

UNITED STATES CATHOLIC MISSION ASSOCIATION

FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT AUDITORS
FOR THE YEAR ENDED DECEMBER 31, 2017

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
United States Catholic Mission Association

We have audited the accompanying financial statements of the United States Catholic Mission Association (USCMA) (a nonprofit organization) , which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year 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 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 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.

INDEPENDENT AUDITOR'S REPORT
USCMA

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United States Catholic Mission Association as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedule of functional expenses, 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.



Bowie, Maryland
June 27, 2018

UNITED STATES CATHOLIC MISSION ASSOCIATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS

Current assets

Cash and cash equivalents	\$ 99,350
Accounts receivable	665
Prepaid expenses	4,045
Deposits	<u>2,840</u>

Total current assets 106,900

Non current assets

Long-term investments	455,623
Furniture and equipment	29,163
less: accumulated depreciation	<u>(21,443)</u>

Total non current assets 463,343

Total assets \$570,243

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable	\$ 9,007
Deferred revenue	<u>-</u>

Total current liabilities 9,007

Net assets

Unrestricted	281,211
Temporarily restricted	91,590
Permanently restricted	<u>188,435</u>

Total net assets 561,236

Total liabilities and net assets \$570,243

- SEE ACCOUNTANT'S NOTES -

UNITED STATES CATHOLIC MISSION ASSOCIATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and support				
Contributions and grants	\$ 16,208	\$ -	\$ -	\$ 16,208
Membership	99,191			99,191
Mission conference	37,081			37,081
Mission cooperative plan	23,047			23,047
Combined federal campaign	11,799			11,799
Interest	6,484			6,484
Gain on investments	48,463			48,463
Net assets released from restrictions	<u>1,399</u>	<u>(1,399)</u>	<u> </u>	<u> -</u>
Total revenue and support	<u>243,672</u>	<u>(1,399)</u>	<u> -</u>	<u>242,273</u>
Expenses				
Program services	279,561			279,561
Management and general	18,692			18,692
Fundraising	<u>8,870</u>	<u> </u>	<u> </u>	<u>8,870</u>
Total expenses	<u>307,123</u>	<u> -</u>	<u> -</u>	<u>307,123</u>
Change in net assets	(63,451)	(1,399)	-	(64,850)
Net assets at beginning of year	<u>344,662</u>	<u>92,989</u>	<u>188,435</u>	<u>626,086</u>
Net assets at end of year	<u>\$281,211</u>	<u>\$ 91,590</u>	<u>\$188,435</u>	<u>\$561,236</u>

- SEE ACCOUNTANT'S NOTES -

UNITED STATES CATHOLIC MISSION ASSOCIATION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017

Cash flows from operating activities	
Change in net assets	\$(64,850)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	2,571
Decrease in accounts receivable	27,210
Increase in prepaid expenses	(152)
Increase in accounts payable	5,283
Decrease in deferred revenue	<u>(6,980)</u>
Total adjustments	<u>27,932</u>
Net cash used by operating activities	<u>(36,918)</u>
Cash flows from investing activities	
Decrease in long-term investments	5,112
Purchase of furniture and equipment	<u>-</u>
Net cash provided by investing activities	<u>5,112</u>
Net decrease in cash and cash equivalents	(31,806)
Cash and cash equivalents, beginning of year	<u>131,156</u>
Cash and cash equivalents, end of year	<u>\$ 99,350</u>

- SEE ACCOUNTANT'S NOTES -

UNITED STATES CATHOLIC MISSION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 1. - General information and summary of significant accounting policies

General information

The United States Catholic Mission Association (USCMA), founded in 1981, is a nonprofit, religious, educational and charitable organization. The purpose of USCMA is to promote global mission with a primary focus on cross-cultural mission and international justice.

Summary of significant accounting policies

Basis of accounting

USCMA's financial statements are prepared using the accrual basis of accounting.

Cash and cash equivalents

Cash on hand, deposits in banks, and highly liquid investments with original maturities of three months or less are considered cash and cash equivalents for purposes of these financial statements.

Long-term investments

Long-term investments are carried at fair market value, and realized and unrealized gains and losses are reported in the statement of activities. USCMA's long-term investments primarily consist of mutual funds.

Property and equipment

Property and equipment are recorded at cost. Depreciation is recognized over the related assets' estimated useful lives, using the straight-line method. Repairs and maintenance are charged to expense as incurred.

Unrestricted net assets

Unrestricted net assets consist of amounts which are currently available to support USCMA's daily operations.

UNITED STATES CATHOLIC MISSION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Temporarily restricted net assets

USCMA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets

In 1989, USCMA established an endowment fund, to which contributions are required to be held in perpetuity. Contributions to the endowment are reported as permanently restricted net assets. The income generated by investment of the endowment is for general and administrative purposes.

Revenue recognition

Revenue is recognized during the period in which it is earned. Contributions are recognized in accordance with the provisions of Financial Accounting Standards Board Statement No. 116.

Expenses

Expenses are recognized by USCMA during the period in which they are incurred. Expenses paid in advance and not yet incurred are deferred to the applicable period.

Functional allocation of expenses

The costs of USCMA's various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, supporting general and administrative costs have been allocated among the programs and supporting services benefitted.

Subsequent events

Subsequent events have been considered through June 27, 2018.

UNITED STATES CATHOLIC MISSION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Financial Instruments

Financial instruments which potentially subject USCMA to concentrations of credit risk consist primarily of cash deposits and long-term investments maintained at credit worthy financial institutions.

Accounting standards use the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1 - Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes;

Level 2 - Includes inputs other than level 1 that are directly or indirectly observable in the marketplace such as yield curves or other market data;

Level 3 - Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk such as bid/ask spreads and liquidity discounts.

Investments recorded at fair value, consist of the following at December 31, 2017 :

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ <u>455,623</u>	\$ <u>455,623</u>	\$ <u>-</u>	\$ <u>-</u>

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. Actual results could differ from estimates.

Income tax status

USCMA is exempt from federal income taxes on income other than unrelated business income under Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the District of Columbia. USCMA had no unrelated business income during the year ended December 31, 2017.

UNITED STATES CATHOLIC MISSION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Note 2. - Temporarily restricted net assets

Temporarily restricted net assets consists of the following at December 31, 2017.

Catholic Mission Forum	\$ 91,590
	<hr/>
	<u>\$ 91,590</u>

Note 3. - Pension plan

Under this plan, USCMA makes monthly contributions to an insurance company for its employees. For the year ended December 31, 2017 pension expense was \$10,184.

Note 4. - Major sources of funding

USCMA received a substantial portion of support from contributions received from religious organizations and individual donors.

Supplementary Information

UNITED STATES CATHOLIC MISSION ASSOCIATION
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017

	Total	Program services	Management and general	Fundraising
Salaries	\$ 173,196	\$ 160,030	\$ 7,466	\$ 5,700
Fica matching	13,155	12,155	567	433
Advertising	1,512	1,397	65	50
Bank charges	1,975	-	1,975	-
Board of Directors	314	157	157	-
Catholic Mission Forum	1,399	1,399	-	-
Conferences and seminars	11,338	11,338	-	-
Depreciation	2,571	-	2,571	-
Development	1,237	1,237	-	-
Equipment	6,191	5,720	267	204
Health insurance	18,560	17,149	800	611
Hospitality	300	300	-	-
Insurance expense	1,517	1,402	65	50
Licenses and fees	305	282	13	10
Memberships	1,530	1,414	66	50
Miscellaneous	201	201	-	-
Mission Cooperative	2,700	2,700	-	-
Mission Conference	7,023	7,023	-	-
Office supplies	1,932	1,785	83	64
Pension plan	10,184	9,410	439	335
Postage	1,698	1,569	73	56
Printing	8,360	7,724	360	276
Professional fees	8,610	6,235	2,375	-
Rent	25,342	23,416	1,092	834
Telephone	2,823	2,608	122	93
Travel	2,262	2,090	98	74
Website	888	820	38	30
Totals	\$ 307,123	\$ 279,561	\$ 18,692	\$ 8,870