



Roman Catholic Archdiocese of Atlanta, Inc.

FINANCIAL STATEMENTS

June 30, 2023 and 2022

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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, 2023 and 2022, 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, 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 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 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 16, 2024



FINANCIAL STATEMENTS



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

June 30, 2023

	Without donor restrictions	With donor restrictions	Total
Assets			
Cash and cash equivalents	\$ 261,449	\$ -	\$ 261,449
Funds on deposit with AoA Deposit and Loan Fund Trust	7,142,142	-	7,142,142
Accounts receivable, net	433,013	-	433,013
SPOC receivable, net	6,984,857	-	6,984,857
Promises to give, net	4,440,300	-	4,440,300
Investments	1,578,217	855,325	2,433,542
Beneficial interest in assets held by Foundation	-	16,685,354	16,685,354
Split-interest agreement	-	2,057,434	2,057,434
Property and equipment, net	3,755,702	-	3,755,702
Other assets	1,646,040	-	1,646,040
Due from related parties	2,256,131	-	2,256,131
Total assets	\$ 28,497,851	\$ 19,598,113	\$ 48,095,964
Liabilities and Net Assets			
Liabilities			
Accounts payable	\$ 5,764,779	\$ -	\$ 5,764,779
Performance obligation liabilities	97,326	-	97,326
Total liabilities	5,862,105	-	5,862,105
Net assets			
Without donor restrictions			
Designated investment funds	13,819,942	-	13,819,942
Designated operating funds	7,000,000	-	7,000,000
Undesignated	1,815,804	-	1,815,804
With donor restrictions			
Purpose and time restrictions	-	2,529,128	2,529,128
Perpetual in nature	-	17,068,985	17,068,985
Total net assets	22,635,746	19,598,113	42,233,859
Total liabilities and net assets	\$ 28,497,851	\$ 19,598,113	\$ 48,095,964

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

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

June 30, 2022

	Without donor restrictions	With donor restrictions	Total
Assets			
Cash and cash equivalents	\$ 329,794	\$ -	\$ 329,794
Funds on deposit with AoA Deposit and Loan Fund Trust	7,021,415	-	7,021,415
Accounts receivable, net	820,973	-	820,973
SPOC receivable, net	5,851,908	-	5,851,908
Promises to give, net	2,847,225	-	2,847,225
Investments at fair value	1,446,985	895,729	2,342,714
Beneficial interest in assets held by Foundation	-	15,856,503	15,856,503
Split-interest agreement	-	2,012,299	2,012,299
Property and equipment, net	4,385,067	-	4,385,067
Other assets	2,168,130	-	2,168,130
Due from related parties	8,569,358	-	8,569,358
Total assets	\$ 33,440,855	\$ 18,764,531	\$ 52,205,386
Liabilities and Net Assets			
Liabilities			
Accounts payable	\$ 7,531,332	\$ -	\$ 7,531,332
Performance obligation liabilities	3,688	-	3,688
Total liabilities	7,535,020	-	7,535,020
Net assets			
Without donor restrictions			
Designated investment funds	13,688,710	-	13,688,710
Designated operating funds	7,000,000	-	7,000,000
Undesignated	5,217,125	-	5,217,125
With donor restrictions			
Purpose and time restrictions	-	2,524,397	2,524,397
Perpetual in nature	-	16,240,134	16,240,134
Total net assets	25,905,835	18,764,531	44,670,366
Total liabilities and net assets	\$ 33,440,855	\$ 18,764,531	\$ 52,205,386

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, 2023

	Without donor restrictions	With donor restrictions	Total
Revenues and Other Support			
Contributions			
Annual appeal	\$ 8,348,728	\$ -	\$ 8,348,728
Assessments	17,505,812	-	17,505,812
Contributions of non-financial assets -			
rent and utilities	4,867,589	-	4,867,589
Contributions	1,829,401	20,751	1,850,152
Other revenues	2,908,235	13,417	2,921,652
Net assets released from restrictions	100,000	(100,000)	-
Total revenues and other support	35,559,765	(65,832)	35,493,933
Expenses			
<i>Program services</i>			
Pastoral	10,385,337	-	10,385,337
Education	8,415,360	-	8,415,360
Social services	1,283,333	-	1,283,333
Communications	2,078,585	-	2,078,585
Plant fund	3,260,168	-	3,260,168
Total program services	25,422,783	-	25,422,783
<i>Supporting services</i>			
General and administrative	10,651,936	-	10,651,936
Total operating expenses	36,074,719	-	36,074,719
Change in net assets before other gains and (losses)	(514,954)	(65,832)	(580,786)
Other Gains and (Losses)			
Realized and unrealized gain on investments	114,403	46,179	160,582
Change in value of beneficial interest	-	808,100	808,100
Change in value of SPOC receivable	(2,471,000)	-	(2,471,000)
Change in value of split-interest agreement	-	45,135	45,135
Loss on disposal of property and equipment	(398,538)	-	(398,538)
Total other gains (losses)	(2,755,135)	899,414	(1,855,721)
Change in net assets	(3,270,089)	833,582	(2,436,507)
Net assets at beginning of year	25,905,835	18,764,531	44,670,366
Net assets at end of year	\$ 22,635,746	\$ 19,598,113	\$ 42,233,859

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, 2022

	Without donor restrictions	With donor restrictions	Total
Revenues and Other Support			
Contributions			
Annual appeal	\$ 8,876,424	\$ 4,086	\$ 8,880,510
Assessments	18,332,596	-	18,332,596
Contributions of non-financial assets - rent and utilities	4,784,618	-	4,784,618
Contributions	1,839,139	-	1,839,139
Other revenues	1,886,620	8,295	1,894,915
Total revenues and other support	35,719,397	12,381	35,731,778
Expenses			
<i>Program services</i>			
Pastoral	11,793,645	-	11,793,645
Education	9,314,513	-	9,314,513
Social services	1,424,004	-	1,424,004
Communications	1,950,753	-	1,950,753
Plant fund	3,191,966	-	3,191,966
Total program services	27,674,881	-	27,674,881
<i>Supporting services</i>			
General and administrative	7,972,119	-	7,972,119
Total operating expenses	35,647,000	-	35,647,000
Change in net assets before other gains and (losses)	72,397	12,381	84,778
Other Gains and (Losses)			
Realized and unrealized loss on investments	(219,863)	(96,348)	(316,211)
Change in value of SPOC receivable	(61,000)	-	(61,000)
Change in value of beneficial interest	-	(3,314,586)	(3,314,586)
Loss on disposal of property and equipment	(923)	-	(923)
Total other gains (losses)	(281,786)	(3,410,934)	(3,692,720)
Change in net assets	(209,389)	(3,398,553)	(3,607,942)
Net assets at beginning of year	26,115,224	22,163,084	48,278,308
Net assets at end of year	\$ 25,905,835	\$ 18,764,531	\$ 44,670,366

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, 2023

	Program services						Supporting services	Total Expenses
	Pastoral	Education	Social Services	Communications	Plant Fund	Total Program Expenses	General and Administrative	
Salaries and benefits	\$ 5,257,597	\$ 2,168,430	\$ 362,462	\$ 1,228,520	\$ -	\$ 9,017,009	\$ 4,958,234	\$ 13,975,243
Assessments	344,096	-	-	-	-	344,096	-	344,096
Contribution	-	-	-	-	-	-	1,200,000	1,200,000
Depreciation	-	-	-	-	421,912	421,912	-	421,912
Education, professional development and events	2,198,232	3,196,920	42,357	127,556	-	5,565,065	744,139	6,309,204
Eucharistic celebration	138,854	-	-	-	-	138,854	-	138,854
Contribution of non-financial assets - rent, utilities and maintenance	852,401	437,129	152,995	65,569	2,834,941	4,343,035	524,554	4,867,589
Insurance	20,359	-	-	-	3,315	23,674	113,712	137,386
Miscellaneous	314,467	99,375	56,188	6,436	-	476,466	364,418	840,884
Professional fees	231,177	44,655	14,646	86,256	-	376,734	1,064,475	1,441,209
Repairs and maintenance	136,862	80,000	768	9,015	-	226,645	779,465	1,006,110
Subsidies	265,888	2,331,512	640,207	-	-	3,237,607	-	3,237,607
Supplies	121,822	13,083	3,917	549,628	-	688,450	388,081	1,076,531
Travel and food allowance	460,344	37,772	6,812	3,811	-	508,739	126,748	635,487
Utilities	43,238	6,484	2,981	1,794	-	54,497	388,110	442,607
Total expenses	\$ 10,385,337	\$ 8,415,360	\$ 1,283,333	\$ 2,078,585	\$ 3,260,168	\$ 25,422,783	\$ 10,651,936	\$ 36,074,719

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, 2022

	Program services						Supporting services	
	Pastoral	Education	Social Services	Communications	Plant Fund	Total Program Expenses	General and Administrative	Total Expenses
Salaries and benefits	\$ 4,833,654	\$ 2,058,377	\$ 298,636	\$ 1,186,947	\$ -	\$ 8,377,614	\$ 4,082,980	\$ 12,460,594
Assessments	333,720	-	-	-	-	333,720	-	333,720
Depreciation	-	-	-	-	401,898	401,898	-	401,898
Education, professional development and events	1,862,175	3,230,317	35,339	124,793	-	5,252,624	247,009	5,499,633
Eucharistic celebration	904,658	-	-	-	-	904,658	-	904,658
Contribution of non-financial assets - rent, utilities and maintenance	837,871	429,677	150,387	64,452	2,786,618	4,269,005	515,613	4,784,618
Insurance	19,549	-	-	-	3,450	22,999	105,404	128,403
Miscellaneous	869,440	57,859	102,230	3,240	-	1,032,769	604,768	1,637,537
Professional fees	169,296	84,809	33,871	95,796	-	383,772	968,866	1,352,638
Repairs and maintenance	82,018	56,965	1,220	6,593	-	146,796	781,663	928,459
Subsidies	1,360,162	3,335,540	792,968	-	-	5,488,670	-	5,488,670
Supplies	96,613	16,002	4,849	462,540	-	580,004	202,320	782,324
Travel and food allowance	378,993	38,163	4,033	5,535	-	426,724	94,494	521,218
Utilities	45,496	6,804	471	857	-	53,628	369,002	422,630
Total expenses	\$ 11,793,645	\$ 9,314,513	\$ 1,424,004	\$ 1,950,753	\$ 3,191,966	\$ 27,674,881	\$ 7,972,119	\$ 35,647,000

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>	2023	2022
Operating Activities		
Change in net assets	\$ (2,436,507)	\$ (3,607,942)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation expense	421,912	401,898
Loss on disposal of property and equipment	398,538	-
Change in value of SPOC receivable	2,471,000	61,000
Change in value of beneficial interest	(808,100)	3,314,586
Change in split interest agreement	(45,135)	-
Allowance for doubtful accounts	(1,440,000)	(2,000,000)
Restricted contributions and investment income	(13,417)	(12,381)
Realized and unrealized loss (gain) on investments	(160,582)	316,211
Changes in operating assets and liabilities		
Accounts receivable	587,960	1,759,171
Promises to give	(353,075)	(830,579)
Other assets	522,090	(537,694)
Accounts payable	(1,766,553)	2,944,558
Custodial funds payable	-	(573,126)
Performance obligation liabilities	93,638	(403,848)
Net cash provided by (used in) operating activities	(2,528,231)	831,854
Investing Activities		
Purchases of property and equipment	(191,085)	(155,778)
Payments received on SPOC receivable	1,085,993	1,475,446
Proceeds from sale of investments	117,028	1,505,814
Purchases of investments	(47,274)	(1,248,078)
Additions to beneficial interest in assets held by Foundation	(20,751)	(4,086)
Advances from related parties	1,623,285	4,557,581
Net cash provided by (used in) investing activities	2,567,196	6,130,899
Financing Activities		
Restricted contributions and investment income	13,417	12,381
Net cash provided by (used in) financing activities	13,417	12,381
Net change in cash and cash equivalents and funds on deposit with AoA Deposit and Loan Fund Trust	52,382	6,975,134
Cash and cash equivalents and funds on deposit with AoA Deposit and Loan Fund Trust, at beginning of year	7,351,209	376,075
Cash, cash equivalents and funds on deposit with AoA Deposit and Loan Fund Trust, at end of year	\$ 7,403,591	\$ 7,351,209

(Continued)

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

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

<i>For the years ended June 30,</i>	2023	2022
Presented on Statements of Financial Position as:		
Cash and cash equivalents	\$ 261,449	\$ 329,794
Funds on deposit with AoA Deposit and Loan Fund Trust	7,142,142	7,021,415
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Cash, cash equivalents and funds on deposit with AoA Deposit and Loan Fund Trust, at end of year	\$ 7,403,591	\$ 7,351,209
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Schedule of Noncash Transactions		
Transfer of SPOC receivable from AoA Properties Holding, Inc.	\$ 4,689,942	\$ -
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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.

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. Estimates that are particularly susceptible to significant change in the near term are related to the allowance for doubtful accounts and the discount to net present value on SPOC receivable.

Program Services

Chancery's program services consist of the following:

Pastoral – Chancery provides support for clergy, ministry departments, parishes and Catholic organizations within the Archdiocese that support the mission and pastor to the members of the Catholic Church and the community. Chancery also provides professional development and training support for clergy.

Education – Chancery provides subsidies to schools and education centers to fund operations.

Social services – Chancery empowers parishes, schools, families and individuals to create and maintain safe environments for children and youth.

Communications – Chancery provides printing and mailing services for event and giving advertisements for entities within the Archdiocese through the office of Catholic Communications and Georgia Bulletin.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Program Services (continued)

Plant fund – Chancery holds properties related to parishes and the Chancery for the purpose of carrying out the general mission of the Archdiocese.

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 are considered cash and cash equivalents, however, they are presented separately on the statements of financial position.

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 \$7,142,142 and \$7,021,415 at June 30, 2023 and 2022, respectively. Chancery's funds invested in the AoA Deposit and Loan Fund Trust earned interest at a rate which varied between 0.75% and 2.75% during the years ended June 30, 2023 and 2022.

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, 2023 and 2022 was \$4,300,000 and \$4,500,000, 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. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2023 and 2022, 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

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 Chancery. 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. The split-interest agreement reported on the statements of financial position relates to a charitable remainder trust.

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 \$2,057,434 and \$2,012,299 at June 30, 2023 and 2022, respectively, 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 over the estimated useful lives of the assets.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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). Additionally, the governing board has also designated from net assets without donor restrictions an operating reserve fund of \$7,000,000 as of June 30, 2023 and 2022.

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. 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.

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. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the statements of financial position.

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 removed the conditions. 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.

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 Chancery.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

Directly identifiable expenses are charged to program and supporting services. Other expenses that are common to several functions such as salaries and benefits, repairs and maintenance, and utilities 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 2023 and 2022.

Chancery utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30 2023 and 2022, Chancery has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

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 16, 2024. See Note 15 for disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

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 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 enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

Chancery adopted the standard effective July 1, 2022. The implementation of this standard did not have a material effect on the 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 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. Chancery is currently evaluating the impact of the guidance on its financial statements.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

Chancery maintains its financial assets primarily in cash and cash equivalents, funds on deposit with AoA Deposit and Loan Fund Trust, and investments 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>	2023	2022
Total assets at year-end	\$ 48,095,964	\$ 52,205,386
Less non-financial assets		
Property and equipment, net	(3,755,702)	(4,385,067)
Other assets	(1,646,040)	(2,168,130)
Financial assets at year year-end	42,694,222	45,652,189
Less amounts not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
SPOC receivable, net	(6,984,857)	(5,851,908)
Donor restricted net assets	(19,598,113)	(18,764,531)
Board designated investment funds	(13,819,942)	(13,688,710)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,291,310	\$ 7,347,040

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.

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

Note 4: SPOC RECEIVABLE

The Chancery Special Project Oversight Committee (SPOC) authorized and funded construction projects for five parishes. 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. At the time of transfer, Chancery recorded three non-interest bearing receivables from the parishes.

During the year ended June 30, 2023, two additional projects were completed and transferred to the parish and mission which totaled approximately \$4,708,000. One of the new projects was paid off during the year ended June 30, 2023. At the time of transfer, Chancery recorded two additional non-interest bearing receivables.

During the year ending June 30, 2023, AoA Properties Holding, Inc. (Properties) transferred the receivable related to the Divine Mercy Mission Catholic Church project, which was completed during the year ended June 30, 2023, as part of the Special Projects Oversight Committee (SPOC) in the amount of \$4,689,942.

The receivables have no set repayment terms, but Chancery expects that the receivables will be repaid over a term of approximately 20 years. The outstanding receivable balances at June 30, 2023 and 2022, of \$12,024,857 and \$8,420,908, respectively, have been discounted to net present value of \$6,984,857 and \$5,851,908 using a discount rate of 4.5% and 3.5% at June 30 2023, and 2022, respectively.

Future estimated receipts on the SPOC receivable are as follows:

<i>For the years ending June 30,</i>	
2024	\$ 243,000
2025	260,000
2026	285,000
2027	375,000
Thereafter	10,861,857
<hr/>	
Subtotal	12,024,857
Net present value discount	(5,040,000)
<hr/>	
Total	\$ 6,984,857

Note 5: PROMISES TO GIVE

Promises to give of \$4,440,300 and \$2,847,225 at June 30, 2023 and 2022, 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 have been reduced by an allowance for doubtful accounts of \$700,000 and \$1,940,000, as of June 30, 2023 and 2022, respectively.

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

Note 6: INVESTMENTS

Investments consist of the following:

<i>June 30,</i>	2023		2022	
	Cost	Fair Value	Cost	Fair Value
AoA Common Fund Trust	\$ 2,805,734	\$ 2,433,542	\$ 2,830,675	\$ 2,342,714

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 \$9,925 and \$10,552 for the years ended June 30, 2023 and 2022, respectively.

Note 7: PROPERTY AND EQUIPMENT

The components of property and equipment consist of the following at June 30, 2023 and 2022:

	Estimated Useful		
	Lives (in years)	2023	2022
Land improvements	15	\$ 8,897	\$ 8,897
Buildings	20-40	7,944,272	8,448,668
Furniture and equipment	3-10	1,810,140	3,623,009
Automobiles	5-7	514,653	266,359
Total depreciable property and equipment		10,277,962	12,346,933
Less accumulated depreciation		(6,601,553)	(8,041,159)
Total depreciable property and equipment, net		3,676,409	4,305,774
Land		79,293	79,293
Total property and equipment, net		\$ 3,755,702	\$ 4,385,067

Depreciation expense for the years ended June 30, 2023 and 2022 was \$421,912 and \$401,898, respectively.

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

Note 8: NET ASSETS

A summary of net assets with donor restrictions, including donor-restricted endowment funds, consists of the following as of June 30, 2023 and 2022:

June 30, 2023	Subject to expenditure for specified purpose or time restriction	Perpetual in Nature	Total
Community service	\$ -	\$ 584,000	\$ 584,000
Village of St. Joseph	372,704	372,207	744,911
Education	98,990	7,609,367	7,708,357
Operations	-	4,274,560	4,274,560
Religious purposes	2,057,434	4,228,851	6,286,285
Total	\$ 2,529,128	\$ 17,068,985	\$ 19,598,113

June 30, 2022	Subject to expenditure for specified purpose or time restriction	Perpetual in Nature	Total
Community service	\$ -	\$ 563,568	\$ 563,568
Village of St. Joseph	422,367	372,207	794,574
Education	89,731	7,313,961	7,403,692
Operations	-	3,926,867	3,926,867
Religious purposes	2,012,299	4,063,531	6,075,830
Total	\$ 2,524,397	\$ 16,240,134	\$ 18,764,531

Note 9: 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.

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

Note 9: REVENUE (Continued)

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, 2023, there are \$97,326 of performance obligations to be satisfied, all of which is expected to be recognized as revenue in 2024. At June 30, 2022 there were \$3,688 in performance obligations to be satisfied which were recognized into revenue during the year ended June 30, 2023.

Disaggregated Revenue

A summary of disaggregated revenue consist of the following:

<i>For the years ended June 30,</i>	2023	2022
Contributions		
Annual Appeal	\$ 8,348,728	\$ 8,880,510
General assessment	15,206,906	15,993,374
School financial aid assessment	2,298,906	2,339,222
Contribution of non-financial assets - rent, maintenance and utilities	4,867,589	4,784,618
Contributions	1,850,152	1,839,139
Other revenues		
Investment income	168,265	47,404
Georgia Bulletin	1,027,797	1,010,416
Student taxes and fees	371,374	350,320
Other	1,354,216	486,775
Total revenues and other support	\$ 35,493,933	\$ 35,731,778

Contract assets and liabilities related to revenue from contracts with customers consists of the following:

<i>June 30,</i>	2023	2022
Contract assets		
Accounts receivable, beginning of year	\$ 134,143	\$ 148,628
Accounts receivable, end of year	\$ 63,646	\$ 134,143
Contract liabilities		
Performance obligation liabilities, beginning of year	\$ 3,688	\$ 407,536
Performance obligation liabilities, end of year	\$ 97,326	\$ 3,688

The receivable from contracts balances above represent amounts owed to Chancery for Georgia Bulletin subscription services.

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

Note 10: CONTRIBUTIONS IN-KIND

Contributions provided by Chancery

Chancery allows for various related parties to use its real property for the purpose of carrying out the general mission of the Archdiocese for no cost to the related parties. The value of the contributed real property was approximately \$2,680,000 and \$2,636,000, during the years ended June 30, 2023 and 2022, respectively, and is reported on the statements of activities and statements of functional expenses. Contribution of non-financial assets – rent, was not reported on Chancery’s previously issued financial statements and has been applied retrospectively to the statements of activities and functional expenses for the year ended June 30, 2022. This change did not have an effect on previously reported net assets.

Chancery uses real property from Properties for the purpose of carrying out the general mission of the Archdiocese at no cost to Chancery. Additionally, Chancery receives maintenance and utilities for the real property at no cost. The value of the use of the contributed real property, maintenance and utilities is \$2,187,000 and \$2,148,000, during the years ended June 30, 2023 and 2022, respectively, and is reported on the statements of activities and statements of functional expenses.

Donated usage of real property is recorded based on estimated fair market value for rent for similar property. Donated usage of maintenance and utilities is recorded based on actual cost to Properties.

Note 11: ENDOWMENT AND DESIGNATED INVESTMENT FUNDS

Chancery’s endowment 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.

Absent explicit donor stipulations to the contrary, 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 various funds, (2) the purposes of the donor-restricted endowment funds, (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, and (7) Chancery’s investment policies.

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

Note 11: ENDOWMENT AND DESIGNATED INVESTMENT FUNDS (Continued)

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.

For time to time, certain donor restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). Chancery has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under the law. There were no underwater endowments at June 30, 2023 and 2022.

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 consists of the following as of June 30, 2023:

June 30, 2023	Board Designated	Subject to expenditure for specified purpose or time restriction	Perpetual in Nature	Total
Donor-restricted endowment funds				
Community service	\$ -	\$ -	\$ 584,000	\$ 584,000
Village of St. Joseph	-	372,704	372,207	744,911
Education	-	98,986	7,609,371	7,708,357
Operations	-	-	4,274,560	4,274,560
Religious purposes	-	-	4,228,851	4,228,851
Total donor-restricted endowment funds	-	471,690	17,068,989	17,540,679
Board-designated endowment funds				
Priests Welfare	273,937	-	-	273,937
Parishes	12,314,422	-	-	12,314,422
Seminary	1,231,583	-	-	1,231,583
Total board-designated endowment funds	13,819,942	-	-	13,819,942
Total	\$13,819,942	\$ 471,690	\$ 17,068,989	\$31,360,621

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 consists of the following as of June 30, 2022:

<i>June 30, 2022</i>	Board Designated	Subject to expenditure for specified purpose or time restriction	Perpetual in Nature	Total
Donor-restricted endowment funds				
Community service	\$ -	\$ -	\$ 563,568	\$ 563,568
Village of St. Joseph	-	422,367	372,207	794,574
Education	-	89,727	7,313,965	7,403,692
Operations	-	-	3,926,867	3,926,867
Religious purposes	-	-	4,063,531	4,063,531
Total donor-restricted endowment funds	-	512,094	16,240,138	16,752,232
Board-designated endowment funds				
Priests Welfare	251,055	-	-	251,055
Parishes	12,290,067	-	-	12,290,067
Seminary	1,147,588	-	-	1,147,588
Total board-designated endowment funds	13,688,710	-	-	13,688,710
Total	\$13,688,710	\$ 512,094	\$ 16,240,138	\$ 30,440,942

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 year ended June 30, 2023 and 2022:

<i>For the year ended June 30, 2023</i>	Board Designated	Subject to expenditure for specified purpose or time restriction	Perpetual in Nature	Total
Endowment net assets, beginning of year	\$13,688,710	\$ 512,094	\$ 16,240,138	\$30,440,942
Contributions	-	-	20,751	20,751
Investment return				
Investment income	33,857	13,417	-	47,274
Net realized and unrealized appreciation	114,403	46,179	-	160,582
Change in value of beneficial interest in funds held by Foundation	-	-	808,100	808,100
Appropriation for expenditure	(17,028)	(100,000)	-	(117,028)
Endowment net assets, end of year	\$13,819,942	\$ 471,690	\$ 17,068,989	\$31,360,621

<i>For the year ended June 30, 2022</i>	Board Designated	Subject to expenditure for specified purpose or time restriction	Perpetual in Nature	Total
Endowment net assets, beginning of year	\$13,601,474	\$ 600,151	\$ 19,550,638	\$33,752,263
Transfer to increase board designated investment funds	300,000	-	-	300,000
Contributions	-	-	4,086	4,086
Investment return				
Investment income	17,255	8,291	-	25,546
Net realized and unrealized depreciation	(219,863)	(96,348)	-	(316,211)
Change in value of beneficial interest in funds held by Foundation	-	-	(3,314,586)	(3,314,586)
Appropriation for expenditure	(10,156)	-	-	(10,156)
Endowment net assets, end of year	\$13,688,710	\$ 512,094	\$ 16,240,138	\$30,440,942

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, 2023 and 2022.

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.

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.

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

Note 12: FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis consists of the following:

June 30, 2023	Level 1	Level 2	Level 3	Total
Investments, measured at net asset value AoA Common Fund Trust ^(A)				\$ 2,433,542
Beneficial interest in assets held by Foundation		\$ 16,685,354		\$ 16,685,354
Split-interest agreements		\$ 2,057,434		\$ 2,057,434

June 30, 2022	Level 1	Level 2	Level 3	Total
Investments, measured at net asset value AoA Common Fund Trust ^(A)				\$ 2,342,714
Beneficial interest in assets held by Foundation		\$ 15,856,503		\$ 15,856,503
Split-interest agreement		\$ 2,012,299		\$ 2,012,299

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

The following is a reconciliation of the change in fair value for the years ended June 30, 2023 and 2022 for Level 3:

<i>For the years ended June 30,</i>	2023	2022
Beneficial interest in assets held by Foundation		
Balance, beginning of year	\$ 15,856,503	\$ 19,167,003
Additions to assets held by Foundation	20,751	4,086
Change in value	1,291,300	(2,333,386)
Distribution	(483,200)	(981,200)
Balance, end of year	\$ 16,685,354	\$ 15,856,503
Split-interest agreement		
Balance, beginning of year	\$ 2,012,299	\$ 2,012,299
Change in value of split-interest agreement	45,135	-
Balance, end of year	\$ 2,057,434	\$ 2,012,299

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

Note 12: FAIR VALUE MEASUREMENTS (Continued)

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, 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 the AoA Common Fund Trust are maintained by an investment company which holds investments in accordance with a stated set of fund objectives. The investment strategy of the AoA Common Fund Trust is to hold a combination of equities and fixed income investments, for a balanced mix of capital gains and income, while maintaining capital. Investments in the AoA Common Fund Trust are measured at fair value based on NAV per share and consist of the following:

Year-end	Fair Value	Unfunded Commitments	Redemption Frequency (if eligible)	Redemption Notice Period
June 30, 2023	\$ 2,433,542	\$ -	Unrestricted	Unrestricted
June 30, 2022	\$ 2,342,714	\$ -	Unrestricted	Unrestricted

Note 13: CONCENTRATIONS

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 and with AoA Deposit and Loan Fund Trust. All bank accounts with financial institutions are insured by the Federal Deposit Insurance Company (FDIC) up to \$250,000. As of June 30, 2023 and 2022 cash did not exceed federally insured limits. Funds on deposit with AoA Deposit and Loan Fund Trust are not FDIC insured.

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).

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

Note 14: RELATED PARTY TRANSACTIONS (Continued)

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 years ended June 30, 2023 and 2022, Chancery recorded total parish assessment revenue of approximately \$15,207,000 and \$15,993,000, respectively. Additionally, during the years ended June 30, 2023 and 2022, Chancery also recorded approximately \$2,299,000 and \$2,339,000, respectively, 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 \$4,302,000 and \$4,795,000 at June 30, 2023 and 2022, respectively. The receivable balances have been reduced by valuation allowances of \$4,300,000 and \$4,500,000 at June 30, 2023 and 2022, respectively.

Subsidies

Chancery provided subsidies totaling \$3,237,607 and \$5,488,670 during the years ended June 30, 2023 and 2022, respectively to various parishes, schools and other organizations within the Archdiocese.

Contribution Expense

During the year ended June 30, 2023, Chancery made a contribution in the amount of \$1,200,000 to Properties to pay for the funding of capital repairs and capital projects.

Custodian Fund

In previous years, Chancery held custodian funds totaling \$573,126. During the year ended June 30, 2022, the funds were transferred to AoA Canon 281.2 Trust.

SPOC Transfer

During the year ended June 30, 2023, Properties transferred the receivable related to the Divine Mercy Mission Catholic Church projects as part of the SPOC in the amount of \$4,689,942 (Note 4).

RCAA Administrative Services, Inc.

RCAA Administrative Services, Inc. (Services) provides services for the benefit of the Archdiocese and certain affiliated organizations subject to canonical administration of the Archbishop, including Chancery. These services include cash receipts and cash disbursements processing and payroll, accounting and IT services. Receivables from Services are included in due from related party on the statement of financial position as of June 30, 2023 and 2022, respectively.

During the year ended June 30, 2022, RCAA Administrative Services, Inc. (Services) transferred approximately \$7,000,000 to Chancery to be deposited with the AoA Deposit and Loan Fund Trust and reducing the related party receivable between Chancery and Services.

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

Note 15: SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 16, 2024. The following occurred.

On August 30, 2023, Chancery entered into a lease with Properties expiring in August 2043 with monthly payments totaling \$15,000.



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, 2023 and 2022, and our report thereon dated January 16, 2024, 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 32 through 34 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 16, 2024

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

<i>June 30,</i>	2023			2022
	Designated Investment Funds	Endowment Funds	Total Fair Value	Total Fair Value
Arch Fund for the Poor	\$ 291,108	\$ -	\$ 291,108	\$ 266,753
Cline Fund	20,875	-	20,875	19,129
Priests Welfare	273,936	-	273,936	251,055
Seminary Fund - Junior Clergy	169,092	-	169,092	154,993
Seminary Fund - Endowment	-	-	-	36,051
Seminary Fund - Father McGuire	-	13,869	13,869	12,586
Seminary Fund - General Fund	970,498	-	970,498	905,615
Seminary Fund - Monsignor Clancy	-	94,972	94,972	86,996
Village - General Endowment	-	599,192	599,192	609,536
Investment balances at end of year	\$ 1,725,509	\$ 708,033	\$ 2,433,542	\$ 2,342,714

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

For the year ended June 30, 2023

	June 30, 2022 Balance	Additions				Total Additions	Distributions to Beneficiary	Income Transferred to Operating Funds	Total Deductions	Net Increase (Decrease) in Funds	June 30, 2023 Balance
		Contributions and Additions	Investment Income	Realized and Unrealized Gain (Loss) on Investments							
Changes in Designated Investment Fund Balances											
Arch Fund for the Poor	\$ 266,753	\$ -	\$ 5,560	\$ 18,795	\$ 24,355	\$ -	\$ -	\$ -	\$ 24,355	\$ 291,108	
Fitzgerald Mission Fund	12,023,314	-	-	-	-	-	-	-	-	12,023,314	
Junior Clergy Seminary Fund	151,162	-	3,228	10,871	14,099	-	-	-	14,099	165,261	
Priests' Seminary Fund	35,994	-	743	2,525	3,268	-	-	-	3,268	39,262	
Priests Welfare	251,055	-	5,222	17,660	22,882	-	-	-	22,882	273,937	
Satzky Family Fund	23,853	-	-	-	-	-	-	-	-	23,853	
Seminary Fund	914,571	-	18,705	63,206	81,911	17,028	-	17,028	64,883	979,454	
Thomas D. Cline Fund	22,008	-	399	1,346	1,745	-	-	-	1,745	23,753	
Total	\$ 13,688,710	\$ -	\$ 33,857	\$ 114,403	\$ 148,260	\$ 17,028	\$ -	\$ 17,028	\$ 131,232	\$ 13,819,942	
Changes in Endowment Fund Balances											
Village of St. Joseph Fund	\$ 794,574	\$ -	\$ 11,331	\$ 39,006	\$ 50,337	\$ 100,000	\$ -	\$ 100,000	\$ (49,663)	\$ 744,911	
Father McGuire Scholarship Fund	12,153	-	270	1,013	1,283	-	-	-	1,283	13,436	
Monsignor Clancy Educational Fund	89,002	-	1,816	6,160	7,976	-	-	-	7,976	96,978	
Beneficial interest in funds held by Foundation	15,856,503	20,751	-	1,291,300	1,312,051	483,200	-	483,200	828,851	16,685,354	
Total	\$ 16,752,232	\$ 20,751	\$ 13,417	\$ 1,337,479	\$ 1,371,647	\$ 583,200	\$ -	\$ 583,200	\$ 788,447	\$ 17,540,679	

Roman Catholic Archdiocese of Atlanta, Inc.
Property and Equipment

For the year ended June 30, 2023

	Beginning	Additions	Transfers	Reductions	Ending
Land					
Village of St. Joseph	\$ 65,793	\$ -	\$ -	\$ -	\$ 65,793
Locust Grove Cemetery	13,500	-	-	-	13,500
Total land	79,293	-	-	-	79,293
Land improvements					
Village of St. Joseph	8,897	-	-	-	8,897
Total land improvements	8,897	-	-	-	8,897
Buildings					
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
Total buildings	8,448,668	-	-	(504,396)	7,944,272
Furniture, fixtures and equipment					
Atlanta University					
Lykes House	135,569	-	-	-	135,569
Chancery Offices	1,749,844	-	-	(1,563,476)	186,368
Computer software	626,763	-	-	(140,013)	486,750
Kennesaw State University	42,276	-	-	(42,276)	-
Our Lady of Americas	125,434	-	-	(12,198)	113,236
St. George Village Chapel	24,000	-	-	-	24,000
St. Peter Claver School	665,698	-	-	(6,707)	658,991
Village of St. Joseph	64,934	-	-	-	64,934
Other	188,491	27,337	-	(75,536)	140,292
Total furniture, fixtures and equipment	3,623,009	27,337	-	(1,840,206)	1,810,140
Automobiles	266,359	127,323	262,640	(141,669)	514,653
Total property and equipment	\$ 12,426,226	\$ 154,660	\$ 262,640	\$ (2,486,271)	\$ 10,357,255