Secretariat for Catholic Charities

Combined Financial Report

December 31, 2016

Contents

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Maloney + Novotny LLC

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 statement of financial position as of December 31, 2016, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 auditor considers 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, 2016, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combined supplementary information 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 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.

Maloney + Novotny LLC

Cleveland, Ohio
August 9, 2017

Secretariat for Catholic Charities

Combined Statement of Financial Position
December 31, 2016

Assets	
Current assets:	
Cash and cash equivalents	$ 13,171,747
Receivables:	
Trade, net	10,276,198
Pledges	743,035
Related party	175,798
Inventory	199,121
Other	442,524
Total current assets	25,008,423
Investments	57,224,027
Other assets:	
Notes and interest receivable - related party	4,714,000
Beneficial interest in perpetual trusts	11,250,834
Property, plant and equipment, net	10,099,166
Land held for future development	205,605
Goodwill	345,000
Other	98,746
Total other assets	26,713,351
Total assets	$ 108,945,801
Liabilities and Net Assets	
Current liabilities:	
Current portion of debt	$ 319,568
Accounts payable	2,848,178
Due to third party payors	662,720
Accrued expenses	5,113,486
Related party	3,413
Deferred revenue	916,865
Accrued employee obligations	231,991
Total current liabilities	10,096,221
Other liabilities:	
Debt	4,012,641
Interest rate swap	549,000
Other	552,609
Accrued employee obligations	3,951,913
Total liabilities	19,162,384
Net assets:	
Unrestricted:	
Undesignated	25,712,743
Board designated	10,814,357
	36,527,100
Temporarily restricted	31,013,590
Permanently restricted	22,242,727
Total net assets	89,783,417
Total liabilities and net assets	$ 108,945,801

See notes to financial statements.

Secretariat for Catholic Charities

Combined Statement of Activities
Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and support:				
Catholic Charities:				
Annual appeal contributions	$ 12,420,349			$ 12,420,349
Bequests and special gifts	1,550,210			1,550,210
United Way	1,085,290	$ 774,575		1,859,865
Program fees	20,077,557			20,077,557
Governmental	52,302,140			52,302,140
Contributions:				
Foundations, trusts and individuals	1,387,974	2,592,770	$ 675	3,981,419
Donated goods, facilities and services	882,842			882,842
Rental	2,501,828			2,501,828
Operating investment income	427,097	52,811		479,908
Distributable investment income	1,489,075			1,489,075
Special events, net	116,763			116,763
Miscellaneous	615,171			615,171
Net assets reclassified		(9,033)	9,033	-
Net assets released from restrictions	2,879,840	(2,879,840)		-
Total revenues and support	97,736,136	531,283	9,708	98,277,127
Expenses:				
Older adults	31,539,301			31,539,301
Children and family services	14,268,307			14,268,307
Behavioral health	12,303,008			12,303,008
Disabilities	11,084,186			11,084,186
Parish/pastoral	7,180,166			7,180,166
Emergency and transitional	3,742,128			3,742,128
Total programs	80,117,096			80,117,096
Management and general	12,229,820			12,229,820
Fundraising	2,690,199			2,690,199
Total expenses	95,037,115			95,037,115
Change from operating activities	2,699,021	531,283	9,708	3,240,012
Non-operating activity:				
Loss on sale of assets	(351)			(351)
Non-operating investment income		2,764,871		2,764,871
Investment income distributed to operations		(1,489,075)		(1,489,075)
Change in value of beneficial interest in perpetual trusts			250,752	250,752
Postretirement related changes	453,849			453,849
Appeal contributions received in excess of allocation	1,240,000			1,240,000
Distribution of reserve funds	(372,253)			(372,253)
Rooted in Faith distributions	(41,658)			(41,658)
	1,279,587	1,275,796	250,752	2,806,135
Change in net assets	3,978,608	1,807,079	260,460	6,046,147
Net assets – beginning	32,555,200	29,206,511	21,982,267	83,743,978
Transfer of net assets	(6,708)			(6,708)
Net assets – ending	$ 36,527,100	$ 31,013,590	$ 22,242,727	$ 89,783,417

See notes to financial statements.

Secretariat for Catholic Charities

Combined Statement of Functional Expenses
Year Ended December 31, 2016

		Programs								
	Total	Older Adults	Children and Family Services	Behavioral Health	Disabilities	Parish/ Pastoral	Emergency and Transitional	Total Programs	Management and General	Fundraising
Salaries	$ 50,295,591	$ 16,706,985	$ 7,834,826	$ 7,603,893	$ 6,900,650	$ 2,672,439	$ 1,666,635	$ 43,385,428	$ 6,555,782	$ 354,381
Employee benefits	8,695,402	2,573,749	1,474,643	1,389,379	949,536	672,736	286,427	7,346,470	1,296,251	52,681
Payroll taxes	4,313,152	1,357,180	723,199	644,069	656,025	202,170	159,381	3,742,024	540,696	30,432
Total salaries and related expenses	63,304,145	20,637,914	10,032,668	9,637,341	8,506,211	3,547,345	2,112,443	54,473,922	8,392,729	437,494
Occupancy	7,151,593	1,996,045	1,380,963	1,040,771	576,673	922,573	481,340	6,398,365	748,123	5,105
Supplies	6,932,091	4,515,637	873,998	599,031	640,408	138,172	56,566	6,823,812	97,735	10,544
Purchased services	4,961,363	1,072,994	132,601	360,529	296,879	1,308,926	33,080	3,205,009	1,714,528	41,826
Special assistance	2,690,362		855,014	99,777	43,902	830,263	858,537	2,687,493	2,869	
Appeal and fund administration fee	2,140,000							-		2,140,000
Depreciation and amortization	1,593,371	989,874	115,211	65,887	277,896	39,374	49,054	1,537,296	47,452	8,623
Repairs and maintenance	1,462,980	418,752	199,066	102,981	80,828	51,427	22,770	875,824	578,360	8,796
Transportation	1,316,184	256,841	352,376	295,773	179,734	111,748	40,442	1,236,914	78,425	845
Organization and membership fees	1,424,167	1,013,980	22,021	5,720	272,241	5,885	1,255	1,321,102	102,630	435
Telephone	522,222	112,135	90,541	70,475	64,366	39,301	30,333	407,151	114,069	1,002
Miscellaneous	488,712	183,393	94,800	3,970	35,052	47,746	1,326	366,287	112,912	9,513
Conferences and meetings	296,454	2,928	53,891	13,610	78,506	86,762	4,385	240,082	52,680	3,692
Bad debt	293,934	293,934						293,934	-	
Other Catholic distributions	165,975		20,274	-	25,000	15,000	38,066	98,340	67,635	
Printing and publications	115,735	42,964	13,310	4,818	3,930	9,630	3,103	77,755	22,660	15,320
Postage	86,637	1,910	11,954	2,325	2,560	10,851	2,359	31,959	48,110	6,568
Awards and grants	62,690		19,619			15,163	7,069	41,851	20,403	436
Catholic Charities - allocation	28,500							-	28,500	
Total expenses	$ 95,037,115	$ 31,539,301	$ 14,268,307	$ 12,303,008	$ 11,084,186	$ 7,180,166	$ 3,742,128	$ 80,117,096	$ 12,229,820	$ 2,690,199

See notes to financial statements.

Secretariat for Catholic Charities

Combined Statement of Cash Flows
Year Ended December 31, 2016

Cash flows from operating activities:	
Increase in net assets	$ 6,046,147
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	1,593,371
Realized and unrealized gains on investments	(1,830,327)
Decrease in interest rate swap liability	(146,979)
Change in value of beneficial interest in perpetual trusts	(250,752)
Change in:	
Receivables - trade, net	(1,351,058)
Other receivables	1,895,060
Inventory	(12,266)
Other assets	22,470
Accounts payable	697,745
Due to third-party payors	(78,365)
Accrued expenses	311,628
Deferred revenue	177,537
Other liabilities	(4,909)
Accrued employee obligations	(387,159)
Net cash provided by operating activities	6,682,143
Cash flows from investing activities:	
Purchase of property, plant and equipment	(2,508,062)
Purchases of investments	(9,110,036)
Proceeds from sale of investments	6,194,053
Net cash used in investing activities	(5,424,045)
Cash flows from financing activities:	
Decrease in notes and interest receivable - related party	386,979
Transfer of cash to Diocese of Cleveland Facilities Services Corporation	(6,708)
Increase in debt financing	119,634
Principal payments on debt	(296,071)
Net cash provided by financing activities	203,834
Net increase in cash and cash equivalents	1,461,932
Cash and cash equivalents:	
Beginning	11,709,815
Ending	$ 13,171,747
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	$ 9,913

See notes to financial statements.

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 Affiliates (the Manor) and Rose-Mary (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 $45,270,360 at December 31, 2016 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 are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Temporarily restricted net assets are funds whose use by the Organization have been limited by donor stipulations that limit the use of the contributed assets to (a) later periods or after specific dates (time restrictions), (b) specific purposes (purpose restrictions) or (c) both. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statement of activities as net assets released from restrictions.

Permanently restricted net assets represent endowment funds which are subject to the restriction of donors that the principal be invested in perpetuity and only the income be utilized. In addition, included in the balance is 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.

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.

Fair value of financial instruments: The carrying amounts of financial instruments, including cash and cash equivalents, receivables, accounts payable, accrued expenses, deferred revenue 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 long-term debt and the interest rate swap approximates fair value because the interest rates fluctuate with market interest rates offered to the Organization for debt with similar terms and maturities.

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

Receivables - trade: These receivables are due primarily from government agencies and residents. The Organization provides for uncollectible accounts receivable using the allowance method. At December 31, 2016, the allowance for uncollectible accounts and contractual allowances totaled $714,803. 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 at fair value with any realized and unrealized gains and losses reported in the combined statement of activities. Interest and dividends are recognized as revenue in the period they are earned and gains and losses are recognized as changes in net assets in the accounting period in which they occur unless it is restricted by donor or law. 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. Repairs and maintenance costs are expensed as incurred. Depreciation and amortization are computed over the estimated useful life of the asset using the straight-line method. Leasehold improvements are amortized over the lease term.

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 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 2016.

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 GenerationsCare Health Services in February 2010. Goodwill amounted to $345,000 at December 31, 2016. The Manor has determined that there was no impairment at December 31, 2016.

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 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 $1,201,314 for the year ended December 31, 2016, while related net revenue totaled $1,092,631 for that period. This resulted in net costs of $108,953 for the year ended December 31, 2016, which is included in older adult purchased services.

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

Environmental expenditures: Environmental expenditures are expensed or capitalized depending upon their future economic benefits. Liabilities for such expenditures are recorded when it is probable that obligations have been incurred and the costs can be reasonably estimated. There were no such expenditures during the year ended December 31, 2016.

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

Interest rate swap agreement: The interest rate swap agreement is recognized as a liability at its fair value in the combined statement of financial position with the change in the fair value reported in the change in net assets.

Revenue recognition: Contributions are recognized as revenue when received or unconditionally pledged and are recorded as unrestricted, temporarily restricted or permanently restricted 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.

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.

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.

Allocation of functional expenses: Allocation of functional expenses to program services is determined by management of the Organization.

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 year ended December 31, 2016, management has determined that there are no uncertain tax positions. With few exceptions, the entities that comprise the Organization are no longer subject to tax examinations by the tax authorities for years prior to 2013.

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.

Subsequent events: The Organization has evaluated subsequent events for potential recognition and/or disclosure through August 9, 2017, the date the combined financial statements were available to be issued.

Note 2. 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 year ended December 31, 2016, 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: 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's pooled fund. The underlying assets in the pooled fund investment portfolio 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.

Beneficial interest in perpetual trusts: The fair value of the funds held in trust by others 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.

Note 2. Fair Value Disclosures (Continued)

Interest rate swap liability: The fair value of the Organization's interest rate swap liability was provided by valuation experts. This instrument was valued using externally developed models that consider observable market parameters. The liability was paid off in January 2017 and the December 31, 2016 balance was adjusted to reflect the actual settlement amount.

Fair value on a recurring basis: The table below presents the balance of assets and liabilities measured at fair value on a recurring basis:

	Total	Level 1	Level 2	Level 3
Financial assets:				
Investments:				
Pooled funds at the CCF	$ 46,131,561	$ -	$ 46,131,561	$ -
Brokered certificates of deposit	601,370	-	601,370	-
Common stock	509,711	509,711	-	-
Money market funds	299,652	299,652	-	-
Government securities	199,430	199,430	-	-
Bonds - corporate	9,410,726	9,410,726	-	-
Mutual funds	71,577	71,577	-	-
Beneficial interest in perpetual trusts	11,250,834	-	-	11,250,834
Total assets	$ 68,474,861	$ 10,491,096	$ 46,732,931	$ 11,250,834
Financial liabilities:				
Interest rate swap liability	$ 549,000	$ -	$ 549,000	$ -
Total liabilities	$ 549,000	$ -	$ 549,000	$ -

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, 2016:

Equities	62.66%
Fixed income	35.56%
Cash	1.78%
Total	100.00%

The changes to fair value of the Level 3 assets are summarized as follows:

	Beneficial Interest in Perpetual Trusts
Balance, December 31, 2015	$ 11,000,082
Change in fair value of beneficial interest in perpetual trusts	250,752
Balance, December 31, 2016	$ 11,250,834

Note 3. 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 $506,764 in 2016 and recorded a related party receivable of $175,798 as of December 31, 2016. A balance of $1,181,578 is included in temporarily restricted net assets. The Organization applied $575,605 toward reimbursement of expenditures in 2016.

CCC entered into an agreement with the Diocese of Cleveland Facilities Services Corporation (DOCFSC) related to the Parmadale Bonds wherein DOCFSC would accept obligations to CCC to the extent of the outstanding Bonds and interest swap balances. As of December 31, 2016, the balance was $4,714,000, which is reported on the combined statement of financial position as notes and interest receivable - related party, and also as debt of $4,165,000 and interest rate swap liability of $549,000.

The Organization purchased health, professional, general liability and workers' compensation insurance through the Diocese of Cleveland. The cost to the Organization was approximately $7,765,000 for 2016.

Note 4. Investments

Under the Organization's endowment policy governing transfer of funds for operations, 5% of the weighted average fair value of the endowment for the proceeding 3-year period is available for current operations. This calculation equated to $1,489,075 in endowment funds available for operations for the year ended December 31, 2016.

The composition of investment income, net is as follows for the year ended December 31, 2016:

Interest and dividends	$ 1,291,935
Investment management fees	(139,916)
Investment income received from perpetual trust	262,433
Unrealized and realized gains on investments	1,830,327
	$ 3,244,779

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

Operating investment income	$ 479,908
Non-operating investment income	2,764,871
	$ 3,244,779

The Organization considers income earned from restricted funds and distributions received from perpetual trusts as non-operating investment income.

Note 5. Pledges Receivable

Pledges receivable in the amount of $743,035 consist of unconditional promises by individuals, foundations and other entities. At December 31, 2016, all pledges receivable represent future contributions that are receivable in less than one year. No allowance for uncollectible pledges was deemed necessary.

Note 6. 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 $250,752 for the year ended December 31, 2016 is included in permanently restricted revenue and support in the combined statement of activities. The Organization's share of the present value of the funds held by others is $11,250,834 at December 31, 2016.

Note 7. Property, Plant and Equipment

Property, plant and equipment consist of the following at December 31, 2016:

Land and improvements	$ 144,276
Building and improvements	16,402,665
Furniture and equipment	15,056,463
Leasehold improvements	3,352,146
Vehicles	2,009,620
Construction in progress	168,989
	37,134,159
Less accumulated depreciation and amortization	(27,034,993)
	$ 10,099,166

Depreciation and amortization expense for the year ended December 31, 2016 was $1,593,371.

Note 8. Debt

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

Bonds payable - Parmadale	$ 4,165,000
Notes payable - Rose-Mary	167,209
	$ 4,332,209

Future minimum principal payments on the debt are as follows:

2017	$ 319,568
2018	307,755
2019	315,986
2020	298,900
2021	300,000
Thereafter	2,790,000
	$ 4,332,209

Note 8. Debt (Continued)

Bonds - 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 DOCFSC. The Bonds mature October 1, 2029.

As part of the transaction, DOCFSC leased the property to the City of Parma for a nominal rental and the City of Parma, in turn, leased the property to DOCFSC under leases expiring when all of the conditions for the release and discharge of the Bond Indenture are satisfied. The rentals payable by DOCFSC under its lease are equal to the amounts payable, from time to time, under the Bond Indenture. Additionally, DOCFSC is required to pay all the expenses, including taxes, relating to the property. The City of Parma has assigned the lease and the right to receive payments required under the lease to the Bond Trustee.

The Bonds were issued pursuant to a Bond Indenture dated September 1, 2008, between the City of Parma and the Bond Trustee. In connection with the issuance of the Bonds, DOCFSC and CCC, as co-borrowers, entered into a reimbursement agreement (agreement) that was to expire on September 11, 2014. Under the terms of the agreement, DOCFSC and CCC entered into an irrevocable direct pay letter of credit issued by a bank which may be extended from time to time. The letter of credit is secured by a mortgage on the leased premises.

In 2014, DOCFSC and CCC entered into a revised agreement with the bank that extends the reimbursement agreement until September 11, 2019. The revised agreement provides for various financial and reporting requirements that began in 2014.

Fifth Third Securities, Inc. (Fifth Third) is responsible to remarket the Bonds and receives a fee of .085% of the principal amount of the Bonds as long as the Bonds bear interest at the Weekly Rate. The Bonds bear interest at a variable rate determined weekly by Fifth Third as remarketing agent. The interest rate at December 31, 2016 was .87%. The Bonds were issued and are secured by the Bond Indenture between the City of Parma and the Trustee.

Subsequent to December 31, 2016, DOCFSC and CCC agreed to sell a portion of the property in Parma and fully repaid the outstanding Bonds.

Notes Payable

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 $829,167 at December 31, 2016.

RM entered into several loans, primarily to finance the purchase of vehicles, between 2012 and 2016. These loans mature between 2017 and 2020, with interest rates that range from 5.40% to 7.93%. RM incurred interest costs of $9,913 for the year ended December 31, 2016. The amount outstanding on these loans at December 31, 2016 totaled $167,209.

Note 9. Interest Rate Swap Liability

As it relates to the bonds, DOCFSC and CCC entered into an interest rate swap agreement, which became effective October 1, 2008 and expires on October 1, 2029. The original notional principal amount under this agreement was $5,500,000, which reduces as debt principal payments are made. The notional amount at December 31, 2016 was $3,949,570. Based on the swap agreement, DOCFSC receives payments calculated at a variable rate equal to the prevailing USD-SIFMA (Securities Industry and Financial Markets Association) rate from the counter party to the swap. In return, DOCFSC makes payments to the counter party based on the fixed rate of 3.82%.

DOCFSC and CCC's objectives in purchasing the interest rate swap included managing the risk of increased debt service that could result from rising market interest rates.

Subsequent to December 31, 2016, DOCFSC and CCC agreed to sell a portion of the property in Parma and fully repaid the interest rate swap.

Note 10. Accrued Employee Obligations

Defined Contribution Plans

The Organization provides a variety of defined contribution plans which cover all employees who meet certain requirements. For the year ended December 31, 2016, the Organization made contributions in the amount of $1,799,841 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 $387,234 in 2016.

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 as of and for the year ended December 31, 2016 is presented below:

Accumulated postretirement benefit obligation, beginning	$ (4,571,063)
Employer service cost	(31,083)
Interest cost	(189,520)
Actuarial gain	479,883
Benefits paid	127,879
Accumulated postretirement benefit obligation, ending	$ (4,183,904)
Amounts recognized on the combined statement of financial position:	
Current	$ 231,991
Long-term	3,951,913
	$ 4,183,904

Note 10. Accrued Employee Obligations (Continued)

Postretirement Benefit Plan (Continued)

Amounts recognized for the year:	
Employer contributions	$ 127,879
Benefits paid	$ 127,879
Components of net periodic benefit cost:	
Employer service cost	$ 31,083
Interest cost	189,520
Net prior service cost amortization	(27,580)
Net loss amortization	1,546
Net periodic benefit cost	$ 194,569
Amounts not yet recognized in the net periodic benefit cost:	
Net loss	$ (1,361)
Weighted average assumptions:	
Discount rate	4.00%
Rate of increase in the per capita cost of covered health care benefits	7.50%

Employer contributions expected to be paid during the year ended December 31, 2017 are approximately $232,000.

For measurement purposes, a 7.5% annual rate of increase in the per capita cost of covered health care benefits is assumed for 2017. 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 $158,406 increase or $136,559 decrease in the accumulated postretirement benefit obligation, respectively.

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

Expected benefit payments during the years ending December 31 are:

2017	$ 231,991
2018	239,519
2019	250,392
2020	254,388
2021	255,791
2022-2025	1,279,582

Note 11. Board Designated Net Assets

A portion of unrestricted net assets for the Organization has been designated for the following purposes at December 31:

Capital replacement and/or major repairs	$ 4,689,088
Future operating reserve	3,875,095
Annual appeal reserve	1,246,283
Camperships	387,261
Land held for future development	205,605
Athletic Grants	143,604
Cleveland Diocese Evaluation for Marriage program	112,883
Summit County support	109,538
Initiatives	45,000
	$ 10,814,357

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

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 5-year capital plan.

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 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 statement of activities. Distributions from the funds to other organizations such as DOCFSC are shown as non-operating expenses. In 2016, $372,253 was paid to DOCFSC for improvements at facilities used by the Organization.

Note 12. Temporarily Restricted Net Assets

Temporarily restricted net assets were available and released for the following purposes at December 31, 2016 and for the year then ended:

	Available	Released
Time Restrictions:		
United Way	$ 774,575	$ 896,735
Partners in Giving	26,499	-
Purpose Restricted:		
General health and welfare - Diocese of Cleveland	14,656,661	165,974
Children and family services	6,368,822	194,907
Emergency and transitional	4,105,387	278,761
Disabilities	2,524,586	241,641
Rooted in Faith	1,181,578	575,605
Older adults	1,156,260	95,849
Capital projects	145,114	421,841
Special purposes	44,626	7,033
Social action	29,482	-
	$ 31,013,590	$ 2,878,346

Note 13. Permanently Restricted Net Assets

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support:

General health and welfare - Diocese of Cleveland	$ 10,859,609
End of life care	5,611,564
Children and family services	2,530,260
Disabilities	1,312,185
Older adults	1,191,992
Emergency and transitional	737,117
	$ 22,242,727

Note 14. Appeal and Fund Administration Fee

CCC contracted with the CCF to provide operational and fundraising support. CCC was charged a net fee of $2,140,000 by the CCF in 2016.

Note 15. Donated Goods, Facilities and Services

The Organization received in kind contributions and related expenses with a value of $882,842 for the year ended December 31, 2016. These donated goods and services were utilized to further the charitable purpose of the Organization.

Note 16. 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 year ended December 31, 2016 was $2,234,620. The future minimum lease payments at December 31, 2016 are as follows:

2017	$ 428,962
2018	374,158
2019	286,796
2020	153,705
2021	57,895
Thereafter	113,209
	$ 1,414,725

Note 17. 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 of donor-imposed restrictions.

Note 17. Endowment Funds (Continued)

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 classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is considered to be temporarily restricted and may be available to support operations, in accordance with the established distribution policy.

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.

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 year ended December 31, 2016:

	Temporarily Restricted	Permanently Restricted
Endowment ending balance, January 1, 2015	$ 6,916,517	$ 10,982,185
Investment income, net	335,574	-
Realized and unrealized gains	883,167	-
	1,218,741	-
Gifts and other additions	-	675
Expenditures and other releases	(804,934)	-
Transfer of net assets	(9,033)	9,033
Endowment ending balance, December 31, 2016	$ 7,321,291	$ 10,991,893

Note 18. 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 year ended December 31, 2016 was approximately $888,000.

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 $2,990,000 in 2016.

Note 19. 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 matures on June 11, 2017. Prior to the maturity date, interest is payable monthly until the maturity date. The outstanding balance was $2,600,000 as of December 31, 2016.

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 Catholic Charities Housing Corporation, the Organization would be liable for repayment of the loan. As of December 31, 2016, the Organization considers any payment under the guarantee to be remote and has not recorded a liability related to the guarantee.

Subsequent to year-end, the Organization began construction/renovation on the new St. Elizabeth Center, a year-round homeless shelter. The project is anticipated to be completed for a total cost of approximately $1,500,000 and will be funded primarily through an outside grant of approximately $700,000 and distributions from the Rooted in Faith Campaign.

Supplementary Information

Secretariat for Catholic Charities

Details of Combined Statement of Financial Position
December 31, 2016

	Catholic Charities Corporation	Catholic Community Foundation for the Benefit of the Organization	St. Augustine Manor and Affiliate	Rose-Mary Center	Eliminations	Total
Assets						
Current assets:						
Cash and cash equivalents	$ 8,118,154	$ 140,306	$ 3,708,954	$ 1,204,333	$ -	$ 13,171,747
Receivables:						
Trade, net	4,869,682	2,080	4,329,120	1,087,662	(12,346)	10,276,198
Pledges	719,185	-	-	79,240	(55,390)	743,035
Related party	175,798	-	-	-	-	175,798
Inventory	-	-	199,121	-	-	199,121
Other	221,760	-	54,551	166,213	-	442,524
Total current assets	14,104,579	142,386	8,291,746	2,537,448	(67,736)	25,008,423
Investments	19,578,338	45,989,240	2,830,200	1,112,712	(12,286,463)	57,224,027
Other assets:						
Notes and interest receivable - related party	4,714,000	-	-	-	-	4,714,000
Beneficial interest in perpetual trusts	5,521,888	-	5,411,564	317,382	-	11,250,834
Property, plant and equipment, net	1,051,013	-	8,490,833	557,320	-	10,099,166
Land held for future development	205,605	-	-	-	-	205,605
Goodwill	-	-	345,000	-	-	345,000
Other	94,937	-	3,809	-	-	98,746
Total other assets	11,587,443	-	14,251,206	874,702	-	26,713,351
Total assets	$ 45,270,360	$ 46,131,626	$ 25,373,152	$ 4,524,862	$ (12,354,199)	$ 108,945,801
Liabilities and Net Assets						
Current liabilities:						
Current portion of debt	$ 260,000	$ -	$ -	$ 59,568	$ -	$ 319,568
Accounts payable	663,432	528	1,914,284	269,934	-	2,848,178
Due to third party payors	-	-	662,720	-	-	662,720
Accrued expenses	2,269,726	-	2,295,492	548,268	-	5,113,486
Related party	55,390	11,735,717	-	-	(11,787,694)	3,413
Deferred revenue	916,865	-	-	-	-	916,865
Accrued employee obligations	231,991	-	-	-	-	231,991
Total current liabilities	4,397,404	11,736,245	4,872,496	877,770	(11,787,694)	10,096,221
Other liabilities:						
Debt	3,905,000	-	-	107,641	-	4,012,641
Interest rate swap	549,000	-	-	-	-	549,000
Other	345,884	-	206,725	-	-	552,609
Accrued employee obligations	3,951,913	-	-	-	-	3,951,913
Total liabilities	13,149,201	11,736,245	5,079,221	985,411	(11,787,694)	19,162,384
Net assets:						
Unrestricted:						
Undesignated	10,969,838	-	12,789,060	1,953,845	-	25,712,743
Board designated	9,727,973	-	1,086,384	-	-	10,814,357
	20,697,811	-	13,875,444	1,953,845	-	36,527,100
Temporarily restricted	5,886,460	23,787,661	412,750	1,101,240	(174,521)	31,013,590
	-	-	-	-	-	
Permanently restricted	5,536,888	10,607,720	6,005,737	484,366	(391,984)	22,242,727
Total net assets	32,121,159	34,395,381	20,293,931	3,539,451	(566,505)	89,783,417
Total liabilities and net assets	$ 45,270,360	$ 46,131,626	$ 25,373,152	$ 4,524,862	$ (12,354,199)	$ 108,945,801

Secretariat for Catholic Charities

Details of Combined Statement of Activities
Year Ended December 31, 2016

	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	$ -	$ -	$ -	$ -	$ 12,420,349	$ 12,420,349
Bequests and special gifts	-	-	-	-	1,550,210	1,550,210
Catholic Charities - allocation	10,191,350	-	1,322,725	850,350	(12,364,425)	-
United Way	1,727,492	-	1,831	130,542	-	1,859,865
Program fees	4,363,874	-	15,713,683	-	-	20,077,557
Governmental	28,179,081	-	13,579,024	10,544,035	-	52,302,140
Contributions:						
Foundations, trusts and individuals	4,152,421	-	2,836,946	421,883	(3,429,831)	3,981,419
Donated goods, facilities and services	865,442	-	17,400	-	-	882,842
Rental	-	-	2,501,828	-	-	2,501,828
Operating investment income	377,893	-	19,844	52,695	29,476	479,908
Distributable investment income	-	1,489,075	-	-	-	1,489,075
Special events, net	116,763	-	-	-	-	116,763
Miscellaneous	445,973	-	70,952	98,246	-	615,171
Total revenues and support	50,420,289	1,489,075	36,064,233	12,097,751	(1,794,221)	98,277,127
Expenses						
Salaries	24,632,117	-	18,505,979	7,157,495	-	50,295,591
Employee benefits	4,869,687	-	2,847,935	977,780	-	8,695,402
Payroll taxes	2,125,482	-	1,501,386	686,284	-	4,313,152
Total salaries and related expenses	31,627,286	-	22,855,300	8,821,559	-	63,304,145
Occupancy	4,498,623	-	1,995,589	657,381	-	7,151,593
Supplies	1,886,177	-	4,391,367	654,547	-	6,932,091
Purchased services	3,044,253	-	1,534,424	382,686	-	4,961,363
Special assistance	2,690,362	-	-	-	-	2,690,362
Appeal and fund administration fee	2,140,000	-	-	-	-	2,140,000
Depreciation and amortization	338,673	-	967,157	287,541	-	1,593,371
Repairs and maintenance	688,774	-	670,186	104,020	-	1,462,980
Transportation	1,022,595	-	165,644	127,945	-	1,316,184
Organization and membership fees	80,893	-	1,071,203	272,071	-	1,424,167
Telephone	331,866	-	116,616	73,740	-	522,222
Miscellaneous	213,191	-	240,504	35,017	-	488,712
Conferences and meetings	214,601	-	-	81,853	-	296,454
Bad debt	-	-	293,934	-	-	293,934
Other Catholic distributions	-	165,975	-	-	-	165,975
Printing and publications	51,677	-	43,994	20,064	-	115,735
Postage	53,606	-	26,419	6,612	-	86,637
Awards and grants	62,690	-	-	-	-	62,690
Catholic Charities - allocation	-	1,489,075	-	-	(1,460,575)	28,500
Total expenses	48,945,267	1,655,050	34,372,337	11,525,036	(1,460,575)	95,037,115
Change from operating activities	1,475,022	(165,975)	1,691,896	572,715	(333,646)	3,240,012
Non-operating activity:						
Gain (loss) on sale of assets	-	-	796	(1,147)	-	(351)
Non-operating investment income	478,161	2,325,396	-	-	(38,686)	2,764,871
Investment income distributed to operations	-	(1,489,075)	-	-	-	(1,489,075)
Change in value of beneficial interest in perpetual trusts	125,626	-	115,695	9,431	-	250,752
Postretirement related changes	453,849	-	-	-	-	453,849
Appeal contributions received in excess of allocation	1,240,000	-	-	-	-	1,240,000
Distribution of reserve funds	(372,253)	-	-	-	-	(372,253)
Rooted in Faith distributions	(404,780)	-		-	363,122	(41,658)
	1,520,603	836,321	116,491	8,284	324,436	2,806,135
Change in net assets	2,995,625	670,346	1,808,387	580,999	(9,210)	6,046,147
Net assets – beginning	29,125,534	33,725,035	18,485,544	2,965,160	(557,295)	83,743,978
Transfer of net assets	-	-	-	(6,708)	-	(6,708)
Net assets – ending	$ 32,121,159	$ 34,395,381	$ 20,293,931	$ 3,539,451	$ (566,505)	$ 89,783,417

Secretariat for Catholic Charities

Details of Appropriations
Year Ended December 31, 2016

	Annual Appeal	Foundation Investments	Total
Funds provided	$ 13,043,850	$ 1,489,075	$ 14,532,925
Cost of contracted fundraising	(2,140,000)		(2,140,000)
Funds available for distribution	$ 10,903,850	$ 1,489,075	$ 12,392,925
Health & Human Services Division			
Secretary for Catholic Charities	$ 3,905,917	$ 327,595	$ 4,233,512
Bishop William Cosgrove Center	215,250		215,250
Diocesan Social Action Offices	364,532		364,532
Disabilities Services	179,792	101,989	281,781
Emergency Assistance Services	373,576	70,704	444,280
Human Life Office	89,791		89,791
Lorain 8th Street	136,895		136,895
Lorain Shelter	214,542		214,542
Marriage and Family Office	300,803	275	301,078
Migration and Refugee Services	184,601		184,601
Parish & Community Ministries	367,601		367,601
Pastoral Care/Health Affairs	324,558	263,195	587,753
Youth and Young Adult Ministry and CYO	279,279		279,279
Total Health & Human Services Division	6,937,137	763,758	7,700,895
Prevention, Treatment & Recovery Division			
Catholic Charities - Cuyahoga	32,147		32,147
Matt Talbot Inn	94,241		94,241
Matt Talbot Inn for Women	1,050		1,050
Parmadale	157,804	384,696	542,500
Total Prevention, Treatment & Recovery Division	285,242	384,696	669,938
Community Services Division			
Community Services - Central	93,375	100,000	193,375
Catholic Charities - Ashland	99,889		99,889
Catholic Charities - Cuyahoga	473		473
Catholic Charities - Geauga	53,575		53,575
Catholic Charities - Lake	106,630	1,047	107,677
Catholic Charities - Lorain	107,398		107,398
Catholic Charities - Medina	92,776		92,776
Catholic Charities - Summit	100,613	56,059	156,672
Catholic Charities - Wayne	63,622		63,622
Fatima Family Center	264,755	51,478	316,233
Head Start			-
Hispanic Senior Center	125,166		125,166
St. Martin DePorres Family Center	309,855	6,685	316,540
St. Philip Neri Family Center	186,380	741	187,121
Total Community Services Division	1,604,507	216,010	1,820,517
Total Catholic Charities Corporation	8,826,886	1,364,464	10,191,350
Rose-Mary Center	818,612	31,738	850,350
St. Augustine Manor	1,229,852	92,873	1,322,725
Other Allocations			
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
Community Pregnancy Center - Barberton	2,000		2,000
Pregnancy Care - Summit	1,200		1,200
St. Vincent DePaul Society	14,500		14,500
Womankind, Inc.	2,400		2,400
Total other allocations	28,500		28,500
	$ 10,903,850	$ 1,489,075	$ 12,392,925