

Catholic Charities of North Louisiana

*Financial Statements
For the Years Ended June 30, 2022 and 2021*



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Catholic Charities of North Louisiana
Shreveport, Louisiana 71106

Opinion

We have audited the accompanying financial statements of Catholic Charities of North Louisiana, (a nonprofit organization) which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities of North Louisiana, as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Catholic Charities of North Louisiana and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Catholic Charities of North Louisiana's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Catholic Charities of North Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Catholic Charities of North Louisiana's ability to continue as a going concern for a reasonable period of time.

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

To the Board of Directors
Catholic Charities of North Louisiana
Shreveport, Louisiana 71106
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Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of program expenses – by activity on pages 19 and 20, and the schedule of compensation, reimbursements, benefits and other payments to agency head on page 21, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2022, on our consideration of Catholic Charities of North Louisiana's 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 Catholic Charities of North Louisiana's internal control over financial reporting and compliance.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
August 19, 2022

Catholic Charities of North Louisiana
Statements of Financial Position
As of June 30, 2022 and 2021

	2022	2021
<u>ASSETS</u>		
Current Assets		
Cash & Cash Equivalents	\$ 345,179	\$ 686,694
Certificates of Deposit	21,022	82,029
Grants Receivable	300	46,916
Donated Items on Hand	49,054	89,220
Prepaid Expenses	3,223	535
Total Current Assets	418,778	905,394
Noncurrent Assets		
Other Assets	-	225
Long-Term Investments	595,006	1,197,147
Property and Equipment, net	1,385,289	547,121
Total Noncurrent Assets	1,980,295	1,744,493
TOTAL ASSETS	\$ 2,399,073	\$ 2,649,887
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts Payable	\$ 45,322	\$ 2,114
Refundable Advances	231,834	250,104
Accrued Liabilities	46,996	32,003
Total Current Liabilities	324,152	284,221
Non-Current Liabilities		
Notes Payable	-	87,813
Total Liabilities	324,152	372,034
Net Assets		
Without Donor Restrictions		
Undesignated	1,370,114	825,023
Designated by the Board	685,260	1,424,224
Total Without Donor Restrictions	2,055,374	2,249,247
With Donor Restrictions		
Total Net Assets	19,547	28,606
Total Net Assets	2,074,921	2,277,853
TOTAL LIABILITIES AND NET ASSETS	\$ 2,399,073	\$ 2,649,887

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, 2022 and 2021

	2022	2021
Changes in Net Assets Without Donor Restrictions:		
Revenues and Gains		
Contributions	\$ 140,608	\$ 191,200
Grants	33,000	33,000
Use of Contributed Facilities	44,520	76,320
Special Events Revenue	-	15,490
Program Service Fees	60,210	57,990
PPP Loan Forgiveness	87,813	79,599
Investment Return, net	(66,706)	225,592
Total Revenues and Gains Without Donor Restrictions	299,445	679,191
Net Assets Released From Restrictions	948,679	670,681
Total Revenues, Gains, and Other Support Without Donor Restrictions	1,248,124	1,349,872
Expenses:		
Program Services		
Family Strengthening Program	1,205,321	948,456
Total Program Services	1,205,321	948,456
Supporting Services		
Management and General	138,621	183,919
Fundraising	98,055	68,179
Total Supporting Services	236,676	252,098
Total Expenses	1,441,997	1,200,554
Increase/(Decrease) in Net Assets Without Donor Restrictions	(193,873)	149,318
Changes in Net Assets With Donor Restrictions:		
Contributions		
Family Strengthening Program	\$ 40,887	\$ 22,371
902 Olive St.	100,486	-
Disaster Relief	17,412	-
Lake Providence Location	3,350	14,550
Monroe Location	13,165	12,933
Total Contributions	175,300	49,854
Grants		
Family Strengthening Program	713,319	589,379
Total Grants	713,319	589,379
Gifts-in-Kind to Family Strengthening Program	9,599	13,304
Gifts-in-Kind to Monroe Location	5,978	1,293
Use of Contributed Facilities for Monroe Location	35,424	35,424
Net Assets Released from Restrictions	(948,679)	(670,681)
Increase/(Decrease) in Net Assets With Donor Restrictions	(9,059)	18,573
Increase/(Decrease) in Net Assets	(202,932)	167,891
NET ASSETS AT BEGINNING OF YEAR	2,277,853	2,109,962
NET ASSETS AT END OF YEAR	\$ 2,074,921	\$ 2,277,853

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, 2022

	<u>Program Expenses</u>	<u>Supporting Services</u>		
	<u>Family Strengthening</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising and Promotion	\$ 940	\$ -	\$ 313	\$ 1,253
Bank and Credit Card Fees	306	929	1,321	2,556
Charitable Contributions	-	10,000	-	10,000
Computer Expenses	6,013	6,934	94	13,041
Conferences and Training	4,851	7,989	494	13,334
Cost of Special Events	-	-	82	82
Depreciation	7,621	502	251	8,374
Dues & Subscriptions	2,335	7,140	2,644	12,119
Emergency Assistance Provided	455,359	-	-	455,359
Employee Benefits	52,553	12,447	8,534	73,534
Employee Screenings	336	71	96	503
Equipment Rental	-	2,758	-	2,758
Food and Supplies Distributed	55,742	-	-	55,742
Insurance	29,500	1,782	891	32,173
Investment Expenses	-	885	-	885
Licenses & Fees	40	910	-	950
Meals and Entertainment	1,058	-	113	1,171
Payroll Taxes	29,857	4,006	4,781	38,644
Postage	2,902	1,683	265	4,850
Printing and Reproduction	1,149	935	3,355	5,439
Payroll and Accounting Fees	13,743	906	453	15,102
Rent - Donated Facilities	72,749	7,197	2,398	82,344
Repairs and Maintenance	8,442	897	279	9,618
Salaries and Wages	406,084	62,719	64,021	532,824
Supplies	6,381	3,305	1,178	10,864
Travel	2,007	-	-	2,007
Temporary Services	1,308	-	5,000	6,308
Utilities	40,920	3,813	1,492	46,225
Vehicle Lease	2,984	793	-	3,777
Volunteer Expenses	141	20	-	161
Total Functional Expenses	\$ 1,205,321	\$ 138,621	\$ 98,055	\$ 1,441,997

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, 2021**

	<u>Program Expenses</u>	<u>Supporting Services</u>		
	<u>Family Strengthening</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising and Promotion	\$ 1,239	\$ -	\$ 100	\$ 1,339
Bank and Credit Card Fees	24	773	1,187	1,984
Charitable Contributions	-	200	-	200
Computer Expenses	1,473	7,768	188	9,429
Conferences and Training	2,142	5,038	-	7,180
Cost of Special Events	-	-	3,404	3,404
Depreciation	199	3,377	-	3,576
Dues & Subscriptions	2,824	5,632	2,536	10,992
Emergency Assistance Provided	294,371	-	-	294,371
Employee Benefits	43,042	18,721	7,618	69,381
Employee Screenings	48	25	-	73
Equipment Rental	-	2,653	-	2,653
Food and Supplies Distributed	3,280	-	-	3,280
Insurance	28,140	(678)	849	28,311
Investment Expenses	-	7,395	-	7,395
Interest Expense	-	24	-	24
Meals and Entertainment	188	-	-	188
Payroll Taxes	26,226	556	2,442	29,224
Postage	2,590	858	1,045	4,493
Printing and Reproduction	1,773	-	5,758	7,531
Payroll and Accounting Fees	20,357	1,342	671	22,370
Rent - Donated Facilities	101,299	9,281	3,564	114,144
Repairs and Maintenance	13,011	858	429	14,298
Salaries and Wages	357,673	64,152	38,098	459,923
Supplies	2,103	6,926	-	9,029
Travel	597	-	95	692
Temporary Services	41,260	6,189	-	47,449
Utilities	2,060	42,590	195	44,845
Vehicle Lease	2,495	189	-	2,684
Volunteer Expenses	42	50	-	92
Total Functional Expenses	\$ 948,456	\$ 183,919	\$ 68,179	\$ 1,200,554

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, 2021 and 2020

	2022	2021
Cash Flows From Operating Activities		
Increase/(Decrease) in Net Assets	\$ (202,932)	\$ 167,891
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	8,374	3,576
Net Realized (Gains)/Losses on Investments	-	(5,709)
Net Unrealized (Gains)/Losses on Investments	90,786	(191,354)
Forgiveness of SBA PPP Loan	(87,813)	(79,599)
Donated Stocks	(15,143)	-
(Increase)/Decrease in Operating Assets:		
Grants Receivable	46,616	(46,916)
Donated Items on Hand	40,166	(11,317)
Prepaid Expenses	(2,688)	6,273
Increase/(Decrease) in Operating Liabilities:		
Accounts Payable	43,208	2,114
Refundable Advances	(18,270)	127,711
Accrued Liabilities	14,993	13,276
Net Cash Provided/(Used) by Operating Activities	(82,703)	(14,054)
Cash Flows From Investing Activities		
Proceeds from Sales and Maturities of Securities	-	558,666
Purchases of Investments	-	(583,465)
Transfers from Investments	526,290	-
Redemption of Certificate of Deposit	61,007	-
Purchases of Certificates of Deposit	234	(1,020)
Purchases of Property and Equipment	(846,343)	(187,832)
Net Cash Provided/(Used) by Investing Activities	(258,812)	(213,651)
Cash Flows From Financing Activities		
Proceeds from PPP Loan	-	87,813
Net Cash Provided/(Used) by Financing Activities	-	87,813
Net Increase (Decrease) in Cash and Cash Equivalents	(341,515)	(139,892)
Cash and Cash Equivalents at Beginning of Year	686,694	826,586
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 345,179	\$ 686,694

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, 2022 and 2021

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's mission is to bring Christ's message of love to the poor and vulnerable by providing quality social services to families and individuals, without discrimination, and in accordance with Catholic Social Teaching and professional standards. The Organization serves the Shreveport area mainly, but also has locations in Monroe and Lake Providence. The Organization is supported through public contributions, grants, program service fees, special event revenues, and investment income.

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

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

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

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

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

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

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

B. Basis of Accounting

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

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

C. Basis of Presentation

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

D. Use of Estimates

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

E. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, including the investments in money market funds held by Stephens, Inc., Morgan Stanley, Origin Bank, and Louisiana Catholic Federal Credit Union.

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
Buildings	40 years

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

H. Investments

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

I. Restricted and Unrestricted Revenue

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

J. Donated Assets

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

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

K. Donated Use of Facilities

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

L. Donated Services

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

M. Special Events Revenue

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

N. Allocation of Functional Expenses

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

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

O. Income Taxes

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

P. Reclassifications

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

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Origin Bank Checking	\$ 161,901	\$ 261,945
BancorpSouth Checking (Building Account)	18,382	172,564
LCFCU Savings	25	25
Paypal	-	1,558
Origin Bank Money Market	63,075	113,275
Raymond James Money Market Funds	90,254	-
Stephens, Inc. Money Market Funds	-	112,571
Morgan Stanley Money Market Funds	-	24,756
LCFCU Money Market	11,542	-
Total Cash and Cash Equivalents	<u>\$ 345,179</u>	<u>\$ 686,694</u>

The money market sweep accounts at Stephens, Inc. and Morgan Stanley are 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. CERTIFICATES OF DEPOSIT

The Organization held certificates of deposits during the fiscal year ended June 30, 2022. Terms range from 24 to 39 months, with interest rates ranging from .89% to 2%. Balances were \$21,022 and \$82,029 at June 30, 2022 and 2021, respectively.

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

The Organization maintains its cash balances in various institutions located in North Louisiana. The balances are insured either by the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC), or the National Credit Union Administration (NCUA) up to \$250,000. The organization's uninsured cash balances totaled \$-0- at June 30, 2022, and \$135,908 at June 30, 2021.

5. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Office Equipment	\$ 39,538	\$ 27,516
Office Furniture	11,305	9,464
Leasehold Improvements	4,350	4,350
Software	2,409	2,409
Construction in Progress	-	184,219
Building	1,316,699	300,000
Land	55,000	55,000
Total	<u>1,429,301</u>	<u>582,958</u>
Less: Accumulated Depreciation	44,012	35,837
Net Property and Equipment	<u>\$ 1,385,289</u>	<u>\$ 547,121</u>

Depreciation expense was \$8,374 and \$3,576 and for the years ended June 30, 2022 and 2021, respectively.

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

6. INVESTMENTS

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

As of June 30, 2022:

	Quoted Prices in Active Markets for Identical Assets (Level 1 Inputs)	Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)
Mutual Funds	\$ 91,047	\$ -	\$ -
Equities	298,302	-	-
ETFs	205,657	-	-
Totals	\$ 595,006	\$ -	\$ -

As of June 30, 2021:

	Quoted Prices in Active Markets for Identical Assets (Level 1 Inputs)	Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)
Mutual Funds	\$ 247,909	\$ -	\$ -
Equities	611,249	-	-
ETFs	337,989	-	-
Totals	\$ 1,197,147	\$ -	\$ -

At June 30, 2022 and 2021, the Organization's investments consisted of publicly traded equities, mutual funds, and exchange-traded funds totaling \$595,006 and \$1,197,147. Investments are reported at fair value using a Level 1 measure.

Investment return for the years ended June 30, 2022 and 2021, consists of:

	<u>2022</u>	<u>2021</u>
Interest and Dividend Income	\$ 24,080	\$ 28,529
Net Realized and Unrealized Gains/(Losses)	(90,786)	197,063
Total Investment Return	\$ (66,706)	\$ 225,592

Brokerage fees of \$5,997 and \$7,395 were paid for the fiscal years ended June 30, 2022 and 2021, respectively.

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

7. ENDOWMENT FUNDS

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

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

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

Composition of and changes in endowment net assets for the year ended June 30, 2022 and 2021, were as follows:

	<u>2022</u>	<u>2021</u>
Board-Designated Endowment Net Assets, Beginning	\$ 1,358,443	\$ 1,146,873
Additional Funds Invested	-	-
Investment Income, net of Brokerage Fees	18,083	20,216
Net Appreciation/(Depreciation)	(90,473)	191,354
Amounts Appropriated for Expenditure	(600,793)	-
Board-Designated Endowment Net Assets, Ending	<u>\$ 685,260</u>	<u>\$ 1,358,443</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, 2022 and 2021, is reported as follows:

	<u>2022</u>	<u>2021</u>
Refundable Advances, Beginning	\$ 250,104	\$ 122,393
Grant Awards Received	309,624	589,379
Grant Expenditures	(327,894)	(461,668)
Refundable Advances, Ending	<u>\$ 231,834</u>	<u>\$ 250,104</u>

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

9. NET ASSETS WITH DONOR RESTRICTIONS

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

	6/30/20	Additions	Releases	6/30/21	Additions	Releases	6/30/22
Family Strengthening Lake Providence Monroe	\$ -	\$ 549,636	\$ 549,636	\$ -	\$ 912,694	\$ 912,694	\$ -
	16,515	22,550	10,459	28,606	3,350	12,409	19,547
	-	110,586	110,586	-	23,576	23,576	-
Totals	\$ 16,515	\$ 682,772	\$ 670,681	\$ 28,606	\$ 939,620	\$ 948,679	\$ 19,547

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, 2022 and 2021, is as follows:

	Rent	
	2022	2021
Emergency Assistance	\$ 24,783	\$ 34,312
Immigration Services	12,791	17,997
Financial Education	5,596	7,670
Benefits Assistance	3,997	5,587
Gabriel's Closet	25,582	35,733
Management and General	4,797	6,881
Fundraising	2,398	3,564
Totals	\$ 79,944	\$ 111,744

The Organization's Shreveport location moved into its new location in April, 2022, therefore, use of the donated facilities ended at that time.

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 \$32,785 and \$36,248 for the years ended June 30, 2022 and 2021, respectively.

11. ADVERTISING

The Organization uses advertising to promote its programs among the clients served. The production costs of advertising are expensed as incurred. During the years ended June 30, 2022 and 2021, advertising costs totaled \$1,253 and \$1,339, respectively.

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

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, 2022 and 2021, were \$11,827 and \$10,738, respectively. See Note 13.

13. RELATED PARTY TRANSACTIONS

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

The Organization also has a relationship with its national affiliate. The Organization is required to remit annual dues to the national affiliate. These dues totaled \$1,000 and \$500 for the years ended June 30, 2022 and 2021. The Organization may also receive contributions and reimbursements from the national affiliate. No such contributions or reimbursements were received during the years ended June 30, 2022 and 2021.

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, 2022 and 2021, the Organization made \$11,827 and \$10,738, respectively in employer contributions to the Diocese Employee Retirement Savings Plan and \$56,436 and \$51,180, respectively in employer contributions for health, life, and disability insurance plans. The Organization also reimburses the Diocese for various operating expenses, including property insurance, paid by the Diocese throughout the year on behalf of the Organization. Those reimbursements totaled \$28,005 and \$23,793, respectively for the fiscal years ended June 30, 2022 and 2021.

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, 2022 and 2021, were as follows:

	<u>2022</u>	<u>2021</u>
Donated Use of Facilities	\$ 79,944	\$ 111,744
Utilities Reimbursement	-	2,079
Total Received From The Diocese	<u>\$ 79,944</u>	<u>\$ 113,823</u>

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

	<u>2022</u>	<u>2021</u>
Contributions	\$ 17,475	\$ 6,945

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

14. OPERATING LEASE

The Organization signed a 36 month vehicle lease commencing September 2019 and ending in September 2022. Lease payments are \$286 per month. The vehicle is kept in Shreveport at the Organization's office, and used for business-related travel. During the fiscal years ended June 30, 2022 and 2021, lease payments of \$3,777 and \$2,684 were paid. Future minimum lease payments for the remainder of the lease period are as follows:

Fiscal Year Ending June 30:	
2023	\$ 858
Total	<u>\$ 858</u>

15. LIQUIDITY AND AVAILABILITY

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

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 20,675	\$ 361,060
Certificates of Deposit	21,022	82,029
Investments	595,006	1,197,147
Grant Receivable	300	46,916
	<u>\$ 637,003</u>	<u>\$ 1,687,152</u>

16. NOTE PAYABLE

The Organization applied for, and received, a PPP Loan during the fiscal year ended June 30, 2020, due to the economic uncertainty brought about by the COVID-19 pandemic. The loan was in the amount of \$79,599. The loan was subsequently forgiven by the SBA during the fiscal year ended June 30, 2021. The Organization qualified for and received a PPP2 loan in the amount of \$ 87,813, in March, 2021. The PPP2 loan was also forgiven by the SBA in November, 2021.

17. BOARD DESIGNATED NET ASSETS

The Board of Directors has designated funds for specific purposes. Since this resulted from internal designations and is not donor-restricted, it is classified and reported as net assets without donor restrictions. Board Designated Net Assets consists of the following at June 30:

	<u>2022</u>	<u>2021</u>
Board designated Endowment Funds (See Note 7)	\$ 685,260	\$ 1,358,443
Board designated for Renovation of 902 Olive St. Building	-	65,781
Total Board Designated Net Assets	<u>\$ 685,260</u>	<u>\$ 1,424,224</u>

Catholic Charities of North Louisiana
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

18. SUBSEQUENT EVENTS

Subsequent events were evaluated through August 19, 2022, which is the date the financial statements were available to be issued.

Supplemental Information

Catholic Charities of North Louisiana
Schedule of Program Expenses - By Activity
For The Year Ended June 30, 2022

Family Strengthening Program Expenses - By Activity						
	Emergency Assistance	Immigration Services	Financial Education	Benefits Assistance	Gabriel's Closet	Totals
Advertising and Promotion	\$ 940	\$ -	\$ -	\$ -	\$ -	940
Bank and Credit Card Fees	92	212	2	-	-	306
Computer Expenses	4,825	188	625	375	-	6,013
Conferences and Training	1,557	1,699	950	645	-	4,851
Depreciation	2,596	1,340	586	419	2,680	7,621
Dues & Subscriptions	404	1,695	236	-	-	2,335
Emergency Assistance Provided	455,359	-	-	-	-	455,359
Employee Benefits	13,890	12,106	11,566	14,991	-	52,553
Employee Screenings	48	96	48	144	-	336
Food and Supplies Distributed	-	-	-	-	55,742	55,742
Insurance	9,208	7,223	2,079	1,485	9,505	29,500
Licenses & Fees	-	40	-	-	-	40
Meals and Entertainment	-	10	896	152	-	1,058
Payroll Taxes	7,099	5,142	9,692	7,924	-	29,857
Postage	482	2,467	33	-	(80)	2,902
Printing and Reproduction	-	1,149	-	-	-	1,149
Payroll and Accounting Fees	4,682	2,416	1,057	755	4,833	13,743
Rent - Donated Facilities	24,783	12,791	5,596	3,997	25,582	72,749
Repairs and Maintenance	2,876	1,484	649	464	2,969	8,442
Salaries and Wages	97,602	71,698	130,125	106,659	-	406,084
Supplies	787	449	1,613	3,295	237	6,381
Temporary Services	-	-	-	1,308	-	1,308
Travel	980	70	818	139	-	2,007
Utilities	13,396	7,360	3,706	2,899	13,559	40,920
Vehicle Lease	1,171	604	-	-	1,209	2,984
Volunteer Expenses	-	-	-	-	141	141
Totals	\$ 642,777	\$ 130,239	\$ 170,277	\$ 145,651	\$ 116,377	\$ 1,205,321

See Independent Auditors' Report.

Catholic Charities of North Louisiana
Schedule of Program Expenses - By Activity
For The Year Ended June 30, 2021

	Family Strengthening Program Expenses - By Activity					
	Emergency Assistance	Immigration Services	Financial Education	Benefits Assistance	Gabriel's Closet	Totals
Advertising and Promotion	\$ 1,237	\$ 2	\$ -	\$ -	\$ -	1,239
Bank and Credit Card Fees	9	9	6	-	-	24
Charitable Contributions	-	-	-	-	-	-
Childcare	-	-	-	-	-	-
Computer Expenses	62	928	483	-	-	1,473
Conferences and Training	287	655	1,200	-	-	2,142
Cost of Special Events	-	-	-	-	-	-
Depreciation	-	-	83	116	-	199
Direct Donor Benefits	-	-	-	-	-	-
Dues & Subscriptions	288	2,054	450	-	32	2,824
Emergency Assistance Provided	294,149	-	-	222	-	294,371
Employee Benefits	2,758	24,723	14,522	1,039	-	43,042
Employee Screenings	48	-	-	-	-	48
Equipment Rental	-	-	-	-	-	-
Food and Supplies Distributed	-	-	-	-	3,280	3,280
Insurance	8,776	6,907	1,981	1,416	9,060	28,140
Investment Expenses	-	-	-	-	-	-
Licenses & Fees	-	-	-	-	-	-
Meals and Entertainment	-	64	-	124	-	188
Payroll Taxes	6,297	7,871	9,299	2,759	-	26,226
Postage	209	2,339	21	21	-	2,590
Printing and Reproduction	340	1,277	-	156	-	1,773
Payroll and Accounting Fees	6,935	3,579	1,566	1,118	7,159	20,357
Rent	-	-	-	-	-	-
Rent - Donated Facilities	34,312	17,997	7,670	5,587	35,733	101,299
Repairs and Maintenance	4,434	2,288	1,000	714	4,575	13,011
Salaries and Wages	80,923	107,933	128,698	40,119	-	357,673
Supplies	1,076	305	611	-	111	2,103
Temporary Services	40,137	-	-	1,123	-	41,260
Travel	-	-	418	179	-	597
Utilities	140	720	680	420	100	2,060
Vehicle Lease	979	505	-	-	1,011	2,495
Volunteer Expenses	-	-	-	-	42	42
Totals	\$ 483,396	\$ 180,156	\$ 168,688	\$ 55,113	\$ 61,103	\$ 948,456

See Independent Auditors' Report.

**Catholic Charities of North Louisiana
Schedule of Compensation, Reimbursements,
Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2022**

Agency Head:

Executive Director - Margaret Goorley

Purpose:

Salary	\$	-
Benefits - Payroll Taxes and Insurance		-
Travel		-
Reimbursements		-
Total Compensation, Benefits and Other Payments	\$	-

Catholic Charities of North Louisiana is a non-profit organization that receives public funds from time-to-time. During the fiscal year ended June 30, 2022, none of the Executive Director's salary, benefits, travel, or reimbursements were paid from public funds.

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

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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 GOVERNMENT AUDITING STANDARDS

Board of Directors
Catholic Charities of North Louisiana
Shreveport, 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 financial statements of Catholic Charities of North Louisiana, (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 August 19, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Catholic Charities of North Louisiana'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 Catholic Charities of North Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Catholic Charities of North Louisiana'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.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
August 19, 2022

**Catholic Charities of North Louisiana
Schedule of Findings and Responses
For The Year Ended June 30, 2022**

We have audited the financial statements of Catholic Charities of North Louisiana as of and for the year ended June 30, 2022, and have issued our report thereon dated August 19, 2022. We conducted our audit 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. Our audit of the financial statements as of and for the year ended June 30, 2022, resulted in an unmodified opinion.

Section I- Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ___ yes X no Significant Deficiencies ___ yes X no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards – N/A

Internal Control

Material Weaknesses ___ yes ___ no Significant Deficiencies ___ yes ___ no

Type of Opinion on Compliance
For Major Programs

Unmodified ___ Modified ___
Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Uniform Guidelines Requirements for Federal Awards? (Uniform Guidance)

C. Identification of Major Programs – N/A

Dollar threshold used to distinguish between Type A and Type B programs was \$750,000.

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance?

Section II - Financial Statement Findings

There were no findings for the year ended June 30, 2022.

Section III - Federal Award Findings and Question Costs

This section is not applicable for this entity.

**Catholic Charities of North Louisiana
Schedule of Prior Year Findings
For the Year Ended June 30, 2022**

A. Report on Internal Control and Compliance Material to the Financial Statements

There were no prior year findings for the year ended June 30, 2021.

Management Letter

No management letter was issued.