

Catholic Charities of North Louisiana

Financial Statements
For the Years Ended June 30, 2019 and 2018



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Catholic Charities of North Louisiana

We have audited the accompanying financial statements of Catholic Charities of North Louisiana (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Catholic Charities of North Louisiana, as of 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of program expenses by activity on pages 18 and 19 are presented for purposes of additional analysis and are 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
September 5, 2019

Catholic Charities of North Louisiana
Statements of Financial Position
As of June 30, 2019 and 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Current Assets		
Cash & Cash Equivalents	\$ 203,546	\$ 301,372
Unconditional Promises to Give	1,094,594	-
Donated Items on Hand	79,054	57,874
Prepaid Expenses	3,523	2,698
Total Current Assets	<u>1,380,717</u>	<u>361,944</u>
Noncurrent Assets		
Long-Term Investments	619,288	533,364
Property and Equipment, net	9,524	14,992
Total Noncurrent Assets	<u>628,812</u>	<u>548,356</u>
TOTAL ASSETS	<u>\$ 2,009,529</u>	<u>\$ 910,300</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts Payable	\$ 20,649	\$ 15,772
Refundable Advances	111,658	119,863
Accrued Liabilities	37,675	29,461
Total Current Liabilities	<u>169,982</u>	<u>165,096</u>
Total Liabilities	<u>169,982</u>	<u>165,096</u>
Net Assets		
Without Donor Restrictions		
Undesignated	335,206	130,243
Designated by the Board for Endowment	1,488,352	591,955
Invested in Property and Equipment, net of Related Debt	9,524	14,992
Total Without Donor Restrictions	<u>1,833,082</u>	<u>737,190</u>
With Donor Restrictions	6,465	8,014
Total Net Assets	<u>1,839,547</u>	<u>745,204</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,009,529</u>	<u>\$ 910,300</u>

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

Catholic Charities of North Louisiana
Statements of Activities
For The Years Ended June 30, 2019 and 2018

	2019	2018
Changes in Net Assets Without Donor Restrictions:		
Revenues and Gains		
Contributions	\$ 1,242,350	\$ 161,166
Grants	654	16,691
Use of Contributed Facilities	76,320	76,320
Diocesan Subsidy	40,000	40,000
Special Events Revenue	42,801	57,185
Program Service Fees	57,298	43,055
Gifts-in-Kind	-	1,616
Investment Return, net	79,134	36,689
Total Revenues and Gains Without Donor Restrictions	1,538,557	432,722
 Net Assets Released From Restrictions	 471,561	 503,207
 Total Revenues, Gains, and Other Support Without Donor Restrictions	 2,010,118	 935,929
 Expenses:		
Program Services		
Family Strengthening Program	651,242	686,025
Total Program Services	651,242	686,025
 Supporting Services		
Management and General	116,688	148,367
Fundraising	146,296	124,334
Total Supporting Services	262,984	272,701
 Total Expenses	 914,226	 958,726
 Increase/(Decrease) in Net Assets Without Donor Restrictions	 1,095,892	 (22,797)

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

Catholic Charities of North Louisiana
Statements of Activities
For The Years Ended June 30, 2019 and 2018

	(Continued)	
	2019	2018
Changes in Net Assets With Donor Restrictions:		
Contributions		
Family Strengthening Program	\$ 21,286	\$ 3,322
Lake Providence Location	9,050	8,860
Monroe Location	7,135	4,998
Total Contributions	37,471	17,180
Grants		
Family Strengthening Program	252,983	287,398
Total Grants	252,983	287,398
Gifts-in-Kind to Family Strengthening Program	53,926	53,660
Gifts-in-Kind to Monroe Location	32,630	25,561
Use of Contributed Facilities for Monroe Location	35,424	35,424
Rental Income from Monroe Location	3,600	7,100
Diocesan Subsidy for Monroe Location	20,000	20,000
Diocesan Subsidy for Family Strengthening Program	20,000	20,000
Special Events Revenue for Monroe Location	13,978	18,045
Net Assets Released from Restrictions	(471,561)	(503,207)
Increase/(Decrease) in Net Assets With Donor Restrictions	(1,549)	(18,839)
Increase/(Decrease) in Net Assets	1,094,343	(41,636)
NET ASSETS AT BEGINNING OF YEAR	745,204	786,840
NET ASSETS AT END OF YEAR	\$ 1,839,547	\$ 745,204

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

**Catholic Charities of North Louisiana
Statement of Functional Expenses
For The Year Ended June 30, 2019**

	<u>Program Expenses</u>	<u>Supporting Services</u>		
	<u>Family Strengthening</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising and Promotion	\$ 725	\$ -	\$ 2,574	\$ 3,299
Bank and Credit Card Fees	4	444	1,279	1,727
Charitable Contributions	-	-	500	500
Childcare	150	-	-	150
Computer Expenses	660	2,941	3,126	6,727
Conferences and Training	2,608	1,225	1,250	5,083
Cost of Special Events	-	-	5,363	5,363
Depreciation	971	3,881	617	5,469
Direct Donor Benefits	-	-	12,584	12,584
Dues & Subscriptions	619	3,453	(170)	3,902
Emergency Assistance Provided	86,239	-	-	86,239
Employee Benefits	29,453	7,579	6,285	43,317
Employee Screenings	236	221	48	505
Equipment Rental	-	1,417	-	1,417
Food and Supplies Distributed	59,084	-	-	59,084
Insurance	20,867	1,206	603	22,676
Investment Expenses	-	3,672	-	3,672
Licenses & Fees	1,090	-	-	1,090
Meals and Entertainment	318	1,378	512	2,208
Payroll Taxes	20,824	2,164	6,572	29,560
Postage	4,404	26	2,205	6,635
Printing and Reproduction	2,320	304	5,526	8,150
Payroll and Accounting Fees	12,446	753	410	13,609
Rent	-	2,400	-	2,400
Rent - Donated Facilities	101,299	6,881	3,564	111,744
Repairs and Maintenance	9,772	645	322	10,739
Salaries and Wages	282,293	32,541	92,447	407,281
Supplies	5,837	1,241	55	7,133
Travel	1,751	2,368	384	4,503
Utilities	4,075	39,061	240	43,376
Vehicle Lease	2,645	368	-	3,013
Volunteer Expenses	552	519	-	1,071
Total Functional Expenses	\$ 651,242	\$ 116,688	\$ 146,296	\$ 914,226

The accompanying notes are an integral part of this financial statement.

**Catholic Charities of North Louisiana
Statement of Functional Expenses
For The Year Ended June 30, 2018**

	<u>Program Expenses</u>	<u>Supporting Services</u>		
	<u>Family Strengthening</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising and Promotion	\$ -	\$ -	\$ 2,103	\$ 2,103
Bank and Credit Card Fees	41	336	1,367	1,744
Charitable Contributions	-	-	1,500	1,500
Childcare	2,600	-	-	2,600
Computer Expenses	1,693	1,620	3,261	6,574
Conferences and Training	6,166	7,134	3,848	17,148
Cost of Special Events	-	-	9,309	9,309
Depreciation	2,551	4,128	-	6,679
Direct Donor Benefits	-	-	20,938	20,938
Dues & Subscriptions	1,725	3,467	854	6,046
Emergency Assistance Provided	102,228	-	-	102,228
Employee Benefits	23,246	9,756	2,620	35,622
Employee Screenings	75	180	-	255
Equipment Rental	-	1,349	-	1,349
Food and Supplies Distributed	43,373	-	-	43,373
Insurance	16,756	1,106	552	18,414
Investment Expenses	-	3,106	-	3,106
Licenses & Fees	1,612	-	-	1,612
Meals and Entertainment	618	-	421	1,039
Payroll Taxes	17,660	6,840	4,483	28,983
Postage	3,233	-	2,125	5,358
Printing and Reproduction	2,336	280	5,563	8,179
Payroll and Accounting Fees	13,257	874	437	14,568
Rent	1,820	580	-	2,400
Rent - Donated Facilities	101,299	6,881	3,564	111,744
Repairs and Maintenance	9,879	621	310	10,810
Salaries and Wages	269,278	94,867	58,602	422,747
Supplies	18,369	2,645	600	21,614
Travel	2,012	-	338	2,350
Utilities	40,756	2,398	1,440	44,594
Vehicle Lease	3,026	199	99	3,324
Volunteer Expenses	416	-	-	416
Total Functional Expenses	\$ 686,025	\$ 148,367	\$ 124,334	\$ 958,726

The accompanying notes are an integral part of this financial statement.

Catholic Charities of North Louisiana
Statements of Cash Flows
For The Years Ended June 30, 2019 and 2018

	2019	2018
Cash Flows From Operating Activities		
Increase/(Decrease) in Net Assets	\$ 1,094,343	\$ (41,636)
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	5,469	6,679
Net Realized (Gains)/Losses on Investments	(23,898)	4,974
Net Unrealized (Gains)/Losses on Investments	(36,554)	(24,493)
Other	-	(5,217)
(Increase)/Decrease in Operating Assets:		
Unconditional Promises to Give	(1,094,594)	-
Donated Items on Hand	(21,180)	(25,002)
Prepaid Expenses	(825)	6,329
Increase/(Decrease) in Operating Liabilities:		
Accounts Payable	4,877	(1,348)
Refundable Advances	(8,205)	(55,959)
Accrued Liabilities	8,214	22,596
Net Cash Provided/(Used) by Operating Activities	(72,353)	(113,077)
 Cash Flows From Investing Activities		
Proceeds from Sales and Maturities of Securities	94,280	60,723
Purchases of Investments	(119,753)	(56,659)
Purchases of Property and Equipment	-	(5,489)
Net Cash Provided/(Used) by Investing Activities	(25,473)	(1,425)
 Cash Flows From Financing Activities		
Net Cash Provided/(Used) by Financing Activities	-	-
 Net Increase in Cash and Cash Equivalents	(97,826)	(114,502)
 Cash and Cash Equivalents at Beginning of Year	301,372	415,874
 CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 203,546	\$ 301,372

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

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2019 and 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

Catholic Charities of North Louisiana (the Organization), formerly known as Catholic Charities of Shreveport, is a not-for-profit social service agency of the Diocese of Shreveport, LA (the Diocese), which is part of the United States Conference of Catholic Bishops (USCCB). It was incorporated on July 14, 2010, under the laws of Louisiana. The Organization carries out the social mission of the Catholic Church in Shreveport to serve, mainly in North Louisiana. In addition to Shreveport, the Organization also has locations in Monroe and Lake Providence. The Organization is supported through public contributions, grants, program service fees, special event revenues, and investment income.

The following services are provided through the Family Strengthening Program included in the accompanying financial statements:

Emergency Assistance – Provides assistance to low income families or families experiencing emergencies, such as unemployment. Financial assistance is provided to help those in need with rent or utilities.

Immigration Services – Provides a wide range of services to immigrants. The main objectives of the program are to advise and guide individuals through the immigration process in an efficient, effective and professionally caring manner, honoring the dignity of each person.

Financial Education – Reaches out to families of all ages, races, and religions to help them understand how to better manage their finances. Services include instruction on how to budget income and how to understand basic banking, including beginning a savings plan to pay for future needs.

Benefits Assistance – Assists individuals in completing applications for Supplemental Nutritional Assistance Program (SNAP -- formerly the Food Stamp Program), as well as other programs that aid families, including Family Independence Temporary Assistance (FITAP), Child Care Assistance Program (CCAP), Kinship Care Subsidiary Program (KCSP), and Child Support Enforcement (CSE).

Gabriel's Closet – Provides children's furniture and clothing to clients at no charge.

Emergency Assistance and Immigration Services are the Organization's major programs based on associated revenues and expenses.

B. Basis of Accounting

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

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2019 and 2018

C. Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions, and with donor restrictions.

D. Use of Estimates

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

E. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, including the investment in a money market fund held by Stephens Inc.

F. Grants Receivable

Grants receivable expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included in revenue until the conditions are substantially met.

G. Property and Equipment

Property and equipment are stated at cost or fair value at date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Office equipment	3 years
Office furniture	7 years
Leasehold improvements	15 years

Additions and betterments of \$500 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

H. Investments

The Organization carries investments in equity securities with readily determinable fair values at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

I. Restricted and Unrestricted Revenue

Contributions received are recorded as increases in net assets without donor restrictions, or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2019 and 2018

J. Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their fair values at the date of donation.

K. Donated Use of Facilities

The Diocese provides facilities at no cost to the Organization. A contribution and related expense has been recognized for the fair value of the rent for the year.

L. Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

M. Special Events Revenue

The Organization conducts special events in which a portion of the gross proceeds paid by the Participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured by the actual cost to the organization. The direct costs of the special events, which ultimately benefit the donor rather than the Organization, are netted with special events revenue as direct donor benefits in the accompanying statement of activities.

N. Allocation of Functional Expenses

Expenses are allocated to program and supporting services on the following bases:

- (a) Management and general expenses and fundraising expenses are allocated on the basis of direct salaries, wages, and temporary services.
- (b) Building and occupancy costs are allocated on the basis of square footage.
- (c) Advertising costs were allocated to fundraising.

O. Income Taxes

The Organization is exempt from federal income tax as a subordinate organization of the United States Conference of Catholic Bishops, which is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

P. 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.

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2019 and 2018

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30, 2019 and 2018, consisted of the following:

	<u>2019</u>	<u>2018</u>
Checking account at Origin Bank	\$ 112,081	\$ 130,454
Savings at LCFCU	25	25
Paypal	48	489
Money Market account at Origin Bank	62,305	101,817
Money Market account at Stephens, Inc.	19,064	58,590
Money Market account at LCFCU	10,022	9,997
Total Cash and Cash Equivalents	<u>\$ 203,546</u>	<u>\$ 301,372</u>

The money market sweep account at Stephens, Inc. is invested in the Federated Government Obligations Fund, a money market mutual fund, and is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

3. UNCONDITIONAL PROMISES TO GIVE

The Organization was the beneficiary of the estate of the late Father Richard Lombard. Father Lombard's estate was valued at \$1,094,594. It is the Board's intent to best use these funds to assist the programs and missions of Catholic Charities of North Louisiana. To do this, the Board has made the following designations for the funds: \$500,000 to be invested so that 3% to 5% annually can be drawn for use in programs; \$250,000 to be used for renovations on the 902 Olive Street location; and \$100,000 to be used for the Monroe, Louisiana operations.

4. CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Organization maintains its cash balances in various institutions located in Shreveport, Louisiana. The balances are insured either by the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC), or the National Credit Union Administration (NCUA) up to \$250,000. The organization's uninsured cash balances totaled \$-0- at June 30, 2018, and at June 30, 2018.

5. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2019 and 2018, consisted of the following:

	<u>2019</u>	<u>2018</u>
Office Equipment	\$ 21,482	\$ 21,482
Office Furniture	9,464	9,464
Leasehold Improvements	4,350	4,350
Software	2,409	2,409
Total	<u>37,705</u>	<u>37,705</u>
Less: Accumulated Depreciation	<u>28,181</u>	<u>22,713</u>
Net Property and Equipment	<u>\$ 9,524</u>	<u>\$ 14,992</u>

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2019 and 2018

Depreciation expense was \$5,469 and \$6,679 and for the years ended June 30, 2019 and 2018, respectively.

6. INVESTMENTS

Generally accepted accounting principles provide a framework for measuring fair value. That framework establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

As of June 30, 2019:

	Quoted Prices in Active Markets for Identical Assets (Level 1 Inputs)	Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)
Cash Reserves	\$ -	\$ -	\$ -
Mutual Funds	180,811	-	-
ETFs	438,477	-	-
Totals	\$ 619,288	\$ -	\$ -

As of June 30, 2018:

	Quoted Prices in Active Markets for Identical Assets (Level 1 Inputs)	Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)
Cash Reserves	\$ -	\$ -	\$ -
Mutual Funds	158,634	-	-
ETFs	374,730	-	-
Totals	\$ 533,364	\$ -	\$ -

At June 30, 2019 and 2018, the Organization's investments consisted of publicly traded equities, mutual funds, and exchange-traded funds totaling \$619,288 and \$533,364. Investments are reported at fair value using a Level 1 measure.

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2019 and 2018

Investment return for the years ended June 30, 2019 and 2018, is comprised of:

	2019	2018
Interest and Dividend Income	\$ 18,682	\$ 17,170
Net Realized and Unrealized Gains/(Losses)	60,452	19,519
Brokerage Fees	(3,655)	(3,106)
Total Investment Return	\$ 75,479	\$ 33,583

7. ENDOWMENT FUNDS

In 2012, the Organization received a bequest of marketable securities. The Board of Directors designated this investment fund as a general endowment fund to support the mission of the Organization. Since it resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

The primary objective is the long-term growth of the fund's assets. It is recognized that short-term fluctuations may result in the loss of capital earned on occasion. However, in the absence of contributions and withdrawals, the asset value of the funds should grow in the long run and earn rates of return greater than those of an appropriate market index while avoiding excess risk. The next objective is the preservation of purchasing power. Asset growth, exclusive of contributions and withdrawals, should exceed the rate of inflation. The final objective is to preserve the value of the assets by earning a positive return over the investment time horizon. The Organization has adopted the total return concept to determine dollars available for distribution. This concept is based on a three year rolling annual average of asset values. An annual distribution of 3% to 5% is to be determined.

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that is balanced between equity-based investments and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Composition of and changes in endowment net assets for the year ended June 30, 2019 and 2018, were as follows:

	2019	2018
Board-Designated Endowment Net Assets, Beginning	\$ 591,955	\$ 557,680
Investment Income, net of Brokerage Fees	9,843	9,782
Net Appreciation/(Depreciation)	36,554	24,493
Amounts Appropriated for Expenditure	-	-
Board-Designated Endowment Net Assets, Ending	\$ 638,352	\$ 591,955

8. REFUNDABLE ADVANCES

The Organization records grant awards accounted for as exchange transactions as refundable advances until related services are performed, at which time they are recognized as revenue. The

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2019 and 2018

activity in the refundable advance account for the years ended June 30, 2019 and 2018, is reported as follows:

	<u>2019</u>	<u>2018</u>
Refundable Advances, Beginning	\$ 119,863	\$ 175,822
Grant Awards Received	111,658	119,863
Grant Expenditures	<u>(119,863)</u>	<u>(175,822)</u>
Refundable Advances, Ending	<u>\$ 111,658</u>	<u>\$ 119,863</u>

9. NET ASSETS WITH DONOR RESTRICTIONS

Changes in net assets with donor restrictions consist of the following:

	6/30/17	Additions	Releases	6/30/18	Additions	Releases	6/30/19
Family Strengthening	\$ -	\$ 288,648	\$ 288,648	\$ -	\$ 252,983	\$ 252,983	\$ -
Lake Providence	19,543	8,860	20,389	8,014	9,050	10,599	6,465
Monroe	-	117,188	117,188	-	101,775	101,775	-
Totals	<u>\$ 19,543</u>	<u>\$ 414,696</u>	<u>\$ 426,225</u>	<u>\$ 8,014</u>	<u>\$ 363,808</u>	<u>\$ 365,357</u>	<u>\$ 6,465</u>

10. DONATED FACILITIES AND SERVICES

The fair value of donated use of facilities and donated services included as contributions in the financial statements and the corresponding program expenses for the years ended June 30, 2019 and 2018, is as follows:

	Rent	
	<u>2019</u>	<u>2018</u>
Emergency Assistance	\$ 34,312	\$ 34,312
Immigration Services	17,997	17,997
Financial Education	7,670	7,670
Benefits Assistance	5,587	5,587
Gabriel's Closet	35,733	35,733
Management and General	6,881	6,881
Fundraising	3,564	3,564
Totals	<u>\$ 111,744</u>	<u>\$ 111,744</u>

Numerous volunteers have donated significant amounts of time to the Organization's fund-raising campaign and program services. Although no amounts have been reflected in the financial statements, management estimates the fair value of those services to be approximately \$71,870 and \$71,870 for the years ended June 30, 2018 and 2017, respectively.

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2019 and 2018

11. ADVERTISING

The Organization uses advertising to promote its programs among the clients served. The production costs of advertising are expensed as incurred. During the years ended June 30, 2019 and 2018, advertising costs totaled \$3,299 and \$2,104, respectively.

12. EMPLOYEE BENEFIT PLANS

The Organization provides a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code to its full-time employees through the Diocese. The Organization contributes from 0% to 5% of gross salaries to the plan, depending on the length of service, for qualified employees. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. Plan expenses for the years ended June 30, 2019 and 2018, were \$5,282 and \$5,282, respectively. See Note 12.

13. RELATED PARTY TRANSACTIONS

Transactions with national organizations – The Organization maintains its tax exempt status by operating as a subordinate organization of the United States Conference of Catholic Bishops. No transactions occurred between the entities.

The Organization also has a relationship with its national affiliate. The Organization is required to remit annual dues to the national affiliate. These dues totaled \$1,000 for both years ended June 30, 2019 and 2018. The Organization also receives contributions and reimbursements from the national affiliate. Total receipts for the years ended June 30, 2019 and 2018, were \$-0- and \$-0-, respectively.

Transactions with local organizations – The Diocese of Shreveport (the Diocese) administers an employee retirement savings plan, a flexible spending account, and insurance plans available to the Organization's employees. For the years ended June 30, 2019 and 2018, the Organization made \$5,282 and \$5,282, respectively in employer contributions to the Diocese Employee Retirement Savings Plan and \$50,555 and \$31,200, respectively in employer contributions for health, life, and disability insurance plans. The Organization also reimburses the Diocese for various operating expenses, including property insurance, paid by the Diocese throughout the year on behalf of the Organization. Those reimbursements totaled \$22,036 and \$21,810, respectively for the fiscal years ended June 30, 2019 and 2018.

The Diocese also donated the use of facilities to the Organization, reimbursed the Organization for a portion of its utilities expense, and provided the Organization with a subsidy. The amounts for the years ended June 30, 2019 and 2018, were as follows:

	<u>2019</u>	<u>2018</u>
Donated Use of Facilities	\$ 111,744	\$ 111,744
Utilities Reimbursement	4,384	4,451
Subsidy	80,000	80,000
Total Received From The Diocese	<u>\$ 196,128</u>	<u>\$ 196,195</u>

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2019 and 2018

Transactions with board members and employees – The following related party transactions occurred between the Organization and its board members and/or staff:

	2019	2018
Contributions	\$ 14,559	\$ 11,895

14. OPERATING LEASE

The Organization signed a 36 month lease commencing September, 2016 and ending in September, 2019. Lease payments are \$275 per month. During the fiscal years ended June 30, 2019 and 2018, lease payments of \$3,305 and \$3,305 were paid. Future minimum lease payments for the remainder of the lease period are as follows:

Fiscal Year Ending June 30:		
2020		\$ 826
Thereafter		-
Total		\$ 826

15. LIQUIDITY AND AVAILABILITY

The board-designated endowment is subject to an annual spending rate of 3% to 5% as described in Note 6. Although the Organization does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2019	2018
Cash and cash equivalents	\$ 33,564	\$ 136,276
Investments	619,288	533,364
Unconditional Promises to Give to be collected within one year	1,094,594	-
	\$ 1,747,446	\$ 669,640

16. SUBSEQUENT EVENTS

Subsequent events were evaluated through September 5, 2019, which is the date the financial statements were available to be issued.

Subsequent to year end, the Organization accepted a donation from the Diocese of Shreveport of a building and property located at 902 Olive Street, in Shreveport, LA. Once renovations are completed, the Organization will relocate its operations to this location. It is the Diocese's intent for Catholic Charities of North Louisiana to be financially independent from the Diocese.

Catholic Charities of North Louisiana
Schedule of Program Expenses - By Activity
For The Year Ended June 30, 2019

Family Strengthening Program Expenses - By Activity						
	Emergency	Immigration	Financial	Benefits	Gabriel's	
	Assistance	Services	Education	Assistance	Closest	Totals
Advertising and Promotion	\$ 725	\$ -	\$ -	\$ -	\$ -	725
Bank and Credit Card Fees	-	2	-	-	2	4
Charitable Contributions	-	-	-	-	-	-
Childcare	-	150	-	-	-	150
Computer Expenses	-	660	-	-	-	660
Conferences and Training	130	2,017	439	22	-	2,608
Cost of Special Events	-	-	-	-	-	-
Depreciation	-	-	611	360	-	971
Direct Donor Benefits	-	-	-	-	-	-
Dues & Subscriptions	25	500	-	-	94	619
Emergency Assistance Provided	86,239	-	-	-	-	86,239
Employee Benefits	-	17,519	7,005	4,929	-	29,453
Employee Screenings	50	161	-	-	25	236
Equipment Rental	-	-	-	-	-	-
Food and Supplies Distributed	516	-	-	-	58,568	59,084
Insurance	6,232	5,789	1,407	1,005	6,434	20,867
Investment Expenses	-	-	-	-	-	-
Licenses & Fees	-	1,090	-	-	-	1,090
Meals and Entertainment	-	289	-	29	-	318
Payroll Taxes	-	6,980	12,422	1,422	-	20,824
Postage	-	4,404	-	-	-	4,404
Printing and Reproduction	-	561	848	542	369	2,320
Payroll and Accounting Fees	4,240	2,188	958	683	4,377	12,446
Rent	-	-	-	-	-	-
Rent - Donated Facilities	34,312	17,997	7,670	5,587	35,733	101,299
Repairs and Maintenance	3,329	1,718	752	537	3,436	9,772
Salaries and Wages	-	97,966	164,339	19,988	-	282,293
Supplies	163	1,761	1,991	469	1,453	5,837
Travel	-	1,074	677	-	-	1,751
Utilities	-	775	540	160	2,600	4,075
Vehicle Lease	1,038	536	-	-	1,071	2,645
Volunteer Expenses	-	-	-	-	552	552
Totals	\$ 136,999	\$ 164,137	\$ 199,659	\$ 35,733	\$ 114,714	\$ 651,242

See Independent Auditors' Report.

Catholic Charities of North Louisiana
Schedule of Program Expenses - By Activity
For The Year Ended June 30, 2018

Family Strengthening Program Expenses - By Activity						
	Emergency Assistance	Immigration Services	Financial Education	Benefits Assistance	Gabriel's Closet	Totals
Advertising and Promotion	\$ -	\$ -	\$ -	\$ -	\$ -	-
Bank and Credit Card Fees	-	6	35	-	-	41
Charitable Contributions	-	-	-	-	-	-
Childcare	-	2,600	-	-	-	2,600
Computer Expenses	-	704	989	-	-	1,693
Conferences and Training	-	1,605	3,064	1,497	-	6,166
Cost of Special Events	-	-	-	-	-	-
Depreciation	-	-	862	527	1,162	2,551
Direct Donor Benefits	-	-	-	-	-	-
Dues & Subscriptions	-	1,575	150	-	-	1,725
Emergency Assistance Provided	102,228	-	-	-	-	102,228
Employee Benefits	14	15,203	2,244	5,785	-	23,246
Employee Screenings	-	25	-	25	25	75
Equipment Rental	-	-	-	-	-	-
Food and Supplies Distributed	-	-	-	-	43,373	43,373
Insurance	5,708	2,946	1,289	921	5,892	16,756
Investment Expenses	-	-	-	-	-	-
Licenses & Fees	-	1,612	-	-	-	1,612
Meals and Entertainment	-	350	-	268	-	618
Payroll Taxes	-	6,618	7,132	3,910	-	17,660
Postage	-	3,011	222	-	-	3,233
Printing and Reproduction	-	763	1,344	229	-	2,336
Payroll and Accounting Fees	4,516	2,331	1,020	728	4,662	13,257
Rent	1,820	-	-	-	-	1,820
Rent - Donated Facilities	34,312	17,997	7,670	5,587	35,733	101,299
Repairs and Maintenance	3,210	2,028	810	518	3,313	9,879
Salaries and Wages	-	96,474	96,500	76,304	-	269,278
Supplies	-	12,167	2,709	1,689	1,804	18,369
Travel	-	192	24	1,796	-	2,012
Utilities	12,391	7,264	2,938	2,658	15,505	40,756
Vehicle Lease	1,031	532	233	166	1,064	3,026
Volunteer Expenses	-	-	-	-	416	416
Totals	\$ 165,230	\$ 176,003	\$ 129,235	\$ 102,608	\$ 112,949	\$ 686,025

See Independent Auditors' Report.