

**Secretariat for Catholic Charities**  
**Combined Financial Report**  
**December 31, 2018 and 2017**

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## Independent Auditors' Report

Secretariat for Catholic Charities  
Cleveland, Ohio

We have audited the accompanying combined financial statements of the Secretariat for Catholic Charities which comprise the combined statements of financial position as of December 31, 2018 and 2017, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of 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 reasonable 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 Secretariat for Catholic Charities as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combined supplementary information on pages 25 to 30 is presented for purposes of additional analysis and is 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 audits 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.

*Meloney + Novotny LLC*

Cleveland, Ohio  
August 21, 2019

**Secretariat for Catholic Charities**

**Combined Statements of Financial Position  
December 31, 2018 and 2017**

	2018	2017
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 13,649,207	\$ 10,782,934
Receivables:		
Trade, net	9,943,319	9,031,026
Pledges	815,086	800,032
Related party	115,780	57,196
Inventory	248,108	234,737
Other	417,377	494,812
Total current assets	<u>25,188,877</u>	<u>21,400,737</u>
Investments	60,074,613	63,963,894
Other assets:		
Beneficial interest in perpetual trusts	11,758,519	13,121,297
Pledges receivable	66,000	-
Property, plant and equipment, net	12,576,561	11,671,109
Land held for future development	21,500	21,500
Goodwill	345,000	345,000
Other	100,456	98,103
Total other assets	<u>24,868,036</u>	<u>25,257,009</u>
Total assets	<u><u>\$110,131,526</u></u>	<u><u>\$ 110,621,640</u></u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Current portion of debt	\$ 47,980	\$ 54,287
Accounts payable	3,209,174	2,731,652
Due to third party payors	582,229	641,690
Accrued expenses	5,830,503	5,433,787
Related party	5,201	1,713
Deferred revenue	908,940	885,167
Accrued employee obligations	265,887	247,358
Total current liabilities	<u>10,849,914</u>	<u>9,995,654</u>
Other liabilities:		
Debt	33,377	81,421
Other	588,740	617,432
Accrued employee obligations	3,887,699	4,197,806
Total liabilities	<u>15,359,730</u>	<u>14,892,313</u>
Net assets:		
Without donor restrictions:		
Undesignated	32,588,830	29,252,166
Board designated	12,234,421	12,716,737
Total without donor restrictions	<u>44,823,251</u>	<u>41,968,903</u>
With donor restrictions	49,948,545	53,760,424
Total net assets	<u>94,771,796</u>	<u>95,729,327</u>
Total liabilities and net assets	<u><u>\$110,131,526</u></u>	<u><u>\$ 110,621,640</u></u>

See notes to financial statements.

**Secretariat for Catholic Charities**

**Combined Statement of Activities  
Year Ended December 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Catholic Charities:			
Annual appeal contributions	\$ 13,398,530	\$ 300,000	\$ 13,698,530
Bequests and special gifts	1,956,156		1,956,156
United Way	1,129,138	747,314	1,876,452
Program fees	19,928,218		19,928,218
Governmental	56,299,797		56,299,797
Contributions	2,358,194	2,282,109	4,640,303
Donated goods, facilities and services	447,792		447,792
Assisted living	2,483,901		2,483,901
Operating investment loss, net	(857,161)	(11,030)	(868,191)
Distributable investment income	1,283,936		1,283,936
Special events, net	121,897		121,897
Miscellaneous	752,469		752,469
Net assets released from restrictions	2,854,661	(2,854,661)	-
Total revenues and support	<u>102,157,528</u>	<u>463,732</u>	<u>102,621,260</u>
Expenses:			
Older adults	33,895,619		33,895,619
Children and family services	14,695,502		14,695,502
Substance use disorder	14,743,172		14,743,172
Disabilities	10,770,325		10,770,325
Parish/pastoral	6,355,109		6,355,109
Emergency and transitional	3,392,795		3,392,795
Total programs	<u>83,852,522</u>		<u>83,852,522</u>
Management and general	13,899,771		13,899,771
Fundraising	2,876,601		2,876,601
Total expenses	<u>100,628,894</u>		<u>100,628,894</u>
Change from operating activities	1,528,634	463,732	1,992,366
Non-operating activity:			
Loss on disposal of assets	(100,539)		(100,539)
Non-operating investment loss, net		(1,628,897)	(1,628,897)
Investment income distributed to operations		(1,283,936)	(1,283,936)
Change in value of beneficial interest in perpetual trusts		(1,362,778)	(1,362,778)
Postretirement benefits	323,814		323,814
Appeal contributions received in excess of allocation	800,000		800,000
Recovery of restitution	359,101		359,101
	<u>1,382,376</u>	<u>(4,275,611)</u>	<u>(2,893,235)</u>
Change in net assets	2,911,010	(3,811,879)	(900,869)
Net assets – beginning	41,968,903	53,760,424	95,729,327
Transfer of net assets	(56,662)		(56,662)
Net assets – ending	<u>\$ 44,823,251</u>	<u>\$ 49,948,545</u>	<u>\$ 94,771,796</u>

See notes to financial statements.

**Secretariat for Catholic Charities**

**Combined Statement of Activities  
Year Ended December 31, 2017**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Catholic Charities:			
Annual appeal contributions	\$ 13,436,740		\$ 13,436,740
Bequests and special gifts	833,262		833,262
United Way	1,108,595	\$ 775,032	1,883,627
Program fees	19,814,311		19,814,311
Governmental	54,503,947		54,503,947
Contributions	2,522,593	2,875,579	5,398,172
Donated goods, facilities and services	593,487		593,487
Assisted living	2,568,995		2,568,995
Operating investment income	1,963,264	95,477	2,058,741
Distributable investment income	1,242,986		1,242,986
Special events, net	128,188		128,188
Miscellaneous	480,212		480,212
Net assets released from restrictions	7,760,946	(7,760,946)	-
Total revenues and support	<u>106,957,526</u>	<u>(4,014,858)</u>	<u>102,942,668</u>
Expenses:			
Older adults	32,756,310		32,756,310
Children and family services	14,354,122		14,354,122
Substance use disorder	13,707,290		13,707,290
Disabilities	10,868,122		10,868,122
Parish/pastoral	6,602,872		6,602,872
Emergency and transitional	3,799,737		3,799,737
Total programs	<u>82,088,453</u>		<u>82,088,453</u>
Management and general	12,777,860		12,777,860
Fundraising	2,906,817		2,906,817
Total expenses	<u>97,773,130</u>		<u>97,773,130</u>
Change from operating activities	9,184,396	(4,014,858)	5,169,538
Non-operating activity:			
Gain on sale of assets	1,707,618		1,707,618
Non-operating investment income		4,713,988	4,713,988
Investment income distributed to operations		(1,242,986)	(1,242,986)
Change in value of beneficial interest in perpetual trusts		1,047,963	1,047,963
Postretirement benefits	(207,807)		(207,807)
Appeal contributions received in excess of allocation	450,000		450,000
Distribution of reserve funds	(30,765)		(30,765)
Rooted in Faith distributions	(551,291)		(551,291)
Distribution for debt repayment	(4,602,608)		(4,602,608)
	<u>(3,234,853)</u>	<u>4,518,965</u>	<u>1,284,112</u>
Change in net assets	5,949,543	504,107	6,453,650
Net assets – beginning	36,527,100	53,256,317	89,783,417
Transfer of net assets	(507,740)		(507,740)
Net assets – ending	<u>\$ 41,968,903</u>	<u>\$ 53,760,424</u>	<u>\$ 95,729,327</u>

See notes to financial statements.

**Secretariat for Catholic Charities**

**Combined Statement of Functional Expenses  
Year Ended December 31, 2018**

	Programs							Total Programs	Supporting Services	
	Total	Older Adults	Children and Family Services	Substance Use Disorder	Disabilities	Parish/Pastoral	Emergency and Transitional		Management and General	Fundraising
Salaries	\$ 54,680,462	\$ 18,316,160	\$ 8,756,250	\$ 8,877,108	\$ 6,876,186	\$ 2,735,088	\$ 1,385,177	\$ 46,945,969	\$ 7,299,726	\$ 434,767
Employee benefits	10,197,343	3,011,504	1,787,733	1,810,728	1,116,906	725,993	265,112	8,717,976	1,411,951	67,416
Payroll taxes	4,528,044	1,475,358	749,263	718,497	656,458	204,802	110,710	3,915,088	576,509	36,447
Total salaries and related expenses	69,405,849	22,803,022	11,293,246	11,406,333	8,649,550	3,665,883	1,760,999	59,579,033	9,288,186	538,630
Occupancy	6,990,112	1,791,514	965,993	1,270,263	796,943	846,169	516,944	6,187,826	797,916	4,370
Supplies	6,736,831	4,498,354	833,838	606,474	538,051	100,539	41,141	6,618,397	116,685	1,749
Purchased services	4,570,102	1,118,885	165,764	513,390	112,099	1,054,520	16,649	2,981,307	1,551,252	37,543
Special assistance	1,810,408		390,631	197,869	31,840	306,627	883,446	1,810,413	(5)	
Appeal and fund administration fee	2,250,000							-		2,250,000
Depreciation and amortization	1,639,767	1,181,083	138,526	83,810	103,038	43,604	39,229	1,589,290	42,685	7,792
Repairs and maintenance	1,656,104	402,433	191,910	152,908	39,890	63,245	31,476	881,862	768,649	5,593
Transportation	1,395,036	211,543	398,806	364,632	193,749	95,358	27,844	1,291,932	102,534	570
Organization and membership fees	1,385,764	1,051,641	27,900	997	160,674	6,904	1,298	1,249,414	136,280	70
Telephone	603,422	117,829	101,379	104,252	71,110	37,200	25,606	457,376	145,425	621
Miscellaneous	485,557	213,751	49,689	4,201	3,107	40,329	146	311,223	173,393	941
Conferences and meetings	337,335	586	85,988	24,607	67,921	72,618	5,453	257,173	79,669	493
Bad debt	431,069	431,069						431,069		
Other Catholic distributions	97,129						38,876	38,876	58,253	
Printing and publications	142,281	41,995	16,743	8,425	901	10,763	2,057	80,884	36,785	24,612
Postage	92,365	31,705	11,889	4,691	1,452	10,177	1,131	61,045	27,703	3,617
Awards and grants	44,509	209	23,200	320		1,173	500	25,402	19,107	
Catholic Charities - allocation	555,254							-	555,254	
Total expenses	\$ 100,628,894	\$ 33,895,619	\$ 14,695,502	\$ 14,743,172	\$ 10,770,325	\$ 6,355,109	\$ 3,392,795	\$ 83,852,522	\$ 13,899,771	\$ 2,876,601

See notes to financial statements.



**Secretariat for Catholic Charities**

**Combined Statement of Functional Expenses  
Year Ended December 31, 2017**

	Programs							Supporting Services		
	Total	Older Adults	Children and Family Services	Substance Use Disorder	Disabilities	Parish/Pastoral	Emergency and Transitional	Total Programs	Management and General	Fundraising
Salaries	\$ 53,111,470	\$ 17,642,791	\$ 8,432,538	\$ 8,337,368	\$ 7,038,160	\$ 2,735,463	\$ 1,461,602	\$ 45,647,922	\$ 6,976,649	\$ 486,899
Employee benefits	8,949,864	2,602,623	1,545,329	1,573,205	1,038,931	675,529	264,652	7,700,269	1,182,903	66,692
Payroll taxes	4,529,536	1,457,765	738,356	693,582	697,241	213,866	120,857	3,921,667	566,180	41,689
Total salaries and related expenses	66,590,870	21,703,179	10,716,223	10,604,155	8,774,332	3,624,858	1,847,111	57,269,858	8,725,732	595,280
Occupancy	7,080,325	1,878,968	926,089	1,156,939	684,058	940,675	543,455	6,130,184	943,650	6,491
Supplies	6,930,156	4,499,010	934,388	662,854	549,779	93,678	58,994	6,798,703	117,287	14,166
Purchased services	4,304,313	1,120,172	126,302	348,105	168,538	1,076,362	48,576	2,888,055	1,377,300	38,958
Special assistance	2,212,538	950	549,361	239,981	33,871	423,915	961,944	2,210,022	2,516	
Appeal and fund administration fee	2,193,500									2,193,500
Depreciation and amortization	1,525,326	1,126,427	108,055	64,134	110,828	38,434	28,557	1,476,435	42,374	6,517
Repairs and maintenance	1,721,332	446,119	290,423	160,357	37,175	48,882	44,532	1,027,488	685,746	8,098
Transportation	1,411,323	255,080	355,915	343,729	203,959	116,438	27,766	1,302,887	106,733	1,703
Organization and membership fees	1,373,908	1,035,069	32,796	5,051	161,516	6,552	1,140	1,242,124	131,018	766
Telephone	597,534	115,122	95,521	92,021	79,864	34,515	29,196	446,239	150,146	1,149
Miscellaneous	594,895	216,634	66,091	4,390	7,827	51,570	1,040	347,552	236,959	10,384
Conferences and meetings	361,503	2,674	93,262	11,982	54,725	111,701	3,109	277,453	79,165	4,885
Bad debt	282,052	282,052						282,052		
Other Catholic distributions	109,247		9,817				37,915	47,732	61,515	
Printing and publications	146,051	50,365	15,525	7,961	80	10,583	1,486	86,000	38,210	21,841
Postage	90,593	24,409	14,355	5,631	1,570	10,130	1,336	57,431	30,083	3,079
Awards and grants	68,997	80	19,999			14,579	14,454	49,112	19,885	
Catholic Charities - allocation	178,667						149,126	149,126	29,541	
Total expenses	\$ 97,773,130	\$ 32,756,310	\$ 14,354,122	\$ 13,707,290	\$ 10,868,122	\$ 6,602,872	\$ 3,799,737	\$ 82,088,453	\$ 12,777,860	\$ 2,906,817

See notes to financial statements.

**Secretariat for Catholic Charities**

**Combined Statements of Cash Flows  
Years Ended December 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
Cash flows from operating activities:		
Change in net assets	\$ (900,869)	\$ 6,453,650
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,639,767	1,525,326
Loss (gain) on sale of assets	2,944	(1,707,618)
Realized and unrealized losses (gains) on investments	3,946,171	(5,255,336)
Contribution of interest in perpetual trust	-	(822,500)
Change in value of beneficial interest in perpetual trusts	1,362,778	(1,047,963)
Change in:		
Receivables - trade, net	(912,293)	1,302,654
Other receivables	(139,638)	61,605
Inventory	(13,371)	(35,616)
Other assets	75,082	(51,645)
Land held for future development	-	184,105
Accounts payable	477,522	(174,008)
Due to third-party payors	(59,461)	(21,030)
Accrued expenses	396,716	320,301
Deferred revenue	23,773	(31,698)
Other liabilities	(25,204)	63,123
Accrued employee obligations	(291,578)	261,260
Net cash provided by operating activities	<u>5,582,339</u>	<u>1,024,610</u>
Cash flows from investing activities:		
Proceeds from sale of assets	12,139	1,773,775
Purchase of property, plant and equipment	(2,560,299)	(3,163,426)
Purchases of investments	(12,512,422)	(12,053,179)
Proceeds from sale of investments	12,455,529	10,568,648
Net cash used in investing activities	<u>(2,605,053)</u>	<u>(2,874,182)</u>
Cash flows from financing activities:		
Transfer of cash to Diocese of Cleveland Facilities Services Corporation	(56,662)	(507,740)
Increase in debt financing	-	28,759
Principal payments on debt	(54,351)	(60,260)
Net cash used in financing activities	<u>(111,013)</u>	<u>(539,241)</u>
Net increase (decrease) in cash and cash equivalents	2,866,273	(2,388,813)
Cash and cash equivalents:		
Beginning	<u>10,782,934</u>	<u>13,171,747</u>
Ending	<u>\$ 13,649,207</u>	<u>\$ 10,782,934</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 7,938</u>	<u>\$ 7,028</u>

Supplemental disclosure of non-cash investing and financing activities:

The Organization recorded a decrease in due from affiliate, with a corresponding decrease in bonds payable and interest rate swap liability of \$4,714,000 for 2017, due to the affiliates' payment on the bonds and the valuation change of the interest rate swap. The bond and related interest rate swap were fully repaid during 2017.

See notes to financial statements.

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements

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#### Note 1. Nature of Activities and Summary of Significant Accounting Policies

**Purpose:** The Secretariat for Catholic Charities is the unincorporated organization through which the Roman Catholic Bishop of the Diocese of Cleveland provides and oversees the delivery of health and human services to the people of the Diocese. These services are principally delivered through the incorporated entities presented in this report. Under the leadership of the Bishop of Cleveland and inspired by the Gospel, the Secretariat for Catholic Charities continues the mission of Jesus by responding to those in need through an integrated system of quality services designed to respect the dignity of every person and to build a just and compassionate society.

**Principles of combination:** The combined financial statements for the Secretariat for Catholic Charities (collectively the Organization) include the accounts of Catholic Charities Corporation (CCC), St. Augustine Manor and Affiliate (the Manor) and Rose-Mary Center (RM). In addition, the Catholic Community Foundation (the CCF) holds assets for the benefit of the Secretariat for Catholic Charities. Such assets in the amount of \$54,970,905 and \$49,902,565 for the years ended December 31, 2018 and 2017, respectively, and the related financial activity have been included in these combined financial statements. The financial activity of these entities has been combined. All significant intercompany accounts and transactions have been eliminated in the combination.

Significant accounting policies consist of the following:

**Basis of presentation:** The accompanying combined financial statements of the Organization have been prepared on the accrual basis of accounting, and in all material respects, in accordance with accounting principles generally accepted in the United States of America. The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions result from receipt of funds that are free from donor-imposed restrictions as to the timing or use of the funds. Net assets without donor restrictions also include those funds that have been designated for use by the Board of Directors of the Organization, as further described in Note 11.

Net assets with donor restrictions results from receipt of cash or other assets subject to donor (or certain grantor) stipulations that limit the use of the contributed assets. Some donor-imposed restrictions are temporary in nature, such as those resulting from timing differences between the receipt of funds and the incurrence of the related expenses. Other donor-imposed restrictions are permanent in nature where the funds are subject to the restrictions of donors that the principal be invested in perpetuity and only the income be utilized. These assets also include the Organization's proportionate interest in perpetual trusts. The Organization has no control of the trust assets or the investment of those assets, as they are held by an outside trustee. The value of future distributions of the trust assets is estimated based on the fair value of the underlying assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions. Certain revenues and support that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

**Cash and cash equivalents:** The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Concentration of credit risk:** The Organization places its cash and investments with financial institutions. Deposits with financial institutions may exceed Federal Depository Insurance Corporation insurance limits. Management believes the risk associated with exceeding these limits is balanced by the stability of the financial institutions involved.

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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#### Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

**Fair value of financial instruments:** The carrying amounts of financial instruments, including cash and cash equivalents, receivables, accounts payable and short-term borrowings, approximate fair value due to the short-term nature of these instruments. The fair value of investments is estimated based on quoted market prices, when available, or market prices provided by recognized broker dealers using nationally known pricing service. Funds held in trust by others are reported at fair value based on the Organization's proportionate interest in the fair value of the trusts. The carrying amount of bonds payable approximates fair value because the interest rates fluctuate with market interest rates offered to the Organization for debt with similar terms and maturities.

**Receivables - trade:** These receivables are due primarily from government agencies and residents. The Organization provides for uncollectible accounts receivable using the allowance method. For the years ended December 31, 2018 and 2017, the allowance for uncollectible accounts and contractual allowances totaled \$981,150 and \$681,196, respectively. Management estimates an allowance for delinquent accounts based on their review of delinquent accounts and an assessment of the Organization's historical evidence of collections.

**Pledges receivable:** Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated cash flows. The discounts on these amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

**Inventory:** Inventory is stated at the lower of cost or market derived by use of the first-in, first-out valuation method. Inventory consists primarily of medical supplies and pharmaceuticals.

**Investments:** Investments are reported in the combined statements of financial position at fair value with any realized and unrealized gains and losses reported in the combined statements of activities. Investment income and gains and losses are reported as increases or decreases in net assets in the accounting period in which they occur. Realized gains represent the difference between the proceeds and the carrying value of the investments sold. Unrealized gains and losses represent the difference between the cost and fair value of the investment.

**Property, plant and equipment:** Except as outlined below, property, plant and equipment are stated at cost or, for donated assets, at fair value at the date of acquisition. Expenditures that significantly increase values, change capacities or extend useful lives are capitalized. Depreciation and amortization are computed over the estimated useful life of the asset using the straight-line method. Repairs and maintenance costs are expensed as incurred. Leasehold improvements are amortized over the lease term.

**Goodwill:** Goodwill is recognized as the excess cost of an acquired entity over the amounts assigned to assets acquired and liabilities assumed. Goodwill is not amortized, but rather tested for impairment on an annual basis and more often if circumstances require. Impairment losses are recognized whenever the implied fair value of goodwill is less than its carrying value. Goodwill is the result of the Manor acquiring Generations Care Health Services in February 2010. Goodwill amounted to \$345,000 for the years ended December 31, 2018 and 2017. The Manor has determined that there was no impairment for the years ended December 31, 2018 and 2017.

**Impairment:** In accordance with the accounting standards on accounting for the impairment or disposal of long-lived assets, the Organization reviews for the impairment of long-lived assets, including goodwill, whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated future undiscounted cash flows is less than the carrying amount of the asset. No impairment losses were recognized in 2018 and 2017.

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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#### Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

**Hospice:** The Manor's hospice program contracts for patient room and board services with outside nursing homes to provide care to patients who elect hospice care under Medicare or Medicaid. The State of Ohio must pay the Manor, in addition to the applicable Medicare or Medicaid hospice daily or hourly rate, an amount equal to at least 95% of the Medicaid daily nursing home rate for room and board services furnished to the patient by the nursing home. Under the Manor's standard nursing home contracts, the Manor pays the nursing home this room and board net revenue and the net amount is included in older adult expenses. The Manor's related costs totaled \$1,187,940 and \$1,721,891 for the years ended December 31, 2018 and 2017, respectively, while related net revenue totaled \$1,109,175 and \$1,600,741 for 2018 and 2017, respectively. This resulted in net costs of \$78,765 and \$121,150 for the years ended December 31, 2018 and 2017, respectively, which are included in older adult purchased services.

**Deferred revenue:** Deferred revenue includes advances from governmental agencies and program service fees. This revenue is recognized when services are performed and expenses are incurred.

**Pension and postretirement plans:** The Organization recognizes the funded status of its postretirement benefit and pension plans in the combined statements of financial position. The funded status is the difference between the fair value of the plan assets and the benefit obligation.

**Revenue recognition:** Contributions are recognized as revenue when received or unconditionally pledged and are recorded as with or without donor restrictions depending on the nature of any donor restrictions. Governmental, related party and program fee revenue is recognized when the services associated with those revenue streams have been provided. The United Way allocation is recognized as revenue when received or when the promise to give has been committed. The Catholic Charities revenue is recognized ratably over the course of the year in which it is allocated. Contributions to be received from the Diocesan-wide fundraising campaign, Rooted in Faith, are recognized as revenue when committed from and quantified by the Diocese of Cleveland.

Contributed services, including meals and facilities, are recognized at estimated fair value when the service is rendered, or the facilities are utilized.

**Allocation of functional expenses:** The costs of providing various programs and other activities have been summarized on a functional basis in the combined statements of activities and by natural classification in the combined statements of functional expenses. Accordingly, certain costs have been allocated to program services, management and general and fundraising as determined by management of the Organization. Employee related expenses are allocated based on the time an individual spends performing services. General expenses are directly charged to specific programs based on the nature of the expense.

**Use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Tax status:** The entities that comprise the Organization are tax exempt under Section 501(c)(3) of the Internal Revenue Code. Contributions to the entities qualify as charitable contributions.

**Uncertain income tax positions:** The Financial Accounting Standards Board (FASB) provides guidance for how uncertain income tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing tax returns to determine whether the tax positions are more-likely-than-not of being sustained when challenged or when examined by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense and liability in the current year. For the years ended December 31, 2018 and 2017, management has determined that there are no uncertain tax positions.

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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#### Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

**Risk and uncertainties:** The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that those changes could materially affect the amounts reported in the combined statement of financial position.

**Change in accounting principle:** On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The 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. The Organization adopted the provisions of this new standard during the year ended December 31, 2018 and adjusted the presentation in these combined financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

**Subsequent events:** The Organization has evaluated subsequent events for potential recognition and/or disclosure through August 21, 2019, the date the combined financial statements were available to be issued.

**Reclassifications:** Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

#### Note 2. Liquidity and Availability

The Organization regularly monitors liquidity required to meet its operating needs. The Organization has various sources of liquidity including cash and cash equivalents and investments. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover operating expenses.

The Organization receives contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets and
- Maintaining sufficient reserves to provide reasonable assurance that future opportunities of a long-term nature can be acted upon.

To achieve these targets, the Organization forecasts its future cash flows and monitors its liquidity and reserves monthly.

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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#### Note 2. Liquidity and Availability (Continued)

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the combined statement of financial position date, comprise the following:

	2018	2017
Cash and cash equivalents	\$ 13,649,207	\$ 10,782,934
Receivables, net	10,874,185	9,863,254
Investments	44,143,317	47,529,594
Anticipated distributions from investments	1,165,000	1,129,000
	<u>\$ 69,831,709</u>	<u>\$ 69,304,782</u>

#### Note 3. Fair Value Disclosures

The Organization measures financial instruments at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting principles and standards established a three level hierarchy for disclosure to show the extent and the level of judgment used to estimate fair value measurements:

Level 1 – Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

For the years ended December 31, 2018 and 2017, the application of valuation techniques applied to similar assets and liabilities has been consistent. The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risks associated with investing in those instruments.

The following is a description of the valuation methodologies used for instruments measured at fair value:

**Investments:** The fair value of investment securities is the fair value based on quoted market prices, when available, or market prices provided by recognized broker dealers using nationally known pricing services.

**Investments - pooled funds at the CCF:** The Organization participates in a pooled fund held and managed by the CCF. The CCF provides the fair value of the Organization's proportionate interest in the CCF pooled funds. The underlying assets in the pooled fund investment portfolios consist of securities, whose fair value is based on quoted market prices. In accordance with the terms of the agreement between the Organization and the CCF, the Organization may request, with the members' approval, partial or complete distribution of the pooled funds at any time.

**Secretariat for Catholic Charities**

**Notes to Combined Financial Statements (Continued)**

**Note 3. Fair Value Disclosures (Continued)**

**Beneficial interest in perpetual trusts:** The fair value of the beneficial interest in perpetual trusts represents the Organization's proportionate interest in the value of the trusts. The fair values of the trusts were provided by the respective trustees. The fair value of the underlying assets in the trusts is based on quoted market prices.

**Fair value on a recurring basis:** The tables below present the balance of assets and liabilities measured at fair value on a recurring basis as of December 31:

	2018			
	Total	Level 1	Level 2	Level 3
Financial assets:				
Investments:				
Pooled funds at the CCF	\$ 56,430,207	\$ -	\$ 56,430,207	\$ -
Brokered certificates of deposit	25,000	-	25,000	-
Common stock	590,747	590,747	-	-
Money market funds	453,613	453,613	-	-
Government securities	199,287	199,287	-	-
Bonds - corporate	2,300,599	2,300,599	-	-
Mutual funds	75,160	75,160	-	-
Beneficial interest in perpetual trusts	11,758,519	-	-	11,758,519
Total assets	<u>\$ 71,833,132</u>	<u>\$ 3,619,406</u>	<u>\$ 56,455,207</u>	<u>\$ 11,758,519</u>

	2017			
	Total	Level 1	Level 2	Level 3
Financial assets:				
Investments:				
Pooled funds at the CCF	\$ 49,976,040	\$ -	\$ 49,976,040	\$ -
Brokered certificates of deposit	419,700	-	419,700	-
Common stock	604,604	604,604	-	-
Money market funds	324,666	324,666	-	-
Government securities	212,215	212,215	-	-
Bonds - corporate	12,341,718	12,341,718	-	-
Mutual funds	84,951	84,951	-	-
Beneficial interest in perpetual trusts	13,121,297	-	-	13,121,297
Total assets	<u>\$ 77,085,191</u>	<u>\$ 13,568,154</u>	<u>\$ 50,395,740</u>	<u>\$ 13,121,297</u>



## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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#### Note 3. Fair Value Disclosures (Continued)

The underlying investments of the pooled funds at the CCF are measured at fair value based on quoted prices in active markets and were comprised of the following at December 31:

	2018	2017
Equities	57.84%	63.25%
Fixed income	39.42%	33.61%
Cash	2.74%	3.14%
Total	<u>100.00%</u>	<u>100.00%</u>

The changes in the fair value of the Level 3 assets are summarized as follows for the years ending December 31:

	Beneficial Interest in Perpetual Trusts
Balance, January 1, 2017	\$ 11,250,834
Contribution	822,500
Change in fair value of beneficial interest in perpetual trusts	<u>1,047,963</u>
Balance, December 31, 2017	13,121,297
Contribution	-
Change in fair value of beneficial interest in perpetual trusts	<u>(1,362,778)</u>
Balance, December 31, 2018	<u>\$ 11,758,519</u>

#### Note 4. Related Party Transactions

The Diocese of Cleveland began to distribute the proceeds of a diocesan-wide fundraising campaign entitled Rooted in Faith in 2012. The Organization received \$57,126 and \$378,812 in 2018 and 2017, respectively, and recorded a related party receivable of \$104,288 and \$57,126 as of December 31, 2018 and 2017, respectively. A balance of \$372,812 and \$647,731 is included in net assets with donor restrictions at December 31, 2018 and 2017, respectively. The Organization applied \$379,207 and \$793,988 toward reimbursement of expenditures in 2018 and 2017, respectively.

The Organization purchased health, professional, general liability and workers' compensation insurance through the Diocese of Cleveland. The cost to the Organization was approximately \$8,798,000 and \$8,185,000 for 2018 and 2017, respectively.

#### Note 5. Investments

Under the Organization's portfolio policy governing transfer of funds for operations, 5% of the weighted average fair value of the portfolio for the preceding 3-year period is available for current operations. This calculation equated to \$1,283,936 and \$1,242,986 in portfolio funds available for operations for the years ended December 31, 2018 and 2017, respectively, which were the amounts transferred also.

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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#### Note 5. Investments (Continued)

The composition of investment income, net is as follows for the years ended December 31:

	2018	2017
Interest and dividends	\$ 1,376,803	\$ 1,434,553
Investment management fees	(194,510)	(149,851)
Investment income received from perpetual trust	266,790	232,691
Unrealized and realized (losses) gains on investments	(3,946,171)	5,255,336
	<u>\$ (2,497,088)</u>	<u>\$ 6,772,729</u>

These amounts are reflected in the combined statements of activities as follows:

	2018	2017
Operating investment (loss) income	\$ (868,191)	\$ 2,058,741
Non-operating investment (loss) income	(1,628,897)	4,713,988
	<u>\$ (2,497,088)</u>	<u>\$ 6,772,729</u>

The Organization considers earned and unspent investment income generated from donor restricted investments to be non-operating income.

#### Note 6. Pledges Receivable

Pledges receivable consist of unconditional promises to give from individuals, foundations and other entities amounting to \$881,086 and \$800,032 as of December 31, 2018 and 2017, respectively. No allowance for uncollectible pledges was deemed necessary. The following summarizes expected pledge payments, net of discount, as of December 31, 2018:

Year Ending December 31,	
2019	\$ 815,086
2020	66,000
Total commitment	<u>\$ 881,086</u>

#### Note 7. Beneficial Interest in Perpetual Trusts

CCC, RM and the Manor are the irrevocable beneficiaries and recipients of income from funds held in trust by others, which operate in perpetuity. The Organization has no control of the fund assets, as the trustees of these funds have discretion over the investment of the fund assets. The change in fair value of the beneficial interest in the trust assets in the amount of \$(1,362,778) and \$1,047,963 for the years ended December 31, 2018 and 2017, respectively, is included in revenue and support with donor restrictions in the combined statements of activities. The Organization's share of the present value of the funds held by others is \$11,758,519 and \$13,121,297 at December 31, 2018 and 2017, respectively.

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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#### Note 8. Property, Plant and Equipment

Property, plant and equipment consist of the following at December 31:

	2018	2017
Land and improvements	\$ 164,653	\$ 144,276
Building and improvements	18,453,303	17,246,373
Furniture and equipment	14,632,345	14,045,282
Leasehold improvements	2,392,885	2,169,154
Vehicles	2,146,335	2,177,330
Construction in progress	594,624	573,193
	<u>38,384,145</u>	<u>36,355,608</u>
Less accumulated depreciation and amortization	<u>(25,807,584)</u>	<u>(24,684,499)</u>
	<u>\$ 12,576,561</u>	<u>\$ 11,671,109</u>

Depreciation and amortization expense for the years ended December 31, 2018 and 2017 was \$1,639,767 and \$1,525,326 respectively.

#### Note 9. Debt

The Organization has entered into various debt arrangements which are summarized as follows and are more fully explained below:

	2018	2017
Notes payable - Rose-Mary	<u>\$ 81,357</u>	<u>\$ 135,708</u>

Future minimum principal payments on the debt are as follows:

2019	\$ 47,980
2020	26,158
2021	7,219
	<u>\$ 81,357</u>

#### Bonds Payable - Parmadale

On September 11, 2008, the City of Parma, Ohio issued \$5,800,000 Ohio Healthcare Facilities Revenue Bonds, Series 2008 (the Bonds) to assist in financing the costs to acquire, construct and equip three new residential intensive treatment facilities to adjoin two existing healthcare facilities and a multipurpose center on property owned by the Diocese of Cleveland Facilities Services Corporation (DOCFSC). The Bonds were paid in full in January 2017. The related property was sold during 2017 for \$1,743,310 and recognized as a gain on sale of \$1,712,546.

#### Notes Payable - Rose Mary

RM entered into several loans, primarily to finance the purchase of vehicles, between 2012 and 2017. These loans mature between 2020 and 2021, with interest rates that range from 5.14% to 7.35%. RM incurred interest costs of \$7,675 and \$7,726 for the years ended December 31, 2018 and 2017, respectively. The amount outstanding on these loans at December 31, 2018 and 2017 totaled \$81,357 and \$135,708, respectively.

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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#### Note 9. Debt (Continued)

##### Forgivable Loan Program

The Ohio Department of Mental Health and Addiction Services (ODMHAS) holds an Open End Mortgage on the Parmadale intensive treatment center and multi-purpose facility. The 40-year, \$2,000,000 mortgage was entered into July 1993. The mortgage bears no interest and requires no payments if the facility continues to be utilized for mental health services. In the event the facility is used for a purpose other than approved mental health service as determined by the ODMHAS, payment would be required in an amount equal to the balance of \$729,167 and \$779,167 at December 31, 2018 and 2017, respectively. The Organization intends to utilize the facility in accordance with the ODMHAS requirement and, as such, has not recorded the liability.

#### Note 10. Accrued Employee Obligations

##### Defined Contribution Plans

The Organization provides a variety of defined contribution retirement plans which cover all employees who meet certain requirements. For the years ended December 31, 2018 and 2017, the Organization made contributions in the amount of \$1,841,813 and \$1,603,283, respectively, for these plans.

##### Defined Benefit Plans

RM participates in the Catholic Diocese of Cleveland Pension Plan (the Plan) which is a multi-employer plan to which RM is required to make an annual contribution based on earnings of participants for the year. The Plan is administered by the Diocese Group Life and Pension Office. RM has no other obligations or responsibilities with respect to the Plan. Expenses under the Plan were \$404,171 and \$409,747 in 2018 and 2017, respectively.

##### Postretirement Benefit Plan

CCC has a postretirement benefit plan that provides medical and life insurance coverage for retirees who meet their years of service requirement. Information relative to the Organization's postretirement benefit plan is presented below as of and for the years ended December 31:

	2018	2017
Accumulated postretirement benefit obligation, beginning	\$ (4,445,164)	\$ (4,183,904)
Employer service cost	(25,115)	(21,647)
Interest cost	(151,252)	(162,716)
Actuarial gain (loss)	323,814	(207,807)
Benefits paid	144,131	130,910
Accumulated postretirement benefit obligation, ending	<u>\$ (4,153,586)</u>	<u>\$ (4,445,164)</u>
Amounts recognized on the combined statements of financial position:		
Current	\$ 265,887	\$ 247,358
Long-term	3,887,699	4,197,806
	<u>\$ 4,153,586</u>	<u>\$ 4,445,164</u>

**Secretariat for Catholic Charities**

**Notes to Combined Financial Statements (Continued)**

**Note 10. Accrued Employee Obligations (Continued)**

**Postretirement Benefit Plan (Continued)**

	2018	2017
Amounts recognized for the year:		
Employer contributions	\$ 144,131	\$ 130,910
Benefits paid	\$ 144,131	\$ 130,910
Components of net periodic benefit cost:		
Employer service cost	\$ 25,115	\$ 21,647
Interest cost	151,252	162,716
Net prior service cost amortization	-	-
Net loss amortization	-	-
Net periodic benefit cost	\$ 176,367	\$ 184,363
Amounts not yet recognized in the net periodic benefit cost:		
Net (loss) gain	\$ (117,368)	\$ 206,446
Weighted average assumptions:		
Discount rate	4.25%	3.50%
Rate of increase in the per capita cost of covered health care benefits	7.00%	7.00%
Expected benefit payments during the years ending December 31 are:		
2019	\$ 265,887	
2020	270,754	
2021	272,265	
2022	273,710	
2023	273,313	
2024-2028	1,325,358	

Employer contributions expected to be paid during the year ended December 31, 2019 are approximately \$266,000.

For measurement purposes, a 7.0% annual rate of increase in the per capita cost of covered health care benefits is assumed for 2019. This rate is assumed to decrease at .5% per year until reaching 5.0% in 2022 and remaining level thereafter. The effect of a 1% increase or decrease in the medical cost trend rate would result in a \$147,298 increase or \$126,265 decrease in the accumulated postretirement benefit obligation, respectively.

The plan is not eligible for Medicaid Part D prescription drug subsidy.

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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#### Note 11. Board Designated Net Assets

A portion of net assets without donor restrictions has been designated for the following purposes at December 31:

	2018	2017
Future Operating Reserve	\$ 6,357,191	\$ 6,422,477
Capital Replacement and/or Major Repairs	3,459,391	3,919,767
Annual Appeal Reserve	1,457,477	1,439,644
Camperships	425,628	446,268
Athletic Grants	231,831	181,831
Summit County support	120,016	125,706
Cleveland Diocese Evaluation for Marriage program Initiatives	116,387	114,544
Land held for future development	45,000	45,000
	21,500	21,500
	<u>\$ 12,234,421</u>	<u>\$ 12,716,737</u>

CCC has designated reserves for the benefit of the Catholic Charities entities within the Diocese of Cleveland. These include:

The Future Operating Reserve was created to provide organizational flexibility. It may be used to launch new projects or to meet other organizational needs. It is funded when both the annual appeal reserve and the capital replacement and/or major repairs funds have achieved their defined limits.

The Capital Replacement and/or Major Repairs Fund exists to provide funding for large capital projects or significant capital repairs. It is funded when fundraising exceeds allocation commitments and from the sale of property. The size of the fund is limited to the capital needs defined in the DOCFSC five year capital plan.

The Annual Appeal Reserve is primarily intended to provide organizational stability in the event that annual appeal funds raised annually fall short of a year's planned allocations. It is funded in years of excess fundraising and drawn down when commitments exceed funds raised. The size of the fund is generally limited to 10% of the annual fundraising target.

The amount of appeal contributions received in excess of allocation commitments is reflected as non-operating revenue in the combined statements of activities. Distributions from the funds to other organizations such as DOCFSC are shown as non-operating expenses. In 2018 and 2017, \$0- and \$30,765, respectively, was paid to DOCFSC for improvements at facilities used by the Organization.

#### Note 12. Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes at December 31 and were released for the following purposes for the years then ended:

**Secretariat for Catholic Charities**

**Notes to Combined Financial Statements (Continued)**

**Note 12. Net Assets With Donor Restrictions (Continued)**

	Net Assets Available		Net Assets Released	
	2018	2017	2018	2017
Time restrictions:				
United Way	\$ 747,314	\$ 775,032	\$ 775,032	\$ 774,575
Partners in Giving	33,637	40,876	40,876	-
Purpose restrictions:				
General health and welfare - Diocese of Cleveland	14,775,599	16,695,419	58,253	61,515
Children and family services	2,073,139	2,496,710	558,342	5,042,146
Emergency and transitional	4,528,968	4,949,993	270,941	118,349
Disabilities	2,206,408	2,112,882	197,184	818,302
Rooted in Faith	372,812	647,731	379,207	793,988
Substance use disorder	651,083	-	-	-
Older adults	1,290,112	1,566,906	549,967	118,576
Capital projects	421,534	265,401	17,804	-
Special purposes	36,531	56,037	-	14,428
Social action	23,360	25,415	7,055	19,067
Subject to spending policy and appropriation:				
General health and welfare - Diocese of Cleveland	11,037,860	11,279,397	-	-
End of life care	5,447,683	6,095,978	-	-
Children and family services	3,359,394	3,464,035	-	-
Disabilities	994,761	1,353,628	-	-
Older adults	1,211,233	1,197,867	-	-
Emergency and transitional	737,117	737,117	-	-
	<u>\$ 49,948,545</u>	<u>\$ 53,760,424</u>	<u>\$ 2,854,661</u>	<u>\$ 7,760,946</u>

**Note 13. Appeal and Fund Administration Fee**

CCC contracted with the CCF to provide operational and fundraising support. CCC was charged a net fee of \$2,250,000 and \$2,193,500 by the CCF in 2018 and 2017, respectively.

**Note 14. Donated Goods, Facilities and Services**

The Organization received in kind contributions and related expenses with a value of \$447,792 and \$593,487 for the years ended December 31, 2018 and 2017, respectively. These donated goods and services were utilized to further the charitable purpose of the Organization.

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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#### Note 15. Lease Commitments

The Organization leases various operating space and equipment under noncancelable long-term leases. Rental expense for these various items, including various items leased under month to month leases, for the years ended December 31, 2018 and 2017 was \$2,706,429 and \$2,481,249, respectively. The future minimum lease payments at December 31, 2018 are as follows:

2019	\$ 425,154
2020	271,456
2021	140,562
2022	91,271
2023	49,570
Thereafter	24,269
	<u>\$ 1,002,282</u>

#### Note 16. Endowment Funds

The Organization's endowment primarily consists of assets held at the CCF which consist of donor-restricted endowment funds established for a variety of purposes. As the assets are held by the CCF for the sole benefit of the Organization, the CCF's investment policies are described below to illustrate the strategies and return objectives for these assets. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of relevant law:** The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization maintains in perpetuity (a) the original value of donor-restricted gifts donated to the endowment and (b) the original value of subsequent donor-restricted gifts to the endowment. Any accumulations to the endowment are included in net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard prudence prescribed by UPMIFA.

**Return objectives and strategies:** The CCF places great importance on risk reduction through asset allocation and style diversification. Investment results are measured using a rolling three to five year period or a market cycle. The following are the investment performance objectives, in order of importance, for the portfolio:

- To generate a real annual compound rate of return, inclusive of interest income, dividends and net capital appreciation over the measurement period, at least equal to the sum of the annual payout percentage provided for in the distribution policy plus inflation (for example 5% distribution policy + inflation + investment management cost).
- To obtain a total return on the portfolio, net of all investment related fees, that exceeds the total return of the policy benchmark.
- Performance will be evaluated versus achievement of distribution policy and comparisons to a similar set of investments.

The goals of the strategic asset allocation policy are to establish a long-term asset allocation plan for the CCF's portfolio that is consistent with objectives and guidelines contained in this policy and carried out in an efficient manner. To that end, this policy establishes an acceptable range, defined to be any percentage above minimum and below maximum percentage of the portfolio allocated to a particular asset class and a target percentage, defined to be the percentage goal for the investment of the portfolio in that asset class.



## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

#### Note 16. Endowment Funds (Continued)

##### Return objectives and strategies (Continued):

Market value fluctuations and operational needs may cause variations from the strategic asset allocation policy ranges stated in this policy. To ensure allocations are consistent with the allocation policy, rebalancing the portfolio is done quarterly using the quarterly end portfolio values. The CCF does not deem it acceptable to time the market with tactical allocation shifts. The intention of this policy is to avoid short-term judgments that introduce significant unplanned risk.

**Distribution policy:** Distributions from the endowment funds are spent in compliance with the donor's restrictions applicable to the fund being distributed. Annual distributions from endowment funds are limited to not more than 5% of the average weighted fair value of the investable assets for the past three years.

Endowment net asset composition by type and changes in endowment net assets for the years ended December 31, 2018 and 2017:

	Accumulated Gains	Original Gift Amount
Endowment ending balance, January 1, 2017	\$ 7,321,291	\$ 10,991,893
Investment income, net	337,599	-
Realized and unrealized gains	2,248,920	-
	<u>2,586,519</u>	-
Gifts and other additions	-	5,875
Expenditures and other releases	(797,393)	-
Transfer of net assets	(8,957)	8,957
Endowment ending balance, December 31, 2017	<u>9,101,460</u>	<u>11,006,725</u>
Investment income, net	353,417	-
Realized and unrealized losses	(1,184,664)	-
	<u>(831,247)</u>	-
Gifts and other additions	-	13,366
Expenditures and other releases	(797,797)	-
Transfer of net assets	(8,736)	9,438
Endowment ending balance, December 31, 2018	<u>\$ 7,463,680</u>	<u>\$ 11,029,529</u>

#### Note 17. Charity Care and Community Benefit Support

In the ordinary course of business, the Organization renders services to patients who are financially unable to pay for medical care. The Organization provides care to these patients who meet certain criteria under its charity care policy without charge. Charity care eligibility is established based on limited or no insurance coverage, income compared to published poverty levels and family size, as well as other factors. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The Organization maintains records to identify and monitor the level of charity care it provides. Charity care is measured based on the Organization's estimated direct and indirect costs of providing uncompensated days associated with providing charity care to its patients. The amount of charity care provided during the years ended December 31, 2018 and 2017 was approximately \$958,000 and \$922,000, respectively.

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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#### Note 17. Charity Care and Community Benefit Support (Continued)

In addition to charity care, the Organization provides services under the Medicaid program for financially needy patients, for which the payments received were less than the cost of providing the services. The Organization follows the practice of accumulating all direct and indirect costs, determining a per resident day rate and applying that rate to the Medicaid days provided to estimate the total community benefit support. The unpaid costs attributable to providing services under this program, and thus considered a community benefit, were estimated to be approximately \$4,890,000 and \$3,700,000 in 2018 and 2017, respectively.

#### Note 18. Contingencies

The Organization operates in an environment subject to extensive federal and state laws, rules and regulations, including payment for services, conduct of operations and facility and professional licensure. Changes in law and regulatory interpretations could reduce the Organization's revenue. The Organization is from time to time subject to claims and suits for damages arising in the normal course of business. Management believes the ultimate resolution of any claims will not have a material adverse effect on the financial position, changes in net assets or liquidity of the Organization.

In 2015, RM began to identify, build and/or modify seven properties in the community to serve as homes for the individuals who lived at the main center, in anticipation of moving those individuals into the community based homes in 2016. To facilitate this process, Catholic Charities Housing Corporation (CCHC), a subsidiary of DOCFSC, entered into a loan agreement with a commercial bank to obtain up to \$3,000,000 in financing. RM transferred \$6,708 to CCHC for this purpose. The Organization also entered into an agreement to guarantee the loan. The loan was amended on March 20, 2017 to extend the maturity date to March 1, 2027. Prior to the maturity date, interest is payable monthly until the maturity date. The outstanding balance was \$2,303,108 and \$2,884,444 as of December 31, 2018 and 2017, respectively.

The loan accrues interest at the LIBOR rate plus 2.5%. As a condition of the loan, the commercial bank required the Organization to enter into a Guaranty of Payment. Under the terms of the agreement, the Organization irrevocably and unconditionally covenants and agrees to be liable for the loan as the primary obligor. In the event of default by CCHC, the Organization would be liable for repayment of the loan. For the years ended December 31, 2018 and 2017, the Organization considers any payment under the guarantee to be remote and has not recorded a liability related to the guarantee.

## Supplementary Information

## Secretariat for Catholic Charities

### Details of Combined Statement of Financial Position December 31, 2018

	Catholic Charities Corporation	Catholic Community Foundation for the Benefit of the Organization	St. Augustine Manor and Affiliate	Rose-Mary Center	Eliminations	Total
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 9,450,779	\$ 151,302	\$ 2,719,910	\$ 1,327,216	\$ -	\$ 13,649,207
Receivables:						
Trade, net	4,697,983	800	4,533,788	725,953	(15,205)	9,943,319
Pledges	747,314	-	-	67,772	-	815,086
Related party	115,780	-	-	-	-	115,780
Inventory	-	-	248,108	-	-	248,108
Other	214,596	-	77,429	125,352	-	417,377
Total current assets	15,226,452	152,102	7,579,235	2,246,293	(15,205)	25,188,877
Investments	26,622,632	54,818,803	2,907,498	1,200,410	(25,474,730)	60,074,613
Other assets:						
Beneficial interest in perpetual trusts	6,195,632	-	5,247,683	315,204	-	11,758,519
Pledges receivable	-	-	-	66,000	-	66,000
Property, plant and equipment, net	1,942,581	-	10,065,368	568,612	-	12,576,561
Land held for future development	21,500	-	-	-	-	21,500
Goodwill	-	-	345,000	-	-	345,000
Other	100,456	-	-	-	-	100,456
Total other assets	8,260,169	-	15,658,051	949,816	-	24,868,036
Total assets	\$ 50,109,253	\$ 54,970,905	\$ 26,144,784	\$ 4,396,519	\$ (25,489,935)	\$ 110,131,526
<b>Liabilities and Net Assets</b>						
Current liabilities:						
Current portion of debt	\$ -	\$ -	\$ -	\$ 47,980	\$ -	\$ 47,980
Accounts payable	1,222,829	-	1,599,278	387,067	-	3,209,174
Due to third party payors	-	-	582,229	-	-	582,229
Accrued expenses	2,819,003	-	2,383,771	627,729	-	5,830,503
Related party	-	24,931,784	-	-	(24,926,583)	5,201
Deferred revenue	908,940	-	-	-	-	908,940
Accrued employee obligations	265,887	-	-	-	-	265,887
Total current liabilities	5,216,659	24,931,784	4,565,278	1,062,776	(24,926,583)	10,849,914
Other liabilities:						
Debt	-	-	-	33,377	-	33,377
Other	367,633	-	221,107	-	-	588,740
Accrued employee obligations	3,887,699	-	-	-	-	3,887,699
Total liabilities	9,471,991	24,931,784	4,786,385	1,096,153	(24,926,583)	15,359,730
Net assets:						
Without donor restrictions:						
Undesignated	16,908,705	-	13,556,393	2,123,732	-	32,588,830
Board designated	11,119,459	-	1,114,962	-	-	12,234,421
Total without donor restrictions	28,028,164	-	14,671,355	2,123,732	-	44,823,251
With donor restrictions	12,609,098	30,039,121	6,687,044	1,176,634	(563,352)	49,948,545
Total net assets	40,637,262	30,039,121	21,358,399	3,300,366	(563,352)	94,771,796
Total liabilities and net assets	\$ 50,109,253	\$ 54,970,905	\$ 26,144,784	\$ 4,396,519	\$ (25,489,935)	\$ 110,131,526

## Secretariat for Catholic Charities

### Details of Combined Statement of Financial Position December 31, 2017

	Catholic Charities Corporation	Catholic Community Foundation for the Benefit of the Organization	St. Augustine Manor and Affiliate	Rose-Mary Center	Eliminations	Total
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 6,148,530	\$ 88,983	\$ 3,446,167	\$ 1,099,254	\$ -	\$ 10,782,934
Receivables:						
Trade, net	4,334,170	870	4,004,443	704,053	(12,510)	9,031,026
Pledges	775,032	-	-	25,000	-	800,032
Related party	57,196	-	-	-	-	57,196
Inventory	-	-	234,737	-	-	234,737
Other	235,187	-	62,200	197,425	-	494,812
Total current assets	11,550,115	89,853	7,747,547	2,025,732	(12,510)	21,400,737
Investments	27,706,282	49,812,712	2,883,350	1,264,098	(17,702,548)	63,963,894
Other assets:						
Beneficial interest in perpetual trusts	6,866,494	-	5,895,978	358,825	-	13,121,297
Property, plant and equipment, net	1,715,336	-	9,404,852	550,921	-	11,671,109
Land held for future development	21,500	-	-	-	-	21,500
Goodwill	-	-	345,000	-	-	345,000
Other	98,103	-	-	-	-	98,103
Total other assets	8,701,433	-	15,645,830	909,746	-	25,257,009
Total assets	\$ 47,957,830	\$ 49,902,565	\$ 26,276,727	\$ 4,199,576	\$ (17,715,058)	\$ 110,621,640
<b>Liabilities and Net Assets</b>						
Current liabilities:						
Current portion of debt	\$ -	\$ -	\$ -	\$ 54,287	\$ -	\$ 54,287
Accounts payable	452,428	-	1,935,182	344,042	-	2,731,652
Due to third party payors	-	-	641,690	-	-	641,690
Accrued expenses	2,429,157	-	2,396,843	607,787	-	5,433,787
Related party	-	17,098,005	-	-	(17,096,292)	1,713
Deferred revenue	885,167	-	-	-	-	885,167
Accrued employee obligations	247,358	-	-	-	-	247,358
Total current liabilities	4,014,110	17,098,005	4,973,715	1,006,116	(17,096,292)	9,995,654
Other liabilities:						
Debt	-	-	-	81,421	-	81,421
Other	417,412	-	200,020	-	-	617,432
Accrued employee obligations	4,197,806	-	-	-	-	4,197,806
Total liabilities	8,629,328	17,098,005	5,173,735	1,087,537	(17,096,292)	14,892,313
Net assets:						
Without donor restrictions:						
Undesignated	14,349,226	-	12,718,869	2,184,071	-	29,252,166
Board designated	11,617,348	-	1,099,389	-	-	12,716,737
Total without donor restrictions	25,966,574	-	13,818,258	2,184,071	-	41,968,903
With donor restrictions	13,361,928	32,804,560	7,284,734	927,968	(618,766)	53,760,424
Total net assets	39,328,502	32,804,560	21,102,992	3,112,039	(618,766)	95,729,327
Total liabilities and net assets	\$ 47,957,830	\$ 49,902,565	\$ 26,276,727	\$ 4,199,576	\$ (17,715,058)	\$ 110,621,640

## Secretariat for Catholic Charities

### Details of Combined Statement of Activities Year Ended December 31, 2018

	Catholic Charities Corporation	Catholic Community Foundation for the Benefit of the Organization	St. Augustine Manor and Affiliates	Rose-Mary Center	Reclassifications/ Eliminations	Total
Revenues and support:						
Catholic Charities:						
Annual appeal contributions	\$ -	\$ -	\$ -	\$ -	\$ 13,698,530	\$ 13,698,530
Bequests and special gifts	-	-	-	-	1,956,156	1,956,156
Catholic Charities - allocation	11,447,181	-	1,414,700	668,597	(13,530,478)	-
United Way	1,876,402	-	50	-	-	1,876,452
Program fees	4,669,757	-	15,258,461	-	-	19,928,218
Governmental	29,884,728	-	15,564,936	10,850,133	-	56,299,797
Contributions	4,479,798	-	2,894,879	493,516	(3,227,890)	4,640,303
Donated goods, facilities and services	430,392	-	17,400	-	-	447,792
Assisted living	-	-	2,483,901	-	-	2,483,901
Operating investment (loss) income, net	(844,251)	-	16,073	(69,650)	29,637	(868,191)
Distributable investment income	-	1,283,936	-	-	-	1,283,936
Special events, net	121,897	-	-	-	-	121,897
Miscellaneous	683,703	-	63,922	4,844	-	752,469
<b>Total revenues and support</b>	<b>52,749,607</b>	<b>1,283,936</b>	<b>37,714,322</b>	<b>11,947,440</b>	<b>(1,074,045)</b>	<b>102,621,260</b>
Expenses						
Salaries	27,278,780	-	20,108,116	7,293,566	-	54,680,462
Employee benefits	5,714,303	-	3,296,580	1,186,460	-	10,197,343
Payroll taxes	2,215,309	-	1,620,898	691,837	-	4,528,044
<b>Total salaries and related expenses</b>	<b>35,208,392</b>	<b>-</b>	<b>25,025,594</b>	<b>9,171,863</b>	<b>-</b>	<b>69,405,849</b>
Occupancy	4,364,915	-	1,777,594	847,603	-	6,990,112
Supplies	1,820,189	-	4,354,452	562,190	-	6,736,831
Purchased services	2,601,904	-	1,660,996	307,202	-	4,570,102
Special assistance	1,810,408	-	-	-	-	1,810,408
Appeal and fund administration fee	2,250,000	-	-	-	-	2,250,000
Depreciation and amortization	363,341	-	1,161,685	114,741	-	1,639,767
Repairs and maintenance	902,588	-	670,501	83,015	-	1,656,104
Transportation	1,107,836	-	119,926	167,274	-	1,395,036
Organization and membership fees	82,671	-	1,114,198	188,895	-	1,385,764
Telephone	379,040	-	121,962	102,420	-	603,422
Miscellaneous	180,529	-	287,800	17,228	-	485,557
Conferences and meetings	266,411	-	-	70,924	-	337,335
Bad debt	-	-	431,069	-	-	431,069
Other Catholic distributions	-	97,129	-	-	-	97,129
Printing and publications	63,553	-	52,616	26,112	-	142,281
Postage	58,183	-	30,871	3,311	-	92,365
Awards and grants	44,509	-	-	-	-	44,509
Catholic Charities - allocation	-	1,283,936	-	-	(728,682)	555,254
<b>Total expenses</b>	<b>51,504,469</b>	<b>1,381,065</b>	<b>36,809,264</b>	<b>11,662,778</b>	<b>(728,682)</b>	<b>100,628,894</b>
<b>Change from operating activities</b>	<b>1,245,138</b>	<b>(97,129)</b>	<b>905,058</b>	<b>284,662</b>	<b>(345,363)</b>	<b>1,992,366</b>
Non-operating activity:						
(Loss) gain on disposal of assets	(103,131)	-	(1,356)	3,948	-	(100,539)
Non-operating investment loss, net	(270,300)	(1,384,374)	-	-	25,777	(1,628,897)
Investment income distributed to operations	-	(1,283,936)	-	-	-	(1,283,936)
Change in value of beneficial interest in perpetual trusts	(670,862)	-	(648,295)	(43,621)	-	(1,362,778)
Postretirement benefits	323,814	-	-	-	-	323,814
Appeal contributions received in excess of allocation	800,000	-	-	-	-	800,000
Recovery of restitution	359,101	-	-	-	-	359,101
Rooted in Faith distributions	(375,000)	-	-	-	375,000	-
	63,622	(2,668,310)	(649,651)	(39,673)	400,777	(2,893,235)
<b>Change in net assets</b>	<b>1,308,760</b>	<b>(2,765,439)</b>	<b>255,407</b>	<b>244,989</b>	<b>55,414</b>	<b>(900,869)</b>
Net assets – beginning	39,328,502	32,804,560	21,102,992	3,112,039	(618,766)	95,729,327
Transfer of net assets	-	-	-	(56,662)	-	(56,662)
<b>Net assets – ending</b>	<b>\$ 40,637,262</b>	<b>\$ 30,039,121</b>	<b>\$ 21,358,399</b>	<b>\$ 3,300,366</b>	<b>\$ (563,352)</b>	<b>\$ 94,771,796</b>

## Secretariat for Catholic Charities

### Details of Combined Statement of Activities Year Ended December 31, 2017

	Catholic Charities Corporation	Catholic Community Foundation for the Benefit of the Organization	St. Augustine Manor and Affiliates	Rose-Mary Center	Reclassifications/ Eliminations	Total
Revenues and support:						
Catholic Charities:						
Annual appeal contributions	\$ -	\$ -	\$ -	\$ -	\$ 13,436,740	\$ 13,436,740
Bequests and special gifts	-	-	-	-	833,262	833,262
Catholic Charities - allocation	11,100,850	-	1,402,089	421,051	(12,923,990)	-
United Way	1,849,247	-	624	33,756	-	1,883,627
Program fees	4,462,789	-	15,351,522	-	-	19,814,311
Governmental	29,383,725	-	14,461,046	10,659,176	-	54,503,947
Contributions	5,247,739	-	1,976,439	669,325	(2,495,331)	5,398,172
Donated goods, facilities and services	576,087	-	17,400	-	-	593,487
Assisted living	-	-	2,568,995	-	-	2,568,995
Operating investment income, net	1,827,460	-	51,836	150,220	29,225	2,058,741
Distributable investment income	-	1,242,986	-	-	-	1,242,986
Special events, net	128,188	-	-	-	-	128,188
Miscellaneous	402,123	-	72,551	5,538	-	480,212
Total revenues and support	54,978,208	1,242,986	35,902,502	11,939,066	(1,120,094)	102,942,668
Expenses						
Salaries	26,189,806	-	19,476,015	7,445,649	-	53,111,470
Employee benefits	4,989,429	-	2,865,470	1,094,965	-	8,949,864
Payroll taxes	2,186,377	-	1,611,950	731,209	-	4,529,536
Total salaries and related expenses	33,365,612	-	23,953,435	9,271,823	-	66,590,870
Occupancy	4,353,871	-	1,873,846	852,608	-	7,080,325
Supplies	1,971,194	-	4,375,925	583,037	-	6,930,156
Purchased services	2,418,095	-	1,576,274	309,944	-	4,304,313
Special assistance	2,212,538	-	-	-	-	2,212,538
Appeal and fund administration fee	2,193,500	-	-	-	-	2,193,500
Depreciation and amortization	289,635	-	1,108,686	127,005	-	1,525,326
Repairs and maintenance	951,997	-	673,939	95,396	-	1,721,332
Transportation	1,073,527	-	161,091	176,705	-	1,411,323
Organization and membership fees	92,654	-	1,097,040	184,214	-	1,373,908
Telephone	367,985	-	119,220	110,329	-	597,534
Miscellaneous	271,341	-	272,638	50,916	-	594,895
Conferences and meetings	286,880	-	-	74,623	-	361,503
Bad debt	-	-	282,052	-	-	282,052
Other Catholic distributions	-	109,247	-	-	-	109,247
Printing and publications	59,083	-	57,909	29,059	-	146,051
Postage	64,301	-	23,277	3,015	-	90,593
Awards and grants	68,997	-	-	-	-	68,997
Catholic Charities - allocation	-	1,242,986	-	-	(1,064,319)	178,667
Total expenses	50,041,210	1,352,233	35,575,332	11,868,674	(1,064,319)	97,773,130
Change from operating activities	4,936,998	(109,247)	327,170	70,392	(55,775)	5,169,538
Non-operating activity:						
Gain (loss) on sale/disposal of assets	1,741,648	-	(2,523)	(31,507)	-	1,707,618
Non-operating investment income, net	431,454	4,364,020	-	-	(81,486)	4,713,988
Investment income distributed to operations	-	(1,242,986)	-	-	-	(1,242,986)
Change in value of beneficial interest in perpetual trusts	522,106	-	484,414	41,443	-	1,047,963
Postretirement benefits	(207,807)	-	-	-	-	(207,807)
Appeal contributions received in excess of allocation	450,000	-	-	-	-	450,000
Distribution of reserve funds	(30,765)	-	-	-	-	(30,765)
Rooted in Faith distributions	(636,291)	-	-	-	85,000	(551,291)
Distribution for debt repayment	-	(4,602,608)	-	-	-	(4,602,608)
	2,270,345	(1,481,574)	481,891	9,936	3,514	1,284,112
Change in net assets	7,207,343	(1,590,821)	809,061	80,328	(52,261)	6,453,650
Net assets – beginning	32,121,159	34,395,381	20,293,931	3,539,451	(566,505)	89,783,417
Transfer of net assets	-	-	-	(507,740)	-	(507,740)
Net assets – ending	\$ 39,328,502	\$ 32,804,560	\$ 21,102,992	\$ 3,112,039	\$ (618,766)	\$ 95,729,327

## Secretariat for Catholic Charities

### Details of Appropriations Year Ended December 31, 2018

	Annual Appeal	Foundation Investments	Total
Funds provided	\$ 15,051,793	\$ 1,283,936	\$ 16,335,729
Cost of contracted fundraising	(2,250,000)		(2,250,000)
Funds available for distribution	<u>\$ 12,801,793</u>	<u>\$ 1,283,936</u>	<u>\$ 14,085,729</u>
<b>Health &amp; Human Services Division</b>			
Secretary for Catholic Charities	\$ 4,833,076	\$ 391,371	\$ 5,224,447
Bishop William Cosgrove Center	181,029		181,029
Diocesan Social Action Offices	410,819		410,819
Disabilities Services	372,977	66,556	439,533
Emergency Assistance Services	364,332	73,125	437,457
Human Life Office	93,818		93,818
St. Elizabeth Center - Lorain	578,456		578,456
Marriage and Family Office	314,387	283	314,670
Migration and Refugee Services	62,826		62,826
Parish & Community Ministries	239,285		239,285
Pastoral Care/Health Affairs	166,612	354,906	521,518
Youth and Young Adult Ministry and CYO	315,162		315,162
Total Health & Human Services Division	<u>7,932,779</u>	<u>886,241</u>	<u>8,819,020</u>
<b>Prevention, Treatment &amp; Recovery Division</b>			
Catholic Charities - Cuyahoga	16,422		16,422
Matt Talbot Inn	32,461		32,461
Matt Talbot Inn for Women	20,328		20,328
Parma	280,551	61,247	341,798
Total Prevention, Treatment & Recovery Division	<u>349,762</u>	<u>61,247</u>	<u>411,009</u>
<b>Family Services Division</b>			
Family Services - Central	3,893	20,000	23,893
Catholic Charities - Cuyahoga	105,312		105,312
Fatima Family Center	277,611	51,774	329,385
Hispanic Senior Center	164,242		164,242
St. Martin DePorres Family Center	364,069	6,722	370,791
St. Philip Neri Family Center	205,782	746	206,528
Total Family Services Division	<u>1,120,909</u>	<u>79,242</u>	<u>1,200,151</u>
<b>Regional Services Division</b>			
Community Services - Central	35,203	75,000	110,203
Catholic Charities - Ashland	140,880		140,880
Catholic Charities - Geauga	80,607		80,607
Catholic Charities - Lake	119,120	1,054	120,174
Catholic Charities - Lorain	119,540		119,540
Catholic Charities - Medina	123,651		123,651
Catholic Charities - Summit	216,056	19,878	235,934
Catholic Charities - Wayne	86,012		86,012
Total Regional Services Division	<u>921,069</u>	<u>95,932</u>	<u>1,017,001</u>
<b>Total Catholic Charities Corporation</b>	<u>10,324,519</u>	<u>1,122,662</u>	<u>11,447,181</u>
Rose-Mary Center	600,714	67,883	668,597
St. Augustine Manor	1,321,309	93,391	1,414,700
<b>Other Allocations</b>			
CCC Emergency Assistance 2018	(120,984)		(120,984)
CCC Substance Use Disorder 2019	651,083		651,083
Birthcare of Medina	1,200		1,200
Birthright - Cuyahoga	3,600		3,600
Birthright - Geauga	1,200		1,200
Birthright - Lake	1,200		1,200
Birthright - Lorain	1,200		1,200
First Steps Parenting	100		100
Embrace Care	1,100		1,100
St. Vincent DePaul Society	13,152		13,152
Womankind, Inc.	2,400		2,400
Total other allocations	<u>555,251</u>	<u>-</u>	<u>555,251</u>
	<u>\$ 12,801,793</u>	<u>\$ 1,283,936</u>	<u>\$ 14,085,729</u>



## Secretariat for Catholic Charities

### Details of Appropriations Year Ended December 31, 2017

	Annual Appeal	Foundation Investments	Total
Funds provided	\$ 14,053,171	\$ 1,242,986	\$ 15,296,157
Cost of contracted fundraising	(2,193,500)		(2,193,500)
Funds available for distribution	<u>\$ 11,859,671</u>	<u>\$ 1,242,986</u>	<u>\$ 13,102,657</u>
<b>Health &amp; Human Services Division</b>			
Secretary for Catholic Charities	\$ 4,141,747	\$ 322,345	\$ 4,464,092
Bishop William Cosgrove Center	243,170		243,170
Diocesan Social Action Offices	386,404		386,404
Disabilities Services	285,187	65,629	350,816
Emergency Assistance Services	388,061	71,067	459,128
Human Life Office	93,675		93,675
Lorain Shelter	912,895		912,895
Marriage and Family Office	315,939	277	316,216
Migration and Refugee Services	142,610		142,610
Parish & Community Ministries	380,072		380,072
Pastoral Care/Health Affairs	237,357	349,436	586,793
Youth and Young Adult Ministry and CYO	306,023		306,023
Total Health & Human Services Division	<u>7,833,140</u>	<u>808,754</u>	<u>8,641,894</u>
<b>Prevention, Treatment &amp; Recovery Division</b>			
Catholic Charities - Cuyahoga	33,117		33,117
Matt Talbot Inn	57,637		57,637
Matt Talbot Inn for Women	474		474
Parma	294,546	60,194	354,740
Total Prevention, Treatment & Recovery Division	<u>385,774</u>	<u>60,194</u>	<u>445,968</u>
<b>Community Services Division</b>			
Community Services - Central	111,693	100,000	211,693
Catholic Charities - Ashland	101,654		101,654
Catholic Charities - Cuyahoga	29,945		29,945
Catholic Charities - Geauga	72,357		72,357
Catholic Charities - Lake	129,650	1,039	130,689
Catholic Charities - Lorain	121,085		121,085
Catholic Charities - Medina	102,564		102,564
Catholic Charities - Summit	141,397	55,572	196,969
Catholic Charities - Wayne	64,514		64,514
Fatima Family Center	267,771	51,048	318,819
Hispanic Senior Center	146,661		146,661
St. Martin DePorres Family Center	292,757	6,627	299,384
St. Philip Neri Family Center	215,919	735	216,654
Total Community Services Division	<u>1,797,967</u>	<u>215,021</u>	<u>2,012,988</u>
Total Catholic Charities Corporation	10,016,881	1,083,969	11,100,850
Rose-Mary Center	354,114	66,937	421,051
St. Augustine Manor	1,310,009	92,080	1,402,089
<b>Other Allocations</b>			
CCC Emergency Assistance 2018	149,126		149,126
Birthcare of Medina	1,200		1,200
Birtright - Cuyahoga	3,600		3,600
Birtright - Geauga	1,200		1,200
Birtright - Lake	1,200		1,200
Birtright - Lorain	1,200		1,200
Community Pregnancy Center - Barberton	2,000		2,000
Pregnancy Care - Summit	1,200		1,200
St. Vincent DePaul Society	15,541		15,541
Womankind, Inc.	2,400		2,400
Total other allocations	<u>178,667</u>	<u>-</u>	<u>178,667</u>
	<u>\$ 11,859,671</u>	<u>\$ 1,242,986</u>	<u>\$ 13,102,657</u>