

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021**



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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

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, 2022 and 2021, 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.

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, 2022 and 2021, 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.

#### ***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 Consolidated Financial Statements section of our report. We are required to be independent of Catholic Youth Organization and Affiliate 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.



**CliftonLarsonAllen LLP**

Arlington, Virginia  
December 19, 2022

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021**

<b>ASSETS</b>	2022	2021
Accounts Receivable, Net (Note 1)	\$ 73,307	\$ 14,195
Pledge Receivable (Note 3)	182,100	182,100
Prepaid Expenses	1,604	6,999
Due from Affiliated Corporations, Net (Note 3)	645,496	525,599
Investments (Note 2)	1,916,496	2,257,197
Fixed Assets:		
Furniture and Equipment	98,766	113,418
Automobile	29,047	29,047
Less: Accumulated Depreciation	(72,563)	(67,141)
Fixed Assets, Net	55,250	75,324
Total Assets	\$ 2,874,253	\$ 3,061,414
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 16,738	\$ 14,106
Deferred Revenue	2,025	6,170
Total Liabilities	18,763	20,276
<b>NET ASSETS</b>		
Net Assets Without Donor Restrictions:		
Invested in Property and Equipment	55,250	75,324
Undesignated Net Assets	2,501,059	2,666,633
Total Net Assets Without Donor Restrictions	2,556,309	2,741,957
Net Assets With Donor Restrictions (Note 6)	299,181	299,181
Total Net Assets	2,855,490	3,041,138
Total Liabilities and Net Assets	\$ 2,874,253	\$ 3,061,414

See accompanying Notes to Consolidated Financial Statements.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2022 AND 2021**

	2022			2021		
	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	\$ 182,100	\$ 182,100	\$ 364,200
Donated Services (Note 3)	61,677	-	61,677	60,281	-	60,281
Contributions and Bequests	7,096	-	7,096	6,009	-	6,009
Special Program Income	636,885	-	636,885	68,165	-	68,165
Interest and Investment Income, Net (Note 2)	(340,700)	-	(340,700)	389,755	-	389,755
Other Income	-	-	-	99,833	-	99,833
Net Assets Released from Restriction	182,100	(182,100)	-	-	-	-
Total Revenue, Support, and Gains	<u>547,058</u>	<u>-</u>	<u>547,058</u>	<u>806,143</u>	<u>182,100</u>	<u>988,243</u>
<b>EXPENSES AND LOSSES</b>						
Program Services (Notes 1 and 3):						
Youth Ministries	43,956	-	43,956	139,554	-	139,554
Athletic Programs	433,152	-	433,152	165,128	-	165,128
Total Program Services	<u>477,108</u>	<u>-</u>	<u>477,108</u>	<u>304,682</u>	<u>-</u>	<u>304,682</u>
Support Services (Note 3):						
Administrative Services	248,011	-	248,011	241,722	-	241,722
Development	7,587	-	7,587	6,502	-	6,502
Total Support Services	<u>255,598</u>	<u>-</u>	<u>255,598</u>	<u>248,224</u>	<u>-</u>	<u>248,224</u>
Total Expenses and Losses	<u>732,706</u>	<u>-</u>	<u>732,706</u>	<u>552,906</u>	<u>-</u>	<u>552,906</u>
<b>CHANGE IN NET ASSETS</b>	(185,648)	-	(185,648)	253,237	182,100	435,337
Net Assets - Beginning of Year	<u>2,741,957</u>	<u>299,181</u>	<u>3,041,138</u>	<u>2,488,720</u>	<u>117,081</u>	<u>2,605,801</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,556,309</u>	<u>\$ 299,181</u>	<u>\$ 2,855,490</u>	<u>\$ 2,741,957</u>	<u>\$ 299,181</u>	<u>\$ 3,041,138</u>

See accompanying Notes to Consolidated Financial Statements.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2022**

	Program Services			Support Services			Total
	Youth Ministries	Athletic Programs	Total Program Services	Administrative Services	Development	Total Support Services	
Salaries and Wages	\$ 12,135	\$ 102,716	\$ 114,851	\$ 81,353	\$ 4,604	\$ 85,957	\$ 200,808
Benefits	2,806	23,753	26,559	18,813	1,065	19,878	46,437
Total Compensation and Benefits	14,941	126,469	141,410	100,166	5,669	105,835	247,245
Office Cost	2,406	4,975	7,381	3,507	-	3,507	10,888
Conferences, Meetings, and Travel	5,111	752	5,863	553	-	553	6,416
Professional Fees	-	146,040	146,040	11,834	-	11,834	157,874
Food and Beverages	822	659	1,481	796	-	796	2,277
Insurance	-	-	-	15,586	-	15,586	15,586
Depreciation	-	-	-	25,701	-	25,701	25,701
Rental Equipment	-	111,919	111,919	-	-	-	111,919
Trophies and Awards	3,250	11,968	15,218	-	893	893	16,111
Rent	-	-	-	25,000	-	25,000	25,000
Administrative/Accounting Services	-	-	-	101,677	-	101,677	101,677
Bad Debt Expense	-	11,918	11,918	-	-	-	11,918
Repairs and Maintenance	-	-	-	94	-	94	94
Allocation of Program Administration Costs	17,426	18,452	35,878	(36,903)	1,025	(35,878)	-
Total Expenses by Function	\$ 43,956	\$ 433,152	\$ 477,108	\$ 248,011	\$ 7,587	\$ 255,598	\$ 732,706

See accompanying Notes to Consolidated Financial Statements.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2021**

	Program Services			Support Services			Total
	Youth Ministries	Athletic Programs	Total Program Services	Administrative Services	Development	Total Support Services	
Salaries and Wages	\$ 92,781	\$ 97,929	\$ 190,710	\$ 74,488	\$ 4,483	\$ 78,971	\$ 269,681
Benefits	21,073	22,242	43,315	16,919	1,018	17,937	61,252
Total Compensation and Benefits	<u>113,854</u>	<u>120,171</u>	<u>234,025</u>	<u>91,407</u>	<u>5,501</u>	<u>96,908</u>	<u>330,933</u>
Office Cost	2,477	4,112	6,589	6,319	-	6,319	12,908
Conferences, Meetings, and Travel	5,779	-	5,779	920	-	920	6,699
Professional Fees	387	10,585	10,972	12,974	-	12,974	23,946
Food and Beverages	-	140	140	708	-	708	848
Insurance	-	-	-	15,168	-	15,168	15,168
Depreciation	-	-	-	24,166	-	24,166	24,166
Rental Equipment	-	5,982	5,982	-	-	-	5,982
Trophies and Awards	50	4,563	4,613	-	-	-	4,613
Rent	-	-	-	25,000	-	25,000	25,000
Administrative/Accounting Services	-	-	-	100,281	-	100,281	100,281
Bad Debt Expense	-	1,568	1,568	-	-	-	1,568
Repairs and Maintenance	-	-	-	794	-	794	794
Allocation of Program Administration Costs	17,007	18,007	35,014	(36,015)	1,001	(35,014)	-
Total Expenses by Function	<u>\$ 139,554</u>	<u>\$ 165,128</u>	<u>\$ 304,682</u>	<u>\$ 241,722</u>	<u>\$ 6,502</u>	<u>\$ 248,224</u>	<u>\$ 552,906</u>

See accompanying Notes to Consolidated Financial Statements.



**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (185,648)	\$ 435,337
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	25,701	24,166
Net Gain on Disposal of Fixed Assets	-	(30,634)
Unrealized and Realized Losses (Gains) on Investments	365,780	(367,139)
Debt Forgiveness - PPP Loan	-	(69,200)
Decrease (Increase) in Assets:		
Prepaid Expenses	5,395	(3,911)
Accounts Receivable	(59,112)	10,610
Pledge Receivable	-	(182,100)
Due from Affiliated Corporations	(119,897)	209,251
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	2,632	(6,220)
Deferred Revenue	(4,145)	(4,200)
Net Cash Provided by Operating Activities	30,706	15,960
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	289,552	230,295
Purchases of Investments	(314,631)	(252,911)
Purchases of Property and Equipment	(5,627)	(37,986)
Insurance Proceeds to Replace Stolen Equipment	-	44,642
Net Cash Used by Investing Activities	(30,706)	(15,960)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	-	-
Cash and Cash Equivalents - Beginning of Year	-	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ -	\$ -

See accompanying Notes to Consolidated Financial Statements.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**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 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.

**(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 and was dormant during the years ended June 30, 2022 and 2021. 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. Cash equivalents excludes amounts that are held for investment purposes.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**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, 2022 and 2021, the allowance for doubtful accounts was \$11,917 and \$5,688, respectively.

**(g) Investments**

Investments are recorded at fair value. Management reviews and evaluates the fair values provided by external investment managers and believes that the valuation methods and assumptions used in determining their fair values are reasonable.

**(h) Fair Value Measurements**

CYO accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement. CYO uses a framework for measuring fair value to establish a fair value hierarchy based on the quality of inputs used to measure fair value.

CYO has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets whose values are based on unadjusted quoted prices for identical assets in an active market that CYO has the ability to access. Securities value using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange. Securities valued using Level 1 input includes actively traded mutual funds.

*Level 2* – Financial assets whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset. Level 2 inputs include among others, quoted prices for similar assets in active market or nonactive markets.

*Level 3* – Financial assets whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

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

**(i) 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 five years.

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

**(j) 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.

**(k) Revenue Recognition**

The majority of CYO's program fees includes participation fees for CYO's sports seasons. Fees received in advance are deferred. The performance obligation is satisfied and revenue is therefore recognized ratably over time during the season.

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, 2022 and 2021, are expected to be collected in less than one year.

**(l) Donated Services**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CYO. CYO recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. 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, 2022 and 2021; see Note 3.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

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

**(l) Donated Services (Continued)**

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.

**(m) 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.

**(n) 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.

**(o) Liquidity**

CYO's board requires that the majority of long-term fund assets be invested in liquid securities in order to deal with unplanned cash requirements that may arise. 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.

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.

	2022	2021
Financial Assets:		
Receivables, Net	\$ 73,307	\$ 14,195
Pledge Receivable	182,100	182,100
Due from Affiliated Corporations	645,496	525,599
Investments	1,916,496	2,257,197
Subtotal	2,817,399	2,979,091
Less: Donor-Imposed Purpose Restrictions	(117,081)	(117,081)
Total	\$ 2,700,318	\$ 2,862,010

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

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

**(p) Recently Adopted Accounting Pronouncement**

During the year ended June 30, 2022, CYO adopted the requirements of the Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) No. 2020-07, Not-for-Profit Entities (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires not-for-profits to present contributed nonfinancial assets as a separate line in the statement of activities and provide additional disclosures about contributions of nonfinancial assets. The adoption of this guidance did not have a significant impact on the financial statements.

**(q) Subsequent Events**

In preparing these consolidated financial statements, CYO has evaluated events and transactions for potential recognition or disclosure through December 19, 2022, the date that the consolidated financial statements were available to be issued.

**NOTE 2 INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The following is a summary of the fair value measurements of the CYO's investments within the fair value hierarchy with a disclosure of the investments as of June 30:

	2022			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 25,795	\$ -	\$ -	\$ 25,795
Equities	1,164,196	-	-	1,164,196
Mutual Funds	379,237	-	-	379,237
Corporate Bonds	-	152,461	-	152,461
Government Bonds	-	194,807	-	194,807
Total	<u>\$ 1,569,228</u>	<u>\$ 347,268</u>	<u>\$ -</u>	<u>\$ 1,916,496</u>

  

	2021			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 43,376	\$ -	\$ -	\$ 43,376
Equities	1,413,626	-	-	1,413,626
Mutual Funds	430,154	-	-	430,154
Corporate Bonds	-	138,200	-	138,200
Government Bonds	-	231,841	-	231,841
Total	<u>\$ 1,887,156</u>	<u>\$ 370,041</u>	<u>\$ -</u>	<u>\$ 2,257,197</u>

Interest and investment income consist of the following for the years ended June 30:

	2022	2021
Investment Return:		
Interest and Dividends, Net	\$ 49,526	\$ 42,588
Unrealized and Realized Gains	(365,780)	367,139
Investment Fees	(24,446)	(19,972)
Total	<u>\$ (340,700)</u>	<u>\$ 389,755</u>

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 3 RELATED-PARTY TRANSACTIONS**

**Contribution from Archdiocese of Washington**

CYO recognized contribution revenue from the Archdiocese of Washington of \$182,100 and \$364,200 during the years ended June 30, 2022 and 2021, respectively. Amounts are in support of and generally pledged in advance of the next fiscal year's operations, and are recorded as with donor restrictions in recognition of the time restriction for the following fiscal year. At June 30, 2022 and 2021, the amount pledged for the subsequent year's support is \$182,100 and is reflected as pledge receivable in the accompanying statements of financial position.

**Reimbursement of Insurance Costs**

CYO paid \$15,586 and \$15,168 in 2022 and 2021, 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 \$31,485 and \$40,767 in 2022 and 2021, 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 for each of the years ended June 30, 2022 and 2021. The Central Pastoral Administration also provides administrative services to CYO, which were valued at \$101,677 and \$100,281 for the years ended June 30, 2022 and 2021, respectively. CYO reimbursed the Central Pastoral Administration for these services in the amount of \$40,000 for each of the years ended June 30, 2022 and 2021. In addition, CYO recorded donated services from the Central Pastoral Administration valued at \$61,677 and \$60,281 for the years ended June 30, 2022 and 2021, respectively, equal to the difference between the total value of services provided and the amount reimbursed. Donated services are valued based on an analysis of time spent by individual employees on the administration of CYO. In-kind administrative services benefited supporting services of CYO and are reflected as such in the accompanying statements of functional expenses. There were no donor-imposed restrictions associated with the in-kind contributions.

**Net Due to/from Affiliated Corporations**

The Central Pastoral Administration pays certain expenses and processes cash receipts on behalf of CYO. At June 30, 2022 and 2021, \$645,496 and \$525,599, 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.

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**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.

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 \$26,000 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, 2022 and 2021, CYO's portion of retirement costs was \$15,872 and \$21,946, respectively.

**NOTE 5 NOTE PAYABLE**

On April 15, 2020, CYO received a loan from United Bank in the amount of \$69,200 to fund payroll, rent, and utilities through the Paycheck Protection Program (the PPP Loan) offered by the U.S. Small Business Administration (SBA). The PPP Loan was subject to full forgiveness upon use of the funds for qualifying costs and compliance with certain limitations on payroll and staffing reductions over a 24-week period in accordance with the program. On June 25, 2021, the SBA processed CYO's PPP loan forgiveness application and notified United Bank that the PPP Loan qualified for full forgiveness. Loan proceeds were received by the bank from the SBA on this date. The loan forgiveness was recorded as other income during the year ended June 30, 2021.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on CYO's financial position.



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**NOTE 6 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>2022</u>	<u>2021</u>
Future Time Periods	\$ 182,100	\$ 182,100
Scouting and Other Programs	117,081	117,081
Total	<u>\$ 299,181</u>	<u>\$ 299,181</u>

Net assets released from restriction during the year ended June 30, 2022 resulted from satisfaction of the time restriction.