
Catholic Investment Trust of The Roman Catholic Diocese of Toledo in America

Financial Report
June 30, 2022

Catholic Investment Trust of The Roman Catholic Diocese of Toledo in America

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Independent Auditor's Report

To the Most Reverend Daniel E. Thomas,
Bishop of the Diocese of Toledo, and
Reverend Monsignor William Kubacki,
Vicar General and Moderator of the Curia
Catholic Investment Trust of The Roman Catholic
Diocese of Toledo in America

Opinion

We have audited the financial statements of Catholic Investment Trust of The Roman Catholic Diocese of Toledo in America (the "Catholic Investment Trust"), which comprise the statement of financial position as of June 30, 2022 and 2021 and the related statements of activities and changes in net assets 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 Investment Trust 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 for the Audits of the Financial Statements* section of our report. We are required to be independent of the Catholic Investment Trust and to meet our 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 Investment Trust's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits 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 audits 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.

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Reverend Monsignor William Kubacki,
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In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Investment Trust'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 Investment Trust'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moreau, PLLC

December 14, 2022

Catholic Investment Trust of The Roman Catholic Diocese of Toledo in America

Statement of Financial Position

June 30, 2022 and 2021

	2022	2021
Assets		
Accrued interest receivable	\$ 149,081	\$ 22,323
Investments (Note 6)	70,613,864	78,570,801
Total assets	\$ 70,762,945	\$ 78,593,124
Liabilities and Net Assets		
Liabilities - Funds held for others (Notes 4 and 7)	\$ 70,762,945	\$ 78,593,124
Net Assets	-	-
Total liabilities and net assets	\$ 70,762,945	\$ 78,593,124

Catholic Investment Trust of The Roman Catholic Diocese of Toledo in America

Statement of Activities and Changes in Net Assets

Years Ended June 30, 2022 and 2021

	2022	2021
Changes in Net Assets without Donor Restrictions		
Net contributions from others	\$ 1,502,747	\$ 4,715,825
Net investment (loss) income	(9,332,926)	15,694,393
Total	(7,830,179)	20,410,218
Net activity allocated to funds held by others	(7,830,179)	20,410,218
Change in Net Assets	-	-
Net Assets - Beginning of year	-	-
Net Assets - End of year	\$ -	\$ -

Catholic Investment Trust of The Roman Catholic Diocese of Toledo in America

Statement of Cash Flows

Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	\$ -	\$ -
Adjustments to reconcile change in net assets to net cash from operating activities:		
Contributions received from parishes and other organizations	3,656,236	8,897,690
Distributions made to parishes and other organizations	(2,280,247)	(4,181,865)
Net investment loss (income)	9,332,926	(15,694,393)
Net cash provided by (used in) operating activities	10,708,915	(10,978,568)
Cash Flows from Investing Activities		
Purchases of investments	(14,387,111)	(9,995,234)
Proceeds from sales and maturities of investments	3,678,196	20,973,802
Net cash (used in) provided by investing activities	(10,708,915)	10,978,568
Net Change in Cash	-	-
Cash - Beginning of year	-	-
Cash - End of year	<u>\$ -</u>	<u>\$ -</u>

June 30, 2022 and 2021

Note 1 - Nature of Business

The Roman Catholic Diocese of Toledo in America (the "Diocese") was established by the Roman pontiff in 1910. The Diocese comprises a geographic area of 8,222 square miles covering 19 counties in northwest Ohio. The Diocese, under the governance of its duly appointed bishop, oversees the activities of the Roman Catholic Church (the "Church") and is operated in accordance with the provisions of the 1983 Code of Canon Law, as amended, of the Church. The Catholic Investment Trust of The Roman Catholic Diocese of Toledo in America (the "Catholic Investment Trust" or the "Trust") was established on July 1, 2019 to hold the investments previously held by the Catholic Foundation. The trust holds restricted, unrestricted, and endowed funds in separate trust accounts as deposited by the Diocese, parishes, and related institutions of the Diocese. These funds are invested at the direction of the account holder, and all related gains or losses are distributed back to the account holder. Some funds can be withdrawn from the accounts in accordance with the restrictions of the trust, charter, and related documents.

All other operations of the Diocese are accounted for in other funds or entities.

Note 2 - Significant Accounting Policies

Investments

Investments are reported at fair value. Fair value is based on quoted market prices. The appreciation or depreciation in market value is recognized as a credit or charge to revenue during the year. Gains and losses on sales of investments are determined based on the specific security sold. Interest and dividends are recorded on the accrual basis.

The Trust invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Income Taxes

The Diocese and Trust are not-for-profit organizations and are exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3); therefore, a provision for income taxes has not been included in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including December 14, 2022, which is the date the financial statements were available to be issued.

Catholic Investment Trust of The Roman Catholic Diocese of Toledo in America

Notes to Financial Statements

June 30, 2022 and 2021

Note 3 - Liquidity and Availability of Resources

The following reflects the Catholic Investment Trust's financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	2022	2021
Accrued interest receivable	\$ 149,081	\$ 22,323
Investments (Note 6)	70,613,864	78,570,801
Financial assets - At year end	70,762,945	78,593,124
Less those unavailable for general expenditures within one year - Funds held for others	70,762,945	78,593,124
Financial assets available to meet cash needs for general expenditures within one year	\$ -	\$ -

All financial assets of the Catholic Investment Trust are held for others.

Note 4 - Related Party Transactions

Funds held for others includes amount held for the Diocese of \$21,820,209 and \$25,052,440 as of June 30, 2022 and 2021, respectively. Contributions from the Diocese were \$130,400 and \$977,114 and distributions were \$292,999 and \$641,561 during years ended June 30, 2022 and 2021, respectively. Additionally, net investment (loss) income earned by the Diocese was \$(3,069,633) and \$4,891,918 during the years ended June 30, 2022 and 2021, respectively.

Note 5 - Contingencies

From time to time, the Diocese and its related funds and entities are subject to various disputes and legal proceedings arising in the ordinary course of business. Management is of the opinion, based upon information presently available, that it is unlikely that any liability would be significant in relation to the Trust's financial position, results of operations, or cash flows.

Note 6 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Catholic Investment Trust has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset.

Catholic Investment Trust of The Roman Catholic Diocese of Toledo in America

Notes to Financial Statements

June 30, 2022 and 2021

Note 6 - Fair Value Measurements (Continued)

The following tables present information about the Catholic Investment Trust's assets measured at fair value on a recurring basis at June 30, 2022 and 2021 and the valuation techniques used by the Catholic Investment Trust to determine those fair values:

Assets Measured at Fair Value on a Recurring Basis at June 30, 2022				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2022
Assets				
Trading securities:				
Common stock	\$ 11,137,943	\$ -	\$ -	\$ 11,137,943
Mutual funds - Fixed income	25,772,902	-	-	25,772,902
Mutual funds - Equity	26,972,723	-	-	26,972,723
Mutual funds - Real estate	2,448,391	-	-	2,448,391
Money market funds	-	4,281,905	-	4,281,905
Total	<u>\$ 66,331,959</u>	<u>\$ 4,281,905</u>	<u>\$ -</u>	70,613,864
Investments measured at NAV - Common collective funds				<u>-</u>
Total assets				<u>\$ 70,613,864</u>

Assets Measured at Fair Value on a Recurring Basis at June 30, 2021				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2021
Assets				
Trading securities:				
Common stock	\$ 14,039,545	\$ -	\$ -	\$ 14,039,545
Mutual funds - Fixed income	13,486,711	-	-	13,486,711
Mutual funds - Equity	28,026,500	-	-	28,026,500
Mutual funds - Real estate	2,728,137	-	-	2,728,137
Money market funds	-	3,755,464	-	3,755,464
Total	<u>\$ 58,280,893</u>	<u>\$ 3,755,464</u>	<u>\$ -</u>	62,036,357
Investments measured at NAV - Common collective funds				<u>16,534,444</u>
Total assets				<u>\$ 78,570,801</u>

The fair value of money market funds at June 30, 2022 and 2021 was determined primarily based on Level 2 inputs. The Catholic Investment Trust estimates the fair value of these investments based on quoted prices for similar assets in active markets.

June 30, 2022 and 2021

Note 6 - Fair Value Measurements (Continued)

Investments in Entities that Calculate Net Asset Value per Share

The Catholic Investment Trust held shares in certain common collective funds administered by the Catholic United Investment Trust (CUIT) at June 30, 2021 where the fair value of the investment held was estimated based on the net asset value per share (or its equivalent) of the common collective fund. Such funds were sold during the year ended June 30, 2022.

The Catholic Investment Trust holds shares in the CUIT Intermediate Diversified Bond Fund and the CUIT International Equity Fund. The fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the common collective fund as a practical expedient based on investments in fixed-income obligations issued by the U.S. government or its agencies, obligations issued by corporations, and mortgage-backed and asset-backed securities, as well as common stock. There were no unfunded commitments or redemption restrictions on the investments described above.

Note 7 - Funds Held for Others

Transactions in funds held for others are summarized below for the years ended June 30, 2022 and 2021:

	2022	2021
Contributions	\$ 3,656,236	\$ 8,897,690
Investment (loss) income - Net	(9,332,926)	15,694,393
Distributions	<u>(2,153,489)</u>	<u>(4,181,865)</u>
Change in balance	(7,830,179)	20,410,218
Balance in funds held for others - Beginning of year	<u>78,593,124</u>	<u>58,182,906</u>
Balance in funds held for others - End of year	<u><u>\$ 70,762,945</u></u>	<u><u>\$ 78,593,124</u></u>