



**THE CATECHESIS OF  
THE GOOD SHEPHERD, INC.**

FINANCIAL STATEMENTS

June 30, 2025 and 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Catechesis of the Good Shepherd, Inc.  
Scottsdale, Arizona

### ***Opinion***

We have audited the financial statements of The Catechesis of the Good Shepherd, Inc., which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, 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 Catechesis of the Good Shepherd, Inc. as of June 30, 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 (GAAS). 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 Catechesis of the Good Shepherd, Inc. 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 Catechesis of the Good Shepherd, Inc.'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 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 GAAS, 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 Catechesis of the Good Shepherd, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Catechesis of the Good Shepherd, Inc.'s ability to continue as a going concern for a reasonable period of time.

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



Wegner CPAs, LLP  
Madison, Wisconsin  
October 30, 2025

**THE CATECHESIS OF THE GOOD SHEPHERD, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
Cash	\$ 171,709	\$ 186,358
Unconditional promises to give	468,900	-
Accounts receivable	13,502	15,911
Accrued interest receivable	6,806	16,456
Investments	799,666	999,081
Beneficial interest in assets held by Oak Park River Forest Community Foundation	551,718	516,335
Inventory	152,136	133,242
Prepaid expenses	-	100,352
Operating lease right-of-use asset	101,875	124,618
Equipment, net	109,001	143,937
<b>Total assets</b>	<b>\$ 2,375,313</b>	<b>\$ 2,236,290</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 19,105	\$ 21,066
Accrued payroll	10,277	8,007
Accrued vacation	18,328	19,701
Deferred event revenue	-	87,550
Deferred membership revenue	121,379	126,877
Operating lease liability	103,614	124,752
<b>Total liabilities</b>	<b>272,703</b>	<b>387,953</b>
<b>NET ASSETS</b>		
Without donor restrictions	1,154,963	814,442
With donor restrictions	947,647	1,033,895
<b>Total net assets</b>	<b>2,102,610</b>	<b>1,848,337</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,375,313</b>	<b>\$ 2,236,290</b>

See accompanying notes.

**THE CATECHESIS OF THE GOOD SHEPHERD, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
REVENUES		
Sales	\$ 375,110	\$ 405,672
Less cost of sales	<u>(176,123)</u>	<u>(220,595)</u>
Sales, net	198,987	185,077
Contributions	268,425	166,078
Membership dues	277,533	238,669
National events	7,325	47,379
Regional course registration fees	84,795	82,105
Royalties	9,027	6,616
Interest	2,199	2,469
Investment return, net	34,101	45,925
Special events	215,586	-
Change in value of beneficial interest in assets held by Oak Park River Forest Community Foundation	52,070	48,383
Loss on disposal of equipment	-	(6,893)
Other revenue	<u>1,695</u>	<u>-</u>
Total revenues without donor restrictions	1,151,743	815,808
EXPENSES		
Program services	1,218,188	716,355
Management and general	252,325	224,556
Fundraising	<u>66,720</u>	<u>64,051</u>
Total expenses	1,537,233	1,004,962
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of purpose restrictions	<u>726,011</u>	<u>206,998</u>
Change in net assets without donor restrictions	340,521	17,844
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	639,763	267,707
Net assets released from restrictions	<u>(726,011)</u>	<u>(206,998)</u>
Change in net assets with donor restrictions	<u>(86,248)</u>	<u>60,709</u>
<b>Change in net assets</b>	254,273	78,553
Net assets at beginning of year	<u>1,848,337</u>	<u>1,769,784</u>
<b>Net assets at end of year</b>	<u><u>\$ 2,102,610</u></u>	<u><u>\$ 1,848,337</u></u>

See accompanying notes.

**THE CATECHESIS OF THE GOOD SHEPHERD, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended June 30, 2025 and 2024

	2025			
	Program Services	Management and General	Fundraising	Total
Personnel	\$ 302,390	\$ 113,215	\$ 28,504	\$ 444,109
Conferences and meetings	644,583	108	-	644,691
Professional fees	73,580	70,800	30,064	174,444
Office expenses	89,217	18,312	5,228	112,757
Information technology	45,792	14,205	285	60,282
Depreciation	18,167	16,769	-	34,936
Occupancy	27,498	10,296	2,592	40,386
Grants to others	15,241	-	-	15,241
Travel	1,720	3,637	47	5,404
Insurance	-	4,983	-	4,983
<b>Total expenses</b>	<b>\$ 1,218,188</b>	<b>\$ 252,325</b>	<b>\$ 66,720</b>	<b>\$ 1,537,233</b>

	2024			
	Program Services	Management and General	Fundraising	Total
Personnel	\$ 280,268	\$ 111,473	\$ 27,585	\$ 419,326
Conferences and meetings	198,915	-	-	198,915
Professional fees	50,648	68,838	27,660	147,146
Office expenses	95,662	13,886	7,245	116,793
Information technology	41,319	4,370	-	45,689
Depreciation	15,818	14,365	-	30,183
Occupancy	15,855	6,306	1,561	23,722
Grants to others	8,650	-	-	8,650
Travel	9,220	531	-	9,751
Insurance	-	4,787	-	4,787
<b>Total expenses</b>	<b>\$ 716,355</b>	<b>\$ 224,556</b>	<b>\$ 64,051</b>	<b>\$ 1,004,962</b>

See accompanying notes.

**THE CATECHESIS OF THE GOOD SHEPHERD, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended June 30, 2025 and 2024

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 254,273	\$ 78,553
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	34,936	30,183
Net realized and unrealized gain on investments	(43,722)	(2,999)
Change in value of beneficial interest in assets held by Oak Park River Forest Community Foundation	(52,070)	(48,383)
Loss on disposal of equipment	-	6,893
Amortization of operating lease right-of-use asset	22,743	20,166
(Increase) decrease in assets		
Unconditional promises to give	(468,900)	-
Accounts receivable	2,409	(12,501)
Accrued interest receivable	9,650	465
Inventory	(18,894)	(26,512)
Prepaid expenses	100,352	(98,468)
Increase (decrease) in liabilities		
Accounts payable	(1,961)	(29,497)
Accrued payroll	2,270	1,097
Accrued vacation	(1,373)	6,658
Deferred event revenue	(87,550)	87,550
Deferred membership revenue	(5,498)	17,011
Operating lease liability	(21,138)	(20,104)
<b>Net cash flows from operating activities</b>	<b>(274,473)</b>	<b>10,112</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of equipment	-	(42,033)
Purchases of investments	(200,050)	(43,341)
Sales of investments	443,187	102,966
Contributions to beneficial interest in assets held by Oak Park River Forest Community Foundation	(1,000)	(51,000)
Distributions from beneficial interest in assets held by Oak Park River Forest Community Foundation	17,687	14,875
<b>Net cash flows from investing activities</b>	<b>259,824</b>	<b>(18,533)</b>
Net change in cash	(14,649)	(8,421)
Cash at beginning of year	186,358	194,779
<b>Cash at end of year</b>	<b>\$ 171,709</b>	<b>\$ 186,358</b>

See accompanying notes.

**THE CATECHESIS OF THE GOOD SHEPHERD, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

The Catechesis of the Good Shepherd, Inc. (the Organization) is a non-profit organization dedicated to supporting catechists, parents, and others in the Church and beyond, as they grow in their understanding of the religious potential of children. The Organization began with the work and observations of Sofia Cavalletti and Gianna Gobbi, and sustains and advances the legacy of the Organization by forming adults in this method and serving as the resource to the Catechesis of the Good Shepherd community so that a prepared environment can be created that nurtures the religious life of the child. The Organization is an association that serves in collaboration with those in the Church and beyond as a respected voice on the child's spiritual development. The Organization is primarily supported by contributions, membership dues, and sales of books and materials.

**Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. At June 30, 2025, all unconditional promises to give are receivable in less than one year.

**Accounts Receivable**

Accounts receivable primarily represent amounts that are owed for registration fees for National events and sales. The Organization uses historical loss information based on the aging of accounts receivable as the basis to determine expected credit losses. Management believes the composition of accounts receivable is consistent with historical conditions and accounts receivable are expected to be settled within a relatively short time frame based on current conditions. As such, credit losses are expected to be insignificant.

**Investments**

The Organization reports investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

**Inventory**

Inventory consists of the Organization's books and materials and is valued at the lower of cost or net realizable value. Cost is determined using the weighted-average cost method.

**Equipment**

Purchases of equipment in excess of \$2,500 are recorded at cost and depreciated over the estimated useful lives of the assets using the straight-line method.

**THE CATECHESIS OF THE GOOD SHEPHERD, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Beneficial Interest in Assets Held by Oak Park River Forest Community Foundation**

The Organization's beneficial interest in assets held by Oak Park River Forest Community Foundation represents an agreement between the Organization and Oak Park River Forest Community Foundation in which the Organization transfers assets to Oak Park River Forest Community Foundation in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available. The fair value of the beneficial interest is based on the fair value of the underlying assets as reported to the Organization by Oak Park River Forest Community Foundation. Little information about those assets is released publicly. The estimated fair value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

**Contributions**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

**Program Service Revenues**

Revenues from sales of books and materials are recognized when the sale takes place. Cost of sales includes costs of goods sold as well as shipping and handling costs to send the merchandise to customers.

Revenues from membership dues is recognized on a straight-line basis over the dues year. Membership is voluntary; therefore, no accounts receivable is recorded, and delinquent dues are not recorded as revenue until received. Dues received in the current year for the ensuing year are presented as deferred revenue in the statement of financial position.

Revenues from national events consists of fees for national courses taught by the Organization. Revenue is recognized when courses are held.

Revenues from regional course registration fees are flat fees received per registration for providing recordkeeping and certificates of regional Formation courses. Revenue is recognized when courses are held.

**THE CATECHESIS OF THE GOOD SHEPHERD, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Program Service Revenues (continued)**

The Organization’s accounts receivable for registration fees for National events and sales and contract liabilities from contracts with customers are as follows:

	2025	2024
Accounts receivable at beginning of year	\$ 15,911	\$ 3,410
Accounts receivable at end of year	13,502	15,911
	2025	2024
Deferred revenue at beginning of year	\$ 214,427	\$ 109,866
Deferred revenue at end of year	121,379	214,427

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, office expenses, and occupancy, which are allocated on the basis of estimates of time and effort. All other expenses are charged to program services or supporting activities based upon the types of services performed and expenses incurred.

The following program services and supporting activities are included in the accompanying financial statements:

*Program Services* – Activities related to supporting catechists, parents, and others in the Church and beyond, as they grow in their understanding of the religious potential of children.

*Management and General* – Activities necessary to manage the financial reporting and budgetary responsibilities of the organization.

*Fundraising* – Includes staff time and related expenses to communicate with prospective funding sources.

**Leases**

The Organization does not recognize short-term leases in the statement of financial position. For these leases, the Organization recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. The Organization also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, the Organization uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

**THE CATECHESIS OF THE GOOD SHEPHERD, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Reclassifications**

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

**Income Tax Status**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Date of Management’s Review**

Management has evaluated subsequent events through October 30, 2025, the date which the financial statements were available to be issued.

NOTE 2 – INVESTMENTS

Investments consist of the following:

	2025	2024
Cash equivalents held by investment managers	\$ 667	\$ 81
Certificates of deposit	798,999	999,000
	\$ 799,666	\$ 999,081

Certificates of deposit are held at several different national financial institutions. The Federal Deposit Insurance Corporation insures accounts at each institution up to \$250,000. At June 30, 2025 and 2024, the Organization’s certificates of deposit balances were completely insured.

NOTE 3 – EQUIPMENT

Equipment consists of the following:

	2025	2024
Furniture and equipment	\$ 8,117	\$ 8,117
Website	166,565	166,565
Equipment	174,682	174,682
Less accumulated depreciation	65,681	30,745
Equipment, net	\$ 109,001	\$ 143,937

**THE CATECHESIS OF THE GOOD SHEPHERD, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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NOTE 4 – ENDOWMENT

The Organization's board of directors has designated net assets without donor restrictions as a general endowment fund to support the mission of the Organization. Since those amounts resulted from an internal designation and are not donor-restricted, they are classified and reported as net assets without donor restrictions.

The Organization established a fund at Oak Park River Forest Community Foundation (Foundation) to invest its endowment assets. The agreement between the Organization and the Foundation states that the transfer of assets is irrevocable and that the transferred assets will not be returned to the Organization. However, the Foundation will make annual distributions of the income earned on the fund subject to the Foundation's spending policy. The agreement also grants variance power to the Foundation, which permits the Foundation to substitute another beneficiary in place of the Organization if the Organization ceases to exist or if the Foundation's board of governors votes that support of the Organization either is no longer necessary or is inconsistent with the needs of the community.

The Foundation's primary investment goal is to deliver long-term investment returns sufficient to cover both spending and inflation to preserve the purchasing power of the investment portfolio. The Foundation seeks to achieve this goal through cost-effective implementation at an appropriate level of risk, diversification of asset classes and strategies to provide consistent returns, capital preservation in down market cycles to provide stability in spending support, and long-term capital appreciation through the incorporation of risk-based assets, including non-marketable, illiquid alternatives.

Composition of and changes in endowment net assets are as follows:

	2025	2024
Board-designated endowment net assets at beginning of year	\$ 516,335	\$ 431,827
Contributions	1,000	51,000
Disbursements	(17,687)	(14,875)
Change in value of beneficial interest	52,070	48,383
Board-designated endowment net assets at end of year	\$ 551,718	\$ 516,335

NOTE 5 – CONCENTRATIONS

For the years ended June 30, 2025 and 2024, approximately 43% and 23% of the Organization's revenue was from one foundation, respectively.

**THE CATECHESIS OF THE GOOD SHEPHERD, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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**NOTE 6 – LEASE AGREEMENT**

The Organization leases office space under an operating lease requiring monthly payments of \$2,200 that expires on June 30, 2029.

Other information related to the operating lease is as follows:

	2025	2024
Cash payments classified as part of operating cash flows for amounts included in the measurement of lease liability	\$ 21,138	\$ 19,939
Right-of-use asset obtained in exchange for new lease liability	-	124,618
Weighted-average remaining lease term	48 months	60 months
Weighted-average discount rate	4.57%	4.57%

The maturities of the operating lease liability as of June 30, 2025, is as follows:

Year ending June 30:		
2026		\$ 27,192
2027		28,008
2028		28,848
2029		29,712
Total minimum lease payments		113,760
Imputed interest		(10,146)
Total operating lease liability		\$ 103,614

Lease expense for the years ended June 30, 2025 and 2024, was \$40,386 and \$23,722 consisting of operating lease cost, respectively.

**NOTE 7 – NET ASSETS**

The Organization's board of directors has designated net assets without donor restrictions for the following:

	2025	2024
Board-designated endowment fund	\$ 551,718	\$ 516,335
Formation leader training	19,381	-
Undesignated	583,864	298,107
	\$ 1,154,963	\$ 814,442

**THE CATECHESIS OF THE GOOD SHEPHERD, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

NOTE 7 – NET ASSETS (continued)

Net assets with donor restrictions are restricted for the following:

	2025	2024
Christian parenting of infants and toddlers program	\$ 296,504	\$ 1,022,217
Formation leader training	637,886	-
Scholarships for national events	13,257	11,678
	\$ 947,647	\$ 1,033,895

NOTE 8 – LIQUIDITY AND AVAILABILITY

The following table reflects the Organization's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general expenditures within one year of June 30, 2025 and 2024, because of donor-imposed restrictions and board designations:

	2025	2024
Financial assets at year-end		
Cash	\$ 171,709	\$ 186,358
Unconditional promises to give	468,900	-
Accounts receivable	13,502	15,911
Accrued interest receivable	6,806	16,456
Beneficial interest in assets held by Oak Park River Forest Community Foundation	551,718	516,335
Investments	799,666	999,081
Total financial assets at year-end	2,012,301	1,734,141
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with purpose restrictions	(947,647)	(1,033,895)
Board designations:		
For endowment	(551,718)	(516,335)
For Formation leader training	(19,381)	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 493,555	\$ 183,911

The Organization's cash flow fluctuations during the year are attributable to timing of contributions and program service revenues. As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**THE CATECHESIS OF THE GOOD SHEPHERD, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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NOTE 9 – PAYCHECK PROTECTION PROGRAM

The Organization received two loans totaling \$122,180 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). On March 1, 2021, the SBA preliminarily approved forgiveness of the Organization's first draw loan. On August 17, 2021, the SBA preliminarily approved forgiveness of the Organization's second draw loan. The Organization must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review the Organization's good-faith certification concerning the necessity of its loan request, whether the Organization calculated the loan amount correctly, whether the Organization used loan proceeds for the allowable uses specified in the CARES Act, and whether the Organization is entitled to loan forgiveness in the amount claimed on its application. If SBA determines the Organization was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.