



**Roman Catholic Archdiocese of Atlanta, Inc.**

**FINANCIAL STATEMENTS**

**June 30, 2021 and 2020**

	<b>Page</b>
<b>REPORT</b>	
Independent Auditors' Report .....	1
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position.....	3
Statements of Activities .....	5
Statements of Functional Expenses .....	7
Statements of Cash Flows .....	9
Notes to Financial Statements .....	11
<b>Accompanying Information</b>	
Independent Auditors' Report on Accompanying Information .....	29
Investments at Fair Value .....	30
Changes in Designated Investment Fund Balances and Changes in Endowment Fund Balances .....	31
Property and Equipment .....	32



# REPORT





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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Roman Catholic Archdiocese of Atlanta, Inc.  
Atlanta, Georgia

### **Opinion**

We have audited the accompanying financial statements of Roman Catholic Archdiocese of Atlanta, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Roman Catholic Archdiocese of Atlanta, Inc. (Chancery) as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chancery and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Chancery's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Chancery'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.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia  
January 12, 2022



# FINANCIAL STATEMENTS



**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Statements of Financial Position**

**June 30, 2021**

	Without donor restrictions	With donor restrictions	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 343,264	\$ -	\$ 343,264
Funds on deposit with AoA Deposit and Loan Fund Trust	32,811	-	32,811
Accounts receivable, net	510,223	-	510,223
SPOC receivable, net	7,388,354	-	7,388,354
Promises to give, net	2,086,567	-	2,086,567
Investments at fair value	1,932,879	983,782	2,916,661
Beneficial interest in assets held by Foundation	-	19,167,003	19,167,003
Split-interest agreement	-	2,012,299	2,012,299
Property and equipment, net	4,631,187	-	4,631,187
Other assets	1,630,436	-	1,630,436
Due from related party	13,126,939	-	13,126,939
<b>Total assets</b>	<b>\$ 31,682,660</b>	<b>\$ 22,163,084</b>	<b>\$ 53,845,744</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Accounts payable	\$ 4,586,774	\$ -	\$ 4,586,774
Custodial funds payable	573,126	-	573,126
Contract liabilities	407,536	-	407,536
<b>Total liabilities</b>	<b>5,567,436</b>	<b>-</b>	<b>5,567,436</b>
<b>Net assets</b>			
<b>Without donor restrictions</b>			
Designated investment funds	13,601,474	-	13,601,474
Undesignated	12,513,750	-	12,513,750
<b>With donor restrictions</b>			
Purpose and time restrictions	-	2,612,446	2,612,446
Perpetual in nature	-	19,550,638	19,550,638
<b>Total net assets</b>	<b>26,115,224</b>	<b>22,163,084</b>	<b>48,278,308</b>
<b>Total liabilities and net assets</b>	<b>\$ 31,682,660</b>	<b>\$ 22,163,084</b>	<b>\$ 53,845,744</b>

*The accompanying notes are an integral part of these financial statements.*

**Roman Catholic Archdiocese of Atlanta, Inc.  
Statements of Financial Position (Continued)**

*June 30, 2020*

	Without donor restrictions	With donor restrictions	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 304,056	\$ -	\$ 304,056
Funds on deposit with AoA Deposit and Loan Fund Trust	32,566	-	32,566
Accounts receivable, net	3,312,292	-	3,312,292
SPOC receivable, net	6,884,443	-	6,884,443
Promises to give, net	3,549,117	-	3,549,117
Investments at fair value	1,544,272	834,578	2,378,850
Beneficial interest in assets held by Foundation	-	15,416,766	15,416,766
Split-interest agreement	-	2,012,299	2,012,299
Property and equipment, net	4,900,647	-	4,900,647
Other assets	1,529,024	-	1,529,024
Due from related party	6,771,500	-	6,771,500
<b>Total assets</b>	<b>\$ 28,827,917</b>	<b>\$ 18,263,643</b>	<b>\$ 47,091,560</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Accounts payable	\$ 3,535,929	\$ -	\$ 3,535,929
Custodial funds payable	465,804	-	465,804
<b>Total liabilities</b>	<b>4,001,733</b>	<b>-</b>	<b>4,001,733</b>
<b>Net assets</b>			
Without donor restrictions			
Designated investment funds	13,320,190	-	13,320,190
Undesignated	11,505,994	-	11,505,994
With donor restrictions			
Purpose and time restrictions	-	2,463,241	2,463,241
Perpetual in nature	-	15,800,402	15,800,402
<b>Total net assets</b>	<b>24,826,184</b>	<b>18,263,643</b>	<b>43,089,827</b>
<b>Total liabilities and net assets</b>	<b>\$ 28,827,917</b>	<b>\$ 18,263,643</b>	<b>\$ 47,091,560</b>

*The accompanying notes are an integral part of these financial statements.*



**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Statements of Activities**

***For the year ended June 30, 2021***

	Without donor restrictions	With donor restrictions	Total
<b>Revenues</b>			
Contributions			
Annual Appeal	\$ 8,247,706	\$ 5,372	\$ 8,253,078
Assessments	17,561,888	-	17,561,888
Other	1,229,464	-	1,229,464
Other revenues	1,579,029	6,667	1,585,696
<b>Total revenues</b>	<b>28,618,087</b>	<b>12,039</b>	<b>28,630,126</b>
<b>Expenses</b>			
<i>Program services</i>			
Pastoral	11,955,631	-	11,955,631
Education	6,763,591	-	6,763,591
Social Services	1,189,713	-	1,189,713
Communications	1,883,699	-	1,883,699
Plant Fund	547,793	-	547,793
<i>Supporting services</i>			
General and Administrative	7,535,876	-	7,535,876
<b>Total operating expenses</b>	<b>29,876,303</b>	<b>-</b>	<b>29,876,303</b>
Change in net assets before other additions	(1,258,216)	12,039	(1,246,177)
<b>Other Additions</b>			
Realized and unrealized gain on investments	277,623	142,537	420,160
Change in value of beneficial interest	-	3,744,865	3,744,865
Change in value of SPOC receivable	132,000	-	132,000
Forgiveness of Paycheck Protection Program loan	2,137,633	-	2,137,633
<b>Total other additions</b>	<b>2,547,256</b>	<b>3,887,402</b>	<b>6,434,658</b>
Change in net assets	1,289,040	3,899,441	5,188,481
Net assets at beginning of year	24,826,184	18,263,643	43,089,827
<b>Net assets at end of year</b>	<b>\$ 26,115,224</b>	<b>\$ 22,163,084</b>	<b>\$ 48,278,308</b>

*The accompanying notes are an integral part of these financial statements.*

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Statements of Activities (Continued)**

*For the year ended June 30, 2020*

	Without donor restrictions	With donor restrictions	Total
<b>Revenues</b>			
Contributions			
Annual Appeal	\$ 8,590,047	\$ 163,923	\$ 8,753,970
Assessments	12,121,356	-	12,121,356
Other	1,705,822	-	1,705,822
Other revenues	2,442,073	10,200	2,452,273
<b>Total revenues</b>	<b>24,859,298</b>	<b>174,123</b>	<b>25,033,421</b>
<b>Expenses</b>			
<i>Program services</i>			
Pastoral	11,142,704	-	11,142,704
Education	4,462,338	-	4,462,338
Social Services	1,236,404	-	1,236,404
Communications	2,095,071	-	2,095,071
Plant Fund	432,732	-	432,732
<i>Supporting services</i>			
General and Administrative	7,158,905	-	7,158,905
<b>Total operating expenses</b>	<b>26,528,154</b>	<b>-</b>	<b>26,528,154</b>
Change in net assets before other additions and (reductions)	(1,668,856)	174,123	(1,494,733)
<b>Other Additions (Reductions)</b>			
Realized and unrealized gain on investments	35,194	17,996	53,190
Gain on disposal of property	10,566	-	10,566
Donation to CENGI	(18,000,000)	-	(18,000,000)
Change in value of beneficial interest	-	(320,531)	(320,531)
Change in value of SPOC receivable	67,000	-	67,000
<b>Total other additions (reductions)</b>	<b>(17,887,240)</b>	<b>(302,535)</b>	<b>(18,189,775)</b>
Change in net assets	(19,556,096)	(128,412)	(19,684,508)
Net assets at beginning of year	44,382,280	18,392,055	62,774,335
<b>Net assets at end of year</b>	<b>\$ 24,826,184</b>	<b>\$ 18,263,643</b>	<b>\$ 43,089,827</b>

*The accompanying notes are an integral part of these financial statements.*

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Statements of Functional Expenses**

***For the year ended June 30, 2021***

	Program services					Total Program Expenses	Supporting services	Total Expenses
	Pastoral	Education	Social Services	Communications	Plant Fund Expenses		General and Administrative Expenses	
Salaries and benefits	\$ 5,163,335	\$ 2,011,684	\$ 325,501	\$ 1,172,662	\$ -	\$ 8,673,182	\$ 4,430,212	\$ <b>13,103,394</b>
Assessments	318,712	-	-	-	-	318,712	-	<b>318,712</b>
Depreciation	-	-	-	-	543,765	543,765	-	<b>543,765</b>
Education, professional development and events	1,264,907	3,146,437	31,154	126,899	-	4,569,397	249,552	<b>4,818,949</b>
Insurance	22,411	-	-	-	4,028	26,439	126,290	<b>152,729</b>
Miscellaneous	560,977	74,762	52,034	13,568	-	701,341	302,986	<b>1,004,327</b>
Professional fees	403,505	64,148	9,898	133,939	-	611,490	960,579	<b>1,572,069</b>
Repairs and maintenance	64,482	25,128	1,462	4,545	-	95,617	861,513	<b>957,130</b>
Subsidies	4,046,426	1,427,577	766,532	-	-	6,240,535	-	<b>6,240,535</b>
Supplies	69,389	9,639	1,990	431,104	-	512,122	255,482	<b>767,604</b>
Utilities	41,487	4,216	1,142	982	-	47,827	349,262	<b>397,089</b>
<b>Total expenses</b>	<b>\$ 11,955,631</b>	<b>\$ 6,763,591</b>	<b>\$ 1,189,713</b>	<b>\$ 1,883,699</b>	<b>\$ 547,793</b>	<b>\$ 22,340,427</b>	<b>\$ 7,535,876</b>	<b>\$ 29,876,303</b>

*The accompanying notes are an integral part of these financial statements.*

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Statements of Functional Expenses (Continued)**

*For the year ended June 30, 2020*

	Program services					Supporting services		Total Expenses
	Pastoral	Education	Social		Plant Fund Expenses	Total Program Expenses	General and Administrative Expenses	
			Services	Communications				
Salaries and benefits	\$ 5,728,163	\$ 1,845,795	\$ 340,343	\$ 1,185,135	\$ -	\$ 9,099,436	\$ 4,379,130	\$ 13,478,566
Assessments	314,268	-	-	-	-	314,268	-	314,268
Depreciation	-	-	-	-	428,001	428,001	-	428,001
Education, professional development and events	1,934,251	499,542	25,154	123,871	-	2,582,818	275,766	2,858,584
Insurance	18,308	-	-	-	4,731	23,039	93,225	116,264
Miscellaneous	764,981	77,591	48,049	11,658	-	902,279	255,146	1,157,425
Professional fees	402,878	70,217	9,760	311,781	-	794,636	721,911	1,516,547
Repairs and maintenance	69,464	45,926	1,573	9,815	-	126,778	788,292	915,070
Subsidies	1,798,280	1,904,175	806,101	-	-	4,508,556	-	4,508,556
Supplies	78,005	14,169	4,668	451,426	-	548,268	276,357	824,625
Utilities	34,106	4,923	756	1,385	-	41,170	369,078	410,248
<b>Total expenses</b>	<b>\$ 11,142,704</b>	<b>\$ 4,462,338</b>	<b>\$ 1,236,404</b>	<b>\$ 2,095,071</b>	<b>\$ 432,732</b>	<b>\$19,369,249</b>	<b>\$ 7,158,905</b>	<b>\$ 26,528,154</b>

*The accompanying notes are an integral part of these financial statements.*

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Statements of Cash Flows**

<i>For the years ended June 30,</i>	<b>2021</b>	<b>2020</b>
<b>Operating Activities</b>		
Change in net assets	\$ 5,188,481	\$ (19,684,508)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation expense	543,765	428,001
Change in value of SPOC receivable	(132,000)	(67,000)
Change in value of beneficial interest	(3,744,865)	320,531
Restricted contributions and investment income	(12,039)	(174,123)
Realized and unrealized loss (gain) on investments	(420,160)	(53,190)
Donation to CENGI	-	18,000,000
(Gain) loss on sale of property and equipment	-	(10,566)
Changes in operating assets and liabilities		
Accounts receivable	3,867,069	(2,887,100)
Allowance for doubtful accounts	(1,065,000)	2,465,000
Promises to give	1,462,550	141,382
Allowance for promises to give	-	1,440,000
Other assets	(101,412)	229,383
Accounts payable	1,050,845	(3,324,645)
Custodial funds payable	107,322	(100,510)
Contract liabilities	407,536	-
<b>Net cash provided by (used in) operating activities</b>	<b>7,152,092</b>	<b>(3,277,345)</b>
<b>Investing Activities</b>		
Purchases of property and equipment	(994,305)	(1,243,335)
Payments received on SPOC receivable	348,089	973,802
Proceeds from sale of investments	9,314	121,898
Purchases of investments	(126,965)	(37,026)
Increase in funds on deposit with AOA Deposit and Loan Fund Trust	(245)	16,253,653
Additions to beneficial interest in assets held by Foundation	(5,372)	(163,923)
Advances to related party	(6,355,439)	(6,771,500)
<b>Net cash provided by (used in) investing activities</b>	<b>(7,124,923)</b>	<b>9,133,569</b>
<b>Financing Activities</b>		
Restricted contributions and investment income	12,039	174,123
Donation to CENGI	-	(18,000,000)
Payment of amounts due to related party	-	11,841,507
<b>Net cash provided by (used in) financing activities</b>	<b>12,039</b>	<b>(5,984,370)</b>
<b>Net change in cash and cash equivalents</b>	<b>39,208</b>	<b>(128,146)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>304,056</b>	<b>432,202</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 343,264</b>	<b>\$ 304,056</b>

(Continued)

*The accompanying notes are an integral part of these financial statements.*

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Statements of Cash Flows (Continued)**

*For the years ended June 30,* **2021** 2020

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**Schedule of Noncash Transactions:**

Transfers of CIP to Special Projects Oversight Committee receivable	<b>\$ 720,000</b>	<b>\$ 1,095,879</b>
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*The accompanying notes are an integral part of these financial statements.*

## **Roman Catholic Archdiocese of Atlanta, Inc.**

### **Notes to Financial Statements**

#### **Note 1: DESCRIPTION OF THE ORGANIZATION**

The accompanying financial statements include the accounts and transactions of the Roman Catholic Archdiocese of Atlanta, Inc. (Chancery), which is a Georgia nonprofit corporation with one member which has been granted exempt status under Section 501(c)3 of the Internal Revenue Code.

The Archbishop (Archbishop) of the Roman Catholic Archdiocese of Atlanta (Archdiocese) is the sole member of the corporation and exercises control over Chancery by appointing and approving the Board of Directors.

Chancery was established on January 29, 2019, for the purpose of operating the offices of the Archbishop, the auxiliary bishops, the chancellor of the Archdiocese, the tribunals and pastoral ministry functions, vocation functions, and such other governance and ministry functions under the direction of the Archbishop. Prior to incorporation, Chancery operated as part of an unincorporated association. On the date of incorporation, all of the related property and operations were transferred to Roman Catholic Archdiocese of Atlanta, Inc.

#### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### ***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

##### ***Use of Estimates***

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

##### ***Cash and Cash Equivalents***

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

##### ***Funds on Deposit with AoA Deposit and Loan Fund Trust***

Chancery invests funds with the AoA Deposit and Loan Fund Trust. AoA Deposit and Loan Fund Trust receives funds from various Archdiocese entities and in turn loans funds to Archdiocese entities. Chancery's funds invested in the AoA Deposit and Loan Fund Trust totaled \$32,811 and \$32,566 at June 30, 2021 and 2020, respectively. Chancery's funds invested in the AoA Deposit and Loan Fund Trust earn interest at the rate of .75% (1.25% prior to July 2020, and 1.75% prior to April 2020).

## Roman Catholic Archdiocese of Atlanta, Inc. Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Accounts Receivable***

Accounts receivable are primarily due from Archdiocese of Atlanta parishes, missions, and schools for assessments and reimbursements owed to Chancery and are stated at unpaid balances, less an allowance for doubtful accounts. Chancery provides for losses on accounts receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of the organizations to meet their obligations.

Receivables are considered impaired if full payment is not received in accordance with contractual terms. It is Chancery's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. The allowance for doubtful accounts at June 30, 2021 and 2020 was \$6,500,000 and \$7,565,000, respectively.

The Chancery Special Project Oversight Committee (SPOC) receivable (Note 4) is due from parishes for special projects and is expected to be repaid over 20 years. The SPOC receivable has been discounted to net present value.

#### ***Promises to Give***

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in the contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

Chancery uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

#### ***Investments***

Chancery reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

At June 30, 2021 and 2020, Chancery's investments are in a pooled investment fund known as the AoA Common Fund Trust. The investment allocation within the pooled investment fund includes equities and fixed income investments



## Roman Catholic Archdiocese of Atlanta, Inc. Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Beneficial Interest in Assets held by Foundation***

Chancery is the beneficiary of certain endowments held and administered by the Catholic Foundation of North Georgia (the Foundation), the purpose of which is to support the future needs of C. The Foundation has ownership and control of the endowment funds. Pursuant to financial accounting standards, Chancery's interest in the funds is valued at the net present value of Chancery's expected future cash flows from the funds and has been recorded as net assets with donor restrictions – perpetual in nature, and related beneficial interest in assets held by foundation in the financial statements.

#### ***Split-Interest Agreement***

Accounting standards require that trusts held by a third party be recorded as contributions and net assets at the present value of Chancery's ultimate interest.

Charitable Remainder Trust – Donors have established and funded a trust under which specified distributions are to be made to a designated beneficiary or beneficiaries over the trust's term. Upon termination of the trust, Chancery receives a specified percentage of the assets remaining in the trusts. Chancery has a 100% interest in the charitable remainder trust.

Net asset classifications are based on terms of the gift or Chancery's interpretation of relevant state law. Split-interest agreements with donor restrictions are categorized as either time restricted or, in instances where donor restrictions specify that the principal is to be held in perpetuity, perpetual in nature. After the initial contribution is recorded, net increases or decreases in the value of Chancery's interest is reflected as a change in the value of split-interest agreement.

The split-interest agreement totaling \$2,012,299 at June 30, 2021 and 2020, and is donor restricted due to time restrictions.

#### ***Property and Equipment***

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

#### ***Net Assets***

Chancery reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and are not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of Chancery, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into the course of its operations. The governing board has designated from net assets without donor restrictions net assets to be designated as investment funds (Note 11).

## Roman Catholic Archdiocese of Atlanta, Inc. Notes to Financial Statements

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Net Assets (continued)***

Net assets with donor restrictions are resources that are subject to donor imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

#### ***Revenue Recognition***

Georgia Bulletin, student tax, and various other fees are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts are satisfied.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

#### ***Functional Allocation of Expenses***

Directly identifiable expenses are charged to program and supporting services. Other expenses that are common to several functions are allocated among the programs and supporting activities based on time spent and estimates of asset usage.

#### ***Income Taxes***

Chancery is included in the group exemption issued by the United States Conference of Catholic Bishops and thereby has been granted exemption from federal income taxes under Section 501(c)3 of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the financial statements. Income from certain activities not directly related to Chancery's tax-exempt purpose is subject to taxation as unrelated business income. Chancery considers all of its activities to be directly related to its exempt purpose in 2021 and 2020.

#### ***Reclassifications***

Certain reclassifications were made to prior year balances to conform with current year presentation.

#### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 12, 2022, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Accounting Guidance not yet Adopted***

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. Chancery is currently evaluating the impact of the guidance on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU specifies requirements for the recognition and initial measurement of contributions and disclosure requirements for contributed services. The ASU is effective for fiscal years beginning after June 15, 2021. Chancery is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

**Note 3: FINANCIAL ASSET AVAILABILITY**

Chancery maintains its financial assets to provide liquidity to ensure funds are available as Chancery's expenditures become due. The following reflects Chancery's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions:

<i>June 30,</i>	<b>2021</b>	<b>2020</b>
Total assets at year end	\$ <b>53,845,744</b>	\$ 47,091,560
Less non-financial assets		
Property and equipment, net	<b>(4,631,187)</b>	(4,900,647)
Other assets	<b>(1,630,436)</b>	(1,529,024)
Due from related party	<b>(13,126,939)</b>	(6,771,500)
Total financial assets	<b>34,457,182</b>	33,890,389
Less amounts not available to be used within one year:		
SPOC receivable, net	<b>7,388,354</b>	6,884,443
Investments at fair value - custodial funds	<b>573,126</b>	465,804
Investments with donor restrictions	<b>983,782</b>	834,578
Beneficial interest in assets held by Foundation	<b>19,167,003</b>	15,416,766
Split-interest agreement	<b>2,012,299</b>	2,012,299
Total amounts not available for use	<b>30,124,564</b>	25,613,890
Financial assets available to meet cash needs for general expenditures within one year	<b>\$ 4,332,618</b>	\$ 8,276,499

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Notes to Financial Statements**

**Note 3: FINANCIAL ASSET AVAILABILITY (Continued)**

Part of Chancery’s liquidity management policy is to structure its financial assets to be available for its general expenditures and other obligations that come due. The designated investments have been board-designated for various purposes, however, a portion of these amounts could be made available if necessary.

**Note 4: SPOC RECEIVABLE**

The Chancery Special Project Oversight Committee (SPOC) authorized and funded construction projects for three parishes. The three projects, which totaled approximately \$12,000,000, were completed and transferred to the parishes. One of the projects was completed during the year ended June 30, 2020 and the remaining two were completed during the year ended June 30, 2019. The projects were transferred to the parishes upon completion. At the time of transfer, Chancery recorded three non-interest bearing receivables from the parishes for the same amount. The receivables have no set repayment terms, but Chancery expects that the receivables will be repaid over a term of approximately 20 years. During the year ended June 30, 2021, two of the parishes had additional costs for expansion projects totaling \$720,000. The outstanding receivable balances at June 30, 2021 and 2020 of \$9,896,354 and \$9,524,443, respectively, have been discounted to net present value of \$7,388,354 and \$6,884,443 using a discount rate of 4% and 3%, respectively. Future estimated receipts on the SPOC receivable are as follows:

*For the years ending June 30,*

2022	\$ 400,000
2023	400,000
2024	425,000
2025	425,000
2026	600,000
Thereafter	7,646,354
	9,896,354
Net present value discount	(2,508,000)
	\$ 7,388,354

**Note 5: PROMISES TO GIVE**

Promises to give of \$2,086,567 and \$3,549,117 at June 30, 2021 and 2020, respectively, represent unconditional promises to give related to the Annual Appeal. The Annual Appeal is made by the Archbishop to the parishioners for support of Chancery’s operations and approximates 8% of the parishes’ annual revenue from the second preceding year. Substantially all of the promises to give are due in less than one year. Promises to give at June 30, 2021 and 2020, have been reduced by a valuation allowance of \$1,940,000.

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Notes to Financial Statements**

**Note 6: INVESTMENTS**

At June 30, 2021 and 2020, investments consisted of the following:

	2021		2020	
	Market Value	Cost	Market Value	Cost
AoA Common Fund Trust	\$ 2,916,661	\$ 3,036,361	\$ 2,378,850	\$ 2,860,421

Investment income is reported net of related external and direct internal investment expenses in the statement of activities and changes in net assets. The amount of expenses netted with income was \$10,322 and \$10,147 for the years ended June 30, 2021 and 2020, respectively.

**Note 7: PROPERTY AND EQUIPMENT**

The components of property and equipment at June 30 2021 and 2020, are as follows:

<i>June 30,</i>	Estimated Useful Lives (in years)	2021	2020
Land improvements	15	\$ 8,897	\$ 8,897
Buildings	40-50	8,448,668	8,448,668
Furniture and equipment	3-10	3,478,314	3,166,022
Automobiles	5-7	255,277	255,277
		12,191,156	11,878,864
Less accumulated depreciation		(7,639,262)	(7,095,498)
		4,551,894	4,783,366
Land		79,293	79,293
Construction in progress		-	37,988
<b>Property and equipment, net</b>		<b>\$ 4,631,187</b>	<b>\$ 4,900,647</b>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$543,765 and \$428,001, respectively.

Construction in progress consists of costs incurred on construction projects that have not been completed and placed in service as of year-end. Two construction projects totaling approximately \$720,000 for the year ended June 30, 2021 and one construction project totaling approximately \$730,000 for the year ended June 30, 2020, were completed and transferred to parishes. Upon transfer, Chancery recorded accounts receivable from the parishes in the same amount (Note 4).

Chancery owned land and a building that were previously used as the offices for Chancery and other Archdiocese of Atlanta organizations. The land and building were sold during 2019, and Chancery realized a gain of approximately \$25,000,000 from the sale. The sale proceeds were used to make an \$18,000,000 donation to Catholic Education of North Georgia, Inc. (CENGI) during the year ended June 30, 2020, to be used to retire a portion of the CENGI bonds. The balance of the sale proceeds were used to retire other debt.

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Notes to Financial Statements**

**Note 8: PAYCHECK PROTECTION PROGRAM LOAN**

In April and May 2020, in response to the global pandemic, RCAA Administrative Services, Inc. applied for and received loans totaling approximately \$3,595,000 through the Paycheck Protection Program (PPP) under the CARES Act. On May 20, 2021, and June 11, 2021, Services received notice that the full amount of the loans and related interest had been forgiven.

Payroll for various Archdiocesan entities originates under Services' federal identification number and, therefore, the PPP loans were funded through Services. However, some salaries, wages and other payroll costs are ultimately transferred to the entities for which the employees provide their time and effort, and are included within those entities' financial statements, rather than in Services'. As a result, approximately \$2,138,000 of the forgiven funds have been transferred to Chancery and recorded as forgiveness of Paycheck Protection Program loan on the statements of activities.

**Note 9: NET ASSETS**

Net assets with donor restrictions, including donor-restricted endowment funds, are available for the following purposes on June 30, 2021 and 2020:

<i><b>June 30, 2021</b></i>	Subject to expenditure for specified purpose or time restriction	Perpetual in Nature	<b>Total</b>
Community service	\$ -	\$ 670,576	\$ <b>670,576</b>
Village of St. Joseph	497,993	372,207	<b>870,200</b>
Education	102,158	8,676,771	<b>8,778,929</b>
Operations	-	5,014,268	<b>5,014,268</b>
Religious purposes	2,012,295	4,816,816	<b>6,829,111</b>
<b>Total</b>	<b>\$ 2,612,446</b>	<b>\$ 19,550,638</b>	<b>\$ 22,163,084</b>

<i><b>June 30, 2020</b></i>	Subject to expenditure for specified purpose or time restriction	Perpetual in Nature	<b>Total</b>
Community service	\$ -	\$ 548,481	\$ 548,481
Village of St. Joseph	369,727	372,207	741,934
Education	81,215	7,034,789	7,116,004
Operations	-	3,936,819	3,936,819
Religious purposes	2,012,299	3,908,106	5,920,405
<b>Total</b>	<b>\$ 2,463,241</b>	<b>\$ 15,800,402</b>	<b>\$ 18,263,643</b>

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Notes to Financial Statements**

**Note 10: REVENUE**

***Contributions and Support***

The Chancery records revenue from the Annual Appeal which is made by the Archbishop to the parishioners for support of Chancery's operations. The Chancery also assesses the parishes a specified percentage of their prior year income which is recorded as assessment revenue. Additionally, Chancery receives contributions throughout the year from various donors. Chancery recognizes these items as revenue when assessments are billed or when contributions or unconditional promise to give are received and considers them to be available for use without restriction unless the donor stipulates otherwise.

***Georgia Bulletin, student taxes and other fees.***

The Chancery receives revenue for subscriptions and advertising for the Georgia Bulletin along with student taxes for the Office of Catholic Schools and other fees for various conferences and workshops. Revenue is earned and recognized in the period in which the obligation is met such as when the Georgia Bulletin is published for subscription and advertising revenue, over the course of the school year for student taxes or at the time conferences and workshops are held. As of June 30, 2021, there are \$407,536 of performance obligations to be satisfied, all of which is expected to be recognized as revenue in 2022. There were no outstanding performance obligations at June 30, 2020.

***Disaggregated Revenue***

A summary of disaggregated revenue information follows:

<i>For the years ended June 30,</i>	<b>2021</b>	<b>2020</b>
Contributions		
Annual Appeal	\$ 8,253,078	\$ 8,753,970
General assessment	15,231,726	12,121,356
School financial aid assessment	2,330,162	-
Other	1,229,464	1,705,822
Other revenues		
Investment income	20,228	299,727
Georgia Bulletin	1,013,418	1,169,948
Other	552,050	982,598
<b>Total revenue</b>	<b>\$ 28,630,126</b>	<b>\$ 25,033,421</b>

***Contract Balances***

<i>June 30,</i>	<b>2021</b>	<b>2020</b>
Contract liabilities, beginning of year	\$ -	\$ -
Contract liabilities, end of year	\$ 407,536	\$ -
Receivable from contracts, beginning of year	\$ 3,312,292	\$ 2,890,192
Receivable from contracts, end of year	\$ 510,223	\$ 3,312,292

## Roman Catholic Archdiocese of Atlanta, Inc. Notes to Financial Statements

### **Note 11: ENDOWMENT AND DESIGNATED INVESTMENT FUNDS**

Chancery's endowment and designated investment funds consist of a number of funds established for various purposes. The endowment includes both donor-restricted endowment funds and funds designated by the board to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Chancery has interpreted Georgia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Chancery classifies as net assets with perpetual donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions – perpetual in nature is classified as net assets with donor restrictions – subject to expenditure for specified purpose until those amounts are appropriated for expenditure by Chancery in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, Chancery considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of Chancery and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of Chancery
7. The investment policies of Chancery

*Investment Return Objectives, Risk Parameters and Strategies.* Chancery has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Chancery must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy the endowment assets are invested in a manner that is intended to produce a reasonable rate of return under current market conditions with minimal risk. Chancery also has to maintain compliance with the Archdiocese investment policies.

*Spending Policy:* Chancery has a policy of appropriating for distribution each year eligible earnings from the prior year that are needed to fund operations or programs. In establishing this policy, Chancery considered the long-term expected return on its endowment. Accordingly, over the long term, Chancery expects the current spending policy to allow its endowment to grow at a rate that will maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

The endowment fund held by the Foundation is subject to the investment and distribution policies of the Foundation.



**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Notes to Financial Statements**

**Note 11: ENDOWMENT AND DESIGNATED INVESTMENT FUNDS (Continued)**

Endowment net assets composition by type of fund as of June 30, 2021:

<b><i>June 30, 2021</i></b>	Board designated	Subject to expenditure for specified purpose or time restriction	Perpetual in Nature	Total
Donor-restricted endowment funds				
Community service	\$ -	\$ -	\$ 670,576	\$ <b>670,576</b>
Village of St. Joseph	-	497,993	372,207	<b>870,200</b>
Education	-	102,158	8,676,771	<b>8,778,929</b>
Operations	-	-	5,014,268	<b>5,014,268</b>
Religious purposes	-	-	4,816,816	<b>4,816,816</b>
<b>Total donor-restricted endowment funds</b>	<b>-</b>	<b>600,151</b>	<b>19,550,638</b>	<b>20,150,789</b>
Board-designated endowment funds				
Priests Welfare	282,170	-	-	<b>282,170</b>
Parishes	12,023,314	-	-	<b>12,023,314</b>
Seminary	1,295,990	-	-	<b>1,295,990</b>
<b>Total board-designated endowment funds</b>	<b>13,601,474</b>	<b>-</b>	<b>-</b>	<b>13,601,474</b>
<b>Total</b>	<b>\$ 13,601,474</b>	<b>\$ 600,151</b>	<b>\$ 19,550,638</b>	<b>\$ 33,752,263</b>

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Notes to Financial Statements**

**Note 11: ENDOWMENT AND DESIGNATED INVESTMENT FUNDS (Continued)**

Endowment net assets composition by type of fund as of June 30, 2020:

<i>June 30, 2020</i>	Board designated	Subject to expenditure for specified purpose or time restriction	Perpetual in Nature	Total
<b>Donor-restricted endowment funds</b>				
Community service	\$ -	\$ -	\$ 548,481	\$ 548,481
Village of St. Joseph	-	369,727	372,207	741,934
Education	-	81,215	7,034,789	7,116,004
Operations	-	-	3,936,819	3,936,819
Religious purposes	-	-	3,908,106	3,908,106
<b>Total donor-restricted endowment funds</b>	<b>-</b>	<b>450,942</b>	<b>15,800,402</b>	<b>16,251,344</b>
<b>Board-designated endowment funds</b>				
Priests Welfare	229,394	-	-	229,394
Parishes	12,023,314	-	-	12,023,314
Seminary	1,067,482	-	-	1,067,482
<b>Total board-designated endowment funds</b>	<b>13,320,190</b>	<b>-</b>	<b>-</b>	<b>13,320,190</b>
<b>Total</b>	<b>\$ 13,320,190</b>	<b>\$ 450,942</b>	<b>\$ 15,800,402</b>	<b>\$ 29,571,534</b>

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Notes to Financial Statements**

**Note 11: ENDOWMENT AND DESIGNATED INVESTMENT FUNDS (Continued)**

Changes in endowment net assets for the years ended June 30, 2021 and 2020:

<i><b>For the year ended June 30, 2021</b></i>	Board designated	Subject to expenditure for specified purpose or time restriction	Perpetual in Nature	Total
Endowment net assets, beginning of year	\$ 13,320,190	\$ 450,942	\$ 15,800,402	\$ 29,571,534
Contributions	-	-	5,371	5,371
Investment return				
Investment income	12,975	6,667	-	19,642
Net realized and unrealized appreciation	277,623	142,542	-	420,165
Change in value of beneficial interest in funds held by Foundation	-	-	3,744,865	3,744,865
Appropriation for expenditure	(9,314)	-	-	(9,314)
<b>Total</b>	<b>\$ 13,601,474</b>	<b>\$ 600,151</b>	<b>\$ 19,550,638</b>	<b>\$ 33,752,263</b>

<i><b>For the year ended June 30, 2020</b></i>	Board designated	Subject to expenditure for specified purpose or time restriction	Perpetual in Nature	Total
Endowment net assets, beginning of year	\$ 13,279,558	\$ 422,746	\$ 15,957,010	\$ 29,659,314
Contributions	-	-	163,923	163,923
Investment return				
Investment income	20,025	10,200	-	30,225
Net realized and unrealized appreciation (depreciation)	35,194	17,996	-	53,190
Change in value of beneficial interest in funds held by Foundation	-	-	(320,531)	(320,531)
Appropriation for expenditure	(14,587)	-	-	(14,587)
<b>Total</b>	<b>\$ 13,320,190</b>	<b>\$ 450,942</b>	<b>\$ 15,800,402</b>	<b>\$ 29,571,534</b>

## Roman Catholic Archdiocese of Atlanta, Inc. Notes to Financial Statements

### Note 12: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

*Level 1* – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

*Level 2* – Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
  - Observable; or
  - Can be corroborated by observable market data

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value at June 30, 2021 and 2020.

Promises to give are valued at estimated net realizable value discounted to present value. Change in value includes changes in the discount and adjustments to the allowance for uncollectible promises to give.

Beneficial interest in assets held by Foundation - the fair value of beneficial interest in assets held by foundation is based upon the net present value of Chancery's expected future cash flows. Chancery does not have the ability to redeem this beneficial interest and withdrawals are limited to the terms of Chancery's agreement with the Foundation.

Split-interest agreements: Reported at fair value utilizing Level 3 inputs that reflect management's own assumptions about the assumptions that market participants would use in pricing the assets. The fair value of the charitable remainder trust is estimated at the present value of expected future cash inflows.

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Notes to Financial Statements**

**Note 12: FAIR VALUE MEASUREMENTS (Continued)**

AoA Common Fund Trust – valued based on NAV per share or unit as a practical expedient as reported by the fund manager, multiplied by the number of shares or units held as of the measurement date. Accordingly, the NAV based investments have been excluded from the fair value hierarchy leveling.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Chancery believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Assets measured at fair value on a recurring basis are summarized for the years ended June 30, 2021 and 2020:

<b><i>June 30, 2021</i></b>	Level 1	Level 2	Level 3	Total
Investments, measured at net asset value				
AoA Common Fund Trust <sup>(A)</sup>			\$ 2,916,661	<b>\$ 2,916,661</b>
Promises to give		\$ 2,086,567		<b>\$ 2,086,567</b>
Beneficial interest in assets held by Foundation		\$ 19,167,003		<b>\$ 19,167,003</b>
Split-interest agreements		\$ 2,012,299		<b>\$ 2,012,299</b>
<b><i>June 30, 2020</i></b>	Level 1	Level 2	Level 3	Total
Investments, measured at net asset value				
AoA Common Fund Trust <sup>(A)</sup>			\$ 2,378,850	<b>\$ 2,378,850</b>
Promises to give		\$ 3,549,117		<b>\$ 3,549,117</b>
Beneficial interest in assets held by Foundation		\$ 15,416,766		<b>\$ 15,416,766</b>
Split-interest agreement		\$ 2,012,299		<b>\$ 2,012,299</b>

<sup>(A)</sup> Investments that are measured at fair value using the net asset value per share have been excluded from the fair value hierarchy.

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Notes to Financial Statements**

**Note 12: FAIR VALUE MEASUREMENTS (Continued)**

The following is a reconciliation of the change in fair value for the years ended June 30, 2021 and 2020, for Level 3:

<i>For the years ended June 30,</i>	<b>2021</b>	2020
Promises to give		
Receivable at beginning of year	\$ 3,549,117	\$ 5,130,499
New promises received	6,525,054	5,614,473
Payments on promises	(7,987,604)	(7,195,855)
Receivable at end of year	<b>\$ 2,086,567</b>	\$ 3,549,117
Beneficial interest in assets held by Foundation		
Balance, beginning of year	\$ 15,416,766	\$ 15,573,375
Additions to assets held by Foundation	5,372	163,922
Change in value	3,744,865	(320,531)
Balance, end of year	<b>\$ 19,167,003</b>	\$ 15,416,766

***Changes in Fair Value Level***

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended June 30, 2021 and 2020, there were no significant transfers in or out of Levels 1, 2, or 3.

**Note 13: CONCENTRATIONS OF CREDIT RISK**

The Financial Accounting Standards Board requires disclosure about financial instruments and related off-balance sheet risk and concentrations of credit risk. The activity of Chancery is primarily with parishes and missions within the Archdiocese, which covers approximately fifty percent of the State of Georgia.

Chancery has cash deposits with financial institutions, which fluctuate from time to time in excess of the insured limitation of the Federal Deposit Insurance Corporation (FDIC). Funds on deposit with AoA Deposit and Loan Fund Trust are not FDIC insured.

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Notes to Financial Statements**

**Note 14: RELATED-PARTY TRANSACTIONS**

***Funds on Deposit and Investments with Related Parties***

Investment funds are invested with the AoA Common Fund Trust and other funds are on deposit are with the AoA Deposit and Loan Fund Trust (Note 2).

***Annual Appeal***

Promises to give (Note 5) represent the balance outstanding on pledges made under the Annual Appeal. Promises to give under the Annual Appeal are from the individual members of the various parishes of the Archdiocese of Atlanta.

***Assessments***

Each year Chancery assesses the parishes a specified percentage of their prior year income. For the year ended June 30, 2021 and 2020, Chancery recorded total parish assessment revenue of approximately \$15,231,000 and \$12,121,000, respectively. Additionally, beginning during the year ended June 30, 2021, Chancery also recorded approximately \$2,433,000 for financial aid and financial aid assessments to the parishes that is paid to schools within the Archdiocese. There are receivables from parish assessments of approximately \$6,695,000 and \$10,451,000 at June 30, 2021 and 2020, respectively. The receivable balances have been reduced by valuation allowances of \$6,500,000 and \$7,565,000 at June 30, 2021 and 2020, respectively.

***Catholic Education of North Georgia, Inc.***

The Archbishop previously guaranteed approximately \$30,000,000 of bonds payable for Catholic Education of North Georgia, Inc. (CENGI). In June 2020, the Chancery made a restricted gift to CENGI of \$18,000,000 to be used to reduce the bond debt. During the year ended June 30, 2021, all of the CENGI bonds were retired.

During the year ended June 30, 2020, the Chancery also agreed to provide CENGI with \$205,610 for replacement of the roof at one of the schools.

***Subsidies***

During the year ended June 30, 2021, Chancery designated approximately \$1,931,000 to parishes within the Archdiocese as a subsidy. The related payable has been recorded on the statement of financial position as of June 30, 2021.

Chancery provided subsidies totaling \$6,240,535 and \$4,508,556 during the years ended June 30, 2021 and 2020, respectively to various parishes, schools and other organizations within the Archdiocese. Subsidies payable of \$1,931,000 at June 30, 2021, represents subsidies payable to various parishes.

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Notes to Financial Statements**

**Note 15: UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of Chancery. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.





# ACCOMPANYING INFORMATION





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## INDEPENDENT AUDITORS' REPORT ON ACCOMPANYING INFORMATION

**Board of Directors**  
**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Atlanta, Georgia**

We have audited the financial statements of Roman Catholic Archdiocese of Atlanta, Inc. as of and for the years ended June 30, 2021 and 2020, and our report thereon dated January 12, 2022, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying information on pages 30 through 32 is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia  
January 12, 2022

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Investments at Fair Value**

<i>June 30,</i>	<b>2021</b>			<b>2020</b>	
	Designated Investment Funds	Endowment Funds	Custodian Funds	Total Fair Value	Total Fair Value
Cline Fund	\$ 21,509	\$ -	\$ -	<b>\$ 21,509</b>	\$ 17,382
Priests' Senate	-	-	573,126	<b>573,126</b>	465,804
Priests Welfare	282,170	-	-	<b>282,170</b>	229,394
Seminary Fund - Junior Clergy	174,130	-	-	<b>174,130</b>	141,408
Seminary Fund - Endowment	40,483	-	-	<b>40,483</b>	32,818
Seminary Fund - Father McGuire	-	14,170	-	<b>14,170</b>	11,517
Seminary Fund - General Fund	1,028,068	-	-	<b>1,028,068</b>	844,073
Seminary Fund - Monsignor Clancy	-	97,839	-	<b>97,839</b>	79,554
Village - General Endowment	-	685,166	-	<b>685,166</b>	556,900
<b>Investment balances at end of year</b>	<b>\$ 1,546,360</b>	<b>\$ 797,175</b>	<b>\$ 573,126</b>	<b>\$ 2,916,661</b>	<b>\$ 2,378,850</b>

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Changes in Designated Investment and Endowment Fund Balances**

*For the year ended June 30, 2021*

	June 30, 2020 Balance	Additions			Total Additions	Distributions to Beneficiary	Total Deductions	Net Increase (Decrease) in Funds	June 30, 2021 Balance
		Donations and Pledges	Investment Income	Realized and Unrealized Gain (Loss) on Investments					
<b>Changes in Designated Investment Fund Balances</b>									
Fitzgerald Mission Fund	\$ 12,023,314	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ <b>12,023,314</b>
Junior Clergy Seminary Fund	137,577	-	1,460	31,262	32,722	-	-	32,722	<b>170,299</b>
Priests' Seminary Fund	32,761	-	342	7,323	7,665	-	-	7,665	<b>40,426</b>
Priests Welfare	229,394	-	2,356	50,420	52,776	-	-	52,776	<b>282,170</b>
Satzky Family Fund	23,853	-	-	-	-	-	-	-	<b>23,853</b>
Seminary Fund	853,030	-	8,633	184,675	193,308	9,314	9,314	183,994	<b>1,037,024</b>
Thomas D. Cline Fund	20,261	-	184	3,943	4,127	-	-	4,127	<b>24,388</b>
<b>Total</b>	<b>\$ 13,320,190</b>	<b>\$ -</b>	<b>\$ 12,975</b>	<b>\$ 277,623</b>	<b>\$ 290,598</b>	<b>\$ 9,314</b>	<b>\$ 9,314</b>	<b>\$ 281,284</b>	<b>\$ 13,601,474</b>
<b>Changes in Endowment Fund Balances</b>									
Village of St. Joseph Fund	\$ 741,934	\$ -	\$ 5,735	\$ 122,535	\$ 128,270	\$ -	\$ -	\$ 128,270	\$ <b>870,204</b>
Father McGuire Scholarship Fund	11,083	-	119	2,535	2,654	-	-	2,654	<b>13,737</b>
Monsignor Clancy Educational Fund	81,560	-	817	17,468	18,285	-	-	18,285	<b>99,845</b>
Beneficial interest in funds held by Foundation	15,416,766	5,372	-	3,744,865	3,750,237	-	-	3,750,237	<b>19,167,003</b>
<b>Total</b>	<b>\$ 16,251,343</b>	<b>\$ 5,372</b>	<b>\$ 6,671</b>	<b>\$ 3,887,403</b>	<b>\$ 3,899,446</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,899,446</b>	<b>\$ 20,150,789</b>

**Roman Catholic Archdiocese of Atlanta, Inc.**  
**Property and Equipment**

<i>For the years ended June 30,</i>	2020			2021
	Beginning	Additions	Reductions	Total
<b>Land</b>				
Village of St. Joseph	\$ 65,793	\$ -	\$ -	\$ 65,793
Locust Grove Cemetery	13,500	-	-	13,500
<b>Total land</b>	<b>79,293</b>	<b>-</b>	<b>-</b>	<b>79,293</b>
<b>Land improvements</b>				
Village of St. Joseph	8,897	-	-	8,897
<b>Total improvements</b>	<b>8,897</b>	<b>-</b>	<b>-</b>	<b>8,897</b>
<b>Buildings</b>				
St. John Neumann School	3,322,424	-	-	3,322,424
St. George Village Chapel	504,396	-	-	504,396
St. Peter Claver School	4,476,059	-	-	4,476,059
Village of St. Joseph	145,789	-	-	145,789
<b>Total buildings</b>	<b>8,448,668</b>	<b>-</b>	<b>-</b>	<b>8,448,668</b>
<b>Furniture, fixtures, and equipment</b>				
Atlanta University Lykes House	135,569	-	-	135,569
Chancery Offices	1,295,501	309,648	-	1,605,149
Computer software	624,119	2,644	-	626,763
Kennesaw State University	42,276	-	-	42,276
Our Lady of Americas	125,434	-	-	125,434
St. George Village Chapel	24,000	-	-	24,000
St. Peter Claver School	665,698	-	-	665,698
Village of St. Joseph	64,934	-	-	64,934
Other	188,491	-	-	188,491
<b>Total furniture, fixtures and equipment</b>	<b>3,166,022</b>	<b>312,292</b>	<b>-</b>	<b>3,478,314</b>
Automobiles	255,277	-	-	255,277
Construction in progress	37,988	-	(37,988)	-
<b>Total land, buildings, improvements and equipment</b>	<b>\$ 11,996,145</b>	<b>\$ 312,292</b>	<b>\$ (37,988)</b>	<b>\$ 12,270,449</b>