

Catholic Charities CYO of the Archdiocese of San Francisco

Consolidated Financial Statements

June 30, 2022

with summarized comparative totals for 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Catholic Charities CYO of the Archdiocese of San Francisco

Opinion

We have audited the consolidated financial statements of Catholic Charities CYO of the Archdiocese of San Francisco (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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



Report on Summarized Comparative Information

We have previously audited the Organization's 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 9, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

BAKER TILLY US, LLP

Baker Tilly US, LLP

San Francisco, California

December 22, 2022

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2022 with Comparative Totals for 2021

	2022	2021
ASSETS		
Assets		
Cash and cash equivalents	\$ 3,441,763	\$ 3,620,412
Contractually restricted cash and cash equivalents	8,719,949	8,161,567
Investments	11,857,351	15,328,971
Receivables		
Program receivables, net	6,720,494	7,092,048
Contributions receivable	2,192,760	140,700
Employee Retention Credit (ERC) receivable	2,930,000	2,930,000
Prepaid expenses and other assets	357,503	323,482
Property and equipment, net	16,106,399	16,460,004
Total assets	\$ 52,326,219	\$ 54,057,184
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 785,504	\$ 1,023,526
Accrued expenses	3,234,201	3,023,812
Deferred revenue	3,062,732	2,619,163
Loans payable	8,254,737	8,049,851
Contractual reserves	8,537,748	8,007,169
Conditional asset retirement obligations	813,145	811,265
Total liabilities	24,688,067	23,534,786
Net Assets		
Without donor restrictions		
Undesignated	9,974,634	13,742,334
Board designated	3,652,362	3,487,872
Investment in property and equipment, net	7,038,517	7,598,888
	20,665,513	24,829,094
With donor restrictions	6,972,639	5,693,304
Total net assets	27,638,152	30,522,398
Total liabilities and net assets	\$ 52,326,219	\$ 54,057,184

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022 with Summarized Comparative Totals for 2021

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Government contracts	\$ 35,352,152	\$ -	\$ 35,352,152	\$ 34,446,563
Program service fees	6,925,327	-	6,925,327	2,643,091
Government grant - PPP	-	-	-	1,882,142
Government grant - ERC	-	-	-	2,930,000
Contributions and foundation grants				
of cash and financial assets	783,483	4,130,831	4,914,314	3,918,910
Contributions of nonfinancial assets	581,479	-	581,479	665,289
Bequests	164,490	225,280	389,770	797,256
Special events	-	57,775	57,775	837,886
Rental income	2,497,846	-	2,497,846	1,525,253
Investment return (loss), net	(70,821)	(427,837)	(498,658)	1,415,742
Other income	312,179	-	312,179	576,716
Net assets released from restrictions	2,706,714	(2,706,714)	-	-
Total support and revenue	<u>49,252,849</u>	<u>1,279,335</u>	<u>50,532,184</u>	<u>51,638,848</u>
OPERATING EXPENSES				
Program services:				
Aging support services	2,203,861	-	2,203,861	1,924,114
Children and youth services	12,262,158	-	12,262,158	12,621,167
Homelessness and housing services	22,957,575	-	22,957,575	21,276,825
Refugees and immigration services	2,086,216	-	2,086,216	2,042,420
Transportation and facility rentals	4,230,050	-	4,230,050	2,430,023
Total program services	<u>43,739,860</u>	<u>-</u>	<u>43,739,860</u>	<u>40,294,549</u>
Support services:				
Administration	7,897,425	-	7,897,425	6,467,648
Development	1,779,145	-	1,779,145	1,247,742
Total support services	<u>9,676,570</u>	<u>-</u>	<u>9,676,570</u>	<u>7,715,390</u>
Total expenses	<u>53,416,430</u>	<u>-</u>	<u>53,416,430</u>	<u>48,009,939</u>
CHANGE IN NET ASSETS	(4,163,581)	1,279,335	(2,884,246)	3,628,909
NET ASSETS - beginning of year	<u>24,829,094</u>	<u>5,693,304</u>	<u>30,522,398</u>	<u>26,893,489</u>
NET ASSETS - end of year	<u>\$ 20,665,513</u>	<u>\$ 6,972,639</u>	<u>\$ 27,638,152</u>	<u>\$ 30,522,398</u>

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022 with Summarized Comparative Totals for 2021

	2022						2021				
	Program Services					Total Program Services	Support Services		Total Support Services	Total Expenses	Total Expenses
	Aging Support Services	Children and Youth Services	Homelessness and Housing Services	Refugees and Immigration Services	Transportation and Facility Rentals		Administration	Development			
Salaries and related expenses:											
Salaries and wages	\$ 1,059,344	\$ 6,557,502	\$ 6,038,849	\$ 1,263,823	\$ 1,613,096	\$ 16,532,614	\$ 3,181,521	\$ 1,123,849	\$ 4,305,370	\$ 20,837,984	\$ 22,408,155
Employee benefits and payroll taxes	310,316	1,909,555	2,068,218	347,791	536,078	5,171,958	853,067	262,907	1,115,974	6,287,932	6,933,259
Total salaries and related expenses	1,369,660	8,467,057	8,107,067	1,611,614	2,149,174	21,704,572	4,034,588	1,386,756	5,421,344	27,125,916	29,341,414
Financial assistance	504,207	58,274	9,703,849	1,735	-	10,268,065	-	-	-	10,268,065	6,167,934
Professional fees and outside contractors	13,633	360,772	561,045	215,709	72,729	1,223,888	3,071,221	182,212	3,253,433	4,477,321	2,534,922
Occupancy costs	172,313	1,086,695	1,838,318	152,718	360,783	3,610,827	288,003	-	288,003	3,898,830	3,575,617
Depreciation and amortization	13,066	755,818	331,481	9,349	280,006	1,389,720	105,103	-	105,103	1,494,823	1,523,448
Transportation costs and travel	22,765	239,728	87,341	2,825	1,104,068	1,456,727	7,638	2,661	10,299	1,467,026	529,829
Contractually required reserves	-	-	1,226,242	-	-	1,226,242	-	-	-	1,226,242	1,249,940
Program food	16,889	442,773	269,490	1,314	-	730,466	63	-	63	730,529	633,070
Miscellaneous	1,103	138,883	106,699	11,237	184,964	442,886	155,784	17,293	173,077	615,963	580,231
Supplies	37,268	193,734	202,124	22,549	26,671	482,346	32,078	28,097	60,175	542,521	471,946
Telephone and postage	29,602	178,194	168,484	18,816	25,452	420,548	79,685	39,691	119,376	539,924	562,655
Insurance	19,923	163,810	151,967	34,959	25,888	396,547	65,232	9,665	74,897	471,444	237,586
Interest	-	1,886	181,249	-	-	183,135	28,332	-	28,332	211,467	278,483
Child related	-	140,103	-	-	-	140,103	-	-	-	140,103	128,858
Printing and publication	1,700	7,557	1,892	1,389	315	12,853	14,714	99,698	114,412	127,265	43,242
Conferences and meetings	1,732	26,874	20,327	2,002	-	50,935	14,984	13,072	28,056	78,991	63,274
Emergency supplies	-	-	-	-	-	-	-	-	-	-	50,685
Office relocation	-	-	-	-	-	-	-	-	-	-	36,805
Total expenses	\$ 2,203,861	\$ 12,262,158	\$ 22,957,575	\$ 2,086,216	\$ 4,230,050	\$ 43,739,860	\$ 7,897,425	\$ 1,779,145	\$ 9,676,570	\$ 53,416,430	\$ 48,009,939

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2022 with Comparative Totals for 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (2,884,246)	\$ 3,628,909
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,494,823	1,523,448
Change in asset retirement obligation	1,880	1,260
Contributions restricted in perpetuity	(6,250)	(13,200)
Net unrealized gain (loss) on investments	497,544	(1,300,581)
Bad debt expense	107,411	152,828
Gain on disposal of property and equipment	(500)	-
Changes in operating assets and liabilities:		
Receivables	(1,787,917)	(3,244,053)
Prepaid expenses and other assets	(34,021)	64,022
Accounts payable	(238,022)	54,343
Accrued expenses	415,275	(343,050)
Deferred revenue	443,569	2,376,632
Refundable advance	-	(1,882,142)
Contractual reserves	530,579	1,403,793
Net cash provided by (used in) operating activities	<u>(1,459,875)</u>	<u>2,422,209</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	4,959,788	1,790,000
Purchases of investments	(1,985,712)	(2,449,723)
Purchases of property and equipment	(1,140,718)	(653,386)
Net cash provided by (used in) investing activities	<u>1,833,358</u>	<u>(1,313,109)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted in perpetuity	6,250	13,200
Net cash provided by financing activities	<u>6,250</u>	<u>13,200</u>
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS	379,733	1,122,300
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AND CASH EQUIVALENTS - beginning of year	<u>11,781,979</u>	<u>10,659,679</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AND CASH EQUIVALENTS - end of year	<u>\$ 12,161,712</u>	<u>\$ 11,781,979</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 28,332</u>	<u>\$ -</u>
Reconciliation of totals in the consolidated statement of cash flows to related captions in the consolidated statement of financial position:		
Cash and cash equivalents	\$ 3,441,763	\$ 3,620,412
Contractually restricted cash and cash equivalents	8,719,949	8,161,567
	<u>\$ 12,161,712</u>	<u>\$ 11,781,979</u>

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

1. ORGANIZATION

Catholic Charities CYO of the Archdiocese of San Francisco (“Catholic Charities CYO”) is a non-profit human services and community development organization. Catholic Charities CYO is dedicated to the growth and development of children and families in a safe environment. Its mission is to alleviate human suffering by providing direct services for the poor and disenfranchised, address the root causes of poverty and injustice by assisting people to mobilize their own resources and become self-sufficient, and enhance society’s awareness of suffering through advocacy for changing unjust social conditions.

Guided by core values of charity, social justice and respect for human dignity, Catholic Charities CYO reaches out to children, families, and individuals in San Francisco, San Mateo, and Marin counties, and offers over 30 programs located throughout the Archdiocese. An important dimension of the programs is concerted outreach to “at risk” youth, families and communities. Catholic Charities CYO views their employees and those they serve as strategic partners in these efforts.

The consolidated financial statements include the accounts of Catholic Charities CYO, 899 Guerrero Street Inc., and 1340 Golden Gate Associates, L.P. (collectively, the “Organization”). Catholic Charities CYO has a controlling interest and economic interest in 899 Guerrero Street, Inc. 1340 Golden Gate Associates, L.P. is owned by Catholic Charities CYO as a limited partner holding a 99% interest and 899 Guerrero Street, Inc. as a general partner holding a 1% interest.

The Organization currently has five categories of programs:

Aging support services – these programs help seniors maintain their independence and dignity while making valuable connections through companionship and friendship. The programs promote economical, comprehensive, alternative solutions to residential facilities or in-home care while providing respite to caregivers.

Children and youth services – these programs provide the opportunity for children to learn, play and grow in healthy, safe environments to better prepare them for their future. From early childhood development care and after-school programs, to organized athletics and summer camps, youth of all ages are encouraged to thrive. Residential-based services also help children and youth heal and grow into healthy adults.

Homelessness and housing services – these programs provide residential care facilities, distribution of housing subsidies and wrap-around case management to vulnerable people and provide them with freedom to focus on restoring stability and hope in other areas of their lives.

Centers for immigration legal support services – these programs assist clients in achieving legal status and economic self-sufficiency, as well as becoming fully active participants in the social and civic life of our communities.

Transportation and facility rentals – Transportation provides school bus services to a variety of schools and youth-serving organizations. Facility rentals includes the rental of a portion of our facilities to other not-for-profit organizations.

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies is as follows:

Basis of Presentation

The accompanying consolidated financial statements (collectively, the “financial statements”) have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). All intercompany transactions have been eliminated upon consolidation.

Net Assets

The net assets of the Organization are reported in groups as follows:

Without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations. The Organization has created a board designated fund, the Legacy Circle Fund, to govern the use of bequests received without donor restrictions. Investment in property and equipment is net of related debt obligations.

With Donor Restrictions

Those net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when events specified by the donor are met.

Cash, Cash Equivalents and Restricted Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid instruments with original maturities of three months or less. Contractually restricted cash and cash equivalents represents amounts that are required to be maintained at specified levels in separate cash accounts. These requirements are stipulated in certain loan agreements.

Receivables

Program receivables represent amounts billed and accrued but not yet collected for services. The Organization provides an allowance for doubtful accounts based on management’s evaluation of the current aging of the accounts. Based on these factors, there is a provision for doubtful accounts of \$266,451 as of June 30, 2022. It is the Organization’s policy to write off uncollectible program receivables when management determines the receivable will not be collected.

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables (continued)

Contributions receivable represent the balance of pledges and commitments from donors that have not yet been received. Contributions receivable are recorded at net realizable value, net of allowance for uncollectible contributions receivable. Contributions receivable that are expected to be received in future years are discounted to the anticipated present value of future cash flows using a risk-free discounted rate of return. The Organization believes all of its contributions receivable at June 30, 2022 are collectible within one year, therefore there was no allowance for uncollectible contributions receivable or discount.

Revenue Recognition

Program Service Fees

Revenue recognition for program service fees is evaluated through the following five steps: (i) identification of the contract or contracts with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price in the contract; and (v) recognition of revenue when or as a performance obligation is satisfied.

The performance obligation related to program service contracts is to provide services related to camps, athletics, immigration services, childcare, and transportation. The Organization recognizes program service fee revenue over time in the period that the services are rendered. Payment terms are typically within 30 days from when the service is rendered.

Contract assets and contract liabilities consist of program receivables and deferred revenue related to program service fees, respectively. At July 1, 2021 and June 30, 2022, the balances of contract assets and contract liabilities are as follows:

	<u>July 1, 2021</u>	<u>June 30, 2022</u>
Program receivables, net	\$ 168,809	\$ 610,703
Deferred revenue	\$ 356,726	\$ 539,070

Contributions and Grants

Unconditional contributions and grants are recorded as increases to net assets with donor restrictions or net assets without donor restrictions depending on the existence and nature of any donor restrictions in the period that the contribution or grant was promised by the donor. Unconditional contributions and grants that are not restricted by the donor are reported as an increase in net assets without restrictions. Unconditional contributions and grants with donor restrictions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Contributions and Grants

The Organization recognizes conditional contributions and grants in the period that the conditions have been fulfilled. Conditional contributions and grants with donor restrictions are recorded as increases in net assets without donor restrictions when the conditions and restrictions are met simultaneously. The Organization records the balance of conditional contributions and grants collected for which the underlying conditions have not been met as a liability on its consolidated statement of financial position until the related revenue is recognized. At June 30, 2022, conditional contributions and grants for which funds have been received but the conditions have not been met was \$2,019,188 and is included in deferred revenue on the consolidated statement of financial position. At June 30, 2022, conditional contributions and grants for which the conditions have not been met and funds have not been received was \$27,510,279 and are not recorded on these financial statements.

Contributed Nonfinancial Assets

During the year ended June 30, 2022, the Organization received pro bono legal services of \$162,525 and donated goods of \$418,954 which was recorded as contributions of nonfinancial assets on the consolidated statement of activities. Pro bono legal services recognized consist of professional services from attorneys advising immigration clients on legal matters. Donated goods recognized consist of clothing, food, equipment, and supplies. Contributed nonfinancial assets were utilized during the year and did not have any donor-imposed restrictions. Pro bono legal services are valued and reported at estimated fair value based on current rates for legal services. Donated goods are valued and reported at estimated fair value based on valuations provided by third parties.

Government Contracts

Government contract revenue is recognized in accordance with the terms of the contract, which is generally when the related expenditures are incurred, in line with policy for contributions and grants revenue.

Bequests

Bequests are recognized on an accrual basis when they are irrevocable, unconditional and measurable and when there is sufficient evidence available to determine that the revenue is probable and estimable. At that time, the Organization recognizes the bequest at fair value, net of a discount for likely fees and taxes, based on historical experience.

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Rental Income

The Organization has entered into several operating lease agreements with lessees which contain provisions for future rent increases. Rental income is recognized over the lease term using the straight-line method.

Deferred Revenue

Funds received related to program service fees and conditional contributions and grants are recorded as deferred revenue until the related revenue is recognized. Estimated liabilities under pooled income funds are also recorded as deferred revenue.

Investments

Investments are stated at fair value based on quoted market prices. Investments in pooled investment funds are valued using their net asset values. Gains and losses that result from market fluctuations are recorded in the period in which such fluctuation occurs. Gains and losses that result from the sale or maturity of investments are recorded in the period in which the sale or maturity occurs. Dividend and interest income is recorded when earned, net of investment management fees. Donated securities are initially reported at fair value at the date of donation.

Fair Value Measurements

The Organization considers the use of market-based information over entity specific information in valuing its assets and liabilities valued at fair value, using a three-level hierarchy for fair value measurements, based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

The three-level hierarchy for fair value measurements is defined as follows:

- *Level 1*: Quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- *Level 2*: Observable inputs, other than quoted prices included within Level 1, for the asset or liability, either directly or indirectly through corroboration with observable market data (market-corroborated inputs).
- *Level 3*: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

In accordance with the authoritative guidance on fair value measurements and disclosures, as a practical expedient, an entity holding investments in certain funds that are calculated on the basis of net asset value (NAV) per share or its equivalent for which fair value is not readily determinable is permitted to measure the fair value of such investments on the basis of the NAV or its equivalent without adjustment. Investments measured at fair value using the NAV are not categorized within the fair value hierarchy.

Property and Equipment

Land, buildings and equipment with an original purchase price in excess of \$5,000 are carried at cost or at fair value as of the date of donation. Depreciation and amortization are provided on the straight-line method over the estimated useful lives of the assets. Maintenance, repairs and renewals which neither materially add to the value of the property or equipment nor appreciably prolong its life are charged to expense as incurred. Leasehold improvements are amortized over the shorter of the useful life of the improvements or the life of the lease.

Costs incurred to develop or purchase computer software for internal use and websites are capitalized and amortized over the estimated useful life of the software. Costs related to design or maintenance of internal use software and website development are expensed as incurred.

Split-Interest Agreements

The Organization has entered into a variety of split-interest charitable agreements as follows:

Pooled Income Fund

The Organization's pooled income fund is divided into units and contributions of its donors are pooled and invested as a group. Donors are assigned a specific number of units based on the proportion of the fair value of their contributions to the total fair value of the pooled income fund on the date of the donor's entry into the fund. Until the donor's death, the donor, or the donor's designated beneficiary, is paid the actual income earned on the donor's assigned units. The estimated liability, based on donor life expectancy under pooled income agreements, is reflected as long-term deferred revenue. This liability is estimated at fair market value using a discount rate of 3.30% or 3.38% based upon the estimated life of each donor. Upon the donor's death, the value of the assigned units reverts to the Organization for its unrestricted use.

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Charitable Gift Annuities

Charitable gift annuities represent the remainder beneficiary interest of various charitable gift annuities which are held by an independent trustee. These agreements provide for annual annuity payments to donors ranging from approximately 6.3% to 8.3%. The Organization recognizes its beneficial interest in these assets at the time the donations are made and re-measures the present value of future distributions to be received upon maturity of the charitable gift annuity each reporting period.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California Revenue and Taxation Code Section 23701d. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Each year, management considers whether any material tax position the Organization has taken is more likely than not to be sustained upon examination by the applicable tax authority. Management believes that any positions the Organization has taken are supported by substantial authority and, hence, do not need to be measured or disclosed in these financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses are allocated to program and supporting services based on the purpose of each expense and services provided for each function. Accordingly, certain costs have been allocated to program and supporting services based on employee time estimates or other appropriate usage factors.

Concentrations of Risk

Credit Risk

Financial instruments which are potentially subject to credit risk consist principally of cash and cash equivalents (including contractually restricted cash and cash equivalents) and receivables. Cash and cash equivalents are held in high credit quality financial institutions in the United States of America. At times, cash and cash equivalents balances may exceed the institutions' federally insured limits.

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentrations of Risk (continued)

Investment Risk

The Organization invests in various types of investments. Investments are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position. At times, certain investment balances may exceed the institutions' insured limits.

Major Funders

Government contract revenue and program receivables consist primarily of amounts from a limited number of federal, state and county agencies. During the year ended June 30, 2022, 43% of government contract revenue were from two agencies. At June 30, 2022, 25% of program receivables was due from one agency.

During the year ended June 30, 2022, 35% of foundation grants and contributions revenue was from one donor. At June 30, 2022, 80% of contributions receivable was due from one donor.

Comparative Information

The financial information for the year ended June 30, 2021 has been presented for comparative purposes only and is not intended to be a complete presentation in accordance with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021 from which the summarized information was obtained.

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through December 22, 2022, which represents the date the financial statements were available to be issued.

Recent Accounting Pronouncements

During February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the statement of financial position. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. FASB has issued subsequent standards that deferred the implementation date. Topic 842 (as amended) is effective for annual periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Organization is currently assessing the effect that ASU 2016-02 will have on its consolidated financial statements.

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements (continued)

In June 2016, FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 requires financial assets measured at amortized cost to be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. FASB has issued subsequent standards to clarify, correct errors in or improve the guidance. ASU 2016-13 (as amended) is effective for annual periods and interim periods within those annual periods beginning after December 15, 2022. Early adoption is permitted for annual and interim periods beginning after December 15, 2018. The Organization is currently assessing the effect that ASU 2016-13 (as amended) will have on its consolidated financial statements.

3. NEWLY ADOPTED ACCOUNTING PRONOUNCEMENT

Effective July 1, 2021, the Organization adopted ASU 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The Organization has adjusted the presentation of these financial statements accordingly. ASU 2020-07 has been applied retrospectively to all periods presented.

As a result of the adoption of ASU 2020-07, the consolidated statement of activities for the year ended June 30, 2021, was adjusted as follows:

	<u>After Adoption of ASU 2020-07</u>	<u>As Originally Presented</u>	<u>Effect of Change</u>
Contributions and foundation grants	\$ -	\$ 4,584,199	\$ (4,584,199)
Contributions and foundation grants of cash and financial assets	\$ 3,918,910	\$ -	\$ 3,918,910
Contributions of nonfinancial assets	\$ 665,289	\$ -	\$ 665,289

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

4. INVESTMENTS AND SPLIT-INTEREST AGREEMENTS/ FAIR VALUE MEASUREMENTS

Investments in marketable securities, at fair value, and the value of split-interest agreements at June 30, 2022 were as follows:

Investments	\$ 6,603,898
Investment pool - Archdiocese of San Francisco	4,805,766
Pooled income fund - mutual funds	<u>447,687</u>
Total	<u>\$ 11,857,351</u>

At June 30, 2022, investments totaling \$4,805,766 were held within the investment pool of the Archdiocese of San Francisco, a related party.

The following table sets forth, by level, the fair value hierarchy of the Organization's assets at fair value as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Investments				
U.S. Treasury bonds	\$ -	\$ 5,562,704	\$ -	\$ 5,562,704
Cash and cash equivalents	<u>1,041,194</u>	-	-	<u>1,041,194</u>
Total assets in fair value heirarchy	<u>\$ 1,041,194</u>	<u>\$ 5,562,704</u>	<u>\$ -</u>	<u>6,603,898</u>
Investments held at net asset value ⁽¹⁾				
Pooled income fund ⁽²⁾				447,687
Investment pool - Archdiocese of San Francisco ⁽³⁾				<u>4,805,766</u>
				<u>5,253,453</u>
Total investments at fair value				<u>\$ 11,857,351</u>

⁽¹⁾ Investments are measured at fair value using the net asset value per share (or its equivalent), and, therefore, have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

⁽²⁾ Invests in mutual funds and fixed income securities.

⁽³⁾ Invests in stocks, bonds, mutual funds and hedge funds. The Organization may only make withdrawals at the end of the calendar quarter. At June 30, 2022, there were no unfunded commitments.

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

5. PROPERTY AND EQUIPMENT

Property and equipment, net of accumulated depreciation and amortization, consisted of the following at June 30, 2022:

Buildings	\$ 15,376,132
Leasehold improvements	7,082,524
Transportation equipment	6,543,493
Land improvements	3,533,730
Computer equipment, software and website	1,732,860
Land	1,077,736
Equipment and furniture	411,121
	<u>35,757,596</u>
Less: accumulated depreciation and amortization	<u>(20,781,216)</u>
	14,976,380
Construction in progress	<u>1,130,019</u>
Total property and equipment - net	<u><u>\$ 16,106,399</u></u>

The Organization's asset retirement obligations relate to eventual costs of asbestos and lead paint remediation for some of its buildings. The Organization initially recorded asset retirement obligations of \$1,093,259. The asset retirement obligations are adjusted annually and amounted to \$813,145 at June 30, 2022.

Net assets without donor restrictions in property and equipment net of related debt and asset retirement obligations totaled \$7,038,517 as of June 30, 2022.

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

6. LOANS PAYABLE

Loans payable consisted of the following at June 30, 2022:

Loans with the City and County of San Francisco

Catholic Charities CYO's loan (for phase I to rehabilitate 30 rental units for use as affordable housing, whose tenants then participate in the Treasure Island Supportive Housing Program) with the City and County of San Francisco, via the Mayor's Office of Housing, which is collateralized by a deed of trust, requires no monthly payments, bears interest at 0%, matures on September 23, 2049, and will be forgiven except in the case of an event of default, as defined. The loan is secured by the rental revenue stream created from the sublease held by Catholic Charities CYO and the Treasure Island Development Authority. \$ 900,381

Catholic Charities CYO's loan (for phase II to rehabilitate 36 rental units for use as affordable housing, whose tenants then participate in the Treasure Island Supportive Housing program) with the City and County of San Francisco, via the Mayor's Office of Housing, which is collateralized by a deed of trust, requires no monthly payments, bears interest at 0%, matures on March 8, 2050, and will be forgiven except in the case of an event of default, as defined. The loan is secured by the rental revenue stream created from the sublease held by Catholic Charities CYO and the Treasure Island Development Authority. 1,121,753

899 Guerrero Street Inc.'s loan (for the St. Joseph's Family Center programs) with the City of San Francisco which is collateralized by a deed of trust, requires no monthly payments, bears interest at 10%, matures on February 9, 2040, and will be forgiven except in the case of an event of default, as defined. The loan is secured by real property. 400,000

1340 Golden Gate Associates, L.P.'s loan (for the Peter Claver Community programs) with the City and County of San Francisco which is collateralized by a deed of trust, requires no monthly payments, and bears interest at 9.17%. The loan matured on May 10, 2019 and is secured by real property. The Organization is negotiating loan forgiveness terms with the lender. 109,214

1340 Golden Gate Associates, L.P.'s loan (for the Peter Claver Community programs) with the City and County of San Francisco which is collateralized by a deed of trust, requires no monthly payments, bears interest at 7.63%, and matures on September 30, 2028. The loan is secured by real property. At June 30, 2022, accrued interest payable on the loan was \$2,439,213 and is included in the amount payable. The Organization is negotiating loan forgiveness terms with the lender. 2,890,149

Total loans with the City and County of San Francisco 5,421,497

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

6. LOANS PAYABLE (continued)

Loan with the Archdiocese of San Francisco, a related party

Catholic Charities CYO's loan with the Archdiocese of San Francisco which is collateralized by a deed of trust, bears interest at 1%, and matures on December 31, 2025. The loan is secured by real property. The loan requires an additional \$400,000 payment at the time Catholic Charities CYO sells the secured property.

	2,833,240
Total loans payable	\$ 8,254,737

Certain loans payable to the City and County of San Francisco, totaling \$2,531,348 as of June 30, 2022 included in loans payable will be forgiven in future periods provided certain conditions are met. The forgiveness of these loans will be accounted for as contribution income when the required conditions have been met. These conditions consist principally of Catholic Charities CYO's compliance with the terms and conditions of the loan agreements and include providing notification of changes in certain executive officers, breach of any representations, any material adverse change affecting the continued operation of the project, and any merger, dissolution or liquidation. In addition, the loan agreements provide for acceleration and accrual of interest in the event of any default. The Organization expects these loans to be forgiven upon maturity, and therefore, has not been accruing interest on these loans.

The terms of certain loans also require the establishment of separate cash accounts and reserve liability balances to provide for future contractual expenses totaling \$8,719,949 and \$8,537,748 at June 30, 2022, respectively. Withdrawals from such reserves are limited to amounts related to the project and subject to specific approval by the City and County of San Francisco.

Future maturities of loans payable, excluding forgivable loans, outstanding at June 30, 2022 were as follows:

Year Ending June 30,		
2023	\$	-
2024		-
2025		-
2026		2,833,240
2027		-
Thereafter		2,890,149
	\$	5,723,389

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

7. EMPLOYEE RETENTION CREDIT

The Employee Retention Credit (ERC), which was included as part of the CARES Act, is a fully refundable tax credit that is allowed against the employer's share of employment taxes for qualified wages. Credits in excess of the tax amounts paid by an employer are treated as overpayments and are also refunded to the employer.

At June 30, 2022, the Organization has an ERC receivable of approximately \$2,930,000.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2022 were restricted for the following:

Subject to purpose restrictions:	
Aging support services	\$ 2,001,725
Children and youth	2,173,013
Homelessness and housing services	261,306
Refugees and immigration services	182,500
	<u>4,618,544</u>
Subject to time restrictions:	
Events or time restricted gifts	583,274
Donor-restricted endowments:	
Unappropriated endowment earnings	424,021
Amounts to be maintained in perpetuity	1,346,800
	<u>1,770,821</u>
Total net assets with donor restrictions	<u>\$ 6,972,639</u>

For the year ended June 30, 2022, net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

Children and youth	\$ 1,557,726
Homelessness and housing services	517,751
Aging support services	324,224
Refugees and immigration services	231,216
Events or time restricted gifts	75,647
Auxiliary services	150
	<u>150</u>
Total net assets released from restrictions	<u>\$ 2,706,714</u>

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

8. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Little Children’s Aid John V. Roche Memorial Fund

Through the generosity of a bequest to Little Children’s Aid (LCA) in support of its work for children and youth in San Francisco, the Board of Directors of Catholic Charities CYO has established the Little Children’s Aid John V. Roche Memorial Fund (the “Fund”). The Fund will be used to fund programs for children and youth and invested in accordance with the investment policies of Catholic Charities CYO. Investment earnings will be attributed to the Fund based upon its earnings. On an annual basis, a portion of the investment earnings will be used to support programs for children and youth. At June 30, 2022, net assets restricted for the Fund totaled \$831,802.

9. ENDOWMENT FUNDS

The Organization’s endowment consists of several different individual funds established for a variety of purposes. All investment income earned on the donor restricted endowment funds is treated as income with donor restrictions until appropriated by the Organization.

The State of California enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective January 1, 2009, the provisions of which apply to endowment funds existing on or established after that date. Net asset classifications of donor-restricted endowment funds subject to an enacted version of UPMIFA have been accounted for appropriately in these financial statements. Additional disclosures about the Organization’s endowment funds subject to UPMIFA have been included for the year ended June 30, 2022.

Interpretation of Relevant Law

The Organization’s Board has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as held in perpetuity (1) the original value of gifts donated to the donor-restricted endowment, (2) the original value of subsequent gifts donated to the donor-restricted endowment, and (3) additions to the donor-restricted endowment in accordance with donor directions. The remaining portion of the donor-restricted endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

9. ENDOWMENT FUNDS (continued)

Spending Policy

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the endowment funds;
- (2) The purposes of the 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 the Organization; and
- (7) The investment policies of the Organization.

Up to 5% of the fair value of the assets held under the donor-restricted endowment is appropriated for spending from the donor restricted endowment fund, and any additional return on the endowment assets is retained to grow the endowment fund.

Investment Policy, Strategies, and Objectives

The Organization has adopted an investment objective of long-term growth and income to preserve the value of the fund for future use. To achieve its distribution objectives, the Organization's investment policy is to substantially invest their endowment assets in a balanced investment pool at the Archdiocese of San Francisco, a related party. The investment pool is designed to achieve long-term investment objectives of moderate growth and income requirements with moderate risk. The performance of the investment pool is monitored to ensure prudent investment and spending of the donor endowments under UPMIFA law.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. No deficiencies were noted at June 30, 2022.

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

9. ENDOWMENT FUNDS (continued)

Net changes in endowment funds during the year ended June 30, 2022 were as follows:

	Unappropriated Endowment Earnings	Maintained in Perpetuity	Total
Balance as of June 30, 2021	\$ 668,163	\$ 1,340,550	\$ 2,008,713
Net investment loss	(130,287)	-	(130,287)
Contributions	-	6,250	6,250
Appropriations	(113,855)	-	(113,855)
Balance at June 30, 2022	<u>\$ 424,021</u>	<u>\$ 1,346,800</u>	<u>\$ 1,770,821</u>

At June 30, 2022, unappropriated endowment earnings were restricted to the following purposes:

Children and youth services	\$ 312,355
Homelessness and housing services	72,731
Aging support services	38,935
	<u>\$ 424,021</u>

10. COMMITMENTS AND CONTINGENCIES

Commitments

The Organization leases space and equipment for its operations under various non-cancelable operating leases expiring at various dates through July 2026. The aggregate remaining minimum rental payments required under the terms of existing leases as of June 30, 2022 were as follows:

<u>Year Ending June 30,</u>	
2023	\$ 1,239,698
2024	983,696
2025	625,204
2026	547,906
2027	32,875
	<u>\$ 3,429,379</u>

Rental expense under these leases amounted to \$1,162,602 for the year ended June 30, 2022.

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

10. COMMITMENTS AND CONTINGENCIES (continued)

Contingencies

The Organization is a recipient of federal and state awards. These awards are subject to audit and final acceptance by federal and state granting agencies. The amount of expenditures that may be disallowed by the grantors, if any, cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

The Organization is involved from time to time in routine claims related to its operations. Management is of the opinion that such matters would not result in any contingencies that are material to its financial position.

11. EMPLOYEE BENEFIT PLANS

The Organization has two defined contribution retirement plans (the "Plans") for union and non-union employees. The Organization contributes a percentage of employees' compensation to the Plans. Employees are eligible to participate in the Plans immediately upon hire. The employer matching contributions under the Plans totaled \$535,865 for the year ended June 30, 2022.

12. ALAMEDA COUNTY PROGRAMS

The county of Alameda requires contractors who receive funding through the County to identify all County programs in accordance with County audit requirements. The following is a list of programs in which funding was received through the County for the year ended June 30, 2022:

<u>Program Name</u>	<u>Contract Number</u>	<u>Exhibit Number</u>	<u>Contract Period</u>	<u>Contract Amount</u>
Catholic Charities CYO dba St. Vincent's School for Boys	Procurement Contract #21737	N/A	7/1/2021 - 6/30/2022	\$ 127,742

13. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has a goal to maintain financial assets to meet thirty days of normal operating expenses, which is approximately \$4,000,000 on average. This is in addition to daily operating cash requirements. As part of its liquidity management, the Organization keeps cash in excess of daily requirements in checking accounts at various banking institutions, treasury notes, and other short-term investments.

CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022

13. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

Financial assets available for general expenditure without donor or other restrictions limiting their use within one year of June 30, 2022 consisted of the following:

Cash and cash equivalents	\$ 3,441,763
Investments	11,857,351
Program receivables, net	6,720,494
Contributions receivable	2,192,760
ERC receivable	<u>2,930,000</u>
	<u>27,142,368</u>
Less amounts not available to meet general expenditures within one year:	
Board designated net assets	(3,652,362)
Donor restricted net assets	(6,972,639)
Add: Donor restricted net assets expected to be released within one year	<u>4,162,831</u>
	<u>(6,462,170)</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 20,680,198</u></u>