



**EMMAUS FOUNDATION, INC.
D/B/A THE CATHOLIC FOUNDATION
OF THE DIOCESE OF ST. PETERSBURG**

Financial Statements

**June 30, 2024 and 2023
(With Independent Auditors' Report Thereon)**

**EMMAUS FOUNDATION, INC.
D/B/A THE CATHOLIC FOUNDATION OF THE DIOCESE OF ST. PETERSBURG**

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Independent Auditors' Report

To the Board of Trustees of
Emmaus Foundation, Inc.
d/b/a The Catholic Foundation of the Diocese of St. Petersburg:

Opinion

We have audited the financial statements of Emmaus Foundation, Inc. d/b/a The Catholic Foundation of the Diocese of St. Petersburg (the "Catholic Foundation"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, the related statement of functional expenses for the year ended June 30, 2024, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Catholic Foundation as of June 30, 2024 and 2023, the changes in its net assets and its cash flows for the years then ended, and its functional expenses for the year ended June 30, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Catholic Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Catholic Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Catholic Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Catholic Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CBIZ CPAs P.C.¹

December 18, 2024
St. Petersburg, Florida

¹In certain jurisdictions, CBIZ CPAs P.C. operates under its previous name, Mayer Hoffman McCann P.C.

EMMAUS FOUNDATION, INC.
D/B/A THE CATHOLIC FOUNDATION OF THE DIOCESE OF ST. PETERSBURG

Statements of Financial Position

June 30, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 3,863,147	1,779,477
Investments:		
Funds held in trust	104,818,163	93,590,153
Charitable gift annuities	1,116,337	1,144,024
Parish life	687,146	609,677
Endowed funds	5,752,596	5,024,249
Other managed funds	54,413	48,473
Accounts receivable	-	307,933
Prepaid expenses	2,233	-
Land held for sale	300,000	300,000
Total assets	\$ 116,594,035	102,803,986
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 498,016	35,163
Due to Diocese of St. Petersburg Pastoral Center	536,963	920,436
Deposits held in trust for:		
Catholic Education Foundation, Inc.	5,349,419	4,966,158
A Catholic (Non-Diocesan) corporation	15,034,419	13,553,735
School endowment (CSREA) funds	11,186,249	9,954,568
Diocese of St. Petersburg (for Bethany Center)	2,491,800	2,311,725
A Parish Foundation	2,564,255	2,412,109
Calvary Cemetery Perpetual Care Fund	6,741,169	5,989,878
Diocese of St. Petersburg (seminarians)	3,196,263	2,964,366
Other support programs	4,372,999	3,598,093
Parishes	1,502,265	1,052,052
St. John XXIII Retirement Center	4,413,085	-
Parish Sustainability Corporation	49,434,010	46,787,469
Total funds held in trust	106,285,933	93,590,153
Annuity obligations	621,415	714,945
Total liabilities	107,942,327	95,260,697
Net assets:		
Without donor restrictions	1,908,393	1,659,556
With donor restrictions	6,743,315	5,883,733
Total net assets	8,651,708	7,543,289
Total liabilities and net assets	\$ 116,594,035	102,803,986

EMMAUS FOUNDATION, INC.
D/B/A THE CATHOLIC FOUNDATION OF THE DIOCESE OF ST. PETERSBURG

Statements of Activities

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>			<u>2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:						
Bequests and contributions	\$ 97,395	398,711	496,106	20,953	1,001,779	1,022,732
Investment return	(32,467)	752,114	719,647	(64,917)	493,124	428,207
Administrative fees and other	593,544	527	594,071	532,987	16,971	549,958
In-kind contributions	30,000	-	30,000	30,000	-	30,000
Change in value of split-interest agreements	(8,663)	-	(8,663)	(92,750)	-	(92,750)
Net assets released from restrictions	291,770	(291,770)	-	1,258,314	(1,258,314)	-
Total support and revenue	971,579	859,582	1,831,161	1,684,587	253,560	1,938,147
Expenses:						
Program services	342,222	-	342,222	1,179,758	-	1,179,758
Supporting services:						
Administration	196,208	-	196,208	120,431	-	120,431
Fundraising	184,312	-	184,312	212,327	-	212,327
Total expenses	722,742	-	722,742	1,512,516	-	1,512,516
Change in net assets	248,837	859,582	1,108,419	172,071	253,560	425,631
Net assets, beginning of year	1,659,556	5,883,733	7,543,289	1,487,485	5,630,173	7,117,658
Net assets, end of year	\$ 1,908,393	6,743,315	8,651,708	1,659,556	5,883,733	7,543,289

See accompanying independent auditors' report and notes to financial statements.

EMMAUS FOUNDATION, INC.
D/B/A THE CATHOLIC FOUNDATION OF THE DIOCESE OF ST. PETERSBURG

Statement of Functional Expenses

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	Program Services	Supporting Services			Total Expenses	
		Administration	Fundraising	Total	2024	2023
Salaries	\$ -	55,714	113,116	168,830	168,830	96,574
Payroll taxes and benefits	-	17,913	36,369	54,282	54,282	35,092
	-	73,627	149,485	223,112	223,112	131,666
Grants to others	328,783	-	-	-	328,783	1,179,428
Programs and clergy support	13,439	-	-	-	13,439	330
Management fees	-	41,159	-	41,159	41,159	39,960
Professional fees	-	61,376	9,585	70,961	70,961	123,925
Travel	-	1,314	2,667	3,981	3,981	2,469
Insurance premiums	-	418	850	1,268	1,268	1,578
Telephone and utilities	-	441	895	1,336	1,336	769
Supplies	-	401	813	1,214	1,214	222
Postage	-	1,894	3,845	5,739	5,739	1,203
Other	-	578	1,172	1,750	1,750	966
In-kind expenses	-	15,000	15,000	30,000	30,000	30,000
	\$ <u>342,222</u>	<u>196,208</u>	<u>184,312</u>	<u>380,520</u>	<u>722,742</u>	<u>1,512,516</u>

EMMAUS FOUNDATION, INC.
D/B/A THE CATHOLIC FOUNDATION OF THE DIOCESE OF ST. PETERSBURG

Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 1,108,419	425,631
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized gains on investments	(546,817)	(310,476)
Change in value of split-interest agreements	8,663	92,750
Contribution under charitable gift annuity agreement	-	(13,820)
Contributions restricted for endowments	(279,246)	(620,714)
Changes in operating assets and liabilities:		
Accounts receivable	307,933	(307,933)
Prepaid expenses	(2,233)	2,500
Accounts payable and accrued expenses	462,853	(142,982)
Deposits held in trust	1,467,769	-
Due to Diocese of St. Petersburg Pastoral Center	(383,473)	283,846
	2,143,868	(591,198)
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	1,100,034	3,275,365
Purchases of investments	(1,337,285)	(3,418,460)
	(237,251)	(143,095)
Net cash used in investing activities		
Cash flows from financing activities:		
Proceeds received from contributions restricted for endowments	279,246	620,714
Cash received under charitable gift annuity contribution	-	25,000
Payments to donor annuitants	(102,193)	(97,353)
	177,053	548,361
Net cash provided by financing activities		
Net increase (decrease) in cash and cash equivalents	2,083,670	(185,932)
Cash and cash equivalents, beginning of year	1,779,477	1,965,409
Cash and cash equivalents, end of year	\$ 3,863,147	1,779,477
Noncash activities:		
Change in value of deposits held in trust	\$ 11,228,011	7,600,459

EMMAUS FOUNDATION, INC.
D/B/A THE CATHOLIC FOUNDATION OF THE DIOCESE OF ST. PETERSBURG

Notes to Financial Statements

June 30, 2024 and 2023

(1) Description of Catholic Foundation

Emmaus Foundation, Inc. d/b/a The Catholic Foundation of the Diocese of St. Petersburg (the “Catholic Foundation”) was formed in 1997 by the Bishop of the Diocese of St. Petersburg for the purpose of developing, establishing and maintaining gifts that are restricted and/or endowed for the use and benefit of the juridical persons within the Diocese of St. Petersburg in accordance with Canon Law, and for such other purposes that serve and benefit, the ministry and service of the Diocese of St. Petersburg, its parishes, schools and other institutions, when the donor has specifically restricted such use for charitable, educational, and religious purposes. The Catholic Foundation is a qualifying issuer of donor annuity agreements under laws of the State of Florida.

The activities of the Catholic Foundation include tuition assistance and other grants given to Catholic schools in the Diocese of St. Petersburg and other grants to parishes, missions and Catholic Charities, Diocese of St. Petersburg, Inc.

The Catholic Foundation also holds and manages a significant amount of funds placed on deposit in the Catholic Foundation by other Diocesan and Catholic entities.

(2) Summary of Significant Accounting Policies and Practices

(a) Basis of Accounting

The financial statements of the Catholic Foundation have been prepared using the accrual basis of accounting, which recognizes revenues when earned and expenses as incurred. All financial transactions have been recorded to report transactions based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- *Net Assets Without Donor Restrictions:* Net assets without donor restrictions are available for use at the discretion of the Catholic Foundation’s Board of Trustees and/or management for general operating purposes.
- *Net Assets With Donor Restrictions:* Net assets with donor restrictions consists of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Catholic Foundation reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions. Some net assets with donor restrictions include a stipulation that assets provided be maintained in perpetuity while permitting the Catholic Foundation to spend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

EMMAUS FOUNDATION, INC.
D/B/A THE CATHOLIC FOUNDATION OF THE DIOCESE OF ST. PETERSBURG

Notes to Financial Statements - Continued

(2) Summary of Significant Accounting Policies and Practices - Continued

(a) Basis of Accounting - Continued

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Contributions, including unconditional promises to give (pledges), 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 assets other than cash are recorded at their estimated fair value and are subsequently adjusted as necessary based on any permanent impairment of their fair value.

The Catholic Foundation charges an administration fee of 0.75% (75 basis points) to certain holders of deposits held in trust, which was \$594,071 and \$549,958 for the years ended June 30, 2024 and 2023, respectively, and is recorded as administrative fees in the statements of activities. Revenue is recognized over a period of time as administrative services are provided.

(b) Liquidity

Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash, and liabilities according to the nearness of their maturity and resulting use of cash.

(c) Cash and Cash Equivalents

Other than short-term investments, the Catholic Foundation considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Included in cash and cash equivalents are \$265,989 and \$260,717 as of June 30, 2024 and 2023, respectively, in savings accounts that are included in the Diocese of St. Petersburg Savings and Loan Trust that received interest income of 2% during the years ended June 30, 2024 and 2023.

Cash is on deposit at a high-quality financial institution in bank deposit amounts which at times, may exceed federally insured limits. The Catholic Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant risk.

(d) Bequests Receivable

The Catholic Foundation recognizes its interest in estates in process as a receivable, at fair value, when the Court declares the related will valid.

EMMAUS FOUNDATION, INC.
D/B/A THE CATHOLIC FOUNDATION OF THE DIOCESE OF ST. PETERSBURG

Notes to Financial Statements - Continued

(2) Summary of Significant Accounting Policies and Practices - Continued

(e) Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded net of an allowance for doubtful pledges. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows net of an allowance for doubtful pledges. The discounts on those amounts are computed using a risk adjusted interest rate which corresponds with the collection period of the respective pledge. Amortization of discounts is included in contribution revenue.

(f) Land

At June 30, 2024 and 2023, land was being marketed, but had not been sold. The donation of land was recorded at fair value at the date of the gift, which was \$700,000. During the year ended June 30, 2009, management determined that the fair value of the land had been impaired by approximately \$300,000 adjusting the fair value of the land to \$400,000. During the year ended June 30, 2011 management evaluated the estimated market value and determined that it had been impaired by an additional \$100,000 adjusting the fair value of the land to \$300,000 at June 30, 2011. At June 30, 2024 and 2023 management estimated the fair value of the land had remained at approximately \$300,000 based upon an evaluation of market value of land in the area and current market conditions.

(g) Fair Value Measurements

The Catholic Foundation evaluates the fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. In accordance with generally accepted accounting principles, fair value measurements are evaluated by a fair value hierarchy that distinguishes between assumptions based on market data (observable inputs) and the Catholic Foundation's assumptions (unobservable inputs). Determining where an asset or liability falls within the hierarchy depends on the lowest level of input that is significant to the fair value measurement as a whole. There are three levels of the hierarchy:

Level 1: based on quoted market prices in active markets for identical assets or liabilities;

Level 2: based on inputs other than Level 1 inputs that are either directly or indirectly observable;

Level 3: based on unobservable inputs developed using the Catholic Foundation's estimates and assumptions, which reflect those that market participants would use.

The Catholic Foundation evaluates its hierarchy disclosures annually and, based on various factors it is possible that an asset or liability may be classified differently from year to year. The Catholic Foundation's alternative investments are valued at net asset value ("NAV"). The Catholic Foundation does not have any unfunded commitments for the investments and the investments are redeemable daily.

EMMAUS FOUNDATION, INC.
D/B/A THE CATHOLIC FOUNDATION OF THE DIOCESE OF ST. PETERSBURG

Notes to Financial Statements - Continued

(2) Summary of Significant Accounting Policies and Practices - Continued

(g) Fair Value Measurements - Continued

Fair value of investments measured on a recurring basis at June 30, 2024 and 2023 is as follows:

	Level 1	Level 2	Level 3	Total
2024:				
Mutual funds	\$ 55,620,850	-	-	55,620,850
Marketable equity securities	3,870,106	-	-	3,870,106
Short-term investments	5,900,745	-	-	5,900,745
	\$ 65,391,701	-	-	65,391,701
Alternative investments measured at NAV				47,036,954 (a)
Total investments, at fair value				\$ 112,428,655
	Level 1	Level 2	Level 3	Total
2023:				
Mutual funds	\$ 53,318,944	-	-	53,318,944
Short-term investments	5,028,201	-	-	5,028,201
	\$ 58,347,145	-	-	58,347,145
Alternative investments measured at NAV				42,069,431 (a)
Total investments, at fair value				\$ 100,416,576

(a) In accordance with Accounting Standards Codification Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the accompanying statements of financial position.

(h) Endowments

The Catholic Foundation follows applicable Florida law with respect to donor-restricted funds and complies with any donor-imposed restrictions on the use of the investment income or net appreciation resulting from the donor restricted endowment funds. However, when there is an absence of donor restrictions on the use of the investment income or net appreciation, the Catholic Foundation follows applicable law.

The Catholic Foundation has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment assets, which include both internally designated and donor restricted endowments while seeking to maintain the purchasing power of these endowment assets over the long term. The objective is to maintain the purchasing power of endowment assets in perpetuity by seeking long-term returns, which either match or exceed the spending rate plus inflation.

EMMAUS FOUNDATION, INC.
D/B/A THE CATHOLIC FOUNDATION OF THE DIOCESE OF ST. PETERSBURG

Notes to Financial Statements - Continued

(2) Summary of Significant Accounting Policies and Practices - Continued

(h) Endowments - Continued

To satisfy its long-term rate-of-return objectives, the Catholic Foundation relies on a total return strategy using higher-returning asset classes. Asset allocation is global in scope and allows the investment of foreign and domestic securities in the portfolio. The Catholic Foundation targets a diversified asset allocation that places an emphasis on equity-based and fixed income mutual funds, and marketable equity securities to achieve its long-term return objectives within prudent risk constraints.

(i) Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Catholic Foundation have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributable to a specific functional area of the Catholic Foundation are reported as direct expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the functional areas based on the related time spent by employees.

(j) Income Taxes

In an annually updated ruling, the Internal Revenue Service has held that the agencies, instrumentalities and educational, charitable, and religious institutions operated, supervised, or controlled by or in connection with the Roman Catholic Church in the United States, its territories or possessions appearing in the “The Official Catholic Directory” are exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Catholic Foundation is listed in “The Official Catholic Directory” and therefore is exempt from income tax. Accordingly, the accompanying financial statements reflect no provision for income tax.

The Catholic Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; and to review other matters that may be considered tax positions. No amounts of unrecognized tax benefits have been recorded by The Catholic Foundation as of June 30, 2024 or 2023.

(k) Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires management of the Catholic Foundation to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

EMMAUS FOUNDATION, INC.
D/B/A THE CATHOLIC FOUNDATION OF THE DIOCESE OF ST. PETERSBURG

Notes to Financial Statements - Continued

(2) Summary of Significant Accounting Policies and Practices - Continued

(l) Going Concern Evaluation

On an annual basis, as required by Accounting Standards Codification (ASC) Topic 205, *Presentation of Financial Statements - Going Concern*, the Catholic Foundation performs an evaluation to determine whether there are conditions or events (known and reasonably knowable), considered in the aggregate, that raise substantial doubt about the Catholic Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

(m) Subsequent Events

In accordance with generally accepted accounting principles in the United States of America the management of the Catholic Foundation must evaluate subsequent events and must recognize and disclose events or transactions occurring after the statement of financial position date under certain circumstances. The Catholic Foundation evaluated its June 30, 2024 financial statements for subsequent events through December 18, 2024, the date financial statements were available to be issued. The Catholic Foundation is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

(n) Reclassifications

Certain amounts in the 2023 financial statements have been reclassified to conform to the 2024 presentation.

(3) Investments

Investments at June 30, 2024 and 2023 consist of the following:

	<u>2024</u>		<u>2023</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Mutual funds:				
Equity	\$ 17,217,447	15,865,423	19,605,665	19,391,214
Fixed income	33,418,571	37,694,218	28,807,547	32,734,318
Global balanced fund	4,984,832	5,202,997	4,905,732	5,199,152
Alternative investments	47,036,954	34,039,082	42,069,431	32,851,044
Marketable equity securities	3,870,106	3,469,474	-	-
Short-term investments:				
Prime obligations institutional	<u>5,900,745</u>	<u>5,900,745</u>	<u>5,028,201</u>	<u>5,028,201</u>
	<u>\$ 112,428,655</u>	<u>102,171,939</u>	<u>100,416,576</u>	<u>95,203,929</u>

Short-term investments include money market funds which are held for investment purposes.

Investments held in trust for others were \$104,818,163 and \$93,590,153 at June 30, 2024 and 2023, respectively. Earnings from these funds are credited to these funds.

EMMAUS FOUNDATION, INC.
D/B/A THE CATHOLIC FOUNDATION OF THE DIOCESE OF ST. PETERSBURG

Notes to Financial Statements - Continued

(3) Investments - Continued

The components of net investment return on investments owned by the Catholic Foundation for the years ended June 30, 2024 and 2023 are as follows:

	2024	2023
Interest and dividend income	\$ 306,834	235,288
Net realized and unrealized gains	546,817	310,476
Management fees	(134,004)	(117,557)
Total investment return, net	\$ 719,647	428,207

(4) Deposits Held in Trust

Deposits held in trust are recorded as assets and liabilities. Deposits held in trust represent funds managed by the Catholic Foundation for the benefit of various parishes and ministries in and outside the Diocese of St. Petersburg who own these funds. The trustees of the Catholic Foundation are to provide oversight for the investment of these funds and distributions to beneficiaries. At June 30, 2024 and 2023, deposits held in trust were \$106,285,933 and \$93,590,153, respectively.

(5) Annuity Obligations

The Catholic Foundation is certified by the State of Florida to market and manage charitable gift annuity contracts. Under these contracts, a donor transfers assets to the Catholic Foundation at the beginning of the contract and the Catholic Foundation makes predetermined quarterly payments to the donor, or in certain cases donors' spouses, over their remaining lifetimes. Upon the donors' death, the remaining assets are available for the Catholic Foundation's use, subject to any specific donor restrictions. Annuity obligations are stated at the estimated actuarial present value of future cash flows expected to be paid to donors over their lifetimes. The discount rates used in computing the present value of annuity obligations range from 1.2% to 5.8% as of June 30, 2024 and 2023. At June 30, 2024 and 2023, annuity obligations totaled \$621,415 and \$714,945, respectively.

As required by State law, the Catholic Foundation maintains a reserve fund in connection with its gift annuity program. The required amount to be maintained in the fund is based on a multiple of the actuarial present value of the related annuity obligations.

EMMAUS FOUNDATION, INC.
D/B/A THE CATHOLIC FOUNDATION OF THE DIOCESE OF ST. PETERSBURG

Notes to Financial Statements - Continued

(6) Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2024 and 2023 consist of the following:

	2024	2023
<i>Purpose restrictions:</i>		
Catholic formation and education	\$ 409,560	213,085
Donor advised fund	781	254
Clergy and seminarian support	26,778	26,778
Social services	59,095	59,095
Other	1,029,076	644,109
	1,525,290	943,321
<i>Time restrictions:</i>		
Charitable gift annuities	486,203	487,836
<i>To be held in perpetuity:</i>		
Catholic formation and education	2,722,765	2,687,583
Parish support	646,709	456,842
Tuition assistance	63,411	57,411
Social programs	317,320	269,123
Historic church maintenance	981,617	981,617
	4,731,822	4,452,576
Total net assets with donor restrictions	\$ 6,743,315	5,883,733

Net assets with donor restrictions in perpetuity are expendable to support Catholic formation and education, parish support, tuition assistance, social programs and Historic church maintenance. The Catholic Foundation is governed by a Board of Trustees that is appointed by the Bishop of the Diocese of St. Petersburg. These Trustees oversee the investment of these funds.

At June 30, 2024 and 2023, The Catholic Foundation's net assets with donor restrictions in perpetuity were placed with individual investment managers on a pooled basis, and earnings were allocated to each of the endowed funds on a pro-rata basis.

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Notes to Financial Statements - Continued

(7) Endowments

The Catholic Foundation has interpreted Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) 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 Catholic Foundation classifies as donor restricted net assets in perpetuity (a) the original value of the 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. The remaining portion of the donor-restricted endowment fund that is not classified as restricted net assets in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Catholic Foundation in a manner consistent with the standard of prudence prescribed by FUPMIFA. Any amount not appropriated for expenditure will be reclassified, subject to the original endowment restrictions imposed by the donor.

In accordance with FUPMIFA, the Catholic Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

The Catholic Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, the Catholic Foundation 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). A diversified asset allocation is utilized to achieve its long-term return objectives with prudent risks.

The Catholic Foundation has a policy of appropriating for distribution each year approximately 4% to 5% of the endowment funds fair value. In establishing this policy, the Catholic Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Catholic Foundation expects the current investment and spending policies to allow its endowments to maintain the purchasing power of the endowment assets held in perpetuity.

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Notes to Financial Statements - Continued

(7) Endowments - Continued

Composition of endowment net assets as of June 30, 2024 and 2023 and changes in endowment net assets for the years then ended are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balances, June 30, 2022	\$ 232,645	3,831,862	4,064,507
Contributions	121,785	620,714	742,499
Net investment return	217,243	151,633	368,876
Appropriations	-	(151,633)	(151,633)
Balances, June 30, 2023	571,673	4,452,576	5,024,249
Contributions	-	279,246	279,246
Net investment return	1,027	618,743	619,770
Appropriations	-	(170,669)	(170,669)
Balances, June 30, 2024	<u>\$ 572,700</u>	<u>5,179,896</u>	<u>5,752,596</u>

(8) In-Kind Contributions and Expense

The Pastoral Center of the Diocese of St. Petersburg provides office space to the Catholic Foundation at no charge. The estimated fair market value of the office space is based on commercial rental rates for similar space and is reflected in the accompanying financial statements as in-kind contributions and expense.

(9) Liquidity and Availability of Resources

The Catholic Foundation is supported by contributions both with and without donor restrictions and must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Catholic Foundation's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities and other obligations come due.

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Notes to Financial Statements - Continued

(9) Liquidity and Availability of Resources - Continued

As of June 30, 2024 and 2023, the Catholic Foundation’s financial assets available to meet general expenditures within one year were as follows:

	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 3,863,147	1,779,477
Investments	112,428,655	100,416,576
Accounts receivable	-	307,933
Total financial assets	116,291,802	102,503,986
Less amounts unavailable for general expenditure within one year due to:		
Deposits held in trust for others	(106,285,933)	(93,590,153)
Donor restricted for programs and other uses	(1,525,290)	(943,321)
Donor restricted for charitable gift annuities	(486,203)	(487,836)
Donor restricted in perpetuity	(4,731,822)	(4,452,576)
Financial assets available to meet general expenditures within one year	\$ 3,262,554	3,030,100

A portion of the Catholic Foundation’s liquidity includes the fair value of investments held under charitable gift annuity agreements in excess of the donor restricted contributions recognized upon receipt of charitable gift annuity contributions. This excess of approximately \$630,000 as of June 30, 2024 and \$656,000 as of June 30, 2025 will be used to fund the obligation under charitable gift annuity agreements over the lifetime of each donor annuitant and is not intended to be used for general expenditures over the next twelve months. These funds are deposited in a segregated investment account.

(10) Pension Plan

The Catholic Foundation employees are included in the Diocese of St. Petersburg Pension Plan entitled, “Pension Plan for the Employees of the Entities of the Diocese of St. Petersburg” (the “Plan”). This plan is a Defined Benefit Plan, and the Plan is offered to employees of Diocesan entities who meet participation requirements. The Plan requires that contributions be made to the Plan equal to amounts accrued for pension expense, including the amortization of past service costs over periods of 15 to 30 years.

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Notes to Financial Statements - Continued

(10) Pension Plan - Continued

Information concerning plan assets and accrued benefits is not kept with respect to each individual participating entity; the Plan is administered and evaluated only on an aggregate basis. At June 30, 2024 (the most recent actuarial valuation date of the Plan), total vested benefits were approximately \$258 million, the total actuarial value of all accumulated plan benefits was approximately \$262 million and total net assets available for plan benefits were approximately \$237 million. Total contributions to the Plan by The Catholic Foundation were \$12,790 and \$17,975 for the years ended June 30, 2024 and 2023, respectively.

(11) Risks and Uncertainties

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.