



**AoA Deposit and Loan Fund
Trust and Subsidiary**

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

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REPORT





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INDEPENDENT AUDITORS' REPORT

To the Trustee, the Archbishop
And to the Management of
AoA Deposit and Loan Fund Trust and Subsidiary
Atlanta, Georgia

Opinion

We have audited the accompanying consolidated financial statements of AoA Deposit and Loan Fund Trust and its wholly owned subsidiary, AoA Deposit and Loan Fund, LLC (collectively, the Organization), a nonprofit organization, which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, 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 Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that 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 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 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 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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
December 20, 2023



FINANCIAL STATEMENTS



**AoA Deposit and Loan Fund Trust and Subsidiary
Consolidated Statements of Financial Position**

<i>June 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 8,515,334	\$ 12,834,993
Investments	155,128,480	127,197,096
Loans receivable - participants, net	37,012,566	41,983,276
Due from related parties	44,965	974,651
Total assets	\$ 200,701,345	\$ 182,990,016
Liabilities and Net Assets		
Liabilities		
Deposits payable	\$ 189,876,339	\$ 177,153,457
Net assets		
Without donor restrictions		
Undesignated	100,000	100,000
Board designated	10,725,006	5,736,559
Total net assets	10,825,006	5,836,559
Total liabilities and net assets	\$ 200,701,345	\$ 182,990,016

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

AoA Deposit and Loan Fund Trust and Subsidiary Consolidated Statements of Activities

<i>For the years ended June 30,</i>	2023	2022
Revenues		
Interest on loans	\$ 1,410,595	\$ 1,208,003
Investment income	4,045,418	470,186
Other income	-	128,000
Total revenues	5,456,013	1,806,189
Expenses		
Program services	4,950,056	3,000,430
General and administrative	122,667	114,980
Total expenses	5,072,723	3,115,410
Change in net assets before other gain (loss)	383,290	(1,309,221)
Other Gain (Loss)		
Realized and unrealized gain (loss) on investments	4,605,157	(10,358,287)
Change in net assets	4,988,447	(11,667,508)
Net assets without donor restrictions at beginning of year	5,836,559	17,504,067
Net assets without donor restrictions at end of year	\$ 10,825,006	\$ 5,836,559

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

AoA Deposit and Loan Fund Trust and Subsidiary Consolidated Statements of Functional Expenses

For the year ended June 30, 2023

	Program Services	General and Administrative	Total Operating Expenses
Contract labor	\$ -	\$ 92,667	\$ 92,667
Discount on loans receivable	133,274	-	133,274
Interest expense	3,116,778	-	3,116,778
Management fees	1,700,004	-	1,700,004
Miscellaneous	-	30,000	30,000
Total expenses	\$ 4,950,056	\$ 122,667	\$ 5,072,723

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

**AoA Deposit and Loan Fund Trust and Subsidiary
Consolidated Statements of Functional Expenses (Continued)**

For the year ended June 30, 2022

	Program Services	General and Administrative	Total Operating Expenses
Contract labor	\$ -	\$ 87,480	\$ 87,480
Discount on loans receivable	225,939	-	225,939
Interest expense	1,210,231	-	1,210,231
Management fees	1,564,260	-	1,564,260
Miscellaneous	-	27,500	27,500
Total expenses	\$ 3,000,430	\$ 114,980	\$ 3,115,410

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

AoA Deposit and Loan Fund Trust and Subsidiary Consolidated Statements of Cash Flows

<i>For the years ended June 30,</i>	2023	2022
Operating Activities		
Change in net assets	\$ 4,988,447	\$ (11,667,508)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Allowance for uncollectible loans	(38,085)	(128,000)
Realized and unrealized (gain) loss on investments	(4,605,157)	10,358,287
Discount on loans receivable	133,274	225,939
Net cash provided by (used in) operating activities	478,479	(1,211,282)
Investing Activities		
Funding of participant loans	(2,582,986)	(11,308,012)
Participant loan repayments	7,458,507	14,900,683
Purchase of investments	(152,794,979)	(71,935,131)
Proceeds from sale of investments	129,468,752	14,916,629
Advances to (from) related parties	929,686	(819,374)
Net cash provided by (used in) investing activities	(17,521,020)	(54,245,205)
Financing Activities		
Participant deposits received	41,052,261	54,866,900
Participant deposits paid	(28,329,379)	(29,432,262)
Net cash provided by (used in) financing activities	12,722,882	25,434,638
Net change in cash and cash equivalents	(4,319,659)	(30,021,849)
Cash and cash equivalents at beginning of year	12,834,993	42,856,842
Cash and cash equivalents at end of year	\$ 8,515,334	\$ 12,834,993
Schedule of Certain Cash Flow Information		
Cash paid for interest	\$ 3,116,778	\$ 1,210,231

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

AoA Deposit and Loan Fund Trust and Subsidiary Notes to Consolidated Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

The accompanying consolidated financial statements include the accounts and transactions of the AoA Deposit and Loan Fund Trust and its wholly owned subsidiary, AoA Deposit and Loan Fund, LLC (collectively, the Organization), which is affiliated with the Roman Catholic Archdiocese of Atlanta, Inc. (the Archdiocese).

The Organization is an irrevocable charitable trust established in 2016, organized to administer and manage funds belonging to certain parishes, institutions and entities throughout the Archdiocese (collectively, Participants). The Organization holds legal title to its assets exclusively for the benefit of each Participant. Each Participant is the beneficial owner of its portion of the Organization. The Organization allows Participants to obtain competitive terms for depositing and borrowing money.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated 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).

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the parent, AoA Deposit and Loan Fund Trust and its wholly-owned subsidiary, AoA Deposit and Loan Fund, LLC. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of U.S. GAAP consolidated 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the allowance for uncollectible loans.

Program Services

The Organization's program consists of funding loans to participants. The Organization funds loans based on financial need to assist with parish and school operations.

Cash and Cash Equivalents

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

AoA Deposit and Loan Fund Trust and Subsidiary Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans Receivable

The amounts due from Participants relate primarily to interest-bearing loans made to Participants by the Organization. Interest rates varied between 3% to 4.25% during the years ended June 30, 2023 and 2022. Loans receivable have been reduced by an allowance for uncollectible loans and non-interest bearing loans have been discounted to the net present value.

Investments

The Organization reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements 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. There were no investment income or gains restricted by donors during the years ended June 30, 2023 and 2022.

Deposits Payable

The Organization administers a deposit and loan fund for the Participants. Participants may deposit any excess funds with the Organization. The Organization uses the funds on deposit to loan to other Participants. Participants' deposits earned interest at rates that varied between 0.75% and 2.75% during the years ended June 30, 2023 and 2022.

Net Assets

The Organization reports information regarding its consolidated 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 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 the Organization, 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 in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for a market reserve.

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.

AoA Deposit and Loan Fund Trust and Subsidiary Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (continued)

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 consolidated financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Contributions with donor restrictions that are both received and released within the same year are recorded as an increase in net assets with donor restrictions and as a satisfaction of program restrictions.

There were no assets with donor restrictions at June 30, 2023 or 2022.

Interest Income

The Organization recognizes interest income on loans based on the underlying contractual rate with Participants.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

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 the Organization. There were no donated services that met the recognition criteria during the years ended June 30, 2023 and 2022.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services.

Income Taxes

The Organization is a religious organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the consolidated financial statements. Income from certain activities not directly related to the tax-exempt purpose of nonprofit entities is subject to taxation as unrelated business income. The Organization considers all of its activities to be directly related to its exempt purpose in 2023 and 2022.

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 consolidated financial statements were available to be issued, December 20, 2023, 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 consolidated financial statements.

AoA Deposit and Loan Fund Trust and Subsidiary Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Guidance

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the consolidated statement of financial position. Most prominent among 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 the consolidated financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022. The implementation of this standard did not have a material effect on the consolidated financial statements.

Accounting Guidance not yet Adopted

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, which is essentially the final rule on use of the so-called CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. The ASU is effective for non-public entities with fiscal years beginning after December 15, 2022. The Organization is currently evaluating the impact of the guidance on its consolidated financial statements.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash and cash equivalents and investments. These funds are without contractual or donor restrictions and are available to meet cash needs for general expenditures, however, the Organization typically reserves these funds to meet borrowing and savings needs of the Participants. The following reflects the Organization's financial assets as of the consolidated statement of financial position date:

<i>June 30,</i>	2023	2022
Total assets at year end	\$ 200,701,345	\$ 182,990,016
Less those not available to meet cash needs for general expenditures within one year		
Loans receivable - participants, net	(37,012,566)	(41,983,276)
Due from related parties	(44,965)	(974,651)
Financial assets available to meet cash needs for general expenditures within one year	\$ 163,643,814	\$ 140,032,089

AoA Deposit and Loan Fund Trust and Subsidiary Notes to Consolidated Financial Statements

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)

The Organization maintains its financial assets to provide liquidity to ensure funds are available as expenditures come due. The governing board has designated, from net assets without donor restrictions, net assets for a market reserve of \$10,725,006 and \$5,736,559 for the years ended June 30, 2023 and 2022. These net assets could be made available if necessary.

Note 4: INVESTMENTS

Investments consist of the following:

<i>June 30,</i>	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Short-term investments	\$ 2,492,848	\$ 2,492,848	\$ 2,460,656	\$ 2,460,656
Corporate obligations	6,187,496	5,751,663	8,892,792	8,241,320
Equity securities	17,191,883	21,828,354	15,171,701	17,715,075
Equity mutual funds	13,539,838	16,443,182	10,826,358	12,288,811
Debt mutual funds	15,737,685	12,997,798	16,778,578	14,483,062
U.S. government obligations	97,894,215	95,550,142	66,372,538	65,459,810
Pooled investment funds	53,500	64,493	6,162,192	6,548,362
Total investments	\$ 153,097,465	\$ 155,128,480	\$ 126,664,815	\$ 127,197,096

Note 5: LOANS RECEIVABLE

Loans receivable consist of the following:

<i>June 30,</i>	2023	2022
Loans receivable	\$ 38,076,199	\$ 42,930,480
Interest receivable	157,041	178,281
Less:		
Allowance for uncollectible loans	(461,915)	(500,000)
Net present value discount	(758,759)	(625,485)
Loans receivable - participants, net	\$ 37,012,566	\$ 41,983,276

All non-interest bearing loans have been discounted to the net present value using a discount rate ranging of 4.5% and 3.5% for years ended June 30, 2023 and 2022, respectively.

AoA Deposit and Loan Fund Trust and Subsidiary Notes to Consolidated Financial Statements

Note 6: NET ASSETS

The Board of Directors, from time to time, designate appropriate sums of net assets without donor restrictions to assure adequate protection from market volatility.

A summary of net assets without donor restrictions consists of the following:

<i>June 30,</i>	2023	2022
Undesignated	\$ 100,000	\$ 100,000
Board designated		
Market reserves	10,725,006	5,736,559
Total net assets without donor restrictions	\$ 10,825,006	\$ 5,836,559

Note 7: 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. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Short-term investments: Valued at the closing price reported on the active market on which the individual securities are traded.

AoA Deposit and Loan Fund Trust and Subsidiary Notes to Consolidated Financial Statements

Note 7: FAIR VALUE MEASUREMENTS (Continued)

Equity securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate obligations: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

U.S. Government obligations: Valued at the closing price reported on the active market on which the individual securities are traded.

Pooled investment Funds: Value based on NAV per share or unit as 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 the Organization 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, consist of the following as June 30, 2023:

June 30, 2023	Level 1	Level 2	Level 3	Total
Short-term investments	\$ 2,492,848	\$ -	\$ -	\$ 2,492,848
Corporate obligations	-	5,751,663	-	5,751,663
Equity securities	21,828,354	-	-	21,828,354
Equity mutual funds	16,443,182	-	-	16,443,182
Debt mutual funds	12,997,798	-	-	12,997,798
U.S. government obligations	91,561,267	3,988,875	-	95,550,142
Total	145,323,449	9,740,538	-	155,063,987
Investments measured at net asset value				
Pooled Investment Funds ^(A)				64,493
Total investments at fair value	\$ 145,323,449	\$ 9,740,538	\$ -	\$ 155,128,480

AoA Deposit and Loan Fund Trust and Subsidiary Notes to Consolidated Financial Statements

Note 7: FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis, consist of the following as June 30, 2022:

<u>June 30, 2022</u>	Level 1	Level 2	Level 3	Total
Short-term investments	\$ 2,460,656	\$ -	\$ -	\$ 2,460,656
Corporate obligations	-	8,241,320	-	8,241,320
Equity securities	17,715,075	-	-	17,715,075
Equity mutual funds	12,288,811	-	-	12,288,811
Debt mutual funds	14,483,062	-	-	14,483,062
U.S. government obligations	63,898,090	1,561,720	-	65,459,810
Total	110,845,694	9,803,040	-	120,648,734
Investments measured at net asset value				
Pooled investment funds ^(A)				6,548,362
Total investments at fair value	\$ 110,845,694	\$ 9,803,040	\$ -	\$ 127,197,096

^(A) Investments that are measured at fair value using the net asset value per share have been excluded from the fair value hierarchy leveling.

Changes in Fair Value Levels

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 transfer 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, 2023 and 2022, there were no significant transfers in or out of Levels 1, 2 or 3.

Fair Value of Investments that Calculate Net Asset Value

Investments in international common collective trusts are maintained by an investment company which holds investments in accordance with a stated set of fund objectives. Common collective trusts measured at fair value based on NAV per share consists of the following:

<u>Year-end</u>	Fair Value	Unfunded	Redemption Frequency (if eligible)	Notice Period
June 30, 2023	\$ 64,493	\$ -	Unrestricted	Unrestricted
June 30, 2022	\$ 6,548,362	\$ -	Unrestricted	Unrestricted

AoA Deposit and Loan Fund Trust and Subsidiary Notes to Consolidated Financial Statements

Note 8: CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash deposits with financial institutions at June 30, 2023 and 2022, in excess of federally insured limits by approximately \$8,015,000 and \$12,335,000, respectively.

Credit risk for loans receivable – participants, net is concentrated as well because substantially all of the balances are receivable from entities located within the same geographic region.

Note 9: RELATED PARTY TRANSACTIONS

Management Services

During the year ended June 30, 2016, the Organization entered into a Management Agreement (the Agreement) with RCAA Administrative Services, Inc. (Services) whereby the Organization is billed monthly by Services for accounting services, client services, investment management and banking services, internal audit services and record retention services. The agreement covered a one year period ending June 30 with automatic annual renewals on July 1 of each succeeding year unless Services or the Organization wishes to cancel the agreement by giving 30 days notice to the other party.

The total expense related to the management agreement was approximately \$1,700,000 and \$1,570,000 for the years ended June 30, 2023 and 2022, respectively.