

CATHOLIC CHARITIES,
DIOCESE OF VENICE, INC.

INDEPENDENT AUDITOR'S REPORT,
FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION AND
CONTRACT COMPLIANCE

JUNE 30, 2015 AND 2014

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Catholic Charities, Diocese of Venice, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Catholic Charities, Diocese of Venice, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2015 and 2014, 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 and the standards applicable to financial statements contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 evaluation 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.

The Board of Directors
Catholic Charities, Diocese of Venice, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities, Diocese of Venice, Inc. as of June 30, 2015 and 2014, and the results of its operations, changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

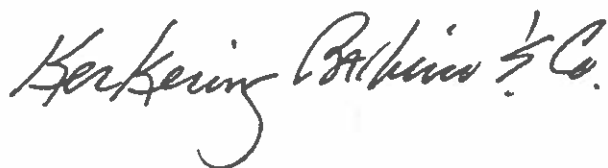
Supplemental and other information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements. The Schedule of Revenues and Expenses - Lee County Funded Programs of Catholic Charities is not a required part of the financial statements. Such information is the responsibility of the Organization's 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report on our consideration of Catholic Charities, Diocese of Venice, Inc.'s internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Catholic Charities, Diocese of Venice, Inc.'s internal control over financial reporting and compliance.

Sarasota, Florida
October 26, 2015



CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Current Assets		
Cash and cash equivalents - unrestricted	\$ 1,206,525	\$ 837,113
Cash and cash equivalents - board designated	1,093,355	1,498,004
Cash and cash equivalents - restricted	1,468,101	942,114
Contracts and grants receivable	221,875	471,677
Accounts receivable	42,785	6,377
Current portion of officer's loan receivable	9,647	-
Prepaid insurance and other expenses	170,799	182,834
Total current assets	<u>4,213,087</u>	<u>3,938,119</u>
Beneficial interest in gift annuities	74,915	23,835
Officer's loan receivable, net of current portion	14,279	-
Land, building and equipment, net	<u>4,446,170</u>	<u>2,842,237</u>
Total Assets	<u>\$ 8,748,451</u>	<u>\$ 6,804,191</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts payable	\$ 118,645	\$ 99,637
Accrued expenses	488,430	483,654
Refundable advances	7,609	2,865
Current portion of long-term debt	202,801	-
Total current liabilities	<u>817,485</u>	<u>586,156</u>
Other Liabilities		
Long-term debt, net of current portion	<u>912,309</u>	<u>80,000</u>
Total liabilities	<u>1,729,794</u>	<u>666,156</u>
Net Assets		
Unrestricted		
Undesignated	2,373	846,847
Board designated	1,093,355	1,498,004
Designated for land, building and equipment	<u>4,446,170</u>	<u>2,842,237</u>
Total unrestricted	<u>5,541,898</u>	<u>5,187,088</u>
Temporarily restricted	1,466,429	940,442
Permanently restricted	10,330	10,505
Total net assets	<u>7,018,657</u>	<u>6,138,035</u>
Total Liabilities and Net Assets	<u>\$ 8,748,451</u>	<u>\$ 6,804,191</u>

The accompanying notes are an integral part of these financial statements.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015
(WITH SUMMARIZED TOTALS FOR 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Support			
Diocese of Venice	\$ 1,446,458	\$	\$
Contributions	2,133,672	481,506	
Government grants and contracts	2,053,676	7,683	
United Way grants	307,194		
Catholic and other organizations	364,112	51,543	
Other grants	417,611	255,223	
Total support	<u>6,722,723</u>	<u>795,955</u>	<u>-</u>
Revenue			
Program service fees	516,215		
Interest and dividends	89,270		
Change in value of gift annuities	2,882		(175)
Other income	33,923		
Total revenue	<u>642,290</u>	<u>-</u>	<u>(175)</u>
Net assets released from restriction	<u>313,141</u>	<u>(313,141)</u>	
Special events revenue	1,475,939	43,173	
Less direct costs of special events	(504,737)		
Net revenue from special events	<u>971,202</u>	<u>43,173</u>	<u>-</u>
Total support, revenue and reclassifications	<u>8,649,356</u>	<u>525,987</u>	<u>(175)</u>
Expenses			
Program services	7,686,874		
Management and general	295,665		
Fund raising	307,460		
Total expenses	<u>8,289,999</u>	<u>-</u>	<u>-</u>
Gain (loss) on disposal of assets	<u>(4,547)</u>		
Increase (decrease) in net assets	354,810	525,987	(175)
Net assets at beginning of year	5,187,088	940,442	10,505
Net assets at end of year	<u>\$ 5,541,898</u>	<u>\$ 1,466,429</u>	<u>\$ 10,330</u>

<u>2015</u> <u>Total</u>	<u>2014</u> <u>Total</u>
\$ 1,446,458	\$ 1,525,000
2,615,178	1,706,599
2,061,359	2,774,311
307,194	302,552
415,655	304,338
672,834	522,961
<u>7,518,678</u>	<u>7,135,761</u>
516,215	473,746
89,270	78,821
2,707	2,826
33,923	25,423
<u>642,115</u>	<u>580,816</u>
-	-
1,519,112	1,500,903
(504,737)	(458,376)
<u>1,014,375</u>	<u>1,042,527</u>
<u>9,175,168</u>	<u>8,759,104</u>
7,686,874	7,749,334
295,665	353,272
307,460	298,768
<u>8,289,999</u>	<u>8,401,374</u>
<u>(4,547)</u>	<u>502</u>
880,622	358,232
6,138,035	5,779,803
<u>\$ 7,018,657</u>	<u>\$ 6,138,035</u>

The accompanying notes are an integral part of these financial statements.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2014
(WITH SUMMARIZED TOTALS FOR 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Support			
Diocese of Venice	\$ 1,525,000	\$	\$
Contributions	1,569,177	137,422	
Government grants and contracts	2,774,311		
United Way grants	302,552		
Catholic and other organizations	264,711	39,627	
Other grants	377,815	145,146	
Total support	<u>6,813,566</u>	<u>322,195</u>	<u>-</u>
Revenue			
Program service fees	473,746		
Interest and dividends	78,821		
Change in value of gift annuities	1,855		971
Other income	25,423		
Total revenue	<u>579,845</u>	<u>-</u>	<u>971</u>
Net assets released from restriction	<u>268,068</u>	<u>(268,068)</u>	
Special events revenue	1,438,673	62,230	
Less direct costs of special events	(458,376)		
Net revenue from special events	<u>980,297</u>	<u>62,230</u>	<u>-</u>
Total support, revenue and reclassifications	<u>8,641,776</u>	<u>116,357</u>	<u>971</u>
Expenses			
Program services	7,749,334		
Management and general	353,272		
Fund raising	298,768		
Total expenses	<u>8,401,374</u>	<u>-</u>	<u>-</u>
Gain (loss) on disposal of assets	<u>502</u>		
Increase in net assets	240,904	116,357	971
Net assets at beginning of year	4,946,184	824,085	9,534
Net assets at end of year	<u>\$ 5,187,088</u>	<u>\$ 940,442</u>	<u>\$ 10,505</u>

2014 Total	2015 Total
\$ 1,525,000	\$ 1,446,458
1,706,599	2,615,178
2,774,311	2,061,359
302,552	307,194
304,338	415,655
522,961	672,834
<u>7,135,761</u>	<u>7,518,678</u>
473,746	516,215
78,821	89,270
2,826	2,707
25,423	33,923
<u>580,816</u>	<u>642,115</u>
-	-
1,500,903	1,519,112
(458,376)	(504,737)
<u>1,042,527</u>	<u>1,014,375</u>
<u>8,759,104</u>	<u>9,175,168</u>
7,749,334	7,686,874
353,272	295,665
298,768	307,460
<u>8,401,374</u>	<u>8,289,999</u>
<u>502</u>	<u>(4,547)</u>
358,232	880,622
5,779,803	6,138,035
<u>\$ 6,138,035</u>	<u>\$ 7,018,657</u>

The accompanying notes are an integral
part of these financial statements.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015
(WITH SUMMARIZED TOTALS FOR 2014)

	<u>Immigration and Refugee</u>	<u>Prevention and Social Services</u>	<u>Counseling and Education</u>	<u>Total Program Services</u>
Salaries	\$ 1,074,858	\$ 1,626,881	\$ 1,178,912	\$ 3,880,651
Employee benefits	325,222	473,876	314,700	1,113,798
Specific assistance	127,160	636,008	20,560	783,728
Outside services	45,815	132,787	89,139	267,741
Rent and utilities	95,590	154,377	52,377	302,344
Payroll taxes	80,499	119,786	85,870	286,155
Maintenance and equipment	30,373	130,988	84,248	245,609
Depreciation	24,279	133,053	35,099	192,431
Communications	22,237	48,574	21,372	92,183
Office supplies and postage	22,502	49,490	34,666	106,658
Religious stipends		52,420		52,420
Travel	24,979	62,887	26,150	114,016
Promotion				-
Printing	9,154	21,644	12,941	43,739
Other	3,276	7,005	16,103	26,384
Conferences, meetings and dues	3,287	20,804	4,567	28,658
Professional fees	10,635	16,847	9,570	37,052
Housing		14,970		14,970
General insurance	6,701	17,633	8,599	32,933
Staff training and recruiting	1,041	5,355	4,301	10,697
Interest expense		21,412		21,412
Grant expense		33,295		33,295
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total functional expenses	\$ <u>1,907,608</u>	\$ <u>3,780,092</u>	\$ <u>1,999,174</u>	\$ <u>7,686,874</u>

Management and General	Fund Raising	2015 Total	2014 Total
\$ 90,910	\$ 77,805	\$ 4,049,366	\$ 4,013,573
19,199	16,860	1,149,857	1,085,631
		783,728	968,699
62,810	81,351	411,902	421,214
44,341	760	347,445	313,484
6,783	5,782	298,720	299,085
2,132	1,859	249,600	306,050
5,222	1,644	199,297	174,616
4,553	1,905	98,641	97,635
6,937	15,663	129,258	137,982
		52,420	30,947
12,057	3,330	129,403	161,732
	65,874	65,874	68,381
2,993	26,319	73,051	79,894
15,144	4,298	45,826	66,051
21,919	3,062	53,639	45,780
665	590	38,307	33,111
		14,970	7,020
	358	33,291	29,165
		10,697	10,769
		21,412	18,747
		33,295	31,808
<u>\$ 295,665</u>	<u>\$ 307,460</u>	<u>\$ 8,289,999</u>	<u>\$ 8,401,374</u>

The accompanying notes are an integral part of these financial statements.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2014
(WITH SUMMARIZED TOTALS FOR 2015)

	Immigration and Refugee	Prevention and Social Services	Counseling and Education	Total Program Services
Salaries	\$ 1,262,289	\$ 1,412,061	\$ 1,183,904	\$ 3,858,254
Employee benefits	358,358	403,279	291,031	1,052,668
Specific assistance	235,458	711,279	21,962	968,699
Outside services	40,218	133,728	77,217	251,163
Rent and utilities	99,051	117,047	58,433	274,531
Payroll taxes	93,025	106,711	87,224	286,960
Maintenance and equipment	55,477	137,317	106,664	299,458
Depreciation	24,863	104,822	34,472	164,157
Communications	23,635	43,261	23,786	90,682
Office supplies and postage	33,407	43,153	37,463	114,023
Religious stipends		27,294	3,653	30,947
Travel	41,679	58,488	26,175	126,342
Promotion				-
Printing	13,012	22,322	17,252	52,586
Other	2,362	12,493	15,886	30,741
Conferences, meetings and dues	4,031	5,728	12,089	21,848
Professional fees	10,336	11,800	9,872	32,008
Housing		7,020		7,020
General insurance	5,856	15,332	7,708	28,896
Staff training and recruiting	244	3,162	4,390	7,796
Interest expense		18,747		18,747
Grant expense		31,808		31,808
	<u>2,303,301</u>	<u>3,426,852</u>	<u>2,019,181</u>	<u>7,749,334</u>
Total functional expenses	\$ <u>2,303,301</u>	\$ <u>3,426,852</u>	\$ <u>2,019,181</u>	\$ <u>7,749,334</u>

Management and General	Fund Raising	2014 Total	2015 Total
\$ 84,542	\$ 70,777	\$ 4,013,573	\$ 4,049,366
17,302	15,661	1,085,631	1,149,857
		968,699	783,728
93,741	76,310	421,214	411,902
38,364	589	313,484	347,445
6,577	5,548	299,085	298,720
3,410	3,182	306,050	249,600
8,904	1,555	174,616	199,297
4,417	2,536	97,635	98,641
10,104	13,855	137,982	129,258
		30,947	52,420
32,522	2,868	161,732	129,403
	68,381	68,381	65,874
4,091	23,217	79,894	73,051
26,095	9,215	66,051	45,826
19,682	4,250	45,780	53,639
548	555	33,111	38,307
		7,020	14,970
	269	29,165	33,291
2,973		10,769	10,697
		18,747	21,412
		31,808	33,295
<u>\$ 353,272</u>	<u>\$ 298,768</u>	<u>\$ 8,401,374</u>	<u>\$ 8,289,999</u>

The accompanying notes are an integral part of these financial statements.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Increase in net assets	\$ 880,622	\$ 358,232
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	199,297	174,616
(Gain) loss on disposal of assets	4,547	(502)
Change in value of gift annuities	(2,707)	(2,826)
(Increase) decrease in operating assets		
Contracts and grants receivable	249,802	(46,797)
Accounts receivable	(36,408)	3,406
Prepaid insurance and other expenses	12,035	(5,070)
Beneficial interest in gift annuities	(48,373)	-
Increase (decrease) in operating liabilities		
Accounts payable	19,008	(4,965)
Accrued expenses	4,776	57,238
Refundable advances	4,744	2,415
Total adjustments	<u>406,721</u>	<u>177,515</u>
Net cash provided by operating activities	<u>1,287,343</u>	<u>535,747</u>
Cash Flows from Investing Activities		
Purchases of land, building and equipment	(1,836,525)	(61,375)
Proceeds from sale of land, buildings and equipment	-	502
Net cash used in investing activities	<u>(1,836,525)</u>	<u>(60,873)</u>
Cash Flows from Financing Activities		
Proceeds from long-term debt	1,671,900	-
Payments on long-term debt	(636,790)	(444,536)
Payments received from Officer's loan receivable	4,822	-
Net cash provided by (used in) financing activities	<u>1,039,932</u>	<u>(444,536)</u>
Increase in cash and cash equivalents	490,750	30,338
Cash and cash equivalents - beginning of year	3,277,231	3,246,893
Cash and cash equivalents - end of year	<u>\$ 3,767,981</u>	<u>\$ 3,277,231</u>

Supplemental disclosure of cash flow information:

Cash paid during the year for interest totaled \$17,640 and \$18,747 in 2015 and 2014, respectively.

Non-cash sale of two vehicles to officers during 2015 financed with a promissory note totaling \$28,748.

The accompanying notes are an integral part of these financial statements.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1 - Summary of Significant Accounting Policies

Organization and Nature of Operations

Catholic Charities, Diocese of Venice, Inc. (Catholic Charities), is a not-for-profit 501(c)(3) charitable organization exempt from federal income taxes and established for the purpose of providing social services to individuals and families without distinction of race or religion in Southwest Florida, and has the ability to administer services in other languages, including Spanish and Creole in a culturally competent manner within the counties of Charlotte, Collier, DeSoto, Glades, Hardee, Hendry, Highlands, Lee, Manatee, and Sarasota.

Catholic Charities has numerous sites in the above ten counties and provides a variety of services that include: individual and family counseling, direct financial assistance to families in need, immigration and legalization processing, refugee resettlement and employment, after-school tutoring, English as a second or other language, citizenship, summer camps, housing counseling services, elderly outreach, day care for working poor, case management and shelter services for women and their infant children, and community centers for persons affected with HIV/AIDS.

Catholic Charities has, among its staff, certified personnel who are recognized by the federal Immigration and Naturalization Office (INS) to complete federal documents regarding citizenship and other formal requirements to allow non-citizens to be legally present in the United States of America.

Use of Estimates and Assumptions

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. These affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates and assumptions.

Financial Statements

The financial statements and notes are representations of Catholic Charities' management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and services have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2015 AND 2014

Note I - Summary of Significant Accounting Policies (Continued)

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on existence or absence of donor-imposed restrictions. Accordingly, net assets of Catholic Charities and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to explicit or implicit donor-imposed stipulations that will be met either by actions of Catholic Charities and/or the passage of time.

Permanently restricted assets - Net assets subject to donor-imposed stipulations to be maintained permanently by Catholic Charities. Generally, the donors of these assets permit Catholic Charities to use all or part of the income earned on related investments for general or specific purposes.

Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received with donor stipulations that restrict the use of donated assets, or have time restrictions, are treated as temporarily restricted net assets. When the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same year as when the donation is received are reported as unrestricted support.

Gifts of cash restricted for the purpose of acquiring or constructing long-lived assets are recorded as temporarily restricted net assets until the long-lived asset is acquired or constructed at which time the net assets are released from the restriction and reclassified to unrestricted net assets.

Grants, which are limited to the use of various Catholic Charities' programs, are reflected as unrestricted revenue if these funds are received and spent during the same year and if they support the activities of Catholic Charities within the limits of Catholic Charities' articles of organization.

Cash and Cash Equivalents

For the purpose of the Statements of Cash Flows, cash and cash equivalents represents cash on hand and bank accounts with original maturities of three months or less.

Restricted Cash Equivalents

Cash and cash equivalents are considered restricted when received and donor stipulations have not been satisfied.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2015 AND 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

Contracts and Grants Receivable

Contracts and grants receivable relate to amounts due to Catholic Charities from federal, state and local contracts relating to immigration, refugee and other social programs. Management considers all contracts and grants due to be fully collectible. Management determines the appropriateness of an allowance for bad debts based upon its review of existing receivables and historical collections by individual agencies.

Accounts Receivable

Accounts receivable consists primarily of program fees. Management evaluates the receivables monthly. Management determines the appropriateness of an allowance for bad debts based upon its review of existing receivables and historical collections by individual payer. Management considers all accounts receivable due to be fully collectible. Therefore, no allowance for uncollectible accounts has been recorded in the accompanying financial statements.

Beneficial Interest in Gift Annuities

Catholic Charities has been named beneficiary of three gift annuity agreements. The recorded beneficial interest is Catholic Charities' portion of the charitable remainder interest of the annuities and is based upon actuarial assumptions. Contributions of charitable gift annuities are recorded when Catholic Charities is informed of the contribution and its interest is irrevocable. The present values of payments to beneficiaries under these arrangements are calculated using applicable tax discount rates at year end. Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as changes in the value of the gift annuities on the Statements of Activities. Charitable gift annuities are classified as unrestricted, temporarily restricted and permanently restricted based upon the individual gift agreements.

Land, Building and Equipment

Land, building and equipment are stated at historical cost at the date of acquisition or fair value at the date of donation, in the case of gifts. Land, building and equipment are recorded as unrestricted net assets or temporarily restricted net assets, in the case of donations with time stipulations.

Expenditures exceeding \$1,000 that significantly add to the productivity or extend the useful lives of property and equipment are capitalized. Other expenditures for maintenance and repairs are charged to operations in the year the costs are incurred. In accordance with contract provisions, Catholic Charities has segregated and identified property and equipment that has been purchased or improved with funds received from government agencies. These agencies maintain a reversionary interest in the respective property and equipment. Depreciation is provided for over the estimated service lives of the respective assets on a straight-line basis for periods ranging from three to forty years.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2015 AND 2014

Note I - Summary of Significant Accounting Policies (Continued)

Refundable Advances

Catholic Charities receives advances on certain government contracts based upon the estimated cost of providing specific services. Advances for services that have not yet been performed as of June 30, 2015 and 2014 are classified as liabilities in the accompanying Statement of Financial Position.

Income Tax Status

Catholic Charities is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been provided for.

Under the Income Taxes Topic of the FASB Accounting Standards Codification, Catholic Charities has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of Catholic Charities.

Catholic Charities files income tax returns in the U.S. federal jurisdiction. The tax periods open to examination by the major taxing jurisdictions to which Catholic Charities is subject includes fiscal years ended June 30, 2012 through June 30, 2015.

Donated Materials, Services and Space

A substantial number of volunteers have donated a significant amount of time to Catholic Charities' program services. However, donated services have not been recorded in the financial statements since no objective basis is available to measure the value of such services. Additionally, the Diocese of Venice (Diocese) has provided office space to Catholic Charities at no charge. The fair market value of the donated space in the amount of \$36,736 and \$35,661 is recorded in the accompanying financial statements for the years ended June 30, 2015 and 2014, respectively, and is included in contributions and rent expense on the statement of activities. Furthermore, Catholic Charities receives free rent at various facilities. However, they are required to pay utilities, ground maintenance, and building upkeep and repairs. The fair value of this space provided is not readily determinable and has not been included in the accompanying financial statements.

Financial Instruments Not Measured at Fair Value

Catholic Charities' financial instruments, with the exception of investments, are not measured at fair value on a recurring basis, but are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include cash and cash equivalents, contracts and grants receivable, accounts receivable, prepaid insurance and other expenses, officer's loan receivable, accounts payable, accrued expenses, and refundable advances.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2015 AND 2014

Note 2 - Land, Building and Equipment

Land, building and equipment consisted of the following as of June 30:

	2015	2014
Land	\$ 1,545,722	\$ 1,257,722
Buildings	4,529,837	3,032,973
Equipment	431,575	426,792
Vehicles	159,302	200,920
Construction in process	23,429	-
	6,689,865	4,918,407
Less accumulated depreciation	2,243,695	2,076,170
Land, building and equipment, net	\$ 4,446,170	\$ 2,842,237

Depreciation expense for the years ended June 30, 2015 and 2014 totaled \$199,297 and \$174,616, respectively.

Note 3 - Long-Term Debt

Mortgage Payable

During the fiscal year 2005, Catholic Charities incurred a mortgage, which is payable to the County of Sarasota. This note bears interest at the rate of 0% per annum and will be forgiven in full on August 1, 2024. Within this twenty-year period, the note is due and payable upon the sale of the property or when the property is no longer used to house persons in accordance with the Subrecipient Agreement. The note is secured by a lien on certain real property, and may be prepaid in full at any time without penalty. As of June 30, 2015 and 2014, the balance was \$80,000 and is included in long-term debt.

Promissory Notes

On March 1, 2009, Catholic Charities incurred a loan payable totaling \$1,042,639 to the Diocese of Venice (related party - see Note 10) for the purchase of an apartment complex related to Our Mother's House, which is a transitional residential housing program that provides single mothers and their child(ren) a safe and secure environment in which to achieve self-sufficiency through education, vocational training and personal growth. On June 23, 2014, the entire outstanding balance of \$372,098 was prepaid in whole.

In June 2015, Catholic Charities incurred a loan payable to the Diocese of Venice (related party - see Note 10) in the principal amount of \$561,900. Proceeds of the loan were used to purchase a building in Venice, Florida for the expansion of Our Mother's House program. In June 2015, the entire outstanding loan balance was prepaid in whole.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2015 AND 2014

Note 3 - Long-Term Debt (Continued)

On February 1, 2015, Catholic Charities incurred a loan payable to the Diocese of Venice (related party - see Note 10) in the principal amount of \$1,100,000. Proceeds of the loan were used to purchase a building in Naples, Florida, replacing a leased facility. The new building is known as the Judy Sullivan Family Resource Center, and houses a food pantry, homelessness prevention initiative, and education programs. Interest accrues at a variable rate based upon the current rate established by the Trustees of the Diocese of Venice Savings and Loan Trust Fund, adjusted from time to time, with a current rate of 4.75%. Principal and interest payments are payable in monthly installments of \$20,633, with the loan due and payable in full on February 1, 2020. The loan agreement stipulates that the loan may be prepaid in whole or part at anytime without penalty. As of June 30, 2015, the balance was \$1,035,110.

Future principal payments of the promissory note payable are as follows for the years ended June 30:

2016	\$	202,801
2017		212,646
2018		222,970
2019		233,795
2020		162,898
Total	\$	<u>1,035,110</u>

Note 4 - Board Designated Net Assets

As of June 30, 2015 and 2014, Catholic Charities had Board designated net assets of the following for future program services:

	2015	2014
Boca Grande Child Care Center	\$ 104,527	\$ 80,644
District 3 - Naples	362,628	374,674
District 3 - Guadalupe Social Services - Immokalee	136,480	102,966
Capital Facility Needs	85,720	535,720
Disaster Loss	400,000	400,000
Veteran's House	4,000	4,000
Total board designated net assets	<u>\$ 1,093,355</u>	<u>\$ 1,498,004</u>

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2015 AND 2014

Note 5 - Temporarily Restricted Net Assets

Temporarily restricted net assets available as of June 30 are for the following:

	2015	2014
Clare House	\$ 5,977	\$ 5,377
Counseling	34,574	22,383
Direct assistance	317,764	307,388
Rural services programs	38,475	32,383
Guadalupe Social Services	18,774	46,975
Other	524,804	118,785
Our Mothers' House	30,870	12,692
Catholic Hispanic Social Services	150,553	44,156
Bethesda House	3,082	3,047
Boca Grande Child Care Center	341,556	347,256
Total temporarily restricted net assets	<u>\$ 1,466,429</u>	<u>\$ 940,442</u>

Note 6 - Permanently Restricted Net Assets

As of June 30, 2015 and 2014, Catholic Charities had gift annuities which are permanently restricted net assets in the amount of \$10,330 and \$10,505, respectively.

Note 7 - Net Assets Released from Restrictions

Net assets released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donor for the years ended June 30 are for the following:

	2015	2014
Boca Grande Child Care Center	\$ 5,750	\$ 2,103
Counseling	22,326	17,106
Direct assistance	143,685	126,766
Rural services programs	13,212	11,932
Guadalupe Social Services	46,975	10,608
Other	67,702	71,040
Our Mothers' House	10,603	16,213
Catholic Hispanic Social Services	1,344	6,484
Bethesda House	1,544	5,816
Total net assets released from restrictions	<u>\$ 313,141</u>	<u>\$ 268,068</u>

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2015 AND 2014

Note 8 - Employee Retirement Plans

Catholic Charities makes contributions to a multi-employer defined benefit pension plan and a 403(b) Plan. These payments are made to the Diocese of Venice Retirement Program Trust. The Plan covers eligible employees from the Diocese of Venice, as well as certain parishes and schools.

The Pension Plan is a noncontributory defined benefit pension plan established July 1, 2012 by a spin-off from the Seventh Amended and Restated Pension Plan for Employees within the Archdiocese of Miami/Diocese of Venice (Prior Plan). The Pension Plan is a qualified plan and is exempt from income taxes under the provisions of the Internal Revenue Code (IRC). The Pension Plan is a "Church Plan" as defined in Section 414(e) of the IRC and is exempt from Title I of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Pension Plan was most recently amended effective July 1, 2014.

The Pension Plan covers all members in the Prior Plan who are designated as Transferred members immediately prior to July 1, 2012. All other employees of the Diocese, as defined by the Pension plan, were able to commence participation immediately or upon their subsequent employment, appointment, assignment, re-employment, reappointment, or reassignment. Effective July 1, 2014, the Pension Plan was frozen with regard to participation of certain Lay employees based on their years of service and no Lay employee hired on or after July 1, 2014 is eligible to participate in the Pension Plan.

The following table discloses quantitative information of the Pension Plan as of and for the year ended February 1, 2015, which is the date of the latest actuarial valuation.

<u>Legal Name and Plan Number</u>	<u>Plan EIN</u>	<u>Actuarial present value of accumulated plan benefits</u>	<u>Fair value of plan assets</u>	<u>Total contributions</u>	<u>Long Term Funded Status</u>
Diocese of Venice Pension Plan & Trust, Number 001	45-6947361	\$ 105,947,400	\$ 97,455,979	\$ 4,805,601	92%

Effective July 1, 2014, Catholic Charities became a participant in an Internal Revenue Code 403(b) sponsored by the Diocese of Venice. Contributions to the 403(b) plan are made by employees through salary deferrals as well as by the Diocese in both a non-contributory and matching component. The plan is exempt from the reporting requirements of ERISA.

Contributions to the plans by Catholic Charities for the years ended June 30, 2015 and 2014 was \$398,405 and \$379,954, respectively.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2015 AND 2014

Note 9 - Lease Commitments

Equipment Leases

Catholic Charities has entered into operating lease agreements for office space and equipment expiring through 2019 with lease terms from two to five years. Catholic Charities also leases various storage areas and containers on a month-to-month basis. The future minimum payments under operating leases of equipment are as follows as of June 30:

2016	\$	14,680
2017		13,452
2018		3,523
2019		1,998
Total operating lease commitment for equipment	\$	<u>33,653</u>

Total expenses for operating equipment leases amounted to \$15,881 and \$23,627 for the years ended June 30, 2015 and 2014, respectively.

Office Leases

Catholic Charities leases several office facilities for various terms under long-term operating lease agreements for providing its program services. The leases expire at various dates through fiscal year 2017 and provide for increases in future minimum payments as defined in the leases and Consumer Price Index. The future minimum required lease payments under operating office leases are as follows as of June 30:

2016	\$	91,865
2017		79,772
Total office lease commitments	\$	<u>171,637</u>

Office rent expense for the years ended June 30, 2015 and 2014 was \$156,749 and \$134,152, respectively.

Note 10 - Related Party Transactions

Contributions and Insurance

The Diocese contributes significant funds to the Organization each year. For the years ended June 30, 2015 and 2014, \$1,446,458 and \$1,525,000 respectively, or approximately 16% and 17% of total support and revenue, respectively, was provided by the Diocese. Catholic Charities also participates in a pension and defined contribution plan of the Diocese and purchases employee life and health insurance and liability and property insurance from the Diocese. For the years ended June 30, 2015 and 2014, Catholic Charities paid premiums of \$930,029 and \$864,878, respectively, for life, health and workman's compensation insurance and \$34,607 and \$29,164 respectively for liability and property insurance to the Diocese. In addition, Catholic Charities incurred \$14,200 and \$15,000 of vehicle insurance paid to the Diocese for the years ended June 30, 2015 and 2014, respectively.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2015 AND 2014

Note 10 - Related Party Transactions (Continued)

Catholic Charities shares in the use of certain facilities for various program services. A significant portion of the office space is provided at no cost by certain parishes and the Diocese. See Note 1 for details.

During the years ending June 30, 2015 and 2014, Catholic Charities received contributions from Catholic Charities Foundation totaling \$171,885 and \$28,000, respectively. These amounts are included under Contributions in the accompanying Statement of Activities.

Promissory Notes

On March 1, 2009, Catholic Charities incurred a loan payable to the Diocese of Venice for the purchase of an apartment complex related to Our Mother's House. On June 23, 2014, the entire outstanding balance was prepaid in whole. See Note 3 to the financial statements.

In June 2015, Catholic Charities incurred a loan payable to the Diocese of Venice to purchase a building in Venice, Florida for the expansion of Our Mother's House program. In June 2015, the entire outstanding loan balance was prepaid in whole. See Note 3 to the financial statements.

On February 1, 2015, Catholic Charities incurred a loan payable to the Diocese of Venice in the principal amount of \$1,100,000. Proceeds of the loan were used to purchase a building in Naples, Florida, that is known as the Judy Sullivan Family Resource Center. As of June 30, 2015, the balance was \$1,035,110. See Note 3 to the financial statements.

Cash Deposits

Catholic Charities also maintains significant cash deposits with the Diocese. See Note 13 to the financial statements.

Sub Grants and Guarantees with Housing Entities

The Organization received a grant which a portion of the grant was passed through Catholic Charities Housing, Diocese of Venice, Inc. totaling \$81,503 and \$80,782 for the years ended June 30, 2015 and 2014, respectively.

In April 2012, Diocese of Venice modified a loan agreement with Casa San Juan Bosco, Inc., a related housing entity, to include certain land and buildings of Catholic Charities as additional collateral. The loan is collateralized by land owned by Casa San Juan Bosco with an estimated value of approximately \$900,000. The outstanding balance of the loan totaled \$555,829 as of June 30, 2015. Catholic Charities potential liability is limited to the land and building of the District 1 office which is recorded at cost of \$659,129.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2015 AND 2014

Note 10 - Related Party Transactions (Continued)

Sub Grants and Guarantees with Housing Entities (Continued)

During the year ended June 30, 2012, Catholic Charities guaranteed a loan from the Florida Housing Financing Corporation to Casa San Juan Bosco, Inc., a related housing entity. The amount of the guarantee totaled \$6,223,838, which guaranteed construction completion. The guarantee stayed in place until the project was successfully completed. In addition, Catholic Charities entered into an operating deficit guaranty related to this project that remained in place until occupancy was stabilized. The USDA provided rental assistance on all of the fifty-three units, therefore, limiting potential operating losses. During the year ending June 30, 2014, both requirements were met and the guarantees are no longer effective.

In September 2011, Catholic Charities provided a guarantee that Casa San Juan Bosco will do nothing to contaminate the site with hazardous materials during its ownership of the property.

During 2015, Catholic Charities Board of Directors agreed to be the guarantor for a loan from the Florida Housing Financing Corporation to Casa San Juan Bosco II, Inc., a related housing entity. The loan closed subsequent to year end on August 17, 2015. The amount of the guarantee totals \$6,510,000, which guarantees construction completion. The guarantee stays in place until the project is successfully completed. In addition, Catholic Charities entered into an operating deficit guaranty related to this project that is expected to remain in place for six months from stabilized occupancy while Casa San Juan Bosco II, Inc. maintains a 1.0 to 1.0 debt service coverage ratio. The USDA provides rental assistance on all of the 44 units, therefore, limiting potential operating losses.

Management Fees

Beginning in the year ending June 30, 2010, Catholic Charities assessed a management fee to Catholic Charities Housing Entities. The monthly fee is approximately \$2,270 and is assessed in order to reimburse Catholic Charities for the time that their employees spend working on the various housing entities, which include Catholic Charities Housing, Diocese of Venice, Inc., Catholic Charities Housing Sarasota, Inc., Marian Manor, Inc., and Casa San Juan Bosco, Inc. Total management fees charged during the years ending June 30, 2015 and 2014 totaled \$27,276 and \$20,478, respectively, and is included in other income in the accompanying financial statements.

Officer's Note Receivable

During 2015, Catholic Charities sold vehicles to two of the organization's key officers. The officers signed promissory notes for the payment of the vehicles. The notes bear an interest rate of 0.05% per year. The total principal and interest payments of \$805 are due monthly for a period of 3 years beginning January 2015 through December 2017. As of June 30, 2015, the balance due from the notes totaled \$23,926, of which \$14,279 is classified as non-current on the Statement of Financial Position.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2015 AND 2014

Note 11 - Lee County Operations

To comply with reporting requirements of the contract between Catholic Charities and the Lee County Board of County Commissioners, management has identified the following assets as related to the Lee County Funded Programs of Catholic Charities.

The Lee County assets are considered a component of the unrestricted and temporarily restricted net assets as of June 30, 2015 and 2014. Services are provided primarily to the Hispanic and Haitian populations within Lee County.

	2015	2014
Cash-restricted	\$ 266,034	\$ 142,604
Contracts receivable	32,451	31,021
Land, building and equipment, net of accumulated depreciation of \$297,273 and \$286,912, respectively	13,974	18,138
Total Lee County assets	\$ 312,459	\$ 191,763

Note 12 - Contingencies

Catholic Charities receives financial assistance from Federal, State and local agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to an audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of Catholic Charities. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of Catholic Charities as of June 30, 2015 and 2014.

Note 13 - Concentrations of Risk

Financial instruments that potentially subject Catholic Charities to concentrations of credit risk consist principally of cash and cash equivalents. Cash accounts at banking institutions are insured by the Federal Deposit Insurance Corporation (FDIC). Catholic Charities has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents, which at times, exceeds federally insured limits.

Catholic Charities also maintains significant cash deposits with the Diocese. These deposits are not insured. Cash balances held by the Diocese as of June 30, 2015 and 2014 amounted to \$3,391,739 and \$3,029,424, respectively. Catholic Charities has not experienced any such losses in such accounts and does not believe it is exposed to any significant credit risk on cash held with the Diocese or with financial institutions.

Note 14 - Subsequent Events

Catholic Charities has evaluated all events subsequent to the balance sheet date of June 30, 2015 through the date these financial statements were available to be issued, October 26, 2015, and have determined that there were no subsequent events that require disclosure.

SUPPLEMENTAL INFORMATION

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Contract Number	Contract or Award Amount
FEDERAL GRANTS AND CONTRACTS			
<u>Department of Homeland Security</u>			
Passed-through United States Catholic Conference Cuban/Haitian Entrant Program	97.009	N/A	\$ 30,000
Total Cuban/Haitian Entrant Program			<u>30,000</u>
Emergency Food and Shelter National Board Program	97.024	31-1590-00-012	19,322
Emergency Food and Shelter National Board Program	97.024	32-1714-00-009	3,000
Emergency Food and Shelter National Board Program	97.024	30-1666-00-007	2,000
Emergency Food and Shelter National Board Program	97.024	31-1630-00-003	-
Total Emergency Food and Shelter National Board Program			<u>24,322</u>
Total Department of Homeland Security			<u>54,322</u>
<u>U.S. Department of Justice</u>			
Services for Trafficking Victims	16.320	OVC-2014-3859	442,175
Juvenile Mentoring Program	16.726	2012-JU-FX-0005	21,820
Total U.S. Department of Justice			<u>463,995</u>
<u>U.S. Department of State</u>			
Passed-through United States Catholic Conference US Refugee Admissions Program	19.510	N/A	72,500
Refugee and Entrant Assistance: Voluntary Agency Program	93.567	90RV0064	170,000
Total U.S. Department of State			<u>242,500</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed-through Catholic Charities U.S.A. Housing Counseling Assistance Program	14.169	HC140011017	20,000
Housing Counseling Assistance Program	14.169	FL0294L4D061305	99,662
Neighborworks National Foreclosure Mitigation Counseling	21.113	046	3,900
Total Housing and Counseling Assistance Program			<u>123,562</u>
Continuum of Care Program	14.267	FL0004L4H001306	122,425
Continuum of Care Program	14.267	FL0004L4H001205	122,425
Continuum of Care Program	14.267	FL0004L4H001306	81,503
Total Continuum of Care Program			<u>326,353</u>
Emergency Solutions Grant Program	14.231	E-12-UC-12-0024E	62,490
Total Emergency Services Grant Program			<u>62,490</u>
Total U.S. Department of Housing and Urban Development			<u>512,405</u>

Reimbursable Expenditures

Federal	Local	Total
\$ 10,480	\$	\$ 10,480
<u>10,480</u>	<u>-</u>	<u>10,480</u>
(10,339)		(10,339)
605		605
332		332
283		283
<u>(9,119)</u>	<u>-</u>	<u>(9,119)</u>
<u>1,361</u>	<u>-</u>	<u>1,361</u>
113,137		113,137
11,460		11,460
<u>124,597</u>	<u>-</u>	<u>124,597</u>
157,895		157,895
172,567		172,567
<u>330,462</u>	<u>-</u>	<u>330,462</u>
6,901		6,901
57,766		57,766
3,900		3,900
<u>68,567</u>	<u>-</u>	<u>68,567</u>
104,941		104,941
17,877		17,877
81,503		81,503
<u>204,321</u>	<u>-</u>	<u>204,321</u>
3,139		3,139
<u>3,139</u>	<u>-</u>	<u>3,139</u>
<u>276,027</u>	<u>-</u>	<u>276,027</u>

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Contract Number	Contract or Award Amount
U.S. Department of Health and Human Services			
<u>Passed-through State of Florida Department of Children and Families</u>			
State Administrative Matching Grants for Food Stamp Program	10.561	LF913	193,363
Refugee and Entrant Assistance: State Administered Programs	93.566	LK174	1,800,333
Refugee and Entrant Assistance: Discretionary Grants	93.576	LK174	683,853
Refugee and Entrant Assistance: State Administered Programs	93.566	XK023	531,527
Refugee and Entrant Assistance: Discretionary Grants	93.576	XK023	-
Refugee and Entrant Assistance: State Administered Programs	93.566	DOAC155F	-
Refugee and Entrant Assistance: Discretionary Grants	93.576	DOAC155F	-
Refugee and Entrant Assistance: Discretionary Grants	93.576	XK034	355,748
<u>Passed-through Lutheran Services Florida</u>			
Refugee and Entrant Assistance: State Administered Programs	93.566	LK191	
<u>Passed-through Tapestri, Inc.</u>			
Services for Victims of Severe From of Trafficking	93.598	N/A	-
Total U.S. Department of Health and Human Services			<u>3,564,824</u>
U.S. Department of Agriculture			
<u>Passed-through State of Florida Department of Health</u>			
Child and Adult Care Food Program	10.558	1565	Cost Reimbursement
Total U.S. Department of Agriculture			<u>-</u>
U.S. Department of Veterans Affairs			
<u>Passed-through American Red Cross, Lee County</u>			
VA Supportive Services for Veteran Families Program	64.033	N/A	50,040
Total U.S. Department of Veterans Affairs			<u>50,040</u>
Total Federal Grants and Contracts			<u>\$ 4,888,086</u>
LOCAL GRANTS			
City Of Ft. Myers - CASP	N/A	N/A	9,700
Sarasota County Homeless	N/A	N/A	56,896
Sarasota County CDBG	14.218	2015-028	16,905
Sarasota County CDBG Homeless	14.218	155B-0D-09-68-01-024	15,000
Manatee County	N/A	10/1/13 - 09/30/14	22,871
Manatee County	N/A	10/1/13 - 09/30/14	7,600
Manatee County	N/A	10/1/14 - 09/30/15	22,871
Manatee County - Assistance	N/A	10/1/14 - 09/30/15	7,600
Manatee County - Assistance	N/A	10/1/14 - 09/30/15	20,000
Lee County	N/A	6563	184,973
Lee County	N/A	6249	171,088
Total Local Grants			<u>535,504</u>
Total Grants and Contracts			<u>\$ 5,423,590</u>

Note 1 - Basis of Presentation

This schedule includes the federal, state and local grant activity of Catholic Charities Diocese of Venice, Inc. and is presented on the accrual basis of accounting. The information in this schedule is in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Reimbursable Expenditures

Federal	Local	Total
73,201		73,201
191,201		191,201
74,675		74,675
2,484		2,484
248,036		248,036
24,975		24,975
10,000		10,000
182,994		182,994
94,415		94,415
<u>83,591</u>		<u>83,591</u>
<u>985,572</u>	<u>-</u>	<u>985,572</u>
10,409		10,409
<u>10,409</u>	<u>-</u>	<u>10,409</u>
50,040		50,040
<u>50,040</u>	<u>-</u>	<u>50,040</u>
\$ <u>1,778,468</u>	\$ <u>-</u>	\$ <u>1,778,468</u>
	9,700	9,700
	42,672	42,672
	9,784	9,784
	5,442	5,442
	5,725	5,725
	5,734	5,734
	17,146	17,146
	3,337	3,337
	18,000	18,000
	29,652	29,652
	<u>135,699</u>	<u>135,699</u>
<u>-</u>	<u>282,891</u>	<u>282,891</u>
\$ <u>1,778,468</u>	\$ <u>282,891</u>	\$ <u>2,061,359</u>

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

SCHEDULE OF REVENUES AND EXPENSES -
LEE COUNTY FUNDED PROGRAMS OF CATHOLIC CHARITIES

YEAR ENDED JUNE 30, 2015

	Unrestricted			
	Social Services	Education	Citizenship	Counseling
Support				
Diocese of Venice	\$ 95,561	\$ 236,885	\$ 50,122	\$ 20,107
Contributions	21,209	150,944		
Board of County Commissioners, Lee County		127,056		
United Way grants	12,064	85,227		
Federal grants	62,578	11,460		
Other grants	24,673	9,700		
Total support	<u>216,085</u>	<u>621,272</u>	<u>50,122</u>	<u>20,107</u>
Revenues				
Program service fees		23,255	48,562	10,900
Other income		4		
Total revenues	<u>-</u>	<u>23,259</u>	<u>48,562</u>	<u>10,900</u>
Net assets released from restrictions	<u>5,752</u>	<u>10,522</u>		
Special events revenue	<u>67,502</u>	<u>30,535</u>		<u>20,000</u>
Total support, revenues and reclassifications	<u>289,339</u>	<u>685,588</u>	<u>98,684</u>	<u>51,007</u>
Expenses				
Salaries	221,423	450,717	64,150	31,977
Conferences, meetings and dues	538	823	459	216
Depreciation	326	8,800	115	36
Employee benefits	71,234	114,458	19,896	5,550
General insurance	2,670	5,116	1,038	
Maintenance and equipment	6,947	24,777	2,831	204
Office supplies and postage	4,991	15,420	2,241	845
Other	5,373	17,354	1,249	729
Outside services	4,037	19,883	5,335	4,295
Payroll taxes	16,065	33,393	4,851	2,262
Professional fees	1,850	3,650	454	250
Rent and utilities	22,707	31,956	1,209	5,473
Direct assistance	11,549			
Fundraising		366		
Staff training and recruiting	18	796	4	111
Telephone	7,418	7,970	2,145	381
Travel	6,022	15,702	1,488	2,032
Total expenses	<u>383,168</u>	<u>751,181</u>	<u>107,465</u>	<u>54,361</u>
Increase (decrease) in net assets	<u>\$ (93,829)</u>	<u>\$ (65,593)</u>	<u>\$ (8,781)</u>	<u>\$ (3,354)</u>

<u>Elderly Services</u>	<u>Unrestricted Total</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 41,604	\$ 444,279	\$	\$ 444,279
8,265	180,418	162,712	343,130
38,295	165,351		165,351
57,211	154,502		154,502
	74,038		74,038
	34,373	17,740	52,113
<u>145,375</u>	<u>1,052,961</u>	<u>180,452</u>	<u>1,233,413</u>
	82,717		82,717
	4		4
<u>-</u>	<u>82,721</u>	<u>-</u>	<u>82,721</u>
	16,274	(16,274)	-
<u>40,000</u>	<u>158,037</u>		<u>158,037</u>
<u>185,375</u>	<u>1,309,993</u>	<u>164,178</u>	<u>1,474,171</u>
126,618	894,885		894,885
137	2,173		2,173
	9,277		9,277
33,825	244,963		244,963
1,556	10,380		10,380
6,468	41,227		41,227
1,262	24,759		24,759
1,758	26,463		26,463
2,493	36,043		36,043
8,857	65,428		65,428
1,038	7,242		7,242
2,407	63,752		63,752
3,006	14,555		14,555
	366		366
9	938		938
4,411	22,325		22,325
11,035	36,279		36,279
<u>204,880</u>	<u>1,501,055</u>	<u>-</u>	<u>1,501,055</u>
\$ <u>(19,505)</u>	\$ <u>(191,062)</u>	\$ <u>164,178</u>	\$ <u>(26,884)</u>

CONTRACT COMPLIANCE

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Catholic Charities, Diocese of Venice, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Catholic Charities, Diocese of Venice, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2015, and related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Board of Directors
Catholic Charities, Diocese of Venice, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sarasota, Florida
October 26, 2015

A handwritten signature in cursive script that reads "Keckering Parbinio & Co." The signature is written in black ink and is positioned to the right of the date and location text.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Catholic Charities, Diocese of Venice, Inc.

Report on Compliance for Each Major Federal Program

We have audited Catholic Charities, Diocese of Venice, Inc.'s compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Catholic Charities, Diocese of Venice, Inc.'s major federal programs for the year ended June 30, 2015. Catholic Charities, Diocese of Venice, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Catholic Charities, Diocese of Venice, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Catholic Charities, Diocese of Venice, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Catholic Charities, Diocese of Venice, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Catholic Charities, Diocese of Venice, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

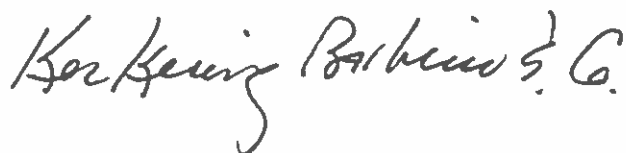
Management of Catholic Charities, Diocese of Venice, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Catholic Charities, Diocese of Venice, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Catholic Charities, Diocese of Venice, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Sarasota, Florida
October 26, 2015



Catholic Charities, Diocese of Venice, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no

- Significant deficiency(ies) identified
that are not considered to be material
weakness(es)? yes none reported

Noncompliance material to financial statements
noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no

- Significant deficiency(ies) identified
that are not considered to be material
weakness(es)? yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to
be reported in accordance with section 510(a) of
Circular A-133? yes no

Catholic Charities, Diocese of Venice, Inc.
Schedule of Findings and Questioned Costs (Continued)
For The Year Ended June 30, 2015

Section I - Summary of Auditor's Results (Continued)

Federal Programs Tested as Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.566 & 93.576 14.267	Refugee and Entrant Assistance Program Continuum of Care Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? x yes no

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

**Catholic Charities, Diocese of Venice, Inc.
Schedule of Findings and Questioned Costs (Continued)
For The Year Ended June 30, 2015**

Section IV – Summary Schedule of Prior Audit Findings

None

Section V - Other

No management letter is required because there were no findings to be reported in a management letter as required by Section 215.97(8)(f) and 215.97(9)(d) of the Florida Statutes, Auditor General Rule 10.544(1)(e) or 10.656(3)(e).
