Roman Catholic Archdiocese of Atlanta, Inc. **FINANCIAL STATEMENTS** June 30, 2025 and 2024

	Page
REPORT Independent Auditor's Report	1
FINANCIAL STATEMENTS Statements of Financial Position	3
Statements of Activities	5
Statements of Functional Expenses	7
Statements of Cash Flows	9
Notes to Financial Statements	11
Accompanying Information Independent Auditor's Report on Accompanying Information	34
Investments at Fair Value	35
Changes in Designated Investment Funds, Special Project Funds and Endowment Fund Balances	36
Property and Equipment	37



REPORT



Carr, Riggs & Ingram, L.L.C. 4004 Summit Boulevard NE Suite 800 Atlanta, GA 30319

770.394.8000 770.451.2873 (fax) CRIadv.com

INDEPENDENT AUDITOR'S REPORT

His Excellency, the Most Reverend Archbishop of Atlanta And to the Board of Directors Roman Catholic Archdiocese of Atlanta, Inc. Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of Roman Catholic Archdiocese of Atlanta, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Roman Catholic Archdiocese of Atlanta, Inc. (Chancery) as of June 30, 2025 and 2024, 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 Chancery and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Chancery's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 Chancery's internal control. Accordingly, no such opinion
 is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Chancery's ability to continue as a going concern for a reasonable period of time.

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

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

Carr, Riggs & Ungram, L.L.C.

Atlanta, Georgia December 9, 2025



FINANCIAL STATEMENTS

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

June 30, 2025

		hout Donor Restrictions		With Donor Restrictions		Total
Assets						
Cash and cash equivalents	\$	321,231	\$	-	\$	321,231
Funds on deposit with AoA Deposit						
and Loan Fund Trust		8,383,145		1,335,477		9,718,622
Accounts receivable, net of						
allowance of \$19,808		791,148		-		791,148
Assessments receivable,						
net of allowance of \$2,602,007		542,147		-		542,147
Annual appeal receivable, net of		·				•
allowance of \$469,533		3,500,738		-		3,500,738
Promise to give - contributed space, net		-		12,954,018		12,954,018
Investments at fair value		1,451,386		640,999		2,092,385
Beneficial interest in assets held by Foundation		-		20,743,019		20,743,019
Property and equipment, net		3,294,161		-		3,294,161
Other assets		931,386		-		931,386
Due from related parties		409,636		-		409,636
Operating lease right-of-use asset, net		2,234,679		-		2,234,679
Total assets	Ş	21,859,657	Ş	35,673,513	Ş	57,533,170
Liabilities and Net Assets						
Liabilities			_			
Accounts payable and accrued expenses	\$	4,730,480	\$	-	\$	4,730,480
Performance obligation liabilities		24,476		-		24,476
Operating lease right-of-use liability		2,234,679		-		2,234,679
Total liabilities		6,989,635		-		6,989,635
Net assets						
Without donor restrictions						
Designated investment funds		1,531,905		_		1,531,905
Designated investment rands Designated operating funds		7,000,000		_		7,000,000
Undesignated		6,338,117		_		6,338,117
With donor restrictions		0,000,117				0,000,117
Purpose and time restrictions		_		14,919,066		14,919,066
Perpetual in nature		-		20,754,447		20,754,447
				. ,		
Total net assets		14,870,022		35,673,513		50,543,535
Total liabilities and net assets	\$	21,859,657	\$	35,673,513	\$	57,533,170

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

June 30, 2024

	Without Donor	With Donor	
	Restrictions	Restrictions	Total
Assets			
Cash and cash equivalents	\$ 363,270	\$ -	\$ 363,270
Funds on deposit with AoA Deposit	φ 303,270	Y	ψ 303,270
and Loan Fund Trust	9,431,398	_	9,431,398
Accounts receivable, net of	J, 15_,555		2, 12 =,22 2
allowance of \$19,808	528,829	-	528,829
SPOC receivable, net of allowance of \$231,394	6,892,979		6,892,979
Assessments receivable,	, ,		, ,
net of allowance of \$3,000,000	311,105	-	311,105
Annual appeal receivable, net of	·		·
allowance of \$448,325	3,918,221	_	3,918,221
Promise to give - contributed space, net	-	13,406,059	13,406,059
Investments at fair value	1,777,244	823,913	2,601,157
Beneficial interest in assets held by Foundation	-	18,161,581	18,161,581
Property and equipment, net	3,690,339	-	3,690,339
Other assets	1,006,948		1,006,948
Due from related parties	2,790,129	_	2,790,129
Operating lease right-of-use asset, net	2,312,660		2,312,660
<u>Total assets</u>	\$ 33,023,122	\$ 32,391,553	\$ 65,414,675
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued expenses	\$ 5,276,122	. \$ -	\$ 5,276,122
Performance obligation liabilities	25,194		25,194
Operating lease right-of-use liability	2,312,660	_	2,312,660
Total liabilities	7 612 076		7 612 076
Total liabilities	7,613,976	-	7,613,976
Net assets			
Without donor restrictions			
Designated investment funds	1,995,656	-	1,995,656
Designated special projects funds	15,000,000		15,000,000
Designated operating funds	7,000,000		7,000,000
Undesignated	1,413,490		1,413,490
With donor restrictions	, ,		, ,
Purpose and time restrictions	-	14,218,544	14,218,544
Perpetual in nature		18,173,009	18,173,009
Tatalinatassata	25 400 4 55	22 201 552	F7 000 600
Total net assets	25,409,146	32,391,553	57,800,699
Total liabilities and net assets	\$ 33,023,122	\$ 32,391,553	\$ 65,414,675

Roman Catholic Archdiocese of Atlanta, Inc. Statements of Activities

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Contributions			
Annual appeal	\$ 9,635,007	\$ -	\$ 9,635,007
Assessments	19,300,642	-	19,300,642
Contributions of non-financial assets -	2 026 702		2 026 702
rent, utilities and maintenance Contributions	2,826,792	1 024 952	2,826,792
Other revenues	1,908,601	1,924,852	3,833,453
Net assets released from restrictions	3,533,861 552,043	13,473 (552,043)	3,547,334
Net assets released from restrictions	552,045	(332,043)	<u>-</u>
Total revenues and other support	37,756,946	1,386,282	39,143,228
Expenses			
Program services			
Pastoral	13,145,228	-	13,145,228
Education	12,185,454	-	12,185,454
Social services	1,231,773	-	1,231,773
Communications	2,250,779	-	2,250,779
Total program services	28,813,234	-	28,813,234
Supporting services			
General and administrative	9,369,258	-	9,369,258
Total operating expenses	38,182,492	-	38,182,492
Change in net assets before other gains	(425,546)	1,386,282	960,736
onange in net assets sere a same game	(123,310)	1,300,202	300,730
Other Gains and Changes in Values			
Realized and unrealized gain on investments	120,007	41,506	161,513
Change in value of beneficial interest	-	1,854,172	1,854,172
Gain on disposal of assets	6,020	-	6,020
Total other gains and changes in value	126,027	1,895,678	2,021,705
Change in net assets	(299,519)	3,281,960	2,982,441
Net assets at beginning of year	25,409,146	32,391,553	57,800,699
Net asset transfer	(10,239,605)	-	(10,239,605)
Net assets at end of year	\$ 14,870,022	\$ 35,673,513	\$ 50,543,535

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

	Without Donor	With Donor	Total
	Restrictions	Restrictions	Total
Revenues and Other Support			
Contributions			
Annual appeal	\$ 9,507,041	\$ -	\$ 9,507,041
Assessments	18,672,437	-	18,672,437
Contributions of non-financial assets -			
rent, utilities and maintenance	2,880,822	14,131,502	17,012,324
Contributions	1,949,289	25,807	1,975,096
Other revenues	2,500,690	15,423	2,516,113
Net assets released from restrictions	2,880,166	(2,880,166)	_
Total revenues and other support	38,390,445	11,292,566	49,683,011
Expenses			
Program services			
Pastoral	11,092,521	-	11,092,521
Education	12,325,718	-	12,325,718
Social services	1,303,991	-	1,303,991
Communications	2,147,974	-	2,147,974
Total program services	26,870,204	-	26,870,204
Supporting services			
General and administrative	9,434,657	-	9,434,657
	, , ,		· · · · · ·
Total operating expenses	36,304,861	-	36,304,861
Change in net assets before other gains	2,085,584	11,292,566	13,378,150
Other Gains and Changes in Values			
Realized and unrealized gain on investments	176,816	53,164	229,980
Change in value of beneficial interest	-	1,450,420	1,450,420
Change in value of SPOC receivable	511,000	-	511,000
Change in value of split-interest agreement	-	(2,710)	(2,710)
Total other gains and changes in value	687,816	1,500,874	2,188,690
Change in net assets	2,773,400	12,793,440	15,566,840
Net assets at beginning of year	22,635,746	19,598,113	42,233,859
Net assets at end of year	\$ 25,409,146	\$ 32,391,553	\$ 57,800,699

Roman Catholic Archdiocese of Atlanta, Inc. Statements of Functional Expenses

	Program Services						
	Pastoral	Education	Social Services	Communications	Total Program Expenses	General and Administrative	Total Expenses
Salaries and benefits	\$ 6,655,899	\$ 2,836,484	\$ 397,009	\$ 1,326,324	\$ 11,215,716	\$ 4,765,444	\$ 15,981,160
Assessments	366,079	-	-	-	366,079	-	366,079
Bank service fees	377	1,772	-	2,742	4,891	20	4,911
Depreciation	-	180,411	-	-	180,411	222,125	402,536
Donations	1,485,281	228,000	-	-	1,713,281	14,553	1,727,834
Education, professional							
development and events	2,783,032	3,235,122	34,825	112,009	6,164,988	501,284	6,666,272
Eucharistic celebration	116,839	-	-	-	116,839	-	116,839
Contribution of non-financial assets - rent, utilities							
and maintenance	176,296	2,917,200	31,643	13,561	3,138,700	140,133	3,278,833
Funerals	106,238	-	, -	-	106,238	-	106,238
Insurance	25,796	-	-	-	25,796	128,796	154,592
Miscellaneous	132,461	62,949	60,347	5,928	261,685	88,512	350,197
Personnel replacement costs	250	31,263	-	3,932	35,445	15,817	51,262
Professional fees	143,994	27,451	39,422	179,897	390,764	1,707,523	2,098,287
Rent	70,200	36,000	12,600	5,400	124,200	55,800	180,000
Repairs and maintenance	114,412	141,035	1,677	5,124	262,248	820,586	1,082,834
Subsidies	250,455	2,427,988	636,996	-	3,315,439	-	3,315,439
Supplies	157,955	11,738	5,487	591,412	766,592	259,868	1,026,460
Travel and food allowance	518,548	40,735	10,722	3,506	573,511	166,438	739,949
Utilities	41,116	7,306	1,045	944	50,411	482,359	532,770
Total expenses	\$ 13,145,228	\$ 12,185,454	\$ 1,231,773	\$ 2,250,779	\$ 28,813,234	\$ 9,369,258	\$ 38,182,492

Roman Catholic Archdiocese of Atlanta, Inc. Statements of Functional Expenses (Continued)

			Program Ser	vices		Supporting Services	
	Pastoral	Education	Social Services	Communications	Total Program Expenses	General and Administrative	Total Expenses
Salaries and benefits	\$ 6,258,115	\$ 2,405,280	\$ 432,053	\$ 1,313,783	\$ 10,409,231	\$ 5,416,892	\$ 15,826,123
Assessments	344,073	-	-	-	344,073	-	344,073
Bad debt	231,394	2.040	-	-	231,394		231,394
Bank service fees	104	2,840	-	1,869	4,813	97,870	102,683
Depreciation	-	359,786	-	-	359,786	221,442	581,228
Donations	93,427	31,848	-	-	125,275	50	125,325
Education, professional							
development and events	2,193,448	3,353,946	48,409	121,252	5,717,055	408,317	6,125,372
Eucharistic celebration	148,550	-	-	-	148,550	-	148,550
Contribution of non-financial assets - rent, utilities							
and maintenance	282,923	3,025,911	50,781	21,763	3,381,378	224,888	3,606,266
Funerals	113,069	-	-	-	113,069	-	113,069
Insurance	22,046	-	-	-	22,046	123,678	145,724
Miscellaneous	168,340	38,445	72,347	2,671	281,803	81,270	363,073
Personnel replacement costs	2,400	76,019	-	-	78,419	14,410	92,829
Professional fees	213,642	95,166	32,014	162,251	503,073	1,040,521	1,543,594
Rent	58,500	30,000	10,500	4,500	103,500	46,500	150,000
Repairs and maintenance	98,425	133,810	1,738	5,663	239,636	821,477	1,061,113
Subsidies	169,409	2,716,244	636,996	-	3,522,649	, -	3,522,649
Supplies	181,851	6,062	5,486	510,478	703,877	329,220	1,033,097
Travel and food allowance	478,129	39,929	12,314	2,566	532,938	164,986	697,924
Utilities	34,676	10,432	1,353	1,178	47,639	443,136	490,775
Total expenses	\$ 11,092,521	\$ 12,325,718	\$ 1,303,991	\$ 2,147,974	\$ 26,870,204	\$ 9,434,657	\$ 36,304,861

Roman Catholic Archdiocese of Atlanta, Inc. Statements of Cash Flows

For the years ended June 30,	2025	2024
Operating Activities		
Change in net assets \$	2 092 441	\$ 15,566,840
Adjustments to reconcile change in net assets	2,302,441	7 13,300,840
•		
to net cash provided by (used in) operating activities	402 E26	E01 220
Depreciation expense	402,536	581,228
Amortization of operating lease right-of-use assets	77,981	71,239
Gain on disposal of property and equipment	(6,020)	- (E11 000)
Change in value of SPOC receivable	-	(511,000)
Provision for credit losses	-	231,394
Change in value of beneficial interest	(1,854,172)	(1,450,420)
Change in value of split interest agreement	-	2,710
Provision for allowance of uncollectible	(0-0-0-)	(4 == 4 6==)
assessments and annual appeal	(376,785)	(1,551,675)
Contribution of non-financial assets -		
rent, utilities and maintenance	-	(13,819,022)
Amortization of promise to give - contributed space	452,041	412,963
Restricted contributions	(1,938,325)	• • •
Realized and unrealized gain on investments	(161,513)	(229,980)
Changes in operating assets and liabilities		
Accounts receivable	(95,368)	893,079
Annual appeal	396,275	773 <i>,</i> 754
Other assets	75,562	417,684
Accounts payable and accrued expenses	(545,642)	(488,657)
Performance obligation liabilities	(718)	(72,132)
Operating lease liabilities	(77,981)	(71,239)
Net cash provided by (used in) operating activities	(669,688)	741,343
Investing Activities		
Purchases of property and equipment	(41,338)	(294,457)
Payments received on SPOC receivable	922,210	1,466,165
Transfer of SPOC deposit and loan funds	(3,068,836)	-, ,
Proceeds from split-interest agreement	-	2,054,724
Proceeds on sale of property and equipment	41,000	
Proceeds from sale of investments	720,717	123,267
Purchases of investments	(50,432)	(60,902)
Transfers to beneficial interest in assets held by Foundation	(727,266)	(25,807)
Advances from (to) related parties	1,180,493	(1,628,679)
Advances from (to) related parties	1,100,433	(1,020,073)
Net cash provided by (used in) investing activities	(1,023,452)	1,634,311
		(Continued)

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

For the years ended June 30,		2025		2024
Financina Activities				
Financing Activities Restricted contributions		1,938,325		15,423
Nestricted contributions				13) 123
Net change in cash and cash equivalents and funds				
on deposit with AoA Deposit and Loan Fund Trust		245,185		2,391,077
Cash and cash equivalents and funds on deposit with		0.704.669		7 402 501
AoA Deposit and Loan Fund Trust, at beginning of year		9,794,668		7,403,591
Cash, cash equivalents and funds on deposit with				
AoA Deposit and Loan Fund Trust, at end of year	\$	10,039,853	\$	9,794,668
		•		
Presented on Statements of Financial Position as:				
		224 224		262.270
Cash and cash equivalents Funds on deposit with AoA Deposit and Loan Fund Trust	\$	321,231 9,718,622	\$	363,270 9,431,398
Tunus on deposit with AOA Deposit and Loan Fund Trust		3,710,022		3,431,338
Cash, cash equivalents and funds on deposit with				
AoA Deposit and Loan Fund Trust, at end of year	\$	10,039,853	\$	9,794,668
Schedule of Noncash Transactions:				
Transfers of construction in progress to Special Projects				
Transfers of construction in progress to Special Projects Oversight Committee receivable	Ś	_	\$	4,689,942
Oversight committee receivable	<u> </u>		<u> </u>	1,003,3 12
Transfer of Special Projects Oversight Committee receivable				
from related party	\$	1,200,000	\$	_
T ((6) 15) 1 0) 110) 11				
Transfer of Special Projects Oversight Committee receivable	,	7 170 700	۲	
to related party (Note 4)	<u> </u>	7,170,769	Ş	

Note 1: DESCRIPTION OF THE ORGANIZATION

The accompanying financial statements include the accounts and transactions of the Roman Catholic Archdiocese of Atlanta, Inc. (Chancery), which is a Georgia nonprofit corporation with one member which has been granted exempt status under Section 501(c)(3) of the Internal Revenue Code.

The Archbishop (Archbishop) of the Roman Catholic Archdiocese of Atlanta (Archdiocese) is the sole member of the corporation and exercises control over Chancery by appointing and approving the Board of Directors.

Chancery was established on January 29, 2019, for the purpose of operating the offices of the Archbishop, the auxiliary bishops, the chancellor of the Archdiocese, the tribunals and pastoral ministry functions, vocation functions, and such other governance and ministry functions under the direction of the Archbishop.

As of June 30, 2025, the following individuals serve as the Board of Directors and Officers of the Roman Catholic Archdiocese of Atlanta, Inc.:

Board of Directors:

- Most Reverend Gregory J. Hartmayer, OFM Conv. Chairman
- Most Reverend Joel M. Konzen, S.M. Vice Chairman
- Most Reverend Bernard E. Shlesinger, III Director
- Most Reverend John N. Trần Director

Corporate Officers:

- Most Revered Gregory J. Hartmayer, OFM Conv. President
- Most Reverend Joel M. Konzen, S.M. Vice President
- Most Reverend Bernard E. Shlesinger, III Vice President
- Most Reverend John N. Trän Vice President
- Marquita Richburg Vice President of Human Resources
- Patricia Orsagh Assistant Vice President
- Bradley J. Wilson CFO/ Treasurer
- Camtuyen Pham Controller
- Deacon Dennis J. Dorner, Sr. Secretary
- Ian Trutt Assistant Secretary
- Angelique Richardson Assistant Secretary

Chancery conducts the following programs:

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

Education – Chancery provides subsides to schools and education centers to fund operations. Additionally, the education program includes costs associated with the Superintendent of Catholic schools and staff, the Office of Evangelization and subsidies for College Campus ministries.

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

Note 1: DESCRIPTION OF THE ORGANIZATION (Continued)

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

Chancery's general and administrative expenses include costs for finance and facilities, services provided to Archdiocesan parishes, missions and schools and the costs for the Archbishop, auxiliary bishops, human resources, archives and the advancement office.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the allowance for credit losses and contributions of non-financial assets and related promise to give – contributed space.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less. Funds on deposit with AoA Deposit and Loan Fund Trust are considered cash and cash equivalents, however, they are presented separately on the statements of financial position.

Funds on Deposit with AoA Deposit and Loan Fund Trust

Chancery invests funds with the AoA Deposit and Loan Fund Trust. AoA Deposit and Loan Fund Trust receives funds from various Archdiocese entities and in turn loans funds to Archdiocese entities. Chancery's funds invested in the AoA Deposit and Loan Fund Trust totaled \$9,718,622 and \$9,431,398 at June 30, 2025 and 2024, respectively. Chancery's funds invested in the AoA Deposit and Loan Fund Trust earned interest at a rate of 3% during the years ended June 30, 2025 and 2024.

Accounts Receivable

Accounts receivable represent amounts due from Archdiocese parishes, missions, and schools for assessments and reimbursements owed to Chancery, 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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

SPOC Receivable

The Special Projects Oversight Committee (SPOC) receivable (Note 4) was due from parishes and missions for special projects and was expected to be repaid over 20 years. The SPOC receivable had been discounted to net present value.

The SPOC receivables did not have defined payment terms. These loans were considered past due when payments had not been made for a period of a year, and if no other plans or intentions of payment had been communicated by the participant to Chancery. There were no loans considered past due at June 30, 2024.

During the year ended June 30, 2025, the Archdiocese of Atlanta created a new entity, The Mission Expansion Fund Trust (the Expansion Trust), and transferred all outstanding SPOC receivables to the Trust.

Allowance for Credit Losses

The allowance for credit losses is a valuation account that is deducted from accounts and SPOC receivable to present the net amount to be collected. Receivables are charged off against the allowance when management believes the uncollectibility of the receivable is confirmed. Expected recoveries do not exceed the aggregate amounts of previously charged-off and expected to be charged off. Collections on accounts previously written off are included in the change in net assets as received. The allowance for credit losses on the SPOC receivable was \$231,394 for the year ended June 30, 2024. The allowance for credit losses on accounts receivable as of June 30, 2025 and 2024 was \$19,808.

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

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

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Investments

Chancery 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, 2025 and 2024, Chancery's investments are in a pooled investment fund known as the AoA Common Fund Trust. The investment allocation within the pooled investment fund includes equities and fixed income investments

Beneficial Interest in Assets Held by Foundation

Chancery is the beneficiary of certain endowments held and administered by the Catholic Foundation of North Georgia (the Foundation), the purpose of which is to support the future needs of Chancery. The Foundation has ownership and control of the endowment funds. Pursuant to financial accounting standards, Chancery's interest in the funds is valued at the net present value of Chancery's expected future cash flows from the funds and has been recorded as net assets with donor restrictions and related beneficial interest in assets held by the Foundation in the financial statements.

Split-Interest Agreement

Accounting standards require that trusts held by a third party be recorded as contributions and net assets at the present value of Chancery's ultimate interest. The split-interest agreement previously reported on the statements of financial position related to a charitable remainder trust.

Charitable Remainder Trust – Donors have established and funded a trust under which specified distributions are to be made to a designated beneficiary or beneficiaries over the trust's term. Upon termination of the trust, Chancery receives a specified percentage of the assets remaining in the trusts. Chancery had a 100% interest in the charitable remainder trust.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Split-Interest Agreement (continued)

Net asset classifications are based on terms of the gift or Chancery's interpretation of relevant state law. Split-interest agreements with donor restrictions are categorized as either time restricted or, in instances where donor restrictions specify that the principal is to be held in perpetuity, perpetual in nature. After the initial contribution is recorded, net increases or decreases in the value of Chancery's interest is reflected as a change in the value of split-interest agreement.

During the year ended June 30, 2024, the trust was distributed and 100% of the interest in the charitable remainder trust was transferred to Chancery. Chancery received proceeds of \$2,054,724.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Leases

Chancery leases office space from a related party, AoA Properties Holdings, Inc (Properties). Chancery determines if an arrangement is a lease at inception.

Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, Chancery uses the relevant risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that Chancery will exercise the option.

Chancery's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Net Assets

Chancery reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and are not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of Chancery, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into the course of its operations. The governing board has designated from net assets without donor restrictions net assets to be designated as investment funds. Additionally, the governing board has designated from net assets without donor restrictions an operating reserve fund of \$7,000,000 as of June 30, 2025 and 2024, and special project funds of \$15,000,000 as of June 30, 2024. The special project funds designated was removed upon transfer of the SPOC receivable (Note 4).

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (continued)

Net assets with donor restrictions are resources that are subject to donor imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Georgia Bulletin, student tax, catholic construction services fees and various other fees are accounted for under ASC Topic 606, Revenue from Contracts with Customers (ASC 606), recognizing revenue when performance obligations under the terms of the contracts are satisfied. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the statements of financial position.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has removed the conditions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Donated Assets

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

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Chancery.

Functional Allocation of Expenses

Directly identifiable expenses are charged to program and supporting services. Other expenses that are common to several functions such as salaries and benefits, repairs and maintenance, rent, contribution of non-financial assets, depreciation and utilities are allocated among the programs and supporting activities based on time spent and estimates of asset usage.

Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, Chancery is exempt from taxes on income other than unrelated business income. Chancery considers all of its activities to be directly related to its exempt purpose in 2025 and 2024.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (continued)

Chancery utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30 2025 and 2024, Chancery has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 9, 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 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 the 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.

Chancery 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.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments in the ASU provide all entities with a practical expedient and an accounting policy election when estimating expected credit losses for current accounts receivable and other current contract assets arising from transaction accounted for under FASB ASC 606, Revenue from Contracts with Customers.

Chancery early adopted ASU 2025-05 on July 1, 2024. The Impact of the adoption was not considered material to the financial statements and primarily resulted in simplification of estimating the allowance for credit losses.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

Chancery maintains its financial assets primarily in cash and cash equivalents, funds on deposit with AoA Deposit and Loan Fund Trust, and investments to provide liquidity to ensure funds are available as Chancery's expenditures become due. The following reflects Chancery's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions:

	2025	2024
\$	57,533,170 \$	65,414,675
	(12,954,018)	(13,406,059)
	(3,294,161)	(3,690,339)
	(931,386)	(1,006,948)
	(2,234,679)	(2,312,660)
	38,118,926	44,998,669
	(22,719,495)	(18,985,494)
	(1,531,905)	(1,995,656)
	-	(15,000,000)
	(7,000,000)	(7,000,000)
\$	6,867,526 \$	2,017,519
_	\$	\$ 57,533,170 \$ (12,954,018) (3,294,161) (931,386) (2,234,679) 38,118,926 (22,719,495) (1,531,905)

Part of Chancery's liquidity management policy is to structure its financial assets to be available for its general expenditures and other obligations that come due. The designated investments and operating funds have been board designated for various purposes, however, a portion of these amounts could be made available if necessary.

Note 4: SPOC RECEIVABLE

Chancery SPOC authorized and funded construction projects for five parishes. Three projects, which totaled approximately \$12,000,000, were completed and transferred to the parishes. Two of the projects were completed during the year ended June 30, 2019, and one of the projects was completed during the year ended June 30, 2020. At the time of the transfer, Chancery recorded three non-interest bearing receivables from the parishes.

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

Note 4: SPOC RECEIVABLE (Continued)

During the year ended June 30, 2023, Properties transferred the receivable to the respective parish related to the Divine Mercy Mission Catholic Church project, which was completed during the year ended June 30, 2023, as part of the SPOC in the amount of \$4,689,942. Additionally, the SPOC transferred additional costs to the respective parish related to the Divine Mercy Catholic Mission during the year ended June 30, 2024, in the amount of \$100,441.

During the year ended June 30, 2024, Properties transferred the receivable related to the St. Toribo Romo project, which was completed during the year ended June 30, 2024, as part of the SPOC in the amount of \$994,240.

During the year ended June 30, 2025, a project for \$1,000,000 for Our Lady of LaSalette and a project for \$200,000 for St. Mary Catholic Church, Toccoa, were completed and transferred to the respective parishes as part of the SPOC receivable.

The receivables had no set repayment terms, but Chancery expected that the receivables would be repaid over a term of approximately 20 years. The outstanding balances have been discounted to net present value using a discount rate between 4% and 4.5% for the year ended June 30, 2024.

In May 2025, Chancery transferred all outstanding SPOC receivables and the allowance balances to the Expansion Trust in the amount of \$7,170,769. Additionally, Chancery transferred funds from their AoA Deposit and Loan Fund Trust account in the amount of \$3,068,836 to the Expansion Trust. This is presented as a net asset transfer on the statement of activities in the amount of \$10,239,605.

SPOC receivable consists of the following:

June 30,		2025	2024
SPOC receivable	\$	-	\$ 11,653,373
Less:			(001.001)
Allowance for credit losses		-	(231,394)
Net present value discount		-	(4,529,000)
SPOC receivable, net	\$	-	\$ 6,892,979
Changes in the allowance for credit losses during the year were as a For the years ended June 30,	follov	ws: 2025	2024
Balance, beginning of year Provision for credit losses Net asset transfer to related party	\$	(231,394) - 231,394	\$ - (231,394) -
Balance, end of year	\$	-	\$ (231,394)

Note 5: ASSESSMENTS RECEIVABLE

Assessments receivable of \$3,144,154 and \$3,330,913 at June 30, 2025 and 2024, respectively, represent unconditional promises to give related to assessments to parishes of the Archdiocese based on prior income of the Parishes (Note 16). Assessments are due in less than one year. Assessment receivables have been reduced by allowance for uncollectible assessments of \$2,602,007 and \$3,000,000 at June 30, 2025 and 2024, respectively.

Note 6: ANNUAL APPEAL RECEIVABLE

Annual appeal receivables of \$3,970,271 and \$4,366,546 at June 30, 2025 and 2024, respectively, represent unconditional promises to give related to the Annual Appeal. The Annual Appeal is made by the Archbishop to the parishioners for support of Chancery's operations and approximates 8% of the parishes' annual revenue from the second preceding year. Substantially all of the Annual Appeal receivables are due in less than one year. Annual Appeal receivables have been reduced by an allowance for uncollectible Annual Appeal of \$469,533 and \$448,325, as of June 30, 2025 and 2024, respectively.

Note 7: INVESTMENTS

Investments consist of the following:

June 30,	20	25	20)24
	Cost	Fair Value	Cost	Fair Value
AoA Common Fund Trust	\$ 2,125,155	\$ 2,092,385	\$ 2,716,782	\$ 2,601,157

Investment income is reported net of related external and direct internal investment expenses in the statements of activities. The amount of expenses netted with income was \$10,075 and \$11,128 for the years ended June 30, 2025 and 2024, respectively.

Note 8: PROPERTY AND EQUIPMENT

The components of property and equipment consist of the following at June 30, 2025 and 2024:

	Estimated Useful		
	Lives (in years)	2025	2024
Land improvements	15	\$ 8,897	\$ 8,897
Buildings	20-40	7,944,272	7,944,272
Furniture and equipment	3-10	2,111,668	2,070,329
Automobiles	5-7	463,914	548,922
Total depreciable property and equipment		10,528,751	10,572,420
Less accumulated depreciation		(7,535,291)	(7,182,782)
Total depreciable property and equipment, ne	et	2,993,460	3,389,638
Land		300,701	300,701
		_	
Total property and equipment, net		\$ 3,294,161	\$ 3,690,339

Depreciation expense for the years ended June 30, 2025 and 2024 was \$402,536 and \$581,228, respectively.

Note 9: LEASES

Chancery entered into an operating lease for office space with a related party, Properties, during the year ended June 30, 2024. The lease has a remaining lease term of approximately 18 years.

The components of lease expense consist of the following:

For the years ended June 30,		2025	2024
Operating lease cost	\$	180,000 \$	150,000
Weighted average remaining lease term and discount rate consis	ts of th	e following:	
For the years ended June 30,		2025	2024
Right-of-use asset obtained in exchange for lease obligation Operating lease	\$	- \$	2,383,899
Weighted average remaining lease term Operating lease		18 years	19 years
Weighted average discount rate		4.48%	4.48%

Note 9: LEASES (Continued)

Future minimum lease payments under non-cancellable lease as of June 30, 2025, were as follows:

For the years ending June 30,	Operating Lease		
2026	\$ 180,000		
2027	180,000		
2028	180,000		
2029	180,000		
2030	180,000		
Thereafter	2,370,000		
Total future minimum lease payments	3,270,000		
Less imputed interest	(1,035,321)		
Present value of lease liability	\$ 2,234,679		

Note 10: NET ASSETS

A summary of net assets with donor restrictions, including donor-restricted endowment funds, consists of the following as of June 30, 2025:

June 30, 2025	Subject to Expenditure for Specified Purpose or Time			Perpetual in Nature		Total
Donor-restricted endowment funds						_
Community service	\$	_	\$	676,697	¢	676,697
Education	Ą	124,535	ڔ	9,612,911	Ą	9,737,446
Operations		124,333		5,500,331		5,500,331
Religious purposes		_		4,964,508		4,964,508
Village of St. Joseph		642,928		4,304,306		642,928
Pro-life ministry		1,127,507		-		1,127,507
Other				-		
		70,078		-		70,078
Promise to give - contributed space, net		12,954,018				12,954,018
Total net assets with donor restrictions	\$	14,919,066	\$	20,754,447	\$	35,673,513

Note 10: NET ASSETS (Continued)

A summary of net assets with donor restrictions, including donor-restricted endowment funds, consists of the following as of June 30, 2024:

	Subject to					
	Expenditure for					
	Spec	ified Purpose		Perpetual		
June 30, 2024		or Time		in Nature		Total
Donor-restricted endowment funds						
Community service	\$	-	\$	623,397	\$	623,397
Education		112,891		8,226,266		8,339,157
Operations		-		4,764,808		4,764,808
Religious purposes		-		4,558,538		4,558,538
Village of St. Joseph		699,594		-		699,594
Promise to give - contributed space, net		13,406,059		-		13,406,059
Total net assets with donor restrictions	\$	14,218,544	\$	18,173,009	\$	32,391,553

Note 11: REVENUE

Contributions and Support

Chancery records revenue from the Annual Appeal which is made by the Archbishop to the parishioners for support of Chancery's operations. Chancery also assesses the parishes at a specified percentage of their prior year income which is recorded as assessment revenue. Additionally, Chancery receives contributions throughout the year from various donors. Chancery recognizes these items as revenue when assessments are billed or when contributions or unconditional promise to give are received and considers them to be available for use without restriction unless the donor stipulates otherwise.

Georgia Bulletin, Catholic Construction Services, Student Taxes and Other Fees

Chancery receives revenue for sales and advertising for the Georgia Bulletin, fees from design and construction projects managed by Catholic Construction Services, Inc. (CCSI), along with student taxes for the Office of Catholic Schools and other fees for various conferences and workshops. Revenue is earned and recognized in the period in which the obligation is met such as when the Georgia Bulletin is published for sales and advertising revenue, when CCSI projects are completed, and over the course of the school year for student taxes or at the time conferences and workshops are held. As of June 30, 2025, there are \$24,476 of performance obligations to be satisfied, all of which is expected to be recognized as revenue in 2026.

Note 11: REVENUE (Continued)

Disaggregated Revenue

A summary of disaggregated revenue consists of the following:

For the years ended June 30,	2025	2024
Contributions		
Annual appeal	\$ 9,635,007	\$ 9,507,041
General assessment	16,492,668	16,022,976
School financial aid assessment	2,807,974	2,649,461
Contributions of non-financial assets -	,== ,=	, , -
rent, utilities and maintenance	2,826,792	17,012,324
Contributions	3,833,453	1,975,096
Other revenues	, ,	, ,
Investment income, net	337,648	295,784
Georgia Bulletin	1,003,941	972,733
Student taxes and fees	337,763	381,005
Catholic construction services fees	1,177,789	748,819
Other	690,193	117,772
Total revenues and other support	\$ 39,143,228	\$ 49,683,011

Contract Balances

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

June 30,	2025	2024
Contract assets Accounts receivable, beginning of year Accounts receivable, end of year	\$ 270,817	\$ 148,527
	\$ 413,732	\$ 270,817
Contract liabilities Performance obligation liabilities, beginning of year Performance obligation liabilities, end of year	\$ 25,194	\$ 97,326
	\$ 24,476	\$ 25,194

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

Note 12: CONTRIBUTIONS OF NON-FINANCIAL ASSETS

Contributions Provided by Chancery

Chancery allows for various related parties to use its real property for the purpose of carrying out the general mission of the Archdiocese for no cost to the related parties. The value of the contributed real property was approximately \$2,827,000 and \$2,881,000, during the years ended June 30, 2025 and 2024, respectively, and is reported on the statements of activities and statements of functional expenses.

Contributions Provided to Chancery

On August 31, 2023, Chancery entered into a lease with Properties (Note 9), which requires Chancery to make monthly lease payments of \$15,000 to Properties. The lease payments under the terms of the agreement are estimated to be at less than the fair value of the underlying property. The lease agreement is for a term of 240 months and is considered an unconditional promise to give. As a result, the difference between the estimated fair value of the underlying property and cumulative scheduled lease payments was discounted to net present value at the relevant risk-free rate (4.48%). The promise to give was estimated at \$13,819,022 at inception of the lease and was recorded as a restricted promise to give on the statements of financial position along with corresponding revenue (contributions of non-financial assets – rent, utilities and maintenance), on the statements of activities. The promise to give amortizes to lease expense over the term of the lease as contributions of non-financial assets – rent expense on the statements of activities and statements of functional expenses. Amortization of the lease expense resulted in approximately \$452,000 and \$413,000 of contributions of non-financial assets – rent during the years ended June 30, 2025 and 2024, respectively.

Amortization of the promise to give – contributed space subsequent to June 30, 2025, is as follows:

For the years ending June 30,	
2026	\$ 472,715
2027	494,333
2028	516,939
2029	540,580
2030	565,301
Thereafter	10,364,150
<u>Total</u>	\$ 12,954,018

Donated usage of real property is recorded based on estimated fair market value for rent for similar property or the underlying value of the property if long term and underlying value is less than fair market value.

Note 13: ENDOWMENT AND DESIGNATED INVESTMENT FUNDS

Chancery's endowment funds consist of a number of funds established for various purposes. The endowment includes both donor-restricted endowment funds and funds designated by the board to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, Chancery has interpreted Georgia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Chancery classifies as net assets with perpetual donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions – perpetual in nature is classified as net assets with donor restrictions – subject to expenditure for specified purpose until those amounts are appropriated for expenditure by Chancery in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, Chancery considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of Chancery, and (7) Chancery's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. Chancery has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Chancery must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy the endowment assets are invested in a manner that is intended to produce a reasonable rate of return under current market conditions with minimal risk. Chancery also has to maintain compliance with the Archdiocese investment policies.

Spending Policy: Chancery has a policy of appropriating for distribution each year eligible earnings from the prior year that are needed to fund operations or programs. In establishing this policy, Chancery considered the long-term expected return on its endowment. Accordingly, over the long term, Chancery expects the current spending policy to allow its endowment to grow at a rate that will maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

The endowment fund held by the Foundation is subject to the investment and distribution policies of the Foundation.

From time to time, certain donor restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). Chancery has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under the law. There were no underwater endowments at June 30, 2025 and 2024.

Note 13: ENDOWMENT AND DESIGNATED INVESTMENT FUNDS (Continued)

Endowment net assets composition by type of fund consists of the following as of June 30, 2025 and 2024:

	Board	Donor	
June 30, 2025	Designated	Restricted	Total
Donor-restricted endowment funds			
Community service	\$ -	\$ 676,697	\$ 676,697
Education	-	9,737,446	9,737,446
Operations	-	5,500,331	5,500,331
Religious purposes	-	4,964,508	4,964,508
Village of St. Joseph	-	642,928	642,928
Total donor-restricted endowment funds	-	21,521,910	21,521,910
Board-designated endowment funds			
Priests Welfare	338,075	-	338,075
Parishes	255,891	-	255,891
Seminary	937,939	_	937,939
Total board-designated endowment funds	1,531,905	-	1,531,905
Total	\$ 1,531,905	\$ 21,521,910	\$ 23,053,815
	Board	Donor	
June 30, 2024	Designated	Restricted	Total
Donor-restricted endowment funds	ć	ć caa ao z	ć caa aoz
Community service Education	\$ -	\$ 623,397 8,339,157	\$ 623,397 8,339,157
Operations	_	4,764,808	4,764,808
Religious purposes	_	4,558,538	4,558,538
Village of St. Joseph	-	699,594	699,594
Total donor-restricted endowment funds	-	18,985,494	18,985,494
Board-designated endowment funds			
Priests Welfare	308,681	-	308,681
Parishes	15,328,117	-	15,328,117
Seminary	1,358,858	-	1,358,858
Total board-designated endowment funds	16,995,656	-	16,995,656
Total	\$ 16,995,656	\$ 18,985,494	\$ 35,981,150

Note 13: ENDOWMENT AND DESIGNATED INVESTMENT FUNDS (Continued)

Changes in endowment net assets for the years ended June 30, 2025 and 2024:

For the year ended June 30, 2025	Board Designated	Donor Restricted	Total
Endowment net assets, beginning of year Contributions Release of board designation Investment return	\$ 16,995,656 \$	18,985,493	\$ 35,981,149
	-	727,266	727,266
	(15,000,000)	-	(15,000,000)
Investment income, net Net realized and unrealized appreciation Change in value of beneficial interest	36,958	13,473	50,431
	120,007	41,506	161,513
in funds held by Foundation Appropriation for expenditure	-	1,854,172	1,854,172
	(620,716)	(100,000)	(720,716)
Endowment net assets, end of year	\$ 1,531,905 \$	21,521,910	\$ 23,053,815
For the year ended June 30, 2024	Board Designated	Donor Restricted	Total
Endowment net assets, beginning of year Transfer to increase board	\$ 13,819,942 \$	17,540,679	\$ 31,360,621
designated investment funds Contributions	2,976,686	-	2,976,686
	-	25,808	25,808
Investment return Investment income, net Net realized and unrealized appreciation Change in value of beneficial interest	45,479	15,423	60,902
	176,816	53,164	229,980
in funds held by Foundation Appropriation for expenditure	-	1,450,420	1,450,420
	(23,267)	(100,000)	(123,267)
Endowment net assets, end of year	\$ 16,995,656 \$	18,985,494	\$ 35,981,150

During the year ended June 30, 2025, the board designated funds of \$15,000,000 related to the SPOC were released upon the transfer of the SPOC assets to the Expansion Trust (Note 4).

Note 14: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - Observable; or
 - Can be corroborated by observable market data

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value at June 30, 2025 and 2024.

Beneficial interest in assets held by Foundation - the fair value of beneficial interest in assets held by the Foundation is based upon the net present value of Chancery's expected future cash flows. Chancery does not have the ability to redeem this beneficial interest and withdrawals are limited to the terms of Chancery's agreement with the Foundation.

Split-interest agreements - Reported at fair value utilizing Level 3 inputs that reflect management's own assumptions about the assumptions that market participants would use in pricing the assets. The fair value of the charitable remainder trust is estimated at the present value of expected future cash inflows.

AoA Common Fund Trust – valued based on 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 Chancery believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Note 14: FAIR VALUE MEASUREMENTS (Continued)

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

June 30, 2025		Level 1	Level 2	Level 3	Total
Beneficial interest in assets	ć	¢		\$ 20.743.019	\$ 20.743.019
held by Foundation	<u> </u>	- \$		\$ 20,743,019	\$ 20,743,019
AoA Common Fund Trust (A)					\$ 2,092,385
June 30, 2024		Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by Foundation	\$	- \$	_	\$ 18,161,581	\$ 18,161,581
	T	<u>T</u>		+ 10/101/001	+ 10/101/001
AoA Common Fund Trust (A)					\$ 2,601,157

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

The following is a reconciliation of the change in fair value for the years ended June 30, 2025 and 2024 for Level 3:

For the years ended June 30,	2025	2024
Beneficial interest in assets held by Foundation		
Balance, beginning of year	\$ 18,161,581	\$ 16,685,354
Transfers to assets held by Foundation	-	25,807
Change in value	2,380,172	1,956,220
Contributions	727,266	-
Distributions	(526,000)	(505,800)
Balance, end of year	\$ 20,743,019	\$ 18,161,581
Split-interest agreement		
Balance, beginning of year	\$ -	\$ 2,057,434
Change in value of split-interest agreement	-	(2,710)
Proceeds received	-	(2,054,724)
Balance, end of year	\$ -	\$

Changes in Fair Value Level

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Note 14: FAIR VALUE MEASUREMENTS (Continued)

Changes in Fair Value Level (continued)

Management evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended June 30, 2025 and 2024, there were no significant transfers in or out of Levels 1, 2, or 3.

Fair Value of Investments that Calculate Net Asset Value

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

			Redemption					
		Unfunded	Frequency	Redemption				
Year-end	Fair Value	Commitments	(if eligible)	Notice Period				
June 30, 2025	\$ 2,092,385	\$ -	Unrestricted	Unrestricted				
June 30, 2024	\$ 2,601,157	\$ -	Unrestricted	Unrestricted				

Note 15: CONCENTRATIONS AND CONTINGENCIES

Concentrations

The Financial Accounting Standards Board requires disclosure about financial instruments and related off-balance sheet risk and concentrations of credit risk. The activity of Chancery is primarily with parishes and missions within the Archdiocese, which covers approximately fifty percent of the State of Georgia.

Chancery has cash deposits with financial institutions and with AoA Deposit and Loan Fund Trust. All bank accounts with financial institutions are insured by the Federal Deposit Insurance Company (FDIC) up to \$250,000. As of June 30, 2025 and 2024, cash did not exceed federally insured limits. Funds on deposit with AoA Deposit and Loan Fund Trust are not FDIC insured.

Contingencies

Various Archdiocesan organizations have been named in lawsuits or claims relating to alleged liability incidents. These lawsuits and claims are covered, in full or in part, by RCAA Administrative Services, Inc.'s (Services) self-insurance program or external insurance coverage. Chancery accrues for claims when a loss is considered probable and reasonably estimable. As of June 30, 2025, there were no significant lawsuits or claims that met these criteria.

Note 16: RELATED PARTY TRANSACTIONS

Funds on Deposit and Investments with Related Parties

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

Beneficial Interest in Assets Held by Foundation

Chancery is the beneficiary of certain endowment funds held at the Foundation (Note 2 and Note 13).

Annual Appeal

Promises to give (Note 6) represent the balance outstanding on pledges made under the Annual Appeal. Promises to give under the Annual Appeal are from the individual members of the various parishes of the Archdiocese of Atlanta.

Assessments

Chancery assesses parishes for two separate assessments.

Each year Chancery assesses the parishes at a specified percentage of their prior year income. For the years ended June 30, 2025 and 2024, Chancery recorded total parish assessment revenue of \$16,492,668 and \$16,022,976, respectively.

Chancery also assesses the parishes for financial aid which is used for the schools within the Archdiocese. Chancery recorded \$2,807,974 and \$2,649,461, during the years ended June 30, 2025 and 2024, respectively.

There are receivables from parish assessments of \$3,144,154 and \$3,311,105 at June 30, 2025 and 2024, respectively. The receivable balances have been reduced by valuation allowances of \$2,602,007 and \$3,000,000 at June 30, 2025 and 2024, respectively.

Subsidies

Chancery provided subsidies totaling approximately \$6,795,439 and \$6,402,649 during the years ended June 30, 2025 and 2024, respectively, to various parishes, schools and other organizations within the Archdiocese. A portion of the subsidies totaling \$2,880,000 for both the years ended June 30, 2025 and 2024 are included in education, professional development and events on the statement of functional expenses.

Contribution Expense

During the year ended June 30, 2025, Chancery made a contribution in the amount of \$766,154 to Properties to pay for the funding of capital expenditures.

Note 16: RELATED PARTY TRANSACTIONS (Continued)

SPOC Transfer

During the year ended June 30, 2024, Properties transferred the receivable related to the St. Toribo Romo projects as part of the SPOC in the amount of \$944,240 (Note 4).

During the year ended June 30, 2025, Chancery transferred all outstanding SPOC receivables to the Expansion Trust in the amount of \$10,239,605.

Service Agreement with RCAA Administrative Services, Inc.

During the year ended June 30, 2025, Chancery and Services entered into a service agreement whereby Services provides all accounting, record keeping, financial reporting, audit preparation, investment functions, administers the retirement plan and defined contribution retirement plan, priest long-term care plan, welfare plan, auto insurance, workmen's compensation insurance, and voluntary term life as required by Chancery to carry out its mission. Total expenses related to the service agreement between Services and Chancery approximates \$442,400 for the year ended June 30, 2025. Any receivables from Services are included in due from related party on the statements of financial position as of June 30, 2025 and 2024, respectively. In previous years, employees who performed these functions were leased from Services and included in Chancery's salaries and benefits expense on the statements of functional expenses.



ACCOMPANYING INFORMATION



Carr, Riggs & Ingram, L.L.C. 4004 Summit Boulevard NE Suite 800 Atlanta, GA 30319

770.394.8000 770.451.2873 (fax) CRIady com

INDEPENDENT AUDITOR'S REPORT ON ACCOMPANYING INFORMATION

His Excellency, the Most Reverend Archbishop of Atlanta And to the Board of Directors Roman Catholic Archdiocese of Atlanta, Inc. Atlanta, Georgia

We have audited the financial statements of Roman Catholic Archdiocese of Atlanta, Inc. as of and for the years ended June 30, 2025 and 2024, and our report thereon dated December 9, 2025, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying information on pages 35 through 37 is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Parr, Riggs & Ungram, L.L.C.

Atlanta, Georgia December 9, 2025

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

June 30,		 2024			
	Designated nvestment Funds	Ε	indowment Funds	Total Fair Value	Total Fair Value
Archdiocese Fund for the Poor Cline Fund Priests Welfare Seminary Fund - Junior Clergy Seminary Fund - Father McGuire Seminary Fund - General Fund Seminary Fund - Monsignor Clancy Village - General Endowment	\$ 255,891 25,927 338,075 - - 831,493 -	\$	- - - 17,066 - 117,324 506,609	\$ 255,891 25,927 338,075 - 17,066 831,493 117,324 506,609	\$ 328,117 23,648 308,680 190,658 15,601 1,068,267 107,144 559,042
Investment balances at end of year	\$ 1,451,386	\$	640,999	\$ 2,092,385	\$ 2,601,157

			_		Ad	ditions												
	June 30, 2024 Balance		and	Contributions and Transfers in		estment ome, net	Ga	ealized and Unrealized in (Loss) on nvestments		Total Additions		ributions to eneficiary	Release of Board Designation		Total Deductions		Increase Decrease) in Funds	June 30, 2025 Balance
Changes in Designated Investment Fund Balances																		
Archdiocese Fund for the Poor	\$ 328,117	\$	- :	\$ -	\$	8,023	\$	22,751	\$	30,774	\$	103,000	\$ -	\$	103,000	\$	(72,226)	\$ 255,891
Junior Clergy Seminary Fund	186,826		-	-		325		6,537		6,862		197,519	-		197,519		(190,657)	(3,831)
Priests' Seminary Fund	44,430		-	-		1,081		3,151		4,232		-	-		-		4,232	48,662
Priests Welfare	308,681		-	-		7,590		21,804		29,394		-	-		-		29,394	338,075
Satzky Family Fund	23,853		-	-		-		-		-		-	-		-		-	23,853
Seminary Fund	1,077,223		-	-		19,357		64,067		83,424		320,197	-		320,197		(236,773)	840,450
Thomas D. Cline Fund	26,526		-	-		582		1,697		2,279		-	-		-		2,279	28,805
Total	\$ 1,995,656	\$	- :	\$ -	\$	36,958	\$	120,007	\$	156,965	\$	620,716	\$ -	\$	620,716	\$	(463,751)	\$ 1,531,905
Changes in Special Project Funds																		
Special Projects Fund	\$ 15,000,000	\$	- :	\$ -	\$		\$	-	\$		\$	_	\$ 15,000,000	\$	15,000,000	\$ (1	5,000,000)	<u> </u>
Changes in Endowment Fund Balances																		
Village of St. Joseph Fund	\$ 699,594	\$	- :	\$ -	\$	10,451	\$	32,883	\$	43,334	\$	100,000	\$ -	\$	100,000	\$	(56,666)	\$ 642,928
Father McGuire Scholarship Fund	15,168		-	- -	•	374	•	1,091	•	1,465	•	-	-		-	•	1,465	16,633
Monsignor Clancy Educational Fund	109,150		-	-		2,648		7,532		10,180		-	-		-		10,180	119,330
Beneficial interest in funds held by Foundation	18,161,581	727	,266	-		<u>-</u>		2,380,172		3,107,438		526,000	-		526,000		2,581,438	20,743,019
Total	\$ 18,985,493	\$ 727	,266	\$ -	\$	13,473	\$	2,421,678	\$	3,162,417	Ś	626,000	\$ -	· \$	626,000	\$	2.536.417	\$ 21,521,910

Roman Catholic Archdiocese of Atlanta, Inc. Property and Equipment

	Beginning	Additions	Transfers	Reductions	Ending
Land					
Village of St. Joseph	\$ 287,201	\$ -	\$ -	\$ -	\$ 287,201
Locust Grove Cemetery	13,500	- -	- -	- -	13,500
Locast Grove demetery	13,300				13,300
Total land	300,701	-	_	_	300,701
	,				, .
Land improvements					
Village of St. Joseph	8,897	-	-	-	8,897
Total land improvements	8,897	-	-	-	8,897
Buildings					
St. John Neumann School	3,322,424	-	-	-	3,322,424
St. Peter Claver School	4,476,059	-	-	-	4,476,059
Village of St. Joseph	145,789	-	-	-	145,789
Total buildings	7,944,272	-	-	-	7,944,272
Furniture, fixtures and equipment					
Atlanta University Lykes House	135,569	-	-	-	135,569
Chancery Offices	186,368	-	-	-	186,368
Computer software	686,805	-	-	-	686,805
Our Lady of Americas	113,236	-	-	-	113,236
St. George Village Chapel	24,000	-	-	-	24,000
St. Peter Claver School	658,991	-	-	-	658,991
Village of St. Joseph	64,934	-	-	-	64,934
Other	200,426	41,339	-	-	241,765
Total furniture, fixtures and equipment	2,070,329	41,339	-	-	2,111,668
Automobiles	548,922		<u>-</u>	(85,008)	463,914
Total property and equipment	\$10,873,121	\$ 41,339	\$ -	\$ (85,008)	\$10,829,452