

Together in Mission
**(A Program of the Roman
Catholic Archdiocese of
Los Angeles)**

Financial Report
June 30, 2017

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Independent Auditor's Report

To His Excellency
José H. Gomez
Archbishop of Los Angeles
Los Angeles, California

Report on the Financial Statements

We have audited the accompanying financial statements of *Together in Mission* (a program of the Roman Catholic Archdiocese of Los Angeles), which comprise the statements of cash receipts and disbursements for the years ended June 30, 2017 and 2016, 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 the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, as described in Note 1 to the financial statements; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements under the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 audit to obtain reasonable assurance about whether the financial statements are free of 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 cash transactions of *Together in Mission* (a program of the Roman Catholic Archdiocese of Los Angeles) for the years ended June 30, 2017 and 2016, in accordance with the cash basis of accounting described in Note 1 to the financial statements.

Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

RSM US LLP

Los Angeles, California
December 28, 2017

Together in Mission (A Program of the Roman Catholic Archdiocese of Los Angeles)

Statements of Cash Receipts and Disbursements
Years Ended June 30, 2017 and 2016

	2017	2016
Cash receipts:		
Contributions collected through annual appeal campaign, net of parish rebates of \$1,129,902 in 2017 and \$1,075,371 in 2016	\$ 14,743,989	\$ 14,715,205
Investment income	167,112	123,929
Other income	97,512	166,833
Total cash receipts	15,008,613	15,005,967
Cash disbursements:		
Subsidies:		
Parishes	4,385,135	4,371,485
Elementary schools	4,420,000	4,278,000
Assessments	3,700,000	3,440,000
Construction	-	113,941
Emergency subsidy support	948,156	1,057,633
Total subsidies	13,453,291	13,261,059
Program administrative expenses	1,418,453	1,278,690
Total cash disbursements	14,871,744	14,539,749
Increase in cash during the year	\$ 136,869	\$ 466,218

See notes to financial statements.

***Together in Mission* (A Program of the Roman Catholic Archdiocese of Los Angeles)**

Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization: *Together in Mission* is a program of the Administrative Office of the Roman Catholic Archdiocese of Los Angeles (the Administrative Office). *Together in Mission's* annual appeal was established in 1992 to reach out to the entire Catholic community of the Roman Catholic Archdiocese of Los Angeles (the Archdiocese) to raise money for the preservation of Catholic schools and parishes that cannot survive economically without outside financial support. The appeal supports the work of the Church in providing the sacraments, ministries, Catholic education and service programs throughout the Archdiocese. The program also facilitates parishes and schools supporting one another through the generosity and commitment of their parishioners.

The program is governed by a *Together in Mission* Advisory Board and standing subcommittees (also called Task Forces): the Allocation Committee, the Audit Committee and the Campaign Committee. The Allocation Committee is responsible for determining the amount of funds allotted to each of the five regions of the Archdiocese for parish subsidy and the Archdiocesan School Department for school subsidy. The Audit Committee oversees the financial reporting and internal controls of the program. Finally, the Campaign Committee's responsibility is to oversee the marketing campaign of the program.

The accounting and reporting of receipts and disbursements for financial statement purposes is on a fiscal year basis. This corresponds to the fiscal year of the Administrative Office. During the course of the campaign, the progress and results are routinely reported in the Archdiocesan newspaper, *The Tidings*. Because funds are continuously collected and disbursed throughout the year, differences occur between the campaign reports and the fiscal year financial report. These variations are due to the timing differences between the campaign collection period and the official financial reporting period.

All funds collected through the *Together in Mission* program are donor-restricted for use as subsidies in Archdiocesan parishes and schools requiring financial assistance. These funds are securely set aside for the purpose stated by the donor. Both civil and Church law stipulate that restricted funds cannot be used for purposes other than those intended by the donor.

Together in Mission begins the distribution of subsidies to parishes and schools at the start of the fiscal year, July 1. Because distributions begin before the calendar year campaign is concluded, *Together in Mission* maintains a reserve sufficient to advance subsidy payments until the campaign is concluded on December 31. This reserve is called the *pre-fund* account.

At the beginning of a campaign, each parish is given a fundraising goal, which is set at 10 percent of parish offertory income for the prior fiscal year. If a parish exceeds its fundraising goal, 100 percent of the excess is refunded to it through a rebate.

All *Together in Mission* contributions are accumulated in the *Together in Mission* Receipt Account and reserved until the end of the fiscal year. The funds are then transferred into a *Together in Mission* Disbursement Account to be used for subsidies of the following fiscal year while the ongoing campaign is replenishing the Receipt Account. This cycle will repeat with each campaign and will ensure that the program is fully financed and self-supported.

Basis of accounting: The financial statements of *Together in Mission* have been prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The statements include only the cash receipts collected through the annual appeal campaign, investment return on *Together in Mission* funds in the Archdiocese Investment Pool, and subsidy disbursements and program expenses.

Program expenses consist mainly of the annual appeal campaign costs. Expenses incurred to administer and manage the campaign are applied against the proceeds generated through the campaign.

***Together in Mission* (A Program of the Roman Catholic Archdiocese of Los Angeles)**

Notes to Financial Statements

Note 2. Contingencies

Various lawsuits and claims are pending against the Archdiocese. There are no such claims against *Together in Mission*, and the resolution of such claims against the Archdiocese is not expected to have any financial impact on *Together in Mission*.