



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

**CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2024 and 2023**

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# REPORT





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## **INDEPENDENT AUDITOR'S REPORT**

To the Trustee, His Excellency, the Most Reverend Archbishop of Atlanta  
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 subsidiary, AoA Deposit and Loan Fund, LLC (collectively, the Organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023 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, 2024 and 2023 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 Auditor's 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.

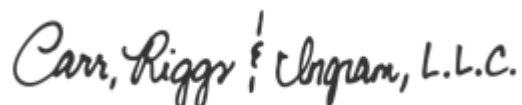
## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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 auditor's 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.

Atlanta, Georgia  
January 7, 2025



# FINANCIAL STATEMENTS



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

<i>June 30,</i>	<b>2024</b>	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 7,172,291	\$ 8,515,334
Investments at fair value	195,709,032	155,128,480
Loans receivable - participants, net of allowances of \$516,049 and \$461,915	35,579,841	37,012,566
Due from related parties	-	44,965
<b>Total assets</b>	<b>\$ 238,461,164</b>	<b>\$ 200,701,345</b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Deposits payable	\$ 220,126,400	\$ 189,876,339
Net assets		
Without donor restrictions		
Undesignated	5,834,764	100,000
Board designated	12,500,000	10,725,006
<b>Total net assets without donor restrictions</b>	<b>18,334,764</b>	<b>10,825,006</b>
<b>Total liabilities and net assets</b>	<b>\$ 238,461,164</b>	<b>\$ 200,701,345</b>

*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>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>		
Interest on loans	\$ 2,035,522	\$ 1,277,321
Investment income, net	7,469,023	4,045,418
Total revenues	<b>9,504,545</b>	5,322,739
<b>Expenses</b>		
Program services	<b>8,178,337</b>	4,816,782
General and administrative	140,228	122,667
Total expenses	<b>8,318,565</b>	4,939,449
Change in net assets before other gain	<b>1,185,980</b>	383,290
Realized and unrealized gain on investments	<b>6,323,778</b>	4,605,157
Change in net assets	<b>7,509,758</b>	4,988,447
Net assets without donor restrictions at beginning of year	<b>10,825,006</b>	5,836,559
Net assets without donor restrictions at end of year	<b>\$ 18,334,764</b>	\$ 10,825,006

*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, 2024*

	Program Services	General and Administrative	Total Operating Expenses
Contract labor	\$ -	\$ 100,728	\$ <b>100,728</b>
Interest expense	5,994,203	-	<b>5,994,203</b>
Management fees	2,130,000	-	<b>2,130,000</b>
Professional fees	-	39,500	<b>39,500</b>
Bad debt expense	54,134	-	<b>54,134</b>
<b>Total expenses</b>	<b>\$ 8,178,337</b>	<b>\$ 140,228</b>	<b>\$ 8,318,565</b>

*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, 2023*

	Program Services	General and Administrative	Total Operating Expenses
Contract labor	\$ -	\$ 92,667	\$ 92,667
Interest expense	3,116,778	-	3,116,778
Management fees	1,700,004	-	1,700,004
Professional fees	-	30,000	30,000
<b>Total expenses</b>	<b>\$ 4,816,782</b>	<b>\$ 122,667</b>	<b>\$ 4,939,449</b>

*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>	<b>2024</b>	<b>2023</b>
<b>Operating Activities</b>		
Change in net assets	\$ 7,509,758	\$ 4,988,447
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Provision for credit losses	54,134	(38,085)
Realized and unrealized gain on investments	(6,323,778)	(4,605,157)
Discount on loans receivable	(568,962)	133,274
Net cash provided by (used in) operating activities	<b>671,152</b>	478,479
<b>Investing Activities</b>		
Funding of participant loans	(4,353,068)	(2,582,986)
Participant loan repayments	6,300,621	7,458,507
Purchase of investments	(140,547,924)	(152,794,979)
Proceeds from sale of investments	106,291,150	129,468,752
Advances (to) from related parties	44,965	929,686
Net cash provided by (used in) investing activities	<b>(32,264,256)</b>	(17,521,020)
<b>Financing Activities</b>		
Participant deposits received	58,038,851	41,052,261
Participant deposits paid	(27,788,790)	(28,329,379)
Net cash provided by (used in) financing activities	<b>30,250,061</b>	12,722,882
Net change in cash and cash equivalents	<b>(1,343,043)</b>	(4,319,659)
Cash and cash equivalents, at beginning of year	<b>8,515,334</b>	12,834,993
Cash and cash equivalents, at end of year	<b>\$ 7,172,291</b>	<b>\$ 8,515,334</b>
<b>Schedule of Certain Cash Flow Information</b>		
Cash paid for interest	<b>\$ 5,994,203</b>	<b>\$ 3,116,778</b>

*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 (the Trust) and AoA Deposit and Loan Fund, LLC (collectively, the Organization). The Trust is the sole member of AoA Deposit and Loan Fund, LLC. The Archbishop of the Roman Catholic Archdiocese of Atlanta (Archdiocese) is the sole Trustee of the Trust.

The Organization is an irrevocable charitable trust established in 2016.

The Organization conducts the following programs:

*Participant Deposits* – The Organization administers and manages 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.

*Participant Loans* - The Organization funds loans to participants based on financial need to assist with parish, school, and other Archdiocesan entities' operations.

### **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 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 credit losses and valuation of investments.

#### ***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 - Participants, Net***

The amounts due from Participants relate primarily to interest-bearing loans made to Participants by the Organization. Interest rates varied between 4.25% to 4.5% during the years ended June 30, 2024 and 2023. Non-interest bearing loans are reported at the principal balance outstanding, net of discounts. Discounts are deferred and recognized in interest income over the life of the loan.

Loans receivable are held until maturity or payoff and are reported at the principal balance outstanding, net of discounts and an allowance for credit losses. Interest income is accrued on the unpaid principal balance.

The Organization's loans receivables are considered past due when contractually required principal or interest payments have not been made within 90 days of the due dates defined by the underlying loan agreement. Some of the Organization's loans receivable do not have defined payment terms. These loans are considered past due when payments have not been made for a period of a year, and if no other plans or intentions of payment have been communicated by the participant to the Organization. There were no loans considered past due at June 30, 2024 and 2023.

#### ***Allowance for Credit Losses***

The allowance for credit losses is a valuation account that is deducted from loans receivable to present the net amount to be collected. Loans receivable are charged off against the allowance when management believes the uncollectibility of a loan receivable is confirmed. Expected recoveries do not exceed the aggregate amounts of previously charged-off and expected to be charged off. Collections on accounts previously written off are included in the change in net assets are received. The allowance for credit losses was \$516,049 and \$461,915 for the years ended June 30, 2024 and 2023, respectively.

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions of balances 90 days past due, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current loan receivable-specific risk characteristics.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The key risk characteristics for loans measured on a collective basis include changes in offertory revenues at parishes and inflation, among other considerations.

Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually are also not included in the collective evaluation. When management determines that foreclosure is probable or when the participant is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of the collateral, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate.

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

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

#### ***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, 2024 and 2023.

#### ***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 2.75% and 3% during the years ended June 30, 2024 and 2023.

#### ***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.

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.

There were no assets with donor restrictions at June 30, 2024 or 2023.

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

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

#### ***Interest Income***

The Organization recognizes interest income on loans based on the underlying contractual rate with Participants. The change in discount on non-interest bearing loans is also included in interest income.

#### ***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, 2024 and 2023.

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

Directly identifiable expenses are charged to programs and supporting services.

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

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. The Organization considers all of its activities to be directly related to its exempt purpose in 2024 and 2023.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of the 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, 2024 and 2023, the Organization 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 consolidated financial statements were available to be issued, January 7, 2025, 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 June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, which is often referred to as the 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 Organization adopted ASU 2016-13 on July 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in enhanced disclosures only.

### 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>	<b>2024</b>	2023
Total assets at year end	<b>\$ 238,461,164</b>	\$ 200,701,345
Less those not available to meet cash needs for general expenditures within one year		
Loans receivable - participants, net	<b>(35,579,841)</b>	(37,012,566)
Due from related parties	-	(44,965)
Board designations	<b>(12,500,000)</b>	(10,725,006)
Financial assets available to meet cash needs for general expenditures within one year	<b>\$ 190,381,323</b>	\$ 152,918,808

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 \$12,500,000 and \$10,725,006 for the years ended June 30, 2024 and 2023. These net assets could be made available if necessary.



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

### Note 4: INVESTMENTS

Investments in marketable securities consist of the following:

<i>June 30,</i>	<b>2024</b>		2023	
	Cost	Fair Value	Cost	Fair Value
Short-term investments	\$ 1,204,089	\$ 1,204,089	\$ 2,492,848	\$ 2,492,848
Corporate obligations	7,952,100	7,923,713	6,187,496	5,751,663
Equity securities	16,028,408	23,024,535	17,191,883	21,828,354
Equity mutual funds	11,824,044	16,745,347	13,539,838	16,443,182
Debt mutual funds	15,409,206	15,383,710	15,737,685	12,997,798
U.S. government obligations	133,595,796	131,393,641	97,894,215	95,550,142
Pooled investment funds	42,071	33,997	53,500	64,493
<b>Total investments</b>	<b>\$ 186,055,714</b>	<b>\$ 195,709,032</b>	<b>\$ 153,097,465</b>	<b>\$ 155,128,480</b>

### Note 5: LOANS RECEIVABLE - PARTICIPANTS

Loans receivable consist of the following:

<i>June 30,</i>	<b>2024</b>	2023
Loans receivable	\$ 36,108,001	\$ 38,076,199
Interest receivable	177,686	157,041
Less:		
Allowance for credit losses	(516,049)	(461,915)
Net present value discount	(189,797)	(758,759)
<b>Loans receivable - participants, net</b>	<b>\$ 35,579,841</b>	<b>\$ 37,012,566</b>

All non-interest bearing loans have been discounted to the net present value using a discount rate of 4.50% for the years ended June 30, 2024 and 2023.

Changes in the allowance for credit losses during the year were as follows:

<i>For the years ended June 30,</i>	<b>2024</b>	2023
Balance, beginning of year	\$ 461,915	\$ 500,000
Provision for credit losses	54,134	(38,085)
<b>Balance, end of year</b>	<b>\$ 516,049</b>	<b>\$ 461,915</b>

## 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, designates 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>	<b>2024</b>	<b>2023</b>
Undesignated	\$ 5,834,764	\$ 100,000
Board designated		
Market reserves	<b>12,500,000</b>	10,725,006
<b>Total net assets without donor restrictions</b>	<b>\$ 18,334,764</b>	<b>\$ 10,825,006</b>

### 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, 2024 and 2023.

*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)

*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.

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

*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 Securities and Exchange Commission (SEC). These funds are required to publish their daily net asset value (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.

*Municipal bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This included basing value on yields currently available on comparable securities of issuers with similar credit ratings.

*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 of June 30, 2024:

<b>June 30, 2024</b>	Level 1	Level 2	Level 3	Total
Short-term investments	\$ 1,204,089	\$ -	\$ -	\$ 1,204,089
Corporate obligations	-	7,923,713	-	7,923,713
Equity securities	23,024,535	-	-	23,024,535
Equity mutual funds	16,745,347	-	-	16,745,347
Debt mutual funds	15,383,710	-	-	15,383,710
U.S. government obligations	129,495,922	-	-	129,495,922
Municipal bonds	-	1,897,719	-	1,897,719
<b>Total</b>	<b>185,853,603</b>	<b>9,821,432</b>	<b>-</b>	<b>195,675,035</b>
Investments measured at net asset value				
Pooled Investment Funds <sup>(A)</sup>				<b>33,997</b>
<b>Total investments at fair value</b>	<b>\$ 185,853,603</b>	<b>\$ 9,821,432</b>	<b>\$ -</b>	<b>\$ 195,709,032</b>

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

## 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 of June 30, 2023:

<i>June 30, 2023</i>	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	-	-	91,561,267
Municipal bonds	-	3,988,875	-	3,988,875
<b>Total</b>	<b>145,323,449</b>	<b>9,740,538</b>	<b>-</b>	<b>155,063,987</b>
Investments measured at net asset value				
Pooled investment funds <sup>(A)</sup>				64,493
<b>Total investments at fair value</b>	<b>\$ 145,323,449</b>	<b>\$ 9,740,538</b>	<b>\$ -</b>	<b>\$ 155,128,480</b>

<sup>(A)</sup> Investments that are measured at fair value using the net asset value per share have been excluded from the fair value hierarchy 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, 2024 and 2023, 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:

<i>Year-end</i>	Fair Value	Unfunded	Redemption Frequency (if eligible)	Redemption Notice Period
<b>June 30, 2024</b>	<b>\$ 33,997</b>	<b>\$ -</b>	<b>Unrestricted</b>	<b>Unrestricted</b>
<i>June 30, 2023</i>	\$ 64,493	\$ -	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 and manages risk by limiting balances in these accounts to less than federally insured limits. The Organization also maintains cash and cash equivalents in money market accounts. Cash and cash equivalents in money markets at June 30, 2024 and 2023, totaled approximately \$6,759,000 and \$8,181,000, respectively. The money market accounts are primarily invested in U.S. Treasury bills, notes and other obligations which are backed by the full faith and credit of the U.S. Government.

Credit risk for loans receivable – participants, net is also a concentration due to substantially all of the entities with balances receivable being located within the same geographic region.

### **Note 9: RELATED PARTY TRANSACTIONS**

#### ***Management Services***

During the year ended June 30, 2020, 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 \$2,130,000 and \$1,700,000 for the years ended June 30, 2024 and 2023, respectively.