

Financial Statements

# Catholic Charities Diocese of Toledo, Inc.

June 30, 2025 and 2024



# CONTENTS



	<b>Page</b>
<b>Independent Auditor's Report</b>	<b>3</b>
<b>Financial Statements:</b>	
<b>Statements of Financial Position</b>	<b>5</b>
<b>Statements of Activities and Changes in Net Assets</b>	<b>6</b>
<b>Statements of Functional Expenses</b>	<b>7</b>
<b>Statements of Cash Flows</b>	<b>9</b>
<b>Notes to Financial Statements</b>	<b>10</b>



The Board of Directors  
Catholic Charities Diocese of Toledo, Inc.  
Toledo, Ohio

## **Independent Auditor's Report**

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Catholic Charities Diocese of Toledo, Inc. (a nonprofit corporation) (the "Agency"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as of June 30, 2025 and 2024, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

*GBQ Partners LLC*

Sylvania, Ohio  
December 9, 2025

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Statements of Financial Position

June 30, 2025 and 2024



	2025	2024
<b>ASSETS</b>		
<b>Assets</b>		
Cash and cash equivalents	\$ 3,888,490	\$ 3,320,705
Grants and contracts receivable (Note 2)	131,167	185,429
Accounts receivable (Note 2)	38,070	26,522
Prepaid expenses	46,367	38,924
Investments (Note 7)	1,453,308	1,296,650
Property and equipment - net of accumulated depreciation of \$858,114 and \$796,448 (Note 9)	436,024	431,791
Right-of-use assets, net - operating leases	5,401	35,341
Assets not yet placed in service	121,480	105,562
<b>TOTAL ASSETS</b>	<b>\$ 6,120,307</b>	<b>\$ 5,440,924</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 125,093	\$ 60,811
Accrued wages and vacation	126,477	138,548
Deferred revenue	177,977	152,599
Operating lease liabilities (Note 4)	5,402	35,409
Total liabilities	434,949	387,367
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	1,970,684	1,807,532
Board designated	229,547	229,547
With donor restrictions (Note 12)	3,485,127	3,016,478
Total net assets	5,685,358	5,053,557
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 6,120,307</b>	<b>\$ 5,440,924</b>

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

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Statement of Activities and Changes in Net Assets For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>						
Diocesan allocation, support and Toledo Catholic Charities Corp. (Note 11)	\$ 1,666,698	\$ -	\$ 1,666,698	\$ 1,683,672	\$ -	\$ 1,683,672
Grants and contracts:						
United Way Agencies	-	158,510	158,510	-	173,062	173,062
Federal grants	-	523,983	523,983	-	815,333	815,333
State and local grants	-	525,290	525,290	-	537,715	537,715
Foundations	-	666,571	666,571	-	584,476	584,476
Program service fees	550	-	550	23,986	-	23,986
Contributions, legacies and bequests	1,278,463	645,488	1,923,951	1,046,056	638,908	1,684,964
Contributions of non-financial assets (Note 13)	1,255,819	-	1,255,819	634,540	-	634,540
Investment income	268,244	-	268,244	238,897	-	238,897
Other	86,985	-	86,985	82,353	-	82,353
Net assets released from restrictions (Note 12)	2,051,193	(2,051,193)	-	2,169,404	(2,169,404)	-
Total revenue and support	<u>6,607,952</u>	<u>468,649</u>	<u>7,076,601</u>	<u>5,878,908</u>	<u>580,090</u>	<u>6,458,998</u>
<b>Expenses</b>						
Program services:						
Food and shelter	4,321,221	-	4,321,221	3,699,252	-	3,699,252
Elderly	630,853	-	630,853	647,005	-	647,005
Other	955,377	-	955,377	815,637	-	815,637
Total program expenses	<u>5,907,451</u>	<u>-</u>	<u>5,907,451</u>	<u>5,161,894</u>	<u>-</u>	<u>5,161,894</u>
Supporting services:						
Management and general	308,469	-	308,469	337,433	-	337,433
Fundraising	228,880	-	228,880	281,594	-	281,594
Total supporting services	<u>537,349</u>	<u>-</u>	<u>537,349</u>	<u>619,027</u>	<u>-</u>	<u>619,027</u>
Total expenses	<u>6,444,800</u>	<u>-</u>	<u>6,444,800</u>	<u>5,780,921</u>	<u>-</u>	<u>5,780,921</u>
Change in net assets	163,152	468,649	631,801	97,987	580,090	678,077
<b>Net Assets - Beginning of Year</b>	<u>2,037,079</u>	<u>3,016,478</u>	<u>5,053,557</u>	<u>1,939,092</u>	<u>2,436,388</u>	<u>4,375,480</u>
<b>Net Assets - End of Year</b>	<u>\$ 2,200,231</u>	<u>\$ 3,485,127</u>	<u>\$ 5,685,358</u>	<u>\$ 2,037,079</u>	<u>\$ 3,016,478</u>	<u>\$ 5,053,557</u>

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

**CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2025**

	Program Services				Supporting Services		Total
	Food and Shelter	Elderly	Other	Total Program Services	Management and General	Fundraising	
Salaries	\$ 1,378,358	\$ 376,150	\$ 423,438	\$ 2,177,946	\$ 161,316	\$ 109,392	\$ 2,448,654
Specific assistance to individuals	1,841,365	2,335	207,187	2,050,887	220	60	2,051,167
Employee benefits	351,512	114,898	69,420	535,830	34,106	26,890	596,826
Contract services and professional fees	246,859	22,684	38,918	308,461	43,513	54,619	406,593
Occupancy	116,384	30,704	58,277	205,365	12,295	5,800	223,460
Payroll taxes	108,898	28,747	32,582	170,227	15,656	8,098	193,981
Agency training and meetings	36,947	6,767	66,746	110,460	8,169	13,319	131,948
Maintenance, repairs, and equipment rental	70,336	3,069	12,259	85,664	7,294	-	92,958
Supplies	51,605	6,990	11,302	69,897	15,800	5,580	91,277
Travel	13,715	25,650	20,796	60,161	2,388	120	62,669
Depreciation	58,090	420	1,636	60,146	1,520	-	61,666
Telephone	33,764	9,911	5,231	48,906	2,044	1,248	52,198
Dues	6,053	955	1,831	8,839	2,229	1,109	12,177
Miscellaneous	4,188	619	1,817	6,624	1,079	1,875	9,578
Printing, publications, and subscriptions	2,190	310	3,577	6,077	480	597	7,154
Postage and shipping	868	631	340	1,839	313	173	2,325
Bad debt	89	13	20	122	47	-	169
<b>Total Functional Expenses</b>	<b>\$ 4,321,221</b>	<b>\$ 630,853</b>	<b>\$ 955,377</b>	<b>\$ 5,907,451</b>	<b>\$ 308,469</b>	<b>\$ 228,880</b>	<b>\$ 6,444,800</b>

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

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Statement of Functional Expenses For the Year Ended June 30, 2024

	Program Services				Supporting Services		Total
	Food and Shelter	Elderly	Other	Total Program Services	Management and General	Fundraising	
Salaries	\$ 1,411,295	\$ 369,128	\$ 402,832	\$ 2,183,255	\$ 163,762	\$ 126,621	\$ 2,473,638
Specific assistance to individuals	1,127,058	9,694	81,326	1,218,078	13,103	-	1,231,181
Employee benefits	353,861	109,304	62,829	525,994	30,192	27,843	584,029
Contract services and professional fees	260,389	30,628	83,488	374,505	52,395	94,307	521,207
Occupancy	138,095	36,124	25,331	199,550	22,280	7,644	229,474
Payroll taxes	111,052	28,216	31,446	170,714	15,950	9,197	195,861
Supplies	60,302	8,876	23,404	92,582	12,936	7,190	112,708
Agency training and meetings	26,006	4,699	66,473	97,178	8,807	1,404	107,389
Maintenance, repairs, and equipment rental	86,584	3,634	6,553	96,771	8,314	-	105,085
Travel	16,241	25,370	21,573	63,184	2,305	511	66,000
Depreciation	55,947	503	2,217	58,667	1,439	-	60,106
Telephone	37,034	9,454	4,558	51,046	1,757	1,551	54,354
Miscellaneous	4,601	2,139	1,220	7,960	1,269	2,963	12,192
Dues	5,194	665	734	6,593	1,273	809	8,675
Postage and shipping	3,718	491	851	5,060	998	1,214	7,272
Bad debt	-	7,500	-	7,500	-	-	7,500
Printing, publications, and subscriptions	1,875	580	802	3,257	653	340	4,250
<b>Total Functional Expenses</b>	<b>\$ 3,699,252</b>	<b>\$ 647,005</b>	<b>\$ 815,637</b>	<b>\$ 5,161,894</b>	<b>\$ 337,433</b>	<b>\$ 281,594</b>	<b>\$ 5,780,921</b>

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

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Statements of Cash Flows

For the Years Ended June 30, 2025 and 2024

	2025	2024
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 631,801	\$ 678,077
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	61,666	60,106
Net realized and unrealized gains on investments	(119,524)	(101,240)
Changes in operating assets and liabilities that increase cash flows:		
Grants and contracts receivable	54,262	223,620
Accounts receivable	(11,548)	55,979
Prepaid expenses	(7,443)	(38,924)
Operating lease right-of-use assets and lease liabilities, net	(67)	(56)
Accounts payable	64,282	(27,311)
Accrued wages and vacation	(12,071)	(1,828)
Deferred revenue	25,378	19,019
Total adjustments	<u>54,935</u>	<u>189,365</u>
Net cash and cash equivalents provided by operating activities	<b>686,736</b>	867,442
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(81,817)	(248,691)
Proceeds from sale of investments	1,112,342	904,672
Purchase of investments	<u>(1,149,476)</u>	<u>(956,418)</u>
Net cash and cash equivalents used in investing activities	<b>(118,951)</b>	(300,437)
Increase in cash and cash equivalents	<u>567,785</u>	567,005
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>3,320,705</b>	2,753,700
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 3,888,490</b>	\$ 3,320,705

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

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### Note 1 - Nature and Scope of Business

Catholic Charities Diocese of Toledo, Inc. (the "Agency") was formed in 1914, originally to care for dependent and neglected children, to provide adoption services and to provide service to those with emotional and behavioral problems. Since that time the Agency has grown in size and scope and now offers a variety of services throughout Northwest Ohio. The Agency is primarily funded by and dependent on contributions, legacies and bequests, the support of the Diocese of Toledo, and grants and contracts from private foundations and various governmental entities. The Agency also receives support through various United Way agencies and receives fees for services provided.

The Agency serves 19 counties in Northwest Ohio. All significant intra-agency balances and transactions have been eliminated.

### Note 2 - Summary of Significant Accounting Policies

#### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Non-cash donations are recorded at fair value when received. An amount has not been assigned to donated services, as these services provided generally do not require specialized skills; however, volunteers have donated significant amounts of time to Agency-sponsored programs.

#### Financial Statement Presentation

The accompanying financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic, *Not for Profit Entities, Presentation of Financial Statements*.

#### Use of Estimates

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

#### Cash and Cash Equivalents

The Agency considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### Note 2 - Summary of Significant Accounting Policies (continued)

#### Depository Credit Risk

The Agency has \$3,566,401 and \$2,846,827 at June 30, 2025 and 2024, respectively, on deposit with The Diocese of Toledo Deposit and Loan Trust and is included in cash balances in the statements of financial position. Such amounts represent an obligation of the Deposit and Loan Trust and are not maintained in bank accounts in the name of the Agency.

The Agency maintains its cash in bank deposit accounts which, at times, may exceed Federal Deposit Insurance Corporation limits. Such excess uninsured amounts, which aggregated approximately \$44,300 and \$12,600 at June 30, 2025 and 2024, respectively, are uncollateralized and in the event of bank failure may not be returned.

#### Receivables

The Agency considers receivables from grantors to be fully collectible, accordingly, no allowance for doubtful accounts is included in the financial statements. When amounts are deemed uncollectible, they are expensed in the year the determination is made. Other receivables, consisting of amounts owed by clients for certain services it provides, are reduced by an allowance for doubtful accounts. Other receivables are deemed past due 30 days after the invoice date. In evaluating the collectability of other receivables, the Agency analyzes its past history and identifies trends to estimate the appropriate allowance for doubtful accounts and provisions for bad debts.

Beginning and ending balances of grants and contracts receivable and accounts receivable are as follows:

	June 30, 2025	June 30, 2024	July 1, 2023
Grants and contracts receivable	\$ 131,167	\$ 185,429	\$ 409,049
Accounts receivable	38,070	26,522	82,501

The carrying amount of receivables is reduced by a valuation allowance for expected credit losses, as necessary, that reflects management's best estimate of the amount that will not be collected. This estimation takes into consideration historical experience, current conditions and, as applicable, reasonable supportable forecasts. Actual results could vary from the estimate. Accounts are charged against the allowance when management deems them to be uncollectible. Based on its assessment, management determined that the risk of credit loss was not material; therefore, there was no valuation allowance recorded as of June 30, 2025 and 2024.

#### Investments

Investments in common collective trusts are valued at market price on the last day of the Agency's year-end.

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### Note 2 - Summary of Significant Accounting Policies (continued)

#### Property and Equipment

Property and equipment are recorded at cost. Donated property and equipment are recorded at the estimated fair market value at the time of donation. The Agency uses a capitalization policy of \$1,500 and greater. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. The Agency provides for depreciation and amortization using the straight-line method over the estimated useful lives, ranging from three to 31.5 years, of the depreciable assets.

#### Leases

Pursuant to GAAP, a contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Leases with an initial term of 12 months or less are not recorded within the accompanying statements of financial position.

Operating leases are included in right-of-use (ROU) assets – operating leases and operating lease liabilities within the Agency’s accompanying statements of financial position.

ROU assets represent the Agency’s right to use an underlying asset for the lease term, and lease liabilities represent the Agency’s obligation to make lease payments. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Agency uses the implicit rate when it is readily determinable. If the Agency’s leases do not provide an implicit rate, the Agency elected the practical expedient to utilize the risk-free rate to determine the present value of lease payments. ROU assets - operating leases also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Agency’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Agency will exercise the option.

The Agency has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. For certain office equipment leases, like copiers, the Agency has elected the practical expedient to account for the lease and non-lease components as a single lease.

#### Impairment of Assets

The carrying value of long-lived assets is reviewed for impairment whenever events or changes in circumstances indicate the amount of the assets may not be recoverable. When an indication of impairment is present and the undiscounted cash flows estimated to be generated by the related assets are less than the assets’ carrying amount, an impairment loss will be recorded based on the difference between the carrying amount of the assets and their estimated fair value. There were no such impairment losses recorded for the years ended June 30, 2025 and 2024.

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Notes to Financial Statements

June 30, 2025 and 2024



### **Note 2 - Summary of Significant Accounting Policies** (continued)

#### Revenue Recognition

##### *Contribution Revenue*

The Agency recognizes contributions when cash or other assets or an unconditional promise to give is received. Contributions of assets other than cash are recognized at their estimated fair value as of the date of the contribution. Conditional promises to give which contain measurable performance requirements or other barriers and the right of return are not recognized until the conditions on which they depend have been met. Deferred revenue is recorded when grant or contribution proceeds are received but the related conditions have not been met.

The Agency's contribution revenue derived from cost-reimbursable federal, state and local grants and contracts, are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Agency has incurred expenditures in compliance with specific grant or contract provisions.

##### *Exchange Transactions*

Revenue from contractual services relates to contracts with clients in which the Agency's performance obligations are to provide consulting, pastoral services and guardian services. Fee for service revenues are recognized at the point of time when the service is provided to the client and is billed monthly. Guardian fees represent agreements to provide services to clients on an as needed basis on an annual basis based on a court prescribed formula based on assets and income. Services are billed at the end of each year when it is determined the client has the funds to pay such fees. Revenue is recognized when the services are billed.

The Agency recognizes revenue from ticket sales for fundraising events at the time of admission. Ticket sales are comprised of an exchange element based on the value of the benefit provided, and a contribution element for the difference between the total ticket price and the exchange element.

#### In-Kind Contributions

The Agency receives donated food and other items for various shelters throughout the year. The in-kind donations have been recorded as contributions of non-financial assets and a corresponding expense in specific assistance to individuals.

Revenue and expenses have been recorded in the accompanying financial statements for the excess of the estimated fair value rental over amounts presently paid by the Agency for use of facilities and for services provided by employees of the Diocese of Toledo.

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### Note 2 - Summary of Significant Accounting Policies (continued)

#### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification of expenses by function. Accordingly, certain costs are allocated between the programs and supporting services benefited. The expenses that are allocated primarily consist of occupancy and related expenses, which are allocated based on an estimate of the space occupied by each function. Salaries and wages and related employee benefits and payroll taxes are allocated based on estimates of time and effort. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount. Management considers its method of allocation to be equitable.

#### Income Taxes

The Agency, a not-for-profit corporation as described in Sections 501(c)(3) of the Internal Revenue Code (the "Code") is classified as a church by the Internal Revenue Service, and, therefore, is not subject to federal income tax and has been classified as an Agency that is not a private foundation under Section 509 of the Code.

#### Net Assets

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

The governing board has designated, from net assets without donor restrictions, net assets of approximately \$229,500 at both June 30, 2025 and 2024 for special purposes as determined by the Board. Such designated amounts may be undesignated at any time at the direction of the Board.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions.

Net assets with donor restrictions are resources that are subject to donor, grantor or funder imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. The Agency believes it has no net assets with donor imposed restrictions that must be maintained in perpetuity.

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

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### Note 2 - Summary of Significant Accounting Policies (continued)

#### Subsequent Events – Date of Management’s Evaluation

The Agency evaluated subsequent events through the date of the Independent Auditor’s Report, the date on which the financial statements were available to be issued.

### Note 3 - Liquidity and Availability of Financial Assets

The Agency monitors its liquidity so that it is able to meet its operating needs and other commitments while maximizing the investment of its excess operating cash. The Agency has the following financial assets that could readily be made available within one year of the balance sheet date to fund expenses without limitations:

	2025	2024
Cash and cash equivalents	\$ 3,888,490	\$ 3,320,705
Grants and contracts receivable	131,167	185,429
Accounts receivable	38,070	26,522
<b>Total financial assets available to meet cash needs for general expenditures within one year</b>	<b>\$ 4,057,727</b>	<b>\$ 3,532,656</b>

The assets above include approximately \$229,500 in board designated unrestricted net assets for special purposes as determined by the Board as of June 30, 2025 and 2024.

As part of the Agency’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Agency anticipates covering its operating expenditures by collection of sufficient revenues from grants, contracts and contributions.

### Note 4 - Leases

The Agency has operating leases for rental of office equipment. The Agency’s leases have remaining lease terms of one year to two years, some of which include options to extend the leases for up to two years. The agency also leases certain program space from unrelated parties on an as needed basis under short-term rental agreements.

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### Note 4 – Leases (continued)

The maturities of lease liabilities as of June 30, 2025 were as follows:

	Operating leases
2026	\$ 3,704
2027	1,806
Total undiscounted cash flows	5,510
Less: present value discount	(108)
<b>Total lease liabilities</b>	<b>\$ 5,402</b>

The following summarizes the components of lease expense for the years ended June 30:

	2025	2024
Operating lease expense	<b>\$ 30,338</b>	\$ 81,050
Short-term lease expense	<b>104,490</b>	61,916
Sublease income	<b>(32,667)</b>	(27,717)
<b>Total lease expense</b>	<b>\$ 102,161</b>	<b>\$ 115,249</b>

The following summarizes additional information related to leases for the years ended June 30:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	<b>\$ 30,405</b>	\$ 81,106
Weighted-average remaining lease term in years for operating leases	<b>1.48</b>	.96
Weighted-average discount rate for operating leases	<b>2.88%</b>	3.14%

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### Note 5 - Retirement Plans

#### Defined Contribution Plan

The Agency has a single employer 403(b) Thrift plan for the benefit of eligible employees. Eligible employees may defer a portion of their salary to the Plan. The Agency makes matching contributions equal to 100% of the employee's elective deferrals that do not exceed 1% of compensation. The Agency also makes a base employer contribution of 2% of qualified compensation to all eligible participants.

The Agency's expense under the plan for the years ended June 30, 2025 and 2024 amounted to approximately \$53,000 and \$55,000, respectively.

### Note 6 - Unemployment Compensation

The Agency has elected to be self-insured under the Ohio Unemployment Compensation Act. Unemployment compensation claims of approximately \$3,300 and \$4,700 were paid during the years ended June 30, 2025 and 2024, respectively, and management is not aware of any material unemployment compensation claims or liabilities at year end.

### Note 7 - Investments

The investments at June 30 are summarized as follows:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Common collective trust	\$ 1,330,009	\$ 1,453,308	\$ 1,388,758	\$ 1,296,650
<b>Total</b>	<b>\$ 1,330,009</b>	<b>\$ 1,453,308</b>	<b>\$ 1,388,758</b>	<b>\$ 1,296,650</b>

Investment income consisted of the following for the years ended June 30:

	2025	2024
Net realized and unrealized gains on investments	\$ 119,524	\$ 101,240
Interest and dividends	148,720	137,657
<b>Net</b>	<b>\$ 268,244</b>	<b>\$ 238,897</b>

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### Note 8 - Fair Value Measurements

GAAP established a fair value hierarchy that prioritizes the inputs to measure the fair value of the assets or liabilities being measured. Fair value is defined as the exchange value that would be received on the measurement date to sell an asset or to value the amount paid to transfer a liability in the principal or most advantageous market available to the entity in an orderly transaction between market participants. The three levels of the fair value hierarchy are as follows:

- Level 1      Inputs are unadjusted quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date. Level 1 inputs provide the most reliable measure of fair value as of the measurement date.
- Level 2      Inputs are based on significant observable inputs, including unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active or inputs other than quoted prices that are observable for the asset or liability.
- Level 3      Inputs are significant unobservable inputs for the asset or liability.

The level of the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2025 and 2024.

*Common collective trust:* Valued at the Agency's proportionate interest in the master investment pool and are based on active market rates.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Agency 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.

Common collective trust funds are classified as Level 2 due to the inputs not being traded on an active market but for which observable market inputs are readily available.

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### Note 8 - Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Agency's investments at fair value as of June 30, 2025 and 2024.

	Investments at Fair Value as of June 30, 2025			
	Level 1	Level 2	Level 3	Total
Common collective trust	\$ -	\$ 1,453,308	\$ -	\$ 1,453,308
<b>Total investments at fair value</b>	<b>\$ -</b>	<b>\$ 1,453,308</b>	<b>\$ -</b>	<b>\$ 1,453,308</b>

  

	Investments at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Common collective trust	\$ -	\$ 1,296,650	\$ -	\$ 1,296,650
<b>Total investments at fair value</b>	<b>\$ -</b>	<b>\$ 1,296,650</b>	<b>\$ -</b>	<b>\$ 1,296,650</b>

### Note 9 - Property and Equipment

Property and equipment consist of the following at June 30:

	2025	2024
Land and improvements	\$ 40,981	\$ 40,981
Building and improvements	1,020,901	955,002
Furniture and fixtures	55,705	55,705
Equipment	165,428	165,428
Vehicles	11,123	11,123
Total property and equipment	<b>1,294,138</b>	1,228,239
Less: accumulated depreciation	<b>(858,114)</b>	(796,448)
<b>Net property and equipment</b>	<b>\$ 436,024</b>	<b>\$ 431,791</b>

The Agency received grant funds of \$29,740 to repair certain facilities utilized as homeless shelters. Failure to utilize these facilities for their current purpose until July 1, 2025 will result in the grant funds being refunded to the grantor.

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Notes to Financial Statements

### June 30, 2025 and 2024

#### Note 10 - Contingencies, Risks and Uncertainties

##### Grants and Contracts

The Agency receives substantial financial assistance from federal and state agencies and other agencies in the form of grants and contracts. These amounts are generally awarded on an annual basis, and there is no assurance as to their continuance or future amounts to be awarded. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and contracts and are subject to audit by the grantor agencies. Any disallowed amounts resulting from such audits may become a liability of the Agency. However, in the opinion of management, disallowed amounts, if any, will not have a material adverse effect on the overall financial position of the Agency at June 30, 2025 and 2024.

#### Note 11 - Related Party Transactions

The Agency leases an office location on a month-to-month basis from The Diocese of Toledo Management Corporation. Total rent paid under the agreement was approximately \$61,900 for the years ended June 30, 2025 and 2024, respectively.

The Agency utilizes three properties owned by The Diocese of Toledo Property & Casualty Trust to operate several programs. Management believes the value of the use of these facilities is not material and no in-kind rent has been recognized in the accompanying statements of activities.

The Agency received support from The Roman Catholic Diocese of Toledo, The Diocese of Toledo Catholic Investment Trust, and the Catholic Community Foundation of Ohio in the form of cash totaling \$1,666,698 and \$1,683,672, for the years ended June 30, 2025 and 2024, respectively. In addition, the Agency occasionally utilizes the services of the Diocese's General Counsel.

The Agency reimbursed The Diocese of Toledo Employee Benefits Trust for healthcare and other expenses totaling \$633,242 and \$628,916 for the years ended June 30, 2025 and 2024, respectively.

The Agency reimbursed The Diocese of Toledo Management Corporation for administrative fees totaling \$114,610 and \$59,919 for the years ended June 30, 2025 and 2024, respectively.

The Agency has funds on deposit with The Diocese of Toledo Deposit and Loan Trust. The balance on deposit as of June 30, 2025 and 2024 is \$3,566,401 and \$2,846,827, respectively.

The Agency has investments held with The Diocese of Toledo Catholic Investment Trust. The balance of the investments as of June 30, 2025 and 2024 is \$1,453,308 and \$1,296,650, respectively.

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Notes to Financial Statements

June 30, 2025 and 2024

### Note 12 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	2025	2024
Subject to expenditure for specified purposes:		
Food and shelter	\$ 3,471,838	\$ 2,984,428
Other	13,289	10,863
Subject to passage of time		
Foos Estate	-	21,187
<b>Total Assets with Donor Restrictions</b>	<b>\$ 3,485,127</b>	<b>\$ 3,016,478</b>

Net assets were released from restrictions as follows for the years ended June 30:

	2025	2024
Program restrictions accomplished:		
Food and shelter	\$ 1,511,294	\$ 1,461,799
Elderly	377,821	449,989
Other	162,078	257,616
<b>Total Net Assets Released from Donor Restrictions</b>	<b>\$ 2,051,193</b>	<b>\$ 2,169,404</b>

### Note 13 - In-Kind Contributions

The Agency receives various forms of gifts-in-kind (GIK) including food, clothing, hygiene rent and other miscellaneous items. GIK are reported as contributions at their estimated fair value as of the date of the contribution. GIK are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Donated GIK are not sold and are only distributed for program use.

# CATHOLIC CHARITIES DIOCESE OF TOLEDO, INC.

## Notes to Financial Statements

**June 30, 2025 and 2024**

### Note 13 - In-Kind Contributions (continued)

Specific information related to contributions of non-financial assets are as follows for the years ended June 30:

Non-financial Contributions Category	Type of Contributions for Beneficiaries	Valuation Method	2025	2024
Food	Donated food and related products	\$1.97 per pound of donated food	<b>\$ 1,014,451</b>	\$ 493,669
Clothing	Donated clothing	\$1.07 per pound of clothing donated	<b>108,658</b>	39,982
Hygiene	Donated hygiene items	\$1.97 per pound of donated hygiene items	<b>7,599</b>	6,617
Rent	Donated rent	Fair value over amounts presently paid by Agency	<b>36,984</b>	36,984
Supplies	Donated supplies	Fair market value of identical or similar items	-	2,987
Other/miscellaneous	Donated other items such as furniture and gift cards	Fair market value of identical or similar items or face value	<b>88,127</b>	54,301
<b>Total</b>			<b>\$ 1,255,819</b>	<b>\$ 634,540</b>