

BISHOP'S ANNUAL APPEAL -
HOUSE OF CHARITY OF THE DIOCESE OF CAMDEN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

BISHOP'S ANNUAL APPEAL -
HOUSE OF CHARITY OF THE DIOCESE OF CAMDEN

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& Associates Ltd
Accountants & Advisors

INDEPENDENT AUDITORS' REPORT

Most Reverend Dennis J. Sullivan,
Bishop of the Diocese of Camden, New Jersey
Camden, New Jersey

We have audited the accompanying statement of activities of the Bishop's Annual Appeal - House of Charity of the Diocese of Camden (a nonprofit organization), for the year ended June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement 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 the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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 statement of activities referred to above presents fairly, in all material respects, the results of activities of the Bishop's Annual Appeal - House of Charity of the Diocese of Camden for the year ended June 30, 2013 in accordance with accounting principles generally accepted in the United States of America.

Elko & Associates Ltd

November 14, 2013

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FOR THE YEAR ENDED JUNE 30, 2013

CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:

Revenue

Annual House of Charity Appeals collections and other contributions	\$7,126,018	
Less: Amounts due to parishes	(508,922)	
Net investment return	<u>257,547</u>	
Total Revenue		\$6,874,643

Net Assets Released from Restrictions:

Pastoral:

Hospital Ministry	657,278
Hispanic Catholic Ministry Commission	179,789
Deaf and Disabilities Ministry	155,309
Lay Ministry Formation	98,833
Black Catholic Ministry Commission	23,195
Evangelization and Adult Faith Formation	8,997

Religious Personnel Development:

Seminarians' Tuition and Benefits	243,722
Residences for Retired Priests	444,909
Vocations	95,680

Education: Faith and Family Life Formation	136,006
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Youth and Young Adult Ministry	214,651
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Grants:

Catholic Charities, Diocese of Camden, Inc.	2,122,000
Diocesan Parochial	603,056
Special Education	419,025
Healthcare	210,000
Bishop's Foundation	200,000
St. Bridget University Church	113,006
Holy Redeemer Visiting Nurses	20,000

Development: House of Charity Office	<u>518,810</u>
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Total Net Assets Released from Restrictions	<u>6,464,266</u>
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INCREASE IN TEMPORARILY RESTRICTED NET ASSETS

(See Note D)

\$ 410,377

The accompanying Notes are an integral part of this statement.

BISHOP'S ANNUAL APPEAL -
HOUSE OF CHARITY OF THE DIOCESE OF CAMDEN
NOTES TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

NOTE A - Summary of Significant Accounting Policies

The Diocese of Camden (the "Diocese") conducts its Bishop's Annual Appeal - House of Charity (the "Annual Appeal") beginning in January of each year. The proceeds of the Annual Appeal are used to support various social service and other programs administered by the Diocese and affiliated organizations commencing July 1 of the following fiscal year.

Basis of Presentation - The statement of activities of the Annual Appeal has been prepared on the accrual basis of accounting. Additionally, the Annual Appeal reports information regarding its activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Restricted and Unrestricted Revenue and Support - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reported in the statement of activities as net assets released from restrictions.

A portion of the contributions received from entities that meet or exceed campaign goals are returned to the entities for local needs. These funds are recorded as a liability until the contribution is transferred to that entity. These contributions are presented as a reduction of gross revenue in the statement of activities.

Income Taxes - The Diocese of Camden is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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NOTE B - Investment Return

Net investment return consists of the following:

Interest and dividend income	\$190,384
Plus: Net gain on investments	<u>87,540</u>
Total investment return	277,924
Less: investment management fees	<u>20,377</u>
Net Investment Return	<u>\$257,547</u>

NOTE C - Grants to Catholic Charities, Diocese of Camden, Inc.

Catholic Charities, Diocese of Camden, Inc., a nonprofit corporation, is an affiliate of the Diocese and a community-based human service agency providing counseling and social services on a non-sectarian basis, with special emphasis on services to the poor and oppressed. These services are designed to promote human dignity and social justice and include:

- Emergency services and family counseling centers
- Family treatment of addiction
- School-based family support
- Migration and refugee services
- AIDS ministry
- Crisis pregnancy and adoption services
- Prison ministry
- Healthcare

NOTE D - Temporarily Restricted Net Assets

Net revenue associated with the Annual Appeal is reported as an increase or decrease in temporarily restricted net assets since it is received with donor stipulations that limit the use of the contributions to the following fiscal year as stated in the Annual Appeal's campaign literature.

NOTE E - Subsequent Events

In preparing this financial statement, the Diocese has evaluated events and transactions for potential recognition or disclosure through November 14, 2013, the date the financial statement was available to be issued.