



**RCAA Administrative Services, Inc.**

**FINANCIAL STATEMENTS**

**June 30, 2024 and 2023**



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# REPORT





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## **INDEPENDENT AUDITOR'S REPORT**

His Excellency, the Most Reverend Archbishop of Atlanta  
And to the Board of Directors  
RCAA Administrative Services, Inc.  
Atlanta, Georgia

### **Opinion**

We have audited the accompanying financial statements of RCAA Administrative Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, 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 RCAA Administrative Services, Inc. (Services) 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 Financial Statements section of our report. We are required to be independent of Services 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 Services' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's 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 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 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 Services' 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 Services' ability to continue as a going concern for a reasonable period of time.

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

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

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia  
December 20, 2024



# FINANCIAL STATEMENTS



**RCAA Administrative Services, Inc.**  
**Statements of Financial Position**

<i>June 30,</i>	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 17,617,026	\$ 18,242,404
Funds on deposit with AoA Deposit and Loan Fund Trust	2,701,492	2,622,597
Accounts receivable, net of allowances of \$200,000 and \$350,000	2,452,809	867,563
Investments	51,031,166	45,313,632
Priests' retirement plan	10,983,414	5,402,853
Priests' long-term care plan	5,321,315	4,042,883
Senior priest welfare plan	9,365,776	5,988,187
Other assets	2,702,152	2,064,715
<b>Total assets</b>	<b>\$ 102,175,150</b>	<b>\$ 84,544,834</b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 9,219,119	\$ 3,532,680
Custodial funds payable	150,459	133,494
Due to related parties	2,803,337	6,463,120
<b>Total liabilities</b>	<b>12,172,915</b>	<b>10,129,294</b>
<b>Net assets without donor restrictions</b>	<b>90,002,235</b>	<b>74,415,540</b>
<b>Total liabilities and net assets</b>	<b>\$ 102,175,150</b>	<b>\$ 84,544,834</b>

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

**RCAA Administrative Services, Inc.**  
**Statements of Activities**

<i>For the years ended June 30,</i>	<b>2024</b>	<b>2023</b>
<b>Revenues and Other Income</b>		
Insurance premiums	\$ 13,481,968	\$ 13,209,368
Management fee revenue	2,857,173	2,367,660
Contribution of non-financial assets - rent	39,946	37,402
Investment income, net	2,171,998	1,443,352
<b>Total revenues and other income</b>	<b>18,551,085</b>	<b>17,057,782</b>
<b>Expenses</b>		
<i>Program services</i>		
Pension and retirement	5,245,830	6,039,277
Priest long-term care	117,458	122,846
Priest welfare	579,554	591,695
Other insurance	8,387,764	4,447,378
Shared services	1,817,804	1,540,188
<b>Total program services</b>	<b>16,148,410</b>	<b>12,741,384</b>
<i>Supporting services</i>		
General and administrative	716,622	689,525
<b>Total expenses</b>	<b>16,865,032</b>	<b>13,430,909</b>
Change in net assets before other gain	1,686,053	3,626,873
<b>Other Changes in Net Assets</b>		
ASC 715 pension benefit	1,427,915	1,029,602
Realized and unrealized gain on investments	4,028,322	1,852,136
Change in net assets before other changes in net assets	7,142,290	6,508,611
Other ASC 715 pension benefit	8,444,405	4,768,179
<b>Total change in net assets</b>	<b>15,586,695</b>	<b>11,276,790</b>
Net assets without donor restrictions at beginning of year	74,415,540	63,138,750
<b>Net assets without donor restrictions at end of year</b>	<b>\$ 90,002,235</b>	<b>\$ 74,415,540</b>

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



**RCAA Administrative Services, Inc.**  
**Statements of Functional Expenses**

*For the year ended June 30, 2024*

	Program Services						Supporting Services	Total
	Pension and retirement	Priest long-term care	Priest welfare	Other insurance	Shared services	Programs subtotal	General and administrative	
Salaries and benefits	\$ -	\$ -	\$ -	\$ -	\$ 1,694,324	\$ 1,694,324	\$ 604,512	\$ <b>2,298,836</b>
Bonds and assessments	-	-	-	41,100	-	41,100	-	<b>41,100</b>
Claims	-	-	15,255	6,633,817	-	6,649,072	-	<b>6,649,072</b>
Insurance and risk management	-	-	-	108,664	-	108,664	-	<b>108,664</b>
Contribution of non-financial assets - rent	-	-	-	18,688	21,258	39,946	-	<b>39,946</b>
Miscellaneous	-	-	-	116,148	3,930	120,078	26,207	<b>146,285</b>
Office expenses	-	-	-	-	91,903	91,903	-	<b>91,903</b>
Plan funding and service cost	5,184,687	117,393	285,698	-	-	5,587,778	-	<b>5,587,778</b>
Premiums	-	-	278,354	1,120,675	-	1,399,029	-	<b>1,399,029</b>
Professional fees	61,143	65	247	348,672	6,389	416,516	85,903	<b>502,419</b>
<b>Total expenses</b>	<b>5,245,830</b>	<b>117,458</b>	<b>579,554</b>	<b>8,387,764</b>	<b>1,817,804</b>	<b>16,148,410</b>	<b>716,622</b>	<b>16,865,032</b>
ASC 715 pension benefit	(570,533)	(320,805)	(536,577)	-	-	(1,427,915)	-	<b>(1,427,915)</b>
Other ASC 715 pension benefit	(4,766,460)	(798,321)	(2,879,624)	-	-	(8,444,405)	-	<b>(8,444,405)</b>
<b>Total allocated changes in net assets</b>	<b>\$ (91,163)</b>	<b>\$ (1,001,668)</b>	<b>\$ (2,836,647)</b>	<b>\$ 8,387,764</b>	<b>\$ 1,817,804</b>	<b>\$ 6,276,090</b>	<b>\$ 716,622</b>	<b>\$ 6,992,712</b>

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

**RCAA Administrative Services, Inc.**  
**Statements of Functional Expenses (Continued)**

*For the year ended June 30, 2023*

	Program Services						Supporting Services	Total
	Pension and retirement	Priest long-term care	Priest welfare	Other insurance	Shared services	Programs subtotal	General and administrative	
Salaries and benefits	\$ -	\$ -	\$ -	\$ -	\$ 1,453,359	\$ 1,453,359	\$ 608,757	\$ 2,062,116
Bonds and assessments	-	-	-	54,078	-	54,078	-	54,078
Claims	-	-	28,524	2,993,200	-	3,021,724	-	3,021,724
Insurance and risk management	-	-	-	95,118	-	95,118	-	95,118
Contribution of non-financial assets - rent	-	-	-	17,498	19,904	37,402	-	37,402
Miscellaneous	-	-	-	97,993	3,140	101,133	18,307	119,440
Office expenses	-	-	-	-	63,785	63,785	-	63,785
Plan funding and service cost	6,025,130	121,741	293,134	-	-	6,440,005	-	6,440,005
Premiums	-	-	266,032	968,994	-	1,235,026	-	1,235,026
Professional fees	14,147	1,105	4,005	220,497	-	239,754	62,461	302,215
<b>Total expenses</b>	<b>6,039,277</b>	<b>122,846</b>	<b>591,695</b>	<b>4,447,378</b>	<b>1,540,188</b>	<b>12,741,384</b>	<b>689,525</b>	<b>13,430,909</b>
ASC 715 pension benefit	(232,340)	(294,882)	(502,380)	-	-	(1,029,602)	-	(1,029,602)
Other ASC 715 pension benefit	(3,683,458)	(429,753)	(654,968)	-	-	(4,768,179)	-	(4,768,179)
<b>Total allocated changes in net assets</b>	<b>\$ 2,123,479</b>	<b>\$ (601,789)</b>	<b>\$ (565,653)</b>	<b>\$ 4,447,378</b>	<b>\$ 1,540,188</b>	<b>\$ 6,943,603</b>	<b>\$ 689,525</b>	<b>\$ 7,633,128</b>

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

**RCAA Administrative Services, Inc.**  
**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	\$ 15,586,695	\$ 11,276,790
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
ASC 715 pension benefit	(8,444,405)	(4,768,179)
Realized and unrealized gain on investments	(4,028,322)	(1,852,136)
Provision for credit losses	(150,000)	-
Changes in operating assets and liabilities		
Accounts receivable	(1,435,246)	(133,863)
Priests' retirement plan	(814,101)	275,470
Priests' long-term care plan	(480,111)	(425,545)
Senior priest welfare plan	(497,965)	(438,509)
Other assets	(637,437)	(99,022)
Accounts payable and accrued expenses	5,686,439	(219,996)
Custodial funds payable	16,965	11,221
Net cash provided by (used in) operating activities	<b>4,802,512</b>	<b>3,626,231</b>
<b>Investing Activities</b>		
Proceeds from sale of investments	154,383,604	131,854,542
Purchase of investments	(156,072,816)	(134,248,515)
Advances (to) from related parties	(3,659,783)	2,313,373
Net cash provided by (used in) investing activities	<b>(5,348,995)</b>	<b>(80,600)</b>
Net change in cash, cash equivalents and funds on deposit with AoA Deposit and Loan Fund Trust	<b>(546,483)</b>	<b>3,545,631</b>
Cash, cash equivalents and funds on deposit with AoA Deposit and Loan Fund Trust, at beginning of year	<b>20,865,001</b>	<b>17,319,370</b>
Cash, cash equivalents and funds on deposit with AoA Deposit and Loan Fund Trust, at end of year	<b>\$ 20,318,518</b>	<b>\$ 20,865,001</b>
<b>Presented on Statements of Financial Position as:</b>		
Cash and cash equivalents	\$ 17,617,026	\$ 18,242,404
Funds on deposit with AoA Deposit and Loan Fund Trust	<b>2,701,492</b>	<b>2,622,597</b>
Cash, cash equivalents and funds on deposit with AoA Deposit and Loan Fund Trust, at end of year	<b>\$ 20,318,518</b>	<b>\$ 20,865,001</b>

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

## RCAA Administrative Services, Inc. Notes to Financial Statements

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

The accompanying financial statements include the accounts and transactions of RCAA Administrative Services, Inc. (Services) which is a Georgia nonprofit corporation with no members, established in 2019, and 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) exercises control over Services by appointing the Board of Directors.

Services provides services for the benefit of the Archdiocese, the parishes in the Archdiocese, certain affiliated organizations subject to canonical administration of the Archbishop, and other institutions in support of the mission of the Archdiocese.

Services conducts the following programs:

*Pension and Retirement* - Services administers a retirement plan which covers all priests incardinated in the Archdiocese. Additionally, Services sponsors a defined contribution retirement plan that covers substantially all lay employees within the Archdiocese.

*Priest Long-Term Care* - Services administers a long-term care plan which covers priests incardinated in the Archdiocese.

*Priest Welfare* - Services administers a welfare plan which covers all priests eligible for Medicare and incardinated in the Archdiocese.

*Other Insurance* - Services provides funding for other insurance plans such as automobile insurance, workers compensation insurance, property and liability insurance, an employee assistance program, and voluntary term life insurance for the benefit of the Archdiocese, the parishes in the Archdiocese, certain affiliated organizations subject to canonical administration of the Archbishop, and other institutions in support of the mission of the Archbishop.

*Shared Services* - Services provides various administrative and other office functions for the benefit of the Archdiocese, the parishes in the Archdiocese, certain affiliated organizations subject to canonical administration of the Archbishop, and other institutions in support of the mission 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).

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

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

***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 projected benefit obligations related to the priests' retirement plan, long-term care plan and welfare plan, the allowance for credit losses, and allocation of functional expenses.

***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***

Services has funds set aside with the AoA Deposit and Loan Fund Trust. AoA Deposit and Loan Fund Trust receives funds from various Archdiocesan entities and in turn loans funds to other Archdiocesan entities. Services' funds with the AoA Deposit and Loan Fund Trust totaled \$2,701,492 and \$2,622,597 at June 30, 2024 and 2023, respectively. Services' funds deposited in the AoA Deposit and Loan Fund Trust earned 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 Services which are expected to be collected within twelve months and are presented in the statements of financial position net of the allowance for credit losses.

***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 \$200,000 and \$350,000 at June 30, 2024 and 2023.

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

***Investments***

Services reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying 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.

At June 30, 2024 and 2023, a portion of Services' investments are in pooled investment funds known as the AoA Common Fund Trust, as well as assets held within a protected captive insurance cell. The investment allocation within the pooled investment funds includes equities and fixed income investments.

***Post Retirement Benefits***

Services accrues for the actuarially determined cost of pension and post-retirement benefits over the service attribution period of the priests within the plans. Services must develop long-term assumptions, the most significant of which are mortality projections, estimated future cost of living, discount rates and the expected return on plan assets. The costs associated with the plan and recognized in Services' financial statements are as follow:

- Service costs are included within plan funding and service cost on the statements of functional expenses.
- Interest cost, expected return on plan assets, and amortization of prior service costs (credits) are presented as ASC 715 pension benefit on the statements of activities and functional expenses.
- Amortization of gains and losses arising from the annual remeasurement of the plan are presented as Other ASC 715 pension benefit on the statements of activities and functional expenses.

***Net Assets***

Services 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 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 Services, 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.

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.

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

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

***Net Assets (continued)***

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the 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.

Management fee revenue is accounted for under the guidance of FASB ASC 606 *Revenue from Contracts with Customers*, recognizing revenue monthly as services are provided.

***Self-Insurance Program***

In order to help manage self-insurance risks related to property and liability the Archdiocese participates in a protected captive insurance cell within the Catholic Relief Insurance Company of America II (CRIC II). Services obtains insurance coverage from the protected cell and bears a risk of loss from claims in excess of premiums paid to the cell. Based on the control of the protected cell and the structure of CRIC II, the assets and liabilities of the captive cell have been included within Services statements of financial position. Insurance premium payments to the protected cell were approximately \$3,200,000 and \$2,700,000 for the years ended June 30, 2024 and 2023.

***Benefit Payments***

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.

***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 Services. 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. Other expenses that are common to several functions are allocated based on actual percentages of time spent in each functional area and estimates of asset usage.

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

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

***Income Taxes***

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

Services 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, Services 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, December 20, 2024, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

***Recent Accounting Pronouncements***

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurements 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 of 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 and credit deterioration.

Services adopted ASU 2016-13 on July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.



**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

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

***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. Services is currently evaluating the impact of the guidance on its financial statements.

**Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY**

Services maintains its financial assets primarily in cash, cash equivalents, funds on deposit with the AoA Deposit and Loan Fund Trust, and investments. The following reflects Services' 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.

<u>June 30,</u>	<u>2024</u>	<u>2023</u>
Total assets at year end	\$ 102,175,150	\$ 84,544,834
Less non-financial assets		
Other assets	(2,702,152)	(2,064,715)
Financial assets at year-end	99,472,998	82,480,119
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Cash - captive insurance cell	(1,207,149)	(57,935)
Deferred compensation	(212,224)	(206,026)
Other compensation obligations	(405,356)	(393,518)
Obligations to related parties	(2,803,337)	(6,463,120)
Investments at fair value - custodial funds	(150,459)	(133,494)
Investments at fair value - reinsurance	(360,588)	(319,940)
Investments at fair value - CRIC II	(50,520,119)	(44,111,247)
Priests' retirement plan assets	(10,983,414)	(5,402,853)
Priests' long-term care plan assets	(5,321,315)	(4,042,883)
Senior priest welfare plan assets	(9,365,776)	(5,988,187)
Financial assets available to meet cash needs for general expenditures within one year	\$ 18,143,261	\$ 15,360,916

Services is principally supported by insurance premiums and management fee revenue. The goal of Services is to maintain available financial assets to meet its next 90 days of operating expenses.

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following:

<i>June 30,</i>	<b>2024</b>		2023	
Participant accounts receivable	\$	<b>741,167</b>	\$	449,583
Employee assistance receivable		<b>116,404</b>		94,108
Other receivables		<b>1,795,238</b>		673,872
Total accounts receivable		<b>2,652,809</b>		1,217,563
Less allowance for credit losses		<b>(200,000)</b>		(350,000)
Accounts receivable, net	\$	<b>2,452,809</b>	\$	867,563

**Note 5: INVESTMENTS**

Investments consist of the following:

<i>June 30,</i>	<b>2024</b>		2023	
	Cost	Fair Value	Cost	Fair Value
AoA Common Fund Trust	\$ 424,183	\$ 511,047	\$ 424,183	\$ 453,434
CRIC II	40,741,807	50,520,119	40,102,733	44,111,247
U.S. government obligations	-	-	727,250	748,951
Total investments	<b>\$ 41,165,990</b>	<b>\$ 51,031,166</b>	<b>\$ 41,254,166</b>	<b>\$ 45,313,632</b>

**Note 6: DEFERRED COMPENSATION**

Services has a deferred compensation plan with a certain key employee. Under the terms of the plan, the employee may elect to defer a portion of his base salary that would otherwise be payable by Services during the next plan year commencing after the date of the election. Services does not make contributions to the plan and distributions are not allowed until termination of employment with Services. The deferred compensation balance totaled \$212,224 and \$206,026 at June 30, 2024 and 2023, respectively.

**Note 7: REVENUE**

***Premium Billings***

Insurance premium billings are earned and recognized in the period in which the coverage has been provided to the participants. Services' participants are primarily parishes and missions within the Archdiocese, which covers approximately fifty percent of the state of Georgia.

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

**Note 7: REVENUE (Continued)**

***Management Fee Revenue***

Services has management agreements with several related parties (Note 13) whereby Services bills for accounting services, client services, investment management and banking services, internal audit services and record retention services. Management income is recognized on a monthly basis as the performance obligation to provide services is satisfied. There were no accounts receivable, contract assets or performance obligations related to management fee revenue at June 30, 2024 and 2023.

***Disaggregated Revenue***

A summary of disaggregated revenue information follows:

<i>For the years ended June 30,</i>	<b>2024</b>	2023
Insurance premiums		
Lay retirement	\$ 4,276,081	\$ 4,289,780
Priests retirement	1,418,532	1,289,941
Priests long term care	281,470	267,349
Senior Priest welfare	522,944	495,637
Property and liability	3,604,622	3,592,962
Auto	393,256	377,891
Workmen's compensation	2,076,798	2,014,526
Long term disability	897,915	871,232
Other	10,350	10,050
<b>Total insurance premiums</b>	<b>13,481,968</b>	13,209,368
Management fee revenue		
AoA Deposit and Loan Fund Trust	2,130,000	1,700,004
AoA Group Health Care Plan Trust	700,000	643,656
Catholic Foundation of North Georgia, Inc.	7,200	6,000
Catholic Charities of the Archdiocese of Atlanta, Inc.	19,973	18,000
<b>Total management fee revenue</b>	<b>2,857,173</b>	2,367,660
Contributions of non-financial assets - rent	39,946	37,402
Investment income, net	2,171,998	1,443,352
<b>Total revenues and other income</b>	<b>\$ 18,551,085</b>	\$ 17,057,782

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

**Note 8: CONTRIBUTIONS IN-KIND**

Services uses real property contributed by a related party, AoA Properties Holding, Inc. (Note 13) at no cost to Services. All donated space was utilized by Services' program services. There were no donor-imposed restrictions associated with the contributed space.

The value of contributed real property was approximately \$40,000 and \$37,400, during the years ended June 30, 2024 and 2023, and is reported as contribution of non-financial assets – rent 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.

**Note 9: POST RETIREMENT BENEFITS**

***Priests' Retirement Plan***

On July 1, 1969, the Archdiocese adopted a retirement plan which covers all priests incardinated in the Archdiocese which is administered by Services. Services' funding policy is to make contributions to the plan at such times and in such amounts required to keep the plan actuarially sound. Benefits are based on years of service. Contributions are intended to provide not only for benefits attributed to service to-date, but also for those expected to be earned in the future. Services expects to contribute approximately \$1,443,000 to the Plan during the fiscal year ending June 30, 2025.

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

**Note 9: POST RETIREMENT BENEFITS (Continued)**

***Priests' Retirement Plan (continued)***

The following table provides further information about Services' priests' retirement plan:

<i>For the years ended June 30,</i>	<b>2024</b>	2023
Obligation and funded status		
Projected benefit obligation	\$ (33,295,293)	\$ (33,651,065)
Plan assets at fair value	<b>44,278,707</b>	39,053,918
<b>Funded status</b>	<b>\$ 10,983,414</b>	\$ 5,402,853
Accumulated benefit obligation	\$ 33,295,293	\$ 33,651,065
Employer contribution	<b>1,391,587</b>	1,275,860
Benefits paid	<b>1,548,074</b>	1,192,630
Amounts recognized in the statements of financial position:		
Noncurrent assets	<b>10,983,414</b>	5,402,853
Amounts recognized in the statements of activities:		
Service cost	<b>1,148,019</b>	1,783,670
Interest cost	<b>1,619,478</b>	1,456,468
Expected return on plan assets	<b>(2,303,166)</b>	(2,080,200)
Amortization of net loss	<b>113,155</b>	391,392
<b>Net periodic pension cost</b>	<b>\$ 577,486</b>	\$ 1,551,330
Other changes in net assets		
Actuarial loss	\$ 4,653,305	\$ 3,292,066
Amortization of net loss	<b>113,155</b>	391,392
<b>Total</b>	<b>\$ 4,766,460</b>	\$ 3,683,458

There is no estimated net loss that will be amortized from changes in net assets without donor restriction into net periodic benefit cost in 2025.

The decrease in the projected benefit obligation is primarily due to an increase in interest rates and change in mortality tables used during the year ended June 30, 2024.

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

**Note 9: POST RETIREMENT BENEFITS (Continued)**

***Priests' Retirement Plan (continued)***

The following assumptions were used in accounting for the plan:

<i>For the years ended June 30,</i>	<b>2024</b>	<b>2023</b>
Weighted-average assumptions used to determine benefit obligations:		
Discount rate	<b>5.3%</b>	4.9%
Expected return on plan assets	<b>5.5%</b>	6.0%
Future cost of living adjustments	<b>2.5%</b>	2.5%
Weighted-average assumptions used to determine net periodic benefit cost:		
Discount rate	<b>4.9%</b>	4.5%
Expected return on plan assets	<b>6.0%</b>	6.0%
Future cost of living adjustments	<b>2.5%</b>	2.5%

Services' overall investment strategy is to achieve a mix of investments for long-term growth and near-term benefit payments with a diversification of asset types, fund strategies, and fund managers. The target allocation for plan assets is 65% equity securities and 35% corporate bonds and U.S. Treasury securities.

Services' expected rate of return on plan assets is determined by the plan assets historical long-term investment performance, current asset allocation, and estimates of future long-term returns by asset class.

No plan assets are expected to be returned to Services during the fiscal year ending June 30, 2025.

The following benefits are expected to be paid:

<i>For the years ending June 30,</i>	
2025	\$ 1,442,829
2026	1,484,611
2027	1,570,315
2028	1,666,722
2029	1,863,260
2030-2034	10,640,326
<b>Total</b>	<b>\$ 18,668,063</b>

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

**Note 9: POST RETIREMENT BENEFITS (Continued)**

***Priests' Retirement Plan (continued)***

Billings to the parishes and Archdiocesan organizations for priests' retirement are reported in insurance revenues and totaled \$1,418,532 and \$1,289,941 for the years ended June 30, 2024 and 2023, respectively.

<i>For the years ended June 30,</i>	<b>2024</b>	2023
Pension and administrative expenses	\$ <b>1,156,984</b>	\$ 1,783,696
Billings to parishes and organizations	<b>(1,418,532)</b>	(1,289,941)
<b>Total</b>	<b>\$ (261,548)</b>	\$ 493,755

The fair values of Services' priests' retirement plan assets at June 30, 2024, by asset category consists of the following:

<b>June 30, 2024</b>	Level 1	Level 2	Level 3	Total
Investments				
Short-term investments	\$ -	\$ 1,313,456	\$ -	\$ <b>1,313,456</b>
U.S. Treasury obligations	3,209,968	-	-	<b>3,209,968</b>
Marketable debt securities	-	4,410,705	-	<b>4,410,705</b>
Marketable equity securities	15,746,220	-	-	<b>15,746,220</b>
Equity mutual funds	12,607,880	-	-	<b>12,607,880</b>
Debt mutual funds	6,982,793	-	-	<b>6,982,793</b>
<b>Total investments</b>	<b>38,546,861</b>	<b>5,724,161</b>	<b>-</b>	<b>44,271,022</b>
Investments measured at net asset value				
Pooled investment funds <sup>(A)</sup>				<b>7,685</b>
<b>Total</b>	<b>\$ 38,546,861</b>	<b>\$ 5,724,161</b>	<b>\$ -</b>	<b>\$ 44,278,707</b>

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

**Note 9: POST RETIREMENT BENEFITS (Continued)**

***Priests' Retirement Plan (continued)***

The fair values of Services' priests' retirement plan assets at June 30, 2023, by asset category consists of the following:

<i>June 30, 2023</i>	Level 1	Level 2	Level 3	Total
<b>Investments</b>				
Short-term investments	\$ -	\$ 680,792	\$ -	\$ 680,792
U.S. Treasury obligations	4,218,049	-	-	4,218,049
Marketable debt securities	-	2,848,938	-	2,848,938
Marketable equity securities	13,941,874	-	-	13,941,874
Equity mutual funds	10,770,048	-	-	10,770,048
Debt mutual funds	6,580,125	-	-	6,580,125
<b>Total investments</b>	<b>35,510,096</b>	<b>3,529,730</b>	<b>-</b>	<b>39,039,826</b>
<b>Investments measured at net asset value</b>				
Pooled investment funds <sup>(A)</sup>				14,092
<b>Total</b>	<b>\$ 35,510,096</b>	<b>\$ 3,529,730</b>	<b>\$ -</b>	<b>\$ 39,053,918</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.

***Priests' Long-Term Care Plan***

On January 1, 2012, the Archdiocese adopted a long-term care plan covering priests within the Archdiocese. To be eligible for the plan, a priest must be incardinated within the Archdiocese and must be an active participant in the priests' retirement plan. There are no minimum age or service requirements to qualify for benefits under the plan. Services expects to contribute approximately \$222,000 to the Plan during the fiscal year ending June 30, 2025.



**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

**Note 9: POST RETIREMENT BENEFITS (Continued)**

***Priests' Long-Term Care Plan (continued)***

The following table provides further information about the priests' long-term care plan:

<i>For the years ended June 30,</i>	<b>2024</b>	<b>2023</b>
Obligation and funded status		
Projected benefit obligation	\$ (7,489,865)	\$ (7,350,548)
Plan assets at fair value	<b>12,811,180</b>	11,393,431
<b>Funded status</b>	<b>\$ 5,321,315</b>	<b>\$ 4,042,883</b>
Accumulated benefit obligation	\$ 7,489,865	\$ 7,350,548
Employer contribution	276,699	252,404
Benefits paid	257,980	157,837
Amounts recognized in the statements of financial position:		
Noncurrent assets	5,321,315	4,042,883
Amounts recognized in the statements of activities:		
Service cost	117,393	121,741
Interest cost	352,406	300,114
Expected return on plan assets	(673,211)	(594,996)
<b>Net periodic pension benefit</b>	<b>\$ (203,412)</b>	<b>\$ (173,141)</b>
Other changes in net assets:		
Actuarial gain	\$ 798,321	\$ 429,753

The increase in the projected benefit obligation is primarily due to the change in mortality tables used during the year ended June 30, 2024, offset by a decrease in the liability due to rising interest rates.

The following assumptions were used in accounting for the plan:

<i>For the years ended June 30,</i>	<b>2024</b>	<b>2023</b>
Weighted-average assumptions used to determine benefit obligations:		
Discount rate	<b>5.4%</b>	4.9%
Expected return on plan assets	<b>6.0%</b>	6.0%
Future cost of living adjustments	<b>2.5%</b>	2.5%
Weighted-average assumptions used to determine net periodic benefit cost:		
Discount rate	<b>4.9%</b>	4.5%
Expected return on plan assets	<b>6.0%</b>	6.0%
Future cost of living adjustments	<b>2.5%</b>	2.5%

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

**Note 9: POST RETIREMENT BENEFITS (Continued)**

***Priests' Long-Term Care Plan (continued)***

No plan assets are expected to be returned to Services during the fiscal year ending June 30, 2025.

The following benefits are expected to be paid:

*For the years ending June 30,*

2025	\$	193,293
2026		219,475
2027		243,069
2028		267,800
2029		286,631
2030-2034		1,674,645
<b>Total</b>	<b>\$</b>	<b>2,884,913</b>

Billings to parishes and Archdiocesan organizations for priests' long-term care are reported in insurance revenues and totaled \$281,470 and \$267,349 for the years ended June 30, 2024 and 2023, respectively.

*For the years ended June 30,*

	<b>2024</b>	<b>2023</b>
Pension and administrative expenses	\$ <b>117,458</b>	\$ 122,846
Billings to parishes and organizations	<b>(281,470)</b>	(267,349)
<b>Total</b>	<b>\$ (164,012)</b>	<b>\$ (144,503)</b>

The fair values of Services' long-term care plan assets by asset category consists of the following:

<b>June 30, 2024</b>	Level 1	Level 2	Level 3	Total
Short-term investments	\$ -	\$ 357,437	\$ -	\$ <b>357,437</b>
Exchange traded funds - equities	7,436,004	-	-	<b>7,436,004</b>
Exchange traded funds - fixed income	5,017,739	-	-	<b>5,017,739</b>
<b>Total</b>	<b>\$ 12,453,743</b>	<b>\$ 357,437</b>	<b>\$ -</b>	<b>\$ 12,811,180</b>
<b>June 30, 2023</b>	Level 1	Level 2	Level 3	Total
Short-term investments	\$ -	\$ 219,733	\$ -	\$ 219,733
Exchange traded funds - equities	7,057,780	-	-	7,057,780
Exchange traded funds - fixed income	4,115,918	-	-	4,115,918
<b>Total</b>	<b>\$ 11,173,698</b>	<b>\$ 219,733</b>	<b>\$ -</b>	<b>\$ 11,393,431</b>

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

**Note 9: POST RETIREMENT BENEFITS (Continued)**

***Senior Priest Welfare Plan***

On June 21, 2017, the Archdiocese adopted a welfare plan which covers all priests eligible for Medicare incardinated in the Archdiocese. There are no minimum service requirements. Medical benefits are provided to retirees in the form of a \$7,788 annual payment (\$7,535 prior to July 1, 2023) applied toward premiums set to increase annually according to the Social Security Index. Future benefits are funded through a Grantor Trust currently managed by a financial institution. Services expects to contribute approximately \$199,000 to the Plan during the fiscal year ending June 30, 2025.

The following table provides further information about the senior priest welfare plan:

<i>For the years ended June 30,</i>	<b>2024</b>	<b>2023</b>
Obligation and funded status		
Projected benefit obligation	\$ (14,804,723)	\$ (15,311,335)
Plan assets at fair value	24,170,499	21,299,522
<b>Funded status</b>	<b>\$ 9,365,776</b>	<b>\$ 5,988,187</b>
Accumulated benefit obligation	\$ 14,804,723	\$ 15,311,335
Employer contribution	\$ 247,086	\$ 229,263
Benefits paid	\$ 357,014	\$ 338,512
Amounts recognized in the statements of financial position:		
Noncurrent assets	\$ 9,365,776	\$ 5,988,187
Amounts recognized in the statements of activities:		
Service cost	\$ 285,698	\$ 293,134
Interest cost	728,479	609,724
Expected return on plan assets	(1,249,489)	(1,112,104)
Amortization of net gain	(15,567)	-
<b>Net periodic pension benefit</b>	<b>\$ (250,879)</b>	<b>\$ (209,246)</b>
Other changes in net assets:		
Actuarial gain	\$ 2,879,624	\$ 654,968

The decrease in the projected benefit obligation is primarily due to an increase in interest rates which was offset to an extent by a change in mortality tables used during the year ended June 30, 2024.

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

**Note 9: POST RETIREMENT BENEFITS (Continued)**

**Senior Priest Welfare Plan (continued)**

The following assumptions were used in accounting for the plan:

<i>For the years ended June 30,</i>	<b>2024</b>	<b>2023</b>
Weighted-average assumptions used to determine benefit obligations:		
Discount rate	<b>5.3%</b>	4.9%
Expected return on plan assets	<b>6.0%</b>	6.0%
Future cost of living adjustments	<b>2.5%</b>	2.5%
Weighted-average assumptions used to determine net periodic benefit cost:		
Discount rate	<b>4.9%</b>	4.5%
Expected return on plan assets	<b>6.0%</b>	6.0%
Future cost of living adjustments	<b>2.5%</b>	2.5%

No plan assets are expected to be returned to Services during the fiscal year ending June 30, 2025.

The following benefits are expected to be paid:

<i>For the years ending June 30,</i>		
2025	\$	490,644
2026		514,527
2027		562,500
2028		611,054
2029		634,928
2030-2034		3,769,548
<b>Total</b>	<b>\$</b>	<b>6,583,201</b>

Billings to parishes and Archdiocesan organizations for the senior priests' welfare are reported in insurance revenues and totaled \$522,944 and \$495,637 for the years ended June 30, 2024 and 2023, respectively.

<i>For the years ended June 30,</i>	<b>2024</b>	<b>2023</b>
Pension and administrative expenses	<b>\$ 579,554</b>	\$ 587,701
Billings to parishes and organizations	<b>(522,944)</b>	(495,637)
<b>Total</b>	<b>\$ 56,610</b>	\$ 92,064

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

**Note 9: POST RETIREMENT BENEFITS (Continued)**

***Senior Priest Welfare Plan (continued)***

The fair values of Services' Senior Priest Welfare plan assets by asset category consists of the following:

<b><i>June 30, 2024</i></b>	Level 1	Level 2	Level 3	Total
Short-term investments	\$ -	\$ 450,588	\$ -	\$ <b>450,588</b>
Exchange traded funds - equities	14,142,493	-	-	<b>14,142,493</b>
Exchange traded funds - fixed income	9,577,418	-	-	<b>9,577,418</b>
<b>Total</b>	<b>\$ 23,719,911</b>	<b>\$ 450,588</b>	<b>\$ -</b>	<b>\$ 24,170,499</b>

<b><i>June 30, 2023</i></b>	Level 1	Level 2	Level 3	Total
Short-term investments	\$ -	\$ 324,890	\$ -	\$ 324,890
Exchange traded funds - equities	16,285,315	-	-	16,285,315
Exchange traded funds - fixed income	4,689,317	-	-	4,689,317
<b>Total</b>	<b>\$ 20,974,632</b>	<b>\$ 324,890</b>	<b>\$ -</b>	<b>\$ 21,299,522</b>

***Lay Employee Retirement Plan***

Services sponsors a defined contribution retirement plan that covers substantially all lay employees within the Archdiocese. Contributions to the plan are predetermined amounts based on compensation paid to each lay employee. Benefits under the plan are computed based on the pension fund assets.

The parishes and Archdiocesan organizations were billed for their respective share of pension and administrative costs which are included in insurance revenue and expenses as follows for the years ended June 30, 2024 and 2023:

<b><i>For the years ended June 30,</i></b>	<b>2024</b>	<b>2023</b>
Pension and administrative expenses	\$ <b>4,088,846</b>	\$ 4,255,581
Billings to parishes and organizations	<b>(4,276,081)</b>	(4,289,780)
<b>Total</b>	<b>\$ (187,235)</b>	<b>\$ (34,199)</b>

**Note 10: 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, U.S. Treasury Obligations, and Equity Securities (Note 9):* Valued at the closing price reported on the active market on which the individual securities are traded.

*Debt securities (Note 9):* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

*Mutual Funds and Exchange Traded Funds (Note 9):* Valued at the daily closing price as reported by the fund. Mutual funds held in the priest plans 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 priest plans are deemed to be actively traded.

Certain investments are valued at net asset value practical expedient based on the fair value of the underlying investments. 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 Services 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.

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

**Note 10: FAIR VALUE MEASUREMENTS (Continued)**

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

<b><i>June 30, 2024</i></b>	Level 1	Level 2	Level 3	Total
Investments measured at net asset value				
AoA Common Fund Trust <sup>(A)</sup>			\$	511,047
CRIC II <sup>(A)</sup>				50,520,119
<b>Total investments at fair value</b>				<b>\$ 51,031,166</b>

<b><i>June 30, 2023</i></b>	Level 1	Level 2	Level 3	Total
U.S. government obligations	\$ 748,951	\$ -	\$ -	\$ 748,951
Investments measured at net asset value				
AoA Common Fund Trust <sup>(A)</sup>				453,434
CRIC II <sup>(A)</sup>				44,111,247
<b>Total investments at fair value</b>				<b>\$ 45,313,632</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.

***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.

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

**Note 10: FAIR VALUE MEASUREMENTS (Continued)**

***Fair Value of Investments that Calculate Net Asset Value***

Investments in the AoA Common Fund Trust and funds held within the protected captive insurance cell are maintained by investment companies and hold investments in accordance with a stated set of fund objectives. Investments in the AoA Common Fund Trust and the protected captive insurance cell 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
<b><i>June 30, 2024</i></b>				
AoA Common Fund Trust <sup>(A)</sup>	\$ 511,047	\$ -	Unrestricted	Unrestricted
CRIC II <sup>(A)</sup>	\$ 50,520,119	\$ -	Unrestricted	Unrestricted
<b><i>June 30, 2023</i></b>				
AoA Common Fund Trust <sup>(A)</sup>	\$ 453,434	\$ -	Unrestricted	Unrestricted
CRIC II <sup>(A)</sup>	\$ 44,111,247	\$ -	Unrestricted	Unrestricted

<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.

**Note 11: CONCENTRATIONS**

Services maintains operating and checking accounts as cash deposits with financial institutions at June 30, 2024, in excess of federally insured limits by approximately \$1,834,000. Operating cash deposits with financial institutions at June 30, 2023, did not exceed federally insured limits. Services 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 \$14,281,000 and \$17,751,000, respectively. The money markets 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.

Cash deposits are also held within the CRIC II cell (Note 2). Cash deposits at June 30, 2024, held within the CRIC II cell exceeded federally insured limits by approximately \$957,000. Cash deposits at June 30, 2023, held within the CRIC II cell were did not exceed federally insured limits.

Funds on deposit with the AoA Deposit and Loan Fund Trust are not FDIC insured.



**Note 12: COMMITMENTS AND CONTINGENCIES**

***Commitments***

Services has an irrevocable standby letter of credit in the amount of \$345,000 for the years ended June 30, 2024 and 2023, respectively in favor of the Midwest Employers Casualty Company. The letter of credit covers annual periods ending each March 15, with automatic annual renewals for the succeeding year unless the issuing bank wishes to cancel the agreement by giving 60 days advance notice. Services has fully funded the letter of credit, which is included in other assets on the statements of financial position.

***Contingencies***

Various Archdiocesan organizations have been named in lawsuits or claims relating to possible liability incidents. These lawsuits and claims are covered, in full or in part, by Services' self-insurance program (Note 2) or external insurance coverage. Services accrues for claims when a loss is considered probable and reasonably estimable. As of June 30, 2024, there were no lawsuits or claims that met these criteria.

**Note 13: RELATED PARTY TRANSACTIONS**

***Management Services Agreement – AoA Deposit and Loan Fund Trust***

Services has a Management Agreement (the AoA Deposit and Loan Agreement) with AoA Deposit and Loan Fund Trust whereby Services bills for accounting services, client services, investment management and banking services, internal audit services and record retention services. The AoA Deposit and Loan Agreement covers annual periods ending each June 30, with automatic annual renewals on July 1 of the succeeding year unless Services or AoA Deposit and Loan Fund Trust wishes to cancel the agreement by giving 30 days advance notice to the other party. Billings for the management agreement totaled approximately \$2,130,000 and \$1,700,000 for the years ended June 30, 2024 and 2023, respectively.

***Management Services Agreement – AoA Group Health Care Plan Trust***

Services has a Management Agreement (the AoA Group Health Agreement) with AoA Group Health Care Plan Trust whereby Services bills for accounting services, client services, investment management and banking services, internal audit services and record retention services. The AoA Group Health Agreement covers annual periods ending September 30 with automatic annual renewals on October 1 of each succeeding year unless Services or AoA Group Health Care Plan Trust wish to cancel the agreement by giving 30 days advance notice to the other party. The initial billings for the Agreement was \$600,000 with annual increases based on the Social Security Cost of Living Adjustment Rate. Billings for the management agreements totaled approximately \$700,000 and \$644,000 for the years ended June 30, 2024 and 2023, respectively.

***Management Services Agreement – Catholic Foundation of North Georgia, Inc.***

Services has a Management Agreement (the CFNGA Agreement) with Catholic Foundation of North Georgia, Inc. whereby Services bills for human resource management, insurance and risk management, and employee services. The CFNGA Agreement covers annual periods ending February 24, with automatic annual renewals commencing on the anniversary date unless either party wishes to cancel the agreement by giving advance notice. Billings for the management agreement totaled approximately \$7,000 for each of the years ended June 30, 2024 and 2023.

**RCAA Administrative Services, Inc.**  
**Notes to Financial Statements**

**Note 13: RELATED PARTY TRANSACTIONS (Continued)**

***Management Services Agreement – Catholic Charities of the Archdiocese of Atlanta, Inc.***

Services has a Management Agreement (the Catholic Charities Agreement) with Catholic Charities of the Archdiocese of Atlanta, Inc. whereby Services bills for human resource support, legal services, information technology, communications, facilities and donor software support. The Catholic Charities Agreement covers annual periods ending August 31, with automatic annual renewals commencing on the anniversary date unless either party wishes to cancel the agreement by giving advance notice. Billings for the management agreement totaled approximately \$20,000 and \$18,000 for each of the years ended June 30, 2024 and 2023, respectively.

***Health and Life Insurance***

Health and life insurance for Services' employees are provided under the Roman Catholic Archdiocese of Atlanta Group Health Care Plan. Expenses related to insurance premiums during the years ended June 30, 2024 and 2023, totaled approximately \$280,000 and \$266,000, respectively.

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

Certain investment funds are held in the AoA Common Fund Trust and other funds are on deposit with the AoA Deposit and Loan Fund Trust (Note 2).

***Participant Accounts Receivable and Other Receivables***

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

***Due to Related Parties***

Services pays for expenditures as well as receives funds on behalf of other related parties. This activity is included in and comprises the balance in due to related parties.

***Contributions of Non-Financial Assets - AoA Properties***

Services uses real property from Properties for the purpose of carrying out the general mission of the Archdiocese at no cost to Services. The value of the use of the contributed real property is approximately \$40,000 and \$38,000, during the years ended June 30, 2024 and 2023, 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.