KPMG

CATHOLIC CHARITIES
OF THE ARCHDIOCESE OF WASHINGTON, INC.
AND AFFILIATES

Consolidated Financial Statements

June 30, 2019 and 2018

(With Independent Auditors’ Report Thereon)

CATHOLIC CHARITIES
OF THE ARCHDIOCESE OF WASHINGTON, INC.
AND AFFILIATES

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KPMG LLP
Suite 900
8350 Broad Street
McLean, VA 22102

Independent Auditors' Report

The Corporate Members and Board of Directors
Catholic Charities of the
Archdiocese of Washington, Inc. and Affiliates:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Catholic Charities of the Archdiocese of Washington, Inc. and Affiliates (Catholic Charities), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the consolidated 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 organization'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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities of the Archdiocese of Washington, Inc. and Affiliates as of June 30, 2019 and 2018, and the changes in their net assets, their functional expenses, and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matters

As discussed in Note 1 to the consolidated financial statements, in 2019, Catholic Charities adopted Accounting Standard Update (ASU) 2016-14 (Topic 958), *Presentation of Financial Statements of Not-for-Profit Entities*, ASU 2014-09 (Topic 606), *Revenue form Contracts with Customers*, as amended, and ASU 2018-08: *Clarifying the Scope and the Accounting Guidance for Contributions Received*. Our opinion is not modified with respect to these matters.

KPMG LLP

Mclean, Virginia
November 27, 2019

CATHOLIC CHARITIES
OF THE ARCHDIOCESE OF WASHINGTON, INC.
AND AFFILIATES

Consolidated Statements of Financial Position

June 30, 2019 and 2018

(Dollars in thousands)

Assets		**2019**	**2018**
Cash and cash equivalents (note 1(d))	$	11,345	5,419
Receivables, net of allowance of approximately $618 and $709 in 2019 and 2018, respectively		6,563	7,290
Contributions receivable, net (note 3)		8,355	11,467
Prepaid expenses and other assets		1,007	703
Investments (note 4)		29,301	25,889
Property and equipment, net (notes 5 and 11)		28,741	27,109
Total assets	$	85,312	77,877
Liabilities and Net Assets			
Liabilities:			
Accounts payable	$	2,487	2,457
Accrued expenses		4,968	4,562
Deferred revenue		5,450	4,975
Mortgage and notes payable (note 6)		174	244
Funds held on behalf of others		343	602
Total liabilities		13,422	12,840
Net assets:			
Without donor restrictions (note 11):			
Undesignated		(7,616)	(10,351)
Board designated		7,958	8,009
Invested in property and equipment		26,430	24,311
Total without donor restrictions		26,772	21,969
With donor restrictions (note 12):			
Restricted for program activities		25,073	22,612
Restricted for property and equipment		197	983
Donor restricted endowment		19,848	19,473
Total with donor restrictions		45,118	43,068
Total net assets		71,890	65,037
Total liabilities and net assets	$	85,312	77,877

See accompanying notes to consolidated financial statements.

CATHOLIC CHARITIES
OF THE ARCHDIOCESE OF WASHINGTON, INC.
AND AFFILIATES

Consolidated Statements of Activities

Years ended June 30, 2019 and 2018

(Dollars in thousands)

	2019			2018		
	Without donor restrictions	**With donor restrictions**	**Total**	**Without donor restrictions**	**With donor restrictions**	**Total**
Revenue, gains, and other support:						
Contributions	$ 3,841	7,721	11,562	3,695	2,914	6,609
Legacies and bequests	537	666	1,203	705	—	705
Special events	2,401	21	2,422	2,771	31	2,802
Archdiocese of Washington (note 9)	103	866	969	107	1,318	1,425
Capital campaign	—	6,651	6,651	—	2,978	2,978
Foundation grants	360	—	360	324	—	324
Government grants and contracts	34,390	—	34,390	34,049	—	34,049
Service fees	9,881	—	9,881	9,773	—	9,773
Food sales	2,544	—	2,544	3,558	—	3,558
Other income	1,143	—	1,143	1,129	—	1,129
Investment income, net	293	2,246	2,539	831	1,806	2,637
In-kind contributions	27,938	—	27,938	21,132	—	21,132
Net assets released from restriction (note 12)	16,121	(16,121)	—	15,780	(15,780)	—
Total revenue, gains, and other support	99,552	2,050	101,602	93,854	(6,733)	87,121
Expenses and other losses:						
Program services	82,227	—	82,227	77,034	—	77,034
Supporting services:						
Management and general	9,289	—	9,289	9,402	—	9,402
Fund-raising	3,233	—	3,233	3,068	—	3,068
Total expenses and other losses	94,749	—	94,749	89,504	—	89,504
Change in net assets	4,803	2,050	6,853	4,350	(6,733)	(2,383)
Net assets, beginning of the year	21,969	43,068	65,037	17,619	49,801	67,420
Net assets, end of the year	$ 26,772	45,118	71,890	21,969	43,068	65,037

See accompanying notes to consolidated financial statements.

CATHOLIC CHARITIES
OF THE ARCHDIOCESE OF WASHINGTON, INC.
AND AFFILIATES

Consolidated Statement of Functional Expenses

Year ended June 30, 2019

(Dollars in thousands)

	Adult and Children Clinical Services	Developmental Disabilities Services	Enterprises, Education and Employment	Family, Parish and Community Outreach	Homeless and Housing Services	Total program services	Management and general	Fund-raising	Total support services	Total 2019 program and support
Payroll	$ 11,075	4,748	3,489	1,836	8,894	30,042	5,169	1,242	6,411	36,453
Benefits	2,037	899	861	372	1,642	5,811	965	218	1,183	6,994
Payroll taxes	807	350	256	132	650	2,195	352	88	440	2,635
Staff expenses	304	98	13	58	91	564	153	15	168	732
Professional services	57	253	39	77	128	554	1,161	429	1,590	2,144
Office expense	368	126	95	65	175	829	156	375	531	1,360
Communications	291	116	64	64	168	703	157	27	184	887
Program expenses	2,126	404	594	113	513	3,750	68	5	73	3,823
Client assistance	175	59	118	1,730	615	2,697	112	—	112	2,809
Direct cost of food sales	—	—	2,268	—	—	2,268	—	—	—	2,268
Facilities	997	919	208	224	789	3,137	335	57	392	3,529
Special events	—	3	—	—	—	3	6	535	541	544
Depreciation and amortization	511	219	172	44	233	1,179	394	39	433	1,612
Bad debt	234	11	40	—	(3)	282	—	158	158	440
Income and other taxes	16	—	—	—	1	17	60	—	60	77
Miscellaneous	115	29	14	73	27	258	201	45	246	504
In-kind services	27,864	—	74	—	—	27,938	—	—	—	27,938
Total expense	$ 46,977	8,234	8,305	4,788	13,923	82,227	9,289	3,233	12,522	94,749

See accompanying notes to consolidated financial statements.

CATHOLIC CHARITIES
OF THE ARCHDIOCESE OF WASHINGTON, INC.
AND AFFILIATES

Consolidated Statement of Functional Expenses

Year ended June 30, 2018

(Dollars in thousands)

	Adult and Children Clinical Services	Developmental Disabilities Services	Enterprises, Education and Employment	Family, Parish and Community Outreach	Homeless and Housing Services	Total program services	Management and general	Fund-raising	Total support services	Total 2018 program and support
Payroll	$ 11,824	4,747	3,574	1,814	8,433	30,392	5,202	1,470	6,672	37,064
Benefits	2,182	898	858	350	1,491	5,779	947	237	1,184	6,963
Payroll taxes	864	355	262	130	620	2,231	358	106	464	2,695
Staff expenses	217	85	28	51	93	474	184	12	196	670
Professional services	29	347	97	32	62	567	1,005	130	1,135	1,702
Office expense	360	161	107	59	203	890	158	387	545	1,435
Communications	329	144	58	59	182	772	151	22	173	945
Program expenses	2,181	446	514	177	673	3,991	75	6	81	4,072
Client assistance	455	53	37	1,484	608	2,637	174	—	174	2,811
Direct cost of food sales	—	—	3,012	—	—	3,012	—	—	—	3,012
Facilities	1,118	889	219	253	667	3,146	338	60	398	3,544
Special events	3	4	1	—	—	8	2	546	548	556
Depreciation and amortization	443	224	162	38	215	1,082	427	40	467	1,549
Bad debt	581	12	37	—	(7)	623	—	41	41	664
Income and other taxes	4	—	—	—	—	4	19	—	19	23
Miscellaneous	100	38	176	3	13	330	326	11	337	667
In-kind services	21,057	—	39	—	—	21,096	36	—	36	21,132
Total expense	$ 41,747	8,403	9,181	4,450	13,253	77,034	9,402	3,068	12,470	89,504

See accompanying notes to consolidated financial statements.

CATHOLIC CHARITIES
OF THE ARCHDIOCESE OF WASHINGTON, INC.
AND AFFILIATES

Consolidated Statements of Cash Flows

Years ended June 30, 2019 and 2018

(Dollars in thousands)

	2019	2018
Cash flows from operating activities:		
Change in net assets	$ 6,853	(2,383)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,612	1,549
Bad debt expense/loss on uncollectible pledges	440	664
(Gain) loss from disposal of property and other assets	(202)	30
Net gain on investments, realized and unrealized	(2,130)	(2,304)
Receipt of contributions for endowment	(263)	(117)
Receipt of contributions revenue for property and equipment	(3,201)	(723)
Receipt of conditional contributions for property and equipment	(369)	(1,571)
Decrease (increase) in assets:		
Contributions receivable	2,368	3,793
Receivables	444	(1,168)
Prepaid expenses and other assets	(304)	(42)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	661	(657)
Deferred revenue	475	1,648
Funds held on behalf of others	(259)	(160)
Net cash provided by (used in) operating activities	6,125	(1,441)
Cash flows from investing activities:		
Purchases of investments	(10,814)	(9,268)
Proceeds from sales and maturities of investments	9,532	8,617
Purchases of property and equipment	(3,267)	(3,832)
Net cash used in investing activities	(4,549)	(4,483)
Cash flows from financing activities:		
Contributions receivable restricted for long term purpose	587	885
Contributions for endowment	263	117
Contributions for property and equipment	3,570	2,294
Payments of mortgages and notes payable	(70)	(384)
Net cash provided by financing activities	4,350	2,912
Net increase (decrease) in cash and cash equivalents	5,926	(3,012)
Cash and cash equivalents at beginning of year	5,419	8,431
Cash and cash equivalents at end of year	$ 11,345	5,419
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 16	25
Cash paid for income taxes	60	18
Purchase of fixed asset additions in accounts payable	233	458

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies

(a) General

Catholic Charities of the Archdiocese of Washington, Inc. (CCADW) is a Catholic social service agency designed to deliver and coordinate services to ensure the greatest outreach and impact for those who are served. CCADW and its affiliated agencies; Anchor Mental Health Association Inc. (Anchor), Lt. Joseph P. Kennedy Institute, Inc. (Kennedy), and Spanish Catholic Center, Inc. (SCC) operate as one integrated social service agency. The major service areas are presented in the Consolidated Statements of Functional Expenses. The Catholic Charities of the Archdiocese of Washington Foundation, Inc. (Foundation) manages endowment assets to support the services provided by CCADW and its affiliates. In addition to the above-named entities, Anchor Housing Corporation (AHC), Kennedy Housing Corporation (Kennedy Housing I) and Kennedy Housing Corporation II (Kennedy Housing II) are included in the consolidated financial statements. Collectively, these organizations are referred to as Catholic Charities. All significant intercompany accounts and transactions have been eliminated in consolidation. Each of the corporations is a separate tax-exempt corporation.

Adult and Children Clinical Services has three main areas of professional services:

Health Services – provides medical, dental, and behavioral health services to the uninsured, to immigrants, and to chronically mentally ill adults. The Catholic Charities Health Care Network provides referrals for the uninsured to a large network of medical practitioners and facilities that donate their services. Clinical services are also supported with employment and housing services.

Legal Services – provides civil and immigration legal services to the poor, refugees, and other immigrants. Legal services for civil matters are provided through the Catholic Charities Legal network of pro bono providers. Immigration legal services are provided by an in-house legal staff as well as a network of pro bono providers.

Children Services – provides case management and crisis behavioral health services to children, teens, and their families.

Developmental Disabilities Services provides educational, therapeutic rehabilitation, and personal support to individuals with developmental disabilities.

Enterprises, Education and Employment provides a variety of services to the community, including:

Food & Nutrition Services – provides meals to the chronically mentally ill, the aging, and the homeless; operates a wholesale food bank that supplies food pantries and soup kitchens; and operates a warehouse to provide community access to nutritional food at below retail prices.

Employment Services – provides job readiness preparation for food services, cleaning services, and government agencies, as well as ongoing employment support; and employs individuals requiring supportive services.

Education Services – provides training in the areas of construction, green construction, building maintenance, and professional counseling; teaches ESL and Spanish classes; assists refugees in

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adapting to local employment requirements; and provides social services to assist the immigrant population with employment-related issues.

Family, Parish and Community Outreach is engaged in linking Catholic Charities with the wider community by operating family centers; providing case management services to assist Parishes; engaging Catholic schools and other volunteers in Catholic Charities programs; and assisting Parishes in establishing social ministries.

Homeless and Housing Services operates emergency shelters and provides supported and transitional housing. Case management and other supportive services are provided in all housing programs.

(b) Basis of Presentation

Net assets, revenues, 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:

Net assets without donor restrictions– Net assets that are not subject to any donor-imposed stipulations, even though their use may be limited based on other conditions, such as by board designation.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions on their use that may be met either by actions of Catholic Charities or the passage of time; as well as net assets subject to donor-imposed or other legal restrictions requiring that the principal be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed or time restrictions. Expenses are reported as decreases in net assets without donor restrictions. Donor-restricted contributions, where it is anticipated that such restrictions will be met in the current reporting period, are recorded as without donor restrictions in the period received. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

(c) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(d) Cash Equivalents and Concentrations of Credit Risk

Cash equivalents consist of investments in overnight sweep accounts. Restricted cash of $300 thousand and $600 thousand was held on behalf of others as of June 30, 2019 and 2018, respectively.

Catholic Charities holds cash that is restricted for specific programs of $300 thousand and $600 thousand for each of the years ended June 30, 2019 and 2018, respectively.

Amounts in excess of the FDIC-insured limit totaled approximately $10.4 million and $4.3 million as of June 30, 2019 and 2018, respectively.

(e) Investments and Fair Value Measurements

Investments are recorded at fair value, based on quoted market prices or, in the case of nonexchange-traded investments, at net asset value as a practical expedient. Management reviews and evaluates the values provided and agrees with the valuation methods and assumptions used in determining fair value of these investments.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Catholic Charities uses net asset value (NAV) per share or its equivalent as a practical expedient for the fair value of investments, such as the Focused Core Fixed Income Fund (a Collective Investment Fund within the Collective Investment Trust Fund and herein referred to as the Fund), which does not have a readily determinable fair value. Fair value may not equal the NAV as defined in the paragraph above. Catholic Charities has approximately $3.5 million investments reported at estimated fair values utilizing NAV as a practical expedient as of June 30, 2019 and 2018. The Fund's investment strategy involves investing in domestic corporate and governmental fixed income securities.

Fair value is based on the assumptions market participants would use when pricing an asset or liability and a fair value hierarchy that prioritizes the information used to develop those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to assumptions (unobservable inputs). As of June 30, 2019 and 2018, all Catholic Charities investments, except for the fund discussed above, are classified as Level 1. These levels are:

Level 1: Quoted prices in active markets for identical assets or liabilities. Level 1 assets held by Catholic Charities include money market funds and exchange-traded equity securities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability. Catholic Charities does not hold any Level 3 assets as of June 30, 2019 and 2018.

Investment expense, such as investment management fees, are netted against investment income in the consolidated statement of activities.

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(f) Contributions Receivable and Allowance of Uncollectible Accounts

Contributions receivable consist of unconditional promises to give and amounts for the capital campaign. Contributions receivable are recorded net of an allowance for estimated uncollectible contributions and a discount for amounts due beyond one year.

(g) Receivables and Allowance for Uncollectible Accounts

Accounts receivable are stated at invoiced amount net of an allowance for doubtful accounts. Catholic Charities establishes an allowance for doubtful accounts based on historical experience and any specific customer collection issues that have been identified. Uncollectible accounts receivable are written off when a settlement is reached for an amount that is less than the outstanding historical balance or when it has been determined that the balance will not be collected.

Catholic Charities' program service revenues are earned from both annual and multiyear contracts with various agencies from the District of Columbia, State of Maryland, Montgomery County, Maryland and the federal government. A significant portion of the accounts receivable is owed to Catholic Charities by these governments, which exposes Catholic Charities to concentration of risk.

Included in receivables is a $100 thousand promissory note (the Note) taken in connection with sale of a property. The Note is secured by a Second Deed of Trust, bears interest at 5.25%, with principal and interest payable monthly based on a 20 years amortization schedule with balloon payment due at maturity on April 26, 2029. As of June 30, 2019, the balance of the Note is approximately $100 thousand.

(h) Property and Equipment

Acquisitions of property and equipment are recorded at cost. Depreciation on all property and equipment is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Furniture and equipment	3–10 years
Automobiles	5 years
Buildings and improvements	5–40 years
Leasehold improvements	4–20 years

Donated assets are recorded at fair value at date of donation.

Under Canon law, the rules governing the operation of the Catholic Church, most real property recorded in these consolidated financial statements is titled to the Archbishop of Washington or if titled to Catholic Charities, may not be sold, leased, or transferred without approval of Archbishop of Washington.

(i) Charitable Gift Annuities

Catholic Charities is the beneficiary of eight charitable gift annuities. Under charitable gift annuity agreements, Catholic Charities pays a fixed annuity amount for the life of the beneficiaries. In the year of the gift, contribution revenue is recognized based on the net amount of the assets and liabilities of the charitable gift annuities. The assets held for charitable gift annuities are stated at fair value and are included as investments in the consolidated statements of financial position. The liability to the beneficiaries from the agreements represents the present value of the estimated future payments based on actuarial assumptions and is included in accrued expenses in the consolidated statements of financial position. Adjustments to the liability to reflect any changes in actuarial assumptions and amortization of discount are recognized as contributions in the consolidated statements of activities. The discount rates were determined at the time of the initial contribution and range from 4.3% to 9.5%. The estimated life expectancies used are from the Internal Revenue Service Life Expectancy Tables.

Balances associated with charitable gift annuities as of June 30, 2019 included liability to beneficiaries of $93 thousand and $2 thousand of contributions. Balances associated with charitable gift annuities as of June 30, 2018 included liability to beneficiaries of $154 thousand and $2 thousand of contributions.

(j) Revenue Recognition

Government agreements to serve the public are considered nonexchange revenue and reported as revenue without donor restrictions at the time the service is provided to the public on behalf of the government. Contracted services are reported as revenue without donor restrictions at the time services are provided on behalf of the government entities. Government agreements and contracted services, including those that are considered to be conditional contributions, are recorded in the statement of activities under government grants and contracts. Foundation grants are considered nonexchange revenue and are recognized as revenue without donor restrictions in the period the services are provided to the public. Amounts received in advance of services or goods provided are recorded as deferred revenue.

Contributions of property or equipment are recorded as revenue without donor restrictions unless donor stipulations specify how the property must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are recorded as restricted support. This restriction is released once the assets are placed in service, except in situations where the donor restriction extends beyond the point when the assets are placed in service. If the agreement specifies that the acquired property or equipment must be used for a specified period of time; the restriction is released over the period of time specified.

Food sales are recognized as revenue when the food is delivered to the clients.

Behavioral health services rendered under the Medicaid Rehabilitation Option Service (MRO) program are reimbursed on a fee for service basis in accordance with a fee schedule provided in the MRO agreement. Revenue is recognized in the period the related services are rendered and is included in service fees as revenue without donor restrictions.

Contributions and bequests, including unconditional promises to give, are recorded in the period received and are considered to be available for use unless specifically restricted by the donor. Unconditional promises to give are recognized initially at fair value considering anticipated future cash receipts and discounting such amounts at a risk-adjusted rate. Amortization of the discount is included in contributions revenue. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

(k) Deferred Revenue

Revenue received in advance of the period in which it is earned is deferred. Deferred revenue includes advance payments on government and private grants and contracts which will be recognized as costs are incurred under the terms of the agreements. It also includes payments on conditional contributions received where the donors' conditions have not been met.

(l) Contributed Services

Catholic Charities received contributed legal, medical, dental, and other professional services through its operations to support various programs under different networks such as Catholic Charities Legal Network, Immigration Legal Services, Catholic Charities Healthcare Network, and Missions of Mercy Adult Dental Clinic. These contributed services meet the criteria for revenue recognition under the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC), ASC 958-605-25, *Contributed Services* at the fair value of such services and are reported as in-kind contributions and as expenses on the consolidated statement of activities.

In addition, the organization received the services of a significant number of volunteers not recognized in the statement of activities because such services do not require specialized skills. Noncompensated members of the board of directors and other unpaid volunteers perform a significant portion of the fundraising activities and contribute significant time to support various programs each year.

(m) Income Taxes

As of the end of the fiscal year, each entity within Catholic Charities has been recognized by the Internal Revenue Service as exempt from federal income tax, except for unrelated business income, under the provisions of Section 501(c)(3) of the Internal Revenue Code as part of a group exemption made to all institutions listed in the Official Catholic Directory. Because of the enactment of Tax Cuts and Jobs Act (TCJA) in December 2017, transit and parking benefits provided to eligible employees are deemed to be unrelated business taxable income and Catholic Charities has recorded a provision for related income taxes. Catholic Charities does not believe that there are any other unrecognized tax benefits or liabilities that should be recorded. Catholic Charities' tax returns are subject to review and examination by federal, state, and local authorities. The tax returns for the past three years are generally open for examination by taxing authorities.

(n) Functional Expenses

Catholic Charities allocates certain expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or supporting service are recorded directly. Other expenses that are common to several functions are allocated on various bases including the number of full-time equivalent employees and the number of information technology equipment that the function uses. Allocated costs include occupancy related facility costs and information technology support. Special events expense includes the costs of venues, meals, and entertainment provided at fundraising events.

(o) Reclassification

Catholic Charities reclassified certain revenue lines in the 2018 Consolidated Statement of Activities to provide comparability to the 2019 statements. Specifically, food sales revenue is reclassified from other income and reported in a separate line item, and other minor reclassifications between other revenue lines occurred. The reclassifications do not impact the total revenue, gain, and other support reported in the statement. In addition, certain expenses are also reclassified in the 2018 Consolidated Statement of Functional Expenses to provide comparability to the 2019 statements. Specifically, certain expenses are reclassified from professional services to program expenses and from program expenses to direct cost of food for sale, and other minor reclassification between other expense lines occurred. The reclassifications do not impact the total expenses within each function reported.

(p) New Accounting Pronouncements

(i) Adoption of Accounting Standards Update 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14)

In August 2016, Financial Accounting Standards Board (FASB) issued ASU 2016-14. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about the not-for-profit entity's liquidity (see Note 2), financial performance and cash flows. ASU 2016-14 is effective fiscal year 2019 and was adopted by Catholic Charities with retrospective application.

Due to the adoption of ASU 2016-14, Catholic Charities revised its previously reported Consolidated Statement of Activities for the year ended June 30, 2018. Prior to adoption, Catholic Charities released gifts of cash or other assets used to acquire long-lived assets ratably over the useful life of the asset as the asset is depreciated. As result of the retrospective application, Catholic Charities released $6.8M and $2.5 million from revenue with donor restrictions to without donor restriction relating to fixed assets acquired using restricted donor funds and were already placed-in-service in the year ended June 30, 2017 and June 30, 2018, respectively. The overall effect is reflected as increase in revenue without donor restrictions and reduction of revenue with donor restrictions in the Consolidated Statement of Activities for the year ended June 30, 2018.

A recap of the net asset reclassification due to the adoption of ASU 2016-14 through the year ended June 30, 2018 is as follows (dollars in thousands):

Net Asset Classifications		**Without donor restrictions**	**With donor restrictions**	**Total Net Assets**
As previously presented:				
Unrestricted	$	12,825		12,825
Temporarily Restricted			37,758	37,758
Permanently Restricted			19,328	19,328
Net assets as previously presented		12,825	57,086	69,911
Reclassification to implement ASU 2016-14:				
Cumulative balance of net assets invested in property and equipment and placed in service through June 30, 2017		6,824	(6,824)	—
Net assets balance as of June 30, 2017	$	19,649	50,262	69,911
Change in net assets as report on June 30, 2018		1,965	(2,777)	(812)
Balance of net assets invested in property and equipment and placed in service for the year ended June 30, 2018		2,466	(2,466)	—
Net change in net assets after implementation of ASU 2016-14		4,431	(5,243)	(812)
Net assets balance as of June 30, 2018 prior to ASU 2018-08	$	24,080	45,019	69,099

(ii) *Adoption of Accounting Standards Update 2018-08: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made(ASU 2018-08)*

In June 2018, FASB issued ASU 2018-08, which is an amendment of FASB Accounting Standards Codification (ASC) 958-602: Not-for-Profit Entities-Revenue Recognition. The new ASU provides additional guidance to determine whether a transaction is a contribution or an exchange transaction. The requirements of ASU 2018-08 are effective for Catholic Charities for the fiscal year ending June 30, 2020. Catholic Charities has early adopted this standard for the fiscal year June 30, 2019 on a retrospective basis.

Catholic Charites revised net assets in the Consolidated Statement of Financial Position as of the beginning of the year ended June 30, 2018 and all related disclosures as a result of the full retrospective application of ASU 2018-08. The revision related to conditional contribution of $2.5 million from HUD (Capital Advance) made to Kennedy I and II. Previously, the Capital Advance was treated as revenue with donor restrictions and $2.0 million of the total was released to net assets without donor restrictions over the years through the year ended June 30, 2017. As a result, reclassification of the cumulative net asset releases is reflected as reduction in net assets without donor restrictions and increase in net assets with donor restrictions. Additionally, the reclassifications of the initial Capital Advance are reflected as a reduction of net assets with donor restriction and an increase in deferred revenue of approximately $2.5 million as of June 30, 2017. See Note 6 for further discussion.

Catholic Charities has also revised its previously reported Consolidated Statement of Activities for the year ended June 30, 2018 and all related disclosures as a result of retrospective application of ASU

2018-08. The revision is related to receipt of conditional contribution for the construction of the new Angel's Watch Shelter and is reflected as increase in deferred revenue and reduction of contributions revenue by $1.6 million as of and for the year ended June 30, 2018 . The net assets with donor restrictions as of June 30, 2018 were reduced and the liability in the Consolidated Statement of Financial Position as of June 30, 2018 increased as a result of the revision. See Note 6 for further discussion.

A recap of the adjustments for the effect of the full retrospective application of ASU 2018-08 through the year ended June 30, 2018 follows (dollars in thousands):

Classifications		Net assets without donor restrictions	Net assets with donor restrictions	Deferred Revenue
As presented after implementation of ASU 2016-14 as noted above				
Net assets	$	19,649	50,262	—
Deferred revenue		—	—	836
Balance as of June 30, 2017		19,649	50,262	836
Reclassification to implement ASU 2018-08:				
Reclassification of cumulative net asset releases through June 30, 2017 related to HUD Capital Advances		(2,030)	2,030	—
Conditional revenue (HUD Capital Advances for Kennedy Housing I & II) where the condition was not met as of June 30, 2017		—	(2,491)	2,491
Balance as of July 1, 2017 after implementation of ASU 2016-14 and ASU 2018-08	$	17,619	49,801	3,327
Change in deferred revenue as noted in the Statement of Cash Flow as of June 30, 2018		—	—	77
Changes in net assets as of June 30 2018, after implementation of ASU 2016-14		4,431	(5,243)	—
Reclassification of net assets released for HUD Capital Advances as of June 30, 2018		(81)	81	—
Conditional revenue for Angels Watch Shelter where the condition was not met as of June 30, 2018		—	(1,571)	1,571
Net change in net assets after implementation of ASU 2018-08		4,350	(6,733)	1,648
Balances as of June 30, 2018 after adoption of ASU 2016-14 and ASU 2018-08	$	21,969	43,068	4,975

(iii) *Other accounting pronouncements*

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606),* as amended. This ASU establishes principles for reporting useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The original effective date for nonpublic entities was for annual reporting periods beginning after December 15, 2017. Subsequent to this update, in August 2015 FASB issued ASU 2015-14: *Deferral of the Effective Date*, which defers the effective date of ASU 2014-09 by one year for all entities; the standard is effective for annual reporting periods beginning after December 15, 2018 with early adoption permitted. Catholic Charities has early adopted these standards for the fiscal year ending June 30, 2019 on a retrospective basis. The impact of adoption is insignificant.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires entities to recognize all leased assets as assets on the statement of financial position with a corresponding liability resulting in a gross up of the statement of financial position. Entities will also be required to present additional disclosures regarding the nature and extent of leasing activities. Originally, ASU 2016-02 was effective for the annual reporting periods beginning after December 15, 2019 (fiscal year 2021 for Catholic Charities). However, in October 2019, the FASB Board voted to provide an extra year for certain entities, including nonprofit organizations, to implement the new standard. Therefore, the requirements of this pronouncement are anticipated to be effective for Catholic Charities for the year ending June 30, 2022. Catholic Charities has not evaluated the impact of this pronouncement.

(2) Financial Assets and Liquidity Resources

The following table reflects the financials assets and liquidity resources as of June 30, 2019, available within one year for general expenditures, such as operating expenses, principal payments on debt, and purchase or construction of capital projects. These financial assets and liquidity resources are reduced by amounts not available for general use within one year of the statement of financial position date because of timing of collections, contractual or donor-imposed restrictions. Total financial assets and liquidity resources available within one year are as follows (dollars in thousands):

Financial assets:		
Cash and cash equivalents, net of funds held on behalf of others	$	11,002
Accounts receivable, net		6,563
Contributions receivable, net (to be collected within one year)		3,062
Financial assets, at year end		20,627
Liquidity resources:		
Available line of credit		1,000
Total financial assets and liquidity resources available within one year	$	21,627

Catholic Charities has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, to help manage unanticipated liquidity needs, Catholic Charities has a $1.0 million available line of credit from a bank. As of June 30, 2019, there was no outstanding balance on the line of credit. Additionally, Catholic Charities has Board Designated net assets without donor restrictions of $8.0 million that, while not intended for general expenditures, current liabilities or obligations, could be made available upon the approval of the Board of Directors.

(3) Contributions Receivable

Contributions receivable, net as of June 30, 2019 and 2018, respectively, are summarized as follows (dollars in thousands):

		2019	2018
Unconditional promises expected to be collected in:			
Less than one year	$	3,062	4,321
One to five years		5,473	7,165
More than five years		300	500
		8,835	11,986
Less:			
Unamortized discount		(376)	(434)
Allowance for uncollectible contributions		(104)	(85)
Contributions receivable, net	$	8,355	11,467

Contributions receivable are discounted at rates ranging from 0.12% to 2.94%, which approximate the risk-adjusted rate of return for the expected promises to give. Forward in Faith, Inc., an affiliate of the Archdiocese of Washington, held capital campaign contributions of approximately $500 thousand and $1.5 million at June 30, 2019 and 2018, respectively, on behalf of Catholic Charities.

As of June 30, 2019, conditional contributions of $12.3 million are available to Catholic Charities. Revenue related to these conditional contributions will be recognized once the contractual obligations to provide the services have been satisfied.

(4) Investments

The following table presents the fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2019(dollars in thousands):

		June 30, 2019	Cash equivalents, at cost	NAV using practical expedient (1)	Level I
Investments:					
Cash equivalents	$	1,587	1,587	—	—
Fixed income		9,948	—	3,523	6,425
Equity securities		17,766	—	—	17,766
Total investments	$	29,301	1,587	3,523	24,191

The following table presents the fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2018(dollars in thousands):

		June 30, 2018	Cash equivalents, at cost	NAV using practical expedient (1)	Level I
Investments:					
Cash equivalents	$	3,322	3,322	—	—
Fixed income		7,136	—	3,469	3,667
Equity securities		15,431	—	—	15,431
Total investments	$	25,889	3,322	3,469	19,098

(1) Certain investments are measured at fair value using Net Asset Value (NAV) as a practical expedient and have not been classified in the fair value hierarchy. The NAV amounts have been presented to permit reconciliation to the fair value hierarchy to the amounts presented in the Statement of Financial Position. There are no restrictions on contributions or redemptions from the Fund.

(5) Property and Equipment

Property and equipment as of June 30, 2019 and 2018, respectively, consists of the following (dollars in thousands):

		2019	2018
Land, building, and building improvements	$	28,412	23,008
Leasehold improvements		11,231	11,396
Furniture and equipment		14,297	14,133
Construction in progress		767	3,754
		54,707	52,291
Less accumulated depreciation		(25,966)	(25,182)
Property and equipment, net	$	28,741	27,109

(6) Line of Credit and Mortgage Payable

(a) Line of Credit

Catholic Charities has a $1.0 million available line of credit from a bank as of June 30, 2019. The line of credit requires annual renewals to remain available. As of June 30, 2019 and 2018, there was no outstanding balance on the line of credit.

(b) Mortgage Payable

Mortgage payable as of June 30, 2019 and 2018, respectively, consists of the following (dollars in thousands):

	Interest rate		2019	2018
Mortgage payable for 1200 Monroe St and 1609 Lawrence St. The note requires monthly principal and interest payments of $7 thousand through September 1, 2021.	7.45 %	$	174	244
Total mortgage payable		$	174	244

Principal payments to be made over the next five years and thereafter on the outstanding mortgage payable are as follows (dollars in thousands):

Fiscal years ending June 30:		
2020	$	76
2021		82
2022		16
2023 and thereafter		—
	$	174

On August 17, 2017, Catholic Charities executed a $1.6 million Shelter and Transitional Housing Facilities Grant (Grant) from the State of Maryland Department of Housing & Community Development (DHCD) to partially fund the acquisition and construction of Angel's Watch Shelter. DHCD recorded a lien on the property which will be released on August 17, 2032 if the property has continued to be operated in accordance with the provisions of the Grant.

On August 17, 2017, Catholic Charities executed a $500 thousand loan from Federal Home Loan Bank of Atlanta (Loan) to partially fund the construction of the Angel's Watch Shelter. The Loan does not bear interest and is not repayable if the property has continued to be operated in accordance with the provisions of the Loan agreement through August 17, 2032.

Under ASU 2018-08, amounts received from DHCD and Federal Home Loan Bank of Atlanta are considered to be conditional contributions. As of June 30, 2019, the Grant and the Loan amounted to $1.4 million and $500 thousand respectively. The amounts received from DHCD and Federal Home Loan Bank of Atlanta as of June 30, 2018 amounted to $1.1 million and $500 thousand, respectively. These amounts are received and recorded in deferred revenue in the Statements of Financial Position. Revenue from such conditional contributions is recognized when the condition on which the contribution depends are substantially met.

(c) HUD Capital Advances

Kennedy Housing I and II obtained capital advances from HUD under Section 811 of the Housing Act of 1959. The Section 811 program is a federally assisted program designed to provide housing for the elderly and handicapped. Section 811 capital advances and interest need not be repaid as long as the project owner continues to make the housing available for the low-income elderly and handicapped for at least 40 years from the date of commencing operations.

HUD capital advances of $2.5 million are included in deferred revenue in the statement of financial position as of June 30, 2019.

(d) Replacement Reserve

In accordance with the provisions of a regulatory agreement between HUD and AHC, Kennedy Housing I, and Kennedy Housing II, certain cash and investments are to be used for the replacement of property with the approval of HUD. These amounts are included in cash and cash equivalents on the consolidated statements of financial position. The replacement reserve at June 30, 2019 and 2018, at fair value (level 1), consisted of the following (dollars in thousands):

		2019	2018
AHC	$	222	249
Kennedy Housing		109	103
Kennedy Housing II		47	41
Total replacement reserves	$	378	393

(7) Pension and Retirement Plans

Catholic Charities participates in the Retirement Plan of the Archdiocese of Washington (the Plan), which is a defined-benefit plan. Catholic Charities accounts for its participation in the Plan as a multiemployer plan. Information regarding net assets and actuarial liabilities of the Plan is not available at the individual employer level. On December 31, 2012, the Plan was frozen and all employees receive the vested benefits promised under the Plan. The multiemployer plan is approximately 90.5% funded at June 30, 2019. Catholic Charities incurred retirement costs of $2.7 million during each of the years ended June 30, 2019 and 2018.

Effective January 1, 2013, Catholic Charities participate in the Archdiocese of Washington Retirement Savings Plan (403(b) plan). Participants may elect to contribute from 0% to 100%, (subject to IRS regulations) of their compensation on a pretax basis to the plan. Participants who contribute to the plan will receive a matching contribution from the Archdiocese of Washington at a rate of 50% up to 4% of eligible pay period compensation. The Archdiocese of Washington will make a fixed annual contribution starting at 1% after the first year of the 403(b) plan and increase annually to a maximum of 4% upon an employee reaching 30 years of service with Catholic Charities.

In March 2015, the board authorized the adoption of a Nonqualified Deferred Compensation Plan (457(b) plan) for members of the leadership team. The plan, which went into effect as of April 1, 2015, permits the Catholic Charities to make discretionary contributions on an annual basis as well as permits the participants to defer pre-tax compensation up to the maximum amount allowed by law. Catholic Charities contributions of $133 thousand and $93 thousand were awarded for the plan during the calendar years ending December 31, 2019 and 2018, respectively.

(Continued)

(8) Lease Commitments

At June 30, 2019 and 2018, Catholic Charities leases general office and warehouse space and certain equipment under long-term noncancelable operating leases. The following represents the minimum future rentals under leases at June 30, 2019 (dollars in thousands):

Fiscal year ending June 30:		
2020	$	1,038
2021		981
2022		952
2023		925
2024 and thereafter		2,290
Total minimum lease payments	$	6,186

Rent expense, including short-term leases, for the years ended June 30, 2019 and 2018 was $1.3 million and $1.4 million, respectively.

(9) Related-Party Transactions

During the years ended June 30, 2019 and 2018, Catholic Charities paid $8.0 million and $7.8 million, respectively, to the administrator of the Archdiocesan insurance and pension programs. The Archdiocese of Washington insurance programs are self-insured, up to certain limits, for property-casualty, workers' compensation, unemployment, and health insurance. The Archdiocese of Washington retains the risk of loss for all claims and Catholic Charities' risk is limited to the annual premium and deductibles of $1 thousand or less.

For each of the years ended June 30, 2019 and 2018, Catholic Charities received a contribution of $800 thousand and $1.3 million, respectively, from the Archdiocese of Washington in support of its programs including amounts from Archdiocese of Washington's Forward in Faith, Inc.

Various programs lease buildings from the Archdiocese of Washington. Payments made under these leases for each of the years ended June 30, 2019 and 2018 were $400 thousand.

(10) Commitments and Contingencies

Catholic Charities received a substantial portion of their revenue from government contracts, all of which are subject to audit by the government.

Revenue from the Medicaid Rehabilitation Option Service (MRO) program accounted for 9.4% and 10.2% of Catholic Charities total revenue for the years ended June 30, 2019 and 2018, respectively. Laws and regulations governing the MRO program are complex and subject to interpretation. The MRO program is subject to review and audits by the District of Columbia and the federal government. Until such audits have been completed and final settlement reached, there exists a contingent liability to refund any amounts received in excess of allowable costs. Management is of the opinion that no significant liability will result from audit adjustments.

(Continued)

Catholic Charities is involved in various claims and legal actions arising in the ordinary course of business. Based upon information currently available, management believes the ultimate disposition of these matters will not have a material adverse effect on Catholic Charities' consolidated financial position, change in net assets or cash flows.

(11) Net Assets without Donor Restrictions

Net assets without donor restrictions are comprised of undesignated and designated amounts for the following purposes (dollars in thousands):

		2019	2018
Undesignated	$	(7,616)	(10,351)
Investment in property and equipment		26,430	24,311
Board designated for facilities or programs		3,074	3,553
Board designated to function as endowment		4,884	4,456
	$	26,772	21,969

(12) Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30, 2019 and 2018 were subject to the following restrictions (dollars in thousands):

		2019	2018
Subject to passage of time or purpose:			
Archdiocese	$	820	1,320
United Way		100	123
Capital campaign for programs		13,312	13,552
Program services		10,841	7,617
Restricted for property and equipment		197	983
		25,270	23,595
Original gift amount of donor restricted endowment:			
General endowment		17,058	16,749
Anchor Mental Health endowment		1,085	1,085
Spanish Catholic Center endowment		50	50
Domestic Violence restricted fund		801	801
Monsignor Vaghi endowment		833	788
Forward-In-Faith		21	—
		19,848	19,473
Total net assets with donor restrictions	$	45,118	43,068

Net assets released from restriction for the years ended June 30, 2019 and 2018 are as follows (dollars in thousands):

		2019	2018
Passage of time – Archdiocese	$	1,320	1,313
Passage of time – United Way		77	132
Capital campaign for programs		5,543	9,036
Program services		5,240	2,214
Restricted for property and equipment		3,941	3,085
	$	16,121	15,780

(13) Endowment Net Assets

Effective January 23, 2008, the District of Columbia enacted UPMIFA, the provisions of which apply to funds existing on or established after that date. Catholic Charities classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the discretion of the applicable donor gift instrument at the time the accumulation is added to the fund. Investment returns on donor-restricted endowment are reported within net assets with donor restrictions until those amounts are explicitly appropriated by its board of directors for expenditure in a manner consistent with the standard of prudence described by UPMIFA. The investment goal is to provide income and capital growth to be used to meet current and future financial obligations of Catholic Charities while limiting the risk of the funds in order to preserve the principal. The investment objective is pursued as a long-term goal designed to maximize returns after expenses without exposure to undue risk. The investment policy acts in accordance with the investment policy of the Archdiocese of Washington, which is based on two fundamental and interdependent principles: the Archdiocese of Washington and its related organizations should exercise responsible financial stewardship over their economic resources; and the Archdiocese of Washington and its related organizations should exercise ethical and social stewardship in their investment policy. The established annual distribution rate is from 4.3% to 5.0% of the total endowment. For each of the years ended June 30, 2019 and 2018, the distribution was 4.3% of the average total endowment for the prior three calendar years. The most recent investment policy was reviewed and approved in November 2018. The endowment balances presented below include contribution receivables that have yet to be collected and cash yet to be transferred.

Endowment net asset composition by type of fund as of June 30, 2019 (dollars in thousands):

		With donor restrictions			
	Board designated	Original gift amount	Accumulated gains and other	Total with donor restrictions	Total
Donor-restricted funds	$ —	19,848	5,172	25,020	25,020
Board-designated funds	4,563	—	—	—	4,563
	$ 4,563	19,848	5,172	25,020	29,583

Changes in endowment net assets for the fiscal year ended June 30, 2019 (dollars in thousands):

		With donor restrictions			
	Board designated	Original gift amount	Accumulated gains and other	Total with donor restrictions	Total
Endowment net assets, June 30, 2018	$ 4,513	19,473	3,732	23,205	27,718
Investment income	68	—	483	483	551
Fees	(18)	—	(128)	(128)	(146)
Net (losses) gains realized	(5)	—	106	106	101
Net gains unrealized	225	—	1,787	1,787	2,012
Total investment return	270	—	2,248	2,248	2,518
Contributions	—	375	—	375	375
Amounts appropriated for expenditures	(220)	—	(808)	(808)	(1,028)
Endowment net assets, June 30, 2019	$ 4,563	19,848	5,172	25,020	29,583

Endowment net asset composition by type of fund as of June 30, 2018 (dollars in thousands):

		With donor restrictions			
	Board designated	Original gift amount	Accumulated gains and other	Total with donor restrictions	Total
Donor-restricted funds	$ —	19,473	3,732	23,205	23,205
Board-designated funds	4,513	—	—	—	4,513
	$ 4,513	19,473	3,732	23,205	27,718

(Continued)

Changes in endowment net assets for the fiscal year ended June 30, 2018 (dollars in thousands):

	Board designated	With donor restrictions: Original gift amount	With donor restrictions: Accumulated gains and other	With donor restrictions: Total with donor restrictions	Total
Endowment net assets, June 30, 2017	$ 6,726	19,328	2,598	21,926	28,652
Investment income	108	—	358	358	466
Fees	(35)	—	(107)	(107)	(142)
Net gains realized	93	—	1,278	1,278	1,371
Net gains unrealized	637	—	277	277	914
Total investment return	803	—	1,806	1,806	2,609
Release of designation	(2,969)	—	—	—	(2,969)
Contributions	204	145	—	145	349
Amounts appropriated for expenditures	(251)	—	(672)	(672)	(923)
Endowment net assets, June 30, 2018	$ 4,513	19,473	3,732	23,205	27,718

(14) Subsequent Events

Catholic Charities has evaluated events and transactions for potential recognition or disclosure through November 27, 2019, the date the consolidated financial statements were available to be issued. Catholic Charities is not aware of any subsequent events that would require recognition or disclosure in the consolidated financial statements.