

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA**

**WINONA, MINNESOTA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA**

**WINONA, MINNESOTA**

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1-2
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-25
Schedules of Revenue and Other Support	26



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Catholic Charities of the Diocese of Winona-Rochester  
D/B/A Catholic Charities of Southern Minnesota

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Catholic Charities of the Diocese of Winona-Rochester D/B/A Catholic Charities of Southern Minnesota, (a Minnesota non-profit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities of the Diocese of Winona-Rochester D/B/A Catholic Charities of Southern Minnesota, as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenue and other support on page 26 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Russell & Associates, LLC". The signature is written in a cursive, flowing style.

Winona, Minnesota  
December 19, 2019

**CATHOLIC CHARITIES OF THE DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,202,891	\$ 834,559
Receivables		
United Way Agencies	14,248	13,874
United States Conference of Catholic Bishops	52,412	32,250
Program fees, net of allowance for contractual adjustments of \$10,000 and \$10,000, respectively	91,762	72,636
Grants	212,374	193,551
Contributions	73,665	938,615
Other	38,061	50,289
Less: allowance for uncollectible accounts	(9,764)	(12,211)
Investments	516,149	473,827
Other assets	60,129	62,491
Property and equipment (net)	473,512	482,136
 Total Assets	 <b>\$ 2,725,439</b>	 <b>\$ 3,142,017</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 236,299	\$ 249,938
Advance from United States Conference of Catholic Bishops	-	7,700
Deferred revenue	2,890	97,626
Note payable	-	312
 Total liabilities	 239,189	 355,576
 <b>NET ASSETS</b>		
Without donor restrictions		
Board designated	1,310,469	1,310,469
Undesignated - investment in property and equipment	473,512	482,136
Undesignated	68,475	181,205
With donor restrictions		
Time/Purpose restricted	632,294	811,131
Endowment	1,500	1,500
Total net assets	2,486,250	2,786,441
 Total liabilities and net assets	 <b>\$ 2,725,439</b>	 <b>\$ 3,142,017</b>

*See notes to financial statements.*

**CATHOLIC CHARITIES OF THE DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE, GAINS AND OTHER SUPPORT</b>			
Contributions			
Diocese of Winona			
Annual appeal and Spirit Circle	\$ 394,367	\$ -	\$ 394,367
General and program specific support	171,968	-	171,968
Parish support	27,218	-	27,218
United Way campaigns	47,951	18,225	66,176
General donations	153,239	167,777	321,016
Bequests and other	140,732	-	140,732
Program fees	454,711	-	454,711
Government grants and fees	1,227,505	28,863	1,256,368
Bad debts recovered	120	-	120
Loss on disposal of equipment	(662)	-	(662)
Investment income	41,163	1,542	42,705
Rent income	21,000	-	21,000
Net assets released from restrictions	395,244	(395,244)	-
	<u>3,074,556</u>	<u>(178,837)</u>	<u>2,895,719</u>
Total revenue, gains, and other support			
<b>EXPENSES</b>			
Program services			
Guardian & conservator services	419,049	-	419,049
Pregnancy, parenting and adoption	344,916	-	344,916
Family and individual counseling	447,811	-	447,811
Active aging	737,775	-	737,775
Medication application service	60,256	-	60,256
Parish social ministry	214,317	-	214,317
Refugee resettlement	368,336	-	368,336
Administrative and general	447,473	-	447,473
Fundraising	155,977	-	155,977
Total expenses	<u>3,195,910</u>	<u>-</u>	<u>3,195,910</u>
Change in net assets	(121,354)	(178,837)	(300,191)
NET ASSETS, BEGINNING OF YEAR	<u>1,973,810</u>	<u>812,631</u>	<u>2,786,441</u>
NET ASSETS, END OF YEAR	<u>\$ 1,852,456</u>	<u>\$ 633,794</u>	<u>\$ 2,486,250</u>

*See notes to financial statements.*

**CATHOLIC CHARITIES OF THE DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>			
Contributions			
Diocese of Winona			
Annual appeal and Spirit Circle	\$ 275,555	\$ -	\$ 275,555
General and program specific support	155,539	70,000	225,539
Parish support	16,017	-	16,017
United Way campaigns	57,395	20,244	77,639
General donations	285,285	172,017	457,302
Bequests and other	290,384	16,481	306,865
Program fees	542,746	1,260	544,006
Government grants and fees	1,115,385	8,899	1,124,284
Investment income	38,101	996	39,097
Rent income	21,050	-	21,050
Net assets released from restrictions	149,393	(149,393)	-
Total revenues, gains, and other support	<u>2,946,850</u>	<u>140,504</u>	<u>3,087,354</u>
<b>EXPENSES</b>			
Program services			
Guardian & conservator services	306,822	-	306,822
Pregnancy, parenting and adoption	302,427	-	302,427
Family and individual counseling	463,984	-	463,984
Active aging	639,174	-	639,174
Medication application service	60,346	-	60,346
Parish social ministry	184,475	-	184,475
Refugee resettlement	368,043	-	368,043
Administrative and general	399,080	-	399,080
Fundraising	177,368	-	177,368
Total expenses	<u>2,901,719</u>	<u>-</u>	<u>2,901,719</u>
Change in net assets before loss from litigation claims	45,131	140,504	185,635
Change in loss from litigation claims	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Change in net assets	345,131	140,504	485,635
NET ASSETS, BEGINNING OF YEAR	<u>1,628,679</u>	<u>672,127</u>	<u>2,300,806</u>
NET ASSETS, END OF YEAR	<u>\$ 1,973,810</u>	<u>\$ 812,631</u>	<u>\$ 2,786,441</u>

*See notes to financial statements.*

**CATHOLIC CHARITIES OF THE DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2019**

	PROGRAM SERVICES								SUPPORT SERVICES		
	Guardian & Conservator Services	Pregnancy, Parenting & Adoption	Family & Individual Counseling	Active Aging	Medication Application Service	Parish Social Ministry	Refugee Resettlement	Total	Administrative and General	Fund Raising	Total
Salaries	\$ 292,828	\$ 139,529	\$ 304,628	\$ 394,348	\$ 21,862	\$ 119,132	\$ 179,366	\$ 1,451,693	\$ 269,733	\$ 79,134	\$ 1,800,560
Employee benefits	45,917	34,136	43,616	72,684	4,055	20,319	27,449	248,176	41,070	14,061	303,307
Payroll taxes	23,505	11,244	21,412	29,761	1,210	9,359	15,472	111,963	20,306	6,442	138,711
Professional fees	8,507	6,729	10,612	32,220	1,293	1,502	3,193	64,056	38,154	3,073	105,283
Supplies	2,029	3,263	1,956	21,192	127	5,507	2,138	36,212	4,565	3,806	44,583
Telephone	5,266	4,642	12,215	9,813	156	2,532	3,241	37,865	3,241	2,556	43,662
Postage	1,548	1,900	1,522	3,644	86	608	562	9,870	1,532	13,065	24,467
Occupancy	12,981	17,108	36,434	27,296	512	15,174	22,534	132,039	18,928	5,053	156,020
Equipment maintenance and rental	2,219	2,025	2,366	10,935	144	1,357	1,648	20,694	4,574	384	25,652
Printing and publications	3,602	14,289	2,465	17,362	1,135	1,994	1,428	42,275	24,646	23,208	90,129
Transportation	17,160	13,606	1,392	112,447	320	7,602	7,923	160,450	3,751	2,577	166,778
Conferences, meetings and conventions	1,062	1,747	2,022	3,383	31	2,756	238	11,239	4,259	1,420	16,918
Specific assistance to individuals	50	93,199	-	-	29,135	21,033	101,786	245,203	-	-	245,203
Organization dues	529	957	617	753	35	190	346	3,427	2,671	857	6,955
Miscellaneous	846	17	5,358	392	4	3,066	49	9,732	393	11	10,136
Depreciation	1,000	525	1,196	1,545	151	2,186	963	7,566	9,650	330	17,546
Total	\$ 419,049	\$ 344,916	\$ 447,811	\$ 737,775	\$ 60,256	\$ 214,317	\$ 368,336	\$ 2,592,460	\$ 447,473	\$ 155,977	\$ 3,195,910

*See note to financial statements.*

**CATHOLIC CHARITIES OF THE DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2018**

	<b>PROGRAM SERVICES</b>								<b>SUPPORT SERVICES</b>		
	<b>Guardian &amp; Conservator Services</b>	<b>Pregnancy, Parenting &amp; Adoption</b>	<b>Family &amp; Individual Counseling</b>	<b>Active Aging</b>	<b>Medication Application Service</b>	<b>Parish Social Ministry</b>	<b>Refugee Resettlement</b>	<b>Total</b>	<b>Administrative and General</b>	<b>Fund Raising</b>	<b>Total</b>
Salaries	\$ 215,032	\$ 132,471	\$ 302,857	\$ 337,407	\$ 23,288	\$ 93,751	\$ 185,191	\$ 1,289,997	\$ 220,370	\$ 79,526	\$ 1,589,893
Employee benefits	30,988	34,413	52,368	57,243	4,197	14,218	30,471	223,898	40,825	14,292	279,015
Payroll taxes	17,871	10,720	22,075	25,803	2,020	7,497	15,568	101,554	16,657	6,699	124,910
Professional fees	6,435	10,518	8,296	12,128	1,286	1,875	1,767	42,305	37,634	945	80,884
Supplies	1,834	2,628	2,232	13,007	164	2,107	1,694	23,666	6,052	4,781	34,499
Telephone	4,881	5,044	11,305	10,174	186	1,444	3,676	36,710	2,989	2,508	42,207
Postage	1,349	1,358	1,461	2,848	183	491	417	8,107	1,743	12,797	22,647
Occupancy	9,021	17,823	38,802	24,645	598	4,206	22,409	117,504	17,250	5,074	139,828
Equipment maintenance and rental	1,663	2,470	3,112	13,967	172	1,177	1,775	24,336	5,789	520	30,645
Printing and publications	2,201	12,893	6,509	24,826	696	4,502	1,867	53,494	29,662	46,060	129,216
Transportation	13,409	14,320	2,646	107,065	286	10,104	9,026	156,856	3,084	2,123	162,063
Conferences, meetings and conventions	616	2,229	1,759	5,736	15	4,358	320	15,033	2,352	861	18,246
Specific assistance to individuals	30	53,637	-	-	27,028	35,488	92,179	208,362	-	-	208,362
Organization dues	492	1,091	826	2,275	28	315	331	5,358	2,944	554	8,856
Miscellaneous	140	59	7,697	166	40	186	45	8,333	1,115	114	9,562
Depreciation	860	753	2,039	1,884	159	2,756	1,307	9,758	10,614	514	20,886
<b>Total</b>	<b>\$ 306,822</b>	<b>\$ 302,427</b>	<b>\$ 463,984</b>	<b>\$ 639,174</b>	<b>\$ 60,346</b>	<b>\$ 184,475</b>	<b>\$ 368,043</b>	<b>\$ 2,325,271</b>	<b>\$ 399,080</b>	<b>\$ 177,368</b>	<b>\$ 2,901,719</b>

See notes to financial statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (300,191)	\$ 485,635
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	17,546	20,888
Bad debt expense	778	507
Loss on disposal of equipment	662	-
Net gain on investments	(32,255)	(27,643)
(Increase) decrease in operating assets		
Receivables	815,468	(105,142)
Other assets	2,362	(3,331)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(13,639)	20,456
Accrued loss from litigation claims	-	(300,000)
Deferred revenue	(94,736)	97,626
	<u>395,995</u>	<u>188,996</u>
Net cash provided by operating activities	395,995	188,996
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(10,228)	(2,194)
Proceeds from the sale of property and equipment	2,000	-
Purchase of investments	(19,123)	(10,053)
	<u>(27,351)</u>	<u>(12,247)</u>
Net cash used by investing activities	(27,351)	(12,247)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments of notes payable	(312)	(3,707)
	<u>368,332</u>	<u>173,042</u>
Net increase in cash and cash equivalents	368,332	173,042
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>834,559</u>	<u>661,517</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,202,891</u>	<u>\$ 834,559</u>
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Interest paid during the year	\$ 71	\$ 699

*See notes to financial statements.*

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 1 – Nature of Organization**

Catholic Charities of the Diocese of Winona-Rochester D/B/A Catholic Charities of Southern Minnesota (the “Agency”), is a nonprofit Minnesota corporation organized for the purpose of carrying out charitable activities of the Roman Catholic church in that part of Minnesota comprising the Catholic Diocese of Winona-Rochester (the “Diocese”). The Board of Directors is appointed by the Bishop of the Diocese. The Agency is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state tax codes.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Accounting** – The financial statements are prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation** – The financial statements of the Agency have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Agency to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions** – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Agency. These net assets may be used at the discretion of the Agency’s management and the board of directors.

**Net assets with donor restrictions** – Net assets that are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those will be met by actions of the Agency or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

**Measure of Operations** – The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization’s ongoing services and interest and dividends earned on investments. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 2 – Summary of Significant Accounting Policies – continued**

**Cash and Cash Equivalents** – For the purposes of reporting of the statements of cash flows, the Agency considers all cash accounts, and money market funds which are not subject to withdrawal restrictions or penalties, and all certificates of deposit purchased with an initial maturity of three months or less to be cash and cash equivalents.

**Concentrations of Credit Risk** – Financial instruments that potentially subject the Agency to concentrations of credit risk consist principally of cash, certificates of deposit, mutual fund investments, and marketable securities.

The Agency maintains its cash accounts in commercial banks located in Minnesota. Accounts at each bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC).

**Program Fee Receivables** – Program fee receivables are carried at original invoice amount, less an estimate made for contractual and agency sliding fee adjustments, and for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history, and current economic conditions. Program fee receivables are written off when deemed uncollectible. Recoveries of program fee receivables previously written off are recorded as income when received.

**Investments and Investment Income** – Shares of common/collective trust funds are reported at fair value based on unit prices quoted by the funds, representing the fair value of the underlying investments. Marketable securities traded on a national exchange are stated at fair value based on quoted market prices. Unrealized gains and losses are reported as a component of investment income based on the change in fair value between reporting periods. Realized gains and losses are reported as a component of investment income based on the original cost of the investment sold and the price at the time of sale. Interest and dividend income is recognized when earned.

Investments are exposed to various risks such as significant world events, threatened default of government debt obligations, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 2 – Summary of Significant Accounting Policies – continued**

**Fair Value Measurements** – Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on measurement date. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity’s assumptions (unobservable inputs). The Agency groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

**Level 1** - Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

**Level 2** - Other observable inputs, either directly or indirectly, include:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observed for the assets/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

**Level 3** - Unobservable inputs that cannot be corroborated by observable market data.

The inputs and methodology used for valuing the Agency’s financial assets and liabilities are not indicators of the risks associated with those instruments.

**Property and Equipment** – Donated items are reported at fair value at the time of donation. Purchased items over \$1,000 are capitalized at cost. Repairs and maintenance are expensed as incurred. Depreciation is provided over useful lives varying from 3 to 40 years using the straight-line method.

**Funds Held For Others** – Assets received by the Agency in which it is acting as an intermediary between a donor and donee are reported as a liability at the time of receipt. Upon payment to the donee, the liability is removed.

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 2 – Summary of Significant Accounting Policies – continued**

**Contributions** – Contributions are recognized as revenue in the period received in the form of cash, unconditional promise to give, other assets or decreases in liabilities. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor time / purpose restrictions or net assets with donor restrictions in perpetuity that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets with donor time / purpose restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. Net assets with donor restrictions - endowment amounts are to be held in perpetuity. A conditional promise to give is recognized when the conditional promise becomes unconditional.

**Fees and Grants** – Revenue from fees, net of contractual adjustments, is recognized in the period the services are provided. Grants are recognized based on the terms of the agreement, which is either over a period of time or based on expenditures incurred. Amounts received but unearned are recorded as deferred revenue.

**In Kind Donations** – In kind donations are recognized as contributions if the services:

- (a) Create or enhance nonfinancial assets or;
- (b) Require specialized skills that are performed by people with those skills and would otherwise be purchased by the Agency.

Donated materials are reflected as contributions in the accompanying statements at their fair value at date of receipt.

During the years ended June 30, 2019 and 2018, \$6,166 and \$17,238, respectively, was recorded for in-kind advertising through Google AdWords. In addition, the Agency received \$22,698 and \$26,500 of computers and software for the years ended June 30, 2019 and 2018 respectively.

The Agency receives donated office space at two locations. The fair rental value of the office space of \$2,520 for both years, is recorded in the statement of activities for the years ending June 30, 2019 and 2018.

**Functional Expenses Allocation** – The Statements of Functional Expenses have been prepared using employees' time summaries and other direct allocation procedures. All expenses (other than amounts directly charged to programs) are allocated based on the time spent in each program by employees. Other expenses are identified as directly related to a program and are allocated to that program. The charitable activities of the Agency conducted within the Diocese result from the operation of the following programs:

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 2 – Summary of Significant Accounting Policies – continued**

*Guardian & Conservator Services* – serving as a court appointed guardian/conservator for individuals deemed unable to make decisions in their personal best interest.

*Pregnancy, Parenting and Adoption includes -*

Adoption – placing children in adoptive homes and completing adoption home studies for domestic and international adoption.

Post Adoption – providing adoption reunions or medical information for birthparents and for adopted persons over the age of nineteen who were placed through Catholic Charities of Southern Minnesota.

Pregnancy Counseling – offering 24/7/365 pregnancy support and assistance in decision making for those facing an unplanned pregnancy.

*Family & Individual Counseling includes -*

Family & Individual Counseling – providing families, couples and individuals with affordable and effective professional counseling services.

Project Rachel – providing counseling and emotional support to individuals experiencing difficulty in recovering after being instrumental in securing an abortion.

*Active Aging* – providing individuals at or above age 55 with volunteer opportunities in their local community. In fiscal year 2019, 1,341 Common Good RSVP volunteers provided 125,500 hours of service to 125 not for profit agencies in their communities. In fiscal year 2018, 1,292 Common Good RSVP volunteers provided 108,481 hours of service to 140 not-for-profit agencies in their communities. The Active Aging program also provides a variety of exercise programs for older adults that promote fitness, flexibility, strength, and balance. The program also provides in home services to seniors so that they may continue to live at home safely and effectively.

*Medication Application Service* – assisting low-income, uninsured individuals with costs of prescription medications, medical supplies, and medical devices. In fiscal years 2019 and 2018, clients of the Medication Application Service received, at no cost, prescription medications valued at approximately \$591,497 and \$469,600, respectively, from the pharmaceutical manufacturers.

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 2 – Summary of Significant Accounting Policies – continued**

*Parish Social Ministry includes -*

Parish Social Ministry – offering leadership and service to the people and institutions of the diocesan church in their task of bringing the church’s social mission to life.

Disaster Relief – providing financial assistance to those affected by flood, drought, fire or other disasters.

Winona Community Warming Center – provides overnight shelter during winter months for homeless adults in the Winona area. Services include a warm place to sleep, showers, laundry facilities, healthy snacks and beverages, fellowship, and referrals for additional help.

*Refugee Resettlement* – supporting refugees with pre-arrival services, arrival and reception services, and orientation and case management services. The Refugee Resettlement Program also includes financial literacy workshops for refugees and other members of the community. The workshops help participants avoid financial management mistakes and learn how to use money to empower their lives, build assets, and gain financial independence.

The following are certain Agency activities, which are related to those of the Diocese:

- (a) The Diocese conducts an annual Catholic Charities Appeal in all churches in the Diocese to raise donations for use by the Agency for charitable purposes.
- (b) The Bishop of the Diocese serves on the Board of Directors and is President, ex-officio of the Agency. Also, several religious personnel in the Diocese serve on the Board of Directors, which also includes many laypersons.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Advertising** – The Agency expenses advertising costs as incurred. Advertising expenses were \$21,127 and \$38,777, respectively, for the years ended June 30, 2019 and 2018.

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 2 – Summary of Significant Accounting Policies – continued**

**New Accounting Pronouncement** – On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Agency has adjusted the presentation of these statements accordingly. ASU 2016-14 has been applied retrospectively to all periods presented.

**Reclassifications** – Certain amounts in the prior year statements have been reclassified for comparison purposes to conform to the current year presentation. These reclassifications had no effect on the change in net assets for 2018.

**Note 3 – Liquidity and Availability**

The Agency receives contributions with donor restrictions to be used in accordance with associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs.

The Agency considers investment income without donor restrictions, appropriated earnings from donor-restricted and board designated (quasi-endowments), contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Agency's fiscal year.

The Agency manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long-term grant commitments and obligations that support mission fulfillment will continue to be met, ensuring the sustainability of the Agency.

The Agency strives to maintain sufficient financial assets to meet general expenditures for general and administrative expenses for the next year plus an amount that represents the next year's anticipated grant commitments.

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 3 – Liquidity and Availability – continued**

The table below presents financial assets available for general expenditures within one year at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,202,891	\$ 834,559
Contributions receivable	474,204	1,293,578
Investments	516,149	473,827
Total financial assets	<u>2,193,244</u>	<u>2,601,964</u>
Less amounts not available to be used within one year:		
Endowments	1,500	1,500
Net assets with purpose restrictions	632,294	811,131
Board-designated funds (quasi-endowment)	275,458	275,458
Board-designated	1,035,011	1,035,011
	<u>1,944,263</u>	<u>2,123,100</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 248,981</u>	<u>\$ 478,864</u>

As part of its liquidity management plan, the Agency invests cash in excess of daily requirements in savings, certificates of deposit, and money market funds. The board-designated amounts could be made available, if necessary.

**Note 4 – Contributions Receivable**

Contributions receivable consist of unconditional promises to give. At June 30, 2019 and 2018, contributions receivable are as follows:

	<u>2019</u>	<u>2018</u>
Receivable in less than one year	\$ 65,965	\$ 930,915
Receivable in one to five years	6,000	6,000
More than five years	1,700	1,700
	<u>\$ 73,665</u>	<u>\$ 938,615</u>

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 5 – Investments**

Investment securities outstanding at June 30, 2019 and 2018 are as follows:

<u>Type</u>	<b>June 30, 2019</b>		
	Cost	Fair Value	Unrealized Appreciation
Common Stock	\$ 5,202	\$ 6,796	\$ 1,594
Mutual Funds	70,355	93,808	23,453
Christian Brothers Investment Services CUIT Magnus Fund	161,605	406,508	244,903
Christian Brothers Investment Services CUIT Short-Term Government Bond Fund	8,719	9,037	318
	\$ 245,881	\$ 516,149	\$ 270,268

<u>Type</u>	<b>June 30, 2018</b>		
	Cost	Fair Value	Unrealized Appreciation
Common Stock	\$ 3,044	\$ 4,825	\$ 1,781
Mutual Funds	65,035	88,771	23,736
Christian Brothers Investment Services CUIT Balanced Fund	159,237	371,544	212,307
Christian Brothers Investment Services CUIT Short-Term Government Bond Fund	8,498	8,687	189
	\$ 235,814	\$ 473,827	\$ 238,013

Reconciliation of investment income for the years ended June 30, 2019 and 2018 is as follows:

	<b>2019</b>	<b>2018</b>
Interest and dividends	\$ 10,450	\$ 11,454
Unrealized gains (losses)	32,255	27,643
	\$ 42,705	\$ 39,097

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 6 – Property and Equipment**

Property and equipment at June 30, 2019 and 2018 are summarized by major classification as follows:

	<u>2019</u>	<u>2018</u>
Land	\$ 81,688	\$ 81,688
Office building	495,108	495,108
Automobiles	25,584	25,584
Computers and communications equipment	76,890	67,324
Furniture and fixtures	13,918	13,918
Leasehold improvements	26,843	28,843
Less: Accumulated depreciation	<u>(246,519)</u>	<u>(230,329)</u>
	<u>\$ 473,512</u>	<u>\$ 482,136</u>

**Note 7 – Endowment Funds**

The Agency’s endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

The Board of Directors of the Agency has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Agency classifies as net assets with donor restrictions – endowments (a) the original value of gifts donated to the endowment fund, and (b) the original value of subsequent gifts to the endowment fund, and (c) accumulations to the endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted endowment is classified as time/purpose restricted until those amounts are appropriated for expenditure by the Agency in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Agency considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 7 – Endowment Funds – continued**

1. The duration and preservation of the fund
2. The purposes of the Agency and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Agency
7. The investment policies of the Agency

Following is a summary of the endowment net asset composition by fund type as of June 30, 2019 and 2018:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,500	\$ 1,500
Board-designated Quasi-endowment	275,458	-	275,458
Total funds	<u>\$ 275,458</u>	<u>\$ 1,500</u>	<u>\$ 276,958</u>

Net assets with donor restrictions are the portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA.

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Agency to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2019 and 2018.

**Return Objectives and Risk Parameters**

The Agency has adopted investment and spending policies for endowment assets that emphasize the conservation of principal and preservation of purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Agency must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in fixed income and equity securities. Assets will be managed and diversified in accordance with socially responsible investing guidelines, generally accepted principles of the prudent investor rule and to provide annual investment return objectives.

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 7 – Endowment Funds – continued**

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Agency relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Agency targets a diversified asset allocation to achieve its long-term total return consonant with its risk tolerance.

**Allocation of Earnings to Net Assets With / Without Donor Restrictions**

Earnings on restricted assets are distributed according to the intentions of the donor and are allocated to net assets with donor restriction funds, if the donor has specified a particular purpose or to enable a passage of time. All other earnings are allocated to net assets without donor restriction funds. Currently, earnings are allocated as net assets time / purpose restricted to the Hunger Fund, and as net assets without donor restrictions to the Refugee Resettlement program and general operations.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Agency does not have a spending policy. Endowment assets are comingled with other investments. The Agency transfers funds from investments as needed to meet current operations.

**Note 8 – Note Payable**

Note payable consisted of a vehicle loan from a bank secured by the vehicle. The note payable matured July 2018. Payments on the note payable for the years ended June 30, 2019 and 2018, were \$0 and \$312, respectively.

**Note 9 – Commitments**

Operating leases: the Agency leases office space under various non-cancelable agreements which expire October 31, 2020. The leases require various minimum annual rentals and payments for prorata share of operating expenses and increases in real estate taxes and utilities.

The total minimum commitment at June 30, 2019 is as follows:

<u>Year Ended June 30,</u>	
2020	\$ <u>5,152</u>

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 9 – Commitments – continued**

Rental expense was \$93,164 and \$88,012 for the years ended June 30, 2019 and 2018, respectively. Included in rental expense was in-kind rent of \$2,520 and \$2,520 for the years ending June 30, 2019 and 2018, respectively.

**Note 10 – Net Assets**

Net assets without donor restrictions - board designated are as follows as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Contingency fund represents amount set aside to provide for a shortfall of revenues in a given year	\$ 160,000	\$ 160,000
Quasi-Endowment fund whereby the Board has designated that principal is to be maintained intact and the income from the investments of the funds may be expended for the Agency’s regular operations	275,458	275,458
Program development & sustainability	800,000	800,000
Subsequent fiscal year	<u>75,011</u>	<u>75,011</u>
	\$ <u>1,310,469</u>	\$ <u>1,310,469</u>

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 10 – Net Assets – continued**

Net assets with donor restriction that are time / purpose restricted as of June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
<b>Time restricted net assets:</b>		
C Bias Ministry Training	\$ 12,058	\$ 15,058
Unitrust	25,829	25,829
<b>Purpose restricted net assets:</b>		
A Call for Change	44,816	38,107
Adoption	22,147	21,557
Children’s benefit	20,928	20,928
Emergency Assistance	3,779	23,812
Flood recovery	61,255	62,055
Financial literacy	58,221	69,583
Hunger relief	43,849	42,525
MediApps	7,071	19,021
Mother Child Fund	27,718	32,139
Onward & Upward	86,424	92,652
Pregnancy, parenting, adoption	10,500	10,300
Project Rachel	43,631	34,325
Refugee resettlement	74,694	210,466
Senior citizen needs	35,643	50,643
Slebodnik – adoption	13,814	13,814
VITA	6,796	5,425
Warming Center	10,497	4,483
Young person services	3,902	3,902
Other	18,722	14,507
Total time/purpose restricted net assets	\$ <u>632,294</u>	\$ <u>811,131</u>

Net assets with donor restrictions in perpetuity of \$1,500 at June 30, 2019 and 2018 consist of an endowment, the income from which is expendable to support general operations.

**Note 11 – Income Taxes**

The Agency’s income tax filings are subject to audit by the Internal Revenue Service or the Minnesota Department of Revenue. The Agency’s open audit periods are for the years ending June 2016 through June 2019.

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 12 – Defined Contribution Retirement Plan**

The Agency has a 403(b) defined contribution retirement plan through the Diocese of Winona-Rochester covering substantially all of its employees. An employee can contribute up to \$18,000 of their gross salary annually for the calendar years 2019 and 2018. The Agency contributes 3% of gross salary for all employees. In addition, if an employee contributes to the plan, the Agency matches up to 3% of their contribution. Employer contributions totaled \$93,589 and \$83,480 for the years ended June 30, 2019 and 2018, respectively.

**Note 13 – Fair Value Measurements**

The fair value of financial assets measured at fair value on a recurring basis was determined using the following inputs at June 30, 2019 and 2018:

	<b>June 30, 2019</b>			
	Level 1	Level 2	Level 3	Total
<b>Investments:</b>				
Common Stock	\$ 6,796	\$ -	\$ -	\$ 6,796
Mutual Funds	93,808	-	-	93,808
Christian Brothers Investment Services CUIT Magnus Fund	-	406,508	-	406,508
Christian Brothers Investment Services CUIT Short-Term Government Bond Fund	-	9,037	-	9,037
	<u>\$ 100,604</u>	<u>\$ 415,545</u>	<u>\$ -</u>	<u>\$ 516,149</u>
	<b>June 30, 2018</b>			
	Level 1	Level 2	Level 3	Total
<b>Investments:</b>				
Common Stock	\$ 4,825	\$ -	\$ -	\$ 4,825
Mutual Funds	88,771	-	-	88,771
Christian Brothers Investment Services CUIT Balanced Fund	-	371,544	-	371,544
Christian Brothers Investment Services CUIT Short-Term Government Bond Fund	-	8,687	-	8,687
	<u>\$ 93,596</u>	<u>\$ 380,231</u>	<u>\$ -</u>	<u>\$ 473,827</u>

Shares of common/collective trust funds are reported at fair value based on unit prices quoted by the funds, representing the fair value of the underlying investments. Marketable securities traded on a national exchange are stated at fair value based on quoted market prices.

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 13 – Fair Value Measurements – continued**

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value because of the terms and relatively short maturity of these financial instruments.

**Note 14 - Related Party Transactions**

The Bishop and Vicar General of the Diocese of Winona-Rochester serve as the President and Vice President, respectively, for the Agency. The Bishop of the Diocese of Winona-Rochester also appoints the Board of Directors of the Agency. The Agency had transactions with the Diocese of Winona-Rochester for the years ended June 30, 2019 and 2018 as follows:

	<u>2019</u>	<u>2018</u>
Pension	\$ 93,589	\$ 83,480
Employee benefits	206,680	195,490
Insurance	9,777	15,237
Other expenses	5,842	3,070

At June 30, 2019 and 2018, the Agency owed \$27,231 and \$25,682, respectively, to the Diocese of Winona-Rochester.

The Agency receives both program specific and general support in the form of grants from the Diocese of Winona-Rochester. The total support received for the years ending June 30, 2019 and 2018 was \$171,968 and \$225,539, respectively.

**Note 15 – Beneficial Interest in Trusts**

The Agency is a 6.67% beneficiary in two Charitable Remainder Unitrusts administered by a bank. The Agency's interest in the trusts is not recorded in the financial statements because the Trustee may make distributions from principal for charitable, religious, scientific, literary or educational purposes. Thus, the future distributions are not guaranteed. Also, the trusts shall terminate if the Trustee determines that the continued administration of the trusts could be unduly burdensome or expensive to the beneficiaries. Distributions received from the trusts are accounted for as revenue without donor restrictions net income, as the income can be used to fund the daily operations of the Agency. For the years ended June 30, 2019 and 2018, \$9,296 and \$17,966 of income were derived from the trusts, respectively, and are included in bequests. At June 30, 2019 and 2018, the Agency's 6.67% share of the fair market value of the trusts' assets was \$371,637 and \$380,623, respectively.

**CATHOLIC CHARITIES OF THE  
DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**Note 15 – Beneficial Interest in Trusts – continued**

In addition, the Winona Diocesan Council of Catholic Women on April 5, 2017 established an endowment fund with the Catholic Foundation of Southern Minnesota. The exclusive purpose of the fund is to operate as an endowment for the benefit of Catholic Charities of the Diocese of Winona-Rochester D/B/A Catholic Charities of Southern Minnesota. The fund's principal is \$86,248. The Agency may determine the timing of withdrawals from the accumulated investment earnings of the fund. At June 30, 2019 and 2018 the balance of the fund was \$95,509 and \$93,856, respectively.

**Note 16 – Subsequent Events**

Subsequent events were evaluated through December 19, 2019, which is the date the financial statements were available to be issued.

**CATHOLIC CHARITIES OF THE DIOCESE OF WINONA-ROCHESTER  
D/B/A CATHOLIC CHARITIES OF SOUTHERN MINNESOTA  
SCHEDULES OF REVENUE AND OTHER SUPPORT  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Catholic Charities Annual Appeal:		
2017	\$ -	\$ 17,467
2018	17,467	105,724
2019	124,057	-
Spirit Circle	252,843	152,363
	<u>\$ 394,367</u>	<u>\$ 275,554</u>
Diocese of Winona:		
General Support	\$ 110,748	\$ 112,279
Program Specific Support:		
Emergency Services	-	20,000
Project Rachel	-	1,597
Refugee Resettlement	-	50,000
Parish Social Ministry	61,220	41,663
	<u>\$ 171,968</u>	<u>\$ 225,539</u>
United Way Campaigns:		
Specific Care Allocations:		
Olmsted County	\$ 18,165	\$ 22,387
Other Counties	237	180
Grant Allocations:		
Olmsted County	30,375	33,750
Greater Mankato Area	9,600	8,350
Freeborn County	-	4,822
Worthington Area	4,600	4,550
Dodge County	3,200	3,600
	<u>\$ 66,177</u>	<u>\$ 77,639</u>
Program Fees:		
Adoption	\$ 80,363	\$ 94,392
Counseling	257,658	289,951
Guardian & Conservator Services	107,152	141,168
Parish Social Ministry	762	640
Refugee Resettlement	1,260	1,745
Active Aging	6,531	15,272
Miscellaneous	985	838
	<u>\$ 454,711</u>	<u>\$ 544,006</u>