



**PASQUESI
SHEPPARD LLC**
ACCOUNTANTS AND CONSULTANTS

CRISTO REY NETWORK

**FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

**TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT**



INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS
CRISTO REY NETWORK

Opinion

We have audited the accompanying financial statements of CRISTO REY NETWORK (a not-for-profit corporation) which comprise the statement of financial position as of June 30, 2024, 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, the financial statements referred to above present fairly, in all material respects, the financial position of CRISTO REY NETWORK (the Organization) as of June 30, 2024, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 opinion.

Prior Period Financial Statements

The financial statements of the Organization as of June 30, 2023 were audited by other auditors whose report, dated February 14, 2024, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 U.S. generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

Pasquesi Sheppard LLC

Pasquesi Sheppard LLC
Lake Forest, Illinois

October 29, 2024

CRISTO REY NETWORK

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2024			June 30, 2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES:				
Contributions	\$ 1,497,910	\$ 7,429,237	\$ 8,927,147	\$ 13,539,075
Contributions — Grants to schools	-	337,250	337,250	625,333
School membership dues and fees	2,597,564	-	2,597,564	2,326,529
Investment income, net	727,856	442,559	1,170,415	348,192
Net assets released from restrictions	4,982,556	(4,982,556)	-	-
Total revenues	\$ 9,805,886	\$ 3,226,490	\$ 13,032,376	\$ 16,839,129
EXPENSES:				
Program services —				
Funding of schools	\$ 522,150	\$ -	\$ 522,150	\$ 918,026
Funding of scholarships	421,579	-	421,579	190,250
Programming provided to schools	6,722,025	-	6,722,025	5,656,041
Supporting services —				
Administration	697,874	-	697,874	616,011
Fund development	726,864	-	726,864	554,141
Total expenses	\$ 9,090,492	\$ -	\$ 9,090,492	\$ 7,934,469
CHANGES IN NET ASSETS	\$ 715,394	\$ 3,226,490	\$ 3,941,884	\$ 8,904,660
NET ASSETS AT BEGINNING OF YEAR	9,213,294	13,488,846	22,702,140	13,797,480
NET ASSETS AT END OF YEAR	\$ 9,928,688	\$ 16,715,336	\$ 26,644,024	\$ 22,702,140

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

CRISTO REY NETWORK

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024						
	Program Services			Supporting Services			
	Funding of Schools and Scholarships	Programming Provided to Schools	Total Program	Administration	Fund Development	Total Support	Grand Total
Salaries and related employee expenses	\$ -	\$ 3,419,298	\$ 3,419,298	\$ 550,568	\$ 485,466	\$ 1,036,034	\$ 4,455,332
HR Shared Service Center	-	117,758	117,758	-	-	-	117,758
Professional fees	-	985,701	985,701	57,383	31,250	88,633	1,074,334
Grants for member schools	522,150	-	522,150	-	-	-	522,150
Training and events	-	965,990	965,990	22,941	14,698	37,639	1,003,629
Travel	-	346,900	346,900	18,779	55,653	74,432	421,332
Software, technology and subscriptions	-	476,131	476,131	11,241	25,088	36,329	512,460
Occupancy and related office expenses	-	195,444	195,444	29,889	29,232	59,121	254,565
Scholarships for alumni	421,579	-	421,579	-	-	-	421,579
Advertising and promotion	-	89,085	89,085	1,821	68,462	70,283	159,368
Membership fees, staff professional development and educational materials	-	98,510	98,510	1,093	8,385	9,478	107,988
Insurance	-	8,438	8,438	1,313	1,158	2,471	10,909
Bank and payroll services	-	17,800	17,800	2,711	7,353	10,064	27,864
Other miscellaneous expenditures	-	970	970	135	119	254	1,224
Total functional expenses	\$ 943,729	\$ 6,722,025	\$ 7,665,754	\$ 697,874	\$ 726,864	\$ 1,424,738	\$ 9,090,492

	2023						
	Program Services			Supporting Services			
	Funding of Schools and Scholarships	Programming Provided to Schools	Total Program	Administration	Fund Development	Total Support	Grand Total
Salaries and related employee expenses	\$ -	\$ 3,319,857	\$ 3,319,857	\$ 368,460	\$ 388,780	\$ 757,240	\$ 4,077,097
Professional fees	-	858,568	858,568	110,862	37,500	148,362	1,006,930
Grants for member schools	918,026	-	918,026	-	-	-	918,026
Training and events	-	706,947	706,947	30,075	10,380	40,455	747,402
Travel	-	260,843	260,843	33,845	26,913	60,758	321,601
Software, technology and subscriptions	-	227,013	227,013	27,185	28,684	55,869	282,882
Occupancy and related office expenses	-	193,737	193,737	23,201	24,480	47,681	241,418
Scholarships for alumni	190,250	-	190,250	-	-	-	190,250
Advertising and promotion	-	14,622	14,622	13,467	27,996	41,463	56,085
Membership fees, staff professional development and educational materials	-	31,889	31,889	3,818	4,029	7,847	39,736
Insurance	-	21,757	21,757	2,605	2,749	5,354	27,111
Bank and payroll services	-	18,832	18,832	2,255	2,380	4,635	23,467
Other miscellaneous expenditures	-	1,976	1,976	238	250	488	2,464
Total functional expenses	\$ 1,108,276	\$ 5,656,041	\$ 6,764,317	\$ 616,011	\$ 554,141	\$ 1,170,152	\$ 7,934,469

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

CRISTO REY NETWORK

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,941,884	\$ 8,904,660
Adjustments to reconcile change in net assets to net cash and cash equivalent provided by operating activities –		
Increase in cash surrender value of life insurance	(949)	(2,942)
Realized and unrealized gains on investments	(350,961)	(348,192)
(Decrease) increase in discount on contributions receivable	(110,468)	332,601
Impact on cash and cash equivalent from changes in –		
Accounts receivable	(45,428)	(81,956)
Accrued interest	38,536	-
Prepaid expenses	(39,458)	21,225
Contributions receivable	1,070,000	(4,857,250)
Security deposit	(151,333)	-
Accounts payable	(101,606)	150,827
Accrued expenses	50,458	(23,066)
Unearned revenue	(40,000)	(5,000)
	<u>\$ 4,260,675</u>	<u>\$ 4,090,907</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	\$ (16,379,367)	\$ (11,916,481)
Proceeds from sale of investments	<u>12,241,544</u>	<u>7,751,907</u>
	<u>\$ (4,137,823)</u>	<u>\$ (4,164,574)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>\$ 122,852</u>	<u>\$ (73,667)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>857,566</u>	<u>931,233</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 980,418</u></u>	<u><u>\$ 857,566</u></u>

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

CRISTO REY NETWORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization -

The Cristo Rey Network (the Organization) is a not-for-profit organization whose purpose is to provide career focused, college preparatory education in the Catholic tradition to students with limited economic resources, uniquely integrating rigorous academic curricula with professional work experience, and support to and through college.

Basis of Presentation -

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

The Organization prepares its financial statements to present its financial position and activities based on the existence or absence of donor-imposed restrictions as follows:

Net assets without donor restrictions represent funds which are available for the Organization to utilize, at the discretion of management and the Board of Directors, in any of its programs or supporting services.

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

Use of Estimates -

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States (GAAP), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Although estimates are considered to be fairly stated at the time that the estimates are made, actual results could differ.

CRISTO REY NETWORK

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Revenue and Contributions Receivable -

Revenue from sources other than contributions is reported as an increase in net assets without donor restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or law. Expiration of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between net assets with donor restrictions and net assets without donor restrictions.

Contributions, including unconditional pledges, are recognized as revenue in the period received. Conditional pledges are recognized when the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of the gift. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based on management's judgement of potential defaults. Management has determined that no allowance was required at June 30, 2024 and 2023.

School Membership Dues and Fees -

Some Member Cristo Rey high schools pay annual membership dues. Some member Cristo Rey high schools also pay fees for services. School membership dues and fees are recorded as revenue throughout the applicable membership period as services are being provided. Performance obligations are met during the fiscal year for which the membership dues apply. As of June 30, 2024 and 2023, the Organization had \$5,000 and \$5,000, respectively, of unearned revenues related to membership dues received for the following year, for which performance obligations were outstanding. As of June 30, 2024 and 2023, the Organization had \$0 and \$40,000, respectively, of unearned revenues related to unearned Board Member dues received for the following year, for which performance obligations were outstanding. Receivables from membership dues, which are included in accounts receivable in the statement of financial position were \$112,674 and \$122,275 as of June 30, 2024 and 2023, respectively.

Cash Equivalents -

The Organization considers all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents.

CRISTO REY NETWORK

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Accounts Receivable -

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision to bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written-off through a charge to the valuation allowance and a credit to accounts receivable. No allowance was deemed necessary at June 30, 2024 and 2023.

Investments -

Under U.S. GAAP, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements 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 increases in net assets without donor 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.

Income Taxes -

The Organization is exempt from Federal taxes on related income under Section 501(c)(3) of the Internal Revenue Code. The Organization had no significant unrelated business income during the years ended June 30, 2024 and 2023.

Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the financial statements.

Fair Value Measurements -

Management follows accounting provisions which provide a framework for measuring fair value. The standards define fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal market for the asset or liability in a transaction between market participants on the measurement date. The standards establish a fair value hierarchy which gives highest priority to observable inputs (Level 1 and 2 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The fair value measurement level of the assets and liabilities within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

CRISTO REY NETWORK

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Fair Value of Financial Instruments –

The carrying value of cash and cash equivalents, accounts receivable, accrued interest receivable, accounts payable, accrued expenses, and unearned revenue approximates fair value because of the short-term maturity of these instruments.

The carrying value of contributions receivable is estimated using the discounted expected future cash flows, which approximates their fair value.

Investments are carried at fair value. The fair value of investments in marketable equity and debt securities is based on quoted market prices. Non-marketable debt securities are valued based on estimated discounted future cash flows; non-marketable equity securities are carried at estimated current value if it is possible to determine this (including net asset value per share), otherwise at cost.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and contributions receivable. The Organization maintains cash in bank accounts which, at times, exceed federally insured limits. The Organization has not experienced such losses in this account and management believes it is not exposed to any significant credit risk on cash.

Prior Period Information –

The 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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Adoption of ASC Topic 842, Leases –

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. The ASU requires lessees to recognize lease assets and lease liabilities on their balance sheets for all leases with terms exceeding twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition. The Organization adopted the new standard effective July 1, 2022, the first day of the Organization's fiscal year, using the modified retrospective approach.

CRISTO REY NETWORK

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(2) CONTRIBUTIONS RECEIVABLE:

Included in contributions receivable in the accompanying statements of financial position are the following unconditional contributions at June 30:

	<u>2024</u>	<u>2023</u>
Amounts due in:		
Less than one year	\$ 2,070,000	\$ 2,045,000
One to five years	3,620,000	4,715,000
Gross contributions receivable	\$ 5,690,000	\$ 6,760,000
Less discount to net present value	(241,786)	(352,255)
Net contributions receivable	<u>\$ 5,448,214</u>	<u>\$ 6,407,745</u>

The interest rate used to discount 2024 and 2023 unconditional contributions receivable was 4.32% and 4.11%, respectively.

There was no allowance necessary for doubtful receivables, and there were no conditional promises to give at June 30, 2024 or 2023.

At June 30, 2024 and 2023, a receivable from a single donor comprised 66% and 74% of gross contributions receivable, respectively.

(3) INVESTMENTS:

Investments consisted of the following for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Mutual funds	\$ 6,233,861	\$ 3,471,313
Mission Diocese Fund	5,997,036	-
Fixed income —		
Corporate bonds	7,061,825	8,960,543
Foreign bonds	263,462	2,635,545
Total investments	<u>\$ 19,556,184</u>	<u>\$ 15,067,401</u>

CRISTO REY NETWORK

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(4) CASH SURRENDER VALUE OF LIFE INSURANCE:

The Organization is the owner and beneficiary of the life insurance policy on a life of a certain donor of the Organization with a face amount of \$5,000,000 at June 30, 2024 and 2023. The cash surrender value of this policy amount to \$469,326 and \$468,377 at June 30, 2024 and 2023, respectively.

(5) LEASES:

The Organization leased office space under a lease that expired June 30, 2024. Lease expense for the year ended June 30, 2024, consisted of \$187,474 operating lease expense and \$18,904 variable lease expense.

During the year ending June 30, 2024, the Organization entered into a lease agreement for a different office space commencing July 2024 and expiring August 2035, with an option to extend through August 2040. The lease provides for complete abatement of rent through September 2025 and partial abatement of rent thereafter through October 2027. The lease requires the Organization to pay its share of maintenance and real estate taxes beginning January 2026. The Organization paid a \$151,333 security deposit in connection with the lease.

The lease provides a tenant allowance of \$567,500 for improvements to the property. The Organization is required to provide the scope of work to the landlord by October 2026.

At June 30, 2024, the Organization recorded a \$2,228,540 right-of-use asset and lease liability in connection with this lease utilizing a discount rate of 8.5%.

Maturities of the Organization's lease liability for the years ending June 30 is as follows:

2025	\$ -
2026	219,000
2027	295,500
2028	352,483
2029 and thereafter	2,877,225
Less imputed interest	<u>(1,515,668)</u>
Total lease obligation	<u>\$ 2,228,540</u>

CRISTO REY NETWORK

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(6) NET ASSETS WITH DONOR RESTRICTIONS:

As required by U.S. GAAP, net assets are classified and reported based on the existence or absence of donor-imposed restrictions.

Donor restricted net assets at June 30, were as follows:

	<u>2024</u>	<u>2023</u>
Purpose restricted:		
Alumni scholarships	\$ 8,234,115	\$ 4,512,901
Member school grants	-	420,852
Other	1,744,458	-
Endowment fund earnings	-	17,412
Time-restricted for future periods	4,548,213	6,512,020
Perpetual in nature:		
Endowment fund - corpus	1,719,224	1,557,233
Endowment fund - insurance policy	469,326	468,428
Total net assets with donor restrictions	<u>\$ 16,715,336</u>	<u>\$ 13,488,846</u>

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors. Net assets were released from restriction as follows for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Expiration of time restrictions	\$ 1,784,607	\$ 2,731,839
Satisfaction of purpose restrictions:		
Member school grants	581,700	928,909
Alumni scholarships	451,309	191,875
Other	2,164,940	-
Total net assets released from restriction	<u>\$ 4,982,556</u>	<u>\$ 3,852,623</u>

CRISTO REY NETWORK

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

(7) ENDOWMENT FUND:

The Organization maintains the John P. Foley, SJ Legacy Fund, a restricted endowment fund. At June 30, 2024, the endowment consists of cumulative donations to be held in perpetuity of \$1,669,224 as well as a life insurance policy with a cash surrender value of \$469,326 and a pledge receivable of \$50,000. The income generated by this endowment fund does not have donor restrictions; but is time restricted until appropriated by the Organization's Board of Directors.

The Board of Directors of the Organization has interpreted the 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, the Organization classifies as perpetually restricted net assets (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in perpetually restricted net assets is classified as purpose or time restricted net assets until those amounts are appropriated 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: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The Organization has adopted an investment policy which stipulates that the endowment should be invested with the objective of preserving and protecting the assets and earning a rate of return that is competitive with the returns available from various types of investments as deemed appropriate. After preservation of capital, the objectives of the endowment, in order of importance, are to grow the principal to offset inflation and to produce a satisfactory level of current income.

Distributions from the endowment may be made on a quarterly basis as determined by the Finance Committee. There were no distributions during the years ended June 30, 2024 and 2023.

CRISTO REY NETWORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

The Organization's endowment net assets as of June 30 are as follows:

	2024	2023
Board designated endowment fund	\$ 1,372,636	\$ 1,201,173
Donor restricted endowment fund	2,188,550	2,075,661
	\$ 3,561,186	\$ 3,276,834

The changes in endowment net assets for the year ended June 30, 2024 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
June 30, 2023	\$ 1,201,173	\$ 2,075,661	\$ 3,276,834
Contributions	-	111,940	111,940
Interest income	113,159	-	113,159
Net realized and unrealized gain	58,304	949	59,253
June 30, 2024	\$ 1,372,636	\$ 2,188,550	\$ 3,561,186

(8) RETIREMENT PLAN:

The Organization has a defined contribution 403(b) plan (the Plan) covering eligible employees. The Organization offers employees the opportunity to contribute to the Plan on the effective date of hire. The Organization matches 100% of the first 3% of employee contributions and 50% of the next 2%, not to exceed 4% total. Vesting is immediate for all participants. The Plan expenses for the year ended June 30, 2024 and 2023 are \$125,174 and \$109,989, respectively.

CRISTO REY NETWORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(9) FAIR VALUE MEASUREMENTS:

The following are the major categories of assets and liabilities measured at fair value on a recurring basis for the years ended June 30, 2024 and June 30, 2023, using unadjusted quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

	2024			
	Fair Value	Level 1	Level 2	Level 3
Mutual funds	\$ 6,233,861	\$ 6,233,861	\$ -	\$ -
Fixed income –				
Corporate bonds	7,061,825	-	7,061,825	-
Foreign bonds	263,462	-	263,462	-
Total assets in fair value hierarchy	\$ 13,559,148	<u>\$ 6,233,861</u>	<u>\$ 7,325,287</u>	<u>\$ -</u>
Investments measured at NAV	<u>5,997,036</u>			
Total assets at fair value	<u>\$ 19,556,184</u>			
	2023			
	Fair Value	Level 1	Level 2	Level 3
Mutual funds	\$ 3,471,313	\$ 3,471,313	\$ -	\$ -
Fixed income –				
Corporate bonds	8,960,543	-	8,960,543	-
Foreign bonds	2,635,545	-	2,635,545	-
Total assets at fair value	<u>\$ 15,067,401</u>	<u>\$ 3,471,313</u>	<u>\$ 11,596,088</u>	<u>\$ -</u>

(10) INVESTMENTS IN ENTITIES THAT CALCULATE NET ASSET VALUE PER SHARE:

At June 30, 2024, the Organization held 28,357 units of Mission Diocese Fund, LLC (the Fund), a limited liability company where the Mission Dioceses and associated organizations are the Members and Catholic Extension Society serves as Manager. The offering of interests in the Fund is not subject to securities laws because of exemptions for entities such as the Fund that are organized and operated exclusively for charitable purposes.

CRISTO REY NETWORK

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

The Fund maintains a diversified portfolio with the goal of long-term growth while providing income to fund mission objectives. Members may elect to take planned distributions not to exceed 5% of total investments. Unplanned withdrawals may be taken with 75 days advance notice. There are no lock-up or exit restrictions on the Fund.

(11) RECLASSIFICATIONS:

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. Such reclassifications had no effect on the previously reported total change in net assets.

(12) LIQUIDITY:

The following reflects the Organization's financial assets as of the statements of financial position dates, reduced by amounts not yet available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position dates:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 980,418	\$ 857,566
Contributions receivable	5,448,214	6,407,745
Accounts receivable	231,667	186,239
Accrued interest	72,108	110,644
Investments	19,556,184	15,067,401
	<u>\$ 26,288,591</u>	<u>\$ 22,629,595</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	\$ 16,715,336	\$ 13,488,846
Board designated endowment fund	1,254,718	1,183,761
Less contributions made with time restrictions to be met in less than a year	<u>(2,020,000)</u>	<u>(2,045,000)</u>
	15,950,054	12,627,607
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 10,338,537</u>	<u>\$ 10,001,988</u>

(13) SUBSEQUENT EVENTS:

The Organization's management has performed an analysis of activities and transactions subsequent to June 30, 2024, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year then ended. Management has performed their analysis through the report date, the date which the financial statements were issued.