



**Catholic
Charities**
of Central Colorado

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITORS' REPORT

AND

SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023

ERICKSON, BROWN & KLOSTER, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Catholic Charities of Central Colorado, Inc.
Colorado Springs, Colorado

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Catholic Charities of Central Colorado, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Catholic Charities of Central Colorado, Inc. as of June 30, 2023, 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 Qualified Opinion

As more fully described in Note 1 to the financial statements, Catholic Charities of Central Colorado, Inc. is financially interrelated and has common control of the Catholic Housing Corporation of Colorado Springs, a nonprofit organization. In our opinion, accounting principles generally accepted in the United States of America require Catholic Charities of Central Colorado, Inc. to prepare consolidated financial statements with Catholic Housing Corporation of Colorado Springs and its activities. Catholic Charities of Central Colorado, Inc. does not present consolidated financial statements with Catholic Housing Corporation of Colorado Springs. If consolidated financial statements were presented, total net assets, liabilities, net assets, revenue and expenses would be materially affected.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Catholic Charities of Central Colorado, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

INDEPENDENT AUDITORS' REPORT-CONTINUED

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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 of Catholic Charities of Central Colorado, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 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 generally accepted auditing standards and *Government 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 and *Government 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 Catholic Charities of Central Colorado, Inc.'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 of Catholic Charities of Central Colorado, Inc.'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.

INDEPENDENT AUDITORS' REPORT-CONTINUED

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the statement of financial position of Catholic Charities of Central Colorado, Inc as of June 30, 2021, 2020, and 2019 (which are not presented herein), and the related statements of activities and cash flows for the years then ended, and we expressed an unmodified opinion on those financial statements. In our opinion, the accompanying financial information listed as additional information in the table of contents is fairly stated in all material respects in relation to those financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated DATE, on our consideration of Catholic Charities of Central Colorado, Inc's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Catholic Charities of Central Colorado, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering of Catholic Charities of Central Colorado, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Catholic Charities of Central Colorado, Inc's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 6, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Erickson, Brown & Kloster, LLC

Colorado Springs, Colorado
January 31, 2024

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
With Comparative Totals For 2022

	ASSETS	
	2023	2022
Current Assets		
Cash	\$ 4,926,560	\$ 3,624,650
Investments	616,254	556,952
Pledge Receivable, Net	1,141,025	-
Use of Property Pledge Receivable	-	177,734
Use of Property Pledge Receivable - Related Party, Net	1,846,546	1,935,642
Grants Receivable	356,163	279,195
Prepaid Expenses	-	11,445
Total Current Assets	8,886,548	6,585,618
Non-Current Assets		
Property and Equipment, Net	9,165,302	5,629,726
Operating Lease Right-of-Use Asset, Net	500,521	-
Interest in the Net Assets of Catholic Foundation	86,995	78,439
Intangible Assets	23,449	23,449
Deposits	20,084	8,931
Cash Restricted for Long-term Investment	30,429	15,569
Restricted Long-term Investment	332,686	300,793
Total Non-Current Assets	10,159,466	6,056,907
Total Assets	\$ 19,046,014	\$ 12,642,525
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 134,983	\$ 78,322
Accounts Payable - Related Party	37,457	37,457
Accrued Liabilities	232,617	236,242
Deferred Revenue	-	190,155
Deferred Rent	10,700	10,700
Note Payable	500,000	-
Operating Lease Right-of-Use Liability	9,318	-
Total Current Liabilities	925,075	552,876
Non-Current Liabilities		
Operating Lease Right-of-Use Liability, net of Current Portion	491,203	-
Total Non-Current Liabilities	491,203	-
Total Liabilities	1,416,278	552,876
Net Assets		
Without Donor Restrictions		
Board Designated	896,355	835,610
Undesignated	8,780,190	5,253,578
Total Without Donor Restrictions	9,676,545	6,089,188
With Donor Restrictions	7,953,191	6,000,461
Total Net Assets	17,629,736	12,089,649
Total Liabilities and Net Assets	\$ 19,046,014	\$ 12,642,525

See Notes to Financial Statements

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
With Comparative Totals For 2022

	Without Donor	With Donor	Total	
	Restrictions	Restrictions	2023	2022
Revenue, Gains and Other Support				
Grants	\$ 93,000	\$ 1,486,875	\$ 1,579,875	\$ 647,682
Contributions	965,273	3,097,114	4,062,387	3,577,665
Diocesan Support	-	70,000	70,000	60,000
Government Agencies	-	4,780,085	4,780,085	4,782,647
Contribution - Affiliated Organization	3,716,239	-	3,716,239	-
Program Service Fees	84,436	-	84,436	100,060
Investment Income (Loss)	69,323	63,077	132,400	(117,255)
Miscellaneous Income	11,978	-	11,978	28,392
Change in Interest in Net Assets of the Catholic Foundation	2,354	6,202	8,556	(12,334)
Special Event	249,453	157,608	407,061	411,725
Rental Income	73,825	-	73,825	-
In-kind	2,309,705	-	2,309,705	1,994,429
Total Revenue, Gains and Other Support	7,575,586	9,660,961	17,236,547	11,473,011
Net Assets Released from Restrictions	7,708,231	(7,708,231)	-	-
Total Revenue	15,283,817	1,952,730	17,236,547	11,473,011
Expenses				
Program				
Family Immigration Services	487,638	-	487,638	585,076
Life Connections	305,177	-	305,177	318,428
Marian House	3,271,594	-	3,271,594	3,421,299
Family Connections	1,213,907	-	1,213,907	1,194,723
HH Capital Campaign	346,319	-	346,319	-
Castle Rock	743,420	-	743,420	607,838
Disaster Relief	3,647,835	-	3,647,835	3,770,499
Total Program	10,015,890	-	10,015,890	9,897,863
Support				
Management and Administration	969,429	-	969,429	749,513
Development and Communication	711,141	-	711,141	645,758
Total Support	1,680,570	-	1,680,570	1,395,271
Total Expenses	11,696,460	-	11,696,460	11,293,134
Change in Net Assets	3,587,357	1,952,730	5,540,087	179,877
Beginning Net Assets	6,089,188	6,000,461	12,089,649	11,909,772
Ending Net Assets	\$ 9,676,545	\$ 7,953,191	\$ 17,629,736	\$ 12,089,649

See Notes to Financial Statements

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
With Comparative Totals for 2022

	SUPPORT			TOTAL	
	Management and Administration		Development and Communication	Total Support	2023
	Program	Administration	Communication	Support	2022
Personnel Expenses					
Salaries	\$ 2,409,598	\$ 628,267	\$ 367,151	\$ 995,418	\$ 3,405,016
Health Insurance	384,680	52,510	38,296	90,806	475,486
Payroll Taxes	174,950	47,290	27,419	74,709	249,659
Retirement	119,506	32,239	20,710	52,949	172,455
Worker's Compensation Insurance	22,181	5,872	3,709	9,581	31,762
Recruitment and Relocation	1,757	8,736	811	9,547	11,304
Professional Development	8,987	4,745	3,397	8,142	17,129
Miscellaneous Payroll Expense	15,182	3,721	3,045	6,766	21,948
Allocation of Indirect Personnel Expenses	244,992	(116,496)	(128,496)	(244,992)	-
Total Personnel Expenses	3,381,833	666,884	336,042	1,002,926	4,384,759
Operating Expenses					
Contracted Services	111,621	11,633	83,477	95,110	206,731
Emergency and Community Services	3,565,131	2,707	8,337	11,044	3,576,175
Office Expenses	203,977	94,222	81,867	176,089	380,066
Food, Supplies, Medical, etc.	248,323	2,253	-	2,253	250,576
Telephone, Utilities, Trash	94,102	1,361	2,546	3,907	98,009
Equipment Repair and Maintenance	35,283	465	-	465	35,748
Depreciation	256,748	6,247	1,429	7,676	264,424
Postage	3,649	1,528	16,912	18,440	22,089
Dues and Subscriptions	16,485	18,643	1,889	20,532	37,017
Public Relations	10,426	265	78,812	79,077	89,503
Professional Fees	136,904	41,067	386	41,453	178,357
Grants and Awards	714	132	256	388	1,102
Insurance	54,983	4,260	3,408	7,668	62,651
Travel	25,170	6	2,436	2,442	27,612
Meetings	4,047	3,655	17,526	21,181	25,228
Rent	139,736	-	-	-	139,736
Interest	19,231	-	-	-	19,231
Miscellaneous Expenses	26,371	33,321	499	33,820	60,191
Indirect Operating Expenses	143,985	(41,538)	(102,447)	(143,985)	-
Total Operating Expenses	5,096,886	180,227	197,333	377,560	5,474,446
Other Support - Rental Expenses	-	60,718	-	60,718	60,718
In-kind Expenses					
Goods and Food	1,135,318	-	45,027	45,027	1,180,345
Rent and Administrative	328,425	54,577	119,122	173,699	502,124
Computer and Professional Services	73,428	7,023	13,617	20,640	94,068
Total In-kind Expenses	1,537,171	61,600	177,766	239,366	1,776,537
Total Expenses - 2023	\$ 10,015,890	\$ 969,429	\$ 711,141	\$ 1,680,570	\$ 11,696,460
Percent of					
Total Expenses - 2023	86%	8%	6%	14%	100%
Total Expenses - 2022	\$ 9,897,863	\$ 749,513	\$ 645,758	\$ 1,395,271	\$ 11,293,134
Percent of					
Total Expenses - 2022	87%	7%	6%	13%	100%

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023
With Comparative Totals For 2022

	2023	2022
Cash Flows from Operations		
Change in Net Assets	\$ 5,540,087	\$ 179,877
Adjustments to Arrive at Net Cash Proved by Operating Activities		
Unrealized and Realized (Gain) Loss on Investments	(77,471)	146,340
(Gain) Loss on Assets Held by the Catholic Foundation	(8,556)	12,334
Depreciation	264,424	270,088
Donated Property and Equipment	(800,000)	-
Discount on Use of Property Pledge	(89,437)	(93,752)
Amortization of Use of Property Pledge	178,533	178,533
Donated Use of Property	177,734	(177,734)
Change in		
Grants Receivable	(76,968)	(67,691)
Pledges Receivable, Net	(1,141,025)	-
Bequest Receivable	-	35,000
Prepaid Expenses	11,445	200,295
Intangible Assets	-	(23,449)
Deposits	(11,153)	-
Accounts Payable	56,661	7,387
Accounts Payable - Related Party	-	30,805
Accrued Liabilities	(3,625)	(61,547)
Deferred Revenue	(190,155)	(97,239)
Net Cash Provided by Operations	3,830,494	539,247
Cash Flows from Investing Activities		
Purchase of Property and Equipment	(3,000,000)	(21,297)
Purchase of Investments	(13,724)	(1,004,163)
Net Cash Used by Investing Activities	(3,013,724)	(1,025,460)
Cash Flows from Financing Activities		
Principal Payment on Note Payable	(2,500,000)	-
Proceeds from Note Payable	3,000,000	-
Net Cash Provided by Financing Activities	500,000	-
Net Change in Cash and Restricted Cash	1,316,770	(486,213)
Beginning Cash and Restricted Cash	3,640,219	4,126,432
Ending Cash and Restricted Cash	\$ 4,956,989	\$ 3,640,219
Reconciliation of Cash and Restricted Cash		
Cash	\$ 4,926,560	\$ 3,625,650
Restricted Cash	30,429	15,569
Total Cash and Restricted Cash	\$ 4,956,989	\$ 3,641,219
Supplemental Disclosure:		
Non-Cash Investing and Financing Activities		
Purchase of Property and Equipment Through Debt Obligation	\$ 3,000,000	-
Donated Property and Equipment	\$ 800,000	-

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Catholic Charities of Central Colorado, Inc. (Catholic Charities or Organization) is presented to assist in understanding the financial statements.

Nature of Activities **Catholic Charities** – Catholic Charities was incorporated as a 501(c)(3) human service organization on October 10, 1968. Catholic Charities provides numerous programs addressing the needs of the homeless, hungry, poor, and most vulnerable members of the community. These programs include:

Community & Parish Engagement - helps people connect with Catholic Charities in a variety of ways including the Volunteer program, and the St. Anthony of Padua Prayer Society.

Family Immigration Services - provides affordable immigration legal services to low-income individuals and families living within the Colorado Springs, Castle Rock, and surrounding regions. Our program is recognized by the Department of Justice to provide accurate advice and low-cost fees. Citizenship classes help immigrants and refugees to better engage in community life, support their families and improve their lives.

Life Connections – a licensed child placement agency with more than 18 years of experience providing pregnancy and cradle care services. Life Connections through Catholic Charities is committed to providing services in a best practice environment with continual focus on program excellence.

Family Connections – Family Connections serves a spectrum of family needs from those facing homelessness, to those needing to strengthen their family's resilience and stability. In addition to offering safety net services to address immediate needs for families in crisis, Family Connections uses a Healthy Engagement model where families participate in multiple programs over a longer period of time. Family Connections combined the Life Support Center, The Family Day Center, Family Mentor Alliance into one program, offering many services.

Castle Rock Services – Offers emergency assistance, counseling, a food pantry, and much more to residents of Douglas, Park, and Elbert counties.

Disaster Relief - Catholic Charities is uniquely positioned and organized to be able to assist the victims of disasters and receives significant financial contributions for disbursement from donors across the region and the United States. Victims of disasters can request assistance from Catholic Charities and, depending upon the availability of funds, receive financial assistance to help them with a myriad of situations. Donations received and disbursed are accounted for through this cost center. Emergency rent assistance due to COVID-19 falls into this category.

The following are the different internal functions shown in the financial statements as Marian House:

Marian House Client Services - Catholic Charities Client Services at the Marian House provide clients an opportunity to transition out of crisis and homelessness through case management and a variety of innovative programs to help them on the path to stability including referrals and appointments with on-site medical partners.

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Marian House Kitchen - provides a daily hot meal to those in need 365 days a year. No one is turned away. The kitchen is operated by a small Catholic Charities staff and dedicated volunteers. Catholic Charities averaged forty-seven volunteers per day helping with the daily meal service and food distribution through the market place food pantry. The average being serviced daily through the Marian House Kitchen is 219. Catholic Charities market place food pantry distributed 300,765 pounds representing 640 families.

Hanifen Employment Center – helps clients find employment through teaching life skills and employment skills. Clients meet with a case manager who assesses their needs and develops a plan utilizing a variety of services including rent and utility assistance, transportation, daily life skills guidance, referrals for medical needs, educational programs, and housing. The program relies on an individual's personal commitment to work on financial and employment goals and works closely with other client--centered programs to promote successful outcomes. The program has had tremendous success developing relationships with local employers and getting our clients employment ready.

Revenue sources include the Diocese of Colorado Springs, Pikes Peak United Way, Federal, State, and local government agencies, foundation grants, service fees, individual and corporate gifts and contributions, events and fundraising activities, and in-kind support through volunteerism and donated goods and foodstuffs.

Nature of Activities Catholic Housing Corporation of Colorado Springs – Catholic Housing Corporation of Colorado Springs (CHC) was formed by Sister Claudia Deats, OSF in 1984 to address the affordable housing needs of the Diocese of Colorado Springs. In 1987, CHC proceeded with a plan to provide Section 8 housing to seniors with the construction of the 50-unit Villa San Jose and completed a second 50-unit apartment in 1991, the Villa Santa Maria. The properties were located on the corner of S. Corona St and St Elmo Ave in Colorado Springs, directly adjacent to St. Joseph's Catholic Church.

In 2006, CHC reincorporated to become Catholic Housing Corporation of Colorado Springs (CHCCS) to serve as the operating partner in a new low-income housing tax credit (LIHTC) project named The Villas at Southgate, LLP (VSG). This refinancing and renovation project combined the Villas at Santa Maria and Villas at San Jose (Villas) into one apartment complex with the same mission to serve low income seniors. The special limited partner in the LLP is Archdiocesan Housing Corporation (AHC) who manages the property as well. The combined units were renamed to Villas at Southgate (VSG).

During 2017, the Catholic Housing Corporation of Colorado Springs (Catholic Housing) amended its bylaws stating the Board of Directors of Catholic Housing consists of the members of the Board of Directors of Catholic Charities.

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments – Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increase in net assets without restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term and restricted long-term investments consist of equity and fixed income securities.

Endowment - Catholic Charities' endowment consists of one donor-restricted endowment fund, the Harold F. Shore and Mary Margaret Shore Endowment Fund (Shore Endowment) and three endowment funds held by the Catholic Foundation (Foundation). As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The following policies relate to the Catholic Charities' endowment (Shore Endowment) controlled by its Board of Directors:

Interpretation of Relevant Law - The Board of Directors of Catholic Charities has interpreted the State of Colorado'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, Catholic Charities classifies as donor-restricted endowment funds held in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

- The Duration and Preservation of The Fund
- The Purposes of The Organization and The Donor-Restricted Endowment Fund
- General Economic Conditions
- The Possible Effect of Inflation and Deflation
- The Expected Total Return from Income and The Appreciation of Investments
- Other Resources of The Organization
- The Investment Policies of The Organization

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Return Objectives and Risk Parameters - Catholic Charities objectives are a blend of the following:

Achieve Optimal Long-Term Return - Funds in excess of those required to meet projected liquidity needs should be invested in fixed income and equity securities in an amount, which offers the greatest potential for realizing long-term total return consonant with our risk tolerance. It is incumbent upon Catholic Charities to achieve the appropriate risk levels consonant with our philosophy and objectives. There are no tax implications to consider, so the goal of total return is specified without preference for income or capital gains.

Preserve Capital - Investment strategies utilized should provide long-term preservation of capital, in both real (net of inflation) and absolute terms. Reasonable efforts should be made to avoid substantial losses of principal in any short-term period.

Promote Gospel Values - Advisors must collaborate in our attempt to reflect the principles of justice and peace integral to the investment decisions and the other actions of Catholic Charities. We may choose to periodically issue socially responsible investing guidelines that may include:

- Avoidance of the investment in companies that violate our principles of justice and peace.
- Active involvement that may include corporate dialogue, proxy voting, shareholder resolutions and similar activities with the companies in our equity portfolio, either on our own or through the services of an investment advisor.

Strategies Employed for Achieving Objectives - Asset allocation based on Catholic Charities' long-term investment strategies with specific financial needs and goals that can best be met by making a reasoned, long-term commitment to fixed income and equity markets.

Portfolios shall be fully invested, but Catholic Charities is allowed to hold a percent of their assets in cash, as reserves for purchases. Any dividends, interest, proceeds from sales, new deposits, and all cash balances may be temporarily invested in cash equivalents or money market funds, until reinvested in equity or fixed-income securities.

Spending Policy and How the Investment Objectives Relate to Spending Policy - Catholic Charities will invest funds to ensure that required distributions of income or principal are met.

Interest in Net Assets of the Catholic Foundation - A proportionate share of the value of net assets held by the Foundation irrevocably for the benefit of Catholic Charities is reflected in its financial statements.

Grants Receivable - Grants receivable are reported at the amount Catholic Charities expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and establishes an allowance for doubtful accounts, as required.

Pledges Receivable – Unconditional pledges that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met. The Organization uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management analysis of specific pledges made.

Property and Equipment – The Organization capitalizes property and equipment over \$2,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with restrictions to net assets without restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to forty years.

Net Assets – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions other than investment income are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition – Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or 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.

Program service fees represent revenue earned in which Catholic Charities bills and collects. Fees for service revenue result from providing (1) English as a Second Language (ESL) courses, (2) Family Immigration services, or (3) Life Connection counseling services. Although Catholic Charities expects ESL, immigration, and counseling services balances to result in cash flows, in some instances the client is unable to remit fully the balance due. Catholic Charities has the ability to offer scholarships or sliding

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

scales to settle client balances. Historical collection experience indicates it is unlikely the adjustments would be material, therefore, no allowance for uncollectable accounts is considered necessary. Consideration from fees for service arrangements is variable in nature because fees are based on elements which can vary from period to period. Immigration and counseling services provided to clients qualifies as a distinct good and service, in a single instance of service, and thereby constitute a single performance obligation and occur at readily determinable transaction prices. As a practical expedient, Catholic Charities adopted a portfolio approach for the fees for service revenue stream to group services with similar characteristics and analyze historical cash collection trends. The services within the portfolio share the characteristics conducive to ensuring that the results do not materially differ under the new standard if it were to be applied to individual client contracts related to each immigration and counseling services encountered.

Contributed Services – Catholic Charities generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist Catholic Charities, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 54,900 volunteer hours per year.

Leases – The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payment over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities of its short-term leases (leases with a term of 12 months or less). Instead, the lease payment of those leases are reported as lease expense on straight-line basis over the lease term. The Organization calculates operating lease liabilities with a risk-free discount rate, using a comparable period with the lease term.

Contributions – Contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions.

Income Tax Status – The Organization is exempt, under Section 501(c)(3) of the Internal Revenue Code, from tax on income derived from donations, income generated by activities carried on in furtherance of its exempt purpose and certain other specified income and, in addition, is qualified to receive tax deductible contributions. The Organization is exempt from filing an annual information return under an integrated auxiliary of a church. Management continually evaluates expiring statutes of limitations, changes in the tax laws, and new authoritative rulings to assist in evaluating its tax position.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses – The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities and have been allocated among the programs and supporting services benefited.

Advertising – Advertising costs are expensed as incurred.

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Intangible Assets – Software and web development are stated at cost and amortized when placed in service. Amortization is calculated using a the straight-line method over the estimated useful lives of the assets, generally 10 years if the intangible is above the Organizations' capitalization policy of \$2,000. The balance of intangible assets at June 30, 2023, is \$23,499.

Comparative Financial Information – The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended June 30, 2022, from which the summarized information was derived.

NOTE 1 – AFFILIATED ORGANIZATION

In 2006, CHC reincorporated to become Catholic Housing Corporation of Colorado Springs (CHCCS) to serve as the operating partner in a new low-income housing tax credit (LIHTC) project named The Villas at Southgate, LLLP (VSG). This refinancing and renovation project combined the Villas at Santa Maria and Villas at San Jose (Villas) into one apartment complex with the same mission to serve low income seniors. The special limited partner in the LLP is Archdiocesan Housing Corporation (AHC) who manages the property as well. During 2017, the Catholic Housing Corporation of Colorado Springs (Catholic Housing) amended its bylaws stating the Board of Directors of Catholic Housing consists of the members of the Board of Directors of Catholic Charities.

Catholic Charities has control over and economic interest in the CHCCS, and generally accepted accounting principles require Catholic Charities to present consolidated financial statements with CHCCS. Catholic Charities does not present consolidated financial statements due to a recent change in ownership interest in the VSG and because management believes separate statements are more useful to readers.

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – AFFILIATED ORGANIZATION - Continued

If the presented financial statements were consolidated with the Catholic Housing Corporation of Colorado Springs as of and for the year ended June, 30, 2023 and 2022, the financial changes to the financial statements would increase (decrease) approximately as follows:

	2023	2022
Total Assets	<u>\$ 305,000</u>	<u>\$ 3,631,000</u>
Total Liabilities	<u>-</u>	<u>-</u>
Total Net Assets	<u><u>\$ 305,000</u></u>	<u><u>\$ 3,631,000</u></u>
 Total Revenues		
Interest Receivable -Villas	\$ 158,000	\$ 172,000
Contribution From VSG	232,000	-
Contribution From CHCCS	<u>(3,716,000)</u>	<u>-</u>
Total Revenues	<u><u>(3,326,000)</u></u>	<u><u>172,000</u></u>
 Total Expenses	<u>-</u>	<u>-</u>
 Net Assets		
Change in Net Assets	(3,326,000)	172,000
Beginning Balance	<u>3,631,000</u>	<u>3,459,000</u>
Ending Balance	<u><u>\$ 305,000</u></u>	<u><u>\$ 3,631,000</u></u>

Total assets includes cash and cash equivalents on hand for CHCCS as of June 30, 2023.

NOTE 2 – AVAILABILITY AND LIQUIDITY

Catholic Charities has \$8,886,548 of financial assets available within one year of June 30, 2023 consisting of cash of \$4,926,560, investments of \$616,254, combined pledge and grant receivables of \$3,343,734. Financial assets of \$896,355 are board designated reserves. The grants are subject to time restrictions but will be collected within one year. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$550,000 per month. Catholic Charities also has a credit card account of \$60,000.

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – INVESTMENTS

Investments are made in accordance with the Organization's investment policy. Investments are held in Catholic Responsible investments with generalized asset allocations of 60% in equity securities and 40% in fixed-income securities. Investments consist of the following under the above generalized asset allocations at June 30, 2023:

Equity Securities (60%)	\$ 569,364
Fixed Income (40%)	<u>379,576</u>
Total	<u>\$ 948,940</u>

Investment income (losses) for the year ended June 30, 2023, including internal interest revenue (see NOTE 4), is composed of:

Interest and Dividends	\$ 34,529
Royalties	11,844
Realized and Unrealized Gain	<u>86,027</u>
Investment Income	132,400
Change in Interest in Net Assets Held by the Catholic Foundation	<u>8,556</u>
Total	<u>\$ 140,956</u>

NOTE 4 –SHORE ENDOWMENT

Net asset composition of the donor restricted Shore Endowment is as follows:

	Without Donor Restrictions	With Donor Restrictions			Total
		Temporary in Nature	Perpetual in Nature	Total	
Beginning Balance	\$ -	\$ (45,381)	\$ 969,902	\$ 924,521	
Interest Income	-	5,224	-	5,224	
Gain on Investments	-	26,669	-	26,669	
Withdrawals (Released)	-	-	(6,842)	(6,842)	
Ending Balance, Endowment Assets	<u>\$ -</u>	<u>\$ (13,488)</u>	<u>\$ 963,060</u>	<u>\$ 949,572</u>	

Catholic Charities has borrowed against the Shore Endowment Fund to assist with paying the bonds for the Marian House Kitchen. Catholic Charities treats the loan as it would a loan from a third party and charges an appropriate interest rate of 3%.

Internal interest income of \$19,121 is included in the endowment earnings and is used for the operations of the Marian House Kitchen. The internal loan arrangement is viewed as a reasonable and prudent investment of the Shore Endowment Fund.

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 4 –SHORE ENDOWMENT - Continued

Shore Endowment assets are comprised of the following:

Investments Restricted for Long-term investment	\$ 332,686
Internal Receivable	616,886
Total	<u>\$ 949,572</u>

NOTE 5 – INTEREST IN NET ASSETS HELD BY THE CATHOLIC FOUNDATION OF THE CATHOLIC DIOCESE OF COLORADO SPRINGS

The Foundation holds various funds in trust for Catholic Charities. The income from certain funds is irrevocably committed to Catholic Charities for both restricted and unrestricted purposes. Those funds totaled \$86,995, at June 30, 2023, and include one charitable gift annuity whose remaining principal, if any, will revert to Catholic Charities for unrestricted purposes at the death of the last co-annuitant.

A summary of all funds held by the Foundation is:

Net Assets with Donor Restrictions Perpetual in Nature	\$ 35,355
Net Assets with Donor Restrictions Temporary in Nature	20,803
Assets Held for Catholic Charities	30,837
	<u>\$ 86,995</u>

NOTE 6 – GRANTS RECEIVABLE

Grants receivable consists of grants awarded and due to Catholic Charities within one year. Management reviews the collectability of the grants receivable and establishes an allowance for doubtful accounts as considered necessary. At June 30, 2023, an allowance was not considered necessary.

NOTE 7 – USE OF PROPERTY PLEDGE RECEIVABLE

Beginning December 1, 2017, Catholic Charities entered into a 36-month office lease agreement. The landlord contributes the base rent to Catholic Charities and charges a proportionate share of operating expense rent per month. In September 2021, the landlord extended the pledge to contribute base rent for an additional five years. In December of 2022, Catholic Charities purchased the building and the pledge for use of property was relieved for the year ended June 30, 2023.

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – USE OF PROPERTY PLEDGE RECEIVABLE – RELATED PARTY

On July 1, 2007, Catholic Charities entered into a thirty-year land lease with the Diocese of Colorado Springs for the land on which the Marian House Kitchen and the Self Sufficiency Center is located. The lease provides for annual rent payments of \$1. Catholic Charities has recognized \$2,812,520 for the essentially free use of facilities as contribution revenue and a pledge receivable at the net present value of the fair market value of the property in excess of the rental payments using a discount rate of 5.09%. For the year ended June 30, 2023, Catholic Charities recognized contributed rent expense of \$178,533 associated with the below market annual rents and recognized \$89,437 contribution revenue associated with the reduction in the related discount.

The pledge receivable for use of property is as follows:

Gross Pledge Receivable	\$ 2,499,462
Discount on Pledge Receivable	(652,916)
Net Pledge Receivable	<u><u>\$ 1,846,546</u></u>

NOTE 9 – PROPERTY ASSETS AND DEPRECIATION

Property assets are as follows:

	<u>Amount</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	\$ 12,095,286	10-40 Years
Equipment	329,368	5-10 Years
Furniture and Fixtures	234,250	5-7 Years
Vehicles	<u>166,118</u>	5-10 Years
	<u>12,825,022</u>	
Accumulated Depreciation	<u>(3,659,720)</u>	
	<u><u>\$ 9,165,302</u></u>	

Depreciation expense for the year ended June 30, 2023, was \$264,424.

NOTE 10 – BOARD DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

The Board of Directors has designated \$896,355 for the year ended June 30, 2023, as an operating reserve.

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS TEMPORARY IN NATURE

Net assets with donor restrictions that are temporary in nature consist of:

	Beginning Balance	Additions	Satisfied/ Uncollectable	Ending Balance
Long-Term Use of Land	\$ 2,113,375	\$ -	\$ (266,830)	\$ 1,846,545
Capital Campaign Helen Hunt	-	2,257,279	(346,222)	1,911,057
Catholic Foundation	6,036	3,495	-	9,531
Administration	20,331	685,609	(173)	705,767
Program				
Family Connections	132,733	525,359	(539,934)	118,158
Family Immigration Services	-	224,091	(214,091)	10,000
Life Connections	1,994,875	34,425	(151,719)	1,877,581
Marian House				
Client Services	14,197	459,038	(401,655)	71,580
Kitchen	407,863	1,018,827	(1,326,651)	100,039
Disaster Relief	115,156	3,798,378	(3,835,427)	78,107
Ministry of People				
with Disabilities	19,314	15,886	-	35,200
Castle Rock	181,729	434,898	(435,121)	181,506
Volunteer	-	10,000	(10,000)	-
Education	23,793	193,676	(179,724)	37,745
English as a Second Language	684	-	(684)	-
	<u>\$ 5,030,086</u>	<u>\$ 9,660,961</u>	<u>\$ (7,708,231)</u>	<u>\$ 6,982,816</u>

At June 30, 2023, net assets with donor restrictions that are temporary in nature included time-restricted assets in the amount of approximately \$3,343,000.

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS PERPETUAL IN NATURE

Net assets with donor restrictions that are perpetual in nature consist of:

Harold F. Shore and Mary Margaret Shore Endowment Fund		
to Feed the Poor in El Paso County, Colorado	\$ 949,572	
Catholic Foundation Endowment Fund for Life Support Services	1,137	
Catholic Foundation Endowment Fund for the Ministry of People		
with Disabilities	15,885	
Catholic Foundation Endowment Fund	3,781	
	<u>\$ 970,375</u>	

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish a framework for measuring fair market value using the following levels:

Level 1 Inputs: Quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 Inputs: Other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted market prices of similar assets or liabilities in an active market, or quoted market prices for identical or similar assets or liabilities in markets that are not active).

Level 3 Inputs: Are unobservable (e.g., an organization's own data) and should be used to measure fair value to the extent observable inputs are not available.

The following is the interest in the net assets held by the Catholic Foundation of the Catholic Diocese of Colorado Springs by the major categories of assets, measured at a fair value, on a recurring basis, during the year ended June 30, 2023:

Description	Level 1	Level 2	Level 3	Fair Market Value
	\$ -	\$ 86,995	\$ -	\$ 86,995
Equity Securities	616,254	-	-	616,254
Fixed Income	332,686	-	-	332,686
	<u>\$ 948,940</u>	<u>\$ 86,995</u>	<u>\$ -</u>	<u>\$ 1,035,935</u>

NOTE 14 – DONATED PROFESSIONAL SERVICES AND MATERIALS

The operations of Catholic Charities depend on the efforts of a large group of organized and closely supervised volunteers. The services of these volunteers do not meet the requirements for recognition in the financial statements and are not reflected in these financial statements. The value of the volunteer hours, using a rate of \$34.36 per hour, is estimated to be \$2,050,124 for the year ended June 30, 2023.

During the year, rent-free space (including utilities, cleaning services, maintenance, etc.) was provided by the Diocese of Colorado Springs for programs and operations, as well as the use of land at below market rate. Catholic Charities recognized \$414,633 of rent expense which included \$178,533 of for use of land at below market rate. Donated in-kind rent revenue consisted of \$147,803 which included the change in discount (Note 8) of \$89,437 and a reduction of property pledge receivable of \$177,734. Donated in-kind revenue for common area maintenance from Diocese of Colorado Springs was \$87,546. In December 2022, Catholic charities received \$800,000 of in kind donated property which reduced the purchase price of real estate and was capitalized along with the purchase price of the real estate.

The information systems of the Diocese of Colorado Springs were utilized at no charge by Catholic Charities. Catholic Charities recognized \$94,035 of donated service revenue related to this use for the year ended June 30, 2023. Catholic Charities also relies heavily on donated goods and food. For the year ended June 30, 2023, the value of donated goods and food is estimated to be \$1,180,318.

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 15 – ALLOCATION OF FUNCTIONAL EXPENSES

The financial statements report certain categories of expense that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation (not specific to a program), interest, and office and occupancy, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort. Several additional expenses are allocated to include office equipment lease and telephone service. These allocations are calculated using the number of employees in each area.

NOTE 16 – PENSION (MULTIEMPLOYER PLAN)

Catholic Charities participates in the Dioceses of Colorado Springs Lay Employees' Pension Plan (Plan), a defined benefit pension plan covering substantially all full-time lay personnel. The plan is administered by the Diocese of Colorado Springs and its liabilities and costs are determined under a projected unit credit cost method. The Plan is accounted for like a multiemployer plan. Plan participants accrue benefits at a rate of 6% to 8% of compensation and become fully vested after 5 years of service. Normal retirement benefits consist of a monthly annuity payable for life equal to the actuarial equivalent of the accrued benefit as of the retirement date. The risks to employers participating in multiemployer pension plans are different from single-employer plans. In multiemployer plans, assets contributed by one participating employer may be used to provide benefits to employees of other participating employers. Additionally, if a participating employer stops contributing to the plan, the unfunded obligations of the plan, if any, may be borne by the remaining participating employers. The Diocese of Colorado Springs makes annual contributions to maintain the plan on a sound basis, and charges Catholic Charities for reimbursement of costs related to its personnel.

Catholic Charities' participation in the Plan for the year ended June 30, 2023, is outlined below.

Pension Plan	Pension Plan EIN	Funded Status	Contributions of Catholic Charities	
Dioceses of Colorado Springs Lay Employees' Pension Plan	84-6215358	161%	\$	172,455

A June 30 measurement date is used for the Plan. Significant balances, costs, and assumptions are:

Benefit Obligation	\$ (11,784,757)
Fair Value of Plan Assets	18,985,974
Overfunded Status	<u>\$ 7,201,217</u>
Accumulated Benefit Obligation	<u>\$ 11,784,757</u>

Total employer contributions for the year ended June 30, 2023, were approximately \$903,000.

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 17 – RELATED PARTIES

Catholic Charities relies on the support of the Diocese of Colorado Springs for its programs and operations. Transactions with the Diocese of Colorado Springs are as follows:

Donated Facilities	\$ 414,633
Receivable for Donated Facilities	\$ 1,846,546
Donated Information System Services	\$ 94,036
Accounts Payable	\$ 37,457
Grants and Contributions	\$ 70,000
Marian House Lease Payment	\$ 1
Assets Held with Catholic Foundation	\$ 86,995

NOTE 18 – CONTINGENT LIABILITY

The Organization is a guarantor of a loan dated June 1, 2023 for the Villas in Southgate, LLLP, and Catholic Housing Corporation of Colorado Springs, its General Partner. The \$6,001,000 loan is repayable in 144 months and bears an interest at a fixed rate of 5.66%. The promissory note is subject to the terms and conditions of a local financial institution. The Organization has not recorded a liability for this guarantee in the accompanying financial statements. Based on information gathered as part of its monitoring of risks, the Organization believes the Villas in Southgate, LLLP will remain current with its debt payments and the Organization will not be required to perform under the guarantee.

NOTE 19 – ADVERTISING EXPENSE

Advertising expense for the year ended June 30, 2023, was \$89,502.

NOTE 20 – CONCENTRATION OF CREDIT RISK

Catholic Charities maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) up to certain limits. Catholic Charities has not experienced any losses in such accounts.

NOTE 21 – INFORMATION RETURNS

Catholic Charities is considered to be an integrated auxiliary of a church and, as a result, prepares but does not file federal information returns (Form 990 – Return of Catholic Charities Exempt from Income Tax).

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 22 – NEW ACCOUNTING GUIDANCE IMPLEMENTATION

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* which supersedes the lease requirements in FASB ASC 840. Under FASB ASC 842, lessees are required to recognize right-of-use (ROU) assets and lease liabilities on the statement of financial position and provide enhanced disclosures for operating leases. Catholic Charities adopted FASB ASC 842 July 1, 2022, by applying the modified retrospective transition approach. No cumulative effect adjustment to net assets as of July 1, 2022, and an operating lease right of use asset and liability was recognized as of July 1, 2022. Catholic Charities elected to use the transition package of practical expedients, which allowed Catholic Charities to carry forward the historical lease classification. Catholic Charities elected to calculate an operating lease liability with a risk-free discount rate, using a comparable period with the lease term.

NOTE 23 – LEASES

On July 1, 2007, Catholic Charities entered into a thirty-year ground lease with the Diocese of Colorado Springs. This lease is for the ground on which the Marian House Kitchen and the Self Sufficiency Center are located. The lease provides for annual payments of \$1. (See NOTE 8)

ROU Assets – Operating Leases - The Catholic Charities rents commercial office spaces under a 5 – year lease which expires in 2025. These leases are classified as right-of-use assets - operating leases on the statement of financial position. The details as of June 30, 2023 are:

Lease Expense	2023
Operating lease expense	<u><u>\$ 110,482</u></u>

Other Information

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 108,785
ROU assets obtained in exchange for new operating lease liabilities	\$ 593,692
Weighted-average remaining lease term in years for operating leases	4.83
Weighted-average discount rate for operating leases	2.88%

Maturity Analysis	Operating
2024-06	\$ 109,058
2025-06	110,425
2026-06	110,703
2027-06	112,096
2028-06	93,413
Total undiscounted cash flows	535,695
Less: present value discount	(35,174)
Total lease liabilities	<u><u>\$ 500,521</u></u>

NOTE 24 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the independent auditors' report, the date on which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor /Pass-Through Grantor/ Program Title or Cluster Title	Assistance Listing Number (ALN)	Pass-through Entity's Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of Housing and Urban Development				
Passthrough from City of Colorado Springs				
Community Development Block Grant/Entitlement Grants	14.218	B-22-MC-08-0004	\$ -	\$ 34,702
Passthrough from City of Colorado Springs				
COVID-19: Emergency Solutions Grant Program	14.231	E-20-MW-08-0004	-	89,159
Passthrough from Community Health Partnership				
Emergency Solutions Grant Program	14.231	CCCPESG-2122	- - -	130,482 219,641 254,343
Total Department of Housing and Urban Development				
Department of Justice				
Passthrough from Colorado Department of Public Safety Division of Criminal Justice				
Crime Victim Assistance	16.575	N/A	- -	103,586 103,586
Total Department of Justice				
Department of Homeland Security				
Passthrough from The Salvation Army				
Emergency Food and Shelter National Board Program	97.024	102200-017	- -	25,000 135,000
Passthrough from The Salvation Army				
COVID-19: Emergency Food and Shelter National Board Program	97.024	102200-017	- -	362,000
Passthrough from Pikes Peak United Way				
COVID-19: Emergency Food and Shelter National Board Program	97.024	102200-017	- -	53,000 575,000
Passthrough from Pikes Peak United Way				
Emergency Food and Shelter National Board Program	97.024	102200-017	- -	53,000 575,000
Total Department of Homeland Security				

Continued on next page

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Continued from previous page

Department of Treasury

Passthrough from El Paso County					
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	CIG-2022-008	-	93,777	
Passthrough from City of Colorado Springs					
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	C-11289	-	2,845	
			-	96,622	
Passthrough from City of Colorado Springs					
COVID-19: Emergency Rental Assistance Program	21.023	C-10891	-	2,577,389	
Passthrough from Douglas County					
COVID-19: Emergency Rental Assistance Program	21.023	1505-0270	-	562,937	
Total Department of Treasury			-	3,236,948	

Department of Agriculture

Passthrough from Family Resource Center Association					
Child and Adult Care Food Program	10.558	HFC-020	-	2,448	
Passthrough from Care and Share Foodbank					
Emergency Food Assistance Program (Food Commodities)	10.569	133TSK1	-	30,223	
Food Distribution Cluster			-	32,671	
Total Department of Agriculture			-	32,671	

Department of Health and Human Services

Passthrough from El Paso County					
COVID-19: Community Services Block Grant	93.569	21-017	-	16,741	
Passthrough from El Paso County					
Community Services Block Grant	93.569	21-017B	-	76,917	
Total Department of Health and Human Services			-	93,658	

Total Expenditures of Federal Awards

\$ - \$ 4,296,206

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards ("SEFA") includes the federal award activity of Catholic Charities of Central Colorado, Inc., under programs of the federal government, for the year ended June 30, 2023. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the SEFA presents only a selected portion of the operations of Catholic Charities of Central Colorado, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Catholic Charities of Central Colorado, Inc.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COSTS

The Organization has not elected to use the 10% de minimis indirect cost rate.

NOTE 4 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including city, county, and district portions, are more than shown.



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Catholic Charities of Central Colorado, Inc.
Colorado Springs, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Catholic Charities of Central Colorado, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Catholic Charities of Central Colorado, Inc.'s major federal programs for the year ended June 30, 2023. Catholic Charities of Central Colorado, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Catholic Charities of Central Colorado, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Catholic Charities of Central Colorado, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Catholic Charities of Central Colorado, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Catholic Charities of Central Colorado, Inc.'s federal programs.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE – CONTINUED

Page 2

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Catholic Charities of Central Colorado, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Catholic Charities of Central Colorado, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Catholic Charities of Central Colorado, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Catholic Charities of Central Colorado, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Catholic Charities of Central Colorado, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE – CONTINUED

Page 3

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Erickson, Brown & Kloster, LLC

Colorado Springs, Colorado

January 31, 2024



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Catholic Charities of Central Colorado, Inc.
Colorado Springs, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Catholic Charities of Central Colorado, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 31, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Catholic Charities of Central Colorado, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Catholic Charities of Central Colorado, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Catholic Charities of Central Colorado, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL – Continued

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Catholic Charities of Central Colorado, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Erickson, Brown & Kloster, LLC

Colorado Springs, Colorado

January 31, 2024

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

1. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of Auditors' Report Issued:	Qualified
Internal Control over Financial Reporting:	
Material Weakness(es) Identified?	None Reported
Significant Deficiencies Identified?	None Reported
Noncompliance Material to Financial Statements Noted?	No

Federal Awards

Internal Control over Major Programs:	
Material Weakness(es) Identified?	None Reported
Significant Deficiencies Identified?	None Reported

Type of Auditors' Report Issued on Compliance for Major Programs: Unmodified

Any Audit Findings Disclosed that are Required to be Reported in
Accordance with Section 2 CFR Section 200.516(a)? No

Identification of Major Programs

a. COVID-19 Emergency Rental Assistance Program - ALN 21.023

Dollar Threshold Used to Determine Between type A and B Programs: \$ 750,000

Auditee Qualified as a Low-risk Auditee? Yes

2. FINANCIAL STATEMENT FINDINGS

The audit disclosed no findings required to be reported.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The audit disclosed no findings required to be reported.

4. SUMMARY OF PRIOR YEAR AUDIT FINDINGS

No prior year findings were reported.

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
SCHEDULE OF FUNCTIONAL EXPENSES - DETAIL
YEAR ENDED JUNE 30, 2023

	PROGRAM								SUPPORT			TOTAL	
	Family Immigration Services	Life Connections	Marian House	Family Connections	HH Capital Campaign	Castle Rock	Disaster Relief	Total Program	Management and Administration	Development and Communication	Total Support	2023	
Personnel Expenses													
Salaries	\$ 265,486	\$ 139,648	\$ 890,477	\$ 557,156	\$ 48,218	\$ 255,898	\$ 252,715	\$ 2,409,598	\$ 628,267	\$ 367,151	\$ 995,418	\$ 3,405,016	
Health Insurance	28,366	27,372	140,176	87,041	3,565	33,568	64,592	384,680	52,510	38,296	90,806	475,486	
Payroll Taxes	19,488	9,853	64,889	40,778	3,600	18,552	17,790	174,950	47,290	27,419	74,709	249,659	
Retirement	14,172	6,596	45,572	26,766	1,940	10,568	13,892	119,506	32,239	20,710	52,949	172,455	
Worker's Compensation Insurance	2,211	1,545	10,390	5,563	-	1,854	618	22,181	5,872	3,709	9,581	31,762	
Recruitment and Relocation	314	-	997	334	-	112	-	1,757	8,736	811	9,547	11,304	
Professional Development	1,124	704	897	4,611	-	1,651.00	-	8,987	4,745	3,397	8,142	17,129	
Miscellaneous Payroll Expenses	2,802	1,017	6,128	3,175	-	1,872	188	15,182	3,721	3,045	6,766	21,948	
Allocation of Indirect Personnel Expenses	28,320	27,444	111,192	54,432	-	23,604	-	244,992	(116,496)	(128,496)	(244,992)	-	
Total Personnel Expenses	362,283	214,179	1,270,718	779,856	57,323	347,679	349,795	3,381,833	666,884	336,042	1,002,926	4,384,759	
Operating Expenses													
Contracted Services	11,813	6,701	63,037	1,505	27,260	1,105	200	111,621	11,633	83,477	95,110	206,731	
Emergency and Community Services	11,059	-	142,088	150,981	-	121,725	3,139,278	3,565,131	2,707	8,337	11,044	3,576,175	
Office Expenses	17,913	1,475	75,795	14,979	84,766	4,733	4,316	203,977	94,222	81,867	176,089	380,066	
Food, Supplies, Medical, etc.	-	-	104,238	4,051	-	315	139,719	248,323	2,253	-	2,253	250,576	
Telephone, Utilities, Trash	1,365	1,477	73,388	6,306	255	10,085	1,226	94,102	1,361	2,546	3,907	98,009	
Equipment Repair and Maintenance	-	-	33,951	778	117	423	14	35,283	465	-	465	35,748	
Depreciation	925	231	242,622	4,315	-	7,129	1,526	256,748	6,247	1,429	7,676	264,424	
Postage	3,005	154	44	192	-	185	69	3,649	1,528	16,912	18,440	22,089	
Dues and Subscriptions	3,124	-	796	12,170	-	395	-	16,485	18,643	1,889	20,532	37,017	
Public Relations	-	-	-	93	9,245	1,088	-	10,426	265.00	78,812	79,077	89,503	
Professional Fees	64	-	2,294	711	132,445	1,390	-	136,904	41,067	386	41,453	178,357	
Grants and Awards	-	25	-	689	-	-	-	714	132.00	256	388	1,102	
Insurance	2,556	1,704	17,612	7,242	14,032	5,021	6,816	54,983	4,260	3,408	7,668	62,651	
Travel	1,217	282	12,209	8,319	33	2,626	484	25,170	6	2,436	2,442	27,612	
Meetings	260	75	61	3,311	-	340	-	4,047	3,655	17,526	21,181	25,228	
Rent	-	-	675	17,870	-	121,191	-	139,736	-	-	-	139,736	
Interest	-	-	19,231	-	-	-	-	19,231	-	-	-	19,231	
Miscellaneous Expenses	131	-	4,303	580	20,812	545	-	26,371	33,321	499	33,820	60,191	
Allocation of Indirect Operating Expenses	7,725	7,356	75,957	23,542	-	25,013	4,392	143,985	(41,538)	(102,447)	(143,985)	-	
Total Operating Expenses	61,157	19,480	868,301	257,634	288,965	303,309	3,298,040	5,096,886	180,227	197,333	377,560	5,474,446	
Other Support - Rental Expenses									60,718	-	60,718	60,718	
In-kind Expenses													
Goods and Food	159.00	-	921,375	129,103	-	84,681	-	1,135,318	-	45,027	45,027	1,180,345	
Rent and Administrative	54,728	62,510	178,533	32,654	-	-	-	328,425	54,577	119,122	173,699	502,124	
Computer and Professional Services	9,311	9,008	32,667	14,660	31	7,751	-	73,428	7,023	13,617	20,640	94,068	
Total In-kind Expenses	64,198	71,518	1,132,575	176,417	31	92,432	-	1,537,171	61,600	177,766	239,366	1,776,537	
Total Expenses - 2023	\$ 487,638	\$ 305,177	\$ 3,271,594	\$ 1,213,907	\$ 346,319	\$ 743,420	\$ 3,647,835	\$ 10,015,890	\$ 969,429	\$ 711,141	\$ 1,680,570	\$ 11,696,460	
Percent of Total Expenses - 2023	4%	4%	28%	10%	3%	6%	31%	86%	8%	6%	14%	100%	

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
COMPARATIVE SCHEDULE OF FINANCIAL POSITION
JUNE 30,

	ASSETS				
	2023	2022	2021	2020	2019
Current Assets					
Cash	\$ 4,926,560	\$ 3,624,650	\$ 3,902,216	\$ 3,062,977	\$ 2,413,527
Investments	616,254	556,952	-	-	-
Pledges Receivable, Net	1,141,025	-	-	-	-
Bequest Receivable	-	-	35,000	363,653	295,000
Use of Property Pledge Receivable	-	177,734	-	16,611	53,427
Use of Property Pledge					
Receivable - Related Party, Net	1,846,546	1,935,642	2,020,423	2,101,097	2,177,864
Grants Receivable	356,163	279,195	211,504	208,451	201,985
Prepaid Expenses	-	11,445	211,740	-	-
Total Current Assets	8,886,548	6,585,618	6,380,883	5,752,789	5,141,803
Non-Current Assets					
Property and Equipment, Net	9,165,302	5,629,726	5,878,517	6,055,338	5,946,207
Operating Lease Right-of-Use Asset	500,521	-	-	-	-
Interest in Net Assets of Catholic Foundation	86,995	78,439	90,695	71,565	69,202
Intangible Assets	23,449	23,449	-	-	-
Cash Restricted for Long-term Investment	30,429	15,569	224,216	105,433	105,433
Restricted Long-term Investment	332,686	300,793	-	-	-
Deposits	20,084	8,931	8,931	8,931	8,931
Total Non-Current Assets	10,159,466	6,056,907	6,202,359	6,241,267	6,129,773
Total Assets	\$ 19,046,014	\$ 12,642,525	\$ 12,583,242	\$ 11,994,056	\$ 11,271,576

Continued on Next Page

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
COMPARATIVE SCHEDULE OF FINANCIAL POSITION
JUNE 30,

Continued from Previous Page

LIABILITIES AND NET ASSETS

	2023	2022	2021	2020	2019
Current Liabilities					
Accounts Payable	\$ 134,983	\$ 78,322	\$ 70,935	\$ 5,431	\$ 83,281
Accounts Payable - Related Party	37,457	37,457	6,652	32,835	45,120
Accrued Liabilities	232,617	236,242	297,789	190,538	141,245
Deferred Rent	10,700	10,700	10,700	11,525	9,973
Deferred Revenue	-	190,155	287,394	-	-
Note Payable	500,000	-	-	-	-
Operating Lease Right-of-Use Liability	9,318	-	-	-	-
Refundable Advance	-	-	-	187,689	-
Total Current Liabilities	925,075	552,876	673,470	428,018	279,619
Non-Current Liabilities					
Deferred Rent	-	-	-	10,700	22,225
Operating Lease Right-of-Use Liability, net of Current Portion	491,203	-	-	-	-
Refundable Advance	-	-	-	236,341	-
Total Non-Current Liabilities	491,203	-	-	247,041	22,225
Total Liabilities	1,416,278	552,876	673,470	675,059	301,844
Net Assets					
Net Assets Without Donor Restrictions					
Board Designated	896,355	835,610	932,459	929,201	925,946
Undesignated	8,780,190	5,253,578	5,718,716	5,497,120	5,490,629
Total Without Donor Restrictions	9,676,545	6,089,188	6,651,175	6,426,321	6,416,575
Net Assets with Donor Restrictions	7,953,191	6,000,461	5,258,597	4,892,676	4,553,157
Total Net Assets	17,629,736	12,089,649	11,909,772	11,318,997	10,969,732
Total Liabilities and Net Assets	\$ 19,046,014	\$ 12,642,525	\$ 12,583,242	\$ 11,994,056	\$ 11,271,576

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
COMPARATIVE SCHEDULE OF ACTIVITIES
YEARS ENDED JUNE 30,

	2023	2022	2021	2020	2019
Revenue, Gains and Other Support					
Grants	\$ 1,579,875	\$ 647,682	\$ 783,708	\$ 1,190,899	\$ 959,855
Contributions	4,062,387	3,577,665	3,339,582	2,562,482	2,772,016
Diocesan Support	70,000	60,000	285,080	569,679	555,796
Government Agencies	4,780,085	4,782,647	2,345,066	434,019	365,304
Contribution - Affiliated Organizations	3,716,239	-	-	-	-
Program Service Fees	84,436	100,060	107,236	154,822	130,694
Investment (Loss) Income	132,400	(117,255)	30,745	34,228	35,250
Miscellaneous Income	11,978	28,392	7,858	14,651	13,267
Change in Interest in Net Assets of the Catholic Foundation	8,556	(12,334)	19,130	2,363	3,132
Special Event	407,061	411,725	325,602	327,973	424,918
Rental income	73,825	-	-	-	-
In-kind	2,309,705	1,994,429	1,924,522	2,685,131	2,389,575
Total Revenue, Gains and Other Support	17,236,547	11,473,011	9,168,529	7,976,247	7,649,807
Expenses					
Program					
Parish Social Ministry	-	-	-	113,492	129,836
Family Immigration					
Services	487,638	585,076	544,439	575,634	574,341
Life Connections	305,177	318,428	312,584	409,692	408,540
Marian House	3,271,594	3,421,299	3,406,527	3,595,449	3,625,729
Family Connections	1,213,907	1,194,723	982,718	1,171,631	1,001,001
Castle Rock	743,420	607,838	497,596	508,521	443,498
Disaster Relief	3,647,835	3,770,499	1,600,070	166,034	500
HH Capital Campaign	346,319	-	-	-	-
Total Program	10,015,890	9,897,863	7,343,934	6,540,453	6,183,445
Support					
Management and Administration	969,429	749,513	567,827	485,055	530,093
Development and Communications	711,141	645,758	665,993	601,474	627,836
Total Support	1,680,570	1,395,271	1,233,820	1,086,529	1,157,929
Total Expenses	11,696,460	11,293,134	8,577,754	7,626,982	7,341,374
Change in Net Assets	5,540,087	179,877	590,775	349,265	308,433
Beginning Net Assets	12,089,649	11,909,772	11,318,997	10,969,732	10,661,299
Ending Net Assets	\$ 17,629,736	\$ 12,089,649	\$ 11,909,772	\$ 11,318,997	\$ 10,969,732

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
COMPARATIVE SCHEDULE OF TOTAL EXPENSES
YEARS ENDED JUNE 30,

	2023	2022	2021	2020	2019
Personnel Expenses					
Salaries	\$ 3,405,016	\$ 2,916,599	\$ 2,624,452	\$ 2,724,091	\$ 2,550,169
Health Insurance	475,486	419,194	368,201	350,093	351,187
Payroll Taxes	249,659	212,295	196,814	195,139	185,511
Retirement	172,455	146,618	63,636	66,229	125,965
Worker's Compensation Insurance	31,762	24,346	34,659	33,464	30,307
Recruitment and Relocation	11,304	15,707	16,925	9,389	6,305
Professional Development	17,129	7,405	47,161	8,206	22,799
Miscellaneous Payroll Expenses	21,948	18,174	13,227	14,694	14,489
Total Personnel Expenses	4,384,759	3,760,338	3,365,075	3,401,305	3,286,732
Operating Expenses					
Contracted Services	206,731	158,557	145,813	130,303	156,443
Emergency and Community Services	3,576,175	4,098,445	1,881,473	411,359	258,108
Office Expense	380,066	369,415	246,140	257,699	285,826
Food, Supplies, Medical	250,576	90,900	65,716	94,096	90,473
Telephone, Utilities, Trash	98,009	89,441	68,818	67,457	83,848
Equipment Repair and Maintenance	35,748	24,220	30,067	19,561	17,097
Depreciation	264,424	270,088	257,113	247,523	232,732
Postage	22,089	28,026	28,652	28,846	29,722
Dues and Subscriptions	37,017	41,798	39,107	46,569	48,070
Public Relations	89,503	83,605	75,547	66,413	63,614
Professional Fees	178,357	39,262	19,316	19,335	21,110
Grants and Awards	1,102	65,092	85,749	23,362	705
Insurance	62,651	45,105	50,107	41,421	41,643
Travel	27,612	21,760	14,082	35,240	54,803
Meetings	25,228	25,808	9,293	18,628	20,877
Rent	139,736	147,835	136,081	120,817	100,847
Interest	19,231	19,873	25,884	28,962	28,962
Miscellaneous Expenses	60,191	12,089	11,554	13,609	20,865
Total Operating Expenses	5,474,446	5,631,319	3,190,512	1,671,200	1,555,745
Other Support - Rental Expenses	60,718	-	-	-	-
In-kind Expenses					
Goods and Food	1,180,345	1,281,110	1,470,316	1,936,365	1,929,762
Rent and Administrative	502,124	552,025	465,297	497,449	485,903
Computer and Professional Services	94,068	68,342	86,554	88,043	83,232
Retirement	-	-	-	32,620	-
Total In-kind Expenses	1,776,537	1,901,477	2,022,167	2,554,477	2,498,897
Total Expenses	\$ 11,696,460	\$ 11,293,134	\$ 8,577,754	\$ 7,626,982	\$ 7,341,374

CATHOLIC CHARITIES OF CENTRAL COLORADO, INC.
COMPARATIVE SCHEDULE OF CASH FLOWS
YEARS ENDED JUNE 30,

	2023	2022	2021	2020	2019
Cash Flows from Operations					
Change in Net Assets	\$ 5,540,087	\$ 179,877	\$ 590,775	\$ 349,265	\$ 308,433
Adjustments to Arrive at Net Cash					
Provided by Operating Activities					
Unrealized and Realized Loss					
(Gain) on Investments	(77,471)	146,340	-	-	-
Loss (Gain) on Assets					
Held by Foundation	(8,556)	12,334	(19,130)	(2,363)	(3,132)
Depreciation	264,424	270,088	257,113	247,523	232,732
Donated Property and Equipment	(800,000)	-	-	(244,238)	-
Discount on Long-term Pledge	(89,437)	(93,752)	(97,859)	(101,766)	(105,484)
Amortization of Use					
of Property Pledge	178,533	178,533	178,533	178,533	178,533
Donated Use of Property	177,734	(177,734)	16,611	36,816	36,273
Refundable Advance (Debt Forgiveness)	-	-	(424,030)	-	-
Change in					
Grants Receivable	(76,968)	(67,691)	(3,053)	(6,466)	(55,627)
Pledges Receivable, Net	(1,141,025)	-	-	-	22,000
Bequest Receivable	-	35,000	328,653	(68,653)	75,000
Prepaid Expenses	11,445	200,295	(211,740)	-	-
Intangible Assets	-	(23,449)	-	-	-
Deposits	(11,153)	-	-	-	(8,931)
Accounts Payable	56,661	7,387	65,504	(77,850)	32,957
Accounts Payable - Related Party	-	30,805	(26,183)	(12,285)	10,270
Accrued Liabilities	(3,625)	(61,547)	107,251	49,293	796
Deferred Rent	-	-	(11,525)	(9,973)	32,198
Deferred Revenue	(190,155)	(97,239)	287,394	-	-
Net Cash Provided by Operations	3,830,494	539,247	1,038,314	337,836	756,018
Cash Flows from Investing Activities					
Purchase of Property and Equipment	(3,000,000)	(21,297)	(80,292)	(112,416)	(171,073)
Purchase of Investments	(13,724)	(1,004,163)	-	-	-
Net Cash (Used) Provided by Investing Activities	(3,013,724)	(1,025,460)	(80,292)	(112,416)	(171,073)
Cash Flows from Financing Activities					
Principal Payment on Note Payable	(2,500,000)	-	-	-	-
Proceeds from Note Payable	3,000,000	-	-	-	-
Proceeds from Refundable Advance	-	-	-	424,030	-
Net Cash Provided (Used) by Financing Activities	500,000	-	-	424,030	-
Net Change in Cash and Restricted Cash	1,316,770	(486,213)	958,022	649,450	584,945
Beginning Cash and Restricted Cash	3,640,219	4,126,432	3,168,410	2,518,960	1,934,015
Ending Cash and Restricted Cash	\$ 4,956,989	\$ 3,640,219	\$ 4,126,432	\$ 3,168,410	\$ 2,518,960