

**CATHOLIC CHARITIES, DIOCESE OF
ST. PETERSBURG, INC. AND AFFILIATES**

**COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2019 AND 2018

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
TABLE OF CONTENTS
JUNE 30, 2019 AND 2018

| | |
|---|----|
| INDEPENDENT AUDITORS' REPORT | 1 |
| COMBINED FINANCIAL STATEMENTS | |
| Combined Statements of Financial Position | 3 |
| Combined Statement of Activities | 4 |
| Combined Statements of Cash Flows | 5 |
| Combined Statement of Functional Expenses | 6 |
| Notes to the Combined Financial Statements | 7 |
| SUPPLEMENTARY INFORMATION | |
| Schedule of Expenditures of Federal Awards and State Financial Assistance | 23 |
| Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance | 26 |
| SUPPLEMENTARY INFORMATION – SAN JOSE MISSION PHASE II AND III | |
| Balance Sheet | 27 |
| Statement of Activities | 28 |
| Statement of Cash Flows – Direct Method | 29 |
| INDEPENDENT AUDITORS' 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 | 30 |
| INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE STATE OF FLORIDA AUDITOR GENERAL | 32 |
| SCHEDULE OF FINDINGS AND QUESTIONED COSTS | 34 |
| SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS | 36 |
| UNAUDITED SUPPLEMENTARY INFORMATION FOR THE STATE FISCAL YEAR ENDED JUNE 30, 2019 | |
| Schedule of State Earnings (Benedict Haven) | 37 |
| Schedule of Related Party Transaction Adjustments (Benedict Haven) | 38 |
| Schedule of Bed-Day Availability Payments (Benedict Haven) | 30 |
| Schedule of Substance Abuse & Mental Health Services Program / Cost Center Actual Expenses and Revenue (Benedict Haven) | 40 |

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Catholic Charities, Diocese of St. Petersburg, Inc. and Affiliates

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Catholic Charities, Diocese of St. Petersburg, Inc. and Affiliates (a nonprofit organization), which comprise the combined statement of financial position as of June 30, 2019 and the related combined statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities, Diocese of St. Petersburg, Inc. and Affiliates as of June 30, 2019 and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Catholic Charities, Diocese of St. Petersburg, Inc. and Affiliates' 2018 financial statements and have expressed an unmodified audit opinion on those audited combined financial statements in our report dated December 21, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary information on Pages 26 through 28 is presented for purposes of additional analysis and is not a required part of the combined financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and by *Chapter 10.650, Rules of the State of Florida Auditor General*, is presented for purposes of additional analysis and is also not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

The accompanying schedule of state earnings (Benedict Haven), schedule of related party transaction adjustments (Benedict Haven), schedule of bed-day availability payments (Benedict Haven), and schedule of substance abuse & mental health services program / cost center actual expenses and revenue (Benedict Haven), as required by the Florida Administrative Code 65E-14.003(a), which are also the responsibility of management, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the combined financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Emphasis of Matter

As discussed in Note 2 to the combined financial statements, in 2019, the Organization adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2019 on the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Organization's 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 the Organization's internal control over financial reporting and compliance.

Warren Averett, LLC

Tampa, Florida
December 11, 2019

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

| ASSETS | 2019 | 2018 |
|--|----------------------|----------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 1,276,134 | \$ 1,511,589 |
| Restricted cash | 1,424,436 | 859,393 |
| Receivables: | | |
| Grants and contracts | 835,802 | 621,245 |
| Tenant rents receivable, net of allowance for doubtful accounts of approximately \$25,000 and \$67,000 at June 30, 2019 and 2018, respectively | 61,447 | 156,062 |
| Contributions | 14,836 | 9,544 |
| Other | 224,108 | 589,809 |
| Prepaid expenses and other current assets | 104,696 | 197,111 |
| Total current assets | 3,941,459 | 3,944,753 |
| PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION | 31,523,876 | 33,002,195 |
| OTHER ASSETS | | |
| Investments in common stock | 33,251 | 33,727 |
| Cash restricted for long-term investment by donor | 97,513 | 97,513 |
| Receivable from charitable remainder unitrust | 137,099 | 131,846 |
| Other | 90,180 | 87,727 |
| Total other assets | 358,043 | 350,813 |
| | \$ 35,823,378 | \$ 37,297,761 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Line of credit | \$ 301,033 | \$ 183,856 |
| Current maturities of long-term debt | 2,025,576 | 747,808 |
| Accounts payable | 1,229,315 | 583,492 |
| Accrued expenses | 509,204 | 435,293 |
| Deferred revenue | 243,840 | 170,228 |
| Total current liabilities | 4,308,968 | 2,120,677 |
| LONG-TERM LIABILITIES | | |
| Advance from United States Conference of Catholic Bishops | 23,500 | 23,500 |
| Long-term debt, net of unamortized discounts and current maturities | 13,779,482 | 14,904,840 |
| Total long-term liabilities | 13,802,982 | 14,928,340 |
| NET ASSETS | | |
| Without donor restrictions | (1,309,547) | 672,035 |
| With donor restrictions | 19,020,975 | 19,576,709 |
| Total net assets | 17,711,428 | 20,248,744 |
| | \$ 35,823,378 | \$ 37,297,761 |

See notes to the combined financial statements.

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE BALANCES FOR 2018)

| | Without Donor | With Donor | Total | |
|--|-----------------------|----------------------|----------------------|----------------------|
| | <u>Restrictions</u> | <u>Restrictions</u> | <u>2019</u> | <u>2018</u> |
| PRIVATE SUPPORT | | | | |
| Contributions | \$ 845,708 | \$ 140,852 | \$ 986,560 | \$ 4,219,441 |
| Special events, net | 278,702 | - | 278,702 | 267,921 |
| Diocesan subsidy | 1,000,000 | - | 1,000,000 | 1,000,000 |
| In-kind revenues | 1,141,133 | - | 1,141,133 | 1,019,253 |
| United Way | 330,476 | - | 330,476 | 260,739 |
| Total private support | <u>3,596,019</u> | <u>140,852</u> | <u>3,736,871</u> | <u>6,747,354</u> |
| PUBLIC SUPPORT AND OTHER REVENUE | | | | |
| Grants: | | | | |
| Federal, state, and local | 4,482,474 | 249,435 | 4,731,909 | 5,025,098 |
| Private foundation | 296,234 | - | 296,234 | 168,376 |
| Client service fees | 1,226,796 | - | 1,226,796 | 1,309,421 |
| Interest and investment income | 25,365 | - | 25,365 | 24,222 |
| Rental income | 3,766,854 | - | 3,766,854 | 3,832,325 |
| Management fee income | 699,246 | - | 699,246 | 681,632 |
| Other income | 520,761 | 5,253 | 526,014 | 315,909 |
| Total public support and other revenue | <u>11,017,730</u> | <u>254,688</u> | <u>11,272,418</u> | <u>11,356,983</u> |
| NET ASSETS RELEASED FROM RESTRICTIONS | | | | |
| Expiration of time restrictions on capital assets | 258,712 | (258,712) | - | - |
| Expiration of other time restrictions | 488,846 | (488,846) | - | - |
| Satisfaction of donor use restrictions | 203,716 | (203,716) | - | - |
| Total net assets released from restrictions | <u>951,274</u> | <u>(951,274)</u> | <u>-</u> | <u>-</u> |
| TOTAL SUPPORT, REVENUE, AND NET ASSETS RELEASED FROM RESTRICTIONS | <u>15,565,023</u> | <u>(555,734)</u> | <u>15,009,289</u> | <u>18,124,337</u> |
| EXPENSES | | | | |
| Program services | 15,508,298 | - | 15,508,298 | 16,430,468 |
| SUPPORTING SERVICES | | | | |
| Management and general | 1,774,179 | - | 1,774,179 | 1,826,042 |
| Development and marketing | 225,026 | - | 225,026 | 215,957 |
| Total supporting services | <u>1,999,205</u> | <u>-</u> | <u>1,999,205</u> | <u>2,041,999</u> |
| TOTAL EXPENSES | <u>17,507,503</u> | <u>-</u> | <u>17,507,503</u> | <u>18,472,467</u> |
| CHANGE IN NET ASSETS FROM OPERATIONS | <u>(1,942,480)</u> | <u>(555,734)</u> | <u>(2,498,214)</u> | <u>(348,130)</u> |
| OTHER CHANGES | | | | |
| Net unrealized loss on investment in common stock | (476) | - | (476) | - |
| Loss on disposal of property and equipment | (38,626) | - | (38,626) | (15,277) |
| Total other changes | <u>(39,102)</u> | <u>-</u> | <u>(39,102)</u> | <u>(15,277)</u> |
| DECREASE IN NET ASSETS | (1,981,582) | (555,734) | (2,537,316) | (363,407) |
| NET ASSETS AT BEGINNING OF YEAR | <u>672,035</u> | <u>19,576,709</u> | <u>20,248,744</u> | <u>20,612,151</u> |
| NET ASSETS AT END OF YEAR | <u>\$ (1,309,547)</u> | <u>\$ 19,020,975</u> | <u>\$ 17,711,428</u> | <u>\$ 20,248,744</u> |

See notes to the combined financial statements.

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

| | 2019 | 2018 |
|---|-----------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | <u>\$ (2,537,316)</u> | <u>\$ (363,407)</u> |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 1,973,086 | 1,981,394 |
| Loss on disposal of property and equipment | 38,626 | 15,277 |
| Provision for allowance for doubtful accounts | (42,160) | 10,915 |
| Net unrealized loss on investment in common stock | 476 | - |
| Amortization of discount on long-term debt | 508,534 | 565,553 |
| Change in value of charitable remainder unitrust | (5,253) | (28,245) |
| Noncash contributions arising from reductions of principal debt balances | (265,000) | - |
| Noncash contributions arising from below market interest loans | (143,687) | (1,566,327) |
| (Increase) decrease in: | | |
| Receivables | 282,627 | 66,345 |
| Prepaid expenses and other assets | 89,962 | (70,149) |
| Increase (decrease) in: | | |
| Accounts payable | 645,823 | (1,002,257) |
| Accrued expenses | 73,911 | (175,764) |
| Deferred revenue | 73,612 | (11,211) |
| Total adjustments | <u>3,230,557</u> | <u>(214,469)</u> |
| Net cash provided by (used in) operating activities | <u>693,241</u> | <u>(577,876)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of property and equipment | 981,712 | - |
| Purchase of property and equipment | (1,165,105) | (900,702) |
| Cash collected from loans to program participants | - | 17,130 |
| Net cash used in investing activities | <u>(183,393)</u> | <u>(883,572)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of long-term debt | 150,790 | 991,301 |
| Payments on long-term debt | (448,227) | (427,730) |
| Proceeds from line of credit | 6,676,249 | 4,104,763 |
| Payments on line of credit | (6,559,072) | (4,220,907) |
| Net cash (used in) provided by financing activities | <u>(180,260)</u> | <u>447,427</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 329,588 | (1,014,021) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>2,468,495</u> | <u>3,482,516</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 2,798,083</u> | <u>\$ 2,468,495</u> |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION AND NONCASH INVESTING AND FINANCING ACTIVITIES | | |
| Cash paid during the year for interest | <u>\$ 140,335</u> | <u>\$ 142,591</u> |
| Property and equipment acquired via long-term debt | <u>\$ 350,000</u> | <u>\$ -</u> |

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported in the combined statements of financial position to the total shown in the combined statements of cash flows:

| | | |
|---------------------------|---------------------|---------------------|
| Cash and cash equivalents | \$ 1,276,134 | \$ 1,511,589 |
| Restricted cash - current | 1,424,436 | 859,393 |
| Restricted cash - other | 97,513 | 97,513 |
| | <u>\$ 2,798,083</u> | <u>\$ 2,468,495</u> |

See notes to the combined financial statements.

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE BALANCES FOR 2018)

PROGRAM SERVICES

| | FAMILY HOUSING | TEMPORARY SUPPORTIVE HOUSING | PERMANENT SUPPORTIVE HOUSING | MIGRANT FARM WORKER HOUSING | OTHER HOUSING PROGRAMS | IMMIGRATION AND REFUGEE PROGRAMS |
|---|---------------------------|---|---|--|---------------------------------------|---|
| SALARIES | | | | | | |
| Employee salaries | \$ 55,844 | \$ 777,536 | \$ 582,886 | \$ 129,284 | \$ 474,004 | \$ 349,527 |
| Employee benefits | 16,558 | 264,379 | 210,368 | 49,929 | 205,043 | 126,481 |
| Employee payroll taxes | 4,357 | 62,134 | 46,350 | 10,522 | 36,291 | 29,206 |
| | <u>76,759</u> | <u>1,104,049</u> | <u>839,604</u> | <u>189,735</u> | <u>715,338</u> | <u>505,214</u> |
| OPERATING EXPENSES | | | | | | |
| Contractor expenses | 4,651 | 109,432 | 47,573 | 17,918 | 7,077 | 3,059 |
| Professional fees | 178,732 | 91,016 | 110,942 | 6,609 | 1,152 | - |
| Travel expenses | 3,078 | 8,287 | 7,410 | 2,556 | 8,926 | 16,843 |
| Occupancy | 381,236 | 314,198 | 592,805 | 242,608 | 54,835 | 29,457 |
| Communications | 4,328 | 16,159 | 15,771 | 2,432 | 12,961 | 10,360 |
| Operating supplies | 7,159 | 129,769 | 26,102 | 5,576 | 1,725 | 20,731 |
| Printing and publications | 418 | 366 | 55 | - | 65 | 1,443 |
| Equipment | 2,284 | 45,604 | 34,630 | 9,370 | 8,766 | 19,452 |
| Computer expenses | 11,091 | 17,605 | 23,552 | 7,585 | 7,696 | 8,302 |
| Insurance | 103,355 | 29,018 | 212,594 | 88,520 | 8,005 | 6,788 |
| Dues, memberships, and subscriptions | 476 | - | 620 | 57 | 5,245 | 1,637 |
| Assistance to individuals | - | 308,332 | 581,234 | 211 | 80,965 | 56,798 |
| In-kind | - | 792,302 | - | - | - | - |
| Interest | 197,121 | 107 | 188,383 | 267,075 | 4,934 | 1,219 |
| Depreciation and amortization | 534,114 | 99,540 | 653,369 | 447,823 | 63,092 | 9,951 |
| Other | 15,854 | 6,003 | 56,839 | - | 26,884 | 3,830 |
| | <u>1,443,897</u> | <u>1,967,738</u> | <u>2,551,879</u> | <u>1,098,340</u> | <u>292,328</u> | <u>189,870</u> |
| TOTAL EXPENSES | <u>\$ 1,520,656</u> | <u>\$ 3,071,787</u> | <u>\$ 3,391,483</u> | <u>\$ 1,288,075</u> | <u>\$ 1,007,666</u> | <u>\$ 695,084</u> |

See notes to the combined financial statements.

| PROGRAM SERVICES | | | | SUPPORTING SERVICES | | | TOTAL EXPENSES | |
|--|---------------------|------------------------------|------------------------------|---------------------|----------------------------|---------------------------------|----------------------|----------------------|
| PREGNANCY, PARENTING SUPPORT, AND ADOPTION PROGRAMS | PATHWAYS | OTHER PROGRAM SERVICES | TOTAL PROGRAM SERVICES | MGMT. & GENERAL | DEVELOPMENT & MARKETING | TOTAL SUPPORTING SERVICES | 2019 | 2018 |
| | | | | | | | | |
| \$ 642,078 | \$ 338,600 | \$ 329,642 | \$ 3,679,401 | \$ 800,518 | \$ 128,789 | \$ 929,307 | \$ 4,608,708 | \$ 4,806,007 |
| 149,118 | 140,731 | 84,402 | 1,247,009 | 232,578 | 28,623 | 261,201 | 1,508,210 | 1,456,090 |
| 50,763 | 27,197 | 25,997 | 292,817 | 61,703 | 9,979 | 71,682 | 364,499 | 376,086 |
| 841,959 | 506,528 | 440,041 | 5,219,227 | 1,094,799 | 167,391 | 1,262,190 | 6,481,417 | 6,638,183 |
| 4,069 | 12,165 | 50,810 | 256,754 | 44,713 | 3,002 | 47,715 | 304,469 | 346,033 |
| 53,059 | 55,000 | 11,590 | 508,100 | 102,325 | 3,624 | 105,949 | 614,049 | 524,921 |
| 20,064 | 20,736 | 9,597 | 97,497 | 25,391 | 191 | 25,582 | 123,079 | 163,725 |
| 122,668 | 37,574 | 76,835 | 1,852,216 | 44,614 | 7,244 | 51,858 | 1,904,074 | 1,812,350 |
| 22,000 | 13,018 | 20,026 | 117,055 | 26,053 | 3,742 | 29,795 | 146,850 | 150,052 |
| 32,473 | 5,263 | 19,876 | 248,674 | 26,248 | 600 | 26,848 | 275,522 | 275,108 |
| 2,078 | 61 | 2,215 | 6,701 | 595 | 1,081 | 1,676 | 8,377 | 9,676 |
| 22,117 | 7,297 | 20,307 | 169,827 | 17,055 | 6,890 | 23,945 | 193,772 | 227,195 |
| 9,058 | 2,778 | 22,574 | 110,241 | 156,780 | 16,328 | 173,108 | 283,349 | 234,324 |
| 10,302 | 4,014 | 12,366 | 474,962 | 10,630 | 1,315 | 11,945 | 486,907 | 456,070 |
| 1,205 | 26 | 1,724 | 10,990 | 14,019 | 600 | 14,619 | 25,609 | 30,528 |
| 69,529 | 1,100,753 | 339,315 | 2,537,137 | - | - | - | 2,537,137 | 3,464,438 |
| 304,422 | - | 44,409 | 1,141,133 | - | - | - | 1,141,133 | 1,019,253 |
| 818 | 818 | 1,542 | 662,017 | 17,401 | 589 | 17,990 | 680,007 | 727,738 |
| 76,467 | 21,057 | 31,162 | 1,936,575 | 29,659 | 6,852 | 36,511 | 1,973,086 | 1,981,394 |
| 42,932 | 565 | 6,285 | 159,192 | 163,897 | 5,577 | 169,474 | 328,666 | 411,479 |
| 793,261 | 1,281,125 | 670,633 | 10,289,071 | 679,380 | 57,635 | 737,015 | 11,026,086 | 11,834,284 |
| <u>\$ 1,635,220</u> | <u>\$ 1,787,653</u> | <u>\$ 1,110,674</u> | <u>\$ 15,508,298</u> | <u>\$ 1,774,179</u> | <u>\$ 225,026</u> | <u>\$ 1,999,205</u> | <u>\$ 17,507,503</u> | <u>\$ 18,472,467</u> |

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

1. DESCRIPTION OF BUSINESS

Catholic Charities, Diocese of St. Petersburg, Inc. (the “Diocese”) and its affiliates, Catholic Charities Housing, Inc., Catholic Charities Foundation of Tampa Bay, Inc., Catholic Charities Community Development Corporation, Catholic Charities - Arbor Villas, Inc., Catholic Charities - Riviera Manor, Inc., Catholic Charities - The Palms at University, Inc., Catholic Charities - Fountain View, Inc., Catholic Charities - Palm Island, Inc., Catholic Charities - Pinellas Village, Inc., and Benedict Haven, Inc. (collectively referred to as the “Organization”) were incorporated in the State of Florida, are under common control, and are voluntary health and welfare agencies that provide a variety of services to individuals in need in the Tampa Bay, Florida area. The Organization’s headquarters is located in St. Petersburg, Florida.

Services provided by the Organization include disaster relief, pregnancy-related programs, affordable medical clinics, child placement services, services to the elderly and persons with AIDS, homeless shelter and homeless prevention services, immigration and refugee services, veterans programs, disability programs, and low cost housing. The agency serves residents of Citrus, Hernando, Hillsborough, Pasco, and Pinellas counties regardless of race, creed, gender, national origin, handicapping condition, or socio-economic status.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

The accompanying combined financial statements include the accounts of the Organization. Significant intercompany transactions and balances have been eliminated in combination.

Basis of Accounting

The combined financial statements of the Organization are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Net Assets

The net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing objectives of the Organization. These net assets may be used at the discretion of management and the Board of Directors. The Board of Directors may elect to designate a portion of these net assets for specific purposes and also has the power to remove such designation at their discretion.

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, and those restrictions will be met by the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the combined statement of activities. As of June 30, 2019 and 2018, the Organization's net assets with donor restrictions consist of the following:

| | 2019 | 2018 |
|---|----------------------|----------------------|
| Contributions restricted for program activities | \$ 645,555 | \$ 535,614 |
| Capital expenditures | 153,870 | 283,472 |
| Facilities subject to time restrictions | 6,765,008 | 7,016,432 |
| Charitable remainder unitrust | 137,099 | 131,846 |
| Unamortized discounts on below market loans | 11,221,930 | 11,511,832 |
| Permanently restricted endowment * | 97,513 | 97,513 |
| | \$ 19,020,975 | \$ 19,576,709 |

* Earnings on the endowment are available for unrestricted use.

Cash and Cash Equivalents

Cash equivalents consist of all highly liquid investments purchased with an original maturity of three months or less.

Cash and cash equivalents are primarily maintained at major financial institutions and, at times, balances may exceed federally insured limits. The Organization has not experienced any losses related to these balances. Included in cash and cash equivalents are approximately \$920,000 and \$1,237,000 of deposits held at the Diocese that are not covered by federal deposit insurance at June 30, 2019 and 2018, respectively.

Grants and Contracts Receivable

The Organization earns revenue from federal, state, county, and city grants on a cost reimbursement basis. Grant revenue for cost reimbursement grants is recognized as an increase in net assets without donor restrictions in the period during which the related costs are incurred, provided that the conditions under which the grants were awarded have been met and the Organization has only perfunctory obligations outstanding. Grants and contracts receivable consist of amounts to be reimbursed under these grants and contracts. An allowance for uncollectible accounts was not considered necessary at June 30, 2019 and 2018 as all grants and contracts are deemed to be collectible.

All applicable match requirements have been met for the Organization's major federal program grant contracts for the years ended June 30, 2019 and 2018.

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The Organization receives a significant portion of its support and revenue from federal, state, and local government agencies in the form of performance and expense reimbursement contracts. Continuation of the Organization's program services is greatly dependent upon the continued support of these agencies. The Organization's grants and contract receivables at June 30, 2019 and 2018 are primarily due from the aforementioned governmental agencies.

Tenant Rents Receivable

Tenant rents receivable consist of receivables due from tenants for rental income and are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on these receivables using an allowance method. The allowance is based on historical experience and other circumstances, which may affect the ability of tenants to meet their obligations. It is the Organization's policy to charge off uncollectible receivables when management determines the receivable will not be collected. Based on management's review of tenant rents receivable, an allowance for doubtful accounts of approximately \$25,000 and \$67,000 is considered adequate at June 30, 2019 and 2018, respectively.

Contributions Receivable

Contributions receivable consist of unconditional promises to give that are expected to be realized in one year or less and are classified as net assets with donor restrictions. Management has determined that these receivables are fully collectible; therefore, an allowance for uncollectible accounts is not considered necessary at June 30, 2019 and 2018.

Investments

The Organization carries investments in common stock at their fair values based on quoted market prices. Realized and unrealized gains and losses are reported in the accompanying combined statement of activities. Investment earnings, including dividends and interest, are recognized as income when earned. Investment securities can be exposed to several risks, such as interest rate, market, and credit risks. Restrictions on investment earnings are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the earnings are reported.

Property and Equipment

Property and equipment are stated at cost if purchased or at estimated fair value at date of receipt if acquired by gift. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the lease term or estimated useful life of the asset. Expenditures for property and equipment in excess of \$1,000 and with a useful life of at least one year are capitalized. Property acquired with governmental funds is considered to be owned by the Organization while used in the program for which it was purchased or in future authorized programs; however, its disposition, as well as ownership of any proceeds received therefrom, is subject to applicable regulations. The estimated useful lives of related asset classes are as follows:

| | |
|----------------------------|---------------|
| Buildings and improvements | 7 to 40 years |
| Leasehold improvements | 5 to 15 years |
| Furniture and equipment | 3 to 10 years |
| Vehicles | 3 to 5 years |

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contributions

Contributions are recognized as revenue in the period the commitment is made and are recorded as either net assets with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the contribution as unrestricted. Otherwise, when a time restriction ends or a purpose restriction is met, restricted net assets are reclassified to net assets without donor restrictions and are reported in the accompanying combined statement of activities as net assets released from restrictions.

Special Events

Revenue and support earned from special events are recorded when the event takes place.

Rental Income

Rental revenue earned from tenants is recognized ratably over the term of the lease agreement, which is typically one year. Amounts received in advance and security deposits are deferred until earned or returned to the tenant.

Client Service Fees

Client service fees consist of services for immigration, adoption, and pregnancy care services, and are recognized as revenue as services are performed.

Donated Materials and Services

Donations of materials are recorded as support at their estimated fair value at the date of the donation.

The Organization reports revenue for the fair value of donated services received when the services require specialized skills, are provided by individuals possessing those skills, and represent services that would have been purchased had they not been donated.

Functional Allocation of Expenses

The costs of various programs and other activities have been summarized on a functional basis in the combined statement of activities. Direct costs are direct charges identified to a specific program. Indirect costs are costs that cannot be identified to a specific program. The cost of utilities, building security, and other occupancy costs are allocated based on square footage utilized by the program. Other indirect program costs are allocated based on full-time employees working in the program.

Administrative costs are the cost for executive administration, financial administration, human resources, and information service oversight of each program. These costs are generally allocated based on a percentage of each program's cost to overall program expenses.

Income Taxes

The Organization is exempt from federal and state income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes. Accordingly, no provision for income taxes is reflected in the accompanying combined financial statements. Management is not aware of any activities that would jeopardize the Organization's tax exempt status or of any tax positions the Organization has taken that are subject to a significant degree of uncertainty.

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Reclassifications

Certain minor reclassifications have been made to the 2018 combined financial statements in order to conform to the classifications used in 2019.

Impact of Recently Issued Accounting Pronouncements

During the year ended June 30, 2019, the Organization adopted the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Update No. 2016-18, *Statement of Cash Flows (Topic 230)* (ASU 2016-18). This update provides guidance on the presentation of restricted cash in the combined statements of cash flows, disclosure of the nature of restrictions on cash and cash equivalents, and a reconciliation of cash, cash equivalents, and restricted cash shown in various line items in the combined balance sheets to the total of such amounts in the combined statements of cash flows.

Also, during the year ended June 30, 2019, the Organization adopted the requirements of FASB Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these combined financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 3).

The accompanying information for the 2018 financial statements has been restated to conform to the 2019 presentation and disclosure requirements of ASU 2016-18 and 2016-14.

On May 28, 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of combined financial statements with comprehensive information about the nature, amount, timing, and uncertainty of the revenue and cash flows arising from the company's contracts with customers. This standard will be effective for the fiscal year ending June 30, 2020. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the combined financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This guidance amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their statement of financial position. It also makes targeted changes to lessor accounting, including a change to the treatment of initial direct leasing costs, which no longer considers fixed internal leasing salaries as capitalizable costs. As amended, the standard is effective for the fiscal year ending June 30, 2022. Management is evaluating the impact of this ASU on the Organization's financial reporting.

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

3. LIQUIDITY AND AVAILABILITY

At June 30, 2019 and 2018, the Organization has the following amounts available to cover general expenditures:

| | <u>2019</u> | <u>2018</u> |
|--|---------------------|---------------------|
| Unrestricted cash and cash equivalents | \$ 1,276,134 | \$ 1,511,589 |
| Receivables | 1,136,193 | 1,376,660 |
| Other | 15,425 | 10,477 |
| | <u>\$ 2,427,752</u> | <u>\$ 2,898,726</u> |

The Organization receives significant grants and contributions from donors and considers those that are designated for activities related to ongoing, major, and central operations to be available to meet cash needs for general expenditures. The Organization also receives cash from service fees, rental income, and management fees that is available to cover general expenses. The Organization manages its liquidity and reserves to operate with a prudent range of financial soundness and stability to maintain adequate liquid assets and to fund near-term operating needs. The Organization strives to maintain financial assets to cover a minimum of three months of expenditures.

4. RESTRICTED CASH

Restricted cash consists of the following:

| | <u>2019</u> | <u>2018</u> |
|--------------------------|---------------------|-------------------|
| Cash restricted for: | | |
| Reserves for replacement | \$ 1,124,118 | \$ 605,689 |
| Various programs | 156,186 | 107,902 |
| Tenant security deposits | 143,125 | 144,795 |
| Long-term investment | 97,513 | 97,513 |
| Other | 1,007 | 1,007 |
| | <u>\$ 1,521,949</u> | <u>\$ 956,906</u> |

Restricted cash is included with cash and cash equivalents for purposes of cash flow reporting.

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

5. PROPERTY AND EQUIPMENT

Property and equipment consist of:

| | <u>2019</u> | <u>2018</u> |
|----------------------------|----------------------|----------------------|
| Land | \$ 3,504,863 | \$ 3,536,582 |
| Buildings and improvements | 44,990,750 | 45,489,353 |
| Leasehold improvements | 124,889 | 128,780 |
| Vehicles | 431,837 | 478,277 |
| Furniture and equipment | 2,421,695 | 2,290,301 |
| Construction in progress | 87,590 | 395,788 |
| | <u>51,561,624</u> | <u>52,319,081</u> |
| Less depreciation | <u>20,037,748</u> | <u>19,316,886</u> |
| | <u>\$ 31,523,876</u> | <u>\$ 33,002,195</u> |

Depreciation expense for the years ended June 30, 2019 and 2018 was approximately \$1,973,000 and \$1,981,000, respectively. Certain buildings and improvements have been funded by governmental grants subject to land use restriction agreements, which require the Organization to use the corresponding facility for its intended purpose for a specified period.

6. CHARITABLE REMAINDER UNITRUST

The Organization has been named the remainder beneficiary in a charitable remainder unitrust. Under the terms of the agreement, payments are required to be made to the donor at a set percentage of the fair market value of the trust's assets as of the beginning of each year until the death of the last surviving donor. Upon the death of the last surviving donor, the Organization will receive a portion of the remaining principal in the trust. The receivable from the trust is stated at the actuarial present value of the estimated future benefits to be received when the assets of the trust are distributed, using a discount rate of 3.17%. The receivable will be adjusted in future periods to reflect accretion of the original discount. The charitable remainder unitrust receivable amounted to approximately \$137,000 and \$132,000 at June 30, 2019 and 2018, respectively.

7. LINE OF CREDIT

The Organization has a revolving line of credit with a commercial bank that allows the Organization to borrow up to \$300,000 at the one-month LIBOR rate, plus .97%. The line is secured by the depository and investment accounts held at the commercial bank and is guaranteed by the Diocese. The line expired in July 2019 and was subsequently renewed until June 2020. The outstanding balance on the line of credit was approximately \$301,000 and \$184,000 at June 30, 2019 and 2018, respectively.

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

8. LONG-TERM DEBT

Long-term debt consists of the following:

| | 2019 | 2018 |
|--|------------|------------|
| <u>Jeff Forbes Center, Tampa Center, San Jose Mission I, Ruskin Industrial revenue bonds (5.4%); monthly payments of principal and interest at 0.67% of LIBOR, plus 2% through January 2022 (3.08% and 3.3% at June 30, 2019 and 2018, respectively); secured by real property; the Organization is required to maintain certain financial ratios, which it was in compliance with as of June 30, 2019 and 2018</u> | \$ 422,539 | \$ 548,141 |
| <u>San Jose Mission I - Hillsborough County</u> Mortgage note payable with graduated interest rates from 0% to 2% (1.25% at June 30, 2019 and 2018); monthly interest only payments through 2043; final balloon payment due in 2043; present value, net of unamortized discount, is \$339,182 and \$334,117 at June 30, 2019 and 2018, respectively | 750,000 | 750,000 |
| <u>San Jose Mission I - Florida Community Loan Foundation</u> Mortgage note payable (6.25%); monthly installments of \$2,327, including interest through May 2021; balloon payment due June 2021; secured by real property | 291,515 | 300,629 |
| <u>San Jose Mission - Hillsborough County HOME, SHIP, CDBG</u> Promissory notes payable to Hillsborough County; non-interest bearing; annual installments ranging from \$14,286 to \$62,789 through 2040; payments are contingent upon positive cash flows of the financed property; secured by real property; present value, net of unamortized discount, is \$2,067,506 and \$1,995,739 at June 30, 2019 and 2018, respectively | 3,478,058 | 3,478,058 |
| <u>San Jose Mission II</u> Mortgage note payable (1%) to USDA; monthly installments of \$2,885, including interest through September 2043; secured by real property; present value, net of unamortized discount, is \$502,776 and \$513,511 at June 30, 2019 and 2018, respectively | 745,762 | 772,652 |

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

8. LONG-TERM DEBT – CONTINUED

| | 2019 | 2018 |
|--|-------------|-------------|
| <u>San Jose Mission III</u> | | |
| Mortgage note payable (1%) to USDA; monthly installments of \$9,433, including interest through September 2043; secured by real property; present value, net of unamortized discount, is \$1,639,362 and \$1,674,458 at June 30, 2019 and 2018, respectively | 2,433,732 | 2,521,641 |
| <u>Woodrow Duplex</u> | | |
| Non-interest bearing promissory note payable to City of Largo; monthly installments of \$654 through June 2030; secured by real property; present value, net of unamortized discount, is \$68,281 and \$72,814 at June 30, 2019 and 2018, respectively | 88,071 | 95,958 |
| <u>Pinellas Hope II</u> | | |
| Non-interest bearing promissory note payable to Florida Housing Finance Corporation; stated value of \$3,000,000, of which \$750,000 is due and forgiven if certain compliance obligations are met throughout the loan period; conditions to receive the forgiveness are deemed to have been met in 2009; remaining principal balance due in August 2024; secured by real property; present value, net of unamortized discount, is \$1,698,051 and \$1,620,238 at June 30, 2019 and 2018, respectively | 2,250,000 | 2,250,000 |
| <u>Pinellas Hope II</u> | | |
| Non-interest bearing note payable to a county government; stated value of \$999,999 due and to be forgiven in 2039 if certain compliance obligations are met throughout the loan period; conditions to receive the forgiveness are deemed to have been met in 2011; carried at a net value of \$0 at June 30, 2019 and 2018 | - | - |
| <u>Pinellas Hope III</u> | | |
| Non-interest bearing note payable to a county government; principal balance due and to be forgiven in July 2044 if certain compliance obligations are met throughout the loan period; secured by real property; construction completed during the year ended June 30, 2018; present net value, net of unamortized discount is, \$75,931 and \$73,045 at June 30, 2019 and 2018, respectively | 200,000 | 200,000 |

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

8. LONG-TERM DEBT – CONTINUED

| | <u>2019</u> | <u>2018</u> |
|---|-------------|-------------|
| <u>Pinellas Hope V</u> Non-interest bearing promissory notes to Florida Housing Finance Corporation; principal balance due and forgiven ratably at 5% per year through March 2035 if certain compliance obligations are met throughout the loan period; secured by real property; carried at net value of \$1,160,785 and \$1,371,606 at June 30, 2019 and 2018, respectively | 2,385,000 | 2,650,000 |
| <u>CCCCDC HUD Startup</u> Non-interest bearing note payable to the Diocese; unsecured | 150,000 | 150,000 |
| <u>Arbor Villas</u> Non-interest bearing promissory note payable to Pasco County; principal balance due in January 2062; secured by real property; present value, net of unamortized discount, is \$543,819 and \$528,063 at June 30, 2019 and 2018, respectively | 2,729,445 | 2,729,445 |
| <u>Arbor Villas - SunTrust</u> Mortgage note payable (3%) to a commercial bank; monthly installments of \$3,333, plus interest, through August 2021; final balloon payment due September 2021; secured by real property | 135,000 | 175,000 |
| <u>Fountain View</u> Non-interest bearing loan payable to City of St. Petersburg; payment deferred until October 31, 2042; annual installments of \$43,783 thereafter through July 2050; secured by real property; present value, net of unamortized discount, is \$305,002 and \$293,272 at June 30, 2019 and 2018, respectively | 781,814 | 781,814 |
| <u>The Palms at University</u> Note payable (3%); annual installments of \$45,783, including interest through July 2050; payments are contingent upon positive cash flows of the financed property; remaining principal and accrued interest will be forgiven upon maturity if certain compliance obligations are met throughout the loan period; secured by real property; present value, net of unamortized discount, is \$2,869,246 and \$2,806,247 at June 30, 2019 and 2018, respectively | 3,402,000 | 3,402,000 |

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

8. LONG-TERM DEBT – CONTINUED

| | 2019 | 2018 |
|---|----------------------|----------------------|
| <u>Palm Island</u> | | |
| Non-interest bearing note payable to Pasco County; annual installments of \$12,500 through April 2032; balloon payment for the balance due in 2062; present value, net of unamortized discount, is \$392,302 and \$361,841 at June 30, 2019 and 2018, respectively | 1,280,250 | 1,292,750 |
| <u>Riviera Manor</u> | | |
| Non-interest bearing promissory notes payable to the City of Tampa; principal balance due in April and August 2030; secured by real property; present value, net of unamortized discount, is \$1,149,969 and \$1,092,984 at June 30, 2019 and 2018, respectively | 3,292,919 | 3,292,919 |
| <u>Pinellas Village</u> | | |
| Promissory note payable (3.6%) to a commercial bank; monthly installments of \$14,268, including interest, through April 2020; final balloon payment due in May 2020; guaranteed by the Diocese; property is subject to pre-existing land use restriction agreements with various funding sources | 1,398,839 | 1,521,720 |
| <u>Pasco County ELI</u> | | |
| Non-interest bearing promissory note to Pasco County; principal balance due on March 1, 2022 if certain conditions are met; renewable every 5 years for 10 years at the county's option; secured by real property; present value, net of unamortized discount, is \$237,850 and \$219,222 at June 30, 2019 and 2018, respectively | 259,253 | 251,703 |
| <u>St. Teresa</u> | | |
| Non-interest bearing promissory note to the Diocese; monthly principal payments of \$2,917 to begin April 2024 through 2029; present value, net of unamortized discount, is \$237,587 at June 30, 2019; secured by real property | 350,000 | - |
| <u>Hillsborough County CDBG - San Jose Rehab</u> | | |
| Non-interest bearing promissory note to Hillsborough County; principal balance due on September 15, 2024; principal balance will be forgiven if certain compliance obligations are met throughout the loan period; present value, net of unamortized discount, is \$119,516 at June 30, 2019; secured by real property | 150,790 | - |
| Total long-term debt | 26,974,987 | 27,164,430 |
| Less unamortized discounts | 11,169,929 | 11,511,782 |
| Less current maturities | 2,025,576 | 747,808 |
| Long-term debt, net of unamortized discounts and current maturities | \$ 13,779,482 | \$ 14,904,840 |

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

8. LONG-TERM DEBT – CONTINUED

The aggregate maturities of long-term debt before discounts for each of the five years subsequent to June 30, 2019 and thereafter are as follows:

| Year Ending June 30, | |
|---------------------------------|---------------|
| 2020 | \$ 2,025,576 |
| 2021 | \$ 745,826 |
| 2022 | \$ 470,432 |
| 2023 | \$ 538,196 |
| 2024 | \$ 298,153 |
| Thereafter | \$ 22,896,804 |

Certain notes are non-interest bearing or have below market interest rates and, in certain cases, a portion of the original note is forgiven if the properties are operated for a minimum period of time. The Organization recognized restricted contributions for the difference between the face amount of each note and the fair value of each note using discount rates ranging from 3.95% to 4.91%, which were estimated at the time of loan inception or upon final draw on construction related loans, based on current rates offered to the Organization for debt of similar terms and maturities.

9. PENSION PLAN

The Organization is a participant in the Pension Plan for Employees of the Entities of the Diocese of St. Petersburg, a noncontributory, multi-employer defined benefit pension plan sponsored by the Diocese. The plan generally provides retirement benefits to employees based on years of service to the Organization. The plan covers substantially all Organization employees who have met participation requirements. The Organization's policy is to make annual contributions to the plan equal to the net periodic pension costs, which includes amortization of past service costs over periods of 15 to 30 years. Contributions of approximately \$413,000 and \$378,000 for the years ended June 30, 2019 and 2018, respectively, were charged to pension expense for ongoing participation in the plan.

The risks of participating in this multi-employer defined benefit pension plan is different from single-employer plans because (a) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participant employers, and (c) if the Organization chooses to stop participating in one of its multi-employer plans, it may be required to pay a withdrawal liability to the plan. The Organization has no plans to withdraw from any of its multi-employer pension plans.

At June 30, 2018, the most recent actuarial valuation, total plan assets were approximately \$204 million, the total actuarial present value of accumulated plan benefits was approximately \$214 million, and contributions from all employers for the year ended June 30, 2018 totaled approximately \$9 million. The plan is fully funded as of June 30, 2018. The Organization did not contribute more than 5% of total contributions to the plan.

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

10. IN-KIND REVENUE AND EXPENSE

Certain services and rent are provided to the Organization free or at a cost substantially less than fair market value. The difference between the actual charge and the estimated fair market value is reflected in the accompanying combined financials statements as in-kind revenue and expense. In-kind revenue and in-kind expense consist of the following:

| | 2019 | 2018 |
|--|---------------------|---------------------|
| Services | \$ 58,914 | \$ 81,791 |
| Mileage, goods, and clothing | - | 4,495 |
| Pregnancy and parenting support supplies | 289,917 | 249,852 |
| Pinellas Hope supplies | 696,302 | 603,115 |
| Land and office supplies | 96,000 | 80,000 |
| | \$ 1,141,133 | \$ 1,019,253 |

Other volunteers have donated significant amounts of time to the Organization's programs, including elderly services, pregnancy support services, San Jose Mission, and Pinellas Hope. For the years ended June 30, 2019 and 2018, management estimated the fair value of 20,771 and 25,489 donated volunteer hours, respectively, to be approximately \$364,000 and \$336,000, respectively. These amounts are not reflected in the combined financial statements because the contributed services do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

11. LEASES

The Organization leases office space and certain office equipment under noncancellable operating lease agreements. The lease agreements for office space provide for fixed monthly payments adjusted periodically for changes in the Consumer Price Index. Rent expense under operating leases was approximately \$201,000 and \$211,000 for the years ended June 30, 2019 and 2018, respectively.

Future minimum lease payments required under noncancellable operating leases (with initial or remaining lease terms in excess of one year) as of June 30, 2019 are as follows:

| Year Ending June 30, | |
|---------------------------------|------------|
| 2020 | \$ 152,813 |
| 2021 | \$ 81,460 |
| 2022 | \$ 56,100 |

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

12. FAIR VALUE MEASUREMENTS

Financial instruments measured at fair value are classified and disclosed in the following categories:

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 are investments in corporate common stock.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The fair value of the Organization's beneficial interest in assets held by the Community Foundation of Tampa Bay (the "Foundation") is based on valuation information provided by the Foundation which is primarily derived from or corroborated by observable market data as it relates to the Foundation's underlying investments.

Level 3 - Valuation is based on unobservable inputs. The Organization's receivable under a charitable remainder unitrust is considered a financial asset subject to the valuation hierarchy and has been classified as a Level 3 measurement since observable inputs are minimal. The Organization utilizes the discounted cash flow method to estimate the fair value of its Level 3 asset, the receivable from the charitable remainder unitrust. Significant unobservable inputs include a discount rate of 3.17% and an estimated life expectancy of 12 years.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The fair value of assets measured on a recurring basis as of June 30, 2019 and 2018 is as follows:

| | Fair Value Measurements at the End of the Reporting Period Using | | | |
|--|---|------------------|------------------|-------------------|
| | Total | Level 1 | Level 2 | Level 3 |
| 2019 | | | | |
| Common stock | \$ 33,251 | \$ 33,251 | \$ - | \$ - |
| Receivable from charitable remainder unitrust | 137,099 | - | - | 137,099 |
| Beneficial interest in net asset held by others, included in other assets | 38,365 | - | 38,365 | - |
| | <u>\$ 208,715</u> | <u>\$ 33,251</u> | <u>\$ 38,365</u> | <u>\$ 137,099</u> |
| 2018 | | | | |
| Common stock | \$ 33,727 | \$ 33,727 | \$ - | \$ - |
| Receivable from charitable remainder unitrust | 131,846 | - | - | 131,846 |
| Beneficial interest in net asset held by others, included in other assets | 37,112 | - | 37,112 | - |
| | <u>\$ 202,685</u> | <u>\$ 33,727</u> | <u>\$ 37,112</u> | <u>\$ 131,846</u> |

The change in the Organization's Level 3 investments consists of unrealized gains of \$5,253 and \$28,245 for the years ended June 30, 2019 and 2018, respectively. This is included in other income on the accompanying combined statement of activities.

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

13. CONTINGENCIES

Government grants and certain debt that has been deemed forgiven require the fulfillment of certain conditions as set forth by applicable laws, rules, and regulations and in the grant agreements. Failure to fulfill the conditions could result in the return of the funds to the grantor. Any such settlements will be reflected in the year that they are determined to exist.

14. RELATED PARTY TRANSACTIONS

The Organization had cash deposits of approximately \$920,000 and \$1,237,000 with the Diocese at June 30, 2019 and 2018, respectively. Additionally, the Diocese provided support of approximately \$1,000,000 and \$1,054,000 to the Organization for the years ended June 30, 2019 and 2018, respectively. No additional support was provided during the years ended June 30, 2019 and 2018 for use in the subsequent year.

The Organization obtains all of its insurance coverage through pooled self-insurance funds of the Diocese. Insurance premiums paid to the Diocese were approximately \$1,151,000 and \$1,535,000 for the years ended June 30, 2019 and 2018, respectively. Included in accounts payable are amounts due to the Diocese of approximately \$717,000 and \$165,000 as of June 30, 2019 and 2018, respectively.

The Organization has loans outstanding to the Diocese totaling \$500,000 and \$150,000 for the years ended June 30, 2019 and 2018, respectively (see Note 8).

The above terms and amounts are not necessarily indicative of the terms and amounts that would have been incurred or agreed to had comparable transactions been entered into with independent parties.

15. SPECIAL EVENTS

The Organization conducted a variety of special events during the years ended June 30, 2019 and 2018 to benefit its operations. Net special events revenue consists of the following:

| | <u>2019</u> | <u>2018</u> |
|------------------------------|-------------------|-------------------|
| Gross special events revenue | \$ 326,604 | \$ 317,558 |
| Cost of special events | 47,902 | 49,637 |
| | <u>\$ 278,702</u> | <u>\$ 267,921</u> |

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

16. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 11, 2019, the date on which the combined financial statements were available to be issued.

Subsequent to year-end, the Organization refinanced its existing \$1,398,839 promissory note with a bank. The new note amount is \$2,335,765 with monthly payments of \$14,791, including interest at 3.14%, through 2029. The note is guaranteed by the Diocese. In addition, the Organization obtained a loan from the Diocese in the amount of \$1,937,000. The loan calls for monthly payments of \$11,738, including interest at 4.0%, through 2039. Proceeds from the loan were used towards the acquisition of property in the amount of \$1,975,000.

SUPPLEMENTARY INFORMATION

**CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2019**

| Federal / State Agency Pass-through Entity Federal/ State Program | CFDA/ CSFA Number | Contract/ Grant Number | Expenditures |
|---|-------------------------|------------------------------|------------------|
| <u>U.S. Department of Agriculture</u> | | | |
| Farm Labor Housing Loans and Grants | 10.405 | Loan 001 | \$ 514,576 |
| | | Loan 003 | 231,186 |
| | | Loan 005 | 1,971,323 |
| | | Loan 007 | 462,409 |
| Subtotal - U.S. Department of Agriculture | | | <u>3,179,494</u> |
| <u>U.S. Department of Health and Human Services</u> | | | |
| Passed-through from United States Conference of Catholic Bishops: Refugee and Entrant Assistance - Voluntary Agency Programs | 93.567 | 90RV00491003 | 13,909 |
| Passed-through from Central Florida Behavioral Health Network, Inc.: Block Grants for Community Mental Health Services | 93.958 | CF652-1202 | <u>26,061</u> |
| Subtotal - U.S. Department of Health and Human Services | | | <u>39,970</u> |
| <u>U.S. Department of Homeland Security</u> | | | |
| Passed-through from United Way Suncoast, Inc.: Emergency Food and Shelter National Board Program American Recovery and Reinvestment Act | 97.024 | N/A | <u>62,387</u> |
| Subtotal - U.S. Department of Homeland Security | | | <u>62,387</u> |
| <u>U.S. Department of Housing and Urban Development</u> | | | |
| Continuum of Care Program | 14.267 | FL0163L4H191609 | 26,225 |
| | | FL0163L4H191710 | 118,376 |
| | | FL0505L4H011603 | 310,156 |
| | | FL0505L4H011704 | 539,279 |
| | | FL0603L4H021601 | 63,010 |
| | | FL0603L4H021702 | 99,013 |
| | | FL0650L4H091600 | 33,246 |
| | | FL0650L4H201600 | 15,007 |
| | | FL0650L4H201701 | 20,409 |
| | | | <u>1,224,721</u> |
| Passed-through from the City of Tampa, Florida: Housing Opportunities for Persons with AIDS | 14.241 | PO11802595 | 179,536 |
| | | PO119202958 | 520,153 |
| | | PO118202590 | 81,686 |
| | | PO119202835 | 265,786 |
| | | PO118202591 | 20,220 |
| | | PO119202857 | 54,994 |
| | | | <u>1,122,375</u> |

See notes to schedule of expenditures of federal awards and state financial assistance.

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE – CONTINUED
FOR THE YEAR ENDED JUNE 30, 2019

| Federal / State Agency Pass-through Entity Federal/ State Program | CFDA/ CSFA Number | Contract/ Grant Number | Expenditures |
|--|-------------------------|------------------------------|-------------------|
| <u>U.S. Department of Housing and Urban Development (continued)</u> | | | |
| Passed-through from the City of Tampa, Florida: | | | |
| Emergency Solutions Grant Program | 14.231 | PO118304946 | 24,968 |
| | | PO119203200 | 42,695 |
| Community Development Block Grant/Entitlement Grants | 14.218 | N/A | <u>2,942,919</u> |
| | | | <u>3,010,582</u> |
| Passed-through from Hillsborough County, Florida: | | | |
| Emergency Solutions Grant Program | 14.231 | HESG | 269,301 |
| Emergency Solutions Grant Program | 14.231 | Youth Rapid Rehousing | 74,690 |
| Community Development Block Grant/Entitlement Grants | 14.218 | N/A | 22,003 |
| | | 08-0612 | 550,000 |
| | | 18-1177 | 150,790 |
| HOME Investments Partnership Program | 14.239 | N/A | 2,428,058 |
| Community Development Block Grant/State Programs | 14.218 | N/A | <u>3,402,000</u> |
| | | | <u>6,896,842</u> |
| Passed-through from Catholic Charities USA: | | | |
| Housing Counseling Assistance Program | 14.169 | N/A | <u>23,477</u> |
| Passed-through from Pinellas County, Florida: | | | |
| Emergency Solutions Grant Program | 14.231 | ESG16CC | 57,011 |
| HOME Investments Partnership Program | 14.239 | N/A | <u>200,000</u> |
| | | | <u>257,011</u> |
| Passed-through from City of Largo, Florida: | | | |
| Community Development Block Grant/Entitlement Grants | 14.218 | N/A | <u>21,508</u> |
| Passed-through from City of Clearwater, Florida: | | | |
| HOME Investments Partnership Program | 14.239 | N/A | <u>25,000</u> |
| Passed-through from City of St. Petersburg, Florida: | | | |
| Community Development Block Grant/Entitlement Grants | 14.218 | B-16-MC-12-0017 | 43,250 |
| | 14.218 | N/A | 781,814 |
| Emergency Solutions Grant Program | 14.231 | E-17-MC-12-0017 | 72,071 |
| | | E-18-MC-12-0017 | 21,832 |
| | | | <u>918,967</u> |
| Passed-through from MidFlorida Homeless Coalition: | | | |
| Emergency Solutions Grant Program | 14.231 | PPZ55 | 24,379 |
| Challenge Grant | 14.231 | PP402 | <u>16,798</u> |
| | | | <u>41,177</u> |
| Passed-through from Pasco County, Florida: | | | |
| American Recover and Reinvestment Act | 14.256 | N/A | 1,280,250 |
| | | N/A | 2,729,445 |
| Emergency Solutions Grant Program | 14.231 | N/A | 6,082 |
| | 14.231 | N/A | 29,973 |
| Challenge Grant | 14.231 | N/A | <u>3,620</u> |
| | | | <u>4,049,370</u> |
| Subtotal - U.S. Department of Housing and Urban Development | | | <u>17,591,030</u> |

See notes to schedule of expenditures of federal awards and state financial assistance.

**CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE – CONTINUED
FOR THE YEAR ENDED JUNE 30, 2019**

| Federal / State Agency Pass-through Entity Federal/ State Program | CFDA/ CSFA Number | Contract/ Grant Number | Expenditures |
|--|----------------------------------|---------------------------------------|--|
| <u>U.S. Department of State</u> | | | |
| Passed-through from United States Conference of Catholic Bishops: U.S. Refugee Admissions Program | 19.510 | N/A | 65,517 |
| Subtotal - U.S. Department of State | | | 65,517 |
| <u>U.S. Department of Veterans Affairs</u> | | | |
| VA Homeless Providers Grant and Per Diem Program | 64.024 | 12-92-FL | 293,033 |
| Subtotal - U.S. Department of Veteran Affairs | | | 293,033 |
| Total Federal Expenditures | | | \$ 21,231,431 |
| <u>State of Florida Department of Health</u> | | | |
| Passed-through Florida Pregnancy Care Network, Inc.: Pregnancy Support Services Program | 64.080 | N/A | \$ 273,794 |
| Subtotal - State of Florida Department of Health | | | 273,794 |
| <u>State of Florida Housing Finance Corporation</u> | | | |
| Passed through Hillsborough County, Florida: State Housing Initiatives Partnership Program | 40.901 | 08-0101 01-1138 | 500,000 750,000 1,250,000 |
| Passed-through City of Tampa, Florida: State Housing Initiatives Partnership Program | 40.901 | N/A | 350,000 350,000 |
| Passed through Pasco County, Florida: State Housing Initiatives Partnership Program | 40.901 | N/A | 57,357 115,117 86,779 259,253 |
| Subtotal - State of Florida Housing Finance Corporation | | | 1,859,253 |
| Total State Financial Assistance | | | \$ 2,133,047 |

See notes to schedule of expenditures of federal awards and state financial assistance.

**CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2019**

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal and state grant activity of Catholic Charities, Diocese of St. Petersburg, Inc. and Affiliates (the "Organization") under programs of the federal government and state grant activity of the State of Florida for the year ended June 30, 2019. The information in the Schedule is presented 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*, and *Chapter 10.650, Rules of the State of Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to, and does not present the financial position, changes in net assets, or cash flows of the Organization. All federal awards and state projects passed through other government agencies are included in the accompanying Schedule.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting and are recognized following the cost principles contained in *Title 2 U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

3. SUBRECIPIENTS

None of the expenditures of federal awards and state financial assistance included in the Schedule were paid or provided to subrecipients.

4. INDIRECT COST RATE

The Organization has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance, unless otherwise specifically required by applicable grant agreement or approved by the granting agency.

5. CONTINGENCIES

The programs shown in the Schedule are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowable expenditures and may affect the Organization's continued participation in specific programs. The amount of expenditures, if any, which may be disallowed by the grantor agencies cannot be determined at this time, although the Organization expects such amounts to be immaterial, if any.

6. OUTSTANDING FEDERAL LOANS SUBJECT TO CONTINUING COMPLIANCE REQUIREMENTS

Total federal loans outstanding at June 30, 2019 included on the Schedule for which the federal government imposes continuing compliance requirements amounted to \$17,644,770.

**SAN JOSE MISSION PHASE II AND III
BALANCE SHEET
JUNE 30, 2019**

| ASSETS | |
|---|---------------------|
| CURRENT ASSETS | |
| Cash and cash equivalents: | |
| Operating cash | \$ 7,923 |
| Restricted reserve account | 287,535 |
| Restricted security deposits | 8,650 |
| Tenant rents receivable, net of allowance for doubtful accounts of \$14,266 | 985 |
| Prepaid expenses and other current assets | <u>125</u> |
| Total current assets | <u>305,218</u> |
| PROPERTY AND EQUIPMENT | |
| Land | 302,899 |
| Buildings and improvements | 7,913,319 |
| Vehicles | 5,951 |
| Furniture and equipment | <u>43,946</u> |
| | 8,266,115 |
| Accumulated depreciation | <u>(2,237,712)</u> |
| Total property and equipment | <u>6,028,403</u> |
| | <u>\$ 6,333,621</u> |
| LIABILITIES AND NET ASSETS | |
| CURRENT LIABILITIES | |
| Current maturities of long-term debt | \$ 189,735 |
| Accounts payable | 1,670 |
| Accrued expenses | 9,346 |
| Security deposit liability | 7,250 |
| Deferred revenue | <u>4,123</u> |
| Total current liabilities | <u>212,124</u> |
| LONG-TERM LIABILITIES | |
| Amounts due to affiliate | 376,115 |
| Long-term debt, net of unamortized discounts and current maturities | <u>3,448,500</u> |
| Total long-term liabilities | <u>3,824,615</u> |
| NET ASSETS | |
| Without donor restrictions | (85,573) |
| With donor restrictions | <u>2,382,455</u> |
| Total net assets | <u>2,296,882</u> |
| | <u>\$ 6,333,621</u> |

See independent auditors' report.

**SAN JOSE MISSION PHASE II AND III
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|---|------------------------------------|---------------------|
| REVENUE | | | |
| Rental income | \$ 127,373 | \$ - | \$ 127,373 |
| USDA subsidy | 227,819 | - | 227,819 |
| Tenant charges | 1,153 | - | 1,153 |
| Security deposit forfeitures | 2,420 | - | 2,420 |
| Total revenue | <u>358,765</u> | <u>-</u> | <u>358,765</u> |
| NET ASSETS RELEASED FROM RESTRICTIONS | | | |
| Expiration of time restrictions on capital assets | 160,766 | (160,766) | - |
| Expiration of other time restrictions | 137,371 | (137,371) | - |
| Total net assets released from restrictions | <u>298,137</u> | <u>(298,137)</u> | <u>-</u> |
| TOTAL REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS | | | |
| | <u>656,902</u> | <u>(298,137)</u> | <u>358,765</u> |
| OPERATING EXPENSES | | | |
| Salaries and wages | 42,295 | - | 42,295 |
| Payroll taxes and benefits | 16,869 | - | 16,869 |
| Contractor expenses | 6,284 | - | 6,284 |
| Management fees | 23,443 | - | 23,443 |
| Utilities | 64,942 | - | 64,942 |
| Grounds maintenance and supplies | 7,164 | - | 7,164 |
| Security expenses | 185 | - | 185 |
| Insurance | 24,330 | - | 24,330 |
| Interest | 162,020 | - | 162,020 |
| Other | - | - | - |
| Depreciation | 209,936 | - | 209,936 |
| Total operating expenses | <u>557,468</u> | <u>-</u> | <u>557,468</u> |
| INCREASE (DECREASE) IN NET ASSETS | 99,434 | (298,137) | (198,703) |
| NET ASSETS AT BEGINNING OF YEAR | <u>(185,007)</u> | <u>2,680,592</u> | <u>2,495,585</u> |
| NET ASSETS AT END OF YEAR | <u>\$ (85,573)</u> | <u>\$ 2,382,455</u> | <u>\$ 2,296,882</u> |

See independent auditors' report.

**SAN JOSE MISSION PHASE II AND III
STATEMENT OF CASH FLOWS – DIRECT METHOD
FOR THE YEAR ENDED JUNE 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received:

| | |
|------------------------------|------------|
| Cash receipts from rentals | \$ 127,373 |
| USDA subsidy receipts | 227,819 |
| Rental charges | 1,153 |
| Security deposit forfeitures | 2,420 |

| | |
|---------------------|---------|
| Total cash received | 358,765 |
|---------------------|---------|

Expenses paid:

| | |
|----------------------------------|--------|
| Salaries and wages | 42,295 |
| Payroll taxes and benefits | 16,869 |
| Management fees | 23,443 |
| Contractor expenses | 6,284 |
| Utilities | 64,942 |
| Grounds maintenance and supplies | 7,164 |
| Security expenses | 185 |
| Insurance | 24,330 |
| Interest | 21,196 |

| | |
|---------------------|---------|
| Total expenses paid | 206,708 |
|---------------------|---------|

| | |
|---|---------|
| Net cash provided by operating activities | 152,057 |
|---|---------|

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---------------------------------------|---------|
| Proceeds from advances from affiliate | 176,476 |
| Purchase of property and equipment | (3,857) |

| | |
|---|---------|
| Net cash provided by investing activities | 172,619 |
|---|---------|

CASH FLOWS FROM FINANCING ACTIVITIES

| | |
|--------------------------------------|-----------|
| Principal payments on long-term debt | (123,169) |
|--------------------------------------|-----------|

| | |
|---------------------------------------|-----------|
| Net cash used in financing activities | (123,169) |
|---------------------------------------|-----------|

| | |
|--|---------|
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 201,507 |
|--|---------|

| | |
|---|---------|
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 102,601 |
|---|---------|

| | |
|---|------------|
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$ 304,108 |
|---|------------|

RECONCILIATION OF CHANGE IN NET ASSETS TO NET ASSETS PROVIDED BY OPERATING ACTIVITIES

| | |
|----------------------|--------------|
| Change in net assets | \$ (198,703) |
|----------------------|--------------|

Adjustments to reconcile change in net assets to net cash

provided by operating activities:

| | |
|--------------|---------|
| Depreciation | 209,936 |
|--------------|---------|

| | |
|---|---------|
| Amortization of discounts on long-term debt | 137,371 |
|---|---------|

Changes in assets and liabilities:

| | |
|---------------------------------|-------|
| Decrease in accounts receivable | 7,333 |
|---------------------------------|-------|

| | |
|------------------------------|-------|
| Decrease in prepaid expenses | (125) |
|------------------------------|-------|

| | |
|------------------------------|-----|
| Decrease in accounts payable | 572 |
|------------------------------|-----|

| | |
|------------------------------|---------|
| Increase in accrued expenses | (2,780) |
|------------------------------|---------|

| | |
|------------------------------|---------|
| Increase in deferred revenue | (1,547) |
|------------------------------|---------|

| | |
|---|------------|
| Net cash provided by operating activities | \$ 152,057 |
|---|------------|

See independent auditors' report.

**INDEPENDENT AUDITORS' 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**

To the Board of Trustees
Catholic Charities, Diocese of St. Petersburg, Inc. and Affiliates

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 combined financial statements of Catholic Charities, Diocese of St. Petersburg, Inc. and Affiliates (the "Organization"), which comprise the combined statement of financial position as of June 30, 2019 and the related combined statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the combined financial statements (the "financial statements"), and have issued our report thereon dated December 11, 2019.

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 a 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 a 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

Tampa, Florida
December 11, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE *UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF
THE STATE OF FLORIDA AUDITOR GENERAL***

To the Board of Trustees
Catholic Charities, Diocese of St. Petersburg, Inc. and Affiliates

Report on Compliance for Each Major Federal Program and State Project

We have audited Catholic Charities, Diocese of St. Petersburg, Inc. and Affiliates' (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Executive Officer of the Florida Governor's State Project Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs and state projects for the year ended June 30, 2019. The Organization's major federal programs and state projects are identified in the summary of auditors' 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 and state awards applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs and state projects 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 *Title 2 U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), and *Chapter 10.650, Rules of the State of Florida Auditor General*. Those standards and the *Uniform Guidance* and *Chapter 10.650* 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 and state project 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 and state project. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program and State Project

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 and state projects for the year ended June 30, 2019.

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 and state project 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 state project and to test and report on internal control over compliance in accordance with the *Uniform Guidance* and *Chapter 10.650*, 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 or state project 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 or state project 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 or state project 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* and *Chapter 10.650*. Accordingly, this report is not suitable for any other purpose.

Warren Averett, LLC

Tampa, Florida
December 11, 2019

**CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

| | | |
|---|------------------------------|---|
| Material weakness(es) identified? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| Significant deficiency(ies) identified? | Yes <input type="checkbox"/> | None Reported <input checked="" type="checkbox"/> |

Non-compliance material to financial statements noted? Yes No

Federal and State Awards

Internal control over major federal programs:

| | | |
|---|------------------------------|---|
| Material weakness(es) identified? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| Significant deficiency(ies) identified? | Yes <input type="checkbox"/> | None Reported <input checked="" type="checkbox"/> |

Internal control over major state projects:

| | | |
|---|------------------------------|---|
| Material weakness(es) identified? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| Significant deficiency(ies) identified? | Yes <input type="checkbox"/> | None Reported <input checked="" type="checkbox"/> |

Type of auditors’ report issued on compliance for major federal programs and state projects Unmodified

Any audit findings disclosed that are to be reported in accordance with *the Uniform Guidance* and *Chapter 10.650(1)(h) of Rules of the State of Florida Auditor General*? Yes No

Identification of major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program</u> |
|--------------------|--------------------------------------|
| 10.405 | Farm Labor Housing Loans and Grants |
| 14.231 | Emergency Solutions Grant Program |
| 14.239 | HOME Investments Partnership Program |
| 14.218 | Community Development Block Grant |

| <u>CFSA Number</u> | <u>Name of State Project</u> |
|--------------------|---|
| 40.901 | State Housing Initiatives Partnership Program |

See independent auditors’ report.

**CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors’ Results (continued)

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

Dollar threshold used to distinguish between Type A and
Type B major state projects \$ 639,914

Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – State Award Findings and Questioned Costs

None

Section V – Other Issues

See Summary Schedule of Prior Audit Findings for status of prior year audit findings.

See independent auditors’ report.

**CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019**

Finding Number 2018-001: Farm Labor Housing Loans and Grants

Condition

During 2018, funds from the reserve for replacement accounts for the San Jose Mission properties under a U.S. Department of Agriculture (“USDA”) grant were withdrawn in order to cover operating expenses for the San Jose Mission properties. The funds were withdrawn from the reserve for replacement accounts without the required authorization from the grantor, USDA, as required by the grant agreement.

Recommendation

The auditors recommended that the Organization implement a control policy in order to ensure that appropriate and required authorizations are received from the grantor prior to the withdrawal of any restricted funds.

Current Status

The Board of Directors has approved a new policy requiring approval by the Board of Directors, as well as the grantor, if applicable, prior to withdrawal of funds held in restricted accounts. The Board of Directors has also approved and transferred funds from one of the Organization’s savings accounts to the restricted reserve for replacement accounts in order to rectify the error and make the account balances whole. No similar findings were noted in the 2019 audit.

See independent auditors’ report.

**UNAUDITED SUPPLEMENTARY INFORMATION
FOR THE STATE FISCAL YEAR ENDED JUNE 30, 2019**

**CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
 SCHEDULE OF STATE EARNINGS (BENEDICT HAVEN)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (UNAUDITED)**

| | | | |
|-----------|---|-----------|----------------|
| 1. | Total expenditures | \$ | 239,988 |
| 2. | Less other state and federal funds | | - |
| 3. | Less non-match SAMH Funds | | - |
| 4. | Less unallowable costs per 65E-14, FAC | | - |
| 5. | Total Allowable Expenditures | \$ | 239,988 |
| | (Sum of lines 1, 2, 3, and 4) | | |
| 6. | Total amount of state earnings | | 179,991 |
| | (Line 5 times 75%) | | |
| 7. | Amount of state funds requiring match | | 48,780 |
| 8. | Amount due to department | \$ | 131,211 |
| | (Subtract line 7 from line 6. If negative, the amount of the difference is due the department up to the amount of line 7) | | |

See independent auditors' report.

**CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
 SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS (BENEDICT HAVEN)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (UNAUDITED)**

| | Allocation of Related Party Transactions Adjustment | | | | | Total |
|--|---|-------------------------------|-----|-----|-------|-------|
| | Related Party | State-Designated Cost Centers | | | | |
| | | 1 | 2 | 3 | | |
| Revenues From Grantee | | | | | | |
| Rent | XXX | | | | | 0 |
| Services | XXX | | | | | 0 |
| Interest | XXX | | | | | 0 |
| Other | XXX | | | | | 0 |
| Total Revenue From Grantee | XXX | 0 | 0 | 0 | 0 | 0 |
| Expenses Associated with Grantee Transactions | | | | | | |
| Personnel Services | YYY | | | | | 0 |
| Depreciation | YYY | | | | | 0 |
| Interest | YYY | | | | | 0 |
| Other | YYY | | | | | 0 |
| Total Associated Expenses | YYY | 0 | 0 | 0 | 0 | 0 |
| Related Party Transaction Adjustment | ZZZ | ZZZ | ZZZ | ZZZ | ZZZ | ZZZ |

THIS SCHEDULE IS NOT APPLICABLE TO THE ORGANIZATION

See independent auditors' report.

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
SCHEDULE OF BED-DAY AVAILABILITY PAYMENTS (BENEDICT HAVEN)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

| Program | Cost Center | State Contracted Rate | Total Units of Service Provided | Total Units of Service Paid for by 3rd Party Contracts, Local Govt. or Other State Agencies | Maximum # of Units Eligible for Payment by Department | Amount Paid for Services by the Department | Maximum \$ Value of Units in Column F | Amount Owed to Department |
|--|----------------------------------|-----------------------|---------------------------------|---|---|--|---------------------------------------|---|
| A | B | C | D | E | (D-E) F | G | (F x C) H | (G-H or \$0, whichever is greater) I |
| Children's MH | Crisis Stabilization Unit | | | | 0 | | \$0.00 | \$0.00 |
| Adult MH | Crisis Stabilization Unit | | | | 0 | | \$0.00 | \$0.00 |
| Children's SA | Substance Abuse Detox | | | | 0 | | \$0.00 | \$0.00 |
| Adult SA | Substance Abuse Detox | | | | 0 | | \$0.00 | \$0.00 |
| Adult MH | Short-term Residential Treatment | \$118.28 | 221 | 0 | 221 | \$48,780.00 | \$26,139.88 | \$22,640.12 |
| | | | | | 0 | | \$0.00 | \$0.00 |
| | | | | | 0 | | \$0.00 | \$0.00 |
| | | | | | 0 | | \$0.00 | \$0.00 |
| | | | | | 0 | | \$0.00 | \$0.00 |
| Total Amount Owed to Department = | | | | | | | | <u><u>\$22,640.12</u></u> |

See independent auditors' report.

CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
SCHEDULE OF SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUE (BENEDICT HAVEN)
CONTRACT #QB005 / DATE PREPARED: OCTOBER 15, 2019
BUDGET PERIOD: FROM JULY 1, 2018 TO JUNE 30, 2019
(UNAUDITED)

PART I: ACTUAL FUNDING SOURCES & REVENUES

| FUNDING SOURCES & REVENUES | STATE-DESIGNATED SAMH COST CENTERS | | | | | | | | | | |
|--|-------------------------------------|--|--|--|--|--|--|-------------------|-------------------------------|-------------|-----------------------------|
| | STATE SAMH-FUNDED COST CENTERS | | | | | | SAMH-Funded (C ₁ +...+C _x) | State-Funded E | Designated SAMH (D+E) F | Center G | Total Funding (F+G) H |
| | Resiliency Comm B _{1-a} | Program 1 (CC name) B _{1-b} | Program 1 (B _{1-a} +...+B _{1-x}) C ₁ | Program 2 (CC name) B _{2-a} | Program 2 (B _{2-a} +...+B _{2-x}) C ₂ | Program 2 (B _{2-a} +...+B _{2-x}) C ₂ | | | | | |
| A | B _{1-a} | B _{1-b} | C ₁ | B _{2-a} | B _{2-b} | C ₂ | D | E | F | G | H |
| IA. STATE SAMH FUNDING | | | | | | | | | | | |
| (1) CFBHN | 26,140.00 | | 26,140.00 | | | | 26,140 | | 26,140 | | 26,140 |
| (2) Behavioral Health Fee | - | | - | | | | 0 | | 0 | | 0 |
| (3) | | | - | | | | 0 | | 0 | | 0 |
| (4) | | | - | | | | 0 | | 0 | | 0 |
| (5) | | | - | | | | 0 | | 0 | | 0 |
| (6) From Other Districts | | | - | | | | 0 | | 0 | | 0 |
| TOTAL STATE SAMH FUNDING = | 26,140.00 | - | 26,140.00 | 0 | 0 | 0 | 26140 | 0 | 26140 | 0 | 26140 |
| IB. OTHER GOVT. FUNDING | | | | | | | | | | | |
| (1) Other State Agency Funding | | | - | | | | 0 | | 0 | | 0 |
| (2) Medicaid - Suncoast Region | | | - | | | | 0 | | 0 | | 0 |
| (3) Medicaid - All other Regions | | | - | | | | 0 | | 0 | | 0 |
| (4) Local Government | | | - | | | | 0 | | 0 | | 0 |
| (5) Federal Grants and Contracts | | | - | | | | 0 | | 0 | | 0 |
| (6) In-kind from local govt. only | | | - | | | | 0 | | 0 | | 0 |
| TOT. OTHER GOVT. FUNDING = | - | - | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| IC. ALL OTHER REVENUES | | | | | | | | | | | |
| (1) 1st & 2nd Party Payments | 51,539.57 | | 51,539.57 | | | | 51539.57 | | 51539.57 | | 51539.57 |
| (2) 3rd Party Payments (except Medicare) | - | | - | | | | 0 | | 0 | | 0 |
| (3) Medicare | - | | - | | | | 0 | | 0 | | 0 |
| (4) Contributions and Donations | 7,196.24 | | 7,196.24 | | | | 7196.24 | | 7196.24 | | 7196.24 |
| (5) Other | 1,223.05 | | 1,223.05 | | | | 1223.05 | | 1223.05 | | 1223.05 |
| (6) In-kind | | | - | | | | 0 | | 0 | | 0 |
| TOT. ALL OTHER REVENUES = | 59,958.86 | - | 59,958.86 | 0 | 0 | 0 | 59958.86 | 0 | 59958.86 | 0 | 59958.86 |
| TOTAL FUNDING = | 86,098.86 | - | 86,098.86 | 0 | 0 | 0 | 86098.86 | 0 | 86098.86 | 0 | 86098.86 |

See independent auditors' report.

**CATHOLIC CHARITIES, DIOCESE OF ST. PETERSBURG, INC. AND AFFILIATES
SCHEDULE OF SUBSTANCE ABUSE & MENTAL HEALTH SERVICES
PROGRAM / COST CENTER ACTUAL EXPENSES AND REVENUE (BENEDICT HAVEN)
CONTRACT #QB005 / DATE PREPARED: OCTOBER 15, 2019
BUDGET PERIOD: FROM JULY 1, 2018 TO JUNE 30, 2019
(UNAUDITED)**

PART II: ACTUAL EXPENSES

| EXPENSE CATEGORIES A | STATE-DESIGNATED SAMH COST CENTERS | | | | | | | | | | Center G | Costs (optional) H | Administration I | Total Expenses (F+G+H+I) J |
|---|------------------------------------|---------------------------------------|---|---------------------------------------|---------------------------------------|---|---|--------------------------|--------------------------------------|-------------------|--------------------|------------------------------|----------------------------|---|
| | STATE SAMH-FUNDED COST CENTERS | | | | | | Funded AMH (C ₁ +...+C _x) D | State-Funded E | Designated SAMH (D+E) F | *except IIC & IID | | | | |
| | Resiliency Comm B1-a | Program 1 (CC name) B1-b | Program 1 Total (B1-a+...+B1-x) C1 | Program 2 (CC name) B2-a | Program 2 (CC name) B2-b | Program 2 Total (B2-a+...+B2-x) C2 | | | | | | | | |
| IIA. PERSONNEL EXPENSES | | | | | | | | | | | | | | |
| (1) Salaries | 83,188.61 | | 83,188.61 | | | 0 | 83,188.61 | | | 83,188.61 | | | | 83,188.61 |
| (2) Fringe Benefits | 32,211.12 | | 32,211.12 | | | 0 | 32,211.12 | | | 32,211.12 | | | | 32,211.12 |
| TOTAL PERSONNEL EXPENSES = | 115,399.73 | - | 115,399.73 | 0 | 0 | 0 | 115,399.73 | 0 | 0 | 115,399.73 | 0 | 0 | 0 | 115,399.73 |
| IIB. OTHER EXPENSES | | | | | | | | | | | | | | |
| (1) Building Occupancy | 16,542.77 | | 16,542.77 | | | 0 | 16,542.77 | | | 16,542.77 | | | | 16,542.77 |
| (2) Professional Services | 45,841.15 | | 45,841.15 | | | 0 | 45,841.15 | | | 45,841.15 | | | | 45,841.15 |
| (3) Travel | 338.30 | | 338.30 | | | 0 | 338.30 | | | 338.30 | | | | 338.30 |
| (4) Equipment | 4,378.75 | | 4,378.75 | | | 0 | 4,378.75 | | | 4,378.75 | | | | 4,378.75 |
| (5) Food Services | 7,281.01 | | 7,281.01 | | | 0 | 7,281.01 | | | 7,281.01 | | | | 7,281.01 |
| (6) Medical and Pharmacy | 259.38 | | 259.38 | | | 0 | 259.38 | | | 259.38 | | | | 259.38 |
| (7) Subcontracted Services | - | | - | | | 0 | 0 | | | 0 | | | | 0 |
| (8) Insurance | 5,798.40 | | 5,798.40 | | | 0 | 5,798.40 | | | 5,798.40 | | | | 5,798.40 |
| (9) Interest Paid | - | | - | | | 0 | 0 | | | 0 | | | | 0 |
| (10) Operating Supplies & Expenses | 9,876.50 | | 9,876.50 | | | 0 | 9,876.50 | | | 9,876.50 | | | | 9,876.50 |
| (11) Other - Admin Allocation | - | | - | | | 0 | 0 | | | 0 | | 34,272.26 | | 34,272.26 |
| (12) Donated Items | - | | - | | | 0 | 0 | | | 0 | | | | 0 |
| TOTAL OTHER EXPENSES = | 90,316.26 | - | 90,316.26 | 0 | 0 | 0 | 90,316.26 | 0 | 0 | 90,316.26 | 0 | 0 | 34,272.26 | 124,588.52 |
| TOT. PERSONNEL & OTH. EXP. = | 205,715.99 | - | 205,715.99 | 0 | 0 | 0 | 205,715.99 | 0 | 0 | 205,715.99 | 0 | 0 | 34,272.26 | 239,988.25 |
| IIC. DISTRIBUTED INDIRECT COSTS | | | | | | | | | | | | | | |
| (a) Other Support Costs (Optional) | | | - | | | 0 | 0 | | | 0 | | 0 | | 0 |
| (b) Administration | 34,272.26 | | 34,272.26 | | | 0 | 34,272.26 | | | 34,272.26 | | | -34,272.26 | 0 |
| TOT. DISTR'D INDIRECT COSTS = | 34,272.26 | - | 34,272.26 | 0 | 0 | 0 | 34,272.26 | 0 | 0 | 34,272.26 | 0 | 0 | -34,272.26 | 0 |
| TOTAL ACTUAL OPER. EXPENSES = | 239,988.25 | - | 239,988.25 | 0 | 0 | 0 | 239,988.25 | 0 | 0 | 239,988.25 | 0 | 0 | 0 | 239,988.25 |
| IID. UNALLOWABLE COSTS | | | | | | | | | | | | | | |
| TOT. ALLOWABLE OPER. EXP. = | 239,988.25 | - | 239,988.25 | 0 | 0 | 0 | 239,988.25 | 0 | 0 | 239,988.25 | 0 | 0 | XXXXXXXXXX | XXXXXXXXXX |
| IIE. CAPITAL EXPENDITURES | | | | | | | | | | | | | | |
| | - | | - | | | 0 | 0 | | | 0 | | | | 0 |

See independent auditors' report.