



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

Financial Statements

**June 30, 2025 and 2024
(With Independent Auditors' Report Thereon)**

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

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CBIZ CPAs P.C.

140 Fountain Parkway North
Suite 410
St. Petersburg, FL 33716

P: 727.572.1400

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, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Catholic Foundation as of June 30, 2025 and 2024, the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the 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 audits.

CBIZ CPAs P.C.

January 8, 2026
St. Petersburg, Florida

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

Statements of Financial Position

June 30, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 11,907,464	3,863,147
Investments:		
Funds held in trust	116,023,088	104,818,163
Charitable gift annuities	1,181,686	1,116,337
Parish life	762,171	687,146
Endowed funds	7,187,171	5,752,596
Other managed funds	63,962	54,413
Prepaid expenses	-	2,233
Land held for sale	300,000	300,000
Total assets	\$ 137,425,542	116,594,035
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 218,697	498,016
Due to Diocese of St. Petersburg Pastoral Center	6,659,479	536,963
Deposits held in trust for:		
Catholic Education Foundation, Inc.	6,017,276	5,349,419
A Catholic (Non-Diocesan) corporation	17,354,566	15,034,419
School endowment (CSREA) funds	13,642,183	11,186,249
Diocese of St. Petersburg (for Bethany Center)	2,709,417	2,491,800
A Parish Foundation	2,778,701	2,564,255
Calvary Cemetery Perpetual Care Fund	7,850,850	6,741,169
Diocese of St. Petersburg (seminarians)	3,470,184	3,196,263
Other support programs	6,564,050	4,372,999
Parishes	1,684,873	1,502,265
St. John XXIII Retirement Center	5,002,298	4,413,085
Parish Sustainability Corporation	52,587,678	49,434,010
Works of the Pastoral Center	196,704	-
Total funds held in trust	119,858,780	106,285,933
Annuity obligations	512,344	621,415
Total liabilities	127,249,300	107,942,327
Net assets:		
Without donor restrictions	2,106,732	1,908,393
With donor restrictions	8,069,510	6,743,315
Total net assets	10,176,242	8,651,708
Total liabilities and net assets	\$ 137,425,542	116,594,035

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

Statements of Activities

For the Years Ended June 30, 2025 and 2024

	<u>2025</u>			<u>2024</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	\$ 5,800	983,139	988,939	97,395	398,711	496,106
Investment return	(100,228)	930,321	830,093	(32,467)	752,114	719,647
Administrative fees and other	670,690	600	671,290	593,544	527	594,071
In-kind contributions	-	-	-	30,000	-	30,000
Change in value of split-interest agreements	33,556	-	33,556	(8,663)	-	(8,663)
Net assets released from restrictions	587,865	(587,865)	-	291,770	(291,770)	-
Total support and revenue	<u>1,197,683</u>	<u>1,326,195</u>	<u>2,523,878</u>	<u>971,579</u>	<u>859,582</u>	<u>1,831,161</u>
Expenses:						
Program services	502,482	-	502,482	342,222	-	342,222
Supporting services:						
Administration	238,109	-	238,109	196,208	-	196,208
Fundraising	258,753	-	258,753	184,312	-	184,312
Total expenses	<u>999,344</u>	<u>-</u>	<u>999,344</u>	<u>722,742</u>	<u>-</u>	<u>722,742</u>
Change in net assets	198,339	1,326,195	1,524,534	248,837	859,582	1,108,419
Net assets, beginning of year	<u>1,908,393</u>	<u>6,743,315</u>	<u>8,651,708</u>	<u>1,659,556</u>	<u>5,883,733</u>	<u>7,543,289</u>
Net assets, end of year	<u>\$ 2,106,732</u>	<u>8,069,510</u>	<u>10,176,242</u>	<u>1,908,393</u>	<u>6,743,315</u>	<u>8,651,708</u>

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, 2025
(With Comparative Totals for 2024)

	Program Services	Supporting Services			Total Expenses	
		Administration	Fundraising	Total	2025	2024
Salaries	\$ -	93,448	189,729	283,177	283,177	168,830
Payroll taxes and benefits	-	26,522	53,847	80,369	80,369	54,282
	-	119,970	243,576	363,546	363,546	223,112
Grants to others	502,482	-	-	-	502,482	328,783
Programs and clergy support	-	-	-	-	-	13,439
Management fees	-	42,395	-	42,395	42,395	41,159
Professional fees	-	70,830	5,200	76,030	76,030	70,961
Travel	-	3,068	6,230	9,298	9,298	3,981
Insurance premiums	-	124	253	377	377	1,268
Telephone and utilities	-	173	351	524	524	1,336
Supplies	-	17	34	51	51	1,214
Postage	-	377	765	1,142	1,142	5,739
Other	-	1,155	2,344	3,499	3,499	1,750
In-kind expenses	-	-	-	-	-	30,000
	\$ <u>502,482</u>	<u>238,109</u>	<u>258,753</u>	<u>496,862</u>	<u>999,344</u>	<u>722,742</u>

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

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

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

Statements of Cash Flows

For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 1,524,534	1,108,419
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized gains on investments	(497,374)	(546,817)
Change in value of split-interest agreements	(33,556)	8,663
Contributions restricted for endowments	(803,557)	(279,246)
Changes in operating assets and liabilities:		
Accounts receivable	-	307,933
Prepaid expenses	2,233	(2,233)
Accounts payable and accrued expenses	(279,319)	462,853
Deposits held in trust	2,367,923	1,467,769
Due to Diocese of St. Petersburg Pastoral Center	6,122,516	(383,473)
	8,403,400	2,143,868
Net cash provided by operating activities		
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	339,011	1,100,034
Purchases of investments	(1,426,136)	(1,337,285)
	(1,087,125)	(237,251)
Net cash used in investing activities		
Cash flows from financing activities:		
Proceeds received from contributions restricted for endowments	803,557	279,246
Cash received under charitable gift annuity agreement	22,556	-
Payments to donor annuitants	(98,071)	(102,193)
	728,042	177,053
Net cash provided by financing activities		
Net increase in cash and cash equivalents	8,044,317	2,083,670
Cash and cash equivalents, beginning of year	3,863,147	1,779,477
Cash and cash equivalents, end of year	\$ 11,907,464	3,863,147
Noncash activities:		
Change in value of deposits held in trust	\$ 11,204,924	11,228,011

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

Notes to Financial Statements

June 30, 2025 and 2024

(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 statements 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 \$671,290 and \$594,071 for the years ended June 30, 2025 and 2024, 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 \$63,145 and \$265,989 as of June 30, 2025 and 2024, respectively, in savings accounts that are included in the Diocese of St. Petersburg Savings and Loan Trust that received interest income of 3% and 2%, respectively, during the years ended June 30, 2025 and 2024.

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, 2025 and 2024, 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, 2025 and 2024 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, 2025 and 2024 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2025:				
Mutual funds	\$ 40,814,169	-	-	40,814,169
Marketable equity securities	6,411,509	-	-	6,411,509
Short-term investments	7,251,682	-	-	7,251,682
	\$ 54,477,360	-	-	54,477,360
Alternative investments measured at NAV				70,740,718 (a)
Total investments, at fair value				\$ 125,218,078
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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

(a) In accordance with Accounting Standards Codification Subtopic 820-10, certain investments that were measured at NAV 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 statements 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, 2025 or 2024.

(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) Related Party Transactions

The Catholic Foundation operates within the Diocese of St. Petersburg and conducts substantially all of its activities with diocesan and affiliated Catholic entities under common governance. The Foundation's deposits held in trust, administrative fee revenue, grants, and inter-entity balances primarily arise from funds managed on behalf of diocesan programs, parishes, schools, and affiliated Catholic organizations. Earnings on deposits held in trust are credited to the respective related-party funds and are not recognized as Foundation revenue. The Foundation also receives in-kind office space from the Diocese and participates in Diocese-sponsored employee benefit plans. As such, the Foundation's operating results, assets, liabilities, and cash flows are largely the result of transactions with related parties in the normal course of its mission. The components of deposits held in trust for Diocesan and non-Diocesan entities are presented in Note 3.

(m) 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.

(n) 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, 2025 financial statements for subsequent events through January 8, 2026, 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.

(3) Deposits Held in Trust

Deposits held in trust represent funds managed by the Catholic Foundation for the benefit of various parishes, ministries, diocesan programs, and other Catholic organizations. These funds are recorded as both assets and liabilities in the statements of financial position and are owned by the depositing entities; earnings from these funds are credited to the respective funds. At June 30, 2025 and 2024, deposits held in trust were \$119,858,780 and \$106,285,933, respectively.

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

Notes to Financial Statements - Continued

(3) Deposits Held in Trust - Continued

As of June 30, 2025 and 2024, deposits held in trust for Diocesan entities and programs totaled \$72,590,005 and \$66,968,452, respectively. As of June 30, 2025 and 2024, deposits held in trust for non-Diocesan entities and programs totaled \$47,268,775 and \$39,317,481, respectively. Deposits held in trust for non-Diocesan entities at June 30, 2025 and 2024 are as follows:

	2025	2024
A Catholic corporation	\$ 17,354,566	15,034,419
School endowments	13,642,183	11,186,249
Other Diocesan entities	20,061	18,143
A Parochial school	2,778,701	2,564,255
Other entities	13,473,264	10,514,415
Total	\$ 47,268,775	39,317,481

(4) Investments

Investments at June 30, 2025 and 2024 consist of the following:

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
Mutual funds:				
Equity	\$ 17,166,554	13,774,181	17,217,447	15,865,423
Fixed income	18,456,829	20,235,208	33,418,571	37,694,218
Global balanced fund	5,190,786	5,280,082	4,984,832	5,202,997
Alternative investments	70,740,718	54,484,840	47,036,954	34,039,082
Marketable equity securities	6,411,509	5,823,208	3,870,106	3,469,474
Short-term investments:				
Prime obligations institutional	7,251,682	7,251,682	5,900,745	5,900,745
	\$ 125,218,078	106,849,201	112,428,655	102,171,939

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

Investments held in trust for others were \$119,858,776 and \$104,818,163 at June 30, 2025 and 2024, respectively. Earnings from these funds are credited to these funds.

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Notes to Financial Statements - Continued

(4) Investments - Continued

The components of net investment return on investments owned by the Catholic Foundation for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Interest and dividend income	\$ 548,716	306,834
Net realized and unrealized gains	497,374	546,817
Management fees	(215,997)	(134,004)
Total investment return, net	\$ 830,093	719,647

(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, 2025 and 2024. At June 30, 2025 and 2024, annuity obligations totaled \$512,344 and \$621,415, 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.

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Notes to Financial Statements - Continued

(6) Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2025 and 2024 consist of the following:

	2025	2024
<i>Purpose restrictions:</i>		
Catholic formation and education	\$ 92,066	409,560
Clergy and seminarian support	26,778	26,778
Social services	59,095	59,095
Parish life	241,463	146,869
Unappropriated endowment earnings	1,101,457	448,073
Other	598,206	434,915
	2,119,065	1,525,290
 <i>Time restrictions:</i>		
Charitable gift annuities	415,066	486,203
 <i>To be held in perpetuity:</i>		
Catholic formation and education	3,284,233	2,722,765
Catholic foundation support	3,494	-
Parish support	855,477	646,709
Tuition assistance	63,411	63,411
Social programs	347,147	317,320
Historic church maintenance	981,617	981,617
	5,535,379	4,731,822
Total net assets with donor restrictions	\$ 8,069,510	6,743,315

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, 2025 and 2024, 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, 2025 and 2024 and changes in endowment net assets for the years then ended are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balances, June 30, 2023	\$ 571,673	4,452,576	5,024,249
Contributions	-	279,246	279,246
Investment return, net	1,027	618,743	619,770
Appropriations	-	(170,669)	(170,669)
Balances, June 30, 2024	572,700	5,179,896	5,752,596
Contributions	21,795	803,557	825,352
Investment return, net	1,103	771,251	772,354
Appropriations	-	(163,131)	(163,131)
Balances, June 30, 2025	<u>\$ 595,598</u>	<u>6,591,573</u>	<u>7,187,171</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) 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.

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, 2025 (the most recent actuarial valuation date of the Plan), total vested benefits were approximately \$264 million, the total actuarial value of all accumulated plan benefits was approximately \$268 million and total net assets available for plan benefits were approximately \$259 million. Total contributions to the Plan by The Catholic Foundation were \$10,684 and \$12,790 for the years ended June 30, 2025 and 2024, respectively.

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Notes to Financial Statements - Continued

(10) 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.

As of June 30, 2025 and 2024, the Catholic Foundation's financial assets available to meet general expenditures within one year were as follows:

	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 11,907,464	3,863,147
Investments	125,218,078	112,428,655
Total financial assets	137,125,542	116,291,802
Less amounts unavailable for general expenditure within one year due to:		
Deposits held in trust for others	(119,858,780)	(106,285,933)
Donor restricted for programs and other uses	(2,119,065)	(1,525,290)
Donor restricted for charitable gift annuities	(415,066)	(486,203)
Donor restricted in perpetuity	(5,535,379)	(4,731,822)
Financial assets available to meet general expenditures within one year	\$ 9,197,252	3,262,554

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 \$767,000 and \$630,000 as of June 30, 2025 and 2024, respectively, 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.

(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.