

CONSORTIUM OF CATHOLIC ACADEMIES
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

**CONSORTIUM OF CATHOLIC ACADEMIES
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YEARS ENDED JUNE 30, 2018 AND 2017**

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INDEPENDENT AUDITORS' REPORT

Corporate Members and Board of Directors
Consortium of Catholic Academies
Hyattsville, Maryland

We have audited the accompanying financial statements of Consortium of Catholic Academies, which comprise the statements of financial position as of June 30, 2018 and 2017, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Corporate Members and Board of Directors
Consortium of Catholic Academies

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Consortium of Catholic Academies as of June 30, 2018 and 2017, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
December 14, 2018

CONSORTIUM OF CATHOLIC ACADEMIES
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
Cash and Cash Equivalents (Note 9)	\$ 3,436,712	\$ 1,044,689
Tuition Receivable, Net	61,854	101,880
Pledges Receivable, Net (Notes 2 and 8)	848,888	895,082
Funds Held by Others (Note 8)	-	1,719,999
Other Receivable	47,223	148,489
Prepaid Expense	25,554	29,626
Furniture and Equipment, Net	36,181	52,052
Cash Held for Long-Term Purposes	201,234	51,067
Total Assets	\$ 4,657,646	\$ 4,042,884
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses (Note 8)	\$ 208,433	\$ 59,279
Accrued Salaries and Benefits (Note 8)	534,053	493,130
Deferred Tuition and Fees	151,317	128,105
Note Payable, Net (Note 4)	230,729	294,438
Total Liabilities	1,124,532	974,952
NET ASSETS		
Unrestricted:		
Board Designated (Note 8)	1,682,919	1,673,978
Undesignated	1,455,798	857,378
Total Unrestricted	3,138,717	2,531,356
Temporarily Restricted (Note 5)	194,968	337,147
Permanently Restricted (Note 7)	199,429	199,429
Total Net Assets	3,533,114	3,067,932
Total Liabilities and Net Assets	\$ 4,657,646	\$ 4,042,884

See accompanying Notes to Financial Statements.

**CONSORTIUM OF CATHOLIC ACADEMIES
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2018 AND 2017**

	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT								
Tuition:								
Tuition and Academic Fees	\$ 6,347,229	\$ -	\$ -	\$ 6,347,229	\$ 5,372,457	\$ -	\$ -	\$ 5,372,457
Less: Scholarships and Discounts	<u>(1,150,235)</u>	<u>-</u>	<u>-</u>	<u>(1,150,235)</u>	<u>(1,218,043)</u>	<u>-</u>	<u>-</u>	<u>(1,218,043)</u>
Net Tuition and Fees	5,196,994	-	-	5,196,994	4,154,414	-	-	4,154,414
Contributions from the Archdiocese of Washington (Note 8):								
Tuition and Fees	954,229	45,771	-	1,000,000	1,000,000	-	-	1,000,000
Contributed Rent from Parishes	630,000	-	-	630,000	630,000	-	-	630,000
Other Contributions	1,019,993	-	-	1,019,993	985,768	-	-	985,768
Parish Support	80,915	-	-	80,915	88,175	-	-	88,175
Contributions and Fundraising Revenue	1,585,588	67,188	-	1,652,776	1,759,633	12,086	149,429	1,921,148
Other Income	9,792	738	-	10,530	13,155	102	-	13,257
Net Assets Released from Restrictions	<u>255,876</u>	<u>(255,876)</u>	<u>-</u>	<u>-</u>	<u>244,431</u>	<u>(244,431)</u>	<u>-</u>	<u>-</u>
Total Revenue and Support	9,733,387	(142,179)	-	9,591,208	8,875,576	(232,243)	149,429	8,792,762
EXPENSES (NOTE 8)								
Program Services:								
Instruction	7,326,221	-	-	7,326,221	7,253,922	-	-	7,253,922
Nursery School, Daycare and Other Services	319,250	-	-	319,250	308,209	-	-	308,209
Total Program Services	<u>7,645,471</u>	<u>-</u>	<u>-</u>	<u>7,645,471</u>	<u>7,562,131</u>	<u>-</u>	<u>-</u>	<u>7,562,131</u>
Supporting Services:								
General and Administrative	<u>1,480,555</u>	<u>-</u>	<u>-</u>	<u>1,480,555</u>	<u>1,109,802</u>	<u>-</u>	<u>-</u>	<u>1,109,802</u>
Total Expenses	<u>9,126,026</u>	<u>-</u>	<u>-</u>	<u>9,126,026</u>	<u>8,671,933</u>	<u>-</u>	<u>-</u>	<u>8,671,933</u>
CHANGE IN NET ASSETS	607,361	(142,179)	-	465,182	203,643	(232,243)	149,429	120,829
Net Assets - Beginning of Year	<u>2,531,356</u>	<u>337,147</u>	<u>199,429</u>	<u>3,067,932</u>	<u>2,327,713</u>	<u>569,390</u>	<u>50,000</u>	<u>2,947,103</u>
NET ASSETS - END OF YEAR	<u>\$ 3,138,717</u>	<u>\$ 194,968</u>	<u>\$ 199,429</u>	<u>\$ 3,533,114</u>	<u>\$ 2,531,356</u>	<u>\$ 337,147</u>	<u>\$ 199,429</u>	<u>\$ 3,067,932</u>

See accompanying Notes to Financial Statements.

**CONSORTIUM OF CATHOLIC ACADEMIES
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 465,182	\$ 120,829
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	18,999	22,475
Imputed Interest on Note Payable	14,291	17,645
Changes in Assets and Liabilities:		
Tuition Receivable	40,026	(74,063)
Pledges Receivable	46,194	149,852
Funds Held by Others	1,719,999	185,970
Other Receivable	101,266	(144,810)
Prepaid Expense	4,072	437
Accounts Payable and Accrued Expenses	149,154	(225,261)
Accrued Salaries and Benefits	40,923	(139,022)
Funds Held on Behalf of Others	-	(324,369)
Deferred Tuition and Fees	23,212	16,678
Net Cash Provided (Used) by Operating Activities	2,623,318	(393,639)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Furniture and Equipment	(3,128)	(3,069)
Net Cash Used by Investing Activities	(3,128)	(3,069)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Note Payable	(78,000)	(78,000)
Net Cash Used by Financing Activities	(78,000)	(78,000)
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,542,190	(474,708)
 Cash and Cash Equivalents - Beginning of Year	1,095,756	1,570,464
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,637,946	\$ 1,095,756
 SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Imputed Interest on Note Payable	\$ 14,291	\$ 17,645

See accompanying Notes to Financial Statements.

**CONSORTIUM OF CATHOLIC ACADEMIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Organization

The Consortium of Catholic Academies (the Consortium), formerly the Center City Consortium, is the cornerstone of a project called "Faith in the City," which was formed in 1997 under the direction of the Archbishop of the Archdiocese of Washington, DC (the Archdiocese). The Consortium was officially incorporated in 2001. The goal of the Consortium is to stabilize and revitalize the inner-city Catholic schools located in the neediest neighborhoods of Washington, DC.

The Consortium fulfills its mission by operating the following inner-city Catholic schools: Sacred Heart, St. Francis Xavier, St. Thomas More, and St. Anthony. Under canon law, all real property is titled to the Archbishop of Washington and the facilities in which the schools operate are considered to be property of the respective parishes and therefore not included as an asset of the Consortium on the statement of financial position.

The Consortium helps establish a consistent academic curriculum across the individual schools while also delivering administrative and financial support to ensure the schools remain affordable and continue to provide students with an excellent education. The Consortium strives to instill in students a sense of faith, a love of learning and, ultimately, produce value-centered graduates who will face the future with hope.

(b) Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on the accrual basis of accounting.

(c) Cash and Cash Equivalents

The Consortium considers highly liquid, short-term investments consisting of savings and money market accounts to be cash equivalents. Cash equivalents are reported at fair value. A portion of cash and cash equivalents as reported in the statements of cash flows is presented as cash held for long-term purposes on the statements of financial position.

(d) Furniture and Equipment

Furniture and equipment are recorded at cost. Donated equipment is recorded at fair value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is estimated to be five to seven years. All acquisitions greater than \$2,500 are capitalized.

Because the schools' facilities are the property of the sponsoring parishes, the value of these assets is not included in these financial statements. The Consortium has only year-to-year lease arrangements with the respective parishes for the use of the school buildings, and as a result improvements to school buildings paid for by the Consortium are expensed as incurred. Each year an estimated value for the use of the building is recorded as both contributed rent from parishes and instruction expense.

CONSORTIUM OF CATHOLIC ACADEMIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Funds Held by Others

Funds Held by Others is annuities which are administered by the Central Pastoral Administration (CPA) for the benefit of the Consortium. In the prior year, Funds held by others included the Consortium's share of a money market account owned by the CPA of the Archdiocese. In October 2017, the funds were transferred to a Consortium money market account earning the same interest rate as provided by the CPA account.

(f) Net Assets

Net assets and revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions; accordingly, the net assets of the Consortium and changes therein are classified and reported as follows:

Unrestricted Net Assets – Represent amounts that are available for the operations of the Consortium and are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Represent amounts that are specifically restricted by donors for various programs, purposes, or time periods.

Permanently Restricted Net Assets – Represent amounts subject to donor-imposed stipulations that the net assets be held in perpetuity by the Consortium.

Revenue is reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor's stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

(g) Revenue Recognition

The Consortium recognizes tuition and fees as revenue over the term of the school year. Tuition receivable represents amounts collected subsequent to June 30 pertaining to the prior school year. Deferred tuition and fees represents amounts received during the current fiscal year that pertain to the next school year.

Contributions, which include unconditional promises to give, are recognized as revenue in the period the promise is made by the donor. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift.

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional revenue and used in accordance with donor-imposed restrictions, if any, on the contributions. Pledges receivable that are past due are individually analyzed and an allowance is recognized for potentially uncollectible pledges. There was no allowance for uncollectible pledges at June 30, 2018 and 2017.

**CONSORTIUM OF CATHOLIC ACADEMIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue Recognition (Continued)

Contributed services are recognized if the services create or enhance nonfinancial assets or require specialized skills and would need to be purchased, if not provided by donation. Contributed services, equipment, and rent are recorded at fair value as unrestricted contributions, unless specifically restricted by the donor.

The Consortium records awards from the Catholic Education Foundation (CEF) as an unrestricted contribution in the year applied to the students' accounts. Amounts approved by CEF to be carried forward to future years are recorded as temporarily restricted and are released from restriction when applied to students.

(h) Income Taxes

The Consortium is recognized as exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. No provision has been made for income taxes during the fiscal years ended June 30, 2018 and 2017, as the Consortium had no significant unrelated business income.

Tax positions are recognized or derecognized based on a more-likely-than-not threshold. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which change in judgment occurs. This applies to positions taken or expected to be taken in a tax return. The Consortium recognizes interest accrued related to unrecognized tax benefits and penalties related to unrecognized tax benefits in accounts payable and accrued liabilities, if assessed. No interest expense or penalties have been recognized as of and for the years ended June 30, 2018 and 2017. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

(i) Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized in the accompanying statements of activities on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services.

(j) 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 the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(k) Reclassifications

Certain amounts in the 2017 financial statements have been reclassified to conform to the 2018 presentation. These reclassifications have no effect on the change in net assets previously reported.

**CONSORTIUM OF CATHOLIC ACADEMIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Subsequent Events

In preparing these financial statements, the Consortium has evaluated events and transactions for potential recognition or disclosure through December 14, 2018, the date the financial statements were available to be issued.

NOTE 2 PLEDGES RECEIVABLE

Pledges receivable are summarized as follows as of June 30:

	2018	2017
Unconditional Promise Expected to be Collected in:		
Less than One Year	\$ 650,933	\$ 601,064
One Year to Five years	221,578	294,018
Total	872,511	895,082
Less: Discount to Present Value at 4.3%	(23,623)	-
Total	\$ 848,888	\$ 895,082

As of June 30, 2018 and 2017, pledges receivable include \$230,729 and \$332,352, respectively, from the Archdiocese for the liabilities existing at June 30, 2008, when the Consortium was restructured. The pledges receivable balance relating to the restructuring is to be received as the external note payable is repaid. Additionally, as of June 30, 2018, a tuition assistance receivable for \$489,530 for school year 2017-2018 and funds for future year awards of \$45,770 remain due from CEF, and as of June 30, 2017, a tuition assistance receivable of \$469,709 for school year 2016-2017 and funds for future year awards of \$23,730 remain due from CEF. The Consortium also has pledges receivable from CEF of \$46,562 and \$44,781 at June 30, 2018 and 2017, respectively. Pledges receivable from unrelated donors at June 30, 2018 and 2017, totaled \$36,297 and \$24,510, respectively.

NOTE 3 FURNITURE AND EQUIPMENT

The Consortium held the following furniture and equipment as of June 30:

	2018	2017
Equipment	\$ 108,958	\$ 357,961
Furniture	16,383	132,992
Furniture and Equipment, Gross	125,341	490,953
Less: Accumulated Depreciation	(89,160)	(438,901)
Furniture and Equipment, Net	\$ 36,181	\$ 52,052

**CONSORTIUM OF CATHOLIC ACADEMIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 4 NOTE PAYABLE

On January 26, 2011, the Consortium signed an amendment to an original loan agreement dated October 6, 2005, with Building Hope, a private foundation. The original promissory note provided funding for certain renovations of the Consortium's schools and specific schools that were previously overseen by the Consortium. Under the amended terms, the original loan commitment is \$839,345 with a maturity date of October 1, 2021. The loan bears no interest unless there is an event of default, at which time the interest rate of 8% per annum shall apply to the remaining balance until such defaulted installment is paid in full. Interest was imputed at a rate of 4.3% and is being accreted over the life of the loan with accretion of \$14,291 and \$17,475 for the years ended June 30, 2018 and 2017, respectively. The Consortium makes principal payments of \$6,500 on a monthly basis.

The future minimum principal payments required on the note payable are as follows at June 30, 2018:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 78,000
2020	78,000
2021	78,000
2022	20,352
Total	<u>254,352</u>
Unaccreted Discount	(23,623)
Total	<u><u>\$ 230,729</u></u>

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

The temporarily restricted net assets of the Consortium are available for the following programs or purposes as of June 30:

	<u>2018</u>	<u>2017</u>
Archdiocesan Tuition Assistance	\$ 45,770	\$ 23,730
Other Tuition Assistance	113,770	274,436
Endowment Earnings	1,805	1,067
Technology Education	10,000	-
Restricted Due to Time:		
Imputed Interest on Loan	23,623	37,914
Total	<u><u>\$ 194,968</u></u>	<u><u>\$ 337,147</u></u>

**CONSORTIUM OF CATHOLIC ACADEMIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 6 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses or by the passage of time as follows during the year ended June 30:

	2018	2017
Other Tuition Assistance	\$ 241,585	\$ 226,786
Passage of Time - Accretion of Discount on Loan	14,291	17,645
Total	\$ 255,876	\$ 244,431

NOTE 7 ENDOWMENTS

Effective January 23, 2008, the District of Columbia enacted the Uniform Prudent Management of Institutional Funds Act (the Act), the provisions of which apply to funds existing on or established after that date.

The Board of Directors of the Consortium has interpreted the Act as allowing the Consortium to spend or accumulate the amount of an endowment fund that the Consortium determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. For accounting and reporting purposes, the Consortium classifies as permanently restricted net assets (a) the original value of 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 in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by the Act.

In accordance with the Act, the Consortium considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the Consortium and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Consortium, and (7) the investment policies of the Consortium.

The Consortium plans to adopt 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 once assets are of sufficient size to warrant such adoption. Endowment assets include those assets of donor-restricted funds that the Consortium must hold in perpetuity. Because of the small size of the endowments, endowment assets are currently held in cash equivalents until a more appropriate investment vehicle is available. No disbursements have been made from either endowment corpus or earnings.

**CONSORTIUM OF CATHOLIC ACADEMIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 7 ENDOWMENTS (CONTINUED)

Endowment net assets composition by type of fund was as follows as of June 30:

	2018			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-Restricted Endowment Funds	\$ -	\$ 1,805	\$ 199,429	\$ 201,234

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-Restricted Endowment Funds	\$ -	\$ 1,067	\$ 199,429	\$ 200,496

Changes in endowment net assets were as follows for the fiscal years ended June 30:

	2018			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment Net Assets - Beginning of Year	\$ -	\$ 1,067	\$ 199,429	\$ 200,496
Investment Income	-	738	-	738
Endowment Net Assets - End of Year	\$ -	\$ 1,805	\$ 199,429	\$ 201,234

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment Net Assets - Beginning of Year	\$ -	\$ 965	\$ 50,000	\$ 50,965
Investment Income	-	102	-	102
Contributions	-	-	149,429	149,429
Endowment Net Assets - End of Year	\$ -	\$ 1,067	\$ 199,429	\$ 200,496

CONSORTIUM OF CATHOLIC ACADEMIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 8 RELATED PARTY TRANSACTIONS

The Consortium has significant transactions with parishes and related entities of the Archdiocese, of which it is also an affiliate. The nature of these relationships is described below. This is a summary of the impact of significant transactions with these related parties on the statements of financial position and statements of activities as of and for the years ended June 30:

	2018	2017
(a) Archdiocesan Amounts:		
Pledges Receivable (from CPA)	\$ 230,729	\$ 332,352
Pledges Receivable (from CEF)	581,862	538,220
Other Receivable (from CPA)	47,223	148,489
Funds Held by Others (from CPA)	-	1,719,999
Interest Income Allocated (from CPA)	3,165	9,275
Accounts Payable and Accrued Expenses (to CPA)	18,012	49,822
Tuition Assistance (from CEF)	1,000,000	1,000,000
Insurance Program Expenses (with CPA)	808,437	773,970
Administrative Expenses (with CPA)	368,845	381,924
(b) Support from Parishes:		
Contributed Rent Revenue and Instruction Expense	630,000	630,000
Parish Support for Scholarships	80,915	88,175
(c) Other Contributions:		
Gifts from Other Parishes	1,019,991	985,769

(a) Archdiocesan Support

The Consortium receives support from the Archdiocese in the form of tuition assistance. CEF has indicated that it expects to provide up to \$1,000,000 in tuition assistance support to students attending Consortium schools for the years ended June 30, 2018 and 2017. The uncollected tuition assistance from prior years is recorded as pledges receivable.

In 2015, the Central Pastoral Administration of the Archdiocese of Washington (CPA) received a onetime gift of \$2,063,196 for the benefit of the Consortium. Funds held by others at June 30, 2017, of \$1,719,999 represents the net balance of the 2015 gift of \$1,673,978 and annuities of \$46,021. In 2018, funds held by others was transferred to CCA by the Archdiocese and deposited into a money market account.

The CPA pays certain expenses on behalf of the Consortium and bills the Consortium for the amounts paid. The balance due is included in accounts payable and accrued expenses.

CONSORTIUM OF CATHOLIC ACADEMIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 8 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Archdiocesan Support (Continued)

The Consortium participates in the Archdiocesan insurance programs, which are self-insured up to certain limits, for property casualty, workers' compensation, life insurance, and health claims. The CPA provides accounting and administrative services, rents office space, and provides maintenance for Consortium school buildings. These costs are allocated in accordance with the functional allocation of expenses policy.

The Archdiocese has committed to provide future financial stability to the Consortium to ensure continued operations at least through June 30, 2019.

(b) Support from Parishes

The Consortium's schools utilize space in buildings owned by parishes within the Archdiocese of Washington. The value of space utilized by the Consortium is based on the estimated amount of depreciation that would be recognized on the replacement cost of these facilities. The Consortium also received general operating support shown as parish support from the Consortium parishes.

(c) Other Contributions

The Consortium receives contributions through the Archdiocese representing gifts from parishes of certain former Consortium schools.

NOTE 9 CONCENTRATION OF RISK

The Consortium maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Consortium has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its bank balances.

During the years ended June 30, 2018 and 2017, the Consortium recognized approximately \$1.54 million and \$1.65 million, respectively, in contributions from a single foundation donor and \$1 million each year from a related party donor. Tuition and academic fees revenue includes approximately \$3.4 and \$2.4 million from parents participating in the DC Opportunity Scholarship Program for each of the years ended June 30, 2018 and 2017, respectively. These sources of revenue combined equal 62% and 57% of total revenue for the years ended June 30, 2018 and 2017, respectively.

CONSORTIUM OF CATHOLIC ACADEMIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 10 RETIREMENT PLAN

The Consortium participates in the Retirement Plan of the Archdiocese of Washington (the Retirement Plan), a defined-benefit plan, which was frozen effective December 31, 2012. No further benefits will be accrued. To be eligible for participation in the Retirement Plan, an employee must have completed one year of service, been 21 years of age, and regularly worked 20 or more hours per week. Information as to vested and nonvested benefits, as well as plan assets and unfunded liabilities, related solely to the Consortium is not readily determinable. In accordance with Accounting Standards Codification 715-30-55-63, the Consortium accounts for its participation in the Retirement Plan as a multi-employer plan.

Effective January 1, 2013, the Consortium also participates in a 403(b) plan, the Archdiocese of Washington Retirement Savings Plan (the Plan). The Plan is a defined-contribution plan covering all employees immediately upon date of hire who regularly work 20 hours or more per week. Participants are eligible to make contributions as salary deductions from 1% to 100% of pay up to a maximum of \$18,000 per year for employees less than 50 years of age and up to \$24,000 for those 50 and older. For the first 4% of salary an employee contributes to the plan, the Consortium provides a 50% match. The Consortium also provides an annual contribution between 1% and 4% based on years of service, regardless of employee participation in the Plan. Employer contributions vest at a rate of 20% per year for five years.

During the years ended June 30, 2018 and 2017, the Consortium's portion of retirement costs was \$359,089 and \$369,455, respectively. Beginning January 1, 2013, it is anticipated that approximately 50% of the retirement cost, net of expenses, will fund the new 403(b) plan and the other portion will be used to fund the deficit of the frozen defined-benefit plan.