



**Financial Statements and Report of Independent  
Certified Public Accountants**

**CATHOLIC CHARITIES OF  
LOS ANGELES, INC.**

**June 30, 2013 and 2012**

# Contents

|  | <b>Page</b> |
|--|-------------|
| Report of Independent Certified Public Accountants                             | 1           |
| Financial Statements:  |             |
| Statements of financial position   | 3           |
| Statements of activities and changes in net assets                             | 4           |
| Statement of functional expenses – June 30, 2013                               | 6           |
| Statement of functional expenses – June 30, 2012                               | 7           |
| Statements of cash flows   | 8           |
| Notes to financial statements  | 9           |
| Supplementary Information:   |             |
| Schedules of program expenses  | 27          |
| Statements of activities – Santa Barbara County                                | 28          |
| Statements of activities – Ventura County                                      | 29          |
| Refugee targeted employment program – Schedule of<br>Revenues and Expenditures | 30          |



## Report of Independent Certified Public Accountants

Board of Trustees  
Catholic Charities of Los Angeles, Inc.

Audit - Tax - Advisory

Grant Thornton LLP  
515 South Flower Street, 7<sup>th</sup> Floor  
Los Angeles, CA 90071-2201

T 213.627.1717

F 213.624.6793

[www.GrantThornton.com](http://www.GrantThornton.com)

### Report on the financial statements

We have audited the accompanying financial statements of Catholic Charities of Los Angeles, Inc. ("Catholic Charities"), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

#### Management's responsibility for the financial statements

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

#### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 Catholic Charities' 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 Catholic Charities' 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*

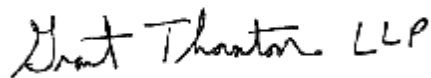
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities of Los Angeles, Inc. as of June 30, 2013 and 2012, and the changes in its net assets, its functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Supplementary information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Program Expenses, Statements of Activities – Santa Barbara County, Statements of Activities – Ventura County on pages 27 to 29 for the years ended June 30, 2013 and 2012, and the Refugee Targeted Employment Program – Schedule of Revenues and Expenditures on page 30 for the year ended June 30, 2013, are presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information are 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 have been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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 supplementary information are 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 November 15, 2013, on our consideration of Catholic Charities' 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 the effectiveness of 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' internal control over financial reporting and compliance.



Los Angeles, California  
November 15, 2013

**Catholic Charities of Los Angeles, Inc.**  
**STATEMENTS OF FINANCIAL POSITION**  
**As of June 30,**

|  | 2013                 |                           |                           |                      | 2012                 |                           |                           |                      |
|--|----------------------|---------------------------|---------------------------|----------------------|----------------------|---------------------------|---------------------------|----------------------|
|  | Unrestricted         | Temporarily<br>Restricted | Permanently<br>Restricted | Total                | Unrestricted         | Temporarily<br>Restricted | Permanently<br>Restricted | Total                |
| <b>ASSETS</b>  |                      |                           |                           |                      |                      |                           |                           |                      |
| Cash and cash equivalents  | \$ 653,122           | \$ -                      | \$ -                      | \$ 653,122           | \$ 1,552,288         | \$ -                      | \$ -                      | \$ 1,552,288         |
| Investments (Notes C and D)                                      | 8,684,269            | 8,077,839                 | -                         | 16,762,108           | 6,501,944            | 8,074,732                 | -                         | 14,576,676           |
| Accounts receivable, net (Note B)                                | 1,731,020            | -                         | -                         | 1,731,020            | 2,607,412            | -                         | -                         | 2,607,412            |
| Pledges receivable, net (Note E)                                 | -                    | 233,120                   | -                         | 233,120              | -                    | 271,814                   | -                         | 271,814              |
| Prepaid expenses and other assets                                | 359,709              | -                         | -                         | 359,709              | 262,563              | -                         | -                         | 262,563              |
| Investments restricted for long-term purposes (Notes C, D and M) | -                    | -                         | 751,113                   | 751,113              | -                    | -                         | 751,113                   | 751,113              |
| Property and equipment, net (Note F)                             | 16,391,064           | -                         | -                         | 16,391,064           | 17,013,036           | -                         | -                         | 17,013,036           |
| Beneficial interest in separate organization (Note G)            | -                    | 27,605,791                | -                         | 27,605,791           | -                    | 25,984,076                | -                         | 25,984,076           |
| Total assets   | <u>\$ 27,819,184</u> | <u>\$ 35,916,750</u>      | <u>\$ 751,113</u>         | <u>\$ 64,487,047</u> | <u>\$ 27,937,243</u> | <u>\$ 34,330,622</u>      | <u>\$ 751,113</u>         | <u>\$ 63,018,978</u> |
| <b>LIABILITIES AND NET ASSETS</b>                                |                      |                           |                           |                      |                      |                           |                           |                      |
| <b>Liabilities</b>   |                      |                           |                           |                      |                      |                           |                           |                      |
| Accounts payable and accrued liabilities                         | \$ 1,767,473         | \$ -                      | \$ -                      | \$ 1,767,473         | \$ 1,794,182         | \$ -                      | \$ -                      | \$ 1,794,182         |
| Accrued payroll and vacation (Note H)                            | 1,507,408            | -                         | -                         | 1,507,408            | 1,644,157            | -                         | -                         | 1,644,157            |
| Advances and refundable reimbursements                           | 323,840              | -                         | -                         | 323,840              | 210,508              | -                         | -                         | 210,508              |
| Forgivable construction loans (Note J)                           | 2,207,091            | -                         | -                         | 2,207,091            | 2,156,073            | -                         | -                         | 2,156,073            |
| Notes payable (Note I)   | 2,532,700            | -                         | -                         | 2,532,700            | 2,460,500            | -                         | -                         | 2,460,500            |
| Total liabilities  | <u>8,338,512</u>     | <u>-</u>                  | <u>-</u>                  | <u>8,338,512</u>     | <u>8,265,420</u>     | <u>-</u>                  | <u>-</u>                  | <u>8,265,420</u>     |
| Commitments and contingencies (Note L)                           |                      |                           |                           |                      |                      |                           |                           |                      |
| Net assets   | <u>19,480,672</u>    | <u>35,916,750</u>         | <u>751,113</u>            | <u>56,148,535</u>    | <u>19,671,823</u>    | <u>34,330,622</u>         | <u>751,113</u>            | <u>54,753,558</u>    |
| Total liabilities and net assets                                 | <u>\$ 27,819,184</u> | <u>\$ 35,916,750</u>      | <u>\$ 751,113</u>         | <u>\$ 64,487,047</u> | <u>\$ 27,937,243</u> | <u>\$ 34,330,622</u>      | <u>\$ 751,113</u>         | <u>\$ 63,018,978</u> |

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

**Catholic Charities of Los Angeles, Inc.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Years ended June 30,**

|  | 2013              |                           |                           |                   | 2012              |                           |                           |                   |
|--|-------------------|---------------------------|---------------------------|-------------------|-------------------|---------------------------|---------------------------|-------------------|
|  | Unrestricted      | Temporarily<br>Restricted | Permanently<br>Restricted | Total             | Unrestricted      | Temporarily<br>Restricted | Permanently<br>Restricted | Total             |
| <b>SUPPORT AND OPERATING REVENUES</b>  |                   |                           |                           |                   |                   |                           |                           |                   |
| <b>SUPPORT</b>   |                   |                           |                           |                   |                   |                           |                           |                   |
| Contributions  | \$ 6,722,097      | \$ 93,857                 | \$ -                      | \$ 6,815,954      | \$ 6,096,083      | \$ 253,609                | \$ -                      | \$ 6,349,692      |
| Bequests   | 870,871           | 332,705                   | -                         | 1,203,576         | 743,854           | 325,464                   | -                         | 1,069,318         |
| Foundation - distributions from Opus Caritatis (Note G)  | 2,002,462         | 279,538                   | -                         | 2,282,000         | 1,703,388         | 26,612                    | -                         | 1,730,000         |
| Foundations - others   | 1,506,500         | 327,655                   | -                         | 1,834,155         | 1,320,998         | 454,804                   | -                         | 1,775,802         |
| Federated giving   | 569,430           | 60,000                    | -                         | 629,430           | 613,494           | -                         | -                         | 613,494           |
| Fundraising events less donor benefits of \$310,775<br>and \$354,457 for 2013 and 2012, respectively | 1,875,660         | 54,211                    | -                         | 1,929,871         | 2,098,240         | 182,937                   | -                         | 2,281,177         |
| <b>Total support</b>   | <b>13,547,020</b> | <b>1,147,966</b>          | <b>-</b>                  | <b>14,694,986</b> | <b>12,576,057</b> | <b>1,243,426</b>          | <b>-</b>                  | <b>13,819,483</b> |
| <b>OPERATING REVENUES</b>  |                   |                           |                           |                   |                   |                           |                           |                   |
| Government agencies  | 12,027,086        | -                         | -                         | 12,027,086        | 12,893,389        | -                         | -                         | 12,893,389        |
| Program service revenues   | 2,244,547         | -                         | -                         | 2,244,547         | 2,063,367         | -                         | -                         | 2,063,367         |
| Investment gains, net (Notes C and M)  | 1,226,031         | 283,305                   | -                         | 1,509,336         | 377,013           | 41,417                    | -                         | 418,430           |
| Sales to public  | 452,098           | -                         | -                         | 452,098           | 417,789           | -                         | -                         | 417,789           |
| Miscellaneous  | -                 | -                         | -                         | -                 | 32,817            | -                         | -                         | 32,817            |
| <b>Total operating revenues</b>  | <b>15,949,762</b> | <b>283,305</b>            | <b>-</b>                  | <b>16,233,067</b> | <b>15,784,375</b> | <b>41,417</b>             | <b>-</b>                  | <b>15,825,792</b> |
| Net assets released from restrictions  | 1,466,858         | (1,466,858)               | -                         | -                 | 2,517,594         | (2,517,594)               | -                         | -                 |
| <b>TOTAL SUPPORT AND OPERATING REVENUES</b>  | <b>30,963,640</b> | <b>(35,587)</b>           | <b>-</b>                  | <b>30,928,053</b> | <b>30,878,026</b> | <b>(1,232,751)</b>        | <b>-</b>                  | <b>29,645,275</b> |
| Less expenses  | 31,154,791        | -                         | -                         | 31,154,791        | 29,545,704        | -                         | -                         | 29,545,704        |
| Excess (deficit) of support and operating revenues over expenses                                     | \$ (191,151)      | \$ (35,587)               | \$ -                      | \$ (226,738)      | \$ 1,332,322      | \$ (1,232,751)            | \$ -                      | \$ 99,571         |

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

Catholic Charities of Los Angeles, Inc.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - CONTINUED

Years ended June 30,

|   | 2013          |                        |                        |               | 2012          |                        |                        |               |
|---|---------------|------------------------|------------------------|---------------|---------------|------------------------|------------------------|---------------|
|   | Unrestricted  | Temporarily Restricted | Permanently Restricted | Total         | Unrestricted  | Temporarily Restricted | Permanently Restricted | Total         |
| NONOPERATING SUPPORT  |               |                        |                        |               |               |                        |                        |               |
| Increase in beneficial interest in separate organization (Note G) | \$ -          | \$ 1,621,715           | \$ -                   | \$ 1,621,715  | \$ -          | \$ 944,579             | \$ -                   | \$ 944,579    |
| CHANGE IN NET ASSETS  | (191,151)     | 1,586,128              | -                      | 1,394,977     | 1,332,322     | (288,172)              | -                      | 1,044,150     |
| NET ASSETS AT BEGINNING OF YEAR                                   | 19,671,823    | 34,330,622             | 751,113                | 54,753,558    | 18,339,501    | 34,618,794             | 751,113                | 53,709,408    |
| NET ASSETS AT END OF YEAR   | \$ 19,480,672 | \$ 35,916,750          | \$ 751,113             | \$ 56,148,535 | \$ 19,671,823 | \$ 34,330,622          | \$ 751,113             | \$ 54,753,558 |

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

**Catholic Charities of Los Angeles, Inc.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year ended June 30, 2013**

|  | Angel's             | Good Shepherd Centers |                     | Regional            | Other                | Youth               | Other               | Total                | Resource          | General and         | Eliminations        | Total                |
|--|---------------------|-----------------------|---------------------|---------------------|----------------------|---------------------|---------------------|----------------------|-------------------|---------------------|---------------------|----------------------|
|  | Flight<br>Youth     | Women's<br>Village    | Other<br>Programs   |                     |                      |                     |                     |                      |                   |                     |                     |                      |
| Compensation and related expenses  |                     |                       |                     |                     |                      |                     |                     |                      |                   |                     |                     |                      |
| Salaries and wages   | \$ 1,277,206        | \$ 662,598            | \$ 575,139          | \$ 532,099          | \$ 2,344,289         | \$ 1,439,658        | \$ 1,754,919        | \$ 8,585,908         | \$ 193,875        | \$ 1,738,725        | \$ -                | \$ 10,518,508        |
| Pension plan contributions   | 46,632              | 18,171                | 17,101              | 17,713              | 102,782              | 62,380              | 59,004              | 323,783              | 10,174            | 80,099              | -                   | 414,056              |
| Employee benefits  | 130,117             | 77,579                | 91,459              | 81,545              | 346,557              | 201,219             | 258,994             | 1,187,470            | 19,879            | 258,546             | -                   | 1,465,895            |
| Payroll taxes  | 184,449             | 86,473                | 64,594              | 76,440              | 246,022              | 133,605             | 167,339             | 958,922              | 15,826            | 159,570             | -                   | 1,134,318            |
| Total compensation & related expenses  | 1,638,404           | 844,821               | 748,293             | 707,797             | 3,039,650            | 1,836,862           | 2,240,256           | 11,056,083           | 239,754           | 2,236,940           | -                   | 13,532,777           |
| Emergency food, shelter and other  | 76,932              | 66,144                | 590,773             | 218,270             | 6,923,200            | -                   | 403,365             | 8,278,684            | -                 | -                   | -                   | 8,278,684            |
| Participant payroll and related  | -                   | -                     | -                   | -                   | -                    | 1,232,848           | -                   | 1,232,848            | -                 | -                   | -                   | 1,232,848            |
| Financial assistance   | -                   | -                     | -                   | -                   | 286,000              | -                   | 723,996             | 1,009,996            | -                 | -                   | -                   | 1,009,996            |
| Professional fees  | 5,390               | 32,573                | 26,490              | 940                 | 121,786              | 77,658              | 31,225              | 296,062              | 57                | 65,485              | -                   | 361,604              |
| Program subcontractors   | -                   | -                     | -                   | -                   | -                    | 461,263             | 35,000              | 496,263              | -                 | -                   | -                   | 496,263              |
| Audit and accounting fees  | 15,549              | 11,631                | 5,420               | 18,705              | 36,698               | 63,259              | 45,583              | 196,845              | 2,566             | 15,821              | -                   | 215,232              |
| Professional fundraising services  | -                   | -                     | -                   | -                   | -                    | -                   | -                   | -                    | 58,922            | -                   | -                   | 58,922               |
| Services   | 18,647              | 19,535                | 7,152               | 2,284               | 81,686               | 54,072              | 34,908              | 218,284              | 14,124            | 204,359             | -                   | 436,767              |
| Office expenses  | 54,023              | 33,712                | 29,299              | 13,989              | 208,926              | 74,509              | 113,041             | 527,499              | 127,282           | 80,226              | -                   | 735,007              |
| Other supplies   | 11,023              | 80,038                | 1,684               | 4,155               | 33,587               | 36,634              | 1,297               | 168,418              | 240               | 9,244               | -                   | 177,902              |
| Donated thrift store goods   | -                   | -                     | -                   | -                   | 440,917              | -                   | -                   | 440,917              | -                 | -                   | -                   | 440,917              |
| Information technology   | 27,184              | 20,368                | 10,461              | 7,764               | 86,561               | 17,637              | 61,945              | 231,920              | 10,500            | 302,745             | -                   | 545,165              |
| Occupancy  | 138,528             | 225,245               | 88,006              | 259,623             | 672,871              | 271,088             | 7,167               | 1,662,528            | 18,773            | 337,653             | (160,052)           | 1,858,902            |
| Travel   | -                   | -                     | -                   | -                   | 1,359                | 2,287               | 1,821               | 5,467                | -                 | 1,411               | -                   | 6,878                |
| Staff training, conferences & meetings   | 2,218               | 2,572                 | 5,482               | 387                 | 14,590               | 9,182               | 7,548               | 41,979               | 900               | 58,335              | -                   | 101,214              |
| Interest expense   | -                   | 102,200               | -                   | 30,000              | -                    | -                   | -                   | 132,200              | -                 | -                   | -                   | 132,200              |
| Payments to affiliates   | -                   | -                     | -                   | -                   | -                    | -                   | -                   | -                    | -                 | 38,450              | -                   | 38,450               |
| Depreciation   | 3,131               | 365,753               | 15,522              | 100,494             | 139,003              | 6,326               | -                   | 630,229              | -                 | 48,843              | -                   | 679,072              |
| Professional & other liability insurance   | 31,302              | 19,631                | 15,831              | 16,765              | 82,988               | 65,041              | 79,227              | 310,785              | 696               | 78                  | -                   | 311,559              |
| Vehicles and mileage   | 38,309              | 3,853                 | 7,769               | 20,895              | 83,099               | 46,836              | 55,034              | 255,795              | -                 | 30,970              | -                   | 286,765              |
| Other expenses   | -                   | -                     | -                   | -                   | -                    | -                   | -                   | -                    | -                 | (20,602)            | -                   | (20,602)             |
| Fundraising expenses   | -                   | -                     | -                   | -                   | -                    | -                   | -                   | -                    | 238,269           | -                   | -                   | 238,269              |
| <b>TOTAL EXPENSES</b>  | <b>\$ 2,060,640</b> | <b>\$ 1,828,076</b>   | <b>\$ 1,552,182</b> | <b>\$ 1,402,068</b> | <b>\$ 12,252,921</b> | <b>\$ 4,255,502</b> | <b>\$ 3,841,413</b> | <b>\$ 27,192,802</b> | <b>\$ 712,083</b> | <b>\$ 3,409,958</b> | <b>\$ (160,052)</b> | <b>\$ 31,154,791</b> |
| Administrative support allocation  | 284,846             | 171,823               | 138,034             | 147,890             | 712,061              | 366,258             | 448,481             | 2,269,393            | -                 | -                   | (2,269,393)         | -                    |
| Total program services, including allocation of general and administrative support | \$ 2,345,486        | \$ 1,999,899          | \$ 1,690,216        | \$ 1,549,958        | \$ 12,964,982        | \$ 4,621,760        | \$ 4,289,894        | \$ 29,462,195        | \$ 712,083        | \$ 3,409,958        | \$ (2,429,445)      | \$ 31,154,791        |

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



**Catholic Charities of Los Angeles, Inc.**  
**STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED**  
**Year ended June 30, 2012**

|   | Angels              | Good Shepherd Centers |                     | Regional<br>Shelters | Other<br>Regional<br>Services | Youth<br>Employment<br>Services | Other<br>Special<br>Programs | Total<br>Programs<br>Catholic Charities | Resource<br>Development<br>& Fundraising | General and<br>Administrative<br>Services | Eliminations          | Total                |
|---|---------------------|-----------------------|---------------------|----------------------|-------------------------------|---------------------------------|------------------------------|---|--|---|-----------------------|----------------------|
|   | Flight<br>Youth     | Women's<br>Village    | Other<br>Programs   |                      |                               |                                 |                              |   |  |   |                       |                      |
| Compensation and related expenses   |                     |                       |                     |                      |                               |                                 |                              |   |  |   |                       |                      |
| Salaries and wages  | \$ 1,674,666        | \$ 612,124            | \$ 544,162          | \$ 544,826           | \$ 2,359,558                  | \$ 1,460,421                    | \$ 1,539,417                 | \$ 8,735,174                            | \$ 189,839                               | \$ 1,669,775                              | \$ -                  | \$ 10,594,788        |
| Pension plan contributions  | 74,561              | 23,788                | 18,191              | 21,371               | 123,865                       | 68,245                          | 73,946                       | 403,967                                 | 11,382                                   | 88,804                                    | -                     | 504,153              |
| Employee benefits   | 176,930             | 85,959                | 85,508              | 92,924               | 323,148                       | 198,762                         | 259,641                      | 1,222,872                               | 25,938                                   | 228,749                                   | -                     | 1,477,559            |
| Payroll taxes   | 203,088             | 74,943                | 55,264              | 73,075               | 249,365                       | 144,859                         | 150,014                      | 950,608                                 | 15,637                                   | 158,395                                   | -                     | 1,124,640            |
| <b>Total compensation &amp; related expense</b>   | <b>2,129,245</b>    | <b>796,814</b>        | <b>703,125</b>      | <b>732,196</b>       | <b>3,055,936</b>              | <b>1,872,287</b>                | <b>2,023,018</b>             | <b>11,312,621</b>                       | <b>242,796</b>                           | <b>2,145,723</b>                          | <b>-</b>              | <b>13,701,140</b>    |
| Emergency food, shelter and other   | 85,671              | 5,039                 | 161,341             | 246,425              | 5,663,352                     | -                               | 240,659                      | 6,402,488                               | -  | -   | -                     | 6,402,488            |
| Participant payroll and related   | -                   | -                     | -                   | -                    | -                             | 1,764,622                       | -                            | 1,764,622                               | -  | -   | -                     | 1,764,622            |
| Financial assistance  | -                   | -                     | -                   | -                    | 77,155                        | -                               | 821,835                      | 898,990                                 | -  | -   | -                     | 898,990              |
| Professional fees   | 31,932              | 41,443                | 16,231              | 13,390               | 43,536                        | 75,838                          | 13,255                       | 235,625                                 | -  | 66,354                                    | -                     | 301,979              |
| Program subcontractors  | -                   | -                     | -                   | -                    | -                             | 235,792                         | -                            | 235,792                                 | -  | -   | -                     | 235,792              |
| Audit and accounting fees   | 18,203              | 10,151                | 4,837               | 17,453               | 46,855                        | 75,500                          | 42,711                       | 215,710                                 | 2,584                                    | 15,456                                    | -                     | 233,750              |
| Professional fundraising services   | -                   | -                     | -                   | -                    | -                             | -                               | -                            | -                                       | 65,460                                   | -   | -                     | 65,460               |
| Services  | 52,084              | 17,814                | 5,077               | 627                  | 103,434                       | 23,587                          | 43,817                       | 246,440                                 | 3,485                                    | 63,268                                    | -                     | 313,193              |
| Office expenses   | 66,025              | 31,183                | 33,778              | 98,854               | 194,619                       | 89,640                          | 92,336                       | 606,435                                 | 153,582                                  | 81,899                                    | -                     | 841,916              |
| Other supplies  | 42,485              | 100,194               | 11,452              | 10,621               | 10,150                        | 13,837                          | 369                          | 189,108                                 | 3,955                                    | 9,131                                     | -                     | 202,194              |
| Donated thrift store goods  | -                   | -                     | -                   | -                    | 390,903                       | -                               | -                            | 390,903                                 | -  | -   | -                     | 390,903              |
| Information technology  | 44,585              | 14,752                | 8,308               | 12,867               | 62,503                        | 34,153                          | 24,912                       | 202,080                                 | 8,694                                    | 303,650                                   | -                     | 514,424              |
| Occupancy   | 132,801             | 206,784               | 86,320              | 267,186              | 647,676                       | 239,043                         | 2,092                        | 1,581,902                               | 18,773                                   | 457,660                                   | (157,378)             | 1,900,957            |
| Travel  | 5,087               | -                     | -                   | -                    | 1,748                         | 72                              | 7,230                        | 14,137                                  | -  | 713                                       | -                     | 14,850               |
| Staff training, conferences & meetings  | 7,211               | 644                   | 2,811               | 1,227                | 13,149                        | 17,873                          | 5,939                        | 48,854                                  | 498                                      | 53,141                                    | -                     | 102,493              |
| Interest expense  | -                   | 102,200               | -                   | 22,289               | -                             | -                               | -                            | 124,489                                 | -  | -   | -                     | 124,489              |
| Payments to affiliates  | -                   | -                     | -                   | -                    | -                             | -                               | -                            | -                                       | -  | 33,965                                    | -                     | 33,965               |
| Depreciation  | 11,078              | 424,314               | 10,470              | 2,884                | 185,857                       | 9,979                           | -                            | 644,582                                 | -  | 39,100                                    | -                     | 683,682              |
| Professional & other liability insurance  | 41,406              | 18,268                | 15,404              | 16,936               | 85,350                        | 68,164                          | 59,158                       | 304,686                                 | 522                                      | -   | -                     | 305,208              |
| Vehicles and mileage  | 43,573              | 2,018                 | 10,187              | 20,454               | 74,151                        | 49,522                          | 50,516                       | 250,421                                 | -  | 40,895                                    | -                     | 291,316              |
| Other expenses  | -                   | -                     | -                   | -                    | -                             | -                               | -                            | -                                       | -  | (17,505)                                  | -                     | (17,505)             |
| Fundraising expenses  | -                   | -                     | -                   | -                    | -                             | -                               | -                            | -                                       | 239,398                                  | -   | -                     | 239,398              |
| <b>TOTAL EXPENSES</b>   | <b>\$ 2,711,386</b> | <b>\$ 1,771,618</b>   | <b>\$ 1,069,341</b> | <b>\$ 1,463,410</b>  | <b>\$ 10,656,374</b>          | <b>\$ 4,569,909</b>             | <b>\$ 3,427,847</b>          | <b>\$ 25,669,885</b>                    | <b>\$ 739,747</b>                        | <b>\$ 3,293,450</b>                       | <b>\$ (157,378)</b>   | <b>\$ 29,545,704</b> |
| Administrative support allocation   | 367,951             | 162,896               | 137,222             | 152,055              | 725,295                       | 370,325                         | 401,417                      | 2,317,161                               | -  | -   | (2,317,161)           | -                    |
| <b>Total program services, including allocation<br/>of general and administrative support</b> | <b>\$ 3,079,337</b> | <b>\$ 1,934,514</b>   | <b>\$ 1,206,563</b> | <b>\$ 1,615,465</b>  | <b>\$ 11,381,669</b>          | <b>\$ 4,940,234</b>             | <b>\$ 3,829,264</b>          | <b>\$ 27,987,046</b>                    | <b>\$ 739,747</b>                        | <b>\$ 3,293,450</b>                       | <b>\$ (2,474,539)</b> | <b>\$ 29,545,704</b> |

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

**Catholic Charities of Los Angeles, Inc.**  
**STATEMENTS OF CASH FLOWS**  
**Years ended June 30,**

|   | 2013         | 2012         |
|---|--------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |              |              |
| Change in net assets  | \$ 1,394,977 | \$ 1,044,150 |
| Adjustments to reconcile changes in net assets<br>to net cash used in operating activities: |              |              |
| Provision for bad debt  | 20,602       | (17,505)     |
| Non-cash support for donated goods and services   | (7,399,555)  | (6,420,575)  |
| Discount on pledges receivable  | (9,306)      | (10,890)     |
| Amortization of forgivable loans - City of Long Beach                                       | (8,982)      | (18,983)     |
| Depreciation  | 679,072      | 683,682      |
| Realized and unrealized gain on investments   | (1,540,432)  | (296,872)    |
| Increase in beneficial interest in separate organization                                    | (1,621,715)  | (944,579)    |
| Accrued interest on notes payable   | 132,200      | 124,489      |
| Changes in assets and liabilities:  |              |              |
| Accounts receivable   | 855,790      | 420,793      |
| Pledges receivable  | 48,000       | 48,000       |
| Prepaid expenses and other assets   | 7,302,409    | 5,684,834    |
| Accounts payable and accrued liabilities  | (26,709)     | (678,886)    |
| Accrued payroll and vacation  | (136,749)    | (30,171)     |
| Advances and refundable reimbursements  | 113,332      | (144,663)    |
| Net cash used in operating activities   | (197,066)    | (557,176)    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |              |              |
| Additions to property and equipment   | (57,100)     | (1,336,099)  |
| Redemption of investments   | 3,200,000    | 6,934,716    |
| Additions to investments  | (3,845,000)  | (4,909,136)  |
| Net cash (used in) provided by investing activities   | (702,100)    | 689,481      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   | -            | -            |
| <b>NET CHANGE IN CASH AND EQUIVALENTS</b>   | (899,166)    | 132,305      |
| <b>CASH AND EQUIVALENTS, BEGINNING OF YEAR</b>  | 1,552,288    | 1,419,983    |
| <b>CASH AND EQUIVALENTS, END OF YEAR</b>  | \$ 653,122   | \$ 1,552,288 |
| Supplemental information on noncash investing activity:                                     |              |              |
| Acquisition of property and equipment through notes payable                                 | \$ -         | \$ 574,830   |

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

Catholic Charities of Los Angeles, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013 and 2012

NOTE A - ORGANIZATION

Catholic Charities of Los Angeles, Inc. (“Catholic Charities”) is a California nonprofit public benefit corporation that was founded in 1919 and incorporated in 1937. Catholic Charities is a separate legal entity from The Roman Catholic Archdiocese of Los Angeles (the “Archdiocese”). For ninety-four years, Catholic Charities, the human service agency of the Archdiocese, has provided family and individual counseling, community and employment services, child care and youth athletics, services for the elderly, poverty programs, shelters and residential care, immigration and naturalization services and resettlement of refugees. Funding for services is provided through government-funded programs, contributions from the public, foundations, users of the services, and through fundraising.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Basis of Accounting

The financial statements of Catholic Charities have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (“GAAP”).

Basis of Presentation

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Catholic Charities and changes therein are classified and reported as follows:

Unrestricted net assets

Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets

Includes gifts and pledges receivable for which donor-imposed restrictions or passage of time restrictions have not yet been met and for which the ultimate purpose of the proceeds is not permanently restricted.

Catholic Charities of Los Angeles, Inc.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2013 and 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation (continued)

*Permanently restricted net assets*

Includes gifts which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions (See Note M).

Contributions

Contributions are reported as unrestricted or as restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or 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. Temporarily restricted contributions for which the donor imposed restrictions have been met in the same reporting period are recorded as unrestricted support. Unconditional promises to give (pledges) are recorded as receivables and revenues. Conditional promises to give or intentions to give are not recorded in the financial statements.

Donated Goods and Services

A number of volunteers have donated significant amounts of their time to support the activities of Catholic Charities. Donated services are recognized as revenue if they (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The financial statements include \$363,300 and \$362,000 for volunteer hours that meet these criteria for the years ended June 30, 2013 and 2012, respectively. Many hours of additional donated time have not been reflected in the accompanying statements of activities as these donated services do not meet either of the two recognition criteria described above.

Catholic Charities receives donated goods including food, clothing, household goods and a variety of other items. These are valued at fair value when received. The accompanying financial statements include \$7,036,255 and \$6,058,575 of donated items (including \$440,917 and \$390,903 for the thrift stores donations), for the years ended 2013 and 2012, respectively, and \$1,987,338 and \$1,422,913 of food commodities in 2013 and 2012, respectively, received through government programs and valued using U.S. Department of Agriculture and Feeding America prices. These donations are classified as contributions and government revenues in the statements of activities for the years ended June 30, 2013 and 2012.

Catholic Charities of Los Angeles, Inc.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2013 and 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Allocation of Expenses

The costs of providing the various programs, fundraising and other activities have been presented on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and fundraising activities benefited based on estimates developed by management.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash accounts, and all other highly liquid investments with original maturity dates of three months or less. Catholic Charities maintains its cash balances at several institutions located in Southern California which are insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). Catholic Charities has no cash balances in excess of FDIC insured limit at June 30, 2013 and 2012.

Accounts Receivable

Accounts receivable consist mainly of requests for reimbursement from government contracts. Catholic Charities determines the allowance for uncollectable accounts by considering a number of factors including the length of time receivables are past due. Accounts receivable at June 30, 2013 and 2012 was \$1,731,020 and \$2,607,412, which is net of allowance of \$489,508 and \$483,787, respectively.

Investments

All investments in marketable securities with a readily determinable fair value are reported at fair value with gains and losses included in the statements of activities, net of expenses. Gains and losses on these investments are reported in the statements of activities as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations.

Beneficial Interest in Separate Organization

The beneficial interest in separate organization consists of assets held by Opus Caritatis, Inc. ("Opus Caritatis"), a supporting organization for Catholic Charities (See Note G). The assets consist of an investment fund managed by State Street Global Advisors carried at fair value and an investment in the common stock of the Watson Land Company, a real estate investment trust whose stock is not traded on any stock exchange. The investment in Watson Land Company is carried at the lower of cost or fair value.

Property and Equipment

Purchased land, buildings and improvements, and equipment are recorded at cost. Donated assets are recorded at fair value at date received.

Catholic Charities of Los Angeles, Inc.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2013 and 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment (continued)

Buildings, improvements, and equipment are depreciated over their estimated useful lives on a straight-line basis ranging from 3 to 40 years. Depreciation expense for separately identified assets is included in program expenses, which are presented in the statements of functional expenses. For all other assets shared by Catholic Charities' programs and administration, depreciation is included in general and administrative services in the statements of functional expenses. Certain land and buildings utilized by Catholic Charities are owned by and reflected in the financial statements of the Archdiocese of Los Angeles Education and Welfare Corporation.

Government Agencies Revenue

Government agencies revenue is derived from contracts with various governmental agencies. Most of the contracts are on a cost reimbursement basis. Contract revenues are recognized for allowable expenditures as costs are incurred in accordance with the contract terms.

Advances and Refundable Reimbursements

Advances and refundable reimbursements represent advanced funds provided by funding agencies for program expenses. Such advances, if not fully expended, are repaid at the termination of the program unless other arrangements are made with the funding agency.

Income Taxes

Catholic Charities operates as a not-for-profit organization and has been recognized by the Internal Revenue Service as an organization exempt from income taxation pursuant to Internal Revenue Code Section 501(c)(3) on its income other than unrelated business income and has also been recognized by the Franchise Tax Board as exempt from state franchise or income tax pursuant to California Revenue and Taxation Code Section 23701(d) on its income other than unrelated business income.

As required by GAAP, Catholic Charities has identified and evaluated its significant tax positions for which the statute of limitations remain open and has determined that there is no material unrecognized benefit or liability to be recorded. The open tax years are the years ended June 30, 2010 through June 30, 2013 for federal tax purposes and the years ended June 30, 2009 through June 30, 2013 for California tax purposes. There have been no material changes in unrecognized benefits as of June 30, 2013, nor are any material changes anticipated in the twelve months following June 30, 2013. There have been no related tax penalties or interest, which would be classified as a tax expense in the statements of activities.

Catholic Charities of Los Angeles, Inc.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2013 and 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses. While management believes that these estimates are adequate as of June 30, 2013 and 2012, it is possible that actual results could differ from those estimates.

Asset Retirement Obligations

Accounting Standards Codification (“ASC”) 410, *Asset Retirement and Environmental Obligations*, requires entities to recognize any material expenses associated with legally required or contractually obligated clean up costs when an asset is no longer used. Catholic Charities owns several older buildings that might have hidden asset retirement obligations due to their age but has no knowledge of any specific or likely liability. Therefore, no provision has been made in the financial statements.

Operating Activities and Nonoperating Activities

Operating revenues and gains include contributions, grants from government agencies, program service revenues, investment income, and sales to public of donated goods. Operating expenses include program and support services and interest on indebtedness.

Nonoperating revenues and gains (losses) include bequests, gifts designated for endowment or plant and increase (decrease) in beneficial interest in separate organization (See Note G).

Reclassification

For comparability, certain amounts from 2012 have been reclassified to conform to the 2013 presentation. The reclassification has no effect on total assets or net asset balances previously reported.

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2011-04, *Fair Value Measurements – Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. ASU 2011-04 changes the wording used to describe many requirements for measuring fair value and for disclosing information about fair value measurements. Additionally, the amendments clarify the FASB’s intent about the application of existing fair value measurement requirements. The guidance was adopted by Catholic Charities during the year ended June 30, 2013, and did not have a material impact on its financial statements.

Catholic Charities of Los Angeles, Inc.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2013 and 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Recent Accounting Pronouncements (continued)

In October 2012, the FASB issued ASU 2012-05, *Statement of Cash Flows (Topic 230), Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows*. The amendments in the update require not-for-profit entities to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale and were converted nearly immediately into cash. The adoption of ASU 2012-05 is effective prospectively for fiscal years beginning after June 15, 2013; however, retrospective application to all prior periods presented upon the date of adoption is permitted. The adoption of ASU 2012-05 is not expected to have a material effect on Catholic Charities' financial statements.

NOTE C - INVESTMENTS

Catholic Charities holds its investments in an investment fund it manages through State Street Bank and Trust Company. Assets in this investment fund consist of a long-term fund and a short-term fund. The long-term fund was established to provide long-term capital appreciation combined with capital preservation. The investment allocation is targeted at a general level of 65% equities and 35% fixed income securities. However, because the fund is normally rebalanced only twice per year, the mix (as intended) is often not exactly 65/35 and can vary considerably during the six month period. Assets of the long-term fund are invested 66% equities and 34% in fixed income securities as of June 30, 2013 and 64% equities and 36% in fixed income securities as of June 30, 2012. The short-term fund was established to provide current income with lower risk of fluctuation in principal value. Assets of the short-term fund are substantially invested in short-term fixed income securities.

Catholic Charities has \$13,297,367 and \$11,759,300 in the long-term fund and \$4,213,354 and \$3,565,989 in the short-term fund as of June 30, 2013 and 2012, respectively. The investments are carried at fair value. Catholic Charities holds shares of a private company, measured at lower of cost or fair value, of \$2,500 (cost) in current investments as of June 30, 2013 and 2012 and therefore are not included in Note D – Fair Value of Financial Instruments. As of June 30, 2013 and 2012, \$751,113 of total investments are restricted for long-term donor stipulated purposes, such as capital improvements or construction, or funds to be held in perpetuity, or withdrawal restrictions.



Catholic Charities of Los Angeles, Inc.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2013 and 2012

NOTE C - INVESTMENTS - Continued

The annual return, including interest and dividend income as well as realized and unrealized losses, is presented net of expenses related to investments. Returns for the years ended June 30 are as follows:

|   | <u>2013</u>         | <u>2012</u>       |
|---|---------------------|-------------------|
| Realized and unrealized gains:          |                     |                   |
| Long-term fund                          | \$ 1,538,067        | \$ 296,872        |
| Total net realized and unrealized gains | <u>1,538,067</u>    | <u>296,872</u>    |
| Interest and dividends income:          |                     |                   |
| Long-term fund                          | -                   | 146,478           |
| Short-term fund                         | 2,365               | 3,533             |
| Other                                   | 918                 | 1,046             |
| Total interest and dividends income     | <u>3,283</u>        | <u>151,057</u>    |
| Investment expenses                     | <u>(32,014)</u>     | <u>(29,499)</u>   |
| Total investment gain, net              | <u>\$ 1,509,336</u> | <u>\$ 418,430</u> |

Portfolio investments are subject to inherent market risks; therefore, values will continually fluctuate with current market conditions.

NOTE D - FAIR VALUE OF FINANCIAL INSTRUMENTS

Catholic Charities accounts for its investments at fair value. ASC 820, *Fair Value Measurements*, defines fair value, establishes a framework used to measure fair value, and expands disclosures about fair value measurements. The standard prioritized, within the measurement of fair value, the use of market-based information over entity-specific information and established a three-level hierarchy for fair value measurement based on the transparency of information, such as the pricing source used in the valuation of an asset or liability as of the measurement date.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1* – Quoted prices in active markets for identical investments as of the reporting date, without adjustment.
- Level 2* – Pricing inputs, including broker quotes, are generally those other than exchange-quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Catholic Charities of Los Angeles, Inc.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2013 and 2012

NOTE D - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

*Level 3* – Pricing inputs are unobservable for the investment, and include situations where there is little, if any, market activity for the investment. Investments that are included in this category generally include privately held investments and securities held in partnership format.

The determination of where an asset or liability falls in the hierarchy requires significant judgment. Catholic Charities evaluates its hierarchy disclosures annually and, based on various factors, it is possible that an asset or liability may be classified differently from period to period. However, Catholic Charities expects that changes in classifications between different levels will be rare.

The following is a description of Catholic Charities investments at fair value, as well as the general classification pursuant to the valuation hierarchy.

When quoted market prices are available in an active market, securities are classified within Level 1 of the fair value hierarchy. If quoted market prices are not available or accessible, then fair values are estimated using pricing models, matrix pricing, or discounted cash flow models. The fair value of securities estimated using pricing models or matrix pricing is generally classified within Level 2 of the fair value hierarchy. When there is limited activity or less transparency around inputs to the valuation and securities investments are classified within Level 3 of the fair value hierarchy.

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments:

Mutual Funds

As discussed in Note C, Catholic Charities invests in two funds through State Street Bank and Trust Company. The short-term fund is primarily invested in short-term fixed income securities while the long-term fund is a mixture of domestic and foreign equities and short-term fixed income securities. The underlying securities of the funds are actively traded and directly observable and have therefore been classified as Level 2.

Catholic Charities of Los Angeles, Inc.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2013 and 2012

NOTE D - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

Beneficial Interest in Separate Organization

As discussed in Note G, Catholic Charities has a beneficial interest in another organization, Opus Caritatis. As of June 30, 2013 and 2012, Opus Caritatis has cash and investments in State Street mutual funds and Watson Land Company stock. The fair value measurement for Opus Caritatis' mutual funds has been classified as Level 2 whereas the investments in Watson Land Company are held at cost and not included in the table below.

|               |  | 2013                          |   |   |  |
|---------------|--|-------------------------------|---|---|--|
|               |  | Fair Value Measurements Using |   |   |  |
|               |  | 2013 Total                    | Quoted Prices in<br>Active Markets<br>(Level 1) | Significant Other<br>Observable Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Mutual funds: |  |                               |   |   |  |
|               | Catholic Charities owned                     | \$ 17,510,721                 | \$ -  | \$ 17,510,721                                       | \$ -   |
|               | Beneficial interest in separate organization | 15,895,730                    | -   | 15,895,730  | -  |
|               | Total  | <u>\$ 33,406,451</u>          | <u>\$ -</u>                                     | <u>\$ 33,406,451</u>                                | <u>\$ -</u>  |
|               |  | 2012                          |   |   |  |
|               |  | Fair Value Measurements Using |   |   |  |
|               |  | 2012 Total                    | Quoted Prices in<br>Active Markets<br>(Level 1) | Significant Other<br>Observable Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Mutual funds: |  |                               |   |   |  |
|               | Catholic Charities owned                     | \$ 15,325,289                 | \$ -  | \$ 15,325,289                                       | \$ -   |
|               | Beneficial interest in separate organization | 14,262,149                    | -   | 14,262,149  | -  |
|               | Total  | <u>\$ 29,587,438</u>          | <u>\$ -</u>                                     | <u>\$ 29,587,438</u>                                | <u>\$ -</u>  |

Catholic Charities of Los Angeles, Inc.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2013 and 2012

NOTE E - PLEDGES RECEIVABLE, NET

Unconditional promises to give totaled \$256,000 at June 30, 2013 and \$304,000 at June 30, 2012 and have been discounted to their present value at June 30, 2013 and 2012 using a rate of 3.3% based upon the risk adjusted discount rate. The pledges and discounts are illustrated below.

Included in pledges receivable are the following:

|                              | <u>2013</u>       | <u>2012</u>       |
|------------------------------|-------------------|-------------------|
| Pledges receivable, gross    | \$ 256,000        | \$ 304,000        |
| Less: present value discount | <u>(22,880)</u>   | <u>(32,186)</u>   |
| Pledges receivable, net      | <u>\$ 233,120</u> | <u>\$ 271,814</u> |
|                              | <u>2013</u>       | <u>2012</u>       |
| Amounts due in:              |                   |                   |
| Less than one year           | \$ 48,000         | \$ 48,000         |
| One to five years            | 192,000           | 192,000           |
| More than five years         | <u>16,000</u>     | <u>64,000</u>     |
|                              | <u>\$ 256,000</u> | <u>\$ 304,000</u> |

Reconciliation of pledges receivable is as follows for the year ended June 30:

|   | <u>2013</u>       | <u>2012</u>       |
|---|-------------------|-------------------|
| Pledges receivable, net - beginning of the year | \$ 271,814        | \$ 308,924        |
| Amortization of present value discount          | <u>9,306</u>      | <u>10,890</u>     |
| Total pledges, net                              | 281,120           | 319,814           |
| Payments received during the year               | <u>(48,000)</u>   | <u>(48,000)</u>   |
| Pledges receivable, net - end of the year       | <u>\$ 233,120</u> | <u>\$ 271,814</u> |

Catholic Charities of Los Angeles, Inc.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2013 and 2012

NOTE F - PROPERTY AND EQUIPMENT, NET

Property and equipment, net of Catholic Charities include the following as of June 30:

|                               | 2013                 | 2012                 |
|-------------------------------|----------------------|----------------------|
| Building and improvements     | \$ 19,464,526        | \$ 19,464,526        |
| Equipment and furniture       | 2,004,745            | 1,916,245            |
| Total property and equipment  | 21,469,271           | 21,380,771           |
| Less accumulated depreciation | (7,900,873)          | (7,221,801)          |
| Construction in progress      | -                    | 31,400               |
| Land                          | 2,822,666            | 2,822,666            |
| Property and equipment, net   | <u>\$ 16,391,064</u> | <u>\$ 17,013,036</u> |

NOTE G - BENEFICIAL INTEREST IN SEPARATE ORGANIZATION - OPUS CARITATIS

On January 7, 2004, Opus Caritatis, a separate corporation, was established for charitable purposes as a supporting organization to Catholic Charities. The mission of Opus Caritatis is to engage in the solicitation, receipt and administration of property and, from time to time, to disburse such property and the income therefrom for the charitable works of Catholic Charities. Additionally, Opus Caritatis may solicit funds from other corporations, foundations, businesses and individuals, including Catholic Charities. On June 30, 2004, Catholic Charities transferred \$17,712,825 to Opus Caritatis. In accordance with GAAP, the assets transferred to Opus Caritatis continue to be presented in the financial statements of Catholic Charities. The \$1,621,715 and \$944,579 increase in the beneficial interest in the years ended June 30, 2013 and 2012, respectively, represent investment gains on the assets held by Opus Caritatis less distributions made to Catholic Charities of \$2,282,000 and \$1,730,000, respectively.

The following shows the change in beneficial interest in separate organization for the year ended June 30:

|                                    | 2013                 | 2012                 |
|------------------------------------|----------------------|----------------------|
| Beginning balance, July 1,         | \$ 25,984,076        | \$ 25,039,497        |
| Dividends and interest income      | 2,232,553            | 2,387,341            |
| Realized gains, net                | 217,468              | 45,858               |
| Unrealized gains, net              | 1,494,196            | 263,565              |
| Other expenses                     | (40,502)             | (22,185)             |
| Distribution to Catholic Charities | (2,282,000)          | (1,730,000)          |
| Ending Balance, June 30,           | <u>\$ 27,605,791</u> | <u>\$ 25,984,076</u> |

Catholic Charities of Los Angeles, Inc.  
 NOTES TO FINANCIAL STATEMENTS - CONTINUED  
 June 30, 2013 and 2012

NOTE H - PENSION PLAN

Accrued payroll and vacation include approximately \$459,187 and \$554,437 of accrued pension plan contributions as of June 30, 2013 and 2012, respectively. Catholic Charities sponsors a defined contribution pension plan covering substantially all qualified employees. Employees are generally eligible for participation after one year of service. Catholic Charities' contributions to the pension plan are based upon 6% of eligible employees' salaries. The related expenses amounted to \$414,056 and \$504,153 for the years ended June 30, 2013 and 2012, respectively.

Catholic Charities also maintains a defined contribution 403(b) plan, covering substantially all employees immediately upon employment. Employees may contribute up to the legal limits established by the Internal Revenue Service. Catholic Charities makes no contributions to this plan.

NOTE I - NOTES PAYABLE

The following is a summary of notes payable as of June 30:

|                                       | 2013         | 2012         |
|---------------------------------------|--------------|--------------|
| City of Los Angeles note payable      | \$ 1,444,000 | \$ 1,444,000 |
| City of Los Angeles deferred interest | 1,088,700    | 1,016,500    |
| Total notes payable                   | \$ 2,532,700 | \$ 2,460,500 |

City of Los Angeles

Catholic Charities entered into an agreement on July 10, 1995 whereby the City of Los Angeles loaned Catholic Charities \$1,600,000 to be used for the acquisition of property and predevelopment costs related to the construction of the Good Shepherd Women's Village ("Women's Village Project"). In September 1998, the loan amount was decreased by \$156,000 to \$1,444,000 related to the sale of the portion of the land underlying Phase II of the Women's Village project which is no longer owned by Catholic Charities. The remaining balance represents the land and other costs for Phase I carried at \$1,050,000 and for Phase III carried at \$394,000. The Phase I balance was converted into a residual receipts note in December 1999 bearing simple interest at 5%. Payments of principal and interest on a residual receipts note are only made from residual receipts. There have been no residual receipts to date and none are expected. At June 30, 2013 and 2012, Catholic Charities has accrued \$1,088,700 and \$1,016,500, respectively, of interest expense related to the residual receipts notes.

Catholic Charities of Los Angeles, Inc.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2013 and 2012

NOTE J - FORGIVABLE CONSTRUCTION LOANS

City of Long Beach

In 2006, Catholic Charities received a loan from the City of Long Beach of \$62,878 for renovation of its Long Beach community services building. Because Catholic Charities remained a qualified non-profit organization and provided eligible public service to the residents of Long Beach, one seventh - \$8,982 was forgiven every year for seven years. Accordingly, the amount due on the loan has been reduced to \$0 and \$8,982 at June 30, 2013 and 2012, respectively.

The City of Long Beach loan was funded by the U.S. Department of Housing and Urban Development, thus the amortization of the loan principal balance of \$8,982 is included in government agency revenues in the statements of activities for the years ended June 30, 2013 and 2012.

Emergency Housing and Assistance Program (“EHAP”) LOANS I and II

*EHAP I:* In April 2008, the State of California loaned Catholic Charities’ Good Shepherd Women’s Village \$1,000,000 through the Department of Housing and Community Development EHAP for construction of Phase III. The loan accrues simple interest at 3% per year. As long as Catholic Charities continues to operate this shelter as either a transitional or emergency housing shelter, no payment of interest or principal is due. At the end of ten years, if Phase III is still operating as a shelter, the entire principal and accrued interest will be forgiven. At June 30, 2013 and 2012, accrued interest on this EHAP loan was \$154,802 and \$124,802, respectively.

*EHAP II:* On December 30, 2010, the State of California recorded its loan to Catholic Charities of \$1,000,000 through the Department of Housing and Community Development EHAP/Capital Development for the construction of Family Shelter II at Century Villages at Cabrillo (“CVC”) Project in the City of Long Beach (Elizabeth Ann Seton Family Shelter-Building 2). Simple interest at 3% per year accrued from the date of each advance. As long as Catholic Charities continues to operate this shelter as either a transitional or emergency housing shelter, no payment of interest or principal is due. Ten years from recordation, if Elizabeth Ann Seton Family Shelter-Building 2 is still operating as a shelter, the entire principal and accrued interest will be forgiven. At June 30, 2013 and 2012, interest of \$52,289 and \$22,289 of interest had accrued on this EHAP loan, respectively.

If Catholic Charities is unable to fulfill its obligation of operating Elizabeth Ann Seton Family Shelter-Building 2 as a shelter due to loss of government funding, CVC will either provide the funding to operate the shelter or assume responsibility for the EHAP loan. CVC’s obligation is guaranteed by Century Housing, Inc.

Catholic Charities of Los Angeles, Inc.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2013 and 2012

NOTE J - FORGIVABLE CONSTRUCTION LOANS - Continued

The following is a summary of forgivable construction loans as of June 30:

|  | 2013         | 2012         |
|--|--------------|--------------|
| EHAP forgivable construction loan payable I            | \$ 1,000,000 | \$ 1,000,000 |
| EHAP forgivable construction loan deferred interest I  | 154,802      | 124,802      |
| EHAP forgivable construction loan payable II           | 1,000,000    | 1,000,000    |
| EHAP forgivable construction loan deferred interest II | 52,289       | 22,289       |
| City of Long Beach forgivable construction loans       | -            | 8,982        |
| Total forgivable construction loans                    | \$ 2,207,091 | \$ 2,156,073 |

NOTE K - RELATED PARTY TRANSACTIONS

The Archdiocese

Catholic Charities purchases various insurance coverages through the Archdiocese for itself and its employees and also receives related administrative services. At June 30, 2013 and 2012, Catholic Charities owed \$0 for various insurance coverages. The Archdiocese also rents some of its facilities to Catholic Charities at less than fair value.

Catholic Charities Community Development Corporation ("CCCDC")

CCCDC is a separate non-profit corporation that was formed to undertake community development activities, including promoting and providing affordable housing and community centers. In recent years, it has terminated its other commitments and focused on its remaining project, a community center in Glendale that it leases to Catholic Charities.

In November 1992, Catholic Charities extended to CCCDC an 18-month revolving credit term loan of up to \$150,000 to fund predevelopment costs of various low-income housing projects. The loan, which is unsecured, was interest free through its maturity date, May 1994, after which interest at 8% per year on the unpaid balance is applied. The principal balance on the loan was \$100,000 at June 30, 2013 and 2012 and the accrued unpaid interest balance was \$360,465 and \$325,174 at June 30, 2013 and 2012, respectively. Since no payments have been made since 1997, Catholic Charities has fully reserved the principal and interest.



Catholic Charities of Los Angeles, Inc.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2013 and 2012

NOTE L - COMMITMENTS AND CONTINGENCIES

Lease Commitments

Catholic Charities has entered into various non-cancelable operating leases for office space, program, facilities, and equipment through 2019. Rental expense under all leases was \$419,128 and \$341,766 for the years ended June 30, 2013 and 2012, respectively.

Minimum lease commitments for the following fiscal years in effect at June 30, 2013 are as follows:

|            |    |                  |
|------------|----|------------------|
| 2014       | \$ | 242,180          |
| 2015       |    | 237,184          |
| 2016       |    | 175,211          |
| 2017       |    | 135,108          |
| 2018       |    | 129,865          |
| Thereafter |    | 593,000          |
|            | \$ | <u>1,512,548</u> |

Government Grants and Contracts

In accordance with the terms of certain government grants, the records of Catholic Charities are subject to audit after the date of final payment of the contracts. Catholic Charities is liable for any disallowed costs; however, management of Catholic Charities believes that the amount of costs disallowed, if any, would not be significant.

Other

In the normal course of operations, Catholic Charities is named as defendant in lawsuits and is subject to periodic examinations by regulatory agencies. After consultation with legal counsel, management is of the opinion that liabilities if any, arising from such litigation and examinations would not have a material effect on Catholic Charities' financial position.

Catholic Charities of Los Angeles, Inc.  
 NOTES TO FINANCIAL STATEMENTS - CONTINUED  
 June 30, 2013 and 2012

NOTE M - RESTRICTED NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, which consist primarily of investments, are available for the following programs or projects:

|   | <u>2013</u>          | <u>2012</u>          |
|---|----------------------|----------------------|
| Angel's Flight beneficial interest in separate organization | \$ 27,605,791        | \$ 25,984,076        |
| Angel's Flight  | 3,669,095            | 3,241,306            |
| Good Shepherd   | 1,076,592            | 1,076,591            |
| Other   | 999,742              | 1,065,012            |
| Disaster relief   | 427,721              | 427,721              |
| San Fernando programs                                       | 423,040              | 406,806              |
| Fors Family Trust   | 412,467              | 420,467              |
| Ventura Regional Programs                                   | 347,277              | 212,476              |
| St. Margaret's programs                                     | 233,120              | 271,814              |
| Santa Maria programs  | 208,655              | 248,027              |
| San Gabriel programs  | 177,139              | 428,509              |
| Mara Dion programs  | 116,771              | 116,771              |
| Good Shepherd Center programs                               | 110,745              | 181,229              |
| Santa Barbara programs                                      | 108,595              | 249,816              |
| Total Temporary Restricted Net Assets                       | <u>\$ 35,916,750</u> | <u>\$ 34,330,622</u> |

Permanently Restricted Net Assets

Catholic Charities held \$751,113 of permanently restricted funds as of June 30, 2013 and 2012. Investment income earned on these funds is temporarily restricted for designated programs.

The Board of Trustees, through its appropriate committee - the Investment Committee, has reviewed the California Uniform Prudent Management of Institutional Funds Act, UPMIFA (SB 1262) (the Act) as it impacts Catholic Charities and its restricted funds. The committee considered the following factors in its decision:

- (1) The duration and preservation of the endowment fund.
- (2) The purposes of the institution and endowment fund.
- (3) General economic conditions.
- (4) The possible effects of inflation and deflation.
- (5) The expected total return from the income and the appreciation of investments.
- (6) Other resources of the institution.
- (7) The investment policy of the Organization.

Catholic Charities of Los Angeles, Inc.  
 NOTES TO FINANCIAL STATEMENTS - CONTINUED  
 June 30, 2013 and 2012

NOTE M - RESTRICTED NET ASSETS - Continued

Permanently Restricted Net Assets (continued)

Expenditures from these funds are assessed annually based on the needs of Catholic Charities and the intent of the donors. The funds and their earnings are held in the long-term investment fund whose objectives are discussed in Note C.

All income earned since the donation date has been held as temporarily restricted unless specifically expended. Additionally, when appropriate, a reserve may be held in temporarily restricted assets as a buffer for those years with investment losses.

The committee believes that this flexible approach, as it encompasses the total fund returns (both its original donation and earnings as required by the Act), is the best method under which to continue holding these assets. As such, the permanently restricted portion of the Fund continues to be shown as donated, at \$751,113 for the years ended June 30, 2013 and 2012.

The temporarily restricted net assets' and permanently restricted net assets' activity for the years ended June 30, 2013 and 2012 are as follows:

|                          | Temporarily<br>Restricted | Permanently<br>Restricted | Total               |
|--------------------------|---------------------------|---------------------------|---------------------|
| Balance at June, 30 2011 | \$ 597,136                | \$ 751,113                | \$ 1,348,249        |
| Investment gains         | 53,901                    | -                         | 53,901              |
| Expenditures             | (18,404)                  | -                         | (18,404)            |
| Balance at June, 30 2012 | 632,633                   | 751,113                   | 1,383,746           |
| Investment gains         | 177,588                   | -                         | 177,588             |
| Expenditures             | (42,534)                  | -                         | (42,534)            |
| Balance at June, 30 2013 | <u>\$ 767,687</u>         | <u>\$ 751,113</u>         | <u>\$ 1,518,800</u> |

NOTE N - SUBSEQUENT EVENTS

Catholic Charities has evaluated the financial statements for subsequent events through November 15, 2013, for any required disclosures.

On October 22, 2013, Opus Caritatis, Inc. made a program grant to Jobe Inc., a nonprofit 501(c)(3) organization. The grant was 81,800 shares of Watson Land Company stock owned by Opus Caritatis, Inc. (see Beneficial Interest Note G and Fair Value of Financial Instruments Note D - which represented a cost basis of \$2,045,000) plus cash of \$198,42 This will reduce the carrying value of the Beneficial Interest by \$2,243,422 as well as reduce future dividends available to Opus Caritatis. Jobe Inc.'s purpose is to support Angel's Nest TLP (a nonprofit 501 (c)(3) organization which operates a transitional living program for emancipated foster youth.

## SUPPLEMENTARY INFORMATION

Catholic Charities of Los Angeles, Inc.  
SCHEDULES OF PROGRAM EXPENSES  
Years ended June 30,

|   | 2013                 | 2012                 |
|---|----------------------|----------------------|
| <b>PROGRAM SERVICES</b>   |                      |                      |
| Community Services - San Fernando   | \$ 1,396,981         | \$ 1,310,275         |
| Community Services - San Gabriel  | 1,175,835            | 1,018,437            |
| Community Services - San Pedro  | 843,117              | 1,073,406            |
| Community Services - OLA Metro  | 509,796              | 522,904              |
| Community Services - OLA Western  | 1,726,537            | 1,523,640            |
| Community Services - Ventura County   | 2,311,716            | 2,059,491            |
| Community Services - Santa Barbara County                                       | 4,057,379            | 3,138,337            |
| Community Services - Other  | 340,842              | 162,894              |
| Archdiocesan Youth Employment Services (AYE)                                    | 4,197,501            | 4,940,149            |
| Athletics (CYO)   | 424,259              | 404,380              |
| Angel's Flight Shelter and Outreach   | 1,959,179            | 2,162,597            |
| Angel's Flight Adeste   | 386,307              | 512,359              |
| Good Shepherd Centers   | 3,690,115            | 3,140,628            |
| McGill House  | 113,127              | 107,933              |
| Elizabeth Ann Seton Family Shelter  | 658,815              | 773,386              |
| Project Achieve Shelter   | 778,016              | 780,419              |
| Psychological services  | 343,465              | 329,408              |
| Aging programs  | 259,314              | 196,867              |
| Immigration and citizenship services  | 727,182              | 329,832              |
| Esperanza   | 984,212              | 918,473              |
| Central intake unit programs  | 746,987              | 800,377              |
| Reception and placement services  | 1,831,513            | 1,780,583            |
|   | <b>29,462,195</b>    | <b>27,986,775</b>    |
| <b>SUPPORT SERVICES</b>   |                      |                      |
| Administration  | 1,106,577            | 1,016,904            |
| Finance   | 1,112,583            | 1,006,984            |
| Facilities management   | 510,143              | 632,199              |
| Human resources   | 409,142              | 394,017              |
| Management information systems  | 271,513              | 243,617              |
|   | <b>3,409,958</b>     | <b>3,293,721</b>     |
| Resource Development and Fundraising  | 712,083              | 739,747              |
| <b>GENERAL AND ADMINISTRATIVE EXPENSES ALLOCATED<br/>TO INDIVIDUAL PROGRAMS</b> | <b>(2,269,393)</b>   | <b>(2,317,161)</b>   |
| <b>ELIMINATION OF OCCUPANCY COSTS ALLOCATED<br/>TO INDIVIDUAL PROGRAMS</b>      | <b>(160,052)</b>     | <b>(157,378)</b>     |
| <b>TOTAL EXPENSES</b>   | <b>\$ 31,154,791</b> | <b>\$ 29,545,704</b> |

Catholic Charities of Los Angeles, Inc.  
 STATEMENTS OF ACTIVITIES – SANTA BARBARA COUNTY  
 Years ended June 30,

|   | 2013             | 2012             |
|---|------------------|------------------|
| <b>SUPPORT AND OPERATING REVENUES</b>                                     |                  |                  |
| Support   |                  |                  |
| Contributions & bequests  | \$ 476,653       | \$ 291,302       |
| Foundations   | 122,383          | 134,791          |
| In-kind donations   | 1,672,562        | 707,567          |
| Fundraising less donor benefits of \$50,677<br>and \$41,189, respectively | 630,491          | 698,409          |
| <b>Total support</b>  | <b>2,902,089</b> | <b>1,832,069</b> |
| Operating Revenues  |                  |                  |
| Government agencies   | 821,148          | 1,012,174        |
| Program service revenues  | 23,194           | 20,823           |
| Sales to the public   | 407,703          | 374,607          |
| <b>Total operating revenues</b>   | <b>1,252,045</b> | <b>1,407,604</b> |
| <b>TOTAL SUPPORT AND OPERATING REVENUES</b>                               | <b>4,154,134</b> | <b>3,239,673</b> |
| <b>EXPENSES</b>   |                  |                  |
| Payroll expenses  |                  |                  |
| Salaries and wages  | 795,800          | 785,116          |
| Pension plan contributions  | 35,626           | 41,696           |
| Employee benefits   | 135,195          | 113,712          |
| Payroll taxes   | 88,353           | 87,837           |
| <b>Total payroll expenses</b>   | <b>1,054,974</b> | <b>1,028,361</b> |
| Emergency food, shelter and other   | 2,090,779        | 1,279,151        |
| Professional fees   | 409              | 426              |
| Audit and accounting fees   | 9,495            | 10,485           |
| Services  | 52,105           | 49,247           |
| Office expenses   | 51,564           | 43,625           |
| Operating supplies  | 8,678            | 8,271            |
| Donated thrift store goods  | 411,010          | 374,607          |
| Information technology  | 16,259           | 10,879           |
| Occupancy   | 125,497          | 115,206          |
| Staff training, conference and meetings                                   | 4,646            | 1,183            |
| Travel  | 1,360            | 4,147            |
| Insurance   | 25,031           | 23,755           |
| Vehicles and mileage  | 39,282           | 34,740           |
| Fundraising expenses  | 44,682           | 42,143           |
| Miscellaneous   | 218,363          | 213,414          |
| <b>TOTAL EXPENSES</b>   | <b>4,154,134</b> | <b>3,239,640</b> |
| <b>SURPLUS</b>  | <b>\$ -</b>      | <b>\$ 33</b>     |

Catholic Charities of Los Angeles, Inc.  
 STATEMENTS OF ACTIVITIES – VENTURA COUNTY  
 Years ended June 30,

|  | 2013             | 2012             |
|--|------------------|------------------|
| <b>SUPPORT AND OPERATING REVENUES</b>                                    |                  |                  |
| Support  |                  |                  |
| Contributions & bequests   | \$ 288,292       | \$ 222,616       |
| Foundations  | 70,558           | 66,871           |
| In-kind donations  | 1,218,466        | 1,234,345        |
| Fundraising less donor benefits of \$25,440<br>and \$30,375 respectively | 329,844          | 332,114          |
| <b>Total support</b>   | <b>1,907,160</b> | <b>1,855,946</b> |
| Operating Revenues   |                  |                  |
| Government agencies  | 706,149          | 449,853          |
| Program service revenues   | 40,400           | 74,939           |
| <b>Total operating revenues</b>  | <b>746,549</b>   | <b>524,792</b>   |
| <b>TOTAL SUPPORT AND OPERATING REVENUES</b>                              | <b>2,653,709</b> | <b>2,380,738</b> |
| <b>EXPENSES</b>  |                  |                  |
| Payroll expenses   |                  |                  |
| Salaries and wages   | 271,626          | 271,386          |
| Pension plan contributions   | 12,921           | 13,863           |
| Employee benefits  | 34,740           | 32,682           |
| Payroll taxes  | 24,462           | 26,981           |
| <b>Total payroll expenses</b>  | <b>343,749</b>   | <b>344,912</b>   |
| Emergency food, shelter and other  | 1,946,987        | 1,674,658        |
| Professional fees  | 24,423           | 18,438           |
| Audit and accounting fees  | 3,868            | 4,247            |
| Services   | 1,334            | 2,113            |
| Office expenses  | 32,467           | 43,820           |
| Operating supplies   | 19,904           | 2,936            |
| Information technology   | 21,664           | 11,954           |
| Occupancy  | 80,710           | 94,480           |
| Staff training, conference and meetings                                  | 3,101            | 2,522            |
| Insurance  | 10,758           | 10,618           |
| Vehicles and mileage   | 9,842            | 6,572            |
| Fundraising expenses   | 61,080           | 68,746           |
| Miscellaneous  | 93,822           | 94,722           |
| <b>TOTAL EXPENSES</b>  | <b>2,653,709</b> | <b>2,380,738</b> |
| <b>SURPLUS (DEFICIT)</b>   | <b>\$ -</b>      | <b>\$ -</b>      |

Catholic Charities of Los Angeles, Inc.  
 REFUGEE TARGETED EMPLOYMENT PROGRAM  
 REP08006

SCHEDULE OF REVENUES AND EXPENDITURES  
 Year Ended June 30, 2013

Revenue

County of Los Angeles  
 REP08006  
 REP13001

|  |                   |
|--|-------------------|
|  | \$ 518,769        |
|  | 4,137             |
|  | <b>\$ 522,906</b> |

Expenditures

Salaries and Wages  
 Payroll Taxes and Employee Benefits  
 Professional Fees and Services  
 Equipment and Supplies  
 Telephone  
 Occupancy  
 Local Transportation  
 Conferences and Meetings  
 Client Supportive Expenses  
 Indirect Costs

|  |                   |
|--|-------------------|
|  | \$ 318,928        |
|  | 92,509            |
|  | 17,352            |
|  | 8,110             |
|  | 3,690             |
|  | 16,416            |
|  | 2,656             |
|  | 142               |
|  | 1,925             |
|  | 61,178            |
|  | <b>\$ 522,906</b> |