The Roman Catholic Archdiocese of Atlanta Group Health Care Plan Trust and Subsidiary

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

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REPORT

CARR, RIGGS & INGRAM, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

To the Trustee, the Archbishop
And to the Management of
The Roman Catholic Archdiocese of Atlanta
Group Health Care Plan Trust and Subsidiary
Atlanta, Georgia

Opinion

We have audited the accompanying consolidated financial statements of The Roman Catholic Archdiocese of Atlanta Group Health Care Plan Trust (a nonprofit organization) and its subsidiary, AoA Group Health Care Plan, 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 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.

CARR, RIGGS & INGRAM, L.L.C.

Atlanta, Georgia
January 6, 2025

FINANCIAL STATEMENTS

Consolidated Statements of Financial Position

June 30,	**2024**	2023
Assets		
Funds on deposit with AoA Deposit and Loan Fund Trust	**$ 20,073,288**	$ 14,630,694
Accounts receivable - trade, net of allowances of $600,000 and $100,000	**3,301,148**	1,887,872
Investments	**5,077,631**	4,505,740
Other assets	**360,000**	117,187
Due from related parties	**977,678**	4,814,944
Total assets	**$ 29,789,745**	$ 25,956,437
Liabilities and Net Assets		
Liabilities		
Unpaid losses and loss adjustment expenses	**$ 3,391,748**	$ 3,179,551
Net assets		
Without donor restrictions	**26,397,997**	22,776,886
Total liabilities and net assets	**$ 29,789,745**	$ 25,956,437

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

The Roman Catholic Archdiocese of Atlanta
Group Health Care Plan Trust and Subsidiary
Consolidated Statements of Activities

For the years ended June 30,	**2024**	2023
Revenues and Other Income		
Premium billings	**$ 29,005,296**	$ 28,326,276
Investment income, net	**559,421**	337,628
Total revenues and other income	**29,564,717**	28,663,904
Expenses		
Program services		
Lay employees	**23,316,101**	21,283,838
Clergy	**2,591,612**	2,156,090
Seminarians	**72,691**	104,010
Total program services	**25,980,404**	23,543,938
Supporting services		
General and administrative	**418,266**	483,996
Total expenses	**26,398,670**	24,027,934
Change in net assets before other changes in net assets	**3,166,047**	4,635,970
Other Changes in Net Assets		
Realized and unrealized gain on investments	**455,064**	290,637
Change in net assets	**3,621,111**	4,926,607
Net assets without donor restrictions at beginning of year	**22,776,886**	17,850,279
Net assets without donor restrictions at end of year	**$ 26,397,997**	$ 22,776,886

For the year ended June 30, 2024

	Program Services				Supporting Services	
	Lay employees	Clergy	Seminarians	Programs subtotal	General and administrative	Total
Claims	$ 20,771,488	$ 2,455,095	$ 52,036	$ 23,278,619	$ -	**$ 23,278,619**
Premiums	1,044,427	74,871	10,528	1,129,826	-	**1,129,826**
Professional fees	604,491	32,669	6,431	643,591	-	**643,591**
Management fees	347,429	18,480	3,696	369,605	330,055	**699,660**
Bad debt	548,266	-	-	548,266	-	**548,266**
Miscellaneous	-	10,497	-	10,497	88,211	**98,708**
Total expenses	$ 23,316,101	$ 2,591,612	$ 72,691	$ 25,980,404	$ 418,266	**$ 26,398,670**

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

For the year ended June 30, 2023

	Program Services				Supporting Services	
	Lay employees	Clergy	Seminarians	Programs subtotal	General and administrative	Total
Claims	$ 19,345,338	$ 2,039,217	$ 84,374	$ 21,468,929	$ -	$ 21,468,929
Premiums	1,089,217	53,006	10,601	1,152,824	-	1,152,824
Professional fees	610,268	32,461	6,492	649,221	-	649,221
Management fees	239,015	12,714	2,543	254,272	389,384	643,656
Miscellaneous	-	18,692	-	18,692	94,612	113,304
Total expenses	$ 21,283,838	$ 2,156,090	$ 104,010	$ 23,543,938	$ 483,996	$ 24,027,934

Consolidated Statements of Cash Flows

For the years ended June 30,	**2024**	2023
Operating Activities		
Change in net assets	**$ 3,621,111**	$ 4,926,607
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Realized and unrealized gain on investments	**(455,064)**	(290,637)
Provision for credit losses	**500,000**	-
Changes in operating assets and liabilities		
Accounts receivable	**(1,913,276)**	(703,164)
Other assets	**(242,813)**	335,658
Unpaid losses and loss adjustment expenses	**212,197**	87,959
Net cash provided by (used in) operating activities	**1,722,155**	4,356,423
Investing Activities		
Purchases of investments	**(116,827)**	(86,058)
Advances (to) from related parties	**3,837,266**	(5,518,793)
Net cash provided by (used in) investing activities	**3,720,439**	(5,604,851)
Net change in cash, cash equivalents and funds on deposit with AoA Deposit and Loan Fund Trust	**5,442,594**	(1,248,428)
Cash, cash equivalents and funds on deposit with AoA Deposit and Loan Fund Trust, at beginning of year	**14,630,694**	15,879,122
Cash, cash equivalents and funds on deposit with AoA Deposit and Loan Fund Trust, at end of year	**$ 20,073,288**	$ 14,630,694

Note 1: DESCRIPTION OF THE ORGANIZATION

The accompanying consolidated financial statements include the accounts and transactions of The Roman Catholic Archdiocese of Atlanta Group Health Care Plan Trust (the Trust) and AoA Group Health Care Plan, LLC (collectively, the Organization). The Trust is the sole member of AoA Group Health Care Plan, LLC. The Archbishop of the Roman Catholic Archdiocese of Atlanta (the Archdiocese) is the sole Trustee of the Trust.

The Trust is an irrevocable charitable trust, established in 2018, which was organized to provide health benefits for priests and lay employees of the Archdiocese and their dependents who are eligible to participate in The Roman Catholic Archdiocese of Atlanta Group Health Care Plan (the Plan). The LLC was organized to assist in administering the Plan.

The Organization provides health benefits and assists in administering the Plan for lay employees, clergy and seminarians of the Archdiocese and their dependents who are eligible to participate.

Description of the Plan

The Plan was originally established and adopted by the Archdiocese of Atlanta on January 1, 2005, for the exclusive benefit of employees of parishes, schools, and affiliated entities and their eligible dependents. Effective February 1, 2019, the Archdiocese transferred sponsorship of the Plan to RCAA Administrative Services, Inc. (Services) which in turn entered into a management service agreement with the Organization whereby services provided to plan participants were provided by Services. The Plan is self-insured and establishes contribution rates and claims liabilities for unpaid losses and loss adjustments, including claims incurred but not reported through the use of an independent actuary. The Plan seeks to protect itself from unusually large losses by securing reinsurance. The Plan is a non-electing church plan in accordance with section 4(b)(2) of the Employee Retirement Income Security Act. Services believes the Plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act.

Eligibility

Priests, clergy and seminarians who provide services to an employer are eligible to enroll for coverage under the Plan as of the first day of service upon approval of the Archbishop. Full time lay employees, including deacons, who work a minimum of 1,500 hours annually are also eligible to enroll for coverage under the Plan once he/she completes a waiting period of 60 days of full-time employment. Eligibility ends upon termination of employment.

Premiums

The Plan is funded principally by premiums from the participating employers. Premiums are held by the Organization for payments of benefits.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Plan Termination

Although it has not expressed any intent to do so, the Organization has the right, under the Plan, to terminate the Plan at any time. Any funds remaining in the Organization would be restricted to paying benefit expenses, plan benefits, or other permitted expenses for the benefit of employees.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Roman Catholic Archdiocese of Atlanta Group Health Care Plan Trust and AoA Group Health Care Plan, LLC. All intercompany accounts and transactions have been eliminated in consolidation.

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 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 and are related to claims incurred but not reported, which are a component of the liability for unpaid losses and loss adjustment expenses on the consolidated statements of financial position, and the allowance for credit losses.

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 consolidated statements of financial position.

Funds on Deposit with AoA Deposit and Loan Fund Trust

The Organization 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 other Archdiocesan entities. The Organization's funds invested in the AoA Deposit and Loan Fund Trust totaled $20,073,288 and $14,630,694 at June 30, 2024 and 2023, respectively. The Organization's funds invested in the AoA Deposit and Loan Fund Trust earn interest at a rate which varied between 2.75% and 3% during the years ended June 30, 2024 and 2023.

Accounts Receivable

Accounts receivable represent amounts owed to the Organization which are expected to be collected within twelve months and are presented in the consolidated statements of financial position net of the allowance for credit losses.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Credit Losses

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received. The allowance for credit losses was $600,000 and $100,000 at June 30, 2024 and 2023, respectively.

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.

At June 30, 2024 and 2023, the Organization'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.

Insurance Liabilities

The liability for unpaid losses and loss adjustment expenses includes an amount determined from loss reports and individual cases and an amount, based on past experience, for losses incurred but not reported (IBNR). The IBNR estimate was $2,707,358 and $2,555,100, as of June 30, 2024, and 2023, respectively, and is included as a component of the liability for unpaid losses and loss adjustment expenses on the consolidated statements of financial position.

The claims incurred but not reported accrual represents the amount owed by the Organization to valid claimants who have had a covered loss but have not yet reported it prior to year-end.

The Organization estimates this accrual based on a reserve analysis provided by a third-party actuarial service company; however, the ultimate liability may be in excess of or less than the amounts provided. The methods used for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in earnings, currently.

Net Assets

The Organization 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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (continued)

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 it 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.

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 net assets with donor restrictions at June 30, 2024 and 2023.

Revenue Recognition

Insurance premium billings are accounted for under the guidance of FASB ASC 944 *Financial Services – Insurance*, recognizing revenue monthly in proportion to the amount of insurance protection provided.

Excess Insurance

In the normal course of business, the Organization seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results by reinsuring certain levels of risk with other insurance enterprises. Amounts recoverable from reinsurers are estimated in a manner consistent with the reinsured policy. The Organization records claims expense net of reinsurance recognized during the period in the consolidated statements of activities. Total reinsurance recognized during the years ended June 30, 2024 and 2023 was $1,124,804 and $611,945, respectively.

The Organization holds a calendar year insurance policy for medical stop loss coverage through The Catholic Relief Insurance Company of America II (CRIC II). During the calendar years ended December 31, 2024 and 2023, the Organization had coverage within the stop loss corridor of $400,000 and an unlimited amount per individual enrolled.

Beginning May 1, 2024, the Organization entered into an additional stop loss policy through HCC Life Insurance Company. During the period from May 1, 2024 through December 31, 2024, the Organization had coverage within the stop loss corridor of $1,000,000 and an unlimited amount per individual enrolled. Under the terms of the agreement if a claim is eligible under two different stop loss contracts, it may only be filed for reimbursement in the earliest contract under which it is eligible.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Benefit Payments

The Plan provides coverage of any medically necessary, usual and customary item of expense incurred by a covered person which is covered at least in part by the Plan.

Health claims and premiums are reported when paid. Any refunds due to overpayments, subrogation, or adjustments are recorded in the period received and are shown netted with payments.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Other expenses that are common to several functions, such as management service fees, are allocated based on actual percentages of time spent in each functional area and estimates of asset usage.

Income Taxes

The Organization is a religious organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the consolidated financial statements. Income from certain activities not directly related to the tax-exempt purpose of nonprofit entities is subject to taxation as unrelated business income. The Organization considers all of its activities to be directly related to its exempt purpose in 2024 and 2023.

The Organization utilizes the accounting requirements associated with 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 consolidated 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 consolidated financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued January 6, 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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

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 January 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in enhanced disclosures only.

Accounting Guidance not yet Adopted

In August 2018, the FASB issued ASU 2018-12, *Financial Services—Insurance* (Topic 944)*: Targeted Improvements to the Accounting for Long-Duration Contracts*. The guidance is effective for non-public entities for fiscal years beginning after December 15, 2024. Early adoption is permitted. The guidance (i) prescribes the discount rate to be used in measuring the liability for future policy benefits for traditional and limited payment long-duration contracts, and requires assumptions for those liability valuations to be updated after contract inception, (ii) requires more market-based product guarantees on certain separate account and other account balance long-duration contracts to be accounted for at fair value, (iii) simplifies the amortization of deferred policy acquisition costs (DAC) for virtually all long-duration contracts, and (iv) introduces certain financial statement presentation requirements, as well as significant additional quantitative and qualitative disclosures. The Organization is currently evaluating the impact of the guidance on its consolidated financial statements.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in Funds on Deposit with AoA Deposit and Loan Fund Trust and investments to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the consolidated statement of financial position date:

June 30,	**2024**	2023
Total assets at year end	**$ 29,789,745**	$ 25,956,437
Less non-financial assets		
Other assets	**(360,000)**	(117,187)
Financial assets available to meet cash needs for general expenditures within one year	**$ 29,429,745**	$ 25,839,250

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)

Funds on deposit and investments are without contractual or donor restrictions and are available to meet cash needs for general expenditure, however, the Organization typically reserves these funds to cover upcoming claims. The liability for unpaid losses and loss adjustment expenses for the years ended June 30, 2024 and 2023 totaled $3,391,748 and $3,179,551, respectively.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

June 30,	**2024**	2023
Participant accounts receivable	**$ 2,178,903**	$ 711,512
Other receivables	**1,722,245**	1,276,360
Total accounts receivable	**3,901,148**	1,987,872
Less allowance for credit losses	**(600,000)**	(100,000)
Accounts receivable, net	**$ 3,301,148**	$ 1,887,872

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

For the years ended June 30,	**2024**	2023
Balance, beginning of year	**$ 100,000**	$ 100,000
Provision for credit losses	**548,266**	-
Write-offs	**(48,266)**	-
Balance, end of year	**$ 600,000**	$ 100,000

Note 5: INVESTMENTS

Investments consist of the following:

June 30,	**2024**		2023	
	Cost	Fair Value	Cost	Fair Value
AoA Common Fund Trust	**$ 4,235,766**	**$ 5,077,631**	$ 4,215,085	$ 4,505,740

Note 6: REVENUE

Insurance premium billings are earned and recognized in the period in which the coverage has been provided to the participants. Premiums are billed monthly in the month in which coverage is provided.

Revenue from Premium Billings

Insurance premium billings consist of the following:

For the years ended June 30,	**2024**	2023
Lay employees	**$ 25,426,908**	$ 24,935,055
Clergy	**3,463,057**	3,266,672
Seminarians	**115,331**	124,549
Total revenue from premium billings	**$ 29,005,296**	$ 28,326,276

The Organization's participants are primarily parishes and missions within the Roman Catholic Archdiocese of Atlanta, which covers approximately fifty percent of the state of Georgia.

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 Organization 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.

Note 7: FAIR VALUE MEASUREMENTS (Continued)

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.

AoA Common Fund Trust – valued based on net asset value (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 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 consists of the following:

Year-end	Fair Value	Unfunded Commitments	Redemption Frequency (if eligible)	Redemption Notice Period
June 30, 2024	**$ 5,077,631**	**$ -**	**Unrestricted**	**Unrestricted**
June 30, 2023	$ 4,505,740	$ -	Unrestricted	Unrestricted

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 transfers in or out of Levels 1, 2 or 3.

Note 7: FAIR VALUE MEASUREMENTS (Continued)

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:

June 30, 2024	Level 1	Level 2	Level 3	Total
Investments held by AoA Commonfund Trust [(A)]				**$ 5,077,631**

June 30, 2023	Level 1	Level 2	Level 3	Total
Investments held by AoA Commonfund Trust [(A)]				$ 4,505,740

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

Note 8: CONCENTRATIONS OF CREDIT RISK

The Organization has cash deposits with AoA Deposit and Loan Fund Trust. Funds on deposit with AoA Deposit and Loan Fund Trust are not FDIC insured.

Note 9: RELATED PARTY TRANSACTIONS

Management Services

The Organization entered into a management service agreement with Services, dated October 1, 2020, whereby the Organization is billed monthly 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 September 30, 2021, with automatic annual renewals on October 1 of each succeeding year unless Services or the Organization wish to cancel the agreement by giving 30 days advance notice to the other party. The initial cost of the Agreement was $600,000 with annual increases based on the Social Security Cost of Living Adjustment Rate.

The total expense related to the management agreements was approximately $700,000 and $644,000 for the years ended June 30, 2024 and 2023, respectively.

Note 9: RELATED PARTY TRANSACTIONS (Continued)

Funds on Deposit and Investments with Related Parties

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

Participant Accounts Receivable

Participant accounts receivable, included in accounts receivable, net, on the consolidated statements of financial position, are primarily due from parishes and missions within the Roman Catholic Archdiocese of Atlanta.