

CATHOLIC SOCIAL SERVICES, INC.

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2025 AND 2024

CPAs / ADVISORS



CATHOLIC SOCIAL SERVICES, INC.

TABLE OF CONTENTS DECEMBER 31, 2025 AND 2024

	Page
Report of Independent Auditors	1
Financial Statements	
Statements of Financial Position	4
Statements of Activities and Changes in Net Assets	6
Statements of Functional Expenses.....	8
Statements of Cash Flows	10
Notes to the Financial Statements	11
Supplementary Information	
Schedule of Expenditures of Federal Awards	32
Notes to the Schedule of Expenditures of Federal Awards	33
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	34
Report of Independent Auditors on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	36
Schedule of Findings and Questioned Costs	39



REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Catholic Social Services, Inc.
Columbus, Ohio

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Catholic Social Services, Inc. (the Organization), a nonprofit organization, which comprise the statements of financial position as of December 31, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 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 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.

REPORT OF INDEPENDENT AUDITORS (CONTINUED)

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 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 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.

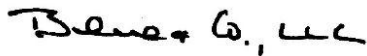
REPORT OF INDEPENDENT AUDITORS (CONTINUED)

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 on page 32, 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 basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2026, on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.



Westerville, Ohio
September 24, 2026

CATHOLIC SOCIAL SERVICES, INC.

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2025

Assets			
	Without Donor Restrictions	With Donor Restrictions	Total
Current assets			
Cash	\$ 1,320,887	\$ -	\$ 1,320,887
Custodial funds	1,777,458	-	1,777,458
Grants receivable	268,187	-	268,187
Contributions receivable	-	294,295	294,295
Loan receivable	10,000	-	10,000
Prepaid expenses	138,673	-	138,673
Total current assets	3,515,205	294,295	3,809,500
Contributions receivable	-	100,575	100,575
Loan receivable	41,508	-	41,508
Property and equipment, net	1,250,939	-	1,250,939
Operating lease right-of-use assets	1,018,364	-	1,018,364
Investments	1,434,274	3,482,723	4,916,997
Beneficial interest in funds held by others	895,587	4,015,908	4,911,495
Total noncurrent assets	4,640,672	7,599,206	12,239,878
Total assets	<u>\$ 8,155,877</u>	<u>\$ 7,893,501</u>	<u>\$ 16,049,378</u>
Liabilities and Net Assets			
	Without Donor Restrictions	With Donor Restrictions	Total
Current liabilities			
Accounts payable	\$ 260,006	\$ -	\$ 260,006
Accrued payroll	164,844	-	164,844
Custodial funds	1,777,458	-	1,777,458
Current portion of operating lease obligations	162,907	-	162,907
Refundable advances	67,616	-	67,616
Total current liabilities	2,432,831	-	2,432,831
Long-term liabilities			
Noncurrent portion of operating lease obligations	987,803	-	987,803
Total long-term liabilities	987,803	-	987,803
Total liabilities	3,420,634	-	3,420,634
Net assets			
Without donor restrictions	4,735,243	-	4,735,243
With donor restrictions	-	7,893,501	7,893,501
Total net assets	4,735,243	7,893,501	12,628,744
Total liabilities and net assets	<u>\$ 8,155,877</u>	<u>\$ 7,893,501</u>	<u>\$ 16,049,378</u>

See accompanying notes to the financial statements.

CATHOLIC SOCIAL SERVICES, INC.

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2024

	Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
Current assets			
Cash	\$ 1,509,190	\$ -	\$ 1,509,190
Custodial funds	1,585,902	-	1,585,902
Grants receivable	387,577	-	387,577
Contributions receivable	-	240,416	240,416
Loan receivable	10,000	-	10,000
Prepaid expenses	86,938	-	86,938
Total current assets	3,579,607	240,416	3,820,023
Contributions receivable	-	51,816	51,816
Loan receivable	51,508	-	51,508
Property and equipment, net	394,970	-	394,970
Operating lease right-of-use assets	1,300,454	-	1,300,454
Investments	1,549,592	3,883,711	5,433,303
Beneficial interest in funds held by others	798,420	3,232,496	4,030,916
Total noncurrent assets	4,094,944	7,168,023	11,262,967
Total assets	<u>\$ 7,674,551</u>	<u>\$ 7,408,439</u>	<u>\$ 15,082,990</u>

	Liabilities and Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
Current liabilities			
Accounts payable	\$ 145,430	\$ -	\$ 145,430
Accrued payroll	190,472	-	190,472
Custodial funds	1,585,902	-	1,585,902
Current portion of operating lease obligations	153,414	-	153,414
Refundable advances	23,677	-	23,677
Total current liabilities	2,098,895	-	2,098,895
Long-term liabilities			
Noncurrent portion of operating lease obligations	1,150,690	-	1,150,690
Total long-term liabilities	1,150,690	-	1,150,690
Total liabilities	3,249,585	-	3,249,585
Net assets			
Without donor restrictions	4,424,966	-	4,424,966
With donor restrictions	-	7,408,439	7,408,439
Total net assets	4,424,966	7,408,439	11,833,405
Total liabilities and net assets	<u>\$ 7,674,551</u>	<u>\$ 7,408,439</u>	<u>\$ 15,082,990</u>

See accompanying notes to the financial statements.

CATHOLIC SOCIAL SERVICES, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support			
Government revenue			
Federal	\$ 1,922,357	\$ -	\$ 1,922,357
County	1,137,734	-	1,137,734
State	39,999	-	39,999
Local	72,720	-	72,720
Nonfinancial assets	113,520	-	113,520
Total government revenue	3,286,330	-	3,286,330
Public support			
Contributions	525,485	2,462,335	2,987,820
United Way	58,017	11,300	69,317
Catholic Diocese of Columbus	-	100,000	100,000
Catholic Diocese of Columbus - nonfinancial assets	97,785	-	97,785
Special events, net	41,442	-	41,442
Total public support	722,729	2,573,635	3,296,364
Earned revenue			
Program service fees	645,944	-	645,944
Other revenue			
Investment income, net	170,987	238,947	409,934
Investment income from beneficial interest in funds held by others, net	117,968	463,265	581,233
Total other revenue	288,955	702,212	991,167
Net assets released from restrictions	2,790,785	(2,790,785)	-
Total revenues, gains, and other support	7,734,743	485,062	8,219,805
Expenses			
Program services	5,950,441	-	5,950,441
Administration	725,656	-	725,656
Development	512,504	-	512,504
Marketing	235,865	-	235,865
Total expenses	7,424,466	-	7,424,466
Change in net assets	310,277	485,062	795,339
Net assets, beginning of year	4,424,966	7,408,439	11,833,405
Net assets, end of year	\$ 4,735,243	\$ 7,893,501	\$ 12,628,744

See accompanying notes to the financial statements.

CATHOLIC SOCIAL SERVICES, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support			
Government revenue			
Federal	\$ 2,142,566	\$ -	\$ 2,142,566
County	1,259,594	-	1,259,594
State	39,621	-	39,621
Local	179,355	-	179,355
Total government revenue	3,621,136	-	3,621,136
Public support			
Contributions	1,343,948	999,268	2,343,216
United Way	103,309	-	103,309
Catholic Diocese of Columbus	-	100,000	100,000
Catholic Diocese of Columbus - nonfinancial assets	97,785	-	97,785
Special events, net	69,081	-	69,081
Total public support	1,614,123	1,099,268	2,713,391
Earned revenue			
Program service fees	710,903	-	710,903
Other revenue			
Investment income, net	191,235	243,722	434,957
Investment income from beneficial interest in funds held by others, net	100,904	345,560	446,464
Miscellaneous	10,899	-	10,899
Total other revenue	303,038	589,282	892,320
Net assets released from restrictions	791,822	(791,822)	-
Total revenues, gains, and other support	7,041,022	896,728	7,937,750
Expenses			
Program services	6,156,059	-	6,156,059
Administration	717,413	-	717,413
Development	414,276	-	414,276
Marketing	184,034	-	184,034
Total expenses	7,471,782	-	7,471,782
Change in net assets	(430,760)	896,728	465,968
Net assets, beginning of year	4,855,726	6,511,711	11,367,437
Net assets, end of year	\$ 4,424,966	\$ 7,408,439	\$ 11,833,405

See accompanying notes to the financial statements.

CATHOLIC SOCIAL SERVICES, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2025

	Program Services					Supporting Services				Total Expenses
	Senior Services	Family Services	Poverty Reduction	Disability Services	Total Program Services	Administration	Marketing	Development	Total Supporting Services	
Salaries	\$ 1,319,371	\$ 427,673	\$ 367,713	\$ 700,237	\$ 2,814,994	\$ 240,809	\$ 70,105	\$ 235,440	\$ 546,354	\$ 3,361,348
Employee benefits	212,643	68,374	56,288	139,571	476,876	78,300	12,365	42,925	133,590	610,466
Payroll taxes	103,952	34,078	52,449	53,795	244,274	52,843	5,943	19,434	78,220	322,494
Stipends/volunteer costs	705,196	521	2,997	-	708,714	-	-	1,459	1,459	710,173
Specific assistance	17,858	83,846	7,292	-	108,996	110	653	773	1,536	110,532
Professional fees	73,028	105,594	14,683	51,618	244,923	100,957	16,992	59,827	177,776	422,699
Occupancy	90,061	223,005	19,106	64,768	396,940	27,594	2,869	10,172	40,635	437,575
Supplies	68,661	68,041	30,157	50,319	217,178	61,788	9,628	46,408	117,824	335,002
Telephone and communications	23,799	19,280	6,079	25,048	74,206	5,348	934	1,498	7,780	81,986
Travel and vehicle expense	52,324	3,631	13,090	82,304	151,349	39	261	12,326	12,626	163,975
Conference and meetings	33,745	31,342	58,080	15,336	138,503	55,745	24,660	115,513	195,918	334,421
Equipment rental and maintenance	23,748	6,450	4,087	9,494	43,779	6,645	3,103	3,718	13,466	57,245
Credit losses on contributions receivable	-	10,000	-	-	10,000	-	-	5,000	5,000	15,000
Miscellaneous	-	1,998	40	206	2,244	22,572	-	-	22,572	24,816
Fees and charges	5,108	1,150	4,500	20,493	31,251	40,738	-	40,125	80,863	112,114
Printing and publications	632	1,167	3,038	782	5,619	25	4,967	38,693	43,685	49,304
Postage and shipping	3,890	-	576	25,080	29,546	715	-	17,810	18,525	48,071
Marketing and advertising	2,008	1,079	77	869	4,033	-	82,786	-	82,786	86,819
Membership dues	4,901	661	813	1,066	7,441	1,052	502	502	2,056	9,497
Depreciation and amortization	69,811	42,774	6,433	120,557	239,575	30,376	97	2,848	33,321	272,896
Total expenses	2,810,736	1,130,664	647,498	1,361,543	5,950,441	725,656	235,865	654,471	1,615,992	7,566,433
Less expenses included within revenues on the statement of activities and changes in net assets	-	-	-	-	-	-	-	(141,967)	(141,967)	(141,967)
Total expenses included in the expenses section on the statement of activities and changes in net assets	\$ 2,810,736	\$ 1,130,664	\$ 647,498	\$ 1,361,543	\$ 5,950,441	\$ 725,656	\$ 235,865	\$ 512,504	\$ 1,474,025	\$ 7,424,466

See accompanying notes to the financial statements.

CATHOLIC SOCIAL SERVICES, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services					Supporting Services				
	Senior Services	Family Services	Poverty Reduction	Disability Services	Total Program Services	Administration	Marketing	Development	Total Supporting Services	Total Expenses
Salaries	\$ 1,298,079	\$ 624,833	\$ 479,291	\$ 629,066	\$ 3,031,269	\$ 222,430	\$ 29,081	\$ 238,251	\$ 489,762	\$ 3,521,031
Employee benefits	234,928	138,260	90,624	116,724	580,536	78,516	5,856	30,919	115,291	695,827
Payroll taxes	99,686	47,687	38,773	48,650	234,796	41,433	2,368	28,411	72,212	307,008
Stipends/volunteer costs	759,322	889	2,558	18	762,787	514	-	-	514	763,301
Specific assistance	17,275	158,845	5,567	-	181,687	-	-	-	-	181,687
Professional fees	84,084	41,823	19,030	33,324	178,261	149,173	120,416	85,580	355,169	533,430
Occupancy	70,122	52,610	18,310	68,543	209,585	35,751	2,869	10,025	48,645	258,230
Supplies	51,781	37,936	37,956	38,064	165,737	44,006	680	13,862	58,548	224,285
Telephone and communications	41,273	21,375	1,961	24,338	88,947	10,490	697	2,716	13,903	102,850
Travel and vehicle expense	43,642	792	9,207	86,375	140,016	7	54	8,052	8,113	148,129
Conference and meetings	35,257	37,828	27,439	12,568	113,092	17,072	1,929	29,231	48,232	161,324
Equipment rental and maintenance	20,747	8,992	3,306	7,790	40,835	7,385	2,113	1,635	11,133	51,968
Credit losses on contributions receivable	-	33,500	-	5,000	38,500	-	-	-	-	38,500
Miscellaneous	302	207	302	-	811	-	-	-	-	811
Fees and charges	10,263	542	-	11,859	22,664	42,721	145	2,438	45,304	67,968
Printing and publications	3,039	4,106	388	-	7,533	6,719	1,665	12,371	20,755	28,288
Postage and shipping	3,656	131	1,027	25,466	30,280	623	2,760	4,281	7,664	37,944
Marketing and advertising	2,366	1,522	1,131	41	5,060	247	11,435	1,426	13,108	18,168
Membership dues	14,037	4,252	2,187	3,574	24,050	2,596	1,746	1,746	6,088	30,138
Depreciation and amortization	116,277	41,601	18,590	123,145	299,613	57,730	220	7,819	65,769	365,382
Total expenses	2,906,136	1,257,731	757,647	1,234,545	6,156,059	717,413	184,034	478,763	1,380,210	7,536,269
Less expenses included within revenues on the statement of activities and changes in net assets	-	-	-	-	-	-	-	(64,487)	(64,487)	(64,487)
Total expenses included in the expenses section on the statement of activities and changes in net assets	<u>\$ 2,906,136</u>	<u>\$ 1,257,731</u>	<u>\$ 757,647</u>	<u>\$ 1,234,545</u>	<u>\$ 6,156,059</u>	<u>\$ 717,413</u>	<u>\$ 184,034</u>	<u>\$ 414,276</u>	<u>\$ 1,315,723</u>	<u>\$ 7,471,782</u>

See accompanying notes to the financial statements.

CATHOLIC SOCIAL SERVICES, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Operating activities		
Change in net assets	\$ 795,339	\$ 465,968
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized and unrealized gain on investments	(257,237)	(277,959)
Contributions restricted for investment in endowment	(462,098)	(530,488)
Depreciation and amortization	272,896	365,382
Credit loss expense	15,000	38,500
Discount on contributions receivable	7,479	3,184
Gain on disposal of property and equipment	-	(1,802)
Changes in operating assets and liabilities		
Grants receivable	119,390	123,393
Contributions receivable	(125,117)	293,813
Prepaid expenses	(51,735)	36,964
Beneficial interest in funds held by others	(880,579)	(853,828)
Accounts payable	114,576	(69,409)
Accrued payroll	(25,628)	(103,158)
Refundable advance	43,939	(63,840)
Operating lease right-of-use assets	282,090	(996,429)
Operating lease obligations	(153,394)	992,031
Net cash provided by (used in) operating activities	(305,079)	(577,678)
Investing activities		
Purchase of property and equipment	(1,128,865)	(49,324)
Net change in investments	991,097	375,042
Proceeds from disposal of property and equipment	-	1,802
Principal payments received on loan receivable	10,000	10,000
Net cash provided by investing activities	(127,768)	337,520
Financing activities		
Proceeds from contributions restricted for investment in endowment	462,098	530,488
Net cash provided by financing activities	462,098	530,488
Change in cash and restricted cash	29,251	290,330
Cash and restricted cash		
Beginning of year	3,232,064	2,941,734
End of year	\$ 3,261,315	\$ 3,232,064
Supplemental cash flow information		
Cash paid for amounts included in measurement of lease obligations:		
Operating cash flows from operating leases	\$ 201,460	\$ 138,239
Right-of-use assets obtained in exchange for new operating leases	\$ -	\$ 1,304,452

See accompanying notes to the financial statements.

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Catholic Social Services, Inc. (the Organization) is a not-for-profit corporation founded in 1945 and incorporated in 1966, formed exclusively for the purposes of public charity and as the social service agency of the Roman Catholic Diocese of Columbus. The Organization enables the hurting or poor to meet needs and live with hope and purpose. The Organization's central office is located in Franklin County with branches in Licking, Muskingum, and Scioto counties.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized as performance obligations are met and expenses are recognized when incurred.

Basis of Presentation

Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, the net assets of the Organization are classified and reported as follows:

Net assets without donor restrictions: Net assets that are currently available for operating purposes under the direction of the board or designated by the board for specific use.

Net assets with donor restrictions: Net assets subject to donor stipulations for specific operating purposes or time restrictions. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with investment return available for operations or specific purposes.

Use of Estimates

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

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

Cash and Restricted Cash

Cash maintained in bank accounts may, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The following table provides a reconciliation of cash and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statements of cash flows for the years ended December 31:

	2025	2024
Cash	\$ 1,320,887	\$ 1,509,190
Cash included in investments	67,493	69,725
Restricted cash included in investments	95,477	67,247
Restricted cash included in custodial funds	1,777,458	1,585,902
	<u>\$ 3,261,315</u>	<u>\$ 3,232,064</u>

Custodial Funds

Custodial funds are held by the Organization for participants in the payee services program. The Organization acts as a temporary custodian of the funds and disburses them on behalf of the clients as directed. The Organization does not receive an administrative fee for holding these funds and does not make disbursement decisions with respect to the funds.

Grants Receivable

At December 31, 2025 and 2024, grants receivable consists of grants awarded from various agencies for which the barriers to overcome recognition of the grant have already been met. Grants receivable are stated at the amount management expects to collect from outstanding balances (net realizable value). Management provides for probable uncollectible accounts through a provision for credit loss expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Management has determined that an allowance for credit losses is not necessary at December 31, 2025 and 2024. It is reasonably possible that the Organization's estimate of the allowance for credit losses will change. As of December 31, 2025 and 2024, and January 1, 2024, grants receivable had a balance of \$268,187, \$387,577, and \$510,970, respectively.

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

Contributions Receivable and Contribution Revenues

Contributions receivable consists of contributions from the Catholic Diocese of Columbus, the United Way, corporations, foundations, and individuals. At December 31, 2025, contributions receivable of approximately \$294,000 are due within one year of the statement of financial position date and contributions receivable of approximately \$101,000 are due between one and two years of the statement of financial position date. Contributions receivable are reflected at their net realizable value. The net realizable value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution income. Management has determined that an allowance for credit losses related to contributions receivable is not necessary at December 31, 2025 and 2024. It is reasonably possible that the Organization's estimate of the allowance for credit losses will change.

At December 31, 2025, approximately 50% of pledges receivable were sourced from one donor. At December 31, 2024, there were no significant concentrations of pledges receivable owed from individual donors.

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Conditional promises to give are recorded as refundable advances on the statement of financial position until the corresponding conditions are met.

Special event revenue is recognized in the period in which the event occurs, unless otherwise specified by the donor. Special event revenue is reported net of the costs incurred to hold events.

Loan Receivable

In 2023, the Organization loaned \$82,341 to St. Francis Catholic Outreach and Charitable Giving. The balance of the loan at December 31, 2025 and 2024, was \$51,508 and \$61,508, respectively. For loans receivable, the credit quality indicator is performance, as determined by delinquency status. The loan receivable was considered performing at December 31, 2025.

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

Property and Equipment

Additions to property and equipment have been recorded at cost or, if donated, at fair value on the date of receipt. Routine maintenance, repairs, renewals, and replacement costs are charged to expense as incurred. Expenditures which materially increase values or extend useful lives are capitalized. Costs and related accumulated depreciation on property sold or otherwise retired are removed from the accounts, and any gains or losses related to the disposition are included in other revenue in the statement of activities and changes in net assets. Depreciation is computed on the straight-line method at rates that amortize the cost of the assets over the shorter of the lease term, if applicable, or estimated useful lives, as follows:

Furniture, fixtures, and equipment	3 - 10 Years
Vehicles	5 Years
Software	3 Years
Leasehold improvements	5 - 15 Years

Investments and Investment Return

Investments are stated at fair value. Investment income is included in change in assets without donor restriction unless restricted by donor or law. Realized and unrealized gains and losses are shown as increases in net assets in the period in which the gain or loss is incurred.

The Organization maintains separate investment accounts for its individual fund balances. Investment income/loss and realized and unrealized gains and losses from securities in investment accounts are allocated monthly to the individual fund balances.

The Organization holds investments that are exposed to various credit risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to the changes in fair value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying financial statements.

Revenue Recognition

Program service fees relate to payee services provided by the Organization. Payee services represent an exchange transaction in that consideration is received by the Organization in return for payee services provided to the individual designated as a payee. Program service fee revenue is recognized over the period of time in which the performance obligation (payee services) is met.

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, the Organization is exempt from income taxes. However, the Organization is required to file Federal Form 990 – Return of Organization Exempt from Income Tax, which is an informational return only. The Organization is subject to routine audits by taxing jurisdictions. However, as of the date the financial statements were available to be issued, there were no audits for any tax periods in progress.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2025 and 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosures in the accompanying financial statements.

Going Concern Evaluation

Management evaluates whether there were conditions or events that raise substantial doubt about the entity's ability to continue as a going concern for a period of one year from the date the financial statements were available to be issued.

Subsequent Events

The Organization has evaluated events or transactions occurring subsequent to the statement of financial position for recognition and disclosure in the accompanying financial statements through the date the financial statements were available to be issued which is September 24, 2026.

2. TRANSACTIONS WITH AFFILIATES

The Organization was established by the Catholic Diocese of Columbus (the Diocese) for the purpose of fulfilling the charitable mission of the Diocese and, in turn, the Diocese provides certain resources to the Organization. The Organization occupies certain office space owned by the Diocese at no charge. The Organization records a contribution and rental expense based on the Diocese's estimate of the fair value of the rental space. The amount recorded in 2025 and 2024 for this space was approximately \$98,000. In addition, the Diocese made contributions to the Organization of approximately \$100,000 in 2025 and 2024.

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

Certain assets of the Organization are held by the Foundation of the Catholic Diocese of Columbus (Catholic Foundation) and the Columbus Foundation. The Catholic Foundation maintains funds contributed to them to be held in perpetuity for which the Organization is the named beneficiary. The Organization receives an annual distribution from these funds. The Catholic Foundation did not receive variance power over these funds from the donors. Assets held by the Catholic Foundation approximated \$4,117,000 and \$3,326,000 at December 31, 2025 and 2024, respectively, and are included in beneficial interest in assets held by others on the statement of financial position. The Columbus Foundation maintains funds contributed to them for which the Organization is the named beneficiary. The Organization receives an annual distribution from these funds. The Columbus Foundation did not receive variance power over these funds from the donors. Assets held by the Columbus Foundation approximated \$794,000 and \$705,000 at December 31, 2025 and 2024, respectively, and are included in beneficial interest in assets held by others on the statement of financial position.

3. LIQUIDITY AND AVAILABILITY

The following represents the Organization's available financial assets at December 31:

	2025	2024
Cash without donor restrictions	\$ 1,320,887	\$ 1,509,190
Grants receivable	268,187	387,577
Investments without donor restrictions	1,434,274	1,549,592
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,023,348</u>	<u>\$ 3,446,359</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term and long-term investments. The Organization's policy is to maintain financial assets equal to an amount not less than 50% of annual operating expenses. As of December 31, 2025 and 2024, contributions receivable includes approximately \$294,000 and \$240,000, respectively, of donor-restricted contributions whose purpose or time restrictions will be met during the following year.

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2025	2024
Furniture, fixtures, and equipment	\$ 1,261,056	\$ 1,249,441
Vehicles	628,990	524,420
Software	687,795	667,545
Leasehold improvements	1,107,739	157,088
Construction in progress	55,759	49,324
Total	3,741,339	2,647,818
Less accumulated depreciation	(2,490,400)	(2,252,848)
	<u>\$ 1,250,939</u>	<u>\$ 394,970</u>

5. INVESTMENTS

Investments are presented in the financial statements in aggregate at fair value. The funds are composed primarily of money market funds, U.S. government securities, corporate bonds, common stocks, mutual funds, and alternative investments.

	2025	2024
Investments without donor restrictions:		
Leo Walsh Fund	\$ -	\$ 614
Harriet Patricia O'Neal Waltz Fund	-	113,781
Unrestricted, unendowed investments	1,434,274	1,435,197
	<u>1,434,274</u>	<u>1,549,592</u>
Investments with donor restrictions:		
Bouroncle Fund	1,469,200	1,805,762
Bonner Fund	668,759	790,359
Kerns Dresser Fund	507,147	468,573
Anonymous Fund	117,790	97,928
Restricted, unendowed investments	719,827	721,089
	<u>3,482,723</u>	<u>3,883,711</u>
Total investments	<u>\$ 4,916,997</u>	<u>\$ 5,433,303</u>

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

Net investment income consists of the following for the years ended December 31:

	2025	2024
Investment and dividend income	\$ 198,520	\$ 207,402
Net unrealized gain on investments	(74,995)	30,452
Net realized gain (loss) on investments	332,232	247,507
Investment fees	(45,823)	(50,404)
	<u>\$ 409,934</u>	<u>\$ 434,957</u>

6. BENEFICIAL INTEREST IN FUNDS HELD BY OTHERS

At December 31, 2025, beneficial interest in funds held by others consists of eighteen funds at the Catholic Foundation and one at the Columbus Foundation. At December 31, 2024, beneficial interest in funds held by others consists of sixteen funds at the Catholic Foundation and one at the Columbus Foundation. The Catholic Foundation disburses income from the funds up to 5% of the average market value of the funds over the preceding twelve quarters. The Columbus Foundation makes semiannual grants based on market returns. The Organization received distributions of approximately \$182,000 and \$131,000 in 2025 and 2024, respectively, from these funds.

The fair value of the beneficial interest in funds held by others at December 31 consists of the following:

	2025	2024
Without donor restrictions	\$ 895,587	\$ 798,420
With donor restrictions	4,015,908	3,232,496
	<u>\$ 4,911,495</u>	<u>\$ 4,030,916</u>

Net investment income from beneficial interest in funds held by others consists of the following for the years ended December 31:

	2025	2024
Investment and dividend income	\$ 84,298	\$ 80,569
Net unrealized gain on investments	478,718	348,252
Net realized gain (loss) on investments	60,897	50,621
Investment fees	(42,680)	(32,978)
	<u>\$ 581,233</u>	<u>\$ 446,464</u>

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

7. FAIR VALUE MEASUREMENTS

Fair value guidance establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the daily closing prices as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Exchange traded funds: Valued at the NAV of shares of the underlying stocks as reported by the fund. These funds are required to publish their NAV reported on the active market and to transact at that price. The exchange traded funds held by the Organization are deemed to be actively traded.

Beneficial interests in funds held by others: Valued at the Organization's proportionate interest in the underlying fair value of funds held.

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

Limited partnerships: Valued at their estimated fair value as determined by applicable investment managers without adjustment or by financial statements of the funds. These financial statements are audited at least annually. Fair value generally represents the fund's proportionate share of the net assets of the investment partnerships as reported by the general partners of the underlying partnerships. Some securities with no readily available market value are initially valued at cost, utilizing independent professional valuation firms as well as market comparisons with subsequent adjustments to values which reflect either the basis of meaningful third-party transactions in the private market or the fair value deemed appropriate by the general partners of the underlying investment partnerships. In such instances, consideration is also given to the financial condition and operating results of the issuer, the amount that the investment partnership can reasonably expect to realize upon the sale of the securities, and any other factors deemed relevant. The estimated fair values are subject to uncertainty and therefore may differ from the values that would have been used had a readily available market for such investments existed and such differences could be material.

Assets measured at fair value on a recurring basis as of December 31, 2025 are as follows:

	Level 1	Level 2	Level 3	Total
Common stocks				
International	\$ 245,598	\$ -	\$ -	\$ 245,598
Large cap	332,176	-	-	332,176
Mid cap	279,019	-	-	279,019
Small cap	51,597	-	-	51,597
Mutual funds				
Mid cap	9,866	-	-	9,866
Large cap	344,623	-	-	344,623
Fixed income	2,879,426	-	-	2,879,426
Exchange traded funds				
Large cap	56,873	-	-	56,873
Fixed income	174,291	-	-	174,291
Beneficial interest in funds held by others	-	-	4,911,495	4,911,495
Total assets at fair value	<u>\$ 4,373,469</u>	<u>\$ -</u>	<u>\$ 4,911,495</u>	<u>9,284,964</u>
			Cash	162,970
			Limited partnerships (a)	380,558
				<u>\$ 9,828,492</u>

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented at fair value in the statements of financial position.

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

Assets measured at fair value on a recurring basis as of December 31, 2024 are as follows:

	Level 1	Level 2	Level 3	Total
Common stocks				
International	\$ 328,646	\$ -	\$ -	\$ 328,646
Large cap	619,438	-	-	619,438
Mid cap	336,502	-	-	336,502
Small cap	47,386	-	-	47,386
Mutual funds				
Mid cap	25,173	-	-	25,173
Large cap	191,660	-	-	191,660
Fixed income	3,179,483	-	-	3,179,483
Exchange traded funds				
Large cap	69,464	-	-	69,464
Fixed income	7,883	-	-	7,883
Beneficial interest in funds held by others	-	-	4,030,916	4,030,916
Total assets at fair value	<u>\$ 4,805,635</u>	<u>\$ -</u>	<u>\$ 4,030,916</u>	8,836,551
			Cash	136,972
			Limited partnerships (a)	490,696
				<u>\$ 9,464,219</u>

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented at fair value in the statements of financial position.

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

Fair Value of Investments in Entities that Use Net Asset Value

The following table summarizes investments measured at NAV per share as of December 31, 2025 and 2024:

December 31, 2025	Fair Value	Unfunded Commitments	Redemption Frequency (if eligible)	Redemption Notice Period
Ironwood Institutional Multi-Strategy Fund LLC	\$ 380,558	\$ -	(a)	(a)
December 31, 2024	Fair Value	Unfunded Commitments	Redemption Frequency (if eligible)	Redemption Notice Period
Ironwood Institutional Multi-Strategy Fund LLC	\$ 490,696	\$ -	(a)	(a)

(a) As stated within the Ironwood Institutional Multi-Strategy Fund LLC fund prospectus, units are not redeemable by investors; however, the Board of Directors of the fund may, at its sole discretion, proclaim an offer to redeem funds. While the Board of Directors of the fund is not required to make this proclamation, it is stated within the prospectus that the Board of Directors will likely do so on June 30 and December 31 of each year. The redemption notice period should the Board of Directors declare a repurchase of funds is to be determined by the fund's Board of Directors, but is required to be at least 20 days from the date of the notice.

Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 assets for the years ended December 31, 2025 and 2024:

	2025	2024
Balance, beginning of year	\$ 4,030,916	\$ 3,177,088
Contributions	475,202	538,064
Investment return:		
Investment income, net of fees	581,233	446,464
Appropriation of endowment assets for expenditures	(175,856)	(130,700)
Balance, end of year	<u>\$ 4,911,495</u>	<u>\$ 4,030,916</u>

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

8. ENDOWMENT FUNDS

The Organization's endowment consists of eleven and twelve individual funds in 2025 and 2024, respectively, established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds without donor restriction. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and thus classifies in its donor-restricted endowment funds as net assets with donor restrictions because those assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considered a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of the initial and subsequent gift amounts donated to the fund, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable gift instrument.

The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measure required under the law. Additionally, 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 fund
- (2) The purposes of the Organization and donor-restricted endowment fund
- (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
- (7) The investment policies of the Organization

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature did not exist as of December 31, 2025 and 2024.

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to balance the mission of building capital for future use with the corresponding obligation to support current and future needs of the Organization. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce long-term growth of capital without undue exposure to risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment decisions shall be made with the intent of maximizing the long-term total return of the portfolio through market value changes (realized and unrealized) and through earned income (dividends and interest).

Spending Policy and How the Investment Objectives Relate to the Spending Policy

The Organization uses an endowment spending-rate formula to determine the maximum amount of spend from the endowment, including those endowments deemed to be underwater, each year. The rate, determined and adjusted from time to time by the Board of Directors, is applied to the average fair value of the endowment investments for the prior three years at December 31 of each year to determine the spending amount for the upcoming year. During 2025 and 2024, the spending rate was 5 percent. In establishing this policy, the Organization considered the long-term expected return of the endowment and set the rate with the objective of maintaining the purchasing power of the endowment over time.

Included in the following table are approximately \$896,000 and \$798,000 of funds without donor restrictions at December 31, 2025 and 2024, respectively, and approximately \$1,693,000 and \$1,075,000 of funds with donor restrictions at December 31, 2025 and 2024, respectively, held at the Columbus Foundation and the Catholic Foundation. These funds are subject to the spending and investing policies of each of the foundations.

The composition of net assets by type of endowment fund at December 31, 2025 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 895,585	\$ -	\$ 895,585
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,103,545	1,103,545
Accumulated investment gains	-	589,443	589,443
	<u>\$ 895,585</u>	<u>\$ 1,692,988</u>	<u>\$ 2,588,573</u>

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

The composition of net assets by type of endowment fund at December 31, 2024 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 912,814	\$ -	\$ 912,814
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	641,647	641,647
Accumulated investment gains	-	433,763	433,763
	<u>\$ 912,814</u>	<u>\$ 1,075,410</u>	<u>\$ 1,988,224</u>

Changes in endowment net assets for the year ended December 31, 2025 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 912,814	\$ 1,075,410	\$ 1,988,224
Contributions	200	461,898	462,098
Investment gain, net	126,582	198,815	325,397
Appropriation of endowment assets for expenditures	(144,011)	(43,135)	(187,146)
End of year	<u>\$ 895,585</u>	<u>\$ 1,692,988</u>	<u>\$ 2,588,573</u>

Changes in endowment net assets for the year ended December 31, 2024 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 1,061,212	\$ 458,919	\$ 1,520,131
Contributions	1,000	529,488	530,488
Investment gain, net	131,354	109,816	241,170
Appropriation of endowment assets for expenditures	(280,752)	(22,813)	(303,565)
End of year	<u>\$ 912,814</u>	<u>\$ 1,075,410</u>	<u>\$ 1,988,224</u>

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of December 31:

	2025	2024
Subject to the passage of time:		
For use in subsequent periods	\$ 394,870	\$ 292,232
Subject to specified purpose:		
Vulnerable children	1,469,199	1,805,761
Vulnerable seniors	1,976,161	1,828,799
Vulnerable mothers and children	184,464	170,720
Homeless assistance	668,760	790,359
Operations of Catholic Social Services	103,206	87,087
Our Lady of Guadalupe operations	767,087	763,564
Case management in Latino communities	507,148	468,574
Other	117,238	114,501
Vulnerable poor	12,380	11,432
	<u>5,805,643</u>	<u>6,040,797</u>
Perpetual in nature:		
Portsmouth operations	354,386	312,735
Vulnerable mothers and children	25,589	23,678
Children and pregnant women	508,297	-
Homeless assistance	125,340	115,478
Operations of Catholic Social Services	679,376	623,519
	<u>1,692,988</u>	<u>1,075,410</u>
	<u>\$ 7,893,501</u>	<u>\$ 7,408,439</u>

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

Donor-restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by the donors for the years ended December 31:

	2025	2024
Expiration of time restrictions	\$ 491,662	\$ 524,997
Student assistance	-	70,498
Vulnerable children	474,073	-
Distributions from beneficial interest	163,932	122,126
Other	6,830	58,291
Case management in Latino community	-	-
Our Lady of Guadalupe operations	1,479,288	15,910
Vulnerable seniors	-	-
Homeless and housing services	175,000	-
	<u>\$ 2,790,785</u>	<u>\$ 791,822</u>

10. LEASES

The Organization recognizes right-of-use (ROU) assets and lease liabilities for leases with terms greater than 12 months or for leases that contain a purchase option that is reasonably certain to be exercised. Leases are classified as either finance or operating leases. This classification dictates whether a lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. The Organization has operating leases for building space and office equipment. Leasing arrangements require fixed payments and also include an amount that is probable will be owed under residual value guarantees, if applicable. Certain leases include escalating lease payments that, under accounting principles generally accepted in the United States of America, are to be recognized on a straight-line basis. Lease payments also include payments related to purchase or termination options when the lessee is reasonably certain to exercise the option or is reasonably certain not to exercise the option, respectively. The Organization's lease agreements do not contain any material restrictive covenants. The leases have remaining terms of one to nine years, some of which include options to extend leases up to five years.

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

The Organization's ROU assets and lease liabilities are recognized on the lease commencement date in an amount that represents the present value of future lease payments over the lease term. The Organization utilizes the risk-free rate at the date of lease commencement as the discount rate for its leases unless the Organization can specifically determine the lessor's implicit rate. The risk-free discount rate was determined based on the rate of a zero-coupon United States Treasury instrument for the leases, determined using a period comparable with the lease terms. Certain lease contracts contain non-lease components such as maintenance and utilities. The Organization has made a policy election to not separate the lease and non-lease components and thus recognizes a single lease component for all of its right-of-use assets and lease liabilities. The operating lease ROU asset also includes any lease payments made and excludes lease incentives.

Short-term leases (leases with an initial term of 12 months or less, or leases that are cancelable by the lessee and lessor without significant penalties) are not capitalized but are expensed on a straight-line basis over the lease term. The majority of the Organization's short-term leases relate to buildings.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if it has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used, and if the lessor has substantive substitution rights. Furthermore, the Organization assesses whether it is reasonably certain to exercise options to extend or terminate a lease considering all relevant factors that create economic incentive to exercise such options, including asset, contract, market, and entity-based factors. These evaluations may require significant judgment.

The components of the Organization's lease costs for the years ended December 31, 2025 and 2024, are as follows:

	2025	2024
Operating lease cost	\$ 212,508	\$ 139,878
Short-term lease cost	114,054	62,736
Total lease expense	<u>\$ 326,562</u>	<u>\$ 202,614</u>

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

The Organization's ROU assets and lease liabilities for the years ended December 31, 2025 and 2024, are as follows:

	2025	2024
Right-of-use assets		
Operating lease ROU assets	\$ 1,018,364	\$ 1,300,454
Total ROU assets	<u>\$ 1,018,364</u>	<u>\$ 1,300,454</u>
Current maturities of operating lease liabilities	\$ 162,907	\$ 153,414
Operating lease liabilities, net of current maturities	987,803	1,150,690
Total operating lease liabilities	<u>\$ 1,150,710</u>	<u>\$ 1,304,104</u>

Future payments of lease liabilities at December 31, 2025 are as follows:

2026	\$ 204,628
2027	193,891
2028	187,212
2029	148,528
2030	123,048
Thereafter	472,328
Total lease payments	\$ 1,329,635
Less imputed interest	(178,925)
Total	<u>\$ 1,150,710</u>

The weighted average remaining lease term and weighted average discount rate of operating leases as of December 31, 2025 and 2024, are as follows:

	2025	2024
Weighted-average remaining lease term - operating	7.5	8.3
Weighted-average discount rate - operating	3.90%	3.90%

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

11. ALLOCATION OF FUNCTIONAL EXPENSES

The costs of providing the programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Specific expenses that are readily identifiable to a program or other activity are charged directly to that function. Certain categories of expenses are attributable to more than one function. These expenses require allocation on a reasonable basis that is consistently applied. Expenses allocated include professional fees, supplies, telephone, equipment rental and maintenance and membership dues, which are allocated based on time and effort. Occupancy and depreciation are allocated based on square footage. Although the methods used were appropriate, other methods could produce different results.

12. RETIREMENT PLAN

The Organization maintains a 403(b) savings and investment retirement plan covering substantially all employees. The Organization matches 100% of the employees' contributions, up to 3% of compensation, after they have worked for the Organization for one year with a minimum of 1,000 hours worked in that year. The Organization also may make annual discretionary contributions. The Organization's matching contribution expense was approximately \$65,000 and \$71,000 for the years ended December 31, 2025 and 2024, respectively. The Organization did not make any discretionary contributions in 2025 and 2024.

13. CONTINGENCIES

Grant contracts are subject to audit by agents of the granting authorities, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Revenues generated by the grant contracts may be disallowed in subsequent periods as a result of those audits.

The Organization is subject to claims and lawsuits in the ordinary course of business. In the opinion of management, the Organization has adequate legal defenses and/or adequate insurance coverage for such matters. If it was the case that the Organization was not insured, management believes that such matters will not, in the aggregate, have a materially adverse impact on the Organization's financial condition, results of future operations or cash flows.

The government funding environment is shifting and there exists a possibility that future potential budget cuts could impact the Organization's government revenues in future periods. The Organization has established a diverse funding stream and has been working to expand support from nongovernmental sources, such as philanthropy and fee for service, in recent years and has prioritized this approach as a response to further diversify revenue sources in light of the current government funding environment.

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

14. RELATED PARTY TRANSACTIONS

During 2025 and 2024, board members of the Organization contributed approximately \$76,000 and \$63,000, respectively, to the Organization.

15. CONTRIBUTION OF NONFINANCIAL ASSETS

Nonfinancial contributions recognized in the statements of activities and changes in net assets consist of the following for the years ended December 31:

	2025	2024
Building space	\$ 97,785	\$ 97,785
Vehicles	113,520	-
	<u>\$ 211,305</u>	<u>\$ 97,785</u>

Building space is valued at the estimated fair value of the leased premises. Fair value of the leased premises is estimated based on price per square foot of comparable building space in the surrounding area. Building space contributed was utilized as headquarters for the Organization. Nonfinancial contributions of vehicles represent the amount for new vehicle purchases that are paid for directly by the grantor. Vehicles contributed were used for transportation of senior citizens. The Organization did not receive nonfinancial contributions with donor-imposed restrictions in 2025 or 2024.

16. SUBSEQUENT EVENTS

In 2026, the Organization announced a merger with the Joint Organization for Inner-City Needs (JOIN). The Organization has economic and voting interest of JOIN and, as such, JOIN will be consolidated with the Organization in future reporting periods. As of the date in which JOIN merged with the Organization, JOIN's total assets were approximately \$2,515,000.

In 2026, the Organization assumed the assets and operations of St. Francis Evangelization Center (St. Francis) through a quitclaim deed. As of the date in which St. Francis's assets and operations were assumed by the Organization, St. Francis's total assets were approximately \$384,000.

In 2026, the Organization entered into an operating lease for a building in Whitehall, Ohio. The lease has an initial term of 124 months and requires monthly payments beginning at \$30,813 and subject to annual escalations every 12 months.

SUPPLEMENTARY INFORMATION

CATHOLIC SOCIAL SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
FOSTER GRANDPARENT/SENIOR COMPANION CLUSTER:				
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Senior Companion Program	94.016		\$ -	\$ 513,495
Foster Grandparent Program	94.011		-	342,425
Total Foster Grandparent/Senior Companion Cluster			-	855,920
AGING CLUSTER:				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Central Ohio Area Agency on Aging				
Special Programs for the Aging - Title III, Part B - Grants for				
Supportive Services and Senior Centers	93.044		-	210,492
Total Aging Cluster			-	210,492
SECTION 8 PROJECT-BASED CLUSTER:				
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through Seton North				
Section 8 Housing Assistance Payments Program	14.195		-	148,864
Passed through Seton East				
Section 8 Housing Assistance Payments Program	14.195		-	71,786
Passed through Seton London				
Section 8 Housing Assistance Payments Program	14.195		-	46,590
Passed through Seton South				
Section 8 Housing Assistance Payments Program	14.195		-	46,865
Passed through Seton Washington Court House				
Section 8 Housing Assistance Payments Program	14.195		-	31,922
Passed through Seton Coschocton				
Section 8 Housing Assistance Payments Program	14.195		-	29,363
Passed through Seton West				
Section 8 Housing Assistance Payments Program	14.195		-	31,721
Total Section 8 Project-Based Cluster			-	407,111
477 CLUSTER:				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Ohio Department of Job and Family Services				
Temporary Assistance for Needy Families	93.558		-	34,366
Total 477 Cluster			-	34,366
U.S. DEPARTMENT OF JUSTICE				
Passed through Nationwide Children's Hospital				
Grants to Encourage Arrest Policies and Enforcement of				
Protection Orders Program	16.590		-	19,714
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through National Council on Aging				
Medicare Enrollment Assistance Program	93.071		-	27,339
U.S. DEPARTMENT OF THE TREASURY				
Passed through City of Columbus - Department of Development				
Coronavirus State and Local Fiscal Recovery Funds	21.027		-	28,971
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through Seton Marion				
Multifamily Housing Service Coordinators	14.191		-	91,409
Passed through Seton Wellston				
Multifamily Housing Service Coordinators	14.191		-	36,784
Passed through Seton Kenton				
Multifamily Housing Service Coordinators	14.191		-	50,419
Passed through Seton Zanesville				
Multifamily Housing Service Coordinators	14.191		-	42,857
Passed through Seton Lancaster				
Multifamily Housing Service Coordinators	14.191		-	27,969
Passed through Seton Dover 1 & 2				
Multifamily Housing Service Coordinators	14.191		-	79,888
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Ohio Department of Transportation				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		-	122,638
			<u>\$ -</u>	<u>\$ 2,035,877</u>

See report of independent auditors and accompanying notes to the schedule of expenditures of federal awards.

CATHOLIC SOCIAL SERVICES, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2025

Note 1 – Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards (SEFA) for the year ended December 31, 2025, includes the federal grant activity that Catholic Social Services, Inc. (the Organization) received and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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 to reimbursement.

Note 3 – Indirect Cost Rate

The Organization has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance for federal awards issued before October 1, 2024, and the 15% de minimis indirect cost rate allowed under the Uniform Guidance for awards issued after October 1, 2024.

**REPORT OF INDEPENDENT AUDITORS 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**

To the Board of Directors
Catholic Social Services, Inc.
Columbus, Ohio

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 Social Services, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, 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 September 24, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001, that we consider to be a material weakness.

Board of Directors
Catholic Social Services, Inc.
Columbus, Ohio

Report on Compliance and Other Matters

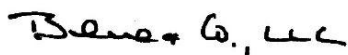
As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.



Westerville, Ohio
September 24, 2026

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

To the Board of Directors
Catholic Social Services, Inc.
Columbus, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Catholic Social Services, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2025. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major 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 US. *Code of 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 the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Organization'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 the Organization's federal programs.

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 the Organization'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 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 the Organization'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 the Organization's compliance with the compliance requirements referred to above and performing such other audit procedures as we considered necessary in the circumstance.
- Obtain an understanding of the Organization'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 the Organization'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 were identified during the audit.

Board of Directors
Catholic Social Services, Inc.
Columbus, Ohio

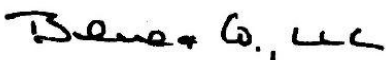
Report on Internal Control Over Compliance

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.

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 requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Westerville, Ohio
September 24, 2026

CATHOLIC SOCIAL SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? x yes none reported

Significant deficiency(s) identified that are not considered to be material weakness(es)? yes x none reported

Noncompliance material to financial statements noted? yes x none reported

Federal Awards

Internal controls over major programs:

Material weakness(es) identified? yes x none reported

Significant deficiency(s) identified that are not considered to be material weakness(es)? yes x none reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.516 Audit findings paragraph (a) of the Uniform Grant Guidance yes x none reported

Identification of major programs:

Assistance Listing Number
94.011 and 94.016

Name of Federal Program or Cluster
Foster Grandparent/Senior Companion Cluster

Dollar threshold used to distinguish between type A and B programs: \$1,000,000

Auditee qualified as low-risk auditee? x yes no

CATHOLIC SOCIAL SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2025

Section II - Findings related to financial statements reported in accordance with *Government Auditing Standards*:

2025-001 Material Weakness

Condition: Management correctly recorded a contribution receivable and contribution revenue upon notification of a promise to give for a transaction in 2025; however, when the donor remitted the pledge payment for this transaction, a second contribution revenue was recorded in 2025 instead of the corresponding contribution receivable being relieved.

Criteria: Per generally accepted accounting principles, contribution revenue should be recorded when an organization is notified of a promise to give with a corresponding contribution receivable also recorded. The contribution receivable is to then be relieved upon receipt of the payment.

Cause: The Organization failed to match the payment of the pledge for this transaction to the initial promise to give and, as a result, recorded the pledge payment as a new contribution revenue.

Effect: Contributions receivable at December 31, 2025, and contribution revenues for the year ended December 31, 2025, were overstated as a result of this improper entry. A correcting entry was recorded to reduce contributions receivable and contribution revenue.

Recommendation: We recommend management enhance its review process for the Organization's schedule of outstanding contributions receivable upon receipt of payments from donors to ensure payments received are not related to a pledge that had been previously recorded.

Management's Response and Corrective Action: Management acknowledges the material weakness related to this specific transaction for 2025. Management has updated its existing review procedure with an additional oversight step to ensure payments received from donors are matched to the outstanding pledges receivable, especially when transaction descriptions differ between pledge documentation and related pledge payments.

Section III - Findings and questioned costs relating to Federal awards:

No matters reported.

Section IV – Summary schedule of prior audit findings:

No matters reported.