

Financial Statements
and
Independent Auditors' Report



Diocese of Belleville Catholic Service and Ministry Appeal

February 28, 2026 and 2025

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Independent Auditors' Report

Members of the Diocesan Finance Council
and the Board of Directors
The Diocese of Belleville Catholic
Service and Ministry Appeal

Opinion

We have audited the financial statements of the Diocese of Belleville Catholic Service and Ministry Appeal (the CSMA), which comprise the statements of financial position as of February 28, 2026 and 2025 and the related statements of activities and changes in net assets, 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 CSMA as of February 28, 2026 and 2025, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CSMA 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 CSMA's ability to continue as a going concern for one year after the date that the financial statements are 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 CSMA'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 CSMA'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.

Heber, Eck & Braeckel LLP

Springfield, Illinois
August 18, 2026

Diocese of Belleville Catholic Service and Ministry Appeal
STATEMENTS OF FINANCIAL POSITION
February 28

	<u>2026</u>	<u>2025</u>
ASSETS		
Cash	\$ 134,665	\$ 149,852
Due from related party	22,304	1,275
Prepaid expenses	<u>15,297</u>	<u>3,787</u>
Total assets	<u>\$ 172,266</u>	<u>\$ 154,914</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 93,265	\$ 75,913
NET ASSETS		
Without donor restrictions	<u>79,001</u>	<u>79,001</u>
Total liabilities and net assets	<u>\$ 172,266</u>	<u>\$ 154,914</u>

The accompanying notes are an integral part of these statements.

Diocese of Belleville Catholic Service and Ministry Appeal
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended February 28

	<u>2026</u>	<u>2025</u>
Support and revenue		
Contributions	\$ 1,307,820	\$ 1,144,043
Interest income	16,856	17,770
	<u>1,324,676</u>	<u>1,161,813</u>
Expenses		
Program services	1,179,748	1,017,749
Supporting services		
Management and general	5,800	5,800
Fundraising	139,128	138,264
	<u>144,928</u>	<u>144,064</u>
Total supporting services	<u>144,928</u>	<u>144,064</u>
Total expenses	<u>1,324,676</u>	<u>1,161,813</u>
Change in net assets	-	-
Net assets - beginning of year	<u>79,001</u>	<u>79,001</u>
Net assets - end of year	<u>\$ 79,001</u>	<u>\$ 79,001</u>

The accompanying notes are an integral part of these statements.

Diocese of Belleville Catholic Service and Ministry Appeal

STATEMENTS OF FUNCTIONAL EXPENSES

Year ended February 28, 2026

	Program Services					Supporting Services			
	Benefit of Parishes and Agencies	Educational	Christian Services	Pastoral Services	Total	Management and General	Fundraising	Total	Total
Benefits of parishes and agencies	\$ 73,857	\$ -	\$ -	\$ -	\$ 73,857	\$ -	\$ -	\$ -	\$ 73,857
Office of Education	-	169,531	-	-	169,531	-	-	-	169,531
Sr. Thea Bowman School	-	88,628	-	-	88,628	-	-	-	88,628
St. Vincent de Paul	-	-	133,476	-	133,476	-	-	-	133,476
Catholic Urban Programs	-	-	108,324	-	108,324	-	-	-	108,324
Office of Faith Formation	-	-	61,055	-	61,055	-	-	-	61,055
Day Star Community Program	-	-	137,867	-	137,867	-	-	-	137,867
Office of Life, Marriage and Family	-	-	44,390	-	44,390	-	-	-	44,390
Fund for Ministry	-	-	34,467	-	34,467	-	-	-	34,467
Newman Center	-	-	-	96,507	96,507	-	-	-	96,507
Office of Worship	-	-	-	57,116	57,116	-	-	-	57,116
Prison Ministry	-	-	34,543	-	34,543	-	-	-	34,543
Griffin Center	-	-	24,619	-	24,619	-	-	-	24,619
Hispanic Ministry	-	-	-	61,055	61,055	-	-	-	61,055
Seminaries	-	29,695	-	-	29,695	-	-	-	29,695
Accounting	-	-	-	-	-	5,800	-	5,800	5,800
Development and drive expense	-	24,618	-	-	24,618	-	139,128	139,128	163,746
Total	\$ 73,857	\$ 312,472	\$ 578,741	\$ 214,678	\$1,179,748	\$ 5,800	\$ 139,128	\$144,928	\$1,324,676

Diocese of Belleville Catholic Service and Ministry Appeal

STATEMENTS OF FUNCTIONAL EXPENSES

Year ended February 28, 2025

	Program Services					Supporting Services			
	Benefit of Parishes and Agencies	Educational	Christian Services	Pastoral Services	Total	Management and General	Fundraising	Total	Total
Benefits of parishes and agencies	\$ 63,846	\$ -	\$ -	\$ -	\$ 63,846	\$ -	\$ -	\$ -	\$ 63,846
Office of Education	-	127,874	-	-	127,874	-	-	-	127,874
Sr. Thea Bowman School	-	76,615	-	-	76,615	-	-	-	76,615
St. Vincent de Paul	-	-	72,587	-	72,587	-	-	-	72,587
Catholic Urban Programs	-	-	139,622	-	139,622	-	-	-	139,622
Office of Faith Formation	-	-	52,779	-	52,779	-	-	-	52,779
Day Star Community Program	-	-	119,178	-	119,178	-	-	-	119,178
Office of Life, Marriage and Family	-	-	32,192	-	32,192	-	-	-	32,192
Fund for Ministry	-	-	29,795	-	29,795	-	-	-	29,795
Newman Center	-	-	-	93,689	93,689	-	-	-	93,689
Office of Worship	-	-	-	64,329	64,329	-	-	-	64,329
Prison Ministry	-	-	21,358	-	21,358	-	-	-	21,358
Griffin Center	-	-	12,922	-	12,922	-	-	-	12,922
Hispanic Ministry	-	-	-	52,779	52,779	-	-	-	52,779
Seminaries	-	22,691	-	-	22,691	-	-	-	22,691
Accounting	-	-	-	-	-	5,800	-	5,800	5,800
Bishop Designated	-	-	-	8,360	8,360	-	-	-	8,360
Development and drive expense	-	27,133	-	-	27,133	-	138,264	138,264	165,397
Total	\$ 63,846	\$ 254,313	\$ 480,433	\$ 219,157	\$ 1,017,749	\$ 5,800	\$ 138,264	\$ 144,064	\$ 1,161,813

The accompanying notes are an integral part of these statements.

Diocese of Belleville Catholic Service and Ministry Appeal
STATEMENTS OF CASH FLOWS
For the years ended February 28

	<u>2026</u>	<u>2025</u>
Cash flows from operating activities		
Change in net assets	\$ -	\$ -
Adjustments to reconcile change in net assets to net cash used in operating activities		
Change in assets and liabilities		
Due from related party	(21,029)	56,443
Prepaid expenses	(11,510)	27,841
Accounts payable and accrued expenses	17,352	(167,950)
	<u>(15,187)</u>	<u>(83,666)</u>
Net cash used in operating activities	(15,187)	(83,666)
Cash at beginning of year	<u>149,852</u>	<u>233,518</u>
Cash at end of year	<u>\$ 134,665</u>	<u>\$ 149,852</u>

The accompanying notes are an integral part of these statements.

Diocese of Belleville Catholic Service and Ministry Appeal
NOTES TO FINANCIAL STATEMENTS
February 28, 2026 and 2025

NOTE A | SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Financial Reporting Entity

The Diocese of Belleville Catholic Service and Ministry Appeal (the CSMA) is a not-for-profit corporation established under the laws of the State of Illinois, and it operates as a religious organization. The CSMA is located in Southern Illinois, and it accounts for the contributions received from the diocesan-wide appeal and the funding of various programs of the Catholic Diocese of Belleville, Illinois (the Diocese) as annually determined.

2. Basis of Accounting

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

3. Financial Statement Presentation

The CSMA is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions - These net assets generally result from revenues generated by receiving contributions that have no donor restrictions and providing services, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions - These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily until the donor restriction expires, that is until the stipulated time restriction ends, or the purpose of the restriction is accomplished, or permanently, in which the donor has stipulated the funds be maintained in perpetuity.

Diocese of Belleville Catholic Service and Ministry Appeal
NOTES TO FINANCIAL STATEMENTS
February 28, 2026 and 2025

NOTE A | SUMMARY OF ACCOUNTING POLICIES

3. Financial Statement Presentation

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions. The CSMA has elected to present all contributions with donor restrictions, which are fulfilled in the same time period, within the net assets without donor restrictions class. There were no net assets with donor restrictions at February 28, 2026 and 2025.

4. Cash and Cash Equivalents

Cash and cash equivalents consist of short-term highly-liquid investments, which are readily convertible into cash within ninety (90) days of purchase. There were no cash equivalents at February 28, 2026 and 2025.

5. Contribution Receivable

The CSMA considers all receivables to be fully collectible; accordingly, no allowance for credit losses is considered necessary. If amounts become uncollectible, they will be charged to operations when that determination is made.

6. Revenue Recognition

The CSMA records revenue from contributions at the time they are received and at the appropriate net asset classification, depending on the existence and/or nature of any donor stipulated funds.

7. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates made by management.

Diocese of Belleville Catholic Service and Ministry Appeal
NOTES TO FINANCIAL STATEMENTS
February 28, 2026 and 2025

NOTE A | SUMMARY OF ACCOUNTING POLICIES

8. Income Taxes

The CSMA is a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code and, as such, is exempt from income taxes under Section 501(a) of the Code.

The CSMA has recognized in the financial statements the effects of all tax positions and continually evaluates expiring statutes of limitations, audits, changes in tax law, and new authoritative rulings. The CSMA is not aware of any circumstances or events that make it reasonably possible that unrecognized tax benefits may increase or decrease within 12 months of the statement of financial position date. Penalties and interest assessed by taxing authorities are included in the provision for income taxes, if applicable. There were no penalties or interest paid during 2026 and 2025.

9. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

10. Subsequent Events

Management has evaluated subsequent events for recognition and disclosure in the financial statements through August 18, 2026, which is the date the financial statements were available to be issued. Through August 18, 2026, no subsequent events required recognition or disclosure in the financial statements.

NOTE B | RELATED-PARTY TRANSACTIONS

The CSMA enters into transactions with the Diocese, parishes, schools and other agencies of the Diocese. The CSMA had a receivable due from the Diocese of \$ 22,304 and \$ 1,275 as of February 28, 2026 and 2025, respectively.

Diocese of Belleville Catholic Service and Ministry Appeal
NOTES TO FINANCIAL STATEMENTS
February 28, 2026 and 2025

NOTE C | CONCENTRATION OF CREDIT RISK

The CSMA maintains a cash balance at a financial institution in Belleville, Illinois. This account is insured up to \$ 250,000 by the Federal Deposit Insurance Corporation. From time to time, the account balance may exceed the insured limits. The CSMA has not experienced any losses from this account as of February 28, 2026, and through the date of this report.

NOTE D | LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the CSMA's financial assets as of February 28, 2026 and 2025. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	<u>2026</u>	<u>2025</u>
Financial assets		
Cash	\$ 134,665	\$ 149,852
Due from related party	<u>22,304</u>	<u>1,275</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 156,969</u>	<u>\$ 151,127</u>

The CSMA's goal is to structure its financial assets to be available to meet the obligations to encourage development and provide funding for unique programs and projects which address special needs within each vicariate of the Diocese.

Communication to the Audit Committee
of
The Diocesan Finance Council



Diocese of Belleville Catholic Service and Ministry Appeal

Year ended February 28, 2026

Members of the Diocesan Finance Council
and the Board of Directors
The Diocese of Belleville Catholic
Service and Ministry Appeal

We have audited the financial statements of the Diocese of Belleville Catholic Service and Ministry Appeal as of and for the year ended February 28, 2026, and have issued our report thereon dated August 18, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated December 18, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the Diocese of Belleville Catholic Service and Ministry Appeal solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal control related matters noted during our audit in a separate letter to you dated August 18, 2026.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

During our pre-engagement planning, we identified the following significant risks, inherent to an audit:

- Management override of controls
- Improper revenue recognition due to fraud

We designed our audit procedures to address these risks. As part of these procedures, no material misstatements were noted. Additionally, no other significant risks were identified as part of our audit.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Diocese of Belleville Catholic Service and Ministry Appeal is included in Note A to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended February 28, 2026. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There were no significant estimates for the year ended February 28, 2026.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Diocese of Belleville Catholic Service and Ministry Appeal's financial statements relate to financial statement presentation as stated in Note A of the financial statements.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management.

Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

The attached schedule summarizes an uncorrected financial statement misstatement whose effect in the current and prior periods, as determined by management, is immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Diocese of Belleville Catholic Service and Ministry Appeal's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated August 18, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Diocese of Belleville Catholic Service and Ministry Appeal, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Diocese of Belleville Catholic Service and Ministry Appeal's auditors.

This report is intended solely for the information and use of the Board of Directors, the Diocesan Finance Council, and management of Diocese of Belleville Catholic Service and Ministry Appeal and is not intended to be, and should not be, used by anyone other than these specified parties.

Heber, Eck & Broeckel LLP

Engagement: ***Diocese of Belleville - CSMA Fund***
 Period Ending: ***2/28/2026***
 Workpaper: ***2210 - Proposed JE Report***

Account	Description	Debit	Credit
Proposed JE # 1			
To adjust accrued expenses for audit fees			
20325	Accrued Expenses	5,800.00	
51035	Prof. Services - Accountant		5,800.00
Total		5,800.00	5,800.00

Note: Amount is below tolerable. As such, we will pass on posting these adjustments to the trial balance as of 2/28/26.

Communication of Internal Control Related Matters



Diocese of Belleville Catholic Service and Ministry Appeal

Year ended February 28, 2026

Members of the Diocesan Finance Council
and the Board of Directors
The Diocese of Belleville Catholic
Service and Ministry Appeal

In planning and performing our audit of the financial statements of Diocese of Belleville Catholic Service and Ministry Appeal as of and for the year ended February 28, 2026, in accordance with auditing standards generally accepted in the United States of America, we considered Diocese of Belleville Catholic Service and Ministry Appeal's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of Diocese of Belleville Catholic Service and Ministry Appeal's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible* - The chance of the future event or events occurring is more than remote but less than likely.
- *Probable* - The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the Board of Directors, the Diocesan Finance Council, management, and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Kerber, Eck & Braeckel LLP

Springfield, Illinois
August 18, 2026