

**CATHOLIC CHARITIES,  
DIOCESE OF VENICE, INC.**

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

**JUNE 30, 2016 AND 2015**

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## INDEPENDENT AUDITOR'S REPORT

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

### **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, 2016 and 2015, 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.  
Venice, Florida

### **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, 2016 and 2015, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, 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 28, 2016

*Keene King Perkins & Co.*

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2016 AND 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
<b>Current Assets</b>		
Cash and cash equivalents - unrestricted	\$ 963,561	\$ 1,206,525
Cash and cash equivalents - board designated	1,212,195	1,093,355
Cash and cash equivalents - temporarily restricted	1,728,034	1,468,101
Contracts and grants receivable	222,406	221,875
Accounts receivable	63,962	42,785
Current portion of officer's loan receivable	9,652	9,647
Prepaid insurance and other expenses	176,475	170,799
Total current assets	<u>4,376,285</u>	<u>4,213,087</u>
Beneficial interest in gift annuities	74,371	74,915
Officer's loan receivable, net of current portion	4,628	14,279
Land, building and equipment, net	<u>4,542,307</u>	<u>4,446,170</u>
<b>Total Assets</b>	<b><u>\$ 8,997,591</u></b>	<b><u>\$ 8,748,451</u></b>
 <u>Liabilities and Net Assets</u>		
<b>Current Liabilities</b>		
Accounts payable	\$ 90,103	\$ 118,645
Accrued expenses	327,932	488,430
Refundable advances	1,057	7,609
Current portion of long-term debt	90,137	202,801
Total current liabilities	<u>509,229</u>	<u>817,485</u>
<b>Other Liabilities</b>		
Long-term debt, net of current portion	822,355	912,309
Total liabilities	<u>1,331,584</u>	<u>1,729,794</u>
<b>Net Assets</b>		
Unrestricted		
Undesignated	1,081,287	1,117,483
Board designated	1,212,195	1,093,355
Designated for land, building and equipment	3,629,815	3,331,060
Total unrestricted	<u>5,923,297</u>	<u>5,541,898</u>
Temporarily restricted	1,728,034	1,466,429
Permanently restricted	14,676	10,330
Total net assets	<u>7,666,007</u>	<u>7,018,657</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 8,997,591</u></b>	<b><u>\$ 8,748,451</u></b>

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

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016  
(WITH SUMMARIZED TOTALS FOR 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Support			
Diocese of Venice	\$ 1,564,374	\$	\$
Contributions	1,857,811	357,303	
Government grants and contracts	1,446,266	7,743	
United Way grants	286,793	16,228	
Catholic and other organizations	486,490	33,581	
Other grants	225,672	534,522	
Total support	<u>5,867,406</u>	<u>949,377</u>	<u>-</u>
Revenue			
Program service fees	531,403		
Interest and dividends	85,455		
Change in value of gift annuities	(4,890)		4,346
Other income	33,517		
Total revenue	<u>645,485</u>	<u>-</u>	<u>4,346</u>
Net assets released from restriction	<u>687,772</u>	<u>(687,772)</u>	
Special events revenue	1,543,956		
Less direct costs of special events	(502,109)		
Net revenue from special events	<u>1,041,847</u>	<u>-</u>	<u>-</u>
Total support, revenue and reclassifications	<u>8,242,510</u>	<u>261,605</u>	<u>4,346</u>
Expenses			
Program services	7,202,268		
Management and general	364,042		
Fund raising	294,311		
Total expenses	<u>7,860,621</u>	<u>-</u>	<u>-</u>
Loss on disposal of assets	<u>(490)</u>		
Increase in net assets	381,399	261,605	4,346
Net assets at beginning of year	5,541,898	1,466,429	10,330
Net assets at end of year	<u>\$ 5,923,297</u>	<u>\$ 1,728,034</u>	<u>\$ 14,676</u>

<u>2016</u> <u>Total</u>	<u>2015</u> <u>Total</u>
\$ 1,564,374	\$ 1,446,458
2,215,114	2,615,178
1,454,009	2,061,359
303,021	307,194
520,071	415,655
760,194	672,834
<u>6,816,783</u>	<u>7,518,678</u>
531,403	516,215
85,455	89,270
(544)	2,707
33,517	33,923
<u>649,831</u>	<u>642,115</u>
-	-
1,543,956	1,519,112
(502,109)	(504,737)
<u>1,041,847</u>	<u>1,014,375</u>
<u>8,508,461</u>	<u>9,175,168</u>
7,202,268	7,686,874
364,042	295,665
294,311	307,460
<u>7,860,621</u>	<u>8,289,999</u>
<u>(490)</u>	<u>(4,547)</u>
647,350	880,622
7,018,657	6,138,035
\$ <u>7,666,007</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 ACTIVITIES

YEAR ENDED JUNE 30, 2015  
(WITH SUMMARIZED TOTALS FOR 2016)

	<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	<u>(504,737)</u>		
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>
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>2016</u> <u>Total</u>
\$	1,446,458	\$ 1,564,374
	2,615,178	2,215,114
	2,061,359	1,454,009
	307,194	303,021
	415,655	520,071
	672,834	760,194
	<u>7,518,678</u>	<u>6,816,783</u>
	516,215	531,403
	89,270	85,455
	2,707	(544)
	33,923	33,517
	<u>642,115</u>	<u>649,831</u>
	-	-
	1,519,112	1,543,956
	(504,737)	(502,109)
	<u>1,014,375</u>	<u>1,041,847</u>
	<u>9,175,168</u>	<u>8,508,461</u>
	7,686,874	7,202,268
	295,665	364,042
	307,460	294,311
	<u>8,289,999</u>	<u>7,860,621</u>
	(4,547)	(490)
	880,622	647,350
	6,138,035	7,018,657
\$	<u>7,018,657</u>	<u>\$ 7,666,007</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, 2016  
(WITH SUMMARIZED TOTALS FOR 2015)

	Family Reunification	Prevention and Social Services	Counseling and Education	Total Program Services
Salaries	\$ 1,093,528	\$ 1,112,137	\$ 1,305,420	\$ 3,511,085
Employee benefits	300,155	380,912	362,885	1,043,952
Specific assistance	205,994	484,434	71,085	761,513
Outside services	63,362	50,577	66,505	180,444
Rent and utilities	95,583	78,379	59,218	233,180
Payroll taxes	80,848	82,659	96,390	259,897
Maintenance and equipment	137,726	104,282	96,810	338,818
Depreciation	50,216	105,048	35,099	190,363
Communications	31,466	32,860	25,683	90,009
Office supplies and postage	23,226	30,992	30,794	85,012
Religious stipends		104,424		104,424
Travel	37,880	39,413	22,841	100,134
Promotion	7,908	15,229	3,850	26,987
Printing	10,874	15,261	15,173	41,308
Other	5,392	11,835	20,722	37,949
Conferences, meetings and dues	17,755	1,560	8,382	27,697
Professional fees	8,761	10,806	9,996	29,563
Housing		29,371		29,371
General insurance	16,519	6,837	10,523	33,879
Staff training and recruiting	1,094	900	547	2,541
Interest expense		44,235		44,235
Grant expense		29,907		29,907
Total functional expenses	<u>\$ 2,188,287</u>	<u>\$ 2,772,058</u>	<u>\$ 2,241,923</u>	<u>\$ 7,202,268</u>

Management and General	Fund Raising	2016 Total	2015 Total
\$ 97,196	\$ 72,043	\$ 3,680,324	\$ 4,049,366
18,032	13,217	1,075,201	1,149,857
		761,513	783,728
132,808	87,792	401,044	411,902
43,188	1,155	277,523	347,445
7,265	5,355	272,517	298,720
3,851	3,722	346,391	249,600
		190,363	199,297
4,156	2,556	96,721	98,641
7,346	10,239	102,597	129,258
		104,424	52,420
5,420	2,470	108,024	129,403
	56,883	83,870	65,874
1,320	27,824	70,452	73,051
14,236	5,675	57,860	45,826
18,736	2,567	49,000	53,639
6,814	574	36,951	38,307
		29,371	14,970
1,413	728	36,020	33,291
2,261	1,511	6,313	10,697
		44,235	21,412
		29,907	33,295
<u>\$ 364,042</u>	<u>\$ 294,311</u>	<u>\$ 7,860,621</u>	<u>\$ 8,289,999</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 2016)

	Immigration and Refugee	Prevention and Social Services	Counseling and Education	Total Program Services
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
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	2016 Total
\$ 90,910	\$ 77,805	\$ 4,049,366	\$ 3,680,324
19,199	16,860	1,149,857	1,075,201
		783,728	761,513
62,810	81,351	411,902	401,044
44,341	760	347,445	277,523
6,783	5,782	298,720	272,517
2,132	1,859	249,600	346,391
5,222	1,644	199,297	190,363
4,553	1,905	98,641	96,721
6,937	15,663	129,258	102,597
		52,420	104,424
12,057	3,330	129,403	108,024
	65,874	65,874	83,870
2,993	26,319	73,051	70,452
15,144	4,298	45,826	57,860
21,919	3,062	53,639	49,000
665	590	38,307	36,951
		14,970	29,371
	358	33,291	36,020
		10,697	6,313
		21,412	44,235
		33,295	29,907
<u>\$ 295,665</u>	<u>\$ 307,460</u>	<u>\$ 8,289,999</u>	<u>\$ 7,860,621</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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
Increase in net assets	\$ <u>647,350</u>	\$ <u>880,622</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	190,363	199,297
Loss on disposal of assets	490	4,547
Change in value of gift annuities	544	(2,707)
(Increase) decrease in operating assets		
Contracts and grants receivable	(531)	249,802
Accounts receivable	(21,177)	(36,408)
Prepaid insurance and other expenses	(5,676)	12,035
Beneficial interest in gift annuities	-	(48,373)
Increase (decrease) in operating liabilities		
Accounts payable	(28,542)	19,008
Accrued expenses	(160,498)	4,776
Refundable advances	(6,552)	4,744
Total adjustments	<u>(31,579)</u>	<u>406,721</u>
Net cash provided by operating activities	<u>615,771</u>	<u>1,287,343</u>
Cash Flows from Investing Activities		
Purchases of land, building and equipment	(287,150)	(1,836,525)
Proceeds from sale of land, buildings and equipment	160	-
Net cash used in investing activities	<u>(286,990)</u>	<u>(1,836,525)</u>
Cash Flows from Financing Activities		
Proceeds from long-term debt	-	1,671,900
Payments on long-term debt	(202,618)	(636,790)
Payments received from Officer's loan receivable	9,646	4,822
Net cash provided by (used in) financing activities	<u>(192,972)</u>	<u>1,039,932</u>
Increase in cash and cash equivalents	135,809	490,750
Cash and cash equivalents - beginning of year	3,767,981	3,277,231
Cash and cash equivalents - end of year	\$ <u><u>3,903,790</u></u>	\$ <u><u>3,767,981</u></u>

Supplemental disclosure of cash flow information:

Cash paid during the year for interest totaled \$44,974 and \$17,640 in 2016 and 2015, 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, 2016 AND 2015

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, 2016 AND 2015

Note 1 - 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, 2016 AND 2015

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, 2016 AND 2015

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, 2016 and 2015 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, 2013 through June 30, 2016.

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 \$37,843 and \$36,736 is recorded in the accompanying financial statements for the years ended June 30, 2016 and 2015, 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, 2016 AND 2015

Note 2 - Land, Building and Equipment

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

	2016	2015
Land	\$ 1,561,222	\$ 1,545,722
Buildings	4,658,903	4,529,837
Equipment	428,325	431,575
Vehicles	156,737	159,302
Construction in process	166,014	23,429
	<u>6,971,201</u>	<u>6,689,865</u>
Less accumulated depreciation	2,428,894	2,243,695
Land, building and equipment, net	<u>\$ 4,542,307</u>	<u>\$ 4,446,170</u>

Depreciation expense for the years ended June 30, 2016 and 2015 totaled \$190,363 and \$199,297, 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, 2016 and 2015, the balance was \$80,000 and is included in long-term debt.

Promissory Notes

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.

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 \$10,440, with the loan due and payable in full on June 1, 2024.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016 AND 2015

Note 3 - Long-Term Debt (Continued)

Promissory Notes (Continued)

The loan agreement stipulates that the loan may be prepaid in whole or part at anytime without penalty. As of June 30, 2016 and 2015, the balance was \$832,492 and \$1,035,110, respectively.

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

2017	\$	91,137
2018		92,054
2019		96,523
2020		101,144
2021		106,119
Thereafter		345,515
Total	\$	<u>832,492</u>

Note 4 - Board Designated Net Assets

As of June 30, 2016 and 2015, Catholic Charities had Board designated net assets of the following for future program services:

	2016	2015
Boca Grande Child Care Center	\$ 122,475	\$ 104,527
District 3 - Naples	500,000	362,628
District 3 - Guadalupe Social Services - Immokalee	100,000	136,480
Capital Facility Needs	85,720	85,720
Disaster Loss	400,000	400,000
Veteran's House	4,000	4,000
Total board designated net assets	\$ <u>1,212,195</u>	\$ <u>1,093,355</u>

Note 5 - Temporarily Restricted Net Assets

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

	2016	2015
Clare House	\$ 6,366	\$ 5,977
Counseling	37,147	34,574
Direct assistance	337,151	317,764
Rural services programs	98,810	38,475
Guadalupe Social Services	-	18,774
Other	427,631	524,804
Our Mothers' House	299,347	30,870
Catholic Hispanic Social Services	178,486	150,553
Bethesda House	1,540	3,082
Boca Grande Child Care Center	341,556	341,556
Total temporarily restricted net assets	\$ <u>1,728,034</u>	\$ <u>1,466,429</u>

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016 AND 2015

**Note 6 - Permanently Restricted Net Assets**

As of June 30, 2016 and 2015, Catholic Charities had gift annuities which are permanently restricted net assets in the amount of \$14,676 and \$10,330, 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:

	2016	2015
Boca Grande Child Care Center	\$ -	\$ 5,750
Clare House	111	-
Counseling	34,574	22,326
Direct assistance	130,851	143,685
Rural services programs	4,182	13,212
Guadalupe Social Services	18,774	46,975
Other	443,460	67,702
Our Mothers' House	21,538	10,603
Catholic Hispanic Social Services	32,741	1,344
Bethesda House	1,541	1,544
Total net assets released from restrictions	\$ 687,772	\$ 313,141

**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 through 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.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016 AND 2015

Note 8 - Employee Retirement Plans (Continued)

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, 2016, 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	\$ 107,962,887	\$ 89,864,383	\$ 4,139,833	83%

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, 2016 and 2015 was \$380,369 and \$398,405, respectively.

Note 9 - Lease Commitments

Equipment Leases

Catholic Charities has entered into operating lease agreements for office space and equipment expiring through fiscal year 2020 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:

2017	\$ 13,452
2018	3,523
2019	1,998
2020	167
Total operating lease commitment for equipment	\$ <u>19,140</u>

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016 AND 2015

Note 9 - Lease Commitments (Continued)

Equipment Leases Continued

Total expenses for operating equipment leases amounted to \$14,680 and \$15,881 for the years ended June 30, 2016 and 2015, 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:

2017	\$	40,676
Total office lease commitments	\$	<u>40,676</u>

Office rent expense for the years ended June 30, 2016 and 2015 was \$81,452 and \$156,749, respectively.

Note 10 - Related Party Transactions

Contributions, Pension and Insurance

The Diocese contributes significant funds to the Organization each year. For the years ended June 30, 2016 and 2015, \$1,564,374 and \$1,446,458 respectively, or approximately 18% and 16% 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, 2016 and 2015, Catholic Charities paid the following amounts to the Diocese:

	<u>2016</u>	<u>2015</u>
Pension contributions	\$ 362,349	\$ 386,466
Group health, dental and life insurance	721,238	823,502
Property, auto, liability, worker's compensation and unemployment insurance	154,526	153,170
Total payments to the Diocese	\$ <u>1,238,113</u>	\$ <u>1,363,138</u>

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.

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016 AND 2015

Note 10 - Related Party Transactions (Continued)

During the years ending June 30, 2016 and 2015, Catholic Charities received contributions from Catholic Charities Foundation totaling \$30,000 and \$171,885, respectively. These amounts are included under Contributions in the accompanying Statement of Activities.

Promissory Notes

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, 2016 and 2015, the balance was \$832,492 and \$1,035,110, respectively. 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 \$80,503 and \$81,503 for the years ended June 30, 2016 and 2015, respectively.

In October 2014, 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 \$650,000. The outstanding balance of the loan totaled \$306,602 as of June 30, 2016. Catholic Charities potential liability is limited to the land and building of the District I office which is recorded at cost of \$659,129.

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



CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016 AND 2015

Note 10 - Related Party Transactions (Continued)

Sub Grants and Guarantees with Housing Entities (Continued)

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 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 \$2,273 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, 2016 and 2015 totaled \$27,276 and \$27,276, 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, 2016 and 2015, the balance due from the notes totaled \$14,280 and \$23,926, respectively.

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, 2016 and 2015. Services are provided primarily to the Hispanic and Haitian populations within Lee County.

	2016		2015
Cash-restricted	\$ 360,138	\$	266,034
Contracts receivable	35,072		32,451
Land, building and equipment, net of accumulated depreciation of \$302,581 and \$297,273, respectively	8,666		13,974
Total Lee County assets	\$ 403,876	\$	312,459

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016 AND 2015

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, 2016 and 2015.

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, 2016 and 2015 amounted to \$3,316,405 and \$3,391,739, 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, 2016 through the date these financial statements were available to be issued, October 28, 2016, and have determined that there were no subsequent events that require disclosure.

**CONTRACT COMPLIANCE**

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Contract Number	Contract or Award Amount
<b>FEDERAL GRANTS AND CONTRACTS</b>			
<u>Department of Homeland Security</u>			
Passed-through United States Catholic Conference Cuban/Haitian Entrant Program	97.009	DHS-2014CI009-000001-03	\$ 30,000
Total Cuban/Haitian Entrant Program			<u>30,000</u>
Emergency Food and Shelter National Board Program	97.024	Various	Various
Total Emergency Food and Shelter National Board Program			<u>Various</u>
Total Department of Homeland Security			<u>30,000</u>
<u>U.S. Department of Justice</u>			
Services for Trafficking Victims	16.320	OVC-2014-3859	442,175
Juvenile Mentoring Program	16.726	2015-JU-FX-0013	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	SPRMC016CA1003	148,500
Refugee and Entrant Assistance: Voluntary Agency Program	93.567	90RV0070-02	180,000
Total U.S. Department of State			<u>328,500</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
Neighborworks National Foreclosure Mitigation Counseling	21.113	N/A	8,484
Total Housing and Counseling Assistance Program			<u>28,484</u>
Continuum of Care Program	14.267	FL0004L4H001407	120,821
Continuum of Care Program	14.267	FL0002L4H001306	81,503
Continuum of Care Program	14.267	FL0002L4H001407	80,503
Total Continuum of Care Program			<u>282,827</u>
Total U.S. Department of Housing and Urban Development			<u>311,311</u>
<u>Corporation for National and Community Service</u>			
Passed-through Catholic Charities U.S.A. AmeriCorps State and National	94.006	14NDHVA001	12,530
Total Corporation for National and Community Service			<u>12,530.00</u>

Reimbursable Expenditures

<u>Federal</u>	<u>Local</u>	<u>Total</u>
\$ 17,250	\$ -	\$ 17,250
<u>17,250</u>	<u>-</u>	<u>17,250</u>
19,202	-	19,202
<u>19,202</u>	<u>-</u>	<u>19,202</u>
36,452	-	36,452
<u>36,452</u>	<u>-</u>	<u>36,452</u>
185,521	-	185,521
14,693	-	14,693
<u>200,214</u>	<u>-</u>	<u>200,214</u>
88,890	-	88,890
174,004	-	174,004
<u>262,894</u>	<u>-</u>	<u>262,894</u>
15,489	-	15,489
1,200	-	1,200
<u>16,689</u>	<u>-</u>	<u>16,689</u>
106,643	-	106,643
6,835	-	6,835
80,503	-	80,503
<u>193,981</u>	<u>-</u>	<u>193,981</u>
210,670	-	210,670
<u>210,670</u>	<u>-</u>	<u>210,670</u>
162	-	162
<u>162</u>	<u>-</u>	<u>162</u>

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Contract Number	Contract or Award Amount
<b>U.S. Department of Health and Human Services</b>			
Passed-through State of Florida Department of Children and Families			
State Administrative Matching Grants for Food Stamp Program	10.561	LF913	236,201
Passed-through Lutheran Services Florida			
Refugee and Entrant Assistance: State Administered Programs	93.566	LK191	120,724
Passed-through Tapestri, Inc.			
Services for Victims of Severe From of Trafficking	93.598	N/A	Fee for Service
Total U.S. Department of Health and Human Services			<u>356,925</u>
<b>U.S. Department of Agriculture</b>			
Passed-through State of Florida Department of Health Child and Adult Care Food Program			
Total U.S. Department of Agriculture	10.558	1565	Cost Reimbursement
			<u>-</u>
<b>U.S. Department of Veterans Affairs</b>			
Passed-through American Red Cross, Lee County VA Supportive Services for Veteran Families Program			
Total U.S. Department of Veterans Affairs	64.033	E-12-UC-12-0024E	62,490
			<u>62,490</u>
<b>Total Federal Grants and Contracts</b>			<b>\$ 1,565,751</b>
<b>LOCAL GRANTS</b>			
Sarasota County Homeless	N/A	PO 151623 / 161627	136,896
Sarasota County CDBG Homeless	93.569	PO 153319 / 161286	45,000
Sarasota County CDBG Challenge	60.014	QPZ60	18,000
Sarasota County Assistance	N/A	N/A	Cost reimbursement
Manatee County - Families United	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 - Housing Counseling	N/A	10/1/15 - 09/30/16	25,000
Lee County	N/A	6968	171,088
Lee County	N/A	7317	166,008
<b>Total Local Grants</b>			<b>592,463</b>
<b>Total Grants and Contracts</b>			<b>\$ 2,158,214</b>

**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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). 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
77,018		77,018
191,535		191,535
<u>24,226</u>		<u>24,226</u>
<u>292,779</u>	<u>-</u>	<u>292,779</u>
<u>12,446</u>		<u>12,446</u>
<u>12,446</u>	<u>-</u>	<u>12,446</u>
<u>59,670</u>		<u>59,670</u>
<u>59,670</u>	<u>-</u>	<u>59,670</u>
<u>\$ 1,075,287</u>	<u>\$ -</u>	<u>\$ 1,075,287</u>
	74,224	74,224
	42,050	42,050
	18,000	18,000
	3,465	3,465
	21,772	21,772
	6,071	6,071
	24,000	24,000
	35,389	35,389
	<u>153,751</u>	<u>153,751</u>
<u>-</u>	<u>378,722</u>	<u>378,722</u>
<u>\$ 1,075,287</u>	<u>\$ 378,722</u>	<u>\$ 1,454,009</u>

CATHOLIC CHARITIES, DIOCESE OF VENICE, INC.

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

YEAR ENDED JUNE 30, 2016

	Unrestricted			
	Social Services	Education	Citizenship	Counseling
Support				
Diocese of Venice	\$ 115,648	\$ 292,148	\$ 47,910	\$ 27,711
Contributions	21,858	114,570	580	500
Board of County Commissioners, Lee County		143,579		
United Way grants	14,076	84,714		
Federal grants	63,078	14,693		
Other grants	53,364		4,523	
Total support	<u>268,024</u>	<u>649,704</u>	<u>53,013</u>	<u>28,211</u>
Revenues				
Program service fees		21,408	68,803	16,820
Other income				
Total revenues	<u>-</u>	<u>21,408</u>	<u>68,803</u>	<u>16,820</u>
Net assets released from restrictions	<u>63,930</u>	<u>29,575</u>	<u>27,458</u>	<u>1,600</u>
Special events revenue	<u>75,059</u>	<u>106,161</u>	<u>13,837</u>	<u>8,638</u>
Total support, revenues and reclassifications	<u>407,013</u>	<u>806,848</u>	<u>163,111</u>	<u>55,269</u>
Expenses				
Salaries	230,528	477,209	89,771	29,969
Conferences, meetings and dues	133	2,586	752	20
Depreciation	358	4,950		
Employee benefits	72,475	119,490	28,918	5,593
General insurance	2,132	6,930	1,503	
Maintenance and equipment	24,011	42,593	18,192	758
Office supplies and postage	4,060	10,674	2,250	661
Other	4,709	19,306	1,701	912
Outside services	8,405	28,300	6,194	6,469
Payroll taxes	16,713	35,326	6,752	2,100
Professional fees	1,871	3,540	723	239
Rent and utilities	20,777	32,829	1,715	4,778
Direct assistance	7,069	144		
Fundraising	3	369	1	
Staff training and recruiting		220		
Telephone	7,930	9,912	3,339	928
Travel	5,839	12,470	1,300	2,842
Total expenses	<u>407,013</u>	<u>806,848</u>	<u>163,111</u>	<u>55,269</u>
Increase (decrease) in net assets	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>



<u>Elderly Services</u>	<u>Unrestricted Total</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 56,954	\$ 540,371	\$	\$ 540,371
19,894	157,402	142,343	299,745
45,561	189,140		189,140
57,710	156,500		156,500
	77,771		77,771
	57,887		57,887
<u>180,119</u>	<u>1,179,071</u>	<u>142,343</u>	<u>1,321,414</u>
25	107,056		107,056
<u>25</u>	<u>107,056</u>	<u>-</u>	<u>107,056</u>
	122,563	(122,563)	-
<u>28,076</u>	<u>231,771</u>		<u>231,771</u>
<u>208,220</u>	<u>1,640,461</u>	<u>19,780</u>	<u>1,660,241</u>
132,004	959,481		959,481
370	3,861		3,861
	5,308		5,308
37,667	264,143		264,143
1,003	11,568		11,568
2,225	87,779		87,779
654	18,299		18,299
1,484	28,112		28,112
2,336	51,704		51,704
10,090	70,981		70,981
1,000	7,373		7,373
1,957	62,056		62,056
2,293	9,506		9,506
1	374		374
	220		220
3,526	25,635		25,635
11,610	34,061		34,061
<u>208,220</u>	<u>1,640,461</u>	<u>-</u>	<u>1,640,461</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,780</u>	<u>\$ 19,780</u>

**SUPPLEMENTAL INFORMATION**

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.  
Venice, Florida

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, 2016 and 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 28, 2016.

**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.  
Venice, Florida

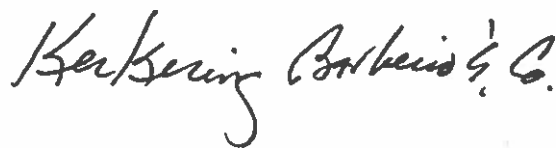
**Compliance and Other Matters**

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 28, 2016



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on Compliance for Each Major Federal Program**

We have audited Catholic Charities, Diocese of Venice, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2016. The Organization'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Organization'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 the audit requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the Organization'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 the Organization's compliance.

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

**Opinion on Each Major Federal Program**

In our opinion, the Organization 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, 2016.

**Report on Internal Control Over Compliance**

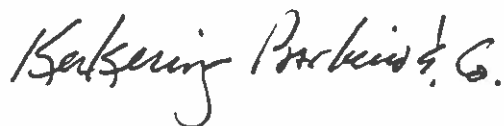
Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance 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 the Uniform Guidance, 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 the Organization'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Sarasota, Florida  
October 28, 2016





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**Catholic Charities, Diocese of Venice, Inc.  
Schedule of Findings and Questioned Costs (Continued)  
For The Year Ended June 30, 2016**

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

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Federal Programs Tested as Major Programs:

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

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?                      x   yes           no

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**Section II - Financial Statement Findings**

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None

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**Section III - Federal Award Findings and Questioned Costs**

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None

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**Section IV - Summary Schedule of Prior Audit Findings**

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None

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**Section V - Other**

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No management letter is required because there were no findings to be reported in a management letter as required by Section 215.97(9)(f) and 215.97(10)(d) of the Florida Statutes, Auditor General Rule 10.654(1)(e) or 10.656(3)(e).