



Financial Statements
June 30, 2022 and 2021

**Diocese of Joliet Catholic Education
Foundation Trust**

Diocese of Joliet Catholic Education Foundation Trust

Table of Contents
June 30, 2022 and 2021

Independent Auditor’s Report.....	1
Financial Statements	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6



Independent Auditor's Report

To His Excellency
The Most Reverend Ronald A. Hicks
Bishop of the Roman Catholic Diocese of Joliet
and the Board of Directors
Diocese of Joliet Catholic Education Foundation Trust
Crest Hill, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Diocese of Joliet Catholic Education Foundation Trust (Foundation), a division of the Roman Catholic Diocese of Joliet, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of the 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 these 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 Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities of the Audit of the Financial Statements

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

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 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 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.



Dubuque, Iowa
November 10, 2022

Diocese of Joliet Catholic Education Foundation Trust
 Statements of Financial Position
 June 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 394,685	\$ 889,423
Due from other Diocesan entities	67,740	93,172
Accrued interest receivable	132	2
Investments	15,555,806	17,132,312
Total assets	\$ 16,018,363	\$ 18,114,909
Liabilities and Net Assets		
Liabilities		
Deferred revenue	\$ -	\$ 25,000
Other liabilities	205	998
Total liabilities	205	25,998
Net Assets		
Without Donor Restrictions		
Undesignated	8,759,435	10,286,540
Designated - Scholarships for needy high school students	3,507,058	3,890,234
Designated - Kankakee area scholarships	1,785,983	2,075,959
	14,052,476	16,252,733
With Donor Restrictions		
Perpetual in nature	707,653	630,314
Purpose restrictions	1,258,029	1,205,864
	1,965,682	1,836,178
Total net assets	16,018,158	18,088,911
Total liabilities and net assets	\$ 16,018,363	\$ 18,114,909

Diocese of Joliet Catholic Education Foundation Trust
Statements of Activities
Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Revenue, Gains and Other Support						
Net investment return	\$ (1,602,099)	\$ (160,647)	\$ (1,762,746)	\$ 3,568,738	\$ 295,227	\$ 3,863,965
Contributions	1,303,736	256,251	1,559,987	1,341,032	96,728	1,437,760
Paycheck Protection Program loan forgiveness	-	-	-	37,525	-	37,525
Kazma grant	808,000	-	808,000	602,000	-	602,000
Kaminski grant	48,000	52,000	100,000	150,000	-	150,000
Special event	106,069	-	106,069	-	-	-
Net assets released from restrictions	18,100	(18,100)	-	41,819	(41,819)	-
Total revenue, gains and other support	681,806	129,504	811,310	5,741,114	350,136	6,091,250
Expenses						
Program services expense						
Tuition assistance	1,436,008	-	1,436,008	1,315,745	-	1,315,745
Grants	958,290	-	958,290	842,580	-	842,580
Total program expenses	2,394,298	-	2,394,298	2,158,325	-	2,158,325
Supporting services expense						
Management and General						
Personnel costs	108,343	-	108,343	121,238	-	121,238
Other expenses	25,565	-	25,565	26,586	-	26,586
Total supporting services expense	133,908	-	133,908	147,824	-	147,824
Fundraising						
Personnel costs	129,989	-	129,989	103,572	-	103,572
Office expenses	178,059	-	178,059	148,307	-	148,307
Special events	70,917	-	70,917	-	-	-
Total fundraising expenses	378,965	-	378,965	251,879	-	251,879
Total Expenses	2,907,171	-	2,907,171	2,558,028	-	2,558,028
Revenue in Excess of (Less Than) Expenses	(2,225,365)	129,504	(2,095,861)	3,183,086	350,136	3,533,222
Transfers from Diocese of Joliet	25,108	-	25,108	17,345	-	17,345
Change in Net Assets	(2,200,257)	129,504	(2,070,753)	3,200,431	350,136	3,550,567
Net Assets, Beginning of Year	16,252,733	1,836,178	18,088,911	13,052,302	1,486,042	14,538,344
Net Assets, End of Year	<u>\$ 14,052,476</u>	<u>\$ 1,965,682</u>	<u>\$ 16,018,158</u>	<u>\$ 16,252,733</u>	<u>\$ 1,836,178</u>	<u>\$ 18,088,911</u>

Diocese of Joliet Catholic Education Foundation Trust

Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021
Operating Activities		
Change in net assets	\$ (2,070,753)	\$ 3,550,567
Adjustments to reconcile change in net assets to net cash used for operating activities		
Net realized and unrealized loss (gains) on investments	1,990,691	(3,687,030)
Paycheck Protection Program loan forgiveness	-	(37,525)
Changes in assets and liabilities		
Accrued interest receivable	(130)	(2)
Due to/from other Diocesan entities	25,432	(160,200)
Deferred revenue	(25,000)	(100,000)
Other liabilities	(793)	998
Net Cash used for Operating Activities	(80,553)	(433,192)
Investing Activities		
Purchases of investments	(1,206,390)	(2,499,097)
Proceeds from sales of investments	792,205	3,310,830
Net Cash from (used for) Investing Activities	(414,185)	811,733
Net Change in Cash and Cash Equivalents	(494,738)	378,541
Cash and Cash Equivalents, Beginning of Year	889,423	510,882
Cash and Cash Equivalents, End of Year	\$ 394,685	\$ 889,423

Note 1 - Organization and Significant Accounting Policies**Organization**

The Diocese of Joliet Catholic Education Foundation Trust (Foundation) is a non-profit organization established July 1, 1996, as an Illinois corporation and converted to a trust on June 30, 2015, to provide financial assistance and to support Catholic education within the Roman Catholic Diocese of Joliet (Diocese).

Cash and Cash Equivalents

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to endowments that are perpetual in nature or other long-term purposes of the Foundation are excluded from this definition.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, and realized and unrealized gains and losses, less external investment expenses.

Net Assets

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 (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for scholarships for needy high school students and Kankakee area scholarships.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Diocese reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. 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. These restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

A portion of the Foundation's revenue is derived from grants, which are conditioned upon certain performance requirements and which can pertain to a specific school year. Amounts received are recognized as revenue when the Foundation meets the grant provisions. Amounts received prior to meeting the grant provisions are reported as deferred revenue in the statements of financial position. The Foundation records special events revenue equal to the contribution portion of the event ticket sales plus the cost of the direct benefits to donors. The cost of the direct benefits to donors is reported in the statements of activities as a fundraising activity.

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 present the natural classification detail of expenses by function. The expenses are generally directly attributable to a functional category with no significant allocations between program service activities and supporting service activities occurring.

Performance Indicator

Revenue in excess of (less than) expenses excludes transfers from the Diocese of Joliet.

Income Taxes

The Foundation is organized as an Illinois nonprofit organization and is exempt from income tax under section 501(c)(3) of the Internal Revenue Code under the group ruling exemption of the United States Conference of Catholic Bishops. The Foundation is not required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. However, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Foundation has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Foundation believes that it has appropriate purpose for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Diocese of Joliet Catholic Education Foundation Trust

Notes to Financial Statements

June 30, 2022 and 2021

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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 and those differences could be material.

Financial Instruments and Credit Risk

The Foundation manages deposit concentration risk by placing cash with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Foundation has not experienced losses in any of these accounts. Investments are made by diversified investment managers whose performance is monitored by management and the Investment Committee of the Diocesan Finance Council, as delegated by the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Investment Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

Subsequent Events

The Foundation has evaluated subsequent events through November 10, 2022, the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2022 and 2021:

	2022	2021
Cash and cash equivalents	\$ 394,685	\$ 889,423
Due from other Diocesan entities	67,740	93,172
Accrued interest receivable	132	2
Investments	15,555,806	17,132,312
	<u>16,018,363</u>	<u>18,114,909</u>
Less amounts not available to be used for general expenditures within one year		
Net assets with donor-imposed restrictions	(1,965,682)	(1,836,178)
Board designated funds	(5,293,041)	(5,966,193)
	<u>(7,258,723)</u>	<u>(7,802,371)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 8,759,640</u>	<u>\$ 10,312,538</u>

As part of a liquidity management plan, cash in excess of daily requirements is invested in various different types of investments.

Note 3 - Fair Value Measurements and Disclosures

The Foundation has determined the fair value of certain assets and liabilities in accordance with generally accepted accounting principles, which provides a framework for measuring fair value.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs. A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the reporting date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or the liability and market-corroborated inputs. Level 3 inputs are unobservable inputs related to the asset or liability. In these situations, inputs are developed using the best information in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

A portion of the Foundation's investment assets are classified within Level 1 because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values.

Net Asset Value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, is used to estimate the fair value of common collective trusts, real estate investment trusts and alternative fixed income funds which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

There have been no changes in valuation techniques used for any assets measured at fair value during the year ended June 30, 2022.

Diocese of Joliet Catholic Education Foundation Trust

Notes to Financial Statements

June 30, 2022 and 2021

The following table presents assets measured at fair value on a recurring basis, except those measured by using NAV per share as a practical expedient as identified in the following, at June 30, 2022:

	<u>Total</u>	<u>Fair Value Measurements at Report Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual Funds	\$ 12,077,195	\$ 12,077,195	\$ -	\$ -
At NAV				
Real Estate Investment Trust	2,095,939	-	-	-
Alternative Fixed Income	<u>1,382,672</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 15,555,806</u>	<u>\$ 12,077,195</u>	<u>\$ -</u>	<u>\$ -</u>

The following table presents assets measured at fair value on a recurring basis, except those measured by using NAV per share as a practical expedient as identified in the following, at June 30, 2021:

	<u>Total</u>	<u>Fair Value Measurements at Report Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual Funds	\$ 3,808,250	\$ 3,808,250	\$ -	\$ -
At NAV				
Common Collective Trusts	10,393,362	-	-	-
Real Estate Investment Trust	1,370,291	-	-	-
Alternative Fixed Income	<u>1,560,409</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 17,132,312</u>	<u>\$ 3,808,250</u>	<u>\$ -</u>	<u>\$ -</u>

Diocese of Joliet Catholic Education Foundation Trust

Notes to Financial Statements

June 30, 2022 and 2021

Investments in certain entities that calculate NAV per share are as follows at June 30, 2022 and 2021:

	<u>Number of Investments</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
<u>June 30, 2022</u>					
Real Estate Investment Trust	1	\$ 2,095,939	\$ -	Quarterly	45 Days
Alternative Fixed Income	1	<u>1,382,672</u>	<u>-</u>	Bi-monthly	3 Days
		<u>\$ 3,478,611</u>	<u>\$ -</u>		
<u>June 30, 2021</u>					
Common Collective Trusts	3	\$ 10,393,362	\$ -	Daily	Daily
Real Estate Investment Trust	1	1,370,291	-	Quarterly	45 Days
Alternative Fixed Income	1	<u>1,560,409</u>	<u>-</u>	Quarterly	30 Days
		<u>\$ 13,324,062</u>	<u>\$ -</u>		

Common Collective Trusts –

The CUIT Core Equity Index Fund’s objective is to seek long-term capital appreciation. To achieve this, the Fund invests in the common stock of companies that make up the S&P 500 Index, with the exception of those excluded due to the Christian Brothers Insurance Services, Inc. principles of Socially Responsible Investing.

The CUIT International Equity Fund objective is to seek long-term capital appreciation. To achieve this, the Fund invests in equity securities of companies with market capitalizations greater than \$1 billion, located primarily in developed-market nations.

The CUIT Small Cap Equity Index Fund objective is to seek long-term capital appreciation by attempting to replicate the performance of the Russell 2000 Index, a commonly used index of domestic small-capitalization stocks.

Real Estate Investment Trust - The RREEF America REIT II is an open-ended core fund organized to serve as a collective investment vehicle through which eligible investors may invest in a professionally managed real estate portfolio consisting of multi-family, industrial, retail, and office properties in targeted metropolitan areas within the continental United States. The objective is to generate attractive, predictable investment returns from a target portfolio of low-risk equity investments in income-producing real estate while maximizing the total return to shareholders through cash dividends and appreciation in shares.

Alternative Fixed Income - The NIS Preferred Stock Fund II’s purpose is to provide an attractive risk-sensitive incremental return on a consistent basis through a diversified portfolio consisting primarily of domestic corporate preferred stock and preferred-line fixed-income securities and investments.

Note 4 - Net Investment Return

Net investment return consists of the following:

	2022	2021
Interest and dividends	\$ 248,570	\$ 188,763
Net realized and unrealized (losses) gains	(1,990,691)	3,687,030
Management fees	(20,625)	(11,828)
	\$ (1,762,746)	\$ 3,863,965

Note 5 - Endowments

The Foundation’s endowment (the Endowment) consists of gifts established by donors to provide annual funding for scholarships. Net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation’s Board of Directors has interpreted the Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2022 and 2021, there were no such donor stipulations.

As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of gifts donated to the Endowment, (b) the original value of subsequent gifts donated to the Endowment (including promises to give net of discount and allowance for doubtful accounts, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditures in a manner consistent with the standard of prudence prescribed by UPMIFA.

The 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 organization and the donor-restricted endowment fund
- 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 organization
- The investment policies of the organization

Diocese of Joliet Catholic Education Foundation Trust

Notes to Financial Statements

June 30, 2022 and 2021

As of June 30, 2022 and 2021, the Foundation had the following endowment net asset composition by type of fund:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
June 30, 2022			
Donor-Restricted Endowment Funds	<u>\$ -</u>	<u>\$ 969,700</u>	<u>\$ 969,700</u>
June 30, 2021			
Donor-Restricted Endowment Funds	<u>\$ -</u>	<u>\$ 993,793</u>	<u>\$ 993,793</u>

Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that attempt to ensure the health and long-term life of the endowment assets. Under these policies, the endowment assets are invested in a manner to accept prudent levels of short and long-term volatility consistent with the near-term cash flow needs, funding levels, and long-term liability structure of the investment portfolio. The investment strategy attempts to provide a predictable stream of funding for scholarships while seeking to maintain the purchasing power of the endowment assets. To satisfy its long-term rate-of-return objectives, the 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). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation has a policy of making available for appropriating each year the net investment earnings plus accumulated earnings from prior periods. The amount to be appropriated each year from this purpose restricted net asset income related to the endowment funds is determined by the trustee as directed by donor-imposed restrictions. In periods when there are no investment earnings and no accumulated earnings from prior years, appropriations of these endowment funds are not allowed.

Diocese of Joliet Catholic Education Foundation Trust

Notes to Financial Statements

June 30, 2022 and 2021

Changes in Endowment net assets for the year ended June 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ -	\$ 993,793	\$ 993,793
Investment Return			
Interest and dividends	-	20,626	20,626
Net realized and unrealized depreciation	-	(105,720)	(105,720)
Management fees	-	(1,438)	(1,438)
Contributions	-	77,339	77,339
Appropriation of endowment assets pursuant to spending-rate policy	-	(14,900)	(14,900)
Endowment Net Assets, End of Year	\$ -	\$ 969,700	\$ 969,700

Changes in Endowment net assets for the year ended June 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ -	\$ 825,203	\$ 825,203
Investment Return:			
Interest and dividends	-	25,224	25,224
Net realized and unrealized appreciation	-	149,709	149,709
Management fees	-	(1,193)	(1,193)
Contributions	-	9,000	9,000
Appropriation of endowment assets pursuant to spending-rate policy	-	(14,150)	(14,150)
Endowment Net Assets, End of Year	\$ -	\$ 993,793	\$ 993,793

Note 6 - Refundable Advance Paycheck Protection Program

In April 2020, the Roman Catholic Diocese of Joliet was granted a \$1,695,638 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and was fully guaranteed by the Federal government. A portion of this loan was allocated to the Foundation in the amount of \$37,525. The Foundation elected to account for the funding as a conditional contribution by applying ASC 958-605, *Not-for-Profit – Revenue Recognition*. The Foundation initially recorded the loan as a refundable advance and subsequently recognized contribution revenue in accordance with guidance for conditional contributions, that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Foundation recognized \$37,525 as contribution revenue for the year ended June 30, 2021. The remaining balance was recognized as contribution revenue by the Roman Catholic Diocese of Joliet Administration and Ministerial Services.

Note 7 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes.

	2022	2021
Subject to Expenditure for Specified Purpose		
Scholarships to be given at a specific school	\$ 588,775	\$ 470,529
Scholarships for needy students	407,207	371,856
	995,982	842,385
Endowments		
Subject to appropriation and expenditure when a specified event occurs		
Restricted by donors for scholarships at a specific school	167,959	224,961
Restricted by donors for scholarships for needy students	94,088	138,518
	262,047	363,479
Perpetual in nature, earnings from which are subject to endowment spending policy appropriation		
Restricted by donors for scholarships at a specific school	253,250	253,250
Restricted by donors for scholarships for needy students	454,403	377,064
	707,653	630,314
Total endowments	969,700	993,793
Totals	\$ 1,965,682	\$ 1,836,178

Diocese of Joliet Catholic Education Foundation Trust

Notes to Financial Statements

June 30, 2022 and 2021

Net assets were 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 as follows:

	<u>2022</u>	<u>2021</u>
Satisfaction of Purpose Restrictions		
Scholarships awarded	\$ 3,200	\$ 27,669
Restricted-Purpose Spending-Rate Distributions and Appropriations		
Scholarships awarded	<u>14,900</u>	<u>14,150</u>
	<u>\$ 18,100</u>	<u>\$ 41,819</u>

Note 8 - Related Party

The Foundation purchases administrative services and operating support from the Diocese of Joliet (Diocese) and reimburses the Diocese for direct expenses incurred. For the years ended June 30, 2022 and 2021, the Foundation reimbursed the Diocese for direct expenses of \$441,956 and \$399,703, respectively.