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**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**  
**AND SUBSIDIARIES**

**FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**  
**AND SUBSIDIARIES**

**FINANCIAL STATEMENTS**

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## C O N T E N T S

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Financial Section:</b>	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7
<b>Supplementary Financial Information:</b>	
Consolidating Statements of Financial Position – 2018 and 2017	22
Consolidating Statement of Activities – 2018	23
Consolidating Statement of Activities – 2017	24
Consolidating Statement of Functional Expenses – 2018	25
Consolidating Schedule of Activities by Program Services – 2018	27
Schedule of Support, Revenue, and Expenses Prepared for the United Way of Southeast Louisiana – 2018	28
Schedule of Compensation, Benefits, and Other Payments to or on behalf of the Agency Head – 2018	29

## 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, 2018 and 2017, 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.

### *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, 2018 and 2017, 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 22 through 26, Schedule of Activities by Program Services on page 27, Section A of the Schedule of Support, Revenue, and Expenses Prepared for the United Way of Southeast Louisiana on page 28, and Schedule of Compensation, Benefits, and Other Payments to or on behalf of the Agency Head on page 28 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 28 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 6, 2018, 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 6, 2018

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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

June 30, 2018 and 2017

**ASSETS**

	2018	2017
Cash and cash equivalents	\$ 8,878,494	\$ 5,565,577
Program accounts receivable	3,286,952	4,487,523
Contributions receivable:		
Pledges	7,450	14,467
United Way	767,574	671,143
Other receivables	78,089	27,658
Prepaid expenses and deferred charges	371,911	184,880
Investments	12,672,153	11,475,454
Property and equipment - net	13,544,669	14,027,054
 Total assets	 \$ 39,607,292	 \$ 36,453,756

**LIABILITIES AND NET ASSETS**

Liabilities:		
Accounts payable and accrued expenses	\$ 2,857,582	\$ 2,583,779
Deferred revenue	720,400	635,555
Unemployment reserve	168,233	191,776
Funds held for others	138,016	120,476
 Total liabilities	 3,884,231	 3,531,586
 Net assets:		
Unrestricted	30,613,235	27,488,564
Temporarily restricted	3,389,548	4,021,531
Permanently restricted	1,720,278	1,412,075
 Total net assets	 35,723,061	 32,922,170
 Total liabilities and net assets	 \$ 39,607,292	 \$ 36,453,756

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, 2018 and 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	2018 Totals	Unrestricted	Temporarily Restricted	Permanently Restricted	2017 Totals
<b>Revenues</b>								
Public support:								
Contributions	\$ 3,421,046	\$ 1,079,713	\$ 251,409	\$ 4,752,168	\$ 3,239,900	\$ 1,559,570	\$ -	\$ 4,799,470
Contributed goods and services	526,739	-	-	526,739	437,789	-	-	437,789
United Way								
Southeast Louisiana:								
Allocations	-	150,000	-	150,000	-	149,999	-	149,999
Designations	94,815	-	-	94,815	166,831	-	-	166,831
Combined Federal Campaign	10,612	-	-	10,612	15,472	-	-	15,472
St. Charles Parish:								
Allocations	76,000	416,134	-	492,134	18,980	383,664	-	402,644
St. John Parish:								
Allocations	-	110,000	-	110,000	-	140,000	-	140,000
Special events (net of direct costs)	98,685	-	-	98,685	114,437	-	-	114,437
Total public support	<u>4,227,897</u>	<u>1,755,847</u>	<u>251,409</u>	<u>6,235,153</u>	<u>3,993,409</u>	<u>2,233,233</u>	<u>-</u>	<u>6,226,642</u>
Governmental financial assistance:								
Federal	35,650,100	80,000	-	35,730,100	37,948,503	-	-	37,948,503
Other governmental agencies	328,216	-	-	328,216	164,235	-	-	164,235
Total governmental financial assistance	<u>35,978,316</u>	<u>80,000</u>	<u>-</u>	<u>36,058,316</u>	<u>38,112,738</u>	<u>-</u>	<u>-</u>	<u>38,112,738</u>
Other Revenue:								
Program service fees	1,475,140	-	-	1,475,140	1,500,293	-	-	1,500,293
Rent	1,500	-	-	1,500	300	-	-	300
Miscellaneous	54,991	-	-	54,991	16,338	-	-	16,338
Gain (loss) on disposition of property	94,643	-	-	94,643	1,243,245	-	-	1,243,245
Property recoveries	-	-	-	-	15,482	-	-	15,482
Net assets released from restrictions - operations	2,573,334	(2,507,625)	(65,709)	-	2,326,894	(2,326,894)	-	-
Total other revenue	<u>4,199,608</u>	<u>(2,507,625)</u>	<u>(65,709)</u>	<u>1,626,274</u>	<u>5,102,552</u>	<u>(2,326,894)</u>	<u>-</u>	<u>2,775,658</u>
Total revenue	<u>44,405,821</u>	<u>(671,778)</u>	<u>185,700</u>	<u>43,919,743</u>	<u>47,208,699</u>	<u>(93,661)</u>	<u>-</u>	<u>47,115,038</u>
<b>Expenses</b>								
Program services	40,016,198	-	-	40,016,198	40,385,222	-	-	40,385,222
Management and general	1,605,779	-	-	1,605,779	1,506,873	-	-	1,506,873
Fundraising	626,500	-	-	626,500	649,269	-	-	649,269
Total expenses	<u>42,248,477</u>	<u>-</u>	<u>-</u>	<u>42,248,477</u>	<u>42,541,364</u>	<u>-</u>	<u>-</u>	<u>42,541,364</u>
<b>Change in net assets before investment activity</b>	2,157,344	(671,778)	185,700	1,671,266	4,667,335	(93,661)	-	4,573,674
Investment gain	967,327	39,795	122,503	1,129,625	860,023	44,368	138,970	1,043,361
<b>Change in net assets</b>	3,124,671	(631,983)	308,203	2,800,891	5,527,358	(49,293)	138,970	5,617,035
<b>Net Assets</b>								
Beginning of year	27,488,564	4,021,531	1,412,075	32,922,170	21,961,206	4,070,824	1,273,105	27,305,135
End of year	<u>\$ 30,613,235</u>	<u>\$ 3,389,548</u>	<u>\$ 1,720,278</u>	<u>\$ 35,723,061</u>	<u>\$ 27,488,564</u>	<u>\$ 4,021,531</u>	<u>\$ 1,412,075</u>	<u>\$ 32,922,170</u>

See notes to consolidated financial statements.

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

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**

For the years ended June 30, 2018 and 2017

	2018				2017			
	Program Services	Management and General	Fundraising	2018 Totals	Program Services	Management and General	Fundraising	2017 Totals
Salaries	\$ 18,337,434	\$ 1,044,063	\$ 252,634	\$ 19,634,131	\$ 17,902,641	\$ 982,081	\$ 264,760	\$ 19,149,482
Employee benefits	2,883,176	131,120	43,965	3,058,261	2,876,246	127,464	37,209	3,040,919
Payroll Taxes	1,329,963	70,857	18,299	1,419,119	1,333,903	70,803	20,103	1,424,809
<b>Total salaries and related expenses</b>	<b>22,550,573</b>	<b>1,246,040</b>	<b>314,898</b>	<b>24,111,511</b>	<b>22,112,790</b>	<b>1,180,348</b>	<b>322,072</b>	<b>23,615,210</b>
Professional fees and contract services	1,836,327	170,588	208,342	2,215,257	1,561,144	129,437	240,865	1,931,446
Supplies and other operating expenses	1,072,321	24,540	46,151	1,143,012	1,616,881	24,367	41,654	1,682,902
Equipment expense	458,289	26,119	6,792	491,200	706,585	29,037	720	736,342
Occupancy	1,837,616	83,713	25,297	1,946,626	1,988,089	81,737	24,196	2,094,022
Travel and transportation	1,565,833	1,452	47	1,567,332	1,617,952	1,105	55	1,619,112
Personnel recruitment and development	355,636	17,426	12,180	385,242	326,094	23,616	6,491	356,201
Insurance	852,447	11,678	2,209	866,334	842,628	10,412	1,753	854,793
Food	579,401	286	39	579,726	605,952	39	277	606,268
Contributed goods and services	406,937	-	-	406,937	437,789	-	-	437,789
Miscellaneous	84,026	10,816	10,227	105,069	53,753	13,521	10,857	78,131
Specific assistance to individuals	7,342,033	-	-	7,342,033	7,491,298	-	-	7,491,298
Depreciation	1,074,759	13,121	318	1,088,198	1,024,267	13,254	329	1,037,850
<b>Total expenses</b>	<b>\$ 40,016,198</b>	<b>\$ 1,605,779</b>	<b>\$ 626,500</b>	<b>\$ 42,248,477</b>	<b>\$ 40,385,222</b>	<b>\$ 1,506,873</b>	<b>\$ 649,269</b>	<b>\$ 42,541,364</b>

See notes to consolidated financial statements.

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the years ended June 30, 2018 and 2017

	2018	2017
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 2,800,891	\$ 5,617,035
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,088,198	1,037,850
Unrealized gain on investments, net	(676,205)	(731,999)
Donated property and equipment	(119,802)	-
Donated investment	(251,409)	-
Gain on disposal of property and equipment	(94,643)	(1,243,245)
Change in assets and liabilities:		
Accounts receivable	1,060,726	(639,879)
Prepaid expenses and deferred charges	(187,031)	(7,282)
Accounts payable and accrued expenses	273,803	(303,385)
Unemployment reserve	(23,543)	(52,698)
Deferred revenue	84,845	628,055
Net cash provided by operating activities	3,955,830	4,304,452
<b>Cash Flows from Investing Activities</b>		
Net sales/(purchases) of investments	(269,085)	(1,556,915)
Purchases of property and equipment	(541,193)	(2,373,791)
Proceeds from sale of property and equipment	149,825	1,377,725
Net cash used in investing activities	(660,453)	(2,552,981)
<b>Cash Flows from Financing Activities</b>		
Funds held for others	17,540	(26,793)
Net cash provided by (used in) financing activities	17,540	(26,793)
<b>Net increase in cash</b>	3,312,917	1,724,678
<b>Cash and cash equivalents</b>		
Beginning of year	5,565,577	3,840,899
End of year	\$ 8,878,494	\$ 5,565,577
<b>Non-Cash Transactions</b>		
Donated property and equipment	\$ 119,802	\$ -
Donated investment	251,409	-
Contributed goods and services	406,937	437,789
	\$ 778,148	\$ 437,789

See notes to consolidated financial statements.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**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 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 women, infants, children, and 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.

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, 2018 and 2017, 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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**1. Organization and Significant Accounting Policies (continued)**

**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 financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets, based on donor stipulations and restrictions placed on contributions, if any. Accordingly, net assets and changes therein are classified and reported as follows:

- Unrestricted net assets - Contracts for services, contributions, and other revenues and expenditures of funds for the general operation of its programs.
- Temporarily restricted net assets - Contributions and other revenues specifically authorized by the donor or grantor to be used for specific purposes or to benefit specific accounting periods.
- Permanently restricted net assets - Contributions with donor-imposed restrictions that stipulate that resources be maintained permanently, but permits the use of all or part of the income derived.

**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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**1. Organization and Significant Accounting Policies (continued)**

**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.

**Contributions and Contribution 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 unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. 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.

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 in marketable securities with readily determinable fair values and all investments in debt securities are reported in the consolidated statements of financial position at their fair value based on available market quotes and as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or law. Investment income that is restricted by donors is reported as increases in temporarily restricted net assets. Investment income absent restriction and investment losses are reported as increases and decreases in unrestricted net assets.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**1. Organization and Significant Accounting Policies (continued)**

**Investments (continued)**

Interest earned on donor-restricted investments is reported based on the existence or absence of donor-imposed restrictions. The Agency's endowments provide for a certain percentage of current year earnings to be returned to the endowment for perpetual investment. The return of these earnings is reported as increases in permanently restricted net assets. The remaining earnings are recorded as increases in unrestricted net assets and are available to the Agency for distribution in accordance with the endowment agreement or may be returned to the endowment by the Agency for perpetual investment.

**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:

<b><u>Classification</u></b>	<b><u>Lives in Years</u></b>
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.

**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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**1. Organization and Significant Accounting Policies (continued)**

**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 unrestricted 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, 2018 and 2017, the Agency and Subsidiaries recognized \$526,739 and \$437,789, 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, 2018 and 2017; 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 15 for an estimate of the value of the food distributed to program beneficiaries.

**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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**1. Organization and Significant Accounting Policies (continued)**

**Recent Accounting Pronouncements**

On August 18, 2016, FASB issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Under the ASU, the number of net asset classes is decreased from three to two; enhanced disclosures of underwater endowments are required; reporting of expenses by function and nature, as well as an analysis of expenses by both function and nature is required; and qualitative information in the notes to the financial statements on how it manages its liquid available resources and liquidity risks is required. This ASU is effective for fiscal years beginning after December 15, 2017.

In November 2016, FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The ASU requires presentation of the total change in cash, cash equivalents, restricted cash, and restricted cash equivalents for the period in the statement of cash flows. This ASU is effective for fiscal years beginning after December 15, 2017.

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 Agency for periods beginning after December 15, 2018.

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 Agency for fiscal periods beginning after December 15, 2018.

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. The updated guidance is effective for fiscal periods beginning after December 15, 2019.

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**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. 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, 2018 totaling \$775,024 are expected to be collected within one year.

**3. 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:

	<b>2018</b>	<b>2017</b>
Balances at June 30	\$ 12,672,153	\$ 11,475,454
Gain (loss) on investments, net	\$ 676,205	\$ 731,999
Interest and dividends	453,420	311,362
For the year ended June 30, Investment Income (loss)	\$ 1,129,625	\$ 1,043,361

The unrestricted and restricted value of investments at June 30, 2018 is \$9,962,822 and \$2,709,331, respectively. The unrestricted and restricted value of investments at June 30, 2017, is \$9,114,121 and \$2,361,333, respectively.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**4. 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.

**5. 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 permanently restricted net assets.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**5. 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, 2018:

	<b><u>Unrestricted</u></b>	<b><u>Permanently Restricted</u></b>	<b><u>Total</u></b>
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	<b><u>\$ -</u></b>	<b><u>\$ 1,720,278</u></b>	<b><u>\$ 1,720,278</u></b>

The table below represents the endowment related activity for the fiscal year ending June 30, 2017:

	<b><u>Unrestricted</u></b>	<b><u>Permanently Restricted</u></b>	<b><u>Total</u></b>
Endowment net assets, beginning of year	\$ -	\$ 1,273,105	\$ 1,273,105
Net realized and unrealized gains	-	138,970	138,970
Endowment net assets, end of year	<b><u>\$ -</u></b>	<b><u>\$ 1,412,075</u></b>	<b><u>\$ 1,412,075</u></b>

The board elected to forego a distribution from the endowment fund in 2017. The board approved a distribution of \$65,709 from the endowment fund in 2018.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**6. Property and Equipment**

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

	<b><u>2018</u></b>	<b><u>2017</u></b>
Buildings and improvements	\$ 16,498,952	\$ 16,279,418
Leasehold improvements	3,191,856	3,040,551
Equipment	2,354,710	2,452,592
Vehicles	3,902,149	4,261,374
Land	693,884	722,365
	<u>26,641,551</u>	<u>26,756,300</u>
Less accumulated depreciation and amortization	<u>13,096,882</u>	<u>12,729,246</u>
Total property and equipment, net	<u>\$ 13,544,669</u>	<u>\$ 14,027,054</u>

At June 30, 2018 and 2017, buildings and improvements include an idle facility with a net book value of \$500,543. Management has determined that an adjustment for impairment is not necessary.

**7. Restrictions on Net Assets**

Temporarily restricted net assets 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.

The following sets forth the composition of temporarily restricted net assets at June 30.

	<b><u>2018</u></b>	<b><u>2017</u></b>
Disaster relief	\$ 703,529	\$ 1,022,066
Relief services to children	556,821	559,576
Purchases of capital assets	386,491	355,042
United Way allocation for subsequent fiscal year	676,134	733,644
Mental health services	-	71,212
Emergency medical financial assistance	657,611	721,243
Homeless services	-	72,425
Other restrictions	408,962	486,323
	<u>408,962</u>	<u>486,323</u>
Totals	<u>\$ 3,389,548</u>	<u>\$ 4,021,531</u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**7. Restrictions on Net Assets (continued)**

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

	<b><u>2018</u></b>	<b><u>2017</u></b>
Disaster relief	\$ 442,005	\$ 383,783
Relief services to children	16,531	23,470
United Way allocation for subsequent fiscal year	733,644	583,514
Oil spill relief	-	31,863
Mental health services	71,217	146,565
Operations and purchase of mobile medical unit	-	50,909
Emergency medical financial assistance	540,032	330,968
Homeless services	72,425	109,427
Other restrictions	631,771	666,395
Totals	<b><u>\$ 2,507,625</u></b>	<b><u>\$ 2,326,894</u></b>

Permanently restricted net assets consist of endowment fund assets to be held indefinitely. At June 30, 2018 and 2017, the permanently restricted net assets include the Catholic Charities Gift of Life endowment fund in the amount of \$1,720,278 and \$1,412,075, respectively. The Gift of Life endowment fund supports the Agency's pro-life ministries.

**8. 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 effective July 1, 2017 (16% maximum prior to July 1, 2017). 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 \$886,000 and \$856,000, for the years ended June 30, 2018 and 2017, respectively.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**9. 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:

	<u>2018</u>	<u>2017</u>
Adult Day Health Care	\$ 834,817	\$ 675,472
Community Centers and Services	3,039,625	2,780,583
Food for Families	4,818,813	4,947,858
Head Start	6,291,947	6,669,739
Non-residential Day Programs	8,505,188	7,762,561
PACE	12,211,027	12,489,997
Padua Pediatrics and Adult	4,620,285	5,104,335
Residential Special Needs	1,926,775	2,110,819
Total	<u>\$ 42,248,477</u>	<u>\$ 42,541,364</u>

**10. 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 assesses 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 \$985,000 and \$928,000 for general liability, property coverage, workman's compensation, vehicle and other insurances and \$126,000 and \$117,000 for internet services secured on its behalf for the years ended June 30, 2018 and 2017, respectively. The Agency paid the Archdiocese for rent and other operating costs totaling approximately \$279,000 and \$265,000 for the years ended June 30, 2018 and 2017, respectively. In addition, the Agency received reimbursements from Chateau De Notre Dame of \$35,744 and \$5,741 for the years ended June 30, 2018 and 2017, respectively, for costs related to employees.

The Agency had annual lines of credit with the Archdiocese for \$5.0 million that matured on June 30, 2018 and 2017 with interest rates of 4.6% and 4.3%, respectively. No amounts were outstanding as of June 30, 2018 or 2017. 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, 2019.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**10. Related Party Transactions (continued)**

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 \$6,355,361 and \$3,289,695 at June 30, 2018 and 2017, respectively.

**11. 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 2023. 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.

2019	\$	367,247
2020		195,948
2021		86,330
2022		37,596
2023		12,400
	\$	<u>699,521</u>

The rental expense for all operating leases for the years ended June 30, 2018 and 2017 is \$723,585 and \$696,000, respectively.

**12. Significant Contracts and Grants**

For the years ended June 30, 2018 and 2017, \$27,846,095 and \$26,708,977, respectively, of the Agency and Subsidiaries' governmental financial assistance was from the U.S. Department of Health and Human Services and \$4,762,447 and \$4,738,573, 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 \$3,449,774 of the Agency and Subsidiaries' governmental financial assistance in fiscal year 2018 is from various government agencies.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**13. 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 would not have a significant effect on the Agency and Subsidiaries financial position, and as a result, there is no accrual for such matters at June 30, 2018 and 2017.

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.

**14. Concentrations of Credit Risk**

As of June 30, 2018 and 2017, 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 10, 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.

**15. 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 \$4,365,726 and \$4,394,194, for the years ended June 30, 2018 and 2017, respectively. Commodity foods distributed by the Food for Families/Food for Seniors program during the years ended June 30, 2018 and 2017 had an estimated value of \$13.6 million and \$12.8 million, respectively, and weighed 18,940,803 pounds and 19,460,352 pounds, respectively.

**16. Board of Directors Compensation**

The members of the Agency's board of directors were not compensated during the years ended June 30, 2018 and 2017.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**17. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 6, 2018, and determine that the following event occurred that requiring disclosure.

On November 20, 2018 the agency was selected to receive a grant approximating \$5,000,000 from the Day 1 Families Fund. This grant will be used to pursue solutions to end family homelessness in the New Orleans area with a strong focus on providing housing as well as social services, skills training, and job support to assist families in transitioning to and remaining in permanent housing. The grant is for a term of four years.

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

**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION**

	June 30, 2018					June 30, 2017				
	Catholic Charities	PHILMAT	PACE	Eliminations	Totals	Catholic Charities	PHILMAT	PACE	Eliminations	Totals
<b><u>ASSETS</u></b>										
Cash and cash equivalents	\$ 8,877,894	\$ 300	\$ 1,871,028	\$ (1,870,728)	\$ 8,878,494	\$ 5,559,319	\$ 300	\$ 1,536,410	\$ (1,530,452)	\$ 5,565,577
Program accounts receivable	2,582,184	676,547	28,221	-	3,286,952	2,741,401	874,409	871,713	-	4,487,523
Contributions receivable:										
Pledges	7,450	-	-	-	7,450	15,067	-	(600)	-	14,467
United Way	767,574	-	-	-	767,574	671,143	-	-	-	671,143
Other receivables	33,088	(22,327)	67,328	-	78,089	31,899	(3,762)	(479)	-	27,658
Prepaid expenses and deferred charges	361,049	10,862	-	-	371,911	171,064	10,862	2,954	-	184,880
Investments	12,672,153	-	-	-	12,672,153	11,475,454	-	-	-	11,475,454
Property and equipment - net	5,665,341	2,549,182	5,330,146	-	13,544,669	5,579,882	2,797,919	5,649,253	-	14,027,054
Due (to) from affiliate	(8,312,878)	630,097	5,812,053	1,870,728	-	(4,030,038)	263,058	2,236,528	1,530,452	-
<b>Total assets</b>	<b>\$ 22,653,855</b>	<b>\$ 3,844,661</b>	<b>\$ 13,108,776</b>	<b>\$ -</b>	<b>\$ 39,607,292</b>	<b>\$ 22,215,191</b>	<b>\$ 3,942,786</b>	<b>\$ 10,295,779</b>	<b>\$ -</b>	<b>\$ 36,453,756</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>										
Liabilities:										
Accounts payable and accrued expenses	\$ 1,125,877	\$ 129,401	\$ 1,602,304	\$ -	\$ 2,857,582	\$ 1,412,661	\$ 258,711	\$ 912,407	\$ -	\$ 2,583,779
Deferred revenue	-	-	720,400	-	720,400	-	-	635,555	-	635,555
Unemployment reserve	115,101	43,473	9,659	-	168,233	127,626	50,539	13,611	-	191,776
Funds held for others	138,016	-	-	-	138,016	120,476	-	-	-	120,476
<b>Total liabilities</b>	<b>1,378,994</b>	<b>172,874</b>	<b>2,332,363</b>	<b>-</b>	<b>3,884,231</b>	<b>1,660,763</b>	<b>309,250</b>	<b>1,561,573</b>	<b>-</b>	<b>3,531,586</b>
Net assets:										
Unrestricted	16,292,484	3,544,338	10,776,413	-	30,613,235	15,248,271	3,506,087	8,734,206	-	27,488,564
Temporarily restricted	3,262,099	127,449	-	-	3,389,548	3,894,082	127,449	-	-	4,021,531
Permanently restricted	1,720,278	-	-	-	1,720,278	1,412,075	-	-	-	1,412,075
<b>Total net assets</b>	<b>21,274,861</b>	<b>3,671,787</b>	<b>10,776,413</b>	<b>-</b>	<b>35,723,061</b>	<b>20,554,428</b>	<b>3,633,536</b>	<b>8,734,206</b>	<b>-</b>	<b>32,922,170</b>
<b>Total liabilities and net assets</b>	<b>\$ 22,653,855</b>	<b>\$ 3,844,661</b>	<b>\$ 13,108,776</b>	<b>\$ -</b>	<b>\$ 39,607,292</b>	<b>\$ 22,215,191</b>	<b>\$ 3,942,786</b>	<b>\$ 10,295,779</b>	<b>\$ -</b>	<b>\$ 36,453,756</b>

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			Eliminations - Unrestricted	Totals			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total		Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues</b>															
Public support															
Contributions	\$ 2,933,339	\$ 1,079,713	\$ 251,409	\$ 4,264,461	\$ 476,381	\$ -	\$ 476,381	\$ 11,326	\$ -	\$ 11,326	\$ -	\$ 3,421,046	\$ 1,079,713	\$ 251,409	\$ 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	1,755,847	251,409	5,627,644	476,381	-	476,381	131,128	-	131,128	-	4,227,897	1,755,847	251,409	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	2,236	-	2,236	-	-	-	-	54,991	-	-	54,991
Gain (loss) on disposition of property	(20,581)	-	-	(20,581)	-	-	-	115,224	-	115,224	-	94,643	-	-	94,643
Net assets released from restrictions	2,573,334	(2,507,625)	(65,709)	-	-	-	-	-	-	-	-	2,573,334	(2,507,625)	(65,709)	-
Total other revenue	4,304,720	(2,507,625)	(65,709)	1,731,386	2,236	-	2,236	130,456	-	130,456	(237,804)	4,199,608	(2,507,625)	(65,709)	1,626,274
Total revenue	25,546,048	(671,778)	185,700	25,059,970	4,844,343	-	4,844,343	14,253,234	-	14,253,234	(237,804)	44,405,821	(671,778)	185,700	43,919,743
<b>Expenses</b>															
Program services	23,830,521	-	-	23,830,521	4,589,859	-	4,589,859	11,833,622	-	11,833,622	(237,804)	40,016,198	-	-	40,016,198
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	25,456,441	-	-	25,456,441	4,818,813	-	4,818,813	12,211,027	-	12,211,027	(237,804)	42,248,477	-	-	42,248,477
<b>Change in net assets before investment activity and transfers</b>	89,607	(671,778)	185,700	(396,471)	25,530	-	25,530	2,042,207	-	2,042,207	-	2,157,344	(671,778)	185,700	1,671,266
Investment gain	954,606	39,795	122,503	1,116,904	12,721	-	12,721	-	-	-	-	967,327	39,795	122,503	1,129,625
<b>Change in net assets</b>	1,044,213	(631,983)	308,203	720,433	38,251	-	38,251	2,042,207	-	2,042,207	-	3,124,671	(631,983)	308,203	2,800,891
<b>Net assets</b>															
Beginning of year	15,248,271	3,894,082	1,412,075	20,554,428	3,506,087	127,449	3,633,536	8,734,206	-	8,734,206	-	27,488,564	4,021,531	1,412,075	32,922,170
End of year	\$ 16,292,484	\$ 3,262,099	\$ 1,720,278	\$ 21,274,861	\$ 3,544,338	\$ 127,449	\$ 3,671,787	\$ 10,776,413	\$ -	\$ 10,776,413	\$ -	\$ 30,613,235	\$ 3,389,548	\$ 1,720,278	\$ 35,723,061

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, 2017

	Catholic Charities				PHILMAT			PACE			Eliminations - Unrestricted	Totals			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total		Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues</b>															
Public support															
Contributions	\$ 2,695,855	\$ 1,559,570	\$ -	\$ 4,255,425	\$ 414,987	\$ -	\$ 414,987	\$ 129,058	\$ -	\$ 129,058	\$ -	\$ 3,239,900	\$ 1,559,570	\$ -	\$ 4,799,470
Contributed goods and services	437,789	-	-	437,789	-	-	-	-	-	-	-	437,789	-	-	437,789
United Way															
Southeast Louisiana															
Allocations	-	149,999	-	149,999	-	-	-	-	-	-	-	-	149,999	-	149,999
Designations	166,831	-	-	166,831	-	-	-	-	-	-	-	166,831	-	-	166,831
Combined Federal Campaign	15,472	-	-	15,472	-	-	-	-	-	-	-	15,472	-	-	15,472
St. Charles Parish															
Allocations	18,980	383,664	-	402,644	-	-	-	-	-	-	-	18,980	383,664	-	402,644
St. John Parish															
Allocations	-	140,000	-	140,000	-	-	-	-	-	-	-	-	140,000	-	140,000
Special events (net of direct costs)	114,437	-	-	114,437	-	-	-	-	-	-	-	114,437	-	-	114,437
Total public support	3,449,364	2,233,233	-	5,682,597	414,987	-	414,987	129,058	-	129,058	-	3,993,409	2,233,233	-	6,226,642
Governmental financial assistance															
Federal	19,564,378	-	-	19,564,378	4,394,194	-	4,394,194	13,989,931	-	13,989,931	-	37,948,503	-	-	37,948,503
Other governmental agencies	164,235	-	-	164,235	-	-	-	-	-	-	-	164,235	-	-	164,235
Total governmental financial assistance	19,728,613	-	-	19,728,613	4,394,194	-	4,394,194	13,989,931	-	13,989,931	-	38,112,738	-	-	38,112,738
Other Revenue															
Program service fees	1,684,313	-	-	1,684,313	85,000	-	85,000	87,938	-	87,938	(356,958)	1,500,293	-	-	1,500,293
Rent	300	-	-	300	-	-	-	-	-	-	-	300	-	-	300
Miscellaneous	12,561	-	-	12,561	3,777	-	3,777	-	-	-	-	16,338	-	-	16,338
Gain on disposition of property	1,243,245	-	-	1,243,245	-	-	-	-	-	-	-	1,243,245	-	-	1,243,245
Property recoveries	15,482	-	-	15,482	-	-	-	-	-	-	-	15,482	-	-	15,482
Net assets released from restrictions	2,326,894	(2,326,894)	-	-	-	-	-	-	-	-	-	2,326,894	(2,326,894)	-	-
Total other revenue	5,282,795	(2,326,894)	-	2,955,901	88,777	-	88,777	87,938	-	87,938	(356,958)	5,102,552	(2,326,894)	-	2,775,658
Total revenue	28,460,772	(93,661)	-	28,367,111	4,897,958	-	4,897,958	14,206,927	-	14,206,927	(356,958)	47,208,699	(93,661)	-	47,115,038
<b>Expenses</b>															
Program services	23,930,294	-	-	23,930,294	4,730,655	-	4,730,655	12,081,231	-	12,081,231	(356,958)	40,385,222	-	-	40,385,222
Management and general	933,843	-	-	933,843	189,622	-	189,622	383,408	-	383,408	-	1,506,873	-	-	1,506,873
Fundraising	596,330	-	-	596,330	27,581	-	27,581	25,358	-	25,358	-	649,269	-	-	649,269
Total expenses	25,460,467	-	-	25,460,467	4,947,858	-	4,947,858	12,489,997	-	12,489,997	(356,958)	42,541,364	-	-	42,541,364
<b>Change in net assets before investment activity and transfers</b>	3,000,305	(93,661)	-	2,906,644	(49,900)	-	(49,900)	1,716,930	-	1,716,930	-	4,667,335	(93,661)	-	4,573,674
Investment gain	838,299	44,368	138,970	1,021,637	21,724	-	21,724	-	-	-	-	860,023	44,368	138,970	1,043,361
<b>Change in net assets</b>	3,838,604	(49,293)	138,970	3,928,281	(28,176)	-	(28,176)	1,716,930	-	1,716,930	-	5,527,358	(49,293)	138,970	5,617,035
<b>Net assets</b>															
Beginning of year	11,409,667	3,943,375	1,273,105	16,626,147	3,534,263	127,449	3,661,712	7,017,276	-	7,017,276	-	21,961,206	4,070,824	1,273,105	27,305,135
End of year	\$ 15,248,271	\$ 3,894,082	\$ 1,412,075	\$ 20,554,428	\$ 3,506,087	\$ 127,449	\$ 3,633,536	\$ 8,734,206	\$ -	\$ 8,734,206	\$ -	\$ 27,488,564	\$ 4,021,531	\$ 1,412,075	\$ 32,922,170

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, 2018  
(with comparative totals for 2017)

	Catholic Charities				PHILMAT			
	Program Services	Management and General	Fund-raising	Total	Program Services	Management and General	Fund-raising	Total
Salaries	\$ 13,496,925	\$ 668,710	\$ 240,915	\$ 14,406,550	\$ 2,086,253	\$ 131,686	\$ 10,654	\$ 2,228,593
Employee benefits	2,090,906	83,981	41,926	2,216,813	409,782	16,538	1,854	428,174
Payroll Taxes	975,454	45,383	17,450	1,038,287	153,644	8,937	772	163,353
<b>Total salaries and related expenses</b>	<b>16,563,285</b>	<b>798,074</b>	<b>300,291</b>	<b>17,661,650</b>	<b>2,649,679</b>	<b>157,161</b>	<b>13,280</b>	<b>2,820,120</b>
Professional fees and contract services	774,720	109,259	198,677	1,082,656	200,563	21,516	8,786	230,865
Supplies and other operating expenses	595,598	15,718	44,010	655,326	299,036	3,095	1,946	304,077
Equipment expense	255,762	16,729	6,476	278,967	57,109	3,294	287	60,690
Occupancy	1,168,414	53,617	24,123	1,246,154	458,816	10,559	1,067	470,442
Travel and transportation	210,081	930	45	211,056	380,616	183	2	380,801
Personnel recruitment and development	315,984	11,161	11,614	338,759	4,112	2,198	514	6,824
Insurance	408,760	7,480	2,107	418,347	280,259	1,473	93	281,825
Food	417,002	183	38	417,223	59	36	1	96
Contributed goods and services	406,937	-	-	406,937	-	-	-	-
Miscellaneous	79,438	6,927	9,753	96,118	2,896	1,364	431	4,691
Specific assistance to individuals	2,221,951	-	-	2,221,951	-	-	-	-
Depreciation	412,589	8,404	304	421,297	256,714	1,655	13	258,382
<b>Total expenses</b>	<b>\$ 23,830,521</b>	<b>\$ 1,028,482</b>	<b>\$ 597,438</b>	<b>\$ 25,456,441</b>	<b>\$ 4,589,859</b>	<b>\$ 202,534</b>	<b>\$ 26,420</b>	<b>\$ 4,818,813</b>

(continued)

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

**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED**

For the year ended June 30, 2018  
(with comparative totals for 2017)

	PACE				Eliminations - Program Services	2018 Consolidated Totals			
	Program Services	Management and General	Fund-raising	Total		Program Services	Management and General	Fund-raising	Total
Salaries	\$ 2,754,256	\$ 243,667	\$ 1,065	\$ 2,998,988	\$ -	\$ 18,337,434	\$ 1,044,063	\$ 252,634	\$ 19,634,131
Employee benefits	382,488	30,601	185	413,274	-	2,883,176	131,120	43,965	3,058,261
Payroll Taxes	200,865	16,537	77	217,479	-	1,329,963	70,857	18,299	1,419,119
<b>Total salaries and related expenses</b>	<b>3,337,609</b>	<b>290,805</b>	<b>1,327</b>	<b>3,629,741</b>	<b>-</b>	<b>22,550,573</b>	<b>1,246,040</b>	<b>314,898</b>	<b>24,111,511</b>
Professional fees and contract services	861,044	39,813	879	901,736	-	1,836,327	170,588	208,342	2,215,257
Supplies and other operating expenses	177,687	5,727	195	183,609	-	1,072,321	24,540	46,151	1,143,012
Equipment expense	145,418	6,096	29	151,543	-	458,289	26,119	6,792	491,200
Occupancy	210,386	19,537	107	230,030	-	1,837,616	83,713	25,297	1,946,626
Travel and transportation	975,136	339	-	975,475	-	1,565,833	1,452	47	1,567,332
Personnel recruitment and development	35,540	4,067	52	39,659	-	355,636	17,426	12,180	385,242
Insurance	163,428	2,725	9	166,162	-	852,447	11,678	2,209	866,334
Food	162,340	67	-	162,407	-	579,401	286	39	579,726
Contributed goods and services	-	-	-	-	-	406,937	-	-	406,937
Miscellaneous	1,692	2,525	43	4,260	-	84,026	10,816	10,227	105,069
Specific assistance to individuals	5,357,886	-	-	5,357,886	(237,804)	7,342,033	-	-	7,342,033
Depreciation	405,456	3,062	1	408,519	-	1,074,759	13,121	318	1,088,198
<b>Total expenses</b>	<b>\$ 11,833,622</b>	<b>\$ 374,763</b>	<b>\$ 2,642</b>	<b>\$ 12,211,027</b>	<b>\$ (237,804)</b>	<b>\$ 40,016,198</b>	<b>\$ 1,605,779</b>	<b>\$ 626,500</b>	<b>\$ 42,248,477</b>

See accompanying independent auditors' report.

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

**CONSOLIDATING SCHEDULE OF ACTIVITIES BY PROGRAM SERVICES**

For the year ended June 30, 2018

	Catholic Charities						Totals	PHILMAT	PACE	Eliminations	2018 Consolidated Totals
	Head Start	Adult Day Health Care	Padua Pediatrics and Adult	Community Centers and Services	Residential Special Needs	Non-Residential Day Programs					
<b>Revenues</b>											
Public support:											
Contributions	\$ 573,113	\$ 100,627	\$ 92,089	\$ 883,211	\$ 234,005	2,381,416	\$ 4,264,461	\$ 476,381	\$ 11,326	\$ -	\$ 4,752,168
Contributed goods and services	341,706	30,000	2,117	-	1,652	31,462	406,937	-	119,802	-	526,739
United Way:											
Southeast Louisiana:											
Allocations	50,000	25,000	-	25,000	-	50,000	150,000	-	-	-	150,000
Designations	31,271	15,636	-	16,636	-	31,272	94,815	-	-	-	94,815
Combined Federal Campaign	3,536	1,769	-	1,769	-	3,538	10,612	-	-	-	10,612
St. Charles Parish:											
Allocations	-	-	-	362,134	-	130,000	492,134	-	-	-	492,134
St. John Parish:											
Allocations	-	-	-	-	-	110,000	110,000	-	-	-	110,000
Special events (net of direct costs)	-	-	-	-	-	98,685	98,685	-	-	-	98,685
Total public support	999,626	173,032	94,206	1,288,750	235,657	2,836,373	5,627,644	476,381	131,128	-	6,235,153
Governmental financial assistance:											
Federal	5,873,642	185,755	4,031,250	1,182,703	1,203,228	4,896,146	17,372,724	4,365,726	13,991,650	-	35,730,100
Other governmental agencies	-	123,621	-	53,770	99,713	51,112	328,216	-	-	-	328,216
Total governmental financial assistance	5,873,642	309,376	4,031,250	1,236,473	1,302,941	4,947,258	17,700,940	4,365,726	13,991,650	-	36,058,316
Other Revenue:											
Program service fees	-	352,414	235,096	126	193,845	916,231	1,697,712	-	15,232	(237,804)	1,475,140
Rent	-	-	-	-	1,500	-	1,500	-	-	-	1,500
Miscellaneous	-	-	65	50,732	-	1,958	52,755	2,236	-	-	54,991
Gain (loss) on disposition of property	(955)	(21,628)	(2,198)	6,119	(19)	(1,900)	(20,581)	-	115,224	-	94,643
Total other revenue	(955)	330,786	232,963	56,977	195,326	916,289	1,731,386	2,236	130,456	(237,804)	1,626,274
Total revenue	6,872,313	813,194	4,358,419	2,582,200	1,733,924	8,699,920	25,059,970	4,844,343	14,253,234	(237,804)	43,919,743
<b>Expenses</b>											
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
Employee benefits	575,086	81,135	446,111	214,761	78,380	695,433	2,090,906	409,782	382,488	-	2,883,176
Payroll taxes	259,446	27,563	198,842	125,434	35,617	328,552	975,454	153,644	200,865	-	1,329,963
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
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
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
Equipment expense	60,064	13,595	45,520	27,013	6,180	103,390	255,762	57,109	145,418	-	458,289
Occupancy	521,027	48,202	217,402	(107,994)	95,915	393,862	1,168,414	458,816	210,386	-	1,837,616
Travel and transportation	8,622	26,187	45,900	56,802	10,938	61,632	210,081	380,616	975,136	-	1,565,833
Personnel recruitment and development	75,440	2,198	9,416	21,387	6,029	201,514	315,984	4,112	35,540	-	355,636
Insurance	75,770	9,466	118,189	39,786	21,607	143,942	408,760	280,259	163,428	-	852,447
Food	195,250	69,831	148,225	755	1,719	1,222	417,002	59	162,340	-	579,401
Contributed goods and services	341,706	30,000	2,117	-	1,652	31,462	406,937	-	-	-	406,937
Management and general	239,354	33,314	201,803	134,466	81,211	338,334	1,028,482	202,534	374,763	-	1,605,779
Miscellaneous	2,637	593	11,209	8,665	24,911	31,423	79,438	2,896	1,692	-	84,026
Specific assistance to individuals	55	777	310,370	333,247	770,576	806,926	2,221,951	-	5,357,886	(237,804)	7,342,033
Fundraising	12,326	6,415	21,485	171,620	21,503	364,089	597,438	26,420	2,642	-	626,500
Depreciation	117,221	7,062	75,407	131,323	42,383	39,193	412,589	256,714	405,456	-	1,074,759
Total expenses	6,291,947	834,817	4,858,089	3,039,625	1,926,775	8,505,188	25,456,441	4,818,813	12,211,027	(237,804)	42,248,477
<b>Change in net assets before investment activity and transfers</b>	580,366	(21,623)	(499,670)	(457,425)	(192,851)	194,732	(396,471)	25,530	2,042,207	-	1,671,266
Investment gain	4,421	-	-	134,870	459,594	518,019	1,116,904	12,721	-	-	1,129,625
<b>Change in net assets</b>	\$ 584,787	\$ (21,623)	\$ (499,670)	\$ (322,555)	\$ 266,743	\$ 712,751	\$ 720,433	\$ 38,251	\$ 2,042,207	\$ -	\$ 2,800,891

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, 2018

**SECTION A - FUNCTIONAL SPREADSHEET**

FORM 1

FUNCTIONAL BUDGET SPREADSHEET	AGENCY TOTAL	ADMINISTRATION FUNDRAISING	TOTAL PROGRAM SERVICES	Adult Day	Head	Padua	Community	Residential	Non-Residential	Food for		
	(SUM 2 + 3)	Management & General	SUM (4 to 13)	Health Care	Start	Pediatrics & Adult	Centers & Services	Special Needs	Day Programs	Families	PACE	
	1	2	3	4	5	6	7	8	9	10	11	
<b>REVENUE: (For United Way request, indicate Goal Areas)</b>												
1	4201 CLIENT GENERATED SELF SUPPORT	\$ 3,908,510	\$ -	\$ 3,908,510	\$ 110,627	\$ 896,819	\$ 26,924	\$ 512,661	\$ 200,657	\$ 1,562,791	\$ 473,903	\$ 124,128
2	5000 GOVERNMENT GRANTS/CONTRACTS	36,058,316	-	36,058,316	309,376	5,873,642	4,031,250	1,236,473	1,302,941	4,947,258	4,365,726	13,991,650
3	4800 OTHER FOUNDATIONS OR NATIONAL GRANTS	1,469,082	-	1,469,082	20,000	18,000	67,282	370,550	35,000	948,772	2,478	7,000
4	6700 OTHER REVENUE	2,993,703	-	2,993,703	330,786	3,466	232,963	191,847	654,920	1,434,308	14,957	130,456
5	<b>TOTAL SELF GENERATED REVENUE</b>	<b>44,429,611</b>	<b>-</b>	<b>44,429,611</b>	<b>770,789</b>	<b>6,791,927</b>	<b>4,358,419</b>	<b>2,311,531</b>	<b>2,193,518</b>	<b>8,893,129</b>	<b>4,857,064</b>	<b>14,253,234</b>
6	4702 UNITED WAY DESIGNATIONS	94,815	-	94,815	15,636	31,271	-	16,636	-	31,272	-	-
7	4703 CFC DESIGNATIONS	10,612	-	10,612	1,769	3,536	-	1,769	-	3,538	-	-
8	4704 OTHER UNITED WAY GRANTS	602,134	-	602,134	-	-	-	362,134	-	240,000	-	-
9	<b>TOTAL REVENUE</b>	<b>45,137,172</b>	<b>-</b>	<b>45,137,172</b>	<b>788,194</b>	<b>6,826,734</b>	<b>4,358,419</b>	<b>2,692,070</b>	<b>2,193,518</b>	<b>9,167,939</b>	<b>4,857,064</b>	<b>14,253,234</b>
10	4701 UNITED WAY OF SOUTHEAST LOUISIANA	150,000	-	150,000	25,000	50,000	-	25,000	-	50,000	-	-
11	<b>GRAND TOTAL REVENUE</b>	<b>\$ 45,287,172</b>	<b>\$ -</b>	<b>\$ 45,287,172</b>	<b>\$ 813,194</b>	<b>\$ 6,876,734</b>	<b>\$ 4,358,419</b>	<b>\$ 2,717,070</b>	<b>\$ 2,193,518</b>	<b>\$ 9,217,939</b>	<b>\$ 4,857,064</b>	<b>\$ 14,253,234</b>
<b>EXPENSES:</b>												
12	7000 SALARIES	\$ 19,634,131	\$ 1,296,697	\$ 18,337,434	\$ 434,609	\$ 3,557,076	\$ 2,691,222	\$ 1,723,500	\$ 493,530	\$ 4,596,988	\$ 2,086,253	\$ 2,754,256
13	7100 BENEFITS	3,058,261	175,085	2,883,176	81,135	575,086	446,111	214,761	78,380	695,433	409,782	382,488
14	7200 TAXES	1,419,119	89,156	1,329,963	27,563	259,446	198,842	125,434	35,617	328,552	153,644	200,865
15	8400 OCCUPANCY EXPENSES	1,946,626	109,010	1,837,616	48,202	521,027	217,402	(107,994)	95,915	393,862	458,816	210,386
16	8700 TRAVEL & TRANSPORTATION EXP	1,567,332	1,499	1,565,833	26,187	8,622	45,900	56,802	10,938	61,632	380,616	975,136
17	8100 SUPPLIES	1,143,012	70,691	1,072,321	20,081	163,148	176,012	47,082	13,509	175,766	299,036	177,687
19	8900 DIRECT ASSISTANCE TO INDIVIDUALS	8,566,500	325	8,566,175	100,608	537,011	460,712	334,002	773,947	839,610	59	5,520,226
20	9400 OTHER	5,151,300	489,816	4,661,484	56,703	418,851	398,600	339,952	322,225	710,922	801,653	1,612,578
21	<b>GRAND TOTAL EXPENSES</b>	<b>\$ 42,486,281</b>	<b>\$ 2,232,279</b>	<b>\$ 40,254,002</b>	<b>\$ 795,088</b>	<b>\$ 6,040,267</b>	<b>\$ 4,634,801</b>	<b>\$ 2,733,539</b>	<b>\$ 1,824,061</b>	<b>\$ 7,802,765</b>	<b>\$ 4,589,859</b>	<b>\$ 11,833,622</b>
22	<b>NET DIFFERENCE</b>	<b>\$ 2,800,891</b>	<b>\$ (2,232,279)</b>	<b>\$ 5,033,170</b>	<b>\$ 18,106</b>	<b>\$ 836,467</b>	<b>\$ (276,382)</b>	<b>\$ (16,469)</b>	<b>\$ 369,457</b>	<b>\$ 1,415,174</b>	<b>\$ 267,205</b>	<b>\$ 2,419,612</b>

**SECTION B - EXPENSES ANALYSIS:**

23-Total Direct Program Expenses	\$ 795,088	6,040,267	4,634,801	2,733,539	1,824,061	7,802,765	4,589,859	11,833,622
24-Percent of Total Program Expenses	1.98%	15.01%	11.51%	6.79%	4.53%	19.38%	11.40%	29.40%
25-Distribution of M & G Expenses	\$ 39,729	251,680	223,288	306,086	102,714	702,423	228,954	377,405
26-Grand Total Program Expenses	\$ 834,817	6,291,947	4,858,089	3,039,625	1,926,775	8,505,188	4,818,813	12,211,027
27-Projected Undup. People Served	89	525	66	3,096	202	5,546	55,463	262
28-Cost per Person	\$ 9,380	11,985	73,607	982	9,538	1,534	87	46,607

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, 2018

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

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 138,582
Travel	845

See accompanying independent auditors' report.

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**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**  
**AND SUBSIDIARIES**

**SINGLE AUDIT REPORT**

**JUNE 30, 2018**

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**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**  
**New Orleans, Louisiana**

Single Audit Reports

June 30, 2018

**Table of Contents**

	<b>Page</b>
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance and the Report on the Schedule of Expenditures of Federal Awards	3
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	9
Schedule of Findings and Questioned Costs	10
Summary Schedule of Prior Audit Findings	12

**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, 2018, 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 6, 2018.

**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.



### **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 6, 2018

**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, 2018. 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, 2018.

### **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.



### **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, 2018, and have issued our report thereon dated December 6, 2018, 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 6, 2018

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title/Program Description	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
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	\$ 326,479
Adult Day Health Care	10.558	2003-79-517-1297	46,777
Total - Child and Adult Care Food Program			<u>373,256</u>
Child Nutrition Cluster			
National School Lunch Program	10.555	2004-795171297	23,465
Total - Louisiana Department of Education			<u>396,721</u>
Department of Health			
Office of Public Health			
Commodity Supplemental Food Program	10.565	2000198453-061207	4,365,726
Total - State of Louisiana			<u>4,762,447</u>
Total - U.S. Department of Agriculture			<u>4,762,447</u>
<b>U.S. Department of Housing and Urban Development</b>			
Direct Programs:			
Continuum of Care Program			
Transitional Housing	14.267	LA0052L6H031609	229,735
Permanent Housing	14.267	LA0053L6H031609	123,211
Total - direct programs			<u>352,946</u>
Pass-through programs from:			
UNITY for the Homeless, Inc.			
Supportive Housing Program			
Sacred Heart	14.218	2000165847	43,953
Continuum of Care Program			
Sacred Heart	14.267	LA0049L6H031603	98,715
Mental Health	14.267	LA0075L6H031609	414,905
Families First	14.267	LA0050L6H031504	68,730
Total - UNITY for the Homeless, Inc.			<u>626,303</u>
Total - U.S. Department of Housing and Urban Development			<u>979,249</u>
<b>U.S. Department of Justice</b>			
Pass-through programs from:			
Louisiana Commission on Law Enforcement and Administration of Criminal Justice			
Domestic Violence	16.575	2016-VA-02-3818	191,142
Southeast Louisiana Legal Services			
Legal Services	16.524	2015-WL-AX-0053	91,731
Covenant House of New Orleans			
Services for Trafficking Victims	16.320	2015-VT-BX-K004	35,292
Total - U.S. Department of Justice			<u>318,165</u>

(Continued)

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended June 30, 2018

<b>Federal Grantor/Pass-Through Grantor/ Program Title/Program Description</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of State</b>			
Pass-through program from:			
United States Conference of Catholic Bishops			
Reception and Placement - administration	19.510	S-PRMCO-17-CA-1006	\$ 57,624
Total - U.S. Department of State			<u>57,624</u>
<b>U.S. Department of Transportation</b>			
Pass-through program from:			
State of Louisiana Department of Transportation and Development			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	ED16-36-18	74,749
Total - U.S. Department of Transportation			<u>74,749</u>
<b>U.S. Department of Education</b>			
Pass-through program from:			
State of Louisiana			
Louisiana Community and Technical College System			
Adult Education	84.002	V002A160018	88,902
Total - U.S. Department of Education			<u>88,902</u>
<b>U.S. Department of Health and Human Services</b>			
Direct Program:			
Head Start			
Head Start / Early Head Start Program	93.600	06CH010148	5,547,163
Pass-through programs from:			
Catholic Charities of the Diocese of Baton Rouge			
Louisiana Office for Refugees			
Refugee Social Services	93.566	None	151,425
Refugee Social Services (PPP)	93.583	None	247,714
Refugee Screening	93.576	None	36,539
Total - Office for Refugees			<u>435,678</u>
Department of Children and Family Services			
Social Services Block Grant			
Therapeutic Family Services	93.667	010007814	462,211
Total - State of Louisiana			<u>897,889</u>
City of New Orleans			
Health Resources and Services Administration			
Consolidated Health Centers Program			
NOLA/HRSA Healthcare for the Homeless	93.224	K17-1418	198,530
National Council on Aging			
Medicare Enrollment Assistance Program	93.071	None	80,000
United States Conference of Catholic Bishops			
Vulnerable Care Services	93.576	9ORP0111	52,550
Services to Victims of a Severe Form of Trafficking	93.598	ATS-39	11,431
Total - United States Conference of Catholic Bishops			<u>63,981</u>
Total - U.S. Department of Health and Human Services			<u>6,787,563</u>

(Continued)

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title/Program Description	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>Corporation for National and Community Service</b>			
Direct program:			
Foster Grandparents Program	94.011	16SFWLA002	\$ 323,629
Pass-through programs from:			
The Volunteer Louisiana Commission Americorps	94.006	15AFHLA0010007	144,061
Catholic Charities USA Refugee Resettlement Program Americorps	94.006	16NDHVA001	3,689
Total - Corporation for National and Community Service			471,379
<b>U.S. Department of Homeland Security</b>			
Direct program:			
Citizenship Education and Training Pathways to Citizenship	97.010	17CICET00018	119,971
Pass-through programs from:			
State of Louisiana Disaster Case Management Program	97.088	2000199235	1,011,519
Total - U.S. Department of Homeland Security			1,131,490
Total Expenditures of Federal Awards included in this report			\$ 14,671,568
<b><u>Federal Expenditures Summarized by CFDA number:</u></b>			
National School Lunch Program	10.555		\$ 23,465
Child and Adult Care Food Program	10.558		373,256
Commodity Supplemental Food Program	10.565		4,365,726
Community Development Block Grants/Entitlement Grants	14.218		43,953
Continuum of Care Program	14.267		935,296
Services for Trafficking Victims	16.320		35,292
Legal Assistance for Victims	16.524		91,731
Crime Victim Assistance	16.575		191,142
U.S. Refugee Admissions Program	19.510		57,624
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		74,749
Adult Education - Basic Grants to States	84.002		88,902
Medicare Enrollment Assistance Program	93.071		80,000
Consolidated Health Centers Program - NOLA/HRSA Healthcare for the Homeless	93.224		198,530
Refugee and Entrant Assistance - State Administered Programs	93.566		151,425
Refugee and Entrant Assistance - Discretionary Grants	93.576		89,089
Refugee and Entrant Assistance - State Administered Programs (PPP)	93.583		247,714
Services to Victims of a Severe Form of Trafficking	93.598		11,431
Head Start	93.600		5,547,163
Social Services Block Grant	93.667		462,211
AmeriCorps	94.006		147,750
Foster Grandparent Program	94.011		323,629
Citizenship Education and Training	97.010		119,971
Disaster Assistance Projects	97.088		1,011,519
			\$ 14,671,568

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, 2018

**(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, 2018. 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	\$ 14,671,568
State and local funds	328,216
U.S. Department of Health and Human Services - Fees	2,918,098
Office of Health and Hospitals –Medicaid and Medicare	<u>18,140,434</u>
Total governmental financial assistance	<u>\$ 36,058,316</u>

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**  
**New Orleans, Louisiana**

Schedule of Findings and Questioned Costs

Year ended June 30, 2018

(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 Health and Human Services Head Start / Early Head Start Program	93.600
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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, 2018

- (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, 2018

None.

Independent Accountant's Report  
On Applying Agreed-Upon Procedures  
For the Year Ended June 30, 2018

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

We have performed the procedures enumerated below, which were agreed to by the Catholic Charities Archdiocese of New Orleans (the Organization) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Organization's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*". If not, then a description of the exception ensues. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, we will note that the procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

***Written Policies and Procedures***

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*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving

- d) **Receipts**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

### ***Board or Finance Committee***

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- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*The managing board/finance committee met with a quorum six times during the year in accordance with their bylaws. No exceptions noted.*

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*No exceptions noted.*

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

*Not applicable to nonprofit organizations.*

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*No exceptions noted.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

*No exceptions noted.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No exceptions noted.*

### ***Collections***

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

***Non-payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*No exceptions noted.*

- b) At least two employees are involved in processing and approving payments to vendors.

*No exceptions noted.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*No exceptions noted.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*No exceptions noted.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

*No exceptions noted.*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*No exceptions noted.*

### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

*We obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete.*

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*No exceptions noted.*

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*No exceptions noted.*

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*No exceptions noted.*

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions noted.*

### ***Contracts***

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*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

### ***Payroll and Personnel***

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- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*We obtained a listing of employees employed during the fiscal period and management's representation that the listing is complete.*

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*No exceptions noted.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*No exceptions noted.*

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*No exceptions noted.*

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.:

*No exceptions noted.*

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*No exceptions noted.*

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*Not applicable to nonprofit organizations.*

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*Not applicable to nonprofit organizations.*

*Debt Service*

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

*Not applicable to the Organization.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

*Not applicable to the Organization*

*Other*

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*These procedures were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the entity.*

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Sincerely,

*Postlethwaite & Netterville*

Metairie, Louisiana  
December 6, 2018