protection Program based on salaries paid to the Diocesan employees that perform services for the Organization. The Diocese then gave to the Organization \$100,199, which is a portion of these funds that represent the Payroll Protection Program forgiveness that the Diocese received for these Diocesan employees performing services for the Organization. This amount is included in the statements of activities as other income.

**NOTE C - CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash in various financial institutions' deposit accounts which, at times, may exceed federally insured limits. As of June 30, 2021 and 2020, the maximum loss that would have resulted by the excess of deposits over the insured limit would have been approximately \$409,500 and \$1,953,300 respectively. The Organization has not experienced any losses in such accounts, and does not believe it is exposed to any significant credit risk on cash.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE C - CONCENTRATION OF CREDIT RISK (Continued)

The Organization received contributions representing 34% of its total contribution revenue during the year ended June 30, 2021 from two donors.

The Organization received contributions representing 60% of its total contribution revenue during the year ended June 30, 2020 from three donors.

All of the Organization's program service fees for the years ended June 30, 2021 and 2020 were received from the Diocese and related Diocesan entities.

NOTE D - INVESTMENTS

Investments, at fair values, are classified in the statements of financial position as follows:

	2021	2020
Operating investments, at fair value	\$ 1,449,694	\$ 26,917
Long-term investments, at fair value	714,497	490,703
	\$ 2,164,191	\$ 517,620

The investments, as classified above, are comprised of the following:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Cash equivalents	\$ 39,502	\$ 39,502	\$ 27,646	\$ 27,646
Mutual funds	786,113	816,388	224,683	237,647
Marketable equity securities	1,119,476	1,308,301	230,506	252,327
	\$ 1,945,091	\$ 2,164,191	\$ 482,835	\$ 517,620

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2021 AND 2020

NOTE D - INVESTMENTS (Continued)

Investment return, net consists of the following:

	<u>2021</u>		
	<u>Without</u> <u>Donor</u> <u>Restrictions</u>	<u>With</u> <u>Donor</u> <u>Restrictions</u>	<u>Total</u>
Operating investment return, net:			
Interest and dividends	\$ 10,473	\$ -	\$ 10,473
Realized gains on investments	6,482	-	6,482
Unrealized gains on investments	87,015	-	87,015
Investment advisory fees	<u>(1,883)</u>	<u>-</u>	<u>(1,883)</u>
	102,087	-	102,087
Nonoperating investment return, net:			
Interest and dividends	-	10,947	10,947
Realized gains on investments	-	41,972	41,972
Unrealized gains on investments	-	97,300	97,300
Investment advisory fees	<u>-</u>	<u>(1,756)</u>	<u>(1,756)</u>
	<u>-</u>	<u>148,463</u>	<u>148,463</u>
Total investment return, net	<u>\$ 102,087</u>	<u>\$ 148,463</u>	<u>\$ 250,550</u>
	<u>Without</u> <u>Donor</u> <u>Restrictions</u>	<u>With</u> <u>Donor</u> <u>Restrictions</u>	<u>Total</u>
Operating investment return, net:			
Interest and dividends	\$ 2,880	\$ -	\$ 2,880
Realized losses on investments	(73)	-	(73)
Unrealized gains on investments	1,961	-	1,961
Investment advisory fees	<u>(5)</u>	<u>-</u>	<u>(5)</u>
	4,763	-	4,763
Nonoperating investment return, net:			
Interest and dividends	-	2,423	2,423
Realized losses on investments	-	(183)	(183)
Unrealized gains on investments	-	32,824	32,824
Investment advisory fees	<u>-</u>	<u>(86)</u>	<u>(86)</u>
	<u>-</u>	<u>34,978</u>	<u>34,978</u>
Total investment return, net	<u>\$ 4,763</u>	<u>\$ 34,978</u>	<u>\$ 39,741</u>

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE D - INVESTMENTS (Continued)

The following tables summarize inputs used in determining the fair valuation of the Organization's investments at June 30, 2021:

	2021			Total
	Level 1	Level 2	Level 3	
Cash equivalents	\$ 39,502	\$ -	\$ -	\$ 39,502
Mutual funds:				
Fixed income	574,835	-	-	574,835
Equity - US stock	-	-	-	-
Equity - international stock	<u>241,553</u>	-	-	<u>241,553</u>
Total mutual funds	<u>816,388</u>	-	-	<u>816,388</u>
Marketable equity securities:				
Consumer discretionary	175,484	-	-	175,484
Consumer staples	81,812	-	-	81,812
Energy	15,188	-	-	15,188
Financial	129,303	-	-	129,303
Health care	103,455	-	-	103,455
Industrials	100,218	-	-	100,218
Information technology	365,648	-	-	365,648
Materials	29,472	-	-	29,472
Communication services	148,155	-	-	148,155
Utilities	36,156	-	-	36,156
Real estate investment trust	41,475	-	-	41,475
Preferred stock	<u>81,935</u>	-	-	<u>81,935</u>
Total marketable equity securities	<u>1,308,301</u>	-	-	<u>1,308,301</u>
	<u>\$ 2,164,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,164,191</u>

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE D - INVESTMENTS (Continued)

	2020			Total
	Level 1	Level 2	Level 3	
Cash equivalents	\$ 27,646	\$ -	\$ -	\$ 27,646
Mutual funds:				
Fixed income	152,400	-	-	152,400
Equity - US stock	41,667	-	-	41,667
Equity - international stock	43,580	-	-	43,580
Total mutual funds	237,647	-	-	237,647
Marketable equity securities:				
Consumer discretionary	29,406	-	-	29,406
Consumer staples	18,952	-	-	18,952
Energy	2,234	-	-	2,234
Financial	28,215	-	-	28,215
Health care	21,267	-	-	21,267
Industrials	16,517	-	-	16,517
Information technology	68,034	-	-	68,034
Materials	3,537	-	-	3,537
Communication services	27,093	-	-	27,093
Utilities	6,798	-	-	6,798
Real estate investment trust	4,903	-	-	4,903
Preferred stock	25,371	-	-	25,371
Total marketable equity securities	252,327	-	-	252,327
	<u>\$ 517,620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 517,620</u>

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE E - NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2021 and 2020, net assets with donor restrictions consist of funds received from donors that are restricted for the following purpose:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Math education	\$ 196,555	\$ 300,000
Personalized learning	124,498	300,000
St. Mary's Cathedral	765	725
St. Clare's Residential Home	31,470	20,000
Seminarian education	10,000	5,500
Retired priests	-	1,000
St. Mary Catherine fellowship	1,000	-
Holy Redeemer Parish	990	-
Catholic Social Services, Inc.	-	25,000
Diocese	4,693	225
Coyle and Cassidy High School	-	10,000
Covid-19 emergency fund	<u>5</u>	<u>80</u>
	369,976	662,530
 Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for:		
Good Shepherd Parish	128,163	30,567
Seminarian education	<u>30,453</u>	<u>4,411</u>
	158,616	34,978
Subject to the Organization's endowment spending policy and appropriation:		
Good Shepherd Parish	407,149	407,104
Seminarian education	<u>150,000</u>	<u>100,000</u>
	<u>557,149</u>	<u>507,104</u>
Total endowments	<u>715,765</u>	<u>542,082</u>
	<u>\$ 1,085,741</u>	<u>\$ 1,204,612</u>

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE E - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors are as follows for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Good Shepherd Parish	\$ 47,817	\$ 246,791
Bishop Connolly High School	10,000	209,584
Foundation to Advance Catholic Education, Inc	150,000	50,000
Diocese	122,866	52,508
Bishop Stang High School	8,018	19,499
Math education initiative	103,445	-
Personalized learning initiative	175,502	-
Personal protective equipment	158,659	-
Catholic Social Services	85,650	-
St. Patrick's Wareham	26,873	-
St. Francis Xavier Parish	14,000	1,472
Bishop Feehan High School	201,734	1,236
St. Clare's Residential Home	13,980	-
Holy Trinity Adoration Chapel	10,335	-
COVID-19 emergency fund	445	2,685
Seminarian education	8,000	-
Other Diocesan entities	<u>38,827</u>	<u>12,475</u>
	<u>\$ 1,176,151</u>	<u>\$ 596,250</u>

NOTE F - ENDOWMENT FUNDS

Endowment net asset composition by type of fund is as follows:

	<u>2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ -	\$ -	\$ -
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	557,149	557,149
Accumulated investment return, net	<u>-</u>	<u>158,616</u>	<u>158,616</u>
Total funds	<u>\$ -</u>	<u>\$ 715,765</u>	<u>\$ 715,765</u>

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE F - ENDOWMENT FUNDS (Continued)

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ -	\$ -	\$ -
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	507,104	507,104
Accumulated investment return, net	-	34,978	34,978
Total funds	\$ -	\$ 542,082	\$ 542,082

Changes in endowment net assets for the years ended June 30, 2021 and 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets as of June 30, 2019	\$ -	\$ -	\$ -
Contributions	-	507,104	507,104
Investment return, net	-	34,978	34,978
Appropriation of endowment assets pursuant to spending-rate policy	-	-	-
Endowment net assets as of June 30, 2020	-	542,082	542,082
Contributions	-	50,045	50,045
Investment return, net	-	148,463	148,463
Appropriation of endowment assets pursuant to spending-rate policy	-	(24,825)	(24,825)
Endowment net assets as of June 30, 2021	\$ -	\$ 715,765	\$ 715,765



THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE G - INTANGIBLE ASSETS

At June 30, 2021 and 2020, intangible assets consist of:

	2021	2020
Website costs	\$ 14,025	\$ 14,025
Less: accumulated amortization of website costs	(10,324)	(5,649)
	\$ 3,701	\$ 8,376

Amortization expense for the website for the years ended June 30, 2021 and 2020 was \$4,675.

The amortization expense on the website costs to be taken for each of the five years succeeding June 30, 2021 is as follows:

2022	\$ 3,701
2023	-
2024	-
2025	-
2026	-
	\$ 3,701

NOTE H - PROPERTY AND EQUIPMENT

The property and equipment are composed of furniture and fixtures. For the years ended June 30, 2021 and 2020, depreciation of property and equipment amounted to \$930 and \$697, respectively.

NOTE I - LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal including cash and cash equivalents and investments.

For purposes of analyzing resources available to meet the general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of providing professional services as well as the conduct of services undertaken to support those activities, to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE I - LIQUIDITY AND AVAILABILITY (Continued)

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

	2021	2020
Cash and cash equivalents	\$ 586,006	\$ 2,077,656
Accrued interest and dividends receivable	4,126	1,089
Due from a related party	-	1,500
Other receivables	8,580	-
Operating investments, at fair value	1,449,694	26,917
Net assets with donor restrictions - rate distributions and appropriations	111,347	-
	\$ 2,159,753	\$ 2,107,162

NOTE J - COMMITMENTS AND CONTINGENCIES

During the year ended June 30, 2020, the Organization entered into a contract with a strategic development company to assist with establishing procedures and policies for the Organization's development. The contract was for a total of \$15,000. As of June 30, 2020, \$11,250 of the work had been completed, billed and paid for by the Organization. The remainder of the contract was completed, billed and paid for by the Organization during the year ended June 30, 2021.

During the year ended June 30, 2020, the Organization entered into a three-year contract with a software company for the use of its donor management software. The contract was for a total of \$15,560. As of June 30, 2021 and 2020, \$10,374 and \$5,187 had been billed and paid for by the Organization, respectively. The remaining installment is to be paid during fiscal year 2022.

During the year ended June 30, 2020, the Organization entered into a contract with a direct mail fundraising company to assist with the mailings of the 2020 Catholic Charities Appeal. The contract was for a total of \$168,685. As of June 30, 2020, \$101,211 of the work had been billed and paid for by the Organization. Only \$84,342 of the work had been completed as of June 30, 2020. The remainder of \$16,869 was included in prepaid expenses on the statement of financial position at June 30, 2020. The remainder of the contract was completed, billed and paid for by the Organization during fiscal year 2021.

During the year ended June 30, 2021, the Organization entered into a contract with a direct mail fundraising company to assist with the mailings of the 2021 Catholic Charities Appeal. The contract was for a total of \$160,325. As of June 30, 2021, \$50,070 of the work had been completed, billed and paid for by the Organization. As of June 30, 2021, \$25,035 of the work had been completed and billed but not yet paid for by the Organization. This amount is included in accounts payable on the statements of financial position. The remainder of the contract was completed, billed, and paid for by the Organization during fiscal year 2022.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2021 AND 2020

NOTE K - RECLASSIFICATIONS

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year financial statements. The reclassifications had no impact on the statements of financial position, statements of activities, statements of functional expenses or statements of cash flows.

NOTE L - COVID-19

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 has had an impact on various parts of its FY2021 operations and financial results including, but not limited to, fluctuations in the value of its investment portfolios. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of June 30, 2021.

NOTE M - SUBSEQUENT EVENTS

The Organization has evaluated the impact of all subsequent events through December 16, 2021, the date the financial statements were available to be issued, and has determined that there were no subsequent events requiring adjustment or disclosure in the financial statements.