

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**



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**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE
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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, 2023 and 2022, 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 consolidated financial position of Catholic Youth Organization and Affiliate as of June 30, 2023 and 2022, 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 Catholic Youth Organization and Affiliate'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 Catholic Youth Organization and Affiliate'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 Catholic Youth Organization and Affiliate'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
November 22, 2023

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022**

ASSETS	2023	2022
Accounts Receivable, Net (Note 1)	\$ 175,899	\$ 73,307
Pledge Receivable (Note 3)	182,100	182,100
Prepaid Expenses	168,111	1,604
Due from Affiliated Corporations, Net (Note 3)	609,356	645,496
Investments (Note 2)	2,085,763	1,916,496
Fixed Assets:		
Furniture and Equipment	105,578	98,766
Automobile	29,047	29,047
Less: Accumulated Depreciation	(91,488)	(72,563)
Fixed Assets, Net	43,137	55,250
Total Assets	\$ 3,264,366	\$ 2,874,253
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 25,456	\$ 16,738
Deferred Revenue	177,552	2,025
Total Liabilities	203,008	18,763
NET ASSETS		
Net Assets Without Donor Restrictions:		
Invested in Property and Equipment	43,137	55,250
Undesignated Net Assets	2,719,040	2,501,059
Total Net Assets Without Donor Restrictions	2,762,177	2,556,309
Net Assets With Donor Restrictions (Note 5)	299,181	299,181
Total Net Assets	3,061,358	2,855,490
Total Liabilities and Net Assets	\$ 3,264,366	\$ 2,874,253

See accompanying Notes to Consolidated Financial Statements.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS						
Contribution from Central Pastoral Administration of the Archdiocese of Washington (Note 3)	\$ -	\$ 182,100	\$ 182,100	\$ -	\$ 182,100	\$ 182,100
Donated Services (Note 3)	65,420	-	65,420	61,677	-	61,677
Contributions and Bequests	16,150	-	16,150	7,096	-	7,096
Special Program Income	669,905	-	669,905	636,885	-	636,885
Interest and Investment Income (Loss), Net (Note 2)	169,267	-	169,267	(340,700)	-	(340,700)
Other Income	4,002	-	4,002	-	-	-
Net Assets Released from Restrictions	182,100	(182,100)	-	182,100	(182,100)	-
Total Revenue, Support, and Gains	<u>1,106,844</u>	<u>-</u>	<u>1,106,844</u>	<u>547,058</u>	<u>-</u>	<u>547,058</u>
EXPENSES AND LOSSES						
Program Services (Notes 1 and 3):						
Youth Ministries	291,158	-	291,158	43,956	-	43,956
Athletic Programs	<u>377,882</u>	<u>-</u>	<u>377,882</u>	<u>433,152</u>	<u>-</u>	<u>433,152</u>
Total Program Services	669,040	-	669,040	477,108	-	477,108
Support Services (Note 3):						
Administrative Services	225,188	-	225,188	248,011	-	248,011
Development	<u>6,748</u>	<u>-</u>	<u>6,748</u>	<u>7,587</u>	<u>-</u>	<u>7,587</u>
Total Support Services	<u>231,936</u>	<u>-</u>	<u>231,936</u>	<u>255,598</u>	<u>-</u>	<u>255,598</u>
Total Expenses and Losses	<u>900,976</u>	<u>-</u>	<u>900,976</u>	<u>732,706</u>	<u>-</u>	<u>732,706</u>
CHANGE IN NET ASSETS	205,868	-	205,868	(185,648)	-	(185,648)
Net Assets - Beginning of Year	<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>
NET ASSETS - END OF YEAR	<u>\$ 2,762,177</u>	<u>\$ 299,181</u>	<u>\$ 3,061,358</u>	<u>\$ 2,556,309</u>	<u>\$ 299,181</u>	<u>\$ 2,855,490</u>

See accompanying Notes to Consolidated Financial Statements.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

	Program Services			Support Services			Total
	Youth Ministries	Athletic Programs	Total Program Services	Administrative Services	Development	Total Support Services	
Salaries and Wages	\$ 205,229	\$ 39,272	\$ 244,501	\$ 55,760	\$ 4,832	\$ 60,592	\$ 305,093
Benefits	36,768	6,761	43,529	10,155	1,061	11,216	54,745
Total Compensation and Benefits	241,997	46,033	288,030	65,915	5,893	71,808	359,838
Office Costs	1,322	6,607	7,929	8,695	-	8,695	16,624
Conferences, Meetings, and Travel	10,824	-	10,824	997	-	997	11,821
Professional Fees	920	199,153	200,073	18,190	-	18,190	218,263
Food and Beverages	245	655	900	500	-	500	1,400
Insurance	-	-	-	16,625	-	16,625	16,625
Depreciation	-	-	-	26,276	-	26,276	26,276
Rental Equipment	-	99,857	99,857	-	-	-	99,857
Trophies and Awards	731	13,699	14,430	-	-	-	14,430
Rent	-	-	-	25,000	-	25,000	25,000
Administrative/Accounting Services	-	-	-	105,420	-	105,420	105,420
Bad Debt Expense	-	5,198	5,198	-	-	-	5,198
Repairs and Maintenance	-	-	-	224	-	224	224
Allocation of Program Administration Costs	35,119	6,680	41,799	(42,654)	855	(41,799)	-
Total Expenses by Function	<u>\$ 291,158</u>	<u>\$ 377,882</u>	<u>\$ 669,040</u>	<u>\$ 225,188</u>	<u>\$ 6,748</u>	<u>\$ 231,936</u>	<u>\$ 900,976</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 Costs	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	<u>\$ 43,956</u>	<u>\$ 433,152</u>	<u>\$ 477,108</u>	<u>\$ 248,011</u>	<u>\$ 7,587</u>	<u>\$ 255,598</u>	<u>\$ 732,706</u>

See accompanying Notes to Consolidated Financial Statements.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 205,868	\$ (185,648)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	26,276	25,701
Bad Debt Expense	5,198	11,918
Unrealized and Realized Losses (Gains) on Investments	(135,848)	365,780
Changes in Assets and Liabilities:		
Prepaid Expenses	(166,507)	5,395
Accounts Receivable	(107,790)	(71,030)
Due from Affiliated Corporations	36,140	(119,897)
Accounts Payable and Accrued Expenses	8,718	2,632
Deferred Revenue	175,527	(4,145)
Net Cash Provided by Operating Activities	47,582	30,706
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(697,227)	(314,631)
Proceeds from Sale of Investments	663,808	289,552
Purchases of Property and Equipment	(14,163)	(5,627)
Net Cash Used by Investing Activities	(47,582)	(30,706)
 NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-
Cash and Cash Equivalents - Beginning of Year	-	-
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ -	\$ -

See accompanying Notes to Consolidated Financial Statements.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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, 2023 and 2022. 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 Equivalent

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.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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, 2023 and 2022, the allowance for doubtful accounts was \$15,975 and \$11,917, 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 consolidated 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, 2023 AND 2022**

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, 2023 and 2022, 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, 2023 and 2022; see Note 3.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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 the Central Pastoral Administration, a related party, and the net cash inflows/outflows are recorded through a due to/due from affiliate account. The net balance due from the Central Pastoral Administration at year-end is included in the amount 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.

	2023	2022
Financial Assets:		
Receivables, Net	\$ 175,899	\$ 73,307
Pledge Receivable	182,100	182,100
Due from Affiliated Corporations	609,356	645,496
Investments	2,085,763	1,916,496
Subtotal	3,053,118	2,817,399
Less: Donor-Imposed Purpose Restrictions	(117,081)	(117,081)
Total	\$ 2,936,037	\$ 2,700,318

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Recently Adopted Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued the Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of ROU assets and lease liabilities on the consolidated statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The adoption of this guidance did not have a significant impact on the CYO's consolidated financial statements.

(m) Reclassifications

Certain reclassifications have been made to the 2023 consolidated financial statements herein to confirm to the 2022 presentation. These reclassifications had no effect on the total net assets or the change in net assets for 2022.

(n) Subsequent Events

In preparing these consolidated financial statements, CYO has evaluated events and transactions for potential recognition or disclosure through November 22, 2023, 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:

	2023			Total
	Level 1	Level 2	Level 3	
Equities	\$ 1,253,413	\$ -	\$ -	\$ 1,253,413
Mutual Funds	38,329	-	-	38,329
Corporate Bonds	-	321,265	-	321,265
Government Bonds	-	326,480	-	326,480
Government Asset	-	30,593	-	30,593
Taxable Municipal Bonds	-	76,000	-	76,000
Foreign Bonds	-	24,730	-	24,730
Assets Measured at Fair Value	<u>\$ 1,291,742</u>	<u>\$ 779,068</u>	<u>\$ -</u>	2,070,810
Cash and Cash Equivalents				14,953
Total				<u>\$ 2,085,763</u>

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 2 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

	2022			Total
	Level 1	Level 2	Level 3	
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
Assets Measured at Fair Value	<u>\$ 1,543,433</u>	<u>\$ 347,268</u>	<u>\$ -</u>	1,890,701
Cash and Cash Equivalents				25,795
Total				<u>\$ 1,916,496</u>

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

	2023	2022
Investment Return:		
Interest and Dividends, Net	\$ 53,471	\$ 49,526
Unrealized and Realized Gains (Losses)	135,848	(365,780)
Investment Fees	(20,052)	(24,446)
Total	<u>\$ 169,267</u>	<u>\$ (340,700)</u>

NOTE 3 RELATED-PARTY TRANSACTIONS

Contribution from Archdiocese of Washington

CYO recognized contribution revenue from the Archdiocese of Washington of \$182,100 for each of the years ended June 30, 2023 and 2022. 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, 2023 and 2022, the amount pledged for the subsequent year's support is \$182,100 and is reflected as pledge receivable in the accompanying consolidated statements of financial position.

Reimbursement of Insurance Costs

CYO paid \$16,625 and \$15,586 in 2023 and 2022, 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 \$33,018 and \$31,485 in 2023 and 2022, respectively, for participation in the Archdiocesan employee benefit plans, including retirement, health care, unemployment and life insurance.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 3 RELATED-PARTY TRANSACTIONS (CONTINUED)

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, 2023 and 2022. The Central Pastoral Administration also provides administrative services to CYO, which were valued at \$105,420 and \$101,677 for the years ended June 30, 2023 and 2022, respectively. CYO reimbursed the Central Pastoral Administration for these services in the amount of \$40,000 for each of the years ended June 30, 2023 and 2022. In addition, CYO recorded donated services from the Central Pastoral Administration valued at \$65,420 and \$61,677 for the years ended June 30, 2023 and 2022, 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 consolidated 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, 2023 and 2022, \$609,356 and \$645,496, 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.

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, 2023 and 2022, CYO's portion of retirement costs was \$23,075 and \$15,872, respectively.

**CATHOLIC YOUTH ORGANIZATION AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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>2023</u>	<u>2022</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, 2023 resulted from satisfaction of the time restriction.

NOTE 6 CONCENTRATIONS

CYO received a substantial portion of its support from the Archdiocese in 2023 and 2022. During the years ended June 30, 2023 and 2022, approximately 92% and 96% of total support, excluding in-kind donations, respectively, was received from the Archdiocese.