CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES

FINANCIAL STATEMENTS

JUNE 30, 2019

P&N
Postlethwaite & Netterville
A Professional Accounting Corporation
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CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES

FINANCIAL STATEMENTS

JUNE 30, 2019

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A Professional Accounting Corporation

Independent Auditors' Report

Most Reverend Gregory M. Aymond and the Board of Directors,
Catholic Charities Archdiocese of New Orleans and Subsidiaries, New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Catholic Charities Archdiocese of New Orleans and Subsidiaries (nonprofit organizations) (the Agency), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Agency and Subsidiaries at June 30, 2019 and 2018, 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.

Other Matters

Our audits were performed for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The supplemental information containing the consolidating information on pages 23 through 27, Schedule of Activities by Program Services on page 28, Section A of the Schedule of Support, Revenue, and Expenses Prepared for the United Way of Southeast Louisiana on page 29, and Schedule of Compensation, Benefits, and Other Payments to or on behalf of the Agency Head on page 30 are presented for purposes of additional analysis and are not a required part of the basic consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The supplemental information included in Section B of the Schedule of Support, Revenue, and Expenses Prepared for the United Way of Southeast Louisiana contained on page 29 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Agency. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2019, on our consideration of the Agency and Subsidiaries' 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 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 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 Agency and Subsidiaries' internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
December 16, 2019

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2019 and 2018

ASSETS

	2019	2018
Cash and cash equivalents	$ 12,202,941	$ 8,878,494
Program accounts receivable	3,744,388	3,286,952
Contributions receivable:		
Pledges	25,118	7,450
United Way	728,784	767,574
Other receivables	76,990	78,089
Prepaid expenses and deferred charges	454,115	371,911
Investments	13,024,874	12,672,153
Property and equipment - net	13,111,712	13,544,669
Total assets	$ 43,368,922	$ 39,607,292

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	$ 2,723,996	$ 2,857,582
Deferred revenue	-	720,400
Unemployment reserve	106,218	168,233
Funds held for others	153,677	138,016
Total liabilities	2,983,891	3,884,231
Net assets:		
Without donor restrictions	30,686,152	30,613,235
With donor restrictions	9,698,879	5,109,826
Total net assets	40,385,031	35,723,061
Total liabilities and net assets	$ 43,368,922	$ 39,607,292

See notes to consolidated financial statements.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the years ended June 30, 2019 and 2018

	Without Donor Restrictions	With Donor Restrictions	2019 Totals	Without Donor Restrictions	With Donor Restrictions	2018 Totals
Revenues						
Public support:						
Contributions	$ 3,601,972	$ 6,002,902	$ 9,604,874	$ 3,421,046	$ 1,331,122	$ 4,752,168
Contributed goods and services	427,089	-	427,089	526,739	-	526,739
United Way						
Southeast Louisiana:						
Allocations	-	175,149	175,149	-	150,000	150,000
Designations	92,407	-	92,407	94,815	-	94,815
Combined Federal Campaign	-	-	-	10,612	-	10,612
St. Charles Parish:						
Allocations	82,878	416,134	499,012	76,000	416,134	492,134
St. John Parish:						
Allocations	-	110,000	110,000	-	110,000	110,000
Special events (net of direct costs)	75,655	-	75,655	98,685	-	98,685
Total public support	4,280,001	6,704,185	10,984,186	4,227,897	2,007,256	6,235,153
Governmental financial assistance:						
Federal	34,823,559	70,000	34,893,559	35,650,100	80,000	35,730,100
Other governmental agencies	433,310	-	433,310	328,216	-	328,216
Total governmental financial assistance	35,256,869	70,000	35,326,869	35,978,316	80,000	36,058,316
Other Revenue:						
Program service fees	1,496,247	-	1,496,247	1,475,140	-	1,475,140
Rent	-	-	-	1,500	-	1,500
Miscellaneous	92,409	-	92,409	52,755	-	52,755
Gain (loss) on disposition of property	4,075	-	4,075	96,879	-	96,879
Property recoveries	66,601	-	66,601	-	-	-
Net assets released from restrictions - operations	2,294,172	(2,294,172)	-	2,573,334	(2,573,334)	-
Total other revenue	3,953,504	(2,294,172)	1,659,332	4,199,608	(2,573,334)	1,626,274
Total revenue	43,490,374	4,480,013	47,970,387	44,405,821	(486,078)	43,919,743
Expenses						
Program services	41,477,899	-	41,477,899	39,963,243	-	39,963,243
Management and general	1,710,736	-	1,710,736	1,605,779	-	1,605,779
Fundraising	666,520	-	666,520	626,500	-	626,500
Total expenses	43,855,155	-	43,855,155	42,195,522	-	42,195,522
Change in net assets before investment activity	(364,781)	4,480,013	4,115,232	2,210,299	(486,078)	1,724,221
Net investment income	437,698	109,040	546,738	914,372	162,298	1,076,670
Change in net assets	72,917	4,589,053	4,661,970	3,124,671	(323,780)	2,800,891
Net Assets						
Beginning of year	30,613,235	5,109,826	35,723,061	27,488,564	5,433,606	32,922,170
End of year	$ 30,686,152	$ 9,698,879	$ 40,385,031	$ 30,613,235	$ 5,109,826	$ 35,723,061

See notes to consolidated financial statements.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended June 30, 2019

	Program Services												
	Catholic Charities												
	Head Start	Adult Day Health Care	Padua Pediatrics and Adult	Community Centers and Services	Residential Special Needs	Non-Residential Day Programs	Catholic Charities Totals	PHILMAT	PACE	Total Program Services	Management and General	Fundraising	2019 Consolidated Totals
Expenses													
Salaries	$ 3,781,891	$ 471,982	$ 1,940,161	$ 1,142,279	$ 551,361	$ 4,696,475	$ 12,584,149	$ 1,910,204	$ 3,463,986	$ 17,958,339	$ 1,100,342	$ 254,312	$ 19,312,993
Employee benefits	609,843	83,912	333,729	154,712	78,497	713,439	1,974,132	368,656	441,169	2,783,957	141,922	35,877	2,961,756
Payroll taxes	276,694	30,610	141,830	83,456	39,582	337,952	910,124	140,003	249,452	1,299,579	75,701	18,767	1,394,047
Total salaries and related expenses	4,668,428	586,504	2,415,720	1,380,447	669,440	5,747,866	15,468,405	2,418,863	4,154,607	22,041,875	1,317,965	308,956	23,668,796
Professional fees and contract service payments	85,405	22,637	145,702	96,993	209,345	533,544	1,093,626	214,377	700,589	2,008,592	194,147	226,358	2,429,097
Supplies and other operating expenses	287,790	18,741	241,143	48,098	14,079	647,850	1,257,701	355,798	257,031	1,870,530	34,743	47,619	1,952,892
Equipment expense	84,249	13,399	45,398	27,180	15,427	61,437	247,090	58,005	67,318	372,413	20,187	663	393,263
Occupancy	507,107	41,462	187,865	(157,343)	109,776	428,684	1,117,551	458,461	258,013	1,834,025	90,446	25,437	1,949,908
Travel and transportation	6,435	12,326	44,986	26,449	11,218	70,427	171,841	600,072	312,630	1,084,543	3,154	724	1,088,421
Personnel recruitment and development	96,612	1,951	5,712	21,788	7,620	132,808	266,491	4,614	40,499	311,604	11,313	6,725	329,642
Insurance	86,961	9,783	107,616	52,792	22,767	159,515	439,434	263,740	296,060	999,234	10,983	2,274	1,012,491
Food	211,304	66,985	119,342	1,461	3,255	479	402,826	61	211,948	614,835	353	9	615,197
Contributed goods and services	354,419	30,000	1,735	140	14,400	26,395	427,089	-	-	427,089	-	-	427,089
Miscellaneous	2,063	534	15,248	502	484	13,190	32,021	1,295	3,693	37,009	9,111	21,290	67,410
Specific assistance to individuals	220	2,720	273,459	161,602	691,268	800,534	1,929,803	-	1,550,802	3,480,605	-	26,000	3,506,605
Provider costs	-	-	-	-	-	-	-	-	5,295,881	5,295,881	-	-	5,295,881
Depreciation	125,627	7,189	88,794	135,845	51,090	29,413	437,958	247,836	413,870	1,099,664	18,334	465	1,118,463
Total expenses	$ 6,516,620	$ 814,231	$ 3,692,720	$ 1,795,954	$ 1,820,169	$ 8,652,142	$ 23,291,836	$ 4,623,122	$ 13,562,941	$ 41,477,899	$ 1,710,736	$ 666,520	$ 43,855,155

See accompanying independent auditors' report.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended June 30, 2018

	Program Services												
	Catholic Charities												
	Head Start	Adult Day Health Care	Padua Pediatrics and Adult	Community Centers and Services	Residential Special Needs	Non-Residential Day Programs	Catholic Charities Totals	PHILMAT	PACE	Total Program Services	Management and General	Fundraising	2018 Consolidated Totals
Expenses													
Salaries	3,557,076	434,609	2,691,222	1,723,500	493,530	4,596,988	$ 13,496,925	$ 2,086,253	$ 2,754,256	$ 18,337,434	$ 1,044,063	$ 252,634	$ 19,634,131
Employee benefits	575,086	81,135	446,111	214,761	78,380	695,433	2,090,906	409,782	382,488	2,883,176	131,120	43,965	3,058,261
Payroll taxes	259,446	27,563	198,842	125,434	35,617	328,552	975,454	153,644	200,865	1,329,963	70,857	18,299	1,419,119
Total salaries and related expenses	4,391,608	543,307	3,336,175	2,063,695	607,527	5,620,973	16,563,285	2,649,679	3,337,609	22,550,573	1,246,040	314,898	24,111,511
Professional fees and contract service payments	87,719	23,789	138,859	111,778	221,115	191,460	774,720	200,563	861,044	1,836,327	170,588	208,342	2,215,257
Supplies and other operating expenses	163,148	20,081	176,012	47,082	13,509	175,766	595,598	299,036	177,687	1,072,321	24,540	46,151	1,143,012
Equipment expense	60,064	13,595	45,520	27,013	6,180	103,390	255,762	57,109	145,418	458,289	26,119	6,792	491,200
Occupancy	521,027	48,202	217,402	(107,994)	95,915	393,862	1,168,414	458,816	210,386	1,837,616	83,713	25,297	1,946,626
Travel and transportation	8,622	26,187	45,900	56,802	10,938	61,632	210,081	380,616	975,136	1,565,833	1,452	47	1,567,332
Personnel recruitment and development	75,440	2,198	9,416	21,387	6,029	201,514	315,984	4,112	35,540	355,636	17,426	12,180	385,242
Insurance	75,770	9,466	118,189	39,786	21,607	143,942	408,760	280,259	163,428	852,447	11,678	2,209	866,334
Food	195,250	69,831	148,225	755	1,719	1,222	417,002	59	162,340	579,401	286	39	579,726
Contributed goods and services	341,706	30,000	2,117	-	1,652	31,462	406,937	-	-	406,937	-	-	406,937
Miscellaneous	1,682	593	6,209	3,665	7,911	6,423	26,483	2,896	1,692	31,071	10,816	10,227	52,114
Specific assistance to individuals	55	777	72,566	333,247	770,576	806,926	1,984,147	-	1,674,219	3,658,366	-	-	3,658,366
Provider costs	-	-	-	-	-	-	-	-	3,683,667	3,683,667	-	-	3,683,667
Depreciation	117,221	7,062	75,407	131,323	42,383	39,193	412,589	256,714	405,456	1,074,759	13,121	318	1,088,198
Total expenses	$ 6,039,312	$ 795,088	$ 4,391,997	$ 2,728,539	$ 1,807,061	$ 7,777,765	$ 23,539,762	$ 4,589,859	$ 11,833,622	$ 39,963,243	$ 1,605,779	$ 626,500	$ 42,195,522

See accompanying independent auditors' report.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended June 30, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Change in net assets	$ 4,661,970	$ 2,800,891
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,118,463	1,088,198
Unrealized gain on investments, net	(141,150)	(645,230)
Donated property and equipment	-	(119,802)
Donated investment	-	(251,409)
Gain on disposal of property and equipment	(4,075)	(94,643)
Change in assets and liabilities:		
Accounts receivable	(435,215)	1,060,726
Prepaid expenses and deferred charges	(82,204)	(187,031)
Accounts payable and accrued expenses	(133,586)	273,803
Unemployment reserve	(62,015)	(23,543)
Deferred revenue	(720,400)	84,845
Funds held for others	15,661	17,540
Net cash provided by operating activities	4,217,449	4,004,345
Cash Flows from Investing Activities		
Purchases of investments	(290,941)	(365,769)
Proceeds from sale of investments	79,370	65,709
Purchases of property and equipment	(796,939)	(541,193)
Proceeds from sale of property and equipment	115,508	149,825
Net cash used in investing activities	(893,002)	(691,428)
Net increase in cash	3,324,447	3,312,917
Cash and cash equivalents		
Beginning of year	8,878,494	5,565,577
End of year	$ 12,202,941	$ 8,878,494
Non-Cash Transactions		
Donated property and equipment	$ -	$ 119,802
Donated investment	-	251,409
Contributed goods and services	427,089	406,937
	$ 427,089	$ 778,148

See notes to consolidated financial statements.

1. Organization and Significant Accounting Policies

Catholic Charities Archdiocese of New Orleans (the "Agency") or (the "Agency & Subsidiaries"), a not-for-profit charitable organization of the Roman Catholic Church of the Archdiocese of New Orleans (the "Archdiocese"), operates health and community-based programs and provides administrative support and financial management services to separately operated charitable programs which it sponsors. The accompanying financial statements include the accounts of all charitable programs which it operates or sponsors. The Agency's main programs are as follows:

- *Head Start* is a child and family development program for families with children, including children with disabilities. This program promotes the social, emotional, physical and intellectual growth and development of children from six weeks to age 5.
- *Adult Day Health Care* is a non-residential program that provides full day services to individuals with intellectual disabilities and seniors who qualify for services. Through health and social services, adult day health care centers provide supervised care to adults in a supportive and safe setting during part of a day.
- *Padua Pediatrics and Adult* programs offer comprehensive and specialized care for children and adults with intellectual and developmental disabilities. Care is offered in residential sites that are licensed Intermediate Care Facilities.
- *Community Centers and Services* provides resources, assistance and development for our parishes to better care for the people in need in their communities.
- *Residential Special Needs* provides housing and inCCANO tensive case management to people with disabilities through federal funding along with care focused on homeless families, homeless women and homeless men and women with chronic mental and physical health needs. Services also match children with moderate to severe emotional behavioral, or developmental problems, or medically fragile children with families who provide specialized foster care.
- *Non-Residential Day Programs* consists of an array of services that includes immigration and refugee services, pro-life services, case management, counseling, deaf interpreting and legal assistance services.

The Agency has the ownership of PHILMAT, Inc., and PACE Greater New Orleans as follows:

- PHILMAT, Inc. ("PHILMAT") was organized to provide health and community services to individuals within all 64 Louisiana parishes. PHILMAT acts as local agent for the commodity supplemental food and warehouse program, Food for Families/Food for Seniors. Under this program, food provided by the United States Department of Agriculture (U.S.D.A.) is distributed by PHILMAT to eligible senior citizens, who are classified as low income and vulnerable to malnutrition.
- PACE Greater New Orleans ("PACE") is the corporate title for the Program for All-inclusive Care for the Elderly, a national model of healthcare for seniors. PACE was organized to provide community services such as medical treatment, social services, meals, activities, and transportation, allowing seniors to spend their final years at home rather than in a nursing home.

1. Organization and Significant Accounting Policies (continued)

The Agency supports numerous programs and initiatives which are periodically assessed. Changes in programs can occur as a result of changes in funding and the needs of the community.

The financial statements of each of these subsidiaries are included in the consolidated financial statements. All significant inter-organizational accounts and transactions have been eliminated.

Income Taxes

The Agency and Subsidiaries operate as non-profit corporations pursuant to Section 501(c)(3) of the Internal Revenue Code. As such, the Agency and Subsidiaries are subject to income tax only on unrelated business taxable income.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained on examination. As of June 30, 2019 and 2018, management of the Agency and Subsidiaries believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Basis of Accounting

The consolidated financial statements of the Agency and Subsidiaries are prepared on the accrual basis of accounting in accordance with United States of America generally accepted accounting principles.

Net Assets

Generally accepted accounting principles (GAAP) require reporting of information regarding the Agency's financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Agency's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Agency or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

1. Organization and Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue, income and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include bank deposits and funds on deposit with the Archdiocese. The Agency and Subsidiaries' money market accounts are included in investments.

Program Accounts Receivable

Program accounts receivable represent billings which are based primarily on cost reimbursement or unit cost contracts with various governmental agencies. Program accounts receivable are stated at the amount management expects to collect from outstanding balances. Management considered subsequent collection results and wrote off all year-end balances that were deemed to be not collectible. Accordingly, a valuation allowance was determined to be unnecessary for the years ended June 30, 2019 and 2018.

Contributions and Contributions Receivable

Contributions are recognized when the donor makes a promise to give to the Agency and Subsidiaries that is in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions are recorded as support with or without donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions, depending on the nature of restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), 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 restrictions. The value of contributed goods and services has been recorded as support and revenue and expense in the period received, provided there is an objective basis for measurement of the value of such goods and services and they are significant and form an integral part of the efforts of the program.

1. Organization and Significant Accounting Policies (continued)

Governmental Financial Assistance

Revenues from federal and state grants are recorded when the Agency and Subsidiaries have a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the Agency and Subsidiaries, or when otherwise earned under the terms of the grants.

Investments

Investments are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. See Note 5 for discussion of fair value measurements.

Property and Equipment

Property and equipment are carried at cost or, when acquired by donation or gift, at appraised values with subsequent additions at cost. The Agency and Subsidiaries' policy is to capitalize expenditures for these items in excess of $2,000. Depreciation is provided using the straight-line basis over the estimated useful lives of the depreciable assets. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the improvements.

The estimated useful lives used in determining depreciation and amortization follow:

Classification	Lives in Years
Buildings and improvements	20 - 60
Leasehold improvements	10 - 40
Equipment	5
Vehicles	3 - 10

Deferred Revenue

Deferred revenue represents resources received but not yet earned. Deferred revenue consists primarily of government financial assistance received monthly as prepayments for services to be provided by the Agency in a subsequent period.

1. Organization and Significant Accounting Policies (continued)

Unemployment Reserve

The Agency and Subsidiaries are self-insured for losses related to unemployment claims. The unemployment reserve is based upon management's estimate of the cost for unemployment claims using historical experience. Although management believes it has the ability to reasonably estimate losses related to unemployment claims, it is possible that actual results could differ from the recorded liability.

Funds Held for Others

The Agency and Subsidiaries receive funds that are passed through to other third-parties. These amounts are held until requested by and reimbursed to the third-party.

Donated Facilities, Services and Goods

Donations of facilities, services, and goods are recorded as support at their estimated fair value at the date of donation. Such donations are reported as without donor restriction support unless the donor has restricted the donated assets to a specific purpose. Support arising from donated services is recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation.

During the years ended June 30, 2019 and 2018, the Agency and Subsidiaries recognized $427,089 and $526,739, respectively, of donated facilities, services, and goods which are reflected in the consolidated statement of activities. The Agency and Subsidiaries received other donated services in its various programs during the years ended June 30, 2019 and 2018; however, these services provided do not meet either criteria described above and are not reflected in the consolidated statement of activities.

Food Distribution

PHILMAT receives pass-through funding from the Louisiana Department of Health and Hospitals to administer and distribute commodity foods related to its Food for Families/Food for Seniors programs. Because legal title to the food products does not pass to PHILMAT, neither the value of the food distributed to program beneficiaries nor the value of undistributed food on hand are reflected in the financial statements. The financial statements include only the costs of warehousing, distribution and administration of the program. See Note 16 for an estimate of the value of the food distributed to program beneficiaries.

1. Organization and Significant Accounting Policies (continued)

Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited, primarily based on time incurred or transactions processed.

Recently Adopted Accounting Pronouncements

As of July 1, 2018 the Agency adopted Accounting Standards Update (ASU) *No. 2016-14, Not-for-Profit Entities (Topic 958):* Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Agency has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented, with the exception of the liquidity and availability disclosure (note 2).

The adoption of this pronouncement has no impact on the Agency's total net assets.

Recent Accounting Pronouncements

FASB has issued Accounting Standards Update (ASU) *No. 2014-09, Revenue from Contracts with Customers*, to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. This standard will be effective for the June 30, 2020 year end.

In June 2018, the FASB issued ASU *No. 2018-08 Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This ASU will be effective for the June 30, 2020 year end.

In February 2016, the FASB issued ASU No. 2016-02, "Leases." This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the statement of financial position as well as additional disclosures. This ASU will be effective for the June 30, 2022 year end.

The Agency is currently assessing the impact of these pronouncements on the financial statements.

1. Organization and 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. These reclassifications had no effect on previously reported change in net asset position.

2. Liquidity

	June 30, 2019
Financial assets at fiscal year end:	
Cash and cash equivalents	$ 12,202,941
Program accounts receivable	3,744,388
Contributions receivable	753,902
Other receivables	76,990
Investments	13,024,874
Total financial assets	29,803,095
Less amounts not available to be used within one year or unavailable for general expenditures:	
Required Centers for Medicare and Medicaid Services reserve	1,943,293
Custodial funds	153,677
Assets with donor restrictions	4,930,892
Board designation for deferred maintenance	882,651
Board designation for disasters	515,697
	8,426,210
Financial assets available to meet general expenditures over the next twelve months	$ 21,376,885

The Agency and Subsidiaries' goal is generally to maintain financial assets to meet 90 days of operating cash expenses (approximately $11 million). As more fully described in Note 11, the Agency and Subsidiaries' liquidity plan is to invest excess cash in savings with the Archdiocese and to maintain a $5.0 million line of credit to meet cash flow needs.

3. Contributions Receivable

Contributions and private grants receivable are included in the consolidated financial statements as contributions receivable and revenue of the appropriate net asset category. Contributions receivable as of June 30, 2019 and 2018, total $753,902 and $775,024, respectively. Contributions receivable as of June 30, 2019 are expected to be collected within one year.

4. Investments

Investments of the various agencies of the Archdiocese have been pooled to maximize the return on the investments. Investments in the common investment pool consist primarily of debt and equity securities and mutual fund investments. The amounts recorded in the consolidated statements of financial position represent the Agency and Subsidiaries' share of the pool. The following summarizes the market value at June 30 and the investment return for the years ended June 30:

	2019	2018
Balances at June 30	$ 13,024,874	$ 12,672,153
Unrealized gain on investments, net	$ 141,150	$ 645,230
Realized (loss) gain on investments, net	(24,904)	30,975
Interest and dividends	480,408	453,420
Investment fees	(49,916)	(52,955)
For the year ended June 30, Investment income	$ 546,738	$ 1,076,670

The following summarizes without donor restrictions and with donor restrictions value of investments at June 30:

Investments without donor restrictions	$ 10,313,930	$ 9,962,822
Investments with donor restrictions	2,710,944	2,709,331
Balances at June 30	$ 13,024,874	$ 12,672,153

5. Fair Value of Financial Instruments

FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value. Fair value concepts are applied in recording investments.

FASB ASC 820 establishes a fair value hierarchy which prioritizes inputs to valuation techniques used to measure fair value. The term "inputs" refers broadly to the assumptions that market participants would use in pricing an asset or liability. Inputs may be based on independent market data ("observable inputs") or they may be internally developed ("unobservable inputs"). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad categories. These levels include Level 1, unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, directly or indirectly observable inputs other than quoted prices for the asset or liability, such as the quoted market prices for similar assets or liabilities; and Level 3, unobservable inputs for use when little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's 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 need to maximize the use of observable inputs and minimize the use of the unobservable inputs.

Investments of the Agency and Subsidiaries are held in pooled assets managed by the Archdiocese. The investments in this pool are valued at fair value based on information provided by the Archdiocese and include the use of Net Asset Values (NAV) as the primary input to measure fair value. The investments are considered Level 2 within the fair value hierarchy described above.

The method described above may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Agency believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

6. Endowments

The Board of the Agency and Subsidiaries is of the belief that they have a strong fiduciary duty to manage the assets of the Agency and Subsidiaries' endowments in the most prudent manner possible. The Board recognizes the intent of the endowment is to protect the donor with respect to expenditures from endowments. If this intent is clearly expressed by the donor, whether the intent is in a written gift instrument or not, the intent of the donor is followed. If not expressed, the Board ensures the assets of the endowment are spent in a prudent manner which considers the purpose of the fund, current economic conditions, and preservation of the fund. To follow these principles, the historic value of the fund is always maintained in net assets with donor restrictions.

6. Endowments (continued)

Annual distributions of up to 5% of the year-end endowment balances are made, unless management elects otherwise.

Endowment Investment and Spending Policies. Agency and Subsidiaries have adopted investment and spending policies, approved by the Board, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The endowment's assets are invested in the Archdiocese of New Orleans' investment pool, as previously described. Agency and Subsidiaries' spending and investment policies work together to achieve this objective. Spending is approved by the Board, based on the needs of Agency and Subsidiaries.

The table below represents the endowment related activity for the fiscal year ending June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 1,720,278	$ 1,720,278
Receipts	-	-	-
Net realized and unrealized gains	-	56,816	56,816
Program expenses	(72,105)	-	(72,105)
Transfer	72,105	(72,105)	-
Endowment net assets, end of year	$ -	$ 1,704,989	$ 1,704,989

The table below represents the endowment related activity for the fiscal year ending June 30, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 1,412,075	$ 1,412,075
Receipts	-	251,409	251,409
Net realized and unrealized gains	-	122,503	122,503
Program expenses	(65,709)	-	(65,709)
Transfer	65,709	(65,709)	-
Endowment net assets, end of year	$ -	$ 1,720,278	$ 1,720,278

The board approved a distribution of $65,709 from the endowment fund in 2018. The board approved a distribution of $72,105 from the endowment fund in 2019.

7. Property and Equipment

A summary of property and equipment at June 30 is as follows:

	2019	2018
Buildings and improvements	$ 16,892,959	$ 16,498,952
Leasehold improvements	3,209,466	3,191,856
Equipment	2,286,581	2,354,710
Vehicles	3,757,953	3,902,149
Land	693,884	693,884
	26,840,843	26,641,551
Less accumulated depreciation and amortization	13,729,131	13,096,882
Total property and equipment, net	$ 13,111,712	$ 13,544,669

At June 30, 2019 and 2018, buildings and improvements include an idle facility with a net book value of $496,623. Subsequent to fiscal year end June 30, 2019 the board ratified the decision to transfer the idle facility to the Archdiocese of New Orleans by an act of donation.

8. Restrictions on Net Assets

Net assets with donor restrictions are restricted by donors for specific programs, purposes, or to assist specific departments of the Agency and Subsidiaries, or time restricted. These restrictions are considered to expire when expenditures for restricted purposes are made, or when time has passed for time-restricted net assets.

The following sets forth the composition of net assets with donor restrictions at June 30.

	2019	2018
Restricted for time or purpose:		
Disaster relief	$ 435,029	$ 703,529
Relief services to children	558,205	556,821
Purchases of capital assets	399,848	386,491
United Way allocation for subsequent fiscal year	701,283	676,134
Mental health services	8,495	-
Emergency medical financial assistance	603,382	657,609
Homeless services	4,912,731	-
Other restrictions	374,917	408,964
Restricted in perpetuity:		
Gift of Life Endowment	1,704,989	1,720,278
Totals	$ 9,698,879	$ 5,109,826

8. Restrictions on Net Assets (continued)

The following net assets with donor restrictions were released during the years ended June 30, due to time or satisfaction of donor restrictions:

	2019	2018
Disaster relief	$ 268,502	$ 442,005
Relief services to children	15,220	16,531
United Way allocation for subsequent fiscal year	676,134	733,644
Mental health services	-	71,217
Emergency medical financial assistance	574,828	540,032
Homeless services	218,902	72,425
Other restrictions	468,481	631,771
Pro-Life Endowment	72,105	65,709
Totals	$ 2,294,172	$ 2,573,334

9. Retirement Plan

The Agency and Subsidiaries offer a 401(k) retirement plan to its employees. Employees electing to participate in the plan are required to contribute a minimum of 3% of their salaries, and may elect to contribute up to a 75% maximum. The plan requires the Agency and Subsidiaries to contribute 3.5% of the participants' salaries. The retirement plan expense also includes an additional 2% contribution by the Agency and Subsidiaries to the employee benefit plan to cover administrative costs and employee benefit costs including life insurance, disability insurance, and other benefits. Any remaining funds from the additional 2% contribution may be used as a discretionary employer contribution to the 401(k) plan. The plan administrator is the Archdiocese. The plan trustee is Voya. The Agency and Subsidiaries contributed approximately $888,000 and $886,000, for the years ended June 30, 2019 and 2018, respectively.

10. Expenses by Program

Details of total expenses by program, including those presented as management and general, and fundraising on the Consolidated Statements of Activities, for the years ended June 30 are as follows:

	2019	2018
Adult Day Health Care	$ 852,297	$ 834,817
Community Centers and Services	2,112,281	3,039,625
Food for Families	4,853,239	4,818,813
Head Start	6,805,077	6,291,947
Non-residential Day Programs	9,171,208	8,452,233
PACE	13,972,270	12,211,027
Padua Pediatrics and Adult	3,689,357	4,620,285
Residential Special Needs	2,399,426	1,926,775
Total	$ 43,855,155	$ 42,195,522

11. Related Party Transactions

The controlling member of the Agency, the Archbishop of New Orleans, also serves as president of the Roman Catholic Church of the Archdiocese of New Orleans and the controlling member of all other corporations, board of trustees and separate activities sponsored by, or operated under the auspices of the Archdiocese of New Orleans. In the normal course of operations, the Archdiocese will make available to the Agency and its affiliated agencies specific assistance in the form of operating subsidies, loans, casualty insurance, etc. The Archdiocese, through the operations of the Administrative Offices, serves as a conduit in providing insurance coverage to the Agency. The Administrative Offices assess premiums to the Agency based on relevant factors for each type of coverage. In the normal course of operations, the Archdiocese will make available to the Agency specific assistance in the form of internet services. The Agency is assessed separately for this assistance.

The Agency paid the Archdiocese of New Orleans $1,135,000 and $985,000 for general liability, property coverage, workman's compensation, vehicle and other insurances and $136,000 and $126,000 for internet services secured on its behalf for the years ended June 30, 2019 and 2018, respectively. The Agency paid the Archdiocese for rent and other operating costs totaling approximately $370,000 and $279,000 for the years ended June 30, 2019 and 2018, respectively. In addition, the Agency received reimbursements from Chateau De Notre Dame of $36,665 and $35,744 for the years ended June 30, 2019 and 2018, respectively, for costs related to employees.

11. Related Party Transactions (continued)

The Agency had annual lines of credit with the Archdiocese for $5.0 million that matured on June 30, 2019 and 2018 with an interest rate of 4.6%. No amounts were outstanding as of June 30, 2019 or 2018. The Agency renewed the line of credit with the Archdiocese for $5.0 million at a 4.6% annual interest rate with a maturity date of June 30, 2020.

The Agency donated $500,000 to the Catholic Community Foundation during the year ended June 30, 2019 to support specific Archdiocesan ministries compatible with ministries already served by the Agency.

The Agency maintains savings accounts at the Archdiocese. The balance of these accounts is included in "Cash and cash equivalents" in the statements of financial position and totaled $5,472,713 and $6,355,361 at June 30, 2019 and 2018, respectively.

12. Leases

The Agency operates a portion of its community social service programs in leased facilities under operating leases expiring at various dates through the fiscal year 2024. The leases are subject to cancellation under certain circumstances, including substantial changes in funding in the Agency's programs. The following is a schedule by year of future minimum rental payments required under those leases and under equipment leases that have initial or remaining lease terms in excess of one year as of June 30.

2020	$ 466,804
2021	252,530
2022	203,796
2023	178,600
2024	136,200
	$ 1,237,930

The rental expense for all operating leases for the years ended June 30, 2019 and 2018 is $737,595 and $723,585, respectively.

13. Significant Contracts and Grants

For the years ended June 30, 2019 and 2018, $27,824,137 and $27,846,095, respectively, of the Agency and Subsidiaries' governmental financial assistance was from the U.S. Department of Health and Human Services and $4,844,565 and $4,762,447, respectively, of the Agency and Subsidiaries' governmental financial assistance was from the U.S. Department of Agriculture. Management believes that the Agency and Subsidiaries are in compliance with the provisions of these contracts and grants and that the findings of an audit, if any, would not have a material impact on the financial statements. The remaining $2,658,167 of the Agency and Subsidiaries' governmental financial assistance in fiscal year 2019 is from various other government agencies.

14. Commitments and Contingencies

The Agency and Subsidiaries are party to various litigations and other claims, the outcome of which cannot be presently determined. Management intends to vigorously defend against such litigations and claims. Management's opinion is that the outcome of such matters that cannot be presently determined would not have a significant effect on the Agency and Subsidiaries financial position.

The Agency and Subsidiaries are exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. The Agency is a participant in the Archdiocese self-insurance plan. In addition to this coverage, the Agency also purchases commercial insurance coverage as necessary, to the extent that coverage is not provided through the Archdiocese.

The Agency is a member in a class action lawsuit against Taishan Gypsum Company, Ltd., the maker of drywall used several years ago in the Agency's remediation of flooded homes of poor and elderly residents. In August of 2019, the Agency received notice that a settlement had been preliminarily certified by the federal district court. A hearing was held on December 11, 2019 to finalize the settlement; however, no ruling was issued and a final order is still pending. The estimated value of the claim to the Agency less costs is approximately $2.1 million, none of which has been accrued in the accompanying financial statements.

15. Concentrations of Credit Risk

As of June 30, 2019 and 2018, program accounts receivable consisted primarily of amounts due from governmental sources.

The Agency and Subsidiaries maintain cash in bank accounts in excess of insured limits periodically. In addition, as disclosed in Note 11, the Agency and Subsidiaries have cash with the Archdiocese of New Orleans which is not insured. The Agency and Subsidiaries have not experienced any losses and do not believe that significant credit risk exists as a result of this practice.

16. PHILMAT Commodity Food Distributed (Unaudited)

PHILMAT receives pass-through funding from the Louisiana Department of Health and Hospitals to administer and distribute commodity foods related to its Food for Families/Food for Seniors programs. Because legal title to the food products does not pass to PHILMAT, neither the value of the food distributed to program beneficiaries nor the value of undistributed food on hand are reflected in the financial statements. The financial statements include only the costs of warehousing, distribution and administration of the program. Pass-thru funding received by PHILMAT for their administration and distribution services totaled $4,425,875 and $4,365,726, for the years ended June 30, 2019 and 2018, respectively. Commodity foods distributed by the Food for Families/Food for Seniors program during the years ended June 30, 2019 and 2018 had an estimated value of $13.9 million and $13.6 million, respectively, and weighed 17,410,870 pounds and 18,940,803 pounds, respectively.

17. Board of Directors Compensation

The members of the Agency's board of directors were not compensated during the years ended June 30, 2019 and 2018.

18. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 16, 2019, and determined that no events occurred that require disclosure, other than the event disclosed in note 7.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

	June 30, 2019					June 30, 2018				
	Catholic Charities	PHILMAT	PACE	Eliminations	Totals	Catholic Charities	PHILMAT	PACE	Eliminations	Totals
ASSETS										
Cash and cash equivalents	$ 12,202,341	$ 300	$ 1,943,593	$ (1,943,293)	$ 12,202,941	$ 8,877,894	$ 300	$ 1,871,028	$ (1,870,728)	$ 8,878,494
Program accounts receivable	2,509,232	1,249,767	(14,611)	-	3,744,388	2,582,184	676,547	28,221	-	3,286,952
Contributions receivable:										
Pledges	25,118	-	-	-	25,118	7,450	-	-	-	7,450
United Way	728,784	-	-	-	728,784	767,574	-	-	-	767,574
Other receivables	73,603	3,387	-	-	76,990	33,088	(22,327)	67,328	-	78,089
Prepaid expenses and deferred charges	375,471	20,862	57,782	-	454,115	361,049	10,862	-	-	371,911
Investments	13,024,874	-	-	-	13,024,874	12,672,153	-	-	-	12,672,153
Property and equipment - net	5,643,251	2,430,677	5,037,784	-	13,111,712	5,665,341	2,549,182	5,330,146	-	13,544,669
Due (to) from affiliate	(8,381,402)	290,195	6,147,914	1,943,293	-	(8,312,878)	630,097	5,812,053	1,870,728	-
Total assets	$ 26,201,272	$ 3,995,188	$ 13,172,462	$ -	$ 43,368,922	$ 22,653,855	$ 3,844,661	$ 13,108,776	$ -	$ 39,607,292
LIABILITIES AND NET ASSETS										
Liabilities:										
Accounts payable and accrued expenses	1,383,152	$ 150,467	$ 1,190,377	$ -	$ 2,723,996	$ 1,125,877	$ 129,401	$ 1,602,304	$ -	$ 2,857,582
Deferred revenue	-	-	-	-	-	-	-	720,400	-	720,400
Unemployment reserve	67,079	33,679	5,460	-	106,218	115,101	43,473	9,659	-	168,233
Funds held for others	153,677	-	-	-	153,677	138,016	-	-	-	138,016
Total liabilities	1,603,908	184,146	1,195,837	-	2,983,891	1,378,994	172,874	2,332,363	-	3,884,231
Net assets:										
Without donor restrictions	15,025,934	3,683,593	11,976,625	-	30,686,152	16,292,484	3,544,338	10,776,413	-	30,613,235
With donor restrictions	9,571,430	127,449	-	-	9,698,879	4,982,377	127,449	-	-	5,109,826
Total net assets	24,597,364	3,811,042	11,976,625	-	40,385,031	21,274,861	3,671,787	10,776,413	-	35,723,061
Total liabilities and net assets	$ 26,201,272	$ 3,995,188	$ 13,172,462	$ -	$ 43,368,922	$ 22,653,855	$ 3,844,661	$ 13,108,776	$ -	$ 39,607,292

See accompanying independent auditors' report.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATING STATEMENT OF ACTIVITIES

For the year ended June 30, 2019

	Catholic Charities			PHILMAT			PACE				Totals		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations - Unrestricted	Without Donor Restrictions	With Donor Restrictions	Total
Revenues													
Public support:													
Contributions	$ 3,118,615	$ 6,002,902	$ 9,121,517	$ 474,753	$ -	$ 474,753	$ 8,604	$ -	$ 8,604	$ -	$ 3,601,972	$ 6,002,902	$ 9,604,874
Contributed goods and services	427,089	-	427,089	-	-	-	-	-	-	-	427,089	-	427,089
United Way													
Southeast Louisiana:													
Allocations	-	175,149	175,149	-	-	-	-	-	-	-	-	175,149	175,149
Designations	92,407	-	92,407	-	-	-	-	-	-	-	92,407	-	92,407
St. Charles Parish:													
Allocations	82,878	416,134	499,012	-	-	-	-	-	-	-	82,878	416,134	499,012
St. John Parish:													
Allocations	-	110,000	110,000	-	-	-	-	-	-	-	-	110,000	110,000
Special events (net of direct costs)	75,655	-	75,655	-	-	-	-	-	-	-	75,655	-	75,655
Total public support	3,796,644	6,704,185	10,500,829	474,753	-	474,753	8,604	-	8,604	-	4,280,001	6,704,185	10,984,186
Governmental financial assistance:													
Federal	15,291,374	70,000	15,361,374	4,425,875	-	4,425,875	15,106,310	-	15,106,310	-	34,823,559	70,000	34,893,559
Other governmental agencies	433,310	-	433,310	-	-	-	-	-	-	-	433,310	-	433,310
Total governmental financial assistance	15,724,684	70,000	15,794,684	4,425,875	-	4,425,875	15,106,310	-	15,106,310	-	35,256,869	70,000	35,326,869
Other Revenue:													
Program service fees	1,668,695	-	1,668,695	-	-	-	14,883	-	14,883	(187,331)	1,496,247	-	1,496,247
Miscellaneous	50,221	-	50,221	-	-	-	42,188	-	42,188	-	92,409	-	92,409
Gain (loss) on disposition of property	15,276	-	15,276	(11,201)	-	(11,201)	-	-	-	-	4,075	-	4,075
Property recoveries	1,934	-	1,934	64,170	-	64,170	497	-	497	-	66,601	-	66,601
Net assets released from restrictions	2,294,172	(2,294,172)	-	-	-	-	-	-	-	-	2,294,172	(2,294,172)	-
Total other revenue	4,030,298	(2,294,172)	1,736,126	52,969	-	52,969	57,568	-	57,568	(187,331)	3,953,504	(2,294,172)	1,659,332
Total revenue	23,551,626	4,480,013	28,031,639	4,953,597	-	4,953,597	15,172,482	-	15,172,482	(187,331)	43,490,374	4,480,013	47,970,387
Expenses													
Program services	23,479,167	-	23,479,167	4,623,122	-	4,623,122	13,562,941	-	13,562,941	(187,331)	41,477,899	-	41,477,899
Management and general	1,080,525	-	1,080,525	221,638	-	221,638	408,573	-	408,573	-	1,710,736	-	1,710,736
Fundraising	657,285	-	657,285	8,479	-	8,479	756	-	756	-	666,520	-	666,520
Total expenses	25,216,977	-	25,216,977	4,853,239	-	4,853,239	13,972,270	-	13,972,270	(187,331)	43,855,155	-	43,855,155
Change in net assets before investment activity and transfers	(1,665,351)	4,480,013	2,814,662	100,358	-	100,358	1,200,212	-	1,200,212	-	(364,781)	4,480,013	4,115,232
Net investment income	398,801	109,040	507,841	38,897	-	38,897	-	-	-	-	437,698	109,040	546,738
Change in net assets	(1,266,550)	4,589,053	3,322,503	139,255	-	139,255	1,200,212	-	1,200,212	-	72,917	4,589,053	4,661,970
Net assets													
Beginning of year	16,292,484	4,982,377	21,274,861	3,544,338	127,449	3,671,787	10,776,413	-	10,776,413	-	30,613,235	5,109,826	35,723,061
End of year	$ 15,025,934	$ 9,571,430	$ 24,597,364	$ 3,683,593	$ 127,449	$ 3,811,042	$ 11,976,625	$ -	$ 11,976,625	$ -	$ 30,686,152	$ 9,698,879	$ 40,385,031

See accompanying independent auditors' report.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATING STATEMENT OF ACTIVITIES

For the year ended June 30, 2018

	Catholic Charities			PHILMAT			PACE				Totals		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations - Unrestricted	Without Donor Restrictions	With Donor Restrictions	Total
Revenues													
Public support:													
Contributions	$ 2,933,339	$ 1,331,122	$ 4,264,461	$ 476,381	$ -	$ 476,381	$ 11,326	$ -	$ 11,326	$ -	$ 3,421,046	$ 1,331,122	$ 4,752,168
Contributed goods and services	406,937	-	406,937	-	-	-	119,802	-	119,802	-	526,739	-	526,739
United Way													
Southeast Louisiana:													
Allocations	-	150,000	150,000	-	-	-	-	-	-	-	-	150,000	150,000
Designations	94,815	-	94,815	-	-	-	-	-	-	-	94,815	-	94,815
Combined Federal Campaign	10,612	-	10,612	-	-	-	-	-	-	-	10,612	-	10,612
St. Charles Parish:													
Allocations	76,000	416,134	492,134	-	-	-	-	-	-	-	76,000	416,134	492,134
St. John Parish:													
Allocations	-	110,000	110,000	-	-	-	-	-	-	-	-	110,000	110,000
Special events (net of direct costs)	98,685	-	98,685	-	-	-	-	-	-	-	98,685	-	98,685
Total public support	3,620,388	2,007,256	5,627,644	476,381	-	476,381	131,128	-	131,128	-	4,227,897	2,007,256	6,235,153
Governmental financial assistance:													
Federal	17,292,724	80,000	17,372,724	4,365,726	-	4,365,726	13,991,650	-	13,991,650	-	35,650,100	80,000	35,730,100
Other governmental agencies	328,216	-	328,216	-	-	-	-	-	-	-	328,216	-	328,216
Total governmental financial assistance	17,620,940	80,000	17,700,940	4,365,726	-	4,365,726	13,991,650	-	13,991,650	-	35,978,316	80,000	36,058,316
Other Revenue:													
Program service fees	1,697,712	-	1,697,712	-	-	-	15,232	-	15,232	(237,804)	1,475,140	-	1,475,140
Rent	1,500	-	1,500	-	-	-	-	-	-	-	1,500	-	1,500
Miscellaneous	52,755	-	52,755	-	-	-	-	-	-	-	52,755	-	52,755
Gain (loss) on disposition of property	(20,581)	-	(20,581)	2,236	-	2,236	115,224	-	115,224	-	96,879	-	96,879
Net assets released from restrictions	2,573,334	(2,573,334)	-	-	-	-	-	-	-	-	2,573,334	(2,573,334)	-
Total other revenue	4,304,720	(2,573,334)	1,731,386	2,236	-	2,236	130,456	-	130,456	(237,804)	4,199,608	(2,573,334)	1,626,274
Total revenue	25,546,048	(486,078)	25,059,970	4,844,343	-	4,844,343	14,253,234	-	14,253,234	(237,804)	44,405,821	(486,078)	43,919,743
Expenses													
Program services	23,777,566	-	23,777,566	4,589,859	-	4,589,859	11,833,622	-	11,833,622	(237,804)	39,963,243	-	39,963,243
Management and general	1,028,482	-	1,028,482	202,534	-	202,534	374,763	-	374,763	-	1,605,779	-	1,605,779
Fundraising	597,438	-	597,438	26,420	-	26,420	2,642	-	2,642	-	626,500	-	626,500
Total expenses	25,403,486	-	25,403,486	4,818,813	-	4,818,813	12,211,027	-	12,211,027	(237,804)	42,195,522	-	42,195,522
Change in net assets before investment activity and transfers	142,562	(486,078)	(343,516)	25,530	-	25,530	2,042,207	-	2,042,207	-	2,210,299	(486,078)	1,724,221
Net investment income	901,651	162,298	1,063,949	12,721	-	12,721	-	-	-	-	914,372	162,298	1,076,670
Change in net assets	1,044,213	(323,780)	720,433	38,251	-	38,251	2,042,207	-	2,042,207	-	3,124,671	(323,780)	2,800,891
Net assets													
Beginning of year	15,248,271	5,306,157	20,554,428	3,506,087	127,449	3,633,536	8,734,206	-	8,734,206	-	27,488,564	5,433,606	32,922,170
End of year	$ 16,292,484	$ 4,982,377	$ 21,274,861	$ 3,544,338	$ 127,449	$ 3,671,787	$ 10,776,413	$ -	$ 10,776,413	$ -	$ 30,613,235	$ 5,109,826	$ 35,723,061

See accompanying independent auditors' report.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2019
(with comparative totals for 2018)

	Catholic Charities				PHILMAT			
	Program Services	Management and General	Fund-raising	Total	Program Services	Management and General	Fund-raising	Total
Salaries	$ 12,584,149	$ 694,991	$ 250,789	$ 13,529,929	$ 1,910,204	$ 142,557	$ 3,234	$ 2,055,995
Employee benefits	1,974,132	89,640	35,379	2,099,151	368,656	18,387	457	387,500
Payroll Taxes	910,124	47,814	18,508	976,446	140,003	9,808	238	150,049
Total salaries and related expenses	15,468,405	832,445	304,676	16,605,526	2,418,863	170,752	3,929	2,593,544
Professional fees and contract services	1,093,626	122,626	223,221	1,439,473	214,377	25,153	2,880	242,410
Supplies and other operating expenses	1,257,701	21,944	46,959	1,326,604	355,798	4,501	606	360,905
Equipment expense	247,090	12,751	653	260,494	58,005	2,615	9	60,629
Occupancy	1,117,551	57,127	25,085	1,199,763	458,461	11,718	323	470,502
Travel and transportation	171,841	1,992	714	174,547	600,072	409	9	600,490
Personnel recruitment and development	266,491	7,145	6,632	280,268	4,614	1,466	86	6,166
Insurance	439,434	6,937	2,243	448,614	263,740	1,423	29	265,192
Food	402,826	223	9	403,058	61	46	-	107
Contributed goods and services	427,089	-	-	427,089	-	-	-	-
Miscellaneous	32,021	5,755	20,995	58,771	1,295	1,180	271	2,746
Specific assistance to individuals	2,117,134	-	25,640	2,142,774	-	-	331	331
Provider costs	-	-	-	-	-	-	-	-
Depreciation	437,958	11,580	458	449,996	247,836	2,375	6	250,217
Total expenses	$ 23,479,167	$ 1,080,525	$ 657,285	$ 25,216,977	$ 4,623,122	$ 221,638	$ 8,479	$ 4,853,239

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED

For the year ended June 30, 2019
(with comparative totals for 2018)

	PACE					2019 Consolidated Totals				
	Program Services	Management and General	Fund-raising	Total	Eliminations - Program Services	Program Services	Management and General	Fund-raising	Total	2018 Consolidated Totals
Salaries	$ 3,463,986	$ 262,794	$ 289	$ 3,727,069	$ -	$ 17,958,339	$ 1,100,342	$ 254,312	$ 19,312,993	$ 19,634,131
Employee benefits	441,169	33,895	41	475,105	-	2,783,957	141,922	35,877	2,961,756	3,058,261
Payroll Taxes	249,452	18,079	21	267,552	-	1,299,579	75,701	18,767	1,394,047	1,419,119
Total salaries and related expenses	4,154,607	314,768	351	4,469,726	-	22,041,875	1,317,965	308,956	23,668,796	24,111,511
Professional fees and contract services	700,589	46,368	257	747,214	-	2,008,592	194,147	226,358	2,429,097	2,215,257
Supplies and other operating expenses	257,031	8,298	54	265,383	-	1,870,530	34,743	47,619	1,952,892	1,143,012
Equipment expense	67,318	4,821	1	72,140	-	372,413	20,187	663	393,263	491,200
Occupancy	258,013	21,601	29	279,643	-	1,834,025	90,446	25,437	1,949,908	1,946,626
Travel and transportation	312,630	753	1	313,384	-	1,084,543	3,154	724	1,088,421	1,567,332
Personnel recruitment and development	40,499	2,702	7	43,208	-	311,604	11,313	6,725	329,642	385,242
Insurance	296,060	2,623	2	298,685	-	999,234	10,983	2,274	1,012,491	866,334
Food	211,948	84	-	212,032	-	614,835	353	9	615,197	579,726
Contributed goods and services	-	-	-	-	-	427,089	-	-	427,089	406,937
Miscellaneous	3,693	2,176	24	5,893	-	37,009	9,111	21,290	67,410	52,114
Specific assistance to individuals	1,550,802	-	29	1,550,831	(187,331)	3,480,605	-	26,000	3,506,605	3,658,366
Provider costs	5,295,881	-	-	5,295,881	-	5,295,881	-	-	5,295,881	3,683,667
Depreciation	413,870	4,379	1	418,250	-	1,099,664	18,334	465	1,118,463	1,088,198
Total expenses	$ 13,562,941	$ 408,573	$ 756	$ 13,972,270	$ (187,331)	$ 41,477,899	$ 1,710,736	$ 666,520	$ 43,855,155	$ 42,195,522

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

CONSOLIDATING SCHEDULE OF ACTIVITIES BY PROGRAM SERVICES

For the year ended June 30, 2019

	Catholic Charities										
	Head Start	Adult Day Health Care	Padua Pediatrics and Adult	Community Centers and Services	Residential Special Needs	Non-Residential Day Programs	Totals	PHILMAT	PACE	Eliminations	2019 Consolidated Totals
Revenues											
Public support:											
Contributions	$ 666,037	$ 94,449	$ 72,909	$ 300,747	$ 5,782,642	2,204,733	$ 9,121,517	$ 474,753	$ 8,604	$ -	$ 9,604,874
Contributed goods and services	354,419	30,000	1,735	140	14,400	26,395	427,089	-	-	-	427,089
United Way:											
Southeast Louisiana:											
Allocations	50,149	25,000	-	25,000	-	75,000	175,149	-	-	-	175,149
Designations	30,803	15,401	-	15,401	-	30,802	92,407	-	-	-	92,407
St. Charles Parish:											
Allocations	-	-	-	369,012	-	130,000	499,012	-	-	-	499,012
St. John Parish:											
Allocations	-	-	-	-	-	110,000	110,000	-	-	-	110,000
Special events (net of direct costs)	-	-	-	-	-	75,655	75,655	-	-	-	75,655
Total public support	1,101,408	164,850	74,644	710,300	5,797,042	2,652,585	10,500,829	474,753	8,604	-	10,984,186
Governmental financial assistance:											
Federal	6,185,141	144,422	3,252,915	424,811	1,137,043	4,217,042	15,361,374	4,425,875	15,106,310	-	34,893,559
Other governmental agencies	-	127,293	-	40,022	82,679	183,316	433,310	-	-	-	433,310
Total governmental financial assistance	6,185,141	271,715	3,252,915	464,833	1,219,722	4,400,358	15,794,684	4,425,875	15,106,310	-	35,326,869
Other Revenue:											
Program service fees	-	319,224	226,601	294	170,580	951,996	1,668,695	-	14,883	(187,331)	1,496,247
Miscellaneous	586	-	8,772	37,642	427	2,794	50,221	-	42,188	-	92,409
Gain (loss) on disposition of property	-	-	-	-	(5,286)	20,562	15,276	(11,201)	-	-	4,075
Property recoveries	1,410	-	524	-	-	-	1,934	64,170	497	-	66,601
Total other revenue	1,996	319,224	235,897	37,936	165,721	975,352	1,736,126	52,969	57,568	(187,331)	1,659,332
Total revenue	7,288,545	755,789	3,563,456	1,213,069	7,182,485	8,028,295	28,031,639	4,953,597	15,172,482	(187,331)	47,970,387
Expenses											
Salaries	3,781,891	471,982	1,940,161	1,142,279	551,361	4,696,475	12,584,149	1,910,204	3,463,986	-	17,958,339
Employee benefits	609,843	83,912	333,729	154,712	78,497	713,439	1,974,132	368,656	441,169	-	2,783,957
Payroll taxes	276,694	30,610	141,830	83,456	39,582	337,952	910,124	140,003	249,452	-	1,299,579
Total salaries and related expenses	4,668,428	586,504	2,415,720	1,380,447	669,440	5,747,866	15,468,405	2,418,863	4,154,607	-	22,041,875
Professional fees and contract service payments	85,405	22,637	145,702	96,993	209,345	533,544	1,093,626	214,377	700,589	-	2,008,592
Supplies and other operating expenses	287,790	18,741	241,143	48,098	14,079	647,850	1,257,701	355,798	257,031	-	1,870,530
Equipment expense	84,249	13,399	45,398	27,180	15,427	61,437	247,090	58,005	67,318	-	372,413
Occupancy	507,107	41,462	187,865	(157,343)	109,776	428,684	1,117,551	458,461	258,013	-	1,834,025
Travel and transportation	6,435	12,326	44,986	26,449	11,218	70,427	171,841	600,072	312,630	-	1,084,543
Personnel recruitment and development	96,612	1,951	5,712	21,788	7,620	132,808	266,491	4,614	40,499	-	311,604
Insurance	86,961	9,783	107,616	52,792	22,767	159,515	439,434	263,740	296,060	-	999,234
Food	211,304	66,985	119,342	1,461	3,255	479	402,826	61	211,948	-	614,835
Contributed goods and services	354,419	30,000	1,735	140	14,400	26,395	427,089	-	-	-	427,089
Management and general	280,504	37,036	177,561	111,450	85,658	388,316	1,080,525	221,638	408,573	-	1,710,736
Miscellaneous	2,063	534	15,248	502	484	13,190	32,021	1,295	3,693	-	37,009
Specific assistance to individuals	220	2,720	273,459	348,933	691,268	800,534	2,117,134	-	1,550,802	(187,331)	3,480,605
Provider costs	-	-	-	-	-	-	-	-	5,295,881	-	5,295,881
Fundraising	7,953	1,030	6,407	17,546	493,599	130,750	657,285	8,479	756	-	666,520
Depreciation	125,627	7,189	88,794	135,845	51,090	29,413	437,958	247,836	413,870	-	1,099,664
Total expenses	6,805,077	852,297	3,876,688	2,112,281	2,399,426	9,171,208	25,216,977	4,853,239	13,972,270	(187,331)	43,855,155
Change in net assets before investment activity and transfers	483,468	(96,508)	(313,232)	(899,212)	4,783,059	(1,142,913)	2,814,662	100,358	1,200,212	-	4,115,232
Net investment income	19,020	-	-	134,875	130,882	223,064	507,841	38,897	-	-	546,738
Change in net assets	$ 502,488	$ (96,508)	$ (313,232)	$ (764,337)	$ 4,913,941	$ (919,849)	$ 3,322,503	$ 139,255	$ 1,200,212	$ -	$ 4,661,970

See accompanying independent auditors' report.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES PREPARED
FOR THE UNITED WAY OF SOUTHEAST LOUISIANA

For the year ended June 30, 2019

SECTION A - FUNCTIONAL SPREADSHEET

FORM 1

	FUNCTIONAL BUDGET SPREADSHEET	AGENCY TOTAL (SUM 2 + 3)	ADMINISTRATION FUNDRAISING Management & General	TOTAL PROGRAM SERVICES SUM (4 to 11)	Adult Day Health Care	Head Start	Padua Pediatrics & Adult	Community Centers & Services	Residential Special Needs	Non-Residential Day Programs	Food for Families	PACE
		1	2	3	4	5	6	7	8	9	10	11
	REVENUE: (For United Way request, indicate Goal Areas)											
1	4201 CLIENT GENERATED SELF SUPPORT	$ 3,511,632	$ -	$ 3,511,632	$ 114,249	$ 1,004,456	$ 11,149	$ 198,623	$ 680,057	$ 1,036,560	$ 464,934	$ 1,604
2	5000 GOVERNMENT GRANTS/CONTRACTS	35,326,869	-	35,326,869	271,715	6,185,141	3,252,915	464,833	1,219,722	4,400,358	4,425,875	15,106,310
3	4800 OTHER FOUNDATIONS OR NATIONAL GRANTS	6,520,331	-	6,520,331	10,200	16,000	63,495	102,264	5,116,985	1,194,568	9,819	7,000
4	6700 OTHER REVENUE	2,469,056	-	2,469,056	319,224	21,016	235,897	172,811	296,603	1,274,071	91,866	57,568
5	**TOTAL SELF GENERATED REVENUE**	47,827,888	-	47,827,888	715,388	7,226,613	3,563,456	938,531	7,313,367	7,905,557	4,992,494	15,172,482
6	4702 UNITED WAY DESIGNATIONS	92,407	-	92,407	15,401	30,803	-	15,401	-	30,802	-	-
7	4703 CFC DESIGNATIONS	-	-	-	-	-	-	-	-	-	-	-
8	4704 OTHER UNITED WAY GRANTS	609,012	-	609,012	-	-	-	369,012	-	240,000	-	-
9	**TOTAL REVENUE**	48,529,307	-	48,529,307	730,789	7,257,416	3,563,456	1,322,944	7,313,367	8,176,359	4,992,494	15,172,482
10	4701 UNITED WAY OF SOUTHEAST LOUISIANA	175,149	-	175,149	25,000	50,149	-	25,000	-	75,000	-	-
11	**GRAND TOTAL REVENUE**	$ 48,704,456	$ -	$ 48,704,456	$ 755,789	$ 7,307,565	$ 3,563,456	$ 1,347,944	$ 7,313,367	$ 8,251,359	$ 4,992,494	$ 15,172,482
	EXPENSES:											
12	7000 SALARIES	$ 19,312,993	$ 1,354,654	$ 17,958,339	$ 471,982	$ 3,781,891	$ 1,940,161	$ 1,142,279	$ 551,361	$ 4,696,475	$ 1,910,204	$ 3,463,986
13	7100 BENEFITS	2,961,756	177,799	2,783,957	83,912	609,843	333,729	154,712	78,497	713,439	368,656	441,169
14	7200 TAXES	1,394,047	94,468	1,299,579	30,610	276,694	141,830	83,456	39,582	337,952	140,003	249,452
15	8400 OCCUPANCY EXPENSES	1,949,908	115,883	1,834,025	41,462	507,107	187,865	(157,343)	109,776	428,684	458,461	258,013
16	8700 TRAVEL & TRANSPORTATION EXP.	1,088,421	3,878	1,084,543	12,326	6,435	44,986	26,449	11,218	70,427	600,072	312,630
17	8100 SUPPLIES	1,952,892	82,362	1,870,530	18,741	287,790	241,143	48,098	14,079	647,850	355,798	257,031
19	8900 DIRECT ASSISTANCE TO INDIVIDUALS	10,032,103	26,362	10,005,741	99,705	565,943	394,536	350,534	708,923	827,408	61	7,058,631
20	9400 OTHER	5,350,366	521,850	4,828,516	55,493	480,917	408,470	335,100	306,733	929,907	789,867	1,522,029
21	**GRAND TOTAL EXPENSES**	$ 44,042,486	$ 2,377,256	$ 41,665,230	$ 814,231	$ 6,516,620	$ 3,692,720	$ 1,983,285	$ 1,820,169	$ 8,652,142	$ 4,623,122	$ 13,562,941
22	NET DIFFERENCE	$ 4,661,970	$ (2,377,256)	$ 7,039,226	$ (58,442)	$ 790,945	$ (129,264)	$ (635,341)	$ 5,493,198	$ (400,783)	$ 369,372	$ 1,609,541

SECTION B - EXPENSES ANALYSIS:

23-Total Direct Program Expenses	$ 814,231	6,516,620	3,692,720	1,983,285	1,820,169	8,652,142	4,623,122	13,562,941
24-Percent of Total Program Expenses	1.95%	15.64%	8.86%	4.76%	4.37%	20.77%	11.10%	32.55%
25-Distribution of M & G Expenses	$ 38,066	288,457	183,968	128,996	579,257	519,066	230,117	409,329
26-Grand Total Program Expenses	$ 852,297	6,805,077	3,876,688	2,112,281	2,399,426	9,171,208	4,853,239	13,972,270
27-Projected Undup. People Served	81	536	51	2,283	142	4,923	53,221	242
28-Cost per Person	$ 10,522	12,696	76,013	925	16,897	1,863	91	57,737

See accompanying independent auditors' report.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES
NEW ORLEANS, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO OR ON BEHALF OF THE AGENCY HEAD

For the year ended June 30, 2019

Agency Head: Sr. Marjorie Hebert, President and Chief Executive Officer

Purpose	Amount
Salary	$ 142,055
Travel	1,072

See accompanying independent auditors' report.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES

SINGLE AUDIT REPORT

JUNE 30, 2019

P&N
Postlethwaite & Netterville
A Professional Accounting Corporation
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CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
New Orleans, Louisiana

Single Audit Reports

June 30, 2019

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A Professional Accounting Corporation

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

Most Reverend Gregory M. Aymond and the Board of Directors,
Catholic Charities Archdiocese of New Orleans and Subsidiaries, New Orleans, Louisiana

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 consolidated financial statements of Catholic Charities Archdiocese of New Orleans (the "Agency") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Postlethwaite & Netterville

Metairie, Louisiana
December 16, 2019

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Most Reverend Gregory M. Aymond and the Board of Directors,
Catholic Charities Archdiocese of New Orleans and Subsidiaries, New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Agency's 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 Agency's major federal programs for the year ended June 30, 2019. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

P&N
Postlethwaite & Netterville

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Agency as of and for the year ended June 30, 2019, and have issued our report thereon dated December 16, 2019, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Postlethwaite & Netterville

Metairie, Louisiana
December 16, 2019

CATHOLIC CHARITIES ARCHIOCESE OF NEW ORLEANS
NEW ORLEANS, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program Title/Program Description	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Pass-through programs from:			
State of Louisiana			
Department of Education			
Division of Nutrition Support			
Child and Adult Care Food Program			
Child Day Care	10.558	2002-79-517-1297	$ 365,977
Adult Day Health Care	10.558	2003-79-517-1297	23,476
Total - Child and Adult Care Food Program			389,453
Child Nutrition Cluster			
National School Lunch Program	10.555	2004-795171297	29,237
Total - Louisiana Department of Education			418,690
Department of Health			
Office of Public Health			
Commodity Supplemental Food Program	10.565	2000198453-061207	4,425,875
Total - State of Louisiana			4,844,565
Total - U.S. Department of Agriculture			4,844,565
U.S. Department of Housing and Urban Development			
Direct Programs:			
Continuum of Care Program			
Transitional Housing	14.267	LA0052L6H031710	164,149
Permanent Housing	14.267	LA0053L6H031710	165,330
Total - direct programs			329,479
Pass-through programs from:			
UNITY for the Homeless, Inc.			
Continuum of Care Program			
Sacred Heart	14.267	LA0049L6H031704	89,362
Mental Health	14.267	LA0075L6H031710	459,023
Total - UNITY for the Homeless, Inc.			548,385
Total - U.S. Department of Housing and Urban Development			877,864
U.S. Department of Justice			
Pass-through programs from:			
Louisiana Commission on Law Enforcement and Administration of Criminal Justice			
Domestic Violence	16.575	2017-VA-02-4218	188,802
Office of Juvenile Justice and Delinquency Prevention			
Parenting and Mentoring	16.726	2018-JU-FX-0018	9,859
Cornerstone Builders	16.726	2018-JU-FX-0018	5,145
			15,004
Southeast Louisiana Legal Services			
Legal Services	16.524	2015-WL-AX-0053	30,701
Covenant House of New Orleans			
Services for Trafficking Victims	16.320	2015-VT-BX-K004	52,913
Total - U.S. Department of Justice			287,420

(Continued)

CATHOLIC CHARITIES ARCHIOCESE OF NEW ORLEANS
NEW ORLEANS, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program Title/Program Description	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of State			
Pass-through program from:			
United States Conference of Catholic Bishops			
Reception and Placement - administration	19.510	S-PRMCO-17-CA-1006	$ 16,247
Total - U.S. Department of State			16,247
U.S. Department of Transportation			
Pass-through program from:			
State of Louisiana Department of Transporation and Development			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	ED16-36-17	75,000
Total - U.S. Department of Transportation			75,000
U.S. Department of Education			
Pass-through program from:			
State of Louisiana			
Louisiana Community and Technical College System			
Adult Education Leadership Funds	84.002	V002A170018	6,100
Adult Education	84.002	V002A180018	108,824
Total - U.S. Department of Education			114,924
U.S. Department of Health and Human Services			
Direct Program:			
Head Start			
Head Start / Early Head Start Program	93.600	06CH010148	5,819,163
Pass-through programs from:			
State of Louisiana			
Office for Refugees			
Refugee Social Services	93.566	None	179,971
Refugee Social Services (PPP)	93.583	None	206,973
Refugee Screening	93.576	None	22,291
Total - Office for Refugees			409,235
Department of Children and Family Services			
Social Services Block Grant			
Therapeutic Family Services	93.667	010007814	424,934
Total - State of Louisiana			834,169
City of New Orleans			
Health Resources and Services Administration			
Consolidated Health Centers Program			
NOLA/HRSA Healthcare for the Homeless	93.224	K19-361	129,634
National Council on Aging			
Medicare Enrollment Assistance Program	93.071	None	70,000
USCCB/Office of Refugee Resettlement/ Administration for Children and Families			
Match Grant	93.567	None	1,041
United States Conference of Catholic Bishops			
Vulnerable Care Services	93.576	None	25,250
Services to Victims of a Severe Form of Trafficking	93.598	ATS-39	2,420
Total - United States Conference of Catholic Bishops			27,670
Total - U.S. Department of Health and Human Services			6,881,677

CATHOLIC CHARITIES ARCHIOCESE OF NEW ORLEANS
NEW ORLEANS, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program Title/Program Description	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Corporation for National and Community Service			
Direct program:			
Foster Grandparents Program	94.011	16SFWLA002	$ 341,369
Pass-through programs from:			
The Volunteer Louisiana Commission			
Americorps	94.006	15AFHLA0010007	121,115
Catholic Charities USA Refugee Resettlement Program			
Americorps	94.006	16NDHVA001	8,585
Total - Corporation for National and Community Service			471,069
U.S. Department of Homeland Security			
Direct program:			
Citizenship Education and Training			
Pathways to Citizenship	97.010	2013-CS-010-000013	121,526
Pass-through programs from:			
State of Louisiana			
Disaster Case Management Program	97.088	2000199235	260,807
Total - U.S. Department of Homeland Security			382,333
Total Expenditures of Federal Awards included in this report			$ 13,951,099

Federal Expenditures Summarized by CFDA number:

National School Lunch Program	10.555	$ 29,237
Child and Adult Care Food Program	10.558	389,453
Commodity Supplemental Food Program	10.565	4,425,875
Continuum of Care Program	14.267	877,864
Services for Trafficking Victims	16.320	52,913
Legal Assistance for Victims	16.524	30,701
Crime Victim Assistance	16.575	188,802
Juvenile Mentoring Program	16.726	15,004
U.S. Refugee Admissions Program	19.510	16,247
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	75,000
Adult Education - Basic Grants to States	84.002	114,924
Medicare Enrollment Assistance Program	93.071	70,000
Health Center Program (Community Health Centers, etc.)	93.224	129,634
Refugee and Entrant Assistance - State Administered Programs	93.566	179,971
Refugee and Entrant Assistance - Voluntary Agency Programs	93.567	1,041
Refugee and Entrant Assistance - Discretionary Grants	93.576	47,541
Refugee and Entrant Assistance - State Administered Programs (PPP)	93.583	206,973
Services to Victims of a Severe Form of Trafficking	93.598	2,420
Head Start	93.600	5,819,163
Social Services Block Grant	93.667	424,934
AmeriCorps	94.006	129,700
Foster Grandparent Program	94.011	341,369
Citizenship Education and Training	97.010	121,526
Disaster Assistance Projects	97.088	260,807
		$ 13,951,099

See accompanying notes to schedule of expenditures of federal awards.

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
New Orleans, Louisiana

Notes to Schedule of Expenditures of Federal Awards

June 30, 2019

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Catholic Charities Archdiocese of New Orleans (the "Agency"), PHILMAT, Inc., and PACE Greater New Orleans. The Agency's reporting entity is defined in Note 1 to the consolidated financial statements for the year ended June 30, 2019. All federal awards received from federal agencies are included on the schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Agency has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

(3) Relationship to Financial Statements

Federal awards are included in the basic consolidated financial statements of the Agency as follows:

Schedule of Federal Awards	$ 13,951,099
State and local funds	433,310
U.S. Department of Health and Human Services - Fees	2,435,156
Office of Health and Hospitals –Medicaid and Medicare	18,507,304
Total governmental financial assistance	$ 35,326,869

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
New Orleans, Louisiana

Schedule of Findings and Questioned Costs

Year ended June 30, 2019

(1) Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted:	no

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	none reported
Type of auditors' report issued on compliance for major programs:	unmodified
Any audit findings which are required to be reported in accordance with the 2 CFR 200.516(a)?	no
Identification of major programs:	
U.S. Department of Homeland Security Commodity Supplemental Food Program	10.565
Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as a low-risk auditee?	yes

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
New Orleans, Louisiana

Schedule of Findings and Questioned Costs

Year ended June 30, 2019

(2) Findings relating to the consolidated financial statements reported in accordance with *Government Auditing Standards*:

None

(3) Findings and questioned costs relating to federal awards:

None

CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS
New Orleans, Louisiana

Summary Schedule of Prior Audit Findings

Year ended June 30, 2019

None.