

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2019 AND 2018**

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
TABLE OF CONTENTS  
YEARS ENDED JUNE 30, 2019 AND 2018**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
<b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>CONSOLIDATED STATEMENTS OF ACTIVITIES</b>	<b>4</b>
<b>CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>5</b>
<b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>	<b>7</b>
<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>8</b>



## INDEPENDENT AUDITORS' REPORT

Corporate Members and Board of Directors  
Catholic Youth Organization and Affiliate  
Washington, DC

We have audited the accompanying consolidated financial statements of Catholic Youth Organization and Affiliate, which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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  
Catholic Youth Organization and Affiliate

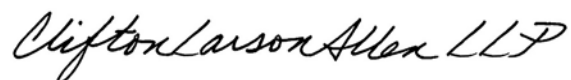
**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Catholic Youth Organization and Affiliate as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

**Change in Accounting Principle**

As discussed in Note 1 to the financial statements, management has adopted Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.



**CliftonLarsonAllen LLP**

Arlington, Virginia  
November 25, 2019

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2019 AND 2018**

	2019	2018
<b>ASSETS</b>		
Cash and cash equivalents	\$ 96,579	\$ 96,515
Accounts receivable, net (note 1)	25,619	25,565
Pledge receivable (note 3)	182,100	244,100
Prepaid expenses	22,692	700
Due from affiliated corporations, net (note 3)	2,364,298	255,876
Property held for sale, net (note 6)	-	1,970,693
Fixed assets:		
Furniture and equipment	123,122	66,579
Automobile	49,179	15,038
Less: accumulated depreciation	(69,095)	(49,828)
Fixed assets, net	103,206	31,789
Total assets	\$ 2,794,494	\$ 2,625,238
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 23,928	\$ 22,960
<b>NET ASSETS</b>		
Net assets without donor restrictions:		
Invested in property and equipment	103,206	2,002,482
Undesignated net assets	2,368,179	238,679
Total net assets without donor restrictions	2,471,385	2,241,161
Net assets with donor restrictions (note 5)	299,181	361,117
Total net assets	2,770,566	2,602,278
Total liabilities and net assets	\$ 2,794,494	\$ 2,625,238

See accompanying Notes to Consolidated Financial Statements.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT, AND GAINS</b>						
Contribution from Central Pastoral Administration of the Archdiocese of Washington (note 3)	\$ -	\$ 182,100	\$ 182,100	\$ -	\$ 244,100	\$ 244,100
Donated services (note 3)	81,639	-	81,639	81,846	-	81,846
Contributions and bequests	165,971	-	165,971	27,124	-	27,124
Special program income	667,390	-	667,390	691,940	-	691,940
Investment income (loss), net	27,965	64	28,029	-	(102)	(102)
Net assets released from restriction	244,100	(244,100)	-	274,380	(274,380)	-
	<u>1,187,065</u>	<u>(61,936)</u>	<u>1,125,129</u>	<u>1,075,290</u>	<u>(30,382)</u>	<u>1,044,908</u>
<b>EXPENSES AND LOSSES</b>						
Program services (notes 2 and 3):						
Youth ministries	211,450	-	211,450	325,691	-	325,691
Athletic programs	517,886	-	517,886	491,074	-	491,074
Total program services	<u>729,336</u>	<u>-</u>	<u>729,336</u>	<u>816,765</u>	<u>-</u>	<u>816,765</u>
Support services (note 3):						
Administrative services	207,417	-	207,417	173,294	-	173,294
Development	7,269	-	7,269	8,174	-	8,174
Total supporting services	<u>214,686</u>	<u>-</u>	<u>214,686</u>	<u>181,468</u>	<u>-</u>	<u>181,468</u>
Total expenses and losses	<u>944,022</u>	<u>-</u>	<u>944,022</u>	<u>998,233</u>	<u>-</u>	<u>998,233</u>
Change in net assets from continuing operations	243,043	(61,936)	181,107	77,057	(30,382)	46,675
Loss from discontinued operations (note 6)	<u>(12,819)</u>	<u>-</u>	<u>(12,819)</u>	<u>(27,060)</u>	<u>-</u>	<u>(27,060)</u>
<b>CHANGE IN NET ASSETS</b>	230,224	(61,936)	168,288	49,997	(30,382)	19,615
Net assets - beginning of year	<u>2,241,161</u>	<u>361,117</u>	<u>2,602,278</u>	<u>2,191,164</u>	<u>391,499</u>	<u>2,582,663</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,471,385</u>	<u>\$ 299,181</u>	<u>\$ 2,770,566</u>	<u>\$ 2,241,161</u>	<u>\$ 361,117</u>	<u>\$ 2,602,278</u>

See accompanying Notes to Consolidated Financial Statements.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2019**

	Program Services			Support Services			Total
	Youth Ministries	Athletic Programs	Total Program Services	Administrative	Development	Total Supporting Services	
Salaries and wages	\$ 112,514	\$ 61,234	\$ 173,748	\$ 87,107	\$ -	\$ 87,107	\$ 260,855
Benefits	25,231	17,813	43,044	14,563	-	14,563	57,607
Total compensation and benefits	<u>137,745</u>	<u>79,047</u>	<u>216,792</u>	<u>101,670</u>	<u>-</u>	<u>101,670</u>	<u>318,462</u>
Supplies	1,173	11,209	12,382	4,480	-	4,480	16,862
Telephone, postage, and printing	1,416	995	2,411	4,846	-	4,846	7,257
Conferences, meetings, and travel	21,199	996	22,195	8,592	-	8,592	30,787
Professional fees	6,875	196,911	203,786	8,400	-	8,400	212,186
Food and beverages	4,517	441	4,958	530	185	715	5,673
Insurance	-	-	-	13,749	-	13,749	13,749
Depreciation	-	-	-	21,506	-	21,506	21,506
Rental equipment	5,964	148,323	154,287	-	-	-	154,287
Trophies and awards	90	12,224	12,314	-	1,390	1,390	13,704
Rent	-	-	-	25,000	-	25,000	25,000
Administrative/accounting services	-	-	-	121,639	-	121,639	121,639
Bad debt expense	-	2,910	2,910	-	-	-	2,910
Allocation of program administration costs	32,471	64,830	97,301	(102,995)	5,694	(97,301)	-
Total expenses by function	<u>\$ 211,450</u>	<u>\$ 517,886</u>	<u>\$ 729,336</u>	<u>\$ 207,417</u>	<u>\$ 7,269</u>	<u>\$ 214,686</u>	<u>\$ 944,022</u>

See accompanying Notes to Consolidated Financial Statements.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2018**

	Program Services			Support Services			Total
	Youth Ministries	Athletic Programs	Total Program Services	Administrative	Development	Total Supporting Services	
Salaries and wages	\$ 151,328	\$ 50,940	\$ 202,268	\$ 84,582	\$ -	\$ 84,582	\$ 286,850
Benefits	31,851	16,328	48,179	14,315	-	14,315	62,494
Total compensation and benefits	<u>183,179</u>	<u>67,268</u>	<u>250,447</u>	<u>98,897</u>	<u>-</u>	<u>98,897</u>	<u>349,344</u>
Supplies	2,563	7,729	10,292	2,103	-	2,103	12,395
Telephone, postage, and printing	869	3	872	5,940	-	5,940	6,812
Conferences, meetings, and travel	40,028	159	40,187	11,084	-	11,084	51,271
Professional fees	15,916	225,800	241,716	7,600	-	7,600	249,316
Food and beverages	2,501	-	2,501	1,674	1,356	3,030	5,531
Contributions and grants-in-aid	2,200	-	2,200	-	-	-	2,200
Depreciation	-	-	-	6,323	-	6,323	6,323
Rental equipment	2,747	160,664	163,411	-	-	-	163,411
Trophies and awards	-	11,351	11,351	-	1,472	1,472	12,823
Rent	-	-	-	24,000	-	24,000	24,000
Administrative/accounting services	-	-	-	118,096	-	118,096	118,096
Bad debt expense	-	1,630	1,630	-	-	-	1,630
Other	-	-	-	622	-	622	622
Allocation of program administration costs	75,688	16,470	92,158	(103,045)	5,346	(97,699)	(5,541)
Total expenses by function	<u>\$ 325,691</u>	<u>\$ 491,074</u>	<u>\$ 816,765</u>	<u>\$ 173,294</u>	<u>\$ 8,174</u>	<u>\$ 181,468</u>	<u>\$ 998,233</u>

See accompanying Notes to Consolidated Financial Statements.



**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 168,288	\$ 19,615
Adjustments to reconcile change in net assets to net cash flows provided by operating activities from continuing operations:		
Loss on discontinued operations	12,819	27,060
Depreciation	21,506	6,323
Decrease (increase) in assets:		
Prepaid expenses	(21,992)	2,250
Accounts receivable	(54)	116,575
Pledge receivable	62,000	-
Due from affiliated corporations	(137,729)	(157,354)
Increase in liabilities:		
Accounts payable and accrued expenses	968	2,143
Net cash provided by operating activities from continuing operations	105,806	16,612
Loss on discontinued operations	(12,819)	(27,060)
Fair value adjustment on held for sale asset	-	28,965
Net cash (used) provided by operating activities from discontinued operations	(12,819)	1,905
Net cash provided by operating activities	92,987	18,517
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(92,923)	(18,619)
Net cash used by investing activities	(92,923)	(18,619)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	64	(102)
Cash and cash equivalents - beginning of year	96,515	96,617
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 96,579	\$ 96,515
<b>SUPPLEMENTAL NONCASH INVESTING ACTIVITIES</b>		
Proceeds from sale of property received and held by CPA	\$ 1,970,693	\$ -

See accompanying Notes to Consolidated Financial Statements.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Organization**

Catholic Youth Organization (CYO) is responsible for youth work in the Archdiocese, including youth retreats, scouting, youth outreach, athletic programs, junior and senior high school youth groups, and leadership training in youth ministry. Moneys are received directly from participants, parishes, and youth groups to defray the costs of each program and activity.

The geographic territory encompassed by CYO comprises the District of Columbia and the Maryland counties of Montgomery, Prince George's, Charles, Calvert, and St. Mary's.

CYO is dependent on the Central Pastoral Administration of the Archdiocese of Washington (Central Pastoral Administration), a related entity, for future support of its operations. The Archdiocese has pledged to continue this support through at least June 30, 2020.

Mattaponi Pavilion Fund, Inc. (MPF) was established in 1999 to raise funds for the construction of a pavilion at the Mattaponi Retreat Center, which is owned by CYO. The Mattaponi Retreat Center closed October 1, 2013, as further discussed in Note 6.

**(b) Principles of Consolidation**

The consolidated financial statements include the accounts of CYO and its affiliate, Mattaponi Pavilion Fund, Inc., collectively referred to as the Organization. MPF is controlled by CYO. All significant intercompany transactions have been eliminated. CYO and MPF are separate corporations affiliated with the Archdiocese of Washington (the Archdiocese).

**(c) Basis of Presentation**

The accompanying consolidated financial statements include the financial position, changes in net assets, and cash flows of the Organization on the accrual basis of accounting.

**(d) Estimates**

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

**(e) Cash and Cash Equivalents**

CYO's cash is held in a pooled bank account by the Central Pastoral Administration. Expenses of CYO are paid from this pooled account and the net cash inflows/outflows for the period are recorded as due to/from affiliate in the consolidated statements of financial position. CYO holds an insured deposit account which comprises the entity's cash equivalents.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(f) Accounts Receivable**

Accounts receivable represent amounts due from parishes for program fees. CYO estimates uncollectible accounts based on the aging of outstanding receivables and management's estimate of their net realizable values. At June 30, 2019 and 2018, the allowance for doubtful accounts was \$28,705 and \$24,435, respectively.

**(g) Property and Equipment**

Certain automobiles and equipment are stated at cost, if purchased. Property received as a gift is recorded at fair value on the date of transfer. All acquisitions greater than \$250 are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of 5 years.

In accordance with canon law, all real property is titled to the Archbishop of Washington.

**(h) 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 CYO and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may be met either by actions of CYO and/or the passage of time.

Revenue is reported as increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

**(i) Revenue Recognition**

Program fees relate to amounts charged to participants of CYO's programs. Fees received in advance are deferred and recognized as revenue without donor restrictions at the time services are provided.

Contributions and grants received, which include unconditional promises to give (pledges), are recognized as revenue without donor restrictions in the period received at their net present value unless their use is restricted by donor stipulation. All pledges receivable at June 30, 2019 and 2018, are expected to be collected in less than one year.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(j) Donated Services**

The Central Pastoral Administration provides administrative services to CYO. A portion of the services provided is recorded as donated services revenue for the years ended June 30, 2019 and 2018. See Note 3. In addition, a substantial number of unpaid volunteers have made significant contributions of time to various programs and fundraising activities. The value of this contributed time is not reflected in these consolidated statements as the services provided do not meet the requirements for financial reporting.

**(k) Income Taxes**

CYO and MPF are recognized as exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the consolidated financial statements.

**(l) Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Salaries are allocated based on estimates of time and effort. Certain other administrative costs, such as depreciation, rent expense, and mileage reimbursements, have been allocated among the programs based on the percentage of time spent by employees in each program.

**(m) Liquidity**

As part of CYO's liquidity management, it invests cash in excess of daily requirements in a short-term insured deposit. CYO does not own and operate its own bank account for payment of expenditures. Cash is held in a pooled bank account by CPA, a related party, and the net cash inflows/outflows are recorded through a due to/due from affiliate account. The net balance due from CPA at year-end is included in the figure below. Additionally, CYO is dependent upon CPA for future support of its operations, and CPA has continued to renew that commitment annually.

The following reflects CYO's financial assets as of the date of the consolidated statements of financial position, reduced by amounts not available for general use within one year of the consolidated statements of financial position.

	2019	2018
Financial assets:		
Cash and cash equivalents	\$ 96,579	\$ 96,515
Receivables, net	25,619	25,565
Pledge receivable	182,100	244,100
Due from affiliated corporations	2,364,298	255,876
	2,668,596	622,056
Less: Donor-imposed purpose restrictions	(117,081)	(117,017)
	\$ 2,551,515	\$ 505,039

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(n) Adoption of Recent Accounting Pronouncement**

CYO adopted the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. This standard was issued by the FASB to improve the previous net asset classification requirements and the information presented in financial statement and notes about a nonprofit entity's liquidity, financial performance, and cash flows. ASU 2016-14 reduces the number of net asset classifications from three to two: with donor restrictions and without donor restrictions. The ASU also requires nonprofits to report expenses by functional and natural classification in one location in the financial statements and requires nonprofits to report quantitative and qualitative information about management of liquidity resources and availability of financial assets. As required by the ASU 2016-14, CYO applied the requirements on a retrospective basis in the year of adoption. There has been no net asset impact as a result of this application.

**(o) Subsequent Events**

In preparing these consolidated financial statements, CYO has evaluated events and transactions for potential recognition or disclosure through November 25, 2019, the date that the consolidated financial statements were available to be issued.

**NOTE 2 DESCRIPTION OF PROGRAM SERVICES**

CYO fulfills its mission by operating the following programs:

*Youth Ministries* – Assists parishes in adolescent ministry through consultation and training of adults. Youth ministry also includes African-American, Hispanic Youth and Young Adult, and national and international activities such as World Youth Day and Catholic Scouting.

*Athletic Programs* – Offers basketball, baseball, softball, soccer, and track. Most programs are available to children grades 3-8.

*Mattaponi Retreat Center* – The Mattaponi Retreat Center closed October 1, 2013. Operations of the Mattaponi Retreat Center are recorded as a gain or loss from discontinued operations in the consolidated statements of activities for the years ended June 30, 2019 and 2018.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 3 RELATED-PARTY TRANSACTIONS**

**Contribution from Archdiocese of Washington**

CYO recognized a contribution receivable of \$182,100 and \$244,100 as revenue with donor restrictions from the Central Pastoral Administration for each of the years ended June 30, 2019 and 2018, respectively. The contribution is expected to be collected and used for the next fiscal year's operations. At June 30, 2019 and 2018, the amount pledged for the subsequent year's support of \$182,100 and \$244,100, respectively, is included in pledge receivable.

**Reimbursement of Insurance Costs**

CYO paid \$14,448 and \$14,413 in 2019 and 2018, respectively, for participation in the Archdiocesan insurance programs, which are self-insured up to certain limits for property casualty and workers' compensation. CYO also paid \$38,333 and \$41,763 in 2019 and 2018, respectively, for participation in the Archdiocesan employee benefit plans, including retirement, health care, unemployment and life insurance.

**Rent and Administrative Services**

The Central Pastoral Administration rents office space to CYO valued and reimbursed at \$25,000 and \$24,000 for the years ended June 30, 2019 and 2018, respectively. The Central Pastoral Administration also provides administrative services to CYO. CYO recorded donated services from the Central Pastoral Administration valued at \$81,639 and \$81,846 for the years ended June 30, 2019 and 2018, respectively. In addition to the donated services, CYO reimbursed the Central Pastoral Administration for administrative services totaling \$40,000 and \$36,250 for each of the years ended June 30, 2019 and 2018, respectively.

**Net Due to/from Affiliated Corporations**

The Central Pastoral Administration pays certain expenses and processes cash receipts on behalf of CYO. At June 30, 2019 and 2018, \$2,364,298 and \$255,876, respectively, was due from the Central Pastoral Administration and was included in the net due from affiliated corporations on the consolidated statements of financial position. The balance at June 30, 2019, of \$2,364,298 includes funds from the sale of Mattaponi which are held by the Archdiocese until the CYO Board determines an appropriate investment vehicle.

**NOTE 4 RETIREMENT PLAN**

CYO 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 have been eligible for participation in the Retirement Plan, an employee must have completed one year of service, been at least 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 CYO is not readily determinable. In accordance with ASC 715-30-55-63, *Defined Benefit Plans - Pension*, CYO accounts for its participation in the Retirement Plan as a multiemployer plan.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 4 RETIREMENT PLAN (CONTINUED)**

Effective January 1, 2013, CYO 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 under 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, CYO provides a 50% match. CYO 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, 2019 and 2018, CYO's portion of retirement costs was \$21,198 and \$22,507, respectively.

**NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS**

The following summarizes the nature of net assets with donor restrictions and the purpose for which such net assets may be used as of June 30:

	<u>2019</u>	<u>2018</u>
Future time periods	\$ 182,100	\$ 244,100
Scouting and other programs	<u>117,081</u>	<u>117,017</u>
	<u>\$ 299,181</u>	<u>\$ 361,117</u>

**NOTE 6 DISCONTINUED OPERATIONS**

CYO operated a youth retreat center, the Mattaponi Retreat Center (Mattaponi), since 1987. Mattaponi had operated at a loss for many years. On October 1, 2013, CYO closed Mattaponi's operations and listed the property for sale. CYO received an offer to purchase Mattaponi and entered into a final signed contract in 2018.

Mattaponi is accounted for and reported as property held for sale in the amount of \$1,970,693 in the accompanying consolidated statement of financial position as of June 30, 2018. This amount represents the lower of carrying value or fair market value, less costs to sell the property.

During fiscal year 2018, CYO received an offer to purchase Mattaponi, and the property was sold on July 19, 2018. The net proceeds was \$28,695 less than the original estimated amount, and a loss was recorded in the year ended June 30, 2018, to adjust the value as of June 30, 2018, accordingly.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 6 DISCONTINUED OPERATIONS (CONTINUED)**

The operations and cash flows have been fully eliminated since Mattaponi closed. Revenue and expenses have been removed from the changes in net assets from operations and are shown as a single line on the face of the consolidated statements of activities as gain or loss from discontinued operations of Mattaponi. The operating results of the discontinued operations are as follows for the years ended June 30:

	2019	2018
Revenue	\$ -	\$ 68,000
Expenses	(12,819)	(95,060)
Loss from discontinued operations	\$ (12,819)	\$ (27,060)

**NOTE 7 CONCENTRATION OF REVENUE**

CYO received a substantial portion of its support from major revenue sources. During the year ended June 30, 2018, approximately 25% of the total revenue, excluding in-kind donations, was received from the Archdiocese. During the year ended June 30, 2019, approximately 17% and 15% total revenue, excluding in-kind donations, was received from the Archdiocese and a major donor, respectively.