

Catholic Charities of North Louisiana

*Financial Statements
For the Years Ended June 30, 2017 and 2016*



Catholic Charities of North Louisiana

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1-2
Statement of Financial Position as of June 30, 2017 and 2016	3
Statement of Activities for the Years Ended June 30, 2017 and 2016	4-5
Statement of Functional Expenses for the Year Ended June 30, 2017	6
Statement of Functional Expenses for the Year Ended June 30, 2016	7
Statement of Cash Flows for the Years Ended June 30, 2017 and 2016	8
Notes to Financial Statements	9-16

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Catholic Charities of North Louisiana

We have audited the accompanying financial statements of Catholic Charities of North Louisiana (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Catholic Charities of North Louisiana, as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Catholic Charities of North Louisiana as of June 30, 2016, were audited by other auditors whose report dated September 13, 2016, expressed an unmodified opinion on those statements.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
August 18, 2017

**Catholic Charities of North Louisiana
Statements of Financial Position
As of June 30, 2017 and 2016**

	2017	2016
<u>ASSETS</u>		
Current Assets		
Cash & Cash Equivalents	\$ 415,874	\$ 451,998
Unconditional Promises to Give	-	1,200
Donated Items on Hand	32,872	31,863
Prepaid Expenses	9,027	2,703
Total Current Assets	457,773	487,764
Property and Equipment, net	16,183	9,364
Other Assets		
Investments	512,691	494,796
Total Other Assets	512,691	494,796
TOTAL ASSETS	\$ 986,647	\$ 991,924
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts Payable	\$ 17,120	\$ 18,358
Refundable Advances	175,822	178,807
Accrued Vacation Payable	6,865	3,552
Payroll Liabilities	-	1,330
Total Current Liabilities	199,807	202,047
Net Assets		
Unrestricted	768,480	766,716
Temporarily Restricted	18,360	23,161
Total Net Assets	786,840	789,877
TOTAL LIABILITIES AND NET ASSETS	\$ 986,647	\$ 991,924

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

Catholic Charities of North Louisiana
Statements of Activities
For The Years Ended June 30, 2017 and 2016

	2017	2016
Changes in Unrestricted Net Assets:		
Unrestricted Revenues and Gains		
Contributions	\$ 133,618	\$ 238,281
Grants	29,944	7,100
Use of Contributed Facilities	76,320	76,320
Diocesan Subsidy	40,000	40,000
Special Events Revenue	75,935	71,957
Program Service Fees	61,569	51,582
Gifts-in-Kind	7,510	-
Investment Return, net	37,571	9,337
Total Unrestricted Revenues and Gains	462,467	494,577
Net Assets Released From Restrictions	381,278	368,923
Total Unrestricted Revenues, Gains, and Other Support	843,745	863,500
Expenses:		
Program Services		
Emergency Assistance	181,370	173,880
Immigration Services	126,057	145,035
Financial Education	67,490	89,482
Benefits Assistance	104,978	66,171
Gabriel's Closet	105,860	88,682
Total Program Services	585,755	563,250
Supporting Services		
Management and General	136,592	112,426
Fundraising	119,634	127,145
Total Supporting Services	256,226	239,571
Total Expenses	841,981	802,821
Increase/(Decrease) in Unrestricted Net Assets	1,764	60,679

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

Catholic Charities of North Louisiana
Statements of Activities
For The Years Ended June 30, 2017 and 2016

	(Continued)	
	2017	2016
Changes in Temporarily Restricted Net Assets:		
Contributions		
Emergency Assistance	\$ -	\$ 7,020
Immigration Services	230	-
Benefits Assistance	1,545	2,500
Gabriel's Closet	-	11,078
Lake Providence Location	14,000	23,660
Monroe Location	8,769	6,352
Total Contributions	24,544	50,610
Grants		
Emergency Assistance	57,674	95,580
Immigration Services	26,346	9,297
Financial Education	41,503	54,937
Benefits Assistance	81,018	35,534
Gabriel's Closet	39,000	-
Total Grants	245,541	195,348
Gifts-in-Kind to Gabriel's Closet	37,357	29,381
Gifts-in-Kind to Monroe Location	3,281	-
Use of Contributed Facilities for Monroe Location	35,424	35,420
Rental income from Monroe Location	10,330	-
Diocesan Subsidy for Monroe Location	20,000	20,000
Special Events Revenue for Monroe Location	-	14,550
Net Assets Released from Restrictions	(381,278)	(368,923)
Increase/(Decrease) in Temporarily Restricted Net Assets	(4,801)	(23,614)
 Increase/(Decrease) in Net Assets	 (3,037)	 37,065
 NET ASSETS AT BEGINNING OF YEAR	 789,877	 752,812
 NET ASSETS AT END OF YEAR	 786,840	 789,877

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

**Catholic Charities of North Louisiana
Statement of Functional Expenses
For The Year Ended June 30, 2017**

	Program Expenses					Supporting Services		
	Emergency Assistance	Immigration Services	Financial Education	Benefits Assistance	Gabriel's Closet	Management & General	Fundraising	Total
(1) Advertising and Promotion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,836	\$ 1,836
Bank and Credit Card Fees	35	1	-	-	-	470	1,190	1,696
Charitable Contributions	-	-	-	-	-	27	200	227
Childcare	-	2,350	-	-	500	-	-	2,850
Computer Expenses	357	1,995	-	495	952	1,905	2,497	8,201
Conferences and Training	57	1,225	10	4,363	180	4,288	2,274	12,397
Cost of Special Events	-	-	-	-	-	-	21,952	21,952
Depreciation	-	-	862	594	-	3,162	-	4,618
Dues & Subscriptions	-	1,360	-	97	150	3,380	73	5,060
Emergency Assistance Provided	99,385	-	-	-	-	-	-	99,385
Employee Benefits	-	9,036	1,261	11,205	74	12,772	4,891	39,239
Employee Screenings	98	171	-	163	242	25	-	699
Equipment Rental	-	-	-	-	-	1,037	-	1,037
Food and Supplies Distributed	-	-	-	-	18,423	-	-	18,423
Insurance	-	4,947	-	-	-	16,421	-	21,368
Investment Expenses	-	-	-	-	-	3,629	-	3,629
Meals and Entertainment	-	83	-	136	-	-	32	251
Other	261	840	-	-	-	-	-	1,101
Payroll Taxes	1,981	5,306	3,726	4,791	1,455	3,175	5,007	25,441
Postage	94	1,965	76	40	225	1,060	2,346	5,806
Printing and Reproduction	-	536	260	997	665	545	7,438	10,441
Professional Fees	-	-	-	-	-	12,956	-	12,956
Rent	36,132	17,997	7,670	5,587	35,733	9,991	3,564	116,674
Repairs and Maintenance	-	-	-	-	406	9,244	-	9,650
Salaries and Wages	32,621	69,717	50,235	67,690	24,855	46,259	64,367	355,744
Supplies	808	2,201	1,258	4,736	5,736	3,543	737	19,019
Travel	-	363	-	2,120	-	8	163	2,654
Utilities	9,266	5,213	2,132	1,964	15,165	1,793	1,067	36,600
Vehicle Lease	275	751	-	-	551	902	-	2,479
Volunteer Expenses	-	-	-	-	548	-	-	548
Total Functional Expenses	\$ 181,370	\$ 126,057	\$ 67,490	\$ 104,978	\$ 105,860	\$ 136,592	\$ 119,634	\$ 841,981

(1) See Note 11

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

**Catholic Charities of North Louisiana
Statement of Functional Expenses
For The Year Ended June 30, 2016**

	Program Expenses					Supporting Services		Total
	Emergency Assistance	Immigration Services	Financial Education	Benefits Assistance	Gabriel's Closet	Management & General	Fundraising	
(1) Advertising and Promotion	\$ 15,848	\$ 15,848	\$ 15,848	\$ 15,848	\$ 15,861	\$ 500	\$ 17,579	\$ 97,332
Bank and Credit Card Fees	35	9	-	-	12	362	820	1,238
Charitable Contributions	-	-	-	-	-	200	-	200
Computer Expenses	550	4,091	-	45	-	1,005	1,581	7,272
Conferences and Training	-	25	350	500	-	2,867	141	3,883
Depreciation	-	-	251	274	-	2,002	-	2,527
Direct Donor Benefits	-	-	-	-	-	-	24,124	24,124
Dues & Subscriptions	150	1,125	-	-	-	3,013	289	4,577
Emergency Assistance Provided	91,623	-	-	-	-	-	-	91,623
Employee Benefits	2,509	7,999	1,185	1,850	176	8,054	8,195	29,968
Employee Screenings	59	27	-	27	-	335	-	448
Equipment Rental	-	-	-	-	-	1,378	-	1,378
Food and Supplies Distributed	-	-	-	-	14,645	-	-	14,645
Insurance	909	5,300	1,850	884	2,099	2,027	1,659	14,728
Meals and Entertainment	-	-	-	-	-	-	425	425
Payroll Taxes	1,541	5,709	3,756	1,529	520	4,572	3,827	21,454
Postage	-	1,936	47	10	-	286	1,491	3,770
Printing and Reproduction	-	426	662	777	505	889	10,359	13,618
Professional Fees	-	-	-	-	-	12,682	-	12,682
Rent	36,132	17,997	7,670	5,587	35,733	7,657	3,564	114,340
Repairs and Maintenance	511	1,086	656	478	3,058	437	305	6,531
Salaries and Wages	20,603	76,335	50,226	20,438	6,955	61,136	51,166	286,859
Supplies	78	4,348	4,736	2,462	1,423	1,468	815	15,330
Temporary Services	875	-	-	14,040	-	-	-	14,915
Travel	-	-	593	219	-	-	37	849
Utilities	2,457	2,774	1,652	1,203	7,695	1,518	768	18,067
Vehicle Lease	-	-	-	-	-	-	-	-
Volunteer Expenses	-	-	-	-	-	38	-	38
Total Functional Expenses	\$ 173,880	\$ 145,035	\$ 89,482	\$ 66,171	\$ 88,682	\$ 112,426	\$ 127,145	\$ 802,821

(1) See Note 11

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

Catholic Charities of North Louisiana
Statements of Cash Flows
For The Years Ended June 30, 2017 and 2016

	2017	2016
Cash Flows From Operating Activities		
Increase/(Decrease) in Net Assets	\$ (3,037)	\$ 37,065
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	4,618	2,527
Net Realized Gains on Investments	(1,601)	(24,186)
Net Unrealized (Gains)/Losses on Investments	(19,610)	29,551
Other	1,395	-
(Increase)/Decrease in Operating Assets:		
Unconditional Promises to Give	1,200	(1,200)
Donated Items on Hand	(1,009)	(14,736)
Prepaid Expenses	(6,324)	(269)
Due From Employees	-	525
(Increase)/Decrease in Operating Liabilities:		
Accounts Payable	(1,238)	4,899
Refundable Advances	(2,985)	128,377
Accrued Vacation Payable	3,313	(1,411)
Payroll Liabilities	(1,330)	1,275
Net Cash Provided/(Used) by Operating Activities	(26,608)	162,417
 Cash Flows From Investing Activities		
Proceeds from Sales and Maturities of Securities	105,854	452,612
Purchases of Investments	(104,138)	(406,197)
Purchases of Property and Equipment	(11,232)	(5,127)
Net Cash Provided/(Used) by Investing Activities	(9,516)	41,288
 Cash Flows From Financing Activities		
Net Cash Provided/(Used) by Financing Activities	-	-
 Net Increase (Decrease) in Cash and Cash Equivalents	(36,124)	203,705
 Cash and Cash Equivalents at Beginning of Year	451,998	248,293
 CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 415,874	\$ 451,998

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

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

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

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

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

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

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

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

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

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

B. Basis of Accounting

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

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016

C. Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no permanently restricted net assets.

D. Use of Estimates

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

E. Cash and Cash Equivalents

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

F. Grants Receivable

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

G. Property and Equipment

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

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

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

H. Investments

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

I. Restricted and Unrestricted Revenue

Contributions received are recorded as increased in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016

J. Donated Assets

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

K. Donated Use of Facilities

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

L. Donated Services

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

M. Special Events Revenue

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

N. Allocation of Functional Expenses

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

- (a) Management and general expenses are allocated on the basis of direct salaries, wages, and temporary services.
- (b) Building and occupancy costs are allocated on the basis of square footage.
- (c) Advertising costs were allocated evenly across the programs and fundraising for the year ended June 30, 2016. For 2017, advertising costs are allocated to fundraising.

O. Income Taxes

The Organization is exempt from federal income tax as a subordinate organization of the United States Conference of Catholic Bishops, which is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 5090(a)(2).

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30, 2017 and 2016, consisted of the following:

	<u>2017</u>	<u>2016</u>
Checking account at Origin Bank	\$ 124,295	\$ 152,226
Paypal	5,052	-
Money Market account at Origin Bank	241,538	241,055
Money Market account at Stephens, Inc.	44,989	58,717
Total Cash and Cash Equivalents	<u>\$ 415,874</u>	<u>\$ 451,998</u>

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

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

The Organization maintains its cash balances in one institution located in Shreveport, Louisiana. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The organization's uninsured cash balances totaled \$115,833 at June 30, 2017, and \$143,281 at June 30, 2016.

4. PROMISES TO GIVE

Unconditional promises to give at June 30, 2017 and 2016, are as follows:

	<u>2017</u>	<u>2016</u>
Receivable in less than one year	\$ -	\$ 1,200
Total Unconditional Promises to Give	<u>\$ -</u>	<u>\$ 1,200</u>

Uncollectible promises are expected to be insignificant.

5. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2017 and 2016, consisted of the following:

	<u>2017</u>	<u>2016</u>
Office Equipment	\$ 17,843	\$ 10,930
Office Furniture	7,614	3,295
Leasehold Improvements	4,350	4,350
Software	2,409	2,409
Total	<u>32,216</u>	<u>20,984</u>
Less: Accumulated Depreciation	<u>16,033</u>	<u>11,620</u>
Net Property and Equipment	<u>\$ 16,183</u>	<u>\$ 9,364</u>

Depreciation expense was \$4,618 and \$2,527 and for the years ended June 30, 2017 and 2016, respectively.

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016

6. INVESTMENTS

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

At June 30, 2017 and 2016, the Organization's investments consisted of publicly traded equities, mutual funds, and exchange-traded funds totaling \$512,691 and \$494,796. Investments are reported at fair value using a Level 1 measure.

Investment return for the years ended June 30, 2017 and 2016, is comprised of:

	<u>2017</u>	<u>2016</u>
Interest and Dividend Income	\$ 18,574	\$ 17,929
Net Realized and Unrealized Gains/(Losses)	19,610	(5,365)
Brokerage Fees	(3,251)	(3,227)
Total Investment Return	\$ <u>34,933</u>	\$ <u>9,337</u>

7. ENDOWMENT FUNDS

In 2012, the Organization received a bequest of marketable securities. The Board of Directors designated this investment fund as a general endowment fund to support the mission of the Organization. Since it resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets.

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

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

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016

Composition of and changes in endowment net assets for the year ended June 30, 2017 and 2016, were as follows:

	<u>2017</u>	<u>2016</u>
Board-Designated Endowment Net Assets, Beginning	\$ 553,513	\$ 574,569
Investment Income, net of Brokerage Fees	15,323	38,426
Net Appreciation/(Depreciation)	19,610	(29,551)
Amounts Appropriated for Expenditure	(30,766)	(29,931)
Board-Designated Endowment Net Assets, Ending	<u>\$ 557,680</u>	<u>\$ 553,513</u>

8. REFUNDABLE ADVANCES

The Organization records grant awards accounted for as exchange transactions as refundable advances until related services are performed, at which time they are recognized as revenue. The activity in the refundable advance account for the years ended June 30, 2017 and 2016, is reported as follows:

	<u>2017</u>	<u>2016</u>
Refundable Advances, Beginning	\$ 178,807	\$ 50,430
Grant Awards Received	312,547	312,100
Grant Expenditures	(315,532)	(183,723)
Refundable Advances, Ending	<u>\$ 175,822</u>	<u>\$ 178,807</u>

9. TEMPORARILY RESTRICTED NET ASSETS

Changes in temporarily restricted net assets consist of the following:

	6/30/15	Additions	Releases	6/30/16	Additions	Releases	6/30/17
Emergency Assistance	\$ -	\$ 102,600	\$ 102,600	\$ -	\$ 57,674	\$ 57,674	\$ -
Immigration Services	-	9,297	9,297	-	26,576	26,576	-
Financial Education	-	54,937	54,937	-	41,503	41,503	-
Benefits Assistance	-	38,034	38,034	-	82,466	82,466	-
Gabriel's Closet	-	40,459	40,459	-	76,357	76,357	-
Lake Providence	26,402	23,659	26,900	23,161	14,000	17,618	19,543
Monroe	20,373	76,323	96,696	-	79,084	79,084	-
Totals	<u>\$ 46,775</u>	<u>\$ 345,309</u>	<u>\$ 368,923</u>	<u>\$ 23,161</u>	<u>\$ 377,660</u>	<u>\$ 381,278</u>	<u>\$ 19,543</u>

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016

10. DONATED FACILITIES AND SERVICES

The fair value of donated use of facilities and donated services included as contributions in the financial statements and the corresponding program expenses for the years ended June 30, 2017 and 2016, is as follows:

	Rent		Advertising	
	2017	2016	2017	2016
Emergency Assistance	\$ 34,312	\$ 34,312	\$ -	\$ 15,848
Immigration Services	17,997	17,997	-	15,848
Financial Education	7,670	7,670	-	15,848
Benefits Assistance	5,587	5,587	-	15,848
Gabriel's Closet	35,733	35,733	-	15,848
Management and General	6,881	6,877	-	-
Fundraising	3,564	3,564	1,836	15,848
Totals	\$ 111,744	\$ 111,740	\$ 1,836	\$ 95,088

Numerous volunteers have donated significant amounts of time to the Organization's fund-raising campaign and program services. Although no amounts have been reflected in the financial statements, management estimates the fair value of those services to be approximately \$71,870 and \$97,719 for the years ended June 30, 2017 and 2016, respectively.

11. ADVERTISING

The Organization uses advertising to promote its programs among the client it serves. The production costs of advertising are expensed as incurred. During the years ended June 30, 2017 and 2016, advertising costs totaled \$1,836 and \$97,332, of which \$0- and \$95,088 was donated.

12. EMPLOYEE BENEFIT PLANS

The Organization provides a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code to its full-time employees through the Diocese. The Organization contributes from 0% to 5% of gross salaries to the plan, depending on the length of service, for qualified employees. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. Plan expenses for the years ended June 30, 2017 and 2016, were \$5,282 and \$4,722.

13. RELATED PARTY TRANSACTIONS

Transactions with national organizations – The Organization maintains its tax exempt status by operating as a subordinate organization of the United States Conference of Catholic Bishops.

The Organization also has a relationship with its national affiliate. The Organization is required to remit annual dues to the national affiliate. These dues totaled \$1,000 for both years ended June 30, 2017 and 2016. The Organization also receives contributions and reimbursements from the national affiliate. Total receipts for the years ended June 30, 2017 and 2016, were \$3,409 and \$6,396.

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2017 and 2016

Transactions with local organizations – The Diocese of Shreveport (the Diocese) administers an employee retirement savings plan, a flexible spending account, and insurance plans available to the Organization’s employees. For the years ended June 30, 2017 and 2016, the Organization made \$5,282 and \$4,722 in employer contributions to the Diocese Employee Retirement Savings Plan and \$27,983 and \$28,358 in employer contributions for health, life, and disability insurance plans. The Organization also reimburses the Diocese for various operating expenses, including property insurance, paid by the Diocese throughout the year on behalf of the Organization. No amounts were outstanding as of June 30, 2017 and 2016.

The Diocese also donated the use of facilities to the Organization, reimbursed the Organization for a portion of its utilities expense, and provided the Organization with a subsidy. The amounts for the years ended June 30, 2017 and 2016, were as follows:

	<u>2017</u>	<u>2016</u>
Donated Use of Facilities	\$ 111,744	\$ 111,740
Utilities Reimbursement	3,271	7,074
Subsidy	60,000	60,000
Total Received From The Diocese	<u>\$ 175,015</u>	<u>\$ 178,814</u>

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

	<u>2017</u>	<u>2016</u>
Contributions	\$ 19,450	\$ 12,680

14. OPERATING LEASE

The Organization signed a 36 month lease commencing September, 2016 and ending in September, 2019. Lease payments are \$275 per month. During the fiscal year ended June 30, 2017, lease payments of \$2,479 were paid. Future minimum lease payments for the remainder of the lease period are as follows:

Fiscal Year Ending June 30:		
2018	\$	3,305
2019		3,305
2020		826
Total	\$	<u>7,436</u>

15. SUBSEQUENT EVENTS

Subsequent events were evaluated through August 18, 2017, which is the date the financial statements were available to be issued.