

Secretariat for Catholic Charities

Combined Financial Report
December 31, 2014

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Independent Auditor's Report

Secretariat for Catholic Charities
Cleveland, Ohio

Report on the Financial Statements

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, 2014 and 2013 and the related combined statements of activities, functional expenses and cash flows for the years then ended and the related notes to the combined 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.

Auditor's 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 auditor's 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, 2014 and 2013 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.

Independent Auditor's Report (Continued)

Other Matter

Our audits were conducted for the purpose of forming an opinion on the 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 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.

McGladrey LLP

Cleveland, Ohio
July 29, 2015

Secretariat for Catholic Charities

Combined Statements of Financial Position
December 31, 2014 and 2013

	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	\$ 9,741,505	\$ 13,173,031
Receivables		
Trade, net	8,675,184	7,977,535
Pledges	872,402	908,034
Related party	508,028	657,077
Inventory	218,828	250,448
Other	532,229	559,051
Total current assets	20,548,176	23,525,176
Investments	56,326,707	57,332,323
Other Assets		
Notes and interest receivable - related party	5,337,090	5,371,210
Beneficial interest in perpetual trusts	11,822,916	11,745,023
Property, plant and equipment, net	6,491,754	5,228,989
Land held for future development	86,078	86,078
Goodwill	345,000	345,000
Total other assets	24,082,838	22,776,300
Total assets	\$ 100,957,721	\$ 103,633,799
Liabilities and Net Assets		
Current Liabilities		
Current portion of debt	\$ 274,914	\$ 290,457
Accounts payable	1,804,306	1,787,703
Due to third party payors	436,118	577,486
Accrued expenses	4,131,515	4,299,743
Deferred revenue	823,232	866,742
Accrued employee obligations	229,440	241,778
Total current liabilities	7,699,525	8,063,909
Other Liabilities		
Debt	4,494,699	4,687,303
Interest rate swap	692,090	506,210
Other	496,301	556,430
Accrued employee obligations	4,646,416	4,315,344
Total liabilities	18,029,031	18,129,196
Net Assets		
Unrestricted		
Undesignated	17,998,404	19,091,461
Board designated	8,854,918	10,702,438
	26,853,322	29,793,899
Temporarily restricted	33,281,233	33,006,076
Permanently restricted	22,794,135	22,704,628
Total net assets	82,928,690	85,504,603
Total liabilities and net assets	\$ 100,957,721	\$ 103,633,799

See Notes to Combined Financial Statements.

Secretariat for Catholic Charities

**Combined Statement of Activities
Year Ended December 31, 2014**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Support				
Catholic Charities				
Annual appeal contributions	\$ 10,836,163	\$ -	\$ -	\$ 10,836,163
Bequests and special gifts	1,548,604			1,548,604
United Way	1,469,550	939,912		2,409,462
Program fees	14,778,916			14,778,916
Governmental	52,583,375			52,583,375
Contributions				
Foundations, trusts and individuals	651,152	2,494,056	3,534	3,148,742
Donated goods, facilities, services	461,301			461,301
Rental	1,407,069			1,407,069
Operating investment income (loss)	813,196	(12,752)		800,444
Distributable investment income	1,361,125			1,361,125
Change in value of beneficial interest in perpetual trusts	(5,010)		77,893	72,883
Special events, net	159,555			159,555
Miscellaneous	550,403			550,403
Net assets reclassified	-	(8,080)	8,080	-
Net assets released from restrictions	3,937,593	(3,937,593)		-
Total revenues and support	90,552,992	(524,457)	89,507	90,118,042
Expenses				
Older adults	29,819,683			29,819,683
Children and family services	16,705,269			16,705,269
Disabilities	11,855,836			11,855,836
Behavioral health	10,789,936			10,789,936
Emergency and transitional	3,920,190			3,920,190
Parish/pastoral	5,906,898			5,906,898
Total programs	78,997,812	-	-	78,997,812
Management and general	11,106,016			11,106,016
Fundraising	2,582,574			2,582,574
Total expenses	92,686,402	-	-	92,686,402
Increase (decrease) from operating activity	(2,133,410)	(524,457)	89,507	(2,568,360)
Non-Operating Activity				
Gain on sale of assets	20,680			20,680
Non-operating investment income	-	2,160,739		2,160,739
Investment income distributed to operations	-	(1,361,125)		(1,361,125)
	20,680	799,614	-	820,294
Change in net assets before effect of postretirement benefits	(2,112,730)	275,157	89,507	(1,748,066)
Postretirement related changes	(254,344)			(254,344)
Change in net assets	(2,367,074)	275,157	89,507	(2,002,410)
Net assets - beginning	29,793,899	33,006,076	22,704,628	85,504,603
Transfer of net assets	(573,503)	-	-	(573,503)
Net assets - ending	\$ 26,853,322	\$ 33,281,233	\$ 22,794,135	\$ 82,928,690

See Notes to Combined Financial Statements.

Secretariat for Catholic Charities

**Combined Statement of Activities
Year Ended December 31, 2013**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Support				
Catholic Charities				
Annual appeal contributions	\$ 9,945,570	\$ -	\$ -	\$ 9,945,570
Bequests and special gifts	1,221,469			1,221,469
United Way	1,605,681	907,604		2,513,285
Program fees	11,081,124			11,081,124
Governmental	62,758,173			62,758,173
Contributions				
Foundations, trusts and individuals	2,824,700	2,410,031	1,615	5,236,346
Donated goods, facilities, services	474,029			474,029
Rental	1,214,363			1,214,363
Operating investment income (loss)	884,780	(11,706)		873,074
Distributable investment income	1,346,892			1,346,892
Change in value of beneficial interest in perpetual trusts	-		1,354,274	1,354,274
Special events, net	145,918			145,918
Miscellaneous	581,881			581,881
Net assets reclassified	-	(4,959)	4,959	-
Net assets released from restrictions	1,958,853	(1,958,853)		-
Total revenues and support	96,043,433	1,342,117	1,360,848	98,746,398
Expenses				
Older adults	29,195,389			29,195,389
Children and family services	20,753,942			20,753,942
Disabilities	11,224,159			11,224,159
Behavioral health	11,252,085			11,252,085
Emergency and transitional	3,360,806			3,360,806
Parish/pastoral	5,795,347			5,795,347
Total programs	81,581,728	-	-	81,581,728
Management and general	10,911,025			10,911,025
Fundraising	2,470,693			2,470,693
Total expenses	94,963,446	-	-	94,963,446
Increase from operating activity	1,079,987	1,342,117	1,360,848	3,782,952
Non-Operating Activity				
Gain on sale of assets	465,481			465,481
Non-operating investment income	-	5,622,408		5,622,408
Investment income distributed to operations	-	(1,346,892)		(1,346,892)
	465,481	4,275,516	-	4,740,997
Change in net assets before effect of postretirement benefits	1,545,468	5,617,633	1,360,848	8,523,949
Postretirement related changes	410,502			410,502
Change in net assets	1,955,970	5,617,633	1,360,848	8,934,451
Net assets - beginning	28,374,895	27,388,443	21,343,780	77,107,118
Transfer of net assets	(536,966)	-	-	(536,966)
Net assets - ending	\$ 29,793,899	\$ 33,006,076	\$ 22,704,628	\$ 85,504,603

See Notes to Combined Financial Statements.

Secretariat for Catholic Charities

Combined Statement of Functional Expenses
Year Ended December 31, 2014

	Total	Older Adults	Children and Family Services	Disabilities	Behavioral Health	Emergency and Transitional	Parish/ Pastoral	Total Programs	Management and General	Fundraising
Salaries	\$ 48,953,968	\$ 15,696,166	\$ 9,140,830	\$ 7,112,353	\$ 6,698,589	\$ 1,724,659	\$ 2,092,517	\$ 42,465,114	\$ 6,059,443	\$ 429,411
Employee benefits	8,633,320	2,558,452	1,723,706	1,063,241	1,315,216	277,204	571,092	7,508,911	1,065,205	59,204
Payroll taxes	4,448,847	1,343,579	1,094,807	622,014	549,412	172,073	147,203	3,929,088	483,073	36,686
Total salaries and related expenses	62,036,135	19,598,197	11,959,343	8,797,608	8,563,217	2,173,936	2,810,812	53,903,113	7,607,721	525,301
Purchased services	5,398,787	1,024,003	386,119	925,910	419,223	22,049	1,142,815	3,920,119	1,425,944	52,724
Supplies	6,881,560	4,541,290	871,974	763,507	389,330	78,540	115,933	6,760,574	105,458	15,528
Occupancy	7,060,281	1,834,222	1,728,870	813,914	665,854	485,840	815,348	6,344,048	704,138	12,095
Special assistance	2,338,493	-	461,498	24,789	225,095	956,578	667,243	2,335,203	3,290	-
Depreciation and amortization	1,061,741	644,379	201,415	84,764	35,625	25,687	22,666	1,014,536	40,010	7,195
Appeal and fund administration fee	1,945,000	-	-	-	-	-	-	-	-	1,945,000
Repairs and maintenance	1,499,824	402,462	324,403	69,345	95,187	41,225	34,589	967,211	531,686	927
Transportation	1,507,358	335,518	406,353	229,696	306,355	51,946	99,230	1,429,098	76,875	1,385
Miscellaneous	457,184	144,454	52,364	15,353	4,059	1,533	62,305	280,068	172,694	4,422
Telephone	482,836	75,894	114,505	60,110	60,806	31,585	33,201	376,101	105,014	1,721
Organization and membership fees	1,174,171	1,004,904	22,092	30,600	1,360	1,521	8,394	1,068,871	104,850	450
Interest expense	1,353	1,353	-	-	-	-	-	1,353	-	-
Bad debt	183,224	183,224	-	-	-	-	-	183,224	-	-
Conferences and meetings	226,131	1,440	78,516	24,391	11,222	3,272	48,008	166,849	58,655	627
Printing and publications	118,227	26,015	29,832	9,367	6,865	6,449	10,639	89,167	18,552	10,508
Postage	107,939	2,328	21,816	6,482	5,628	3,272	7,021	46,547	56,701	4,691
Catholic Charities - allocation	26,840	-	-	-	-	-	-	-	26,840	-
Other Catholic distributions	131,323	-	21,758	-	-	36,159	15,000	72,917	58,406	-
Awards and grants	47,995	-	24,411	-	110	598	13,694	38,813	9,182	-
Total expenses	\$ 92,686,402	\$ 29,819,683	\$ 16,705,269	\$ 11,855,836	\$ 10,789,936	\$ 3,920,190	\$ 5,906,898	\$ 78,997,812	\$ 11,106,016	\$ 2,582,574

See Notes to Combined Financial Statements.

Secretariat for Catholic Charities

Combined Statement of Functional Expenses
Year Ended December 31, 2013

	Total	Older Adults	Children and Family Services	Disabilities	Behavioral Health	Emergency and Transitional	Parish/ Pastoral	Total Programs	Management and General	Fundraising
Salaries	\$ 50,898,132	\$ 15,623,973	\$ 11,790,623	\$ 6,949,527	\$ 6,923,069	\$ 1,433,186	\$ 1,941,037	\$ 44,661,415	\$ 5,852,049	\$ 384,668
Employee benefits	9,388,681	2,533,124	2,344,324	1,122,355	1,397,685	241,021	569,561	8,208,070	1,127,500	53,111
Payroll taxes	4,375,951	1,267,641	1,063,689	706,730	566,243	139,275	136,376	3,879,954	463,168	32,829
Total salaries and related expenses	64,662,764	19,424,738	15,198,636	8,778,612	8,886,997	1,813,482	2,646,974	56,749,439	7,442,717	470,608
Purchased services	5,375,206	1,065,543	549,476	572,843	673,312	15,784	971,236	3,848,194	1,487,155	39,857
Supplies	6,821,827	4,206,430	1,215,975	666,667	378,905	63,245	161,138	6,692,360	112,638	16,829
Occupancy	7,014,098	1,719,722	1,950,541	670,116	591,947	468,547	921,644	6,322,517	684,326	7,255
Special assistance	2,150,247	1,734	541,344	-	197,779	826,289	579,767	2,146,913	3,334	-
Depreciation and amortization	1,100,638	600,435	256,389	87,961	53,652	27,406	20,939	1,046,782	46,549	7,307
Appeal and fund administration fee	1,905,000	-	-	-	-	-	-	-	-	1,905,000
Repairs and maintenance	1,452,681	428,231	302,453	76,580	79,763	27,306	47,624	961,957	489,669	1,055
Transportation	1,533,952	307,904	386,392	230,139	300,030	42,987	183,011	1,450,463	82,073	1,416
Miscellaneous	364,906	127,111	51,215	17,605	4,743	565	52,147	253,386	107,153	4,367
Telephone	496,287	76,370	138,354	53,279	54,467	25,264	26,961	374,695	120,979	613
Organization and membership fees	1,219,791	1,032,313	22,332	31,189	12,250	1,706	5,886	1,105,676	114,020	95
Interest expense	3,454	3,454	-	-	-	-	-	3,454	-	-
Bad debt	150,999	150,999	-	-	-	-	-	150,999	-	-
Conferences and meetings	264,135	1,506	74,053	30,416	12,216	5,146	107,060	230,397	30,910	2,828
Printing and publications	142,312	47,252	33,970	2,464	3,376	3,596	20,954	111,612	22,347	8,353
Postage	109,356	1,647	24,450	6,288	2,340	2,565	7,621	44,911	59,335	5,110
Catholic Charities - allocation	25,841	-	-	-	-	-	-	-	25,841	-
Other Catholic distributions	128,344	-	8,362	-	-	36,918	18,385	63,665	64,679	-
Awards and grants	41,608	-	-	-	308	-	24,000	24,308	17,300	-
Total expenses	\$ 94,963,446	\$ 29,195,389	\$ 20,753,942	\$ 11,224,159	\$ 11,252,085	\$ 3,360,806	\$ 5,795,347	\$ 81,581,728	\$ 10,911,025	\$ 2,470,693

See Notes to Combined Financial Statements.

Secretariat for Catholic Charities

**Combined Statements of Cash Flows
Years Ended December 31, 2014 and 2013**

	2014	2013
Cash Flows From Operating Activities		
Change in net assets	\$ (2,002,410)	\$ 8,934,451
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,061,741	1,100,638
Gain on disposal of property, plant and equipment	(20,680)	(465,481)
Realized and unrealized gains on investments	(1,536,671)	(5,207,248)
Increase (decrease) in interest rate swap liability	185,880	(444,819)
Change in value of beneficial interest in perpetual trusts	(77,893)	(1,354,274)
Change in:		
Accounts receivable	(484,059)	2,899,125
Inventory	31,620	(5,539)
Other assets	26,822	382,693
Accounts payable	16,603	43,854
Due to third-party payors	(141,368)	(167,377)
Accrued expenses	(168,228)	130,049
Deferred revenue	(43,510)	77,147
Other liabilities	(60,129)	94,496
Accrued employee obligations	318,734	(260,922)
Net cash (used in) provided by operating activities	(2,893,548)	5,756,793
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(2,303,826)	(738,579)
Net change in investments	2,542,287	(7,840,015)
Net cash provided by (used in) investing activities	238,461	(8,578,594)
Cash Flows From Financing Activities		
Decrease in notes and interest receivable - related party	34,120	664,819
Transfer of cash to Diocese of Cleveland Facilities Services Corporation	(602,412)	(672,352)
Proceeds from issuance of notes payable	89,325	40,441
Principal payments on debt	(297,472)	(284,824)
Net cash used in financing activities	(776,439)	(251,916)
Net decrease in cash and cash equivalents	(3,431,526)	(3,073,717)
Cash and cash equivalents		
Beginning	13,173,031	16,246,748
Ending	\$ 9,741,505	\$ 13,173,031
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 6,760	\$ 7,111

See Notes to Combined Financial Statements.

Secretariat for Catholic Charities

Notes to Combined 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 (Manor) and Rose-Mary Center (RMC). In addition, the Catholic Community Foundation (CCF) holds assets for the benefit of the Secretariat for Catholic Charities. Such assets in the amount of \$44,760,935 and \$40,772,582 at December 31, 2014 and 2013, 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 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 statements of activities as net assets released from restrictions. However, donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

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 value of perpetual trusts. The trusts are to be held in perpetuity by an outside trustee. The Organization has no control of the trust assets or the investment of those assets. The value of future distributions of the trust assets is estimated based on the fair value of the 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 approximates 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.

Secretariat for Catholic Charities

Notes to Combined Financial Statements

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, 2014 and 2013, the allowance for uncollectible accounts and contractual allowances totaled \$784,915 and \$956,277, 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: Inventories are stated at the lower of cost or market derived by use of the first-in, first-out valuation method. Inventories consist 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 statements of activities. Interest and dividends are recognized as revenue in the period it is earned and gains and losses are recognized as changes in net assets in the accounting period in which they occur.

Property, plant and equipment: Except as outlined below, property, plant and equipment are stated at cost or fair value at the date of donation. 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. Leasehold improvements are amortized over the lease term. Repairs and maintenance costs are expensed as incurred.

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, 2014 and 2013. The Manor has determined there was no impairment at December 31, 2014 and 2013, respectively.

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 percent 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 for these room and board services at the daily nursing home rate. Nursing home room and board costs are offset by nursing home room and board net revenue and the net amount is included in older adult expenses. The Manor's related costs totaled \$1,024,620 and \$2,053,589 for the years ended December 31, 2014 and 2013, respectively, while related net revenue totaled \$965,141 and \$1,941,989 for those periods. This resulted in net costs of \$59,479 and \$111,600 for the years ended December 31, 2014 and 2013, respectively, which are included in older adult purchased services.

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 2014 and 2013.

Secretariat for Catholic Charities

Notes to Combined Financial Statements

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 years ended December 31, 2014 and 2013.

Pension and postretirement plans: The Organization recognizes the funded status of its postretirement benefit and pension plans in the 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 an asset or liability at its fair value in the statement of financial position with the change in the fair value reported in the change in net assets. This instrument is classified on the statement of financial position with other liabilities.

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 the restrictions. Governmental 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.

The Organization reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

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

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.

Secretariat for Catholic Charities

Notes to Combined Financial Statements

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

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, 2014 and 2013, 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 2011.

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 such changes could materially affect the amounts reported in the statement of financial position.

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

Subsequent events: The Organization has evaluated subsequent events for potential recognition and/or disclosure through July 29, 2015, 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.

Secretariat for Catholic Charities

Notes to Combined Financial Statements

Note 2. Fair Value Disclosures (Continued)

For the years ended December 31, 2014 and 2013, 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. 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 value of the beneficial interest in perpetual trust is based on the expected estimated future cash flows to be received by the Organization.

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.

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

	2014			
	Total	Level 1	Level 2	Level 3
Financial Assets				
Investments				
Pooled funds at the CCF	\$ 44,800,519	\$ -	\$ 44,800,519	\$ -
Brokered certificates of deposit	2,887,429		2,887,429	
Common stock	1,192,470	1,192,470		
Money market funds	3,030,793	3,030,793		
Government securities	405,252	405,252		
Bonds - corporate	3,882,247	3,882,247		
Mutual funds	127,997	127,997		
Beneficial interest in perpetual trusts	11,822,916	-	-	11,822,916
Total assets	\$ 68,149,623	\$ 8,638,759	\$ 47,687,948	\$ 11,822,916
Financial Liabilities				
Interest rate swap liability	\$ 692,090	\$ -	\$ 692,090	\$ -
Total liabilities	\$ 692,090	\$ -	\$ 692,090	\$ -

Secretariat for Catholic Charities

Notes to Combined Financial Statements

Note 2. Fair Value Disclosures (Continued)

	2013			
	Total	Level 1	Level 2	Level 3
Financial Assets				
Investments				
Pooled funds at the CCF	\$ 40,777,097	\$ -	\$ 40,777,097	\$ -
Brokered certificates of deposit	6,171,974		6,171,974	
Common stock	2,042,610	2,042,610		
Money market funds	12,941	12,941		
Government securities	541,423	541,423		
Bonds - corporate	7,574,738	7,574,738		
Mutual funds	211,540	211,540		
Beneficial interest in perpetual trusts	11,745,023	-	-	11,745,023
Total assets	\$ 69,077,346	\$ 10,383,252	\$ 46,949,071	\$ 11,745,023
Financial Liabilities				
Interest rate swap liability	\$ 506,210	\$ -	\$ 506,210	\$ -
Total liabilities	\$ 506,210	\$ -	\$ 506,210	\$ -

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:

	2014	2013
Equities	61.48%	61.33%
Fixed income	36.31%	36.31%
Cash	2.21%	2.36%
Total	100.00%	100.00%

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

	Beneficial Interest in Perpetual Trusts
Balance, January 1, 2013	\$ 10,390,749
Change in fair value of beneficial interest in perpetual trusts	1,354,274
Balance, December 31, 2013	11,745,023
Change in fair value of beneficial interest in perpetual trusts	77,893
Balance, December 31, 2014	\$ 11,822,916

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 \$1,226,776 and \$1,964,423 in 2014 and 2013, respectively, and recorded a related party receivable of \$479,119 and \$515,532 as of December 31, 2014 and 2013, respectively. A balance of \$2,145,872 and \$2,889,424 is included in temporarily restricted net assets. The Organization applied \$1,933,916 and \$323,623 toward reimbursement of expenditures in 2014 and 2013, respectively.

Secretariat for Catholic Charities

Notes to Combined Financial Statements

Note 3. Related Party Transactions (Continued)

CCC had a receivable from the Diocese of Cleveland Facilities Services Corporation (DOCFSC) in the amount of \$28,909 and \$141,545 at December 31, 2014 and 2013, respectively. These amounts are included in receivable – related party on the statement of financial position.

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 preceding three-year period is available for current operations. This calculation equated to \$1,361,125 and \$1,346,892 in endowment funds available for operations for the years ended December 31, 2014 and 2013, respectively.

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

	2014	2013
Interest and dividends	\$ 1,232,552	\$ 1,154,246
Investment management fees	(88,436)	(75,422)
Investment income received from perpetual trust	280,396	209,410
Unrealized and realized gains on investments	1,536,671	5,207,248
	<u>\$ 2,961,183</u>	<u>\$ 6,495,482</u>

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

	2014	2013
Operating investment income	\$ 800,444	\$ 873,074
Distributable investment income	1,361,125	1,346,892
Non-operating investment income	2,160,739	5,622,408
	<u>\$ 4,322,308</u>	<u>\$ 7,842,374</u>

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 \$872,402 and \$908,034, respectively, consist of unconditional promises by individuals, foundations and other entities. At December 31, 2014 and 2013, 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, RMC and the Manor are the irrevocable beneficiaries and recipients of income from funds held in trust by others, which operate in perpetuity. The Organizations have 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 \$77,893 and \$1,354,274 for the years ended December 31, 2014 and 2013, respectively, is included in permanently restricted revenue and support on the statement of activities. The Organization's proportionate interest in the fair value of the trust assets is \$11,822,916 and \$11,745,023 at December 31, 2014 and 2013, respectively.

Secretariat for Catholic Charities

Notes to Combined Financial Statements

Note 7. Property, Plant and Equipment

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

	2014	2013
Land and improvements	\$ 140,808	\$ 140,808
Building and improvements	11,166,301	10,308,872
Furniture and equipment	14,221,035	14,704,196
Leasehold improvements	2,943,014	2,957,330
Vehicles	1,829,199	1,997,845
Construction in progress	1,219,441	480,338
	<u>31,519,798</u>	<u>30,589,389</u>
Less accumulated depreciation and amortization	(25,028,044)	(25,360,400)
	<u>\$ 6,491,754</u>	<u>\$ 5,228,989</u>

Depreciation and amortization expense for the years ended December 31, 2014 and 2013 was \$1,061,741 and \$1,100,638, respectively.

Note 8. Debt

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

	2014	2013
Bonds - Parmadale	\$ 4,645,000	\$ 4,865,000
Notes payable - Manor	4,570	58,246
Notes payable - Rose-Mary	120,043	54,514
	<u>\$ 4,769,613</u>	<u>\$ 4,977,760</u>

Future minimum principal payments on the debt are as follows:

2015	\$ 274,914
2016	272,294
2017	287,402
2018	273,715
2019	284,128
Thereafter	3,377,160
	<u>\$ 4,769,613</u>

Secretariat for Catholic Charities

Notes to Combined Financial Statements

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 the 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 are secured by a \$5,858,000 irrevocable direct-pay letter of credit issued by Citizens Bank (Citizens) for the account of DOCFSC with an initial maturity date of September 11, 2011. The irrevocable direct-pay letter of credit was subsequently renewed through September 11, 2019. The letter of credit is secured by a mortgage on the leased premises and by any Bonds acquired and held by DOCFSC. The agreement requires that DOCFSC and the Organization comply with certain reporting and financial covenants.

DOCFSC and CCC, as co-borrowers (see Note 10), entered into a Reimbursement Agreement with Citizens providing for the repayment of amounts drawn by the Bond Trustee from the letter of credit (if any). The agreement provides that any amounts not otherwise repaid within 90 days of the expiration of the agreement, convert to a 60 month term loan bearing interest at the Citizens Bank Interest Rate (as defined) plus 1% per annum. The agreement terminates on the same date as the letter of credit terminates. DOCFSC and CCC have agreed to pay Citizens an administrative fee under this agreement of 1.25% of the amount of the letter of credit.

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 weekly rate is the interest rate necessary to enable the remarketing agent to sell the bonds at a price equal to the principal plus accrued interest based upon current transactions in comparable securities in which the remarketing agent is involved. The bonds bear interest at a variable rate determined weekly by Fifth Third as remarketing agent. Interest is payable monthly unless the rate is converted to a Term Rate. The interest rate at December 31, 2014 and 2013 was .22% and .29%, respectively. The bonds were issued and are secured by the Bond Indenture between the City of Parma and the Trustee.

In the event the bonds bear interest at the Term Rate or Other Rate, the bonds are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount of the bonds redeemed plus interest accrued to the redemption date on the dates and in the principal amounts required for redemption in the reimbursement agreement. These mandatory sinking fund requirements would then apply for the remaining term for which the bonds are outstanding.

Secretariat for Catholic Charities

Notes to Combined Financial Statements

Note 8. Debt (Continued)

Notes Payable

The purchase price on the acquisition of GenerationsCare Health Services LLC by the Manor in 2010 was partially paid by issue of note in the amount of \$249,000. Monthly interest and principal payments are due on the note, which matures January 31, 2015. Interest on the note is payable at the rate of 4% per annum and compounds monthly. The amount outstanding as of December 31, 2014 and 2013 was \$4,570 and \$58,246, respectively.

During 2014, the Rose-Mary Center entered into four loans totaling \$89,325 to finance the purchase of one car and two vans. These notes bear interest rates of 5.14% to 7.04%. During 2013, RMC entered into two loans to finance the purchase of two new vans. These notes bear interest rates of 5.24% and 7.03%, respectively. During 2012, RMC entered into two loans to finance the purchase of a van and washing machine. These notes bear interest rates of 7.93% and 8.90%, respectively. RMC incurred interest costs of \$5,289 and \$3,657 for the years ended December 31, 2014 and 2013, respectively. The amount outstanding on these loans at December 31, 2014 and 2013 totaled \$120,043 and \$54,514, respectively.

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 mortgagee, payments would be required in an amount equal to the balance of \$929,167 and \$979,167 at December 31, 2014 and 2013, respectively.

During 2014, CCC proposed an alternative use for the facility and received notification from the ODMHAS that the planned re-purpose of the facility was acceptable.

Note 9. Interest Rate Swap Liability

Related to the Parmadale bonds, DOCFSC and CCC entered into an interest rate swap agreement, effective October 1, 2008. The original notional principal amount under this agreement was \$5,500,000, which reduces as debt principal payments are made. The interest rate swap agreement matures in October 2029. The notional amount at December 31, 2014 and 2013 was \$4,401,741 and \$4,613,362, respectively. Based on the swap agreement, DOCFSC receives payments calculated at a variable rate equal to the prevailing USD-SIFMA (Securities Industry and Financial Markets) 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 are exposed to credit loss in the event of nonperformance by the counter party to the interest rate swap agreement. However, DOCFSC and CCC do not anticipate nonperformance by the counter party. At December 31, 2014 and 2013, the fair value of the swap agreement was \$692,090 and \$506,210, respectively. The variable rate ranged from .19% to .29% and .25% to .39% from January 1 to December 31, 2014 and 2013, respectively. Only the net difference in payments is exchanged with the counter party. The notional amount is not exchanged as it is only the basis on which the interest payments are calculated.

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

Secretariat for Catholic Charities

Notes to Combined Financial Statements

Note 10. Notes and Interest Receivable – Related Party

CCC entered into an agreement with 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, 2014 and 2013, the balance was \$5,337,090 and \$5,371,210, respectively.

Note 11. 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 years ended December 31, 2014 and 2013, the Organization made contributions in the amount of \$1,464,936 and \$1,697,241, respectively, for these plans.

Defined Benefit Plans

RMC participates in the Catholic Diocese of Cleveland Pension Plan which is a multi-employer plan to which RMC 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. RMC has no other obligations or responsibilities with respect to the plan. Expenses under the plan were \$402,976 in 2014 and \$384,769 in 2013.

Post-Retirement Benefit Plans

CCC has postretirement benefit plan that provides medical and life insurance coverage for retirees who meet their years of service requirement. Due to the discontinuance of residential services at Parmadale, a reduction in workforce occurred on February 28, 2014. As a result, the net period benefit cost was re-measured at March 1, 2014. The change was accounted for as a curtailment. Information relative to the Organization's postretirement benefit plan as of and for the years ended December 31, 2014 and 2013 are presented below:

	2014	2013
Accumulated postretirement benefit obligation	\$ (4,875,856)	\$ (4,557,122)
Fair value of plan assets	-	-
Unfunded status	\$ (4,875,856)	\$ (4,557,122)
Amounts recognized on the statement of financial position consist of:		
Current	\$ 229,440	\$ 241,778
Long-term	4,646,416	4,315,344
	\$ 4,875,856	\$ 4,557,122
Amounts recognized for the year		
Employer contributions	\$ 110,973	\$ 103,586
Benefits paid	\$ 110,973	\$ 103,586

Secretariat for Catholic Charities

Notes to Combined Financial Statements

Note 11. Accrued Employee Obligations (Continued)

Post-retirement Benefit Plans (Continued)

	2014	2013
Components of Net Periodic Benefit Cost		
Employer service cost	\$ 25,830	\$ 38,263
Interest cost	190,373	188,284
Net prior service cost amortization	(35,677)	(38,124)
Net loss amortization	2,520	64,743
Curtailment	(7,683)	-
Net periodic benefit cost	\$ 175,363	\$ 253,166
Amounts not yet recognized in the Net Periodic Benefit Cost		
Unrecognized prior service credit	\$ (62,768)	\$ (106,128)
Unrecognized net loss	913,789	702,805
Total	\$ 851,021	\$ 596,677

Amounts recognized during the years ended December 31, 2014 and 2013:

	2014	2013
Amortization of net prior service credit	<u>\$ 35,677</u>	<u>\$ 38,124</u>
Weighted average assumptions		
Discount rate	<u>4.00%</u>	<u>4.75%</u>
Rate of increase in the per capita cost of covered health care benefits	<u>6.50%</u>	<u>7.00%</u>

Employer contributions expected to be paid during the year ended December 31, 2015 are approximately \$229,000.

For measurement purposes, a 6.5% annual rate of increase in the per capita cost of covered health care benefits is assumed for 2015. This rate is assumed to decrease at .5% per year until reaching 4.5% in 2019 and remaining level thereafter. The effect of a 1% increase or decrease in the medical cost trend rate would result in a \$306,884 increase or \$258,176 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:

2015	\$ 229,440
2016	238,810
2017	250,399
2018	259,614
2019	270,218
2020-2024	1,415,218

Secretariat for Catholic Charities

Notes to Combined Financial Statements

Note 12. Board Designated Net Assets

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

	2014	2013
Capital replacement and/or major repairs	\$ 4,990,443	\$ 4,194,009
Future operating reserve	1,886,886	4,155,000
Annual appeal reserve	1,108,414	1,496,028
Camperships	384,016	381,936
Athletic Grants	141,450	132,983
Cleveland Diocese Evaluation for Marriage program	110,713	110,352
Summit County support	101,918	96,052
Land held for future development	86,078	86,078
Initiatives	45,000	50,000
	<u>\$ 8,854,918</u>	<u>\$ 10,702,438</u>

CCC has designated reserves for the benefit of the Catholic Charities entities within the Diocese of Cleveland. 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 ten percent of the annual fundraising target. That limit was temporarily increased for 2013.

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 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.

In 2014, CCC used \$2,900,000 of the future operating reserve fund to subsidize the cost of discontinuing residential services at Parmadale.

Secretariat for Catholic Charities

Notes to Combined Financial Statements

Note 13. Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at December 31:

	2014	2013
General health and welfare - Diocese of Cleveland	\$ 15,078,425	\$ 14,722,163
Children and family services	6,496,903	6,362,590
Emergency and transitional	4,010,576	3,873,152
Rooted in Faith	2,145,872	2,889,424
Disabilities	1,786,023	1,832,486
Older adults	1,112,328	1,242,705
Time restrictions	872,402	835,481
Community development/foster care	729,133	729,133
Capital projects	1,002,328	486,552
Special purposes	28,618	19,926
Social action	18,626	12,464
	<u>\$ 33,281,234</u>	<u>\$ 33,006,076</u>

Note 14. Permanently Restricted Net Assets

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

	2014	2013
General health and welfare - Diocese of Cleveland	\$ 11,135,789	\$ 11,106,875
End of life care	5,847,905	5,800,049
Children and family services	2,556,500	2,550,874
Disabilities	1,327,210	1,321,634
Older adults	1,189,613	1,188,079
Emergency and transitional	737,117	737,117
	<u>\$ 22,794,134</u>	<u>\$ 22,704,628</u>

Note 15. Charity Care

In the ordinary course of business, the Manor renders services to patients who are financially unable to pay for medical care. The Manor 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 coverable, income compared to published poverty levels and family size, as well as other factors. Because the Manor does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The Manor maintains records to identify and monitor the level of charity care it provides. Charity care is measured based on the Manor's estimated direct and indirect costs of providing charity care services. That estimate is made by calculating the cost per day, applied to the total uncompensated days associated with providing charity care to patients. The amount of charity care provided during the years ended December 31, 2014 and 2013 was approximately \$1,248,000 and \$1,246,000, respectively.

In addition to charity care, the Manor provided services under the Medicaid program for financially needy patients, for which the payments received were less than the cost of providing the services. The Manor follows the practice of accumulating all direct and indirect costs, determining a per resident day rate and applying that rate to the total 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 \$3,210,000 and \$2,700,000 in 2014 and 2013, respectively.

Secretariat for Catholic Charities

Notes to Combined Financial Statements

Note 16. Appeal and Fund Administration Fee

CCC contracted with The Catholic Community Foundation (CCF) to provide operational and fundraising support. CCC was charged a net fee of \$1,945,000 and \$1,905,000 by CCF in 2014 and 2013, respectively.

Note 17. Donated Goods, Facilities and Services

The Organization received in kind contributions and related expenses with a value of \$461,301 and \$474,029 for the years ended December 31, 2014 and 2013, respectively. These donated goods and services were utilized to further the charitable purpose of the Organization.

Note 18. Lease Commitments

The Organization leases various items under noncancelable long-term leases expiring over the next four years. Rental expense for these various items, including various items leased under month to month leases, for the years ended December 31, 2014 and 2013 were \$2,224,328 and 2,231,572, respectively. The future minimum lease payments at December 31, 2014 are as follows:

2015	\$ 341,028
2016	290,023
2017	178,776
2018	80,451
2019	43,678
Thereafter	202,148
	<u>\$ 1,136,104</u>

Note 19. 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 generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

Interpretation of relevant law: The Organization has interpreted 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.

Secretariat for Catholic Charities

Notes to Combined Financial Statements

Note 19. Endowment Funds (Continued)

Return objectives and strategies: 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 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. 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 five-percent 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 then ended:

	Temporarily Restricted	Permanently Restricted
Endowment ending balance, January 1, 2013	\$ 5,426,735	\$ 10,953,030
Investment Return		
Investment income, net	341,277	-
Realized and unrealized losses	2,263,706	-
	2,604,983	-
Gifts and other additions	-	1,615
Expenditures and other releases	(709,300)	
Transfer of net assets	(8,345)	4,959
Endowment ending balance, December 31, 2013	7,314,073	10,959,604
Investment Return		
Investment income, net	358,529	-
Realized and unrealized gains	709,733	-
	1,068,262	-
Gifts and other additions		-
Expenditures and other releases	(740,855)	3,534
Transfer of net assets	(8,080)	8,080
Endowment ending balance, December 31, 2014	\$ 7,633,400	\$ 10,971,218

Secretariat for Catholic Charities

Notes to Combined Financial Statements

Note 20. 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.

Note 21. Transfer of Net Assets

For the years ending December 31, 2014 and 2013, CCC received transfers of \$28,909 and \$135,386, respectively, from DOCFSC related to a renovated building on the St. Augustine campus. This will partially reimburse CCC for the cost of acquiring and renovating the building. These amounts were added to the fund that is board designated for capital replacement and/or major repairs and is included in receivables – related party on the combined statement of financial position.

For the years ending December 31, 2014 and 2013, CCC transferred \$602,412 and \$672,352, respectively, to DOCFSC related to improvements at several locations, including St. Augustine Towers, St. Augustine Manor, Covenant, Camp Christopher and Summit County Biruta street buildings. The amounts were paid from a fund that is board designated for capital replacement and/or major repairs.

Supplementary Information

Secretariat for Catholic Charities

Details of Combined Statement of Financial Position
December 31, 2014

	Catholic Charities Corporation	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	\$ 6,431,842	\$ 89,877	\$ 2,454,186	\$ 765,600	\$ -	\$ 9,741,505
Receivables						
Trade, net	4,506,570	2,960	3,499,804	678,617	(12,767)	8,675,184
Pledges	872,402	-	-	67,510	(67,510)	872,402
Related party	508,028	-	-	-	-	508,028
Inventory	-	-	218,828	-	-	218,828
Other	387,891	-	39,821	104,517	-	532,229
Total current assets	12,706,733	92,837	6,212,639	1,616,244	(80,277)	20,548,176
Investments	16,241,645	44,668,098	3,549,273	2,055,978	(10,188,287)	56,326,707
Other Assets						
Notes and interest receivable - related party	5,337,090	-	-	-	-	5,337,090
Beneficial interest in perpetual trusts	5,842,604	-	5,647,905	332,407	-	11,822,916
Property, plant and equipment, net	691,886	-	4,953,488	846,380	-	6,491,754
Land held for future development	86,078	-	-	-	-	86,078
Goodwill	-	-	345,000	-	-	345,000
Total other assets	11,957,658	-	10,946,393	1,178,787	-	24,082,838
Total assets	\$ 40,906,036	\$ 44,760,935	\$ 20,708,305	\$ 4,851,009	\$ (10,268,564)	\$ 100,957,721
Liabilities and Net Assets						
Current Liabilities						
Current portion of debt	\$ 240,000	\$ -	\$ 4,570	\$ 30,344	\$ -	\$ 274,914
Accounts payable	451,524	2,323	1,054,172	296,287	-	1,804,306
Due to third party payors	-	-	436,118	-	-	436,118
Accrued expenses	1,184,728	-	2,619,630	327,157	-	4,131,515
Related party	67,510	9,617,639	-	-	(9,685,149)	-
Deferred revenue	823,232	-	-	-	-	823,232
Accrued employee obligations	229,440	-	-	-	-	229,440
Total current liabilities	2,996,434	9,619,962	4,114,490	653,788	(9,685,149)	7,699,525
Other Liabilities						
Debt	4,405,000	-	-	89,699	-	4,494,699
Interest rate swap	692,090	-	-	-	-	692,090
Other	372,156	-	124,145	-	-	496,301
Accrued employee obligations	4,646,416	-	-	-	-	4,646,416
Total liabilities	13,112,096	9,619,962	4,238,635	743,487	(9,685,149)	18,029,031
Net Assets						
Unrestricted						
Undesignated	7,422,184	-	7,221,683	3,354,537	-	17,998,404
Board designated	7,049,375	-	1,805,543	-	-	8,854,918
	14,471,559	-	9,027,226	3,354,537	-	26,853,322
Temporarily restricted	7,464,777	24,551,549	1,202,745	253,594	(191,432)	33,281,233
Permanently restricted	5,857,604	10,589,424	6,239,699	499,391	(391,983)	22,794,135
Total net assets	27,793,940	35,140,973	16,469,670	4,107,522	(583,415)	82,928,690
Total liabilities and net assets	\$ 40,906,036	\$ 44,760,935	\$ 20,708,305	\$ 4,851,009	\$ (10,268,564)	\$ 100,957,721

Secretariat for Catholic Charities

Details of Combined Statement of Financial Position
December 31, 2013

	Catholic Charities Corporation	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	\$ 7,789,531	\$ 119,178	\$ 4,618,782	\$ 645,540	\$ -	\$ 13,173,031
Receivables						
Trade, net	4,148,946	1,105	3,040,687	798,651	(11,854)	7,977,535
Pledges	908,037	-	-	72,123	(72,126)	908,034
Related party	657,077	-	-	-	-	657,077
Inventory	46,356	-	204,092	-	-	250,448
Other	371,437	-	49,461	138,153	-	559,051
Total current assets	13,921,384	120,283	7,913,022	1,654,467	(83,980)	23,525,176
Investments	16,759,912	40,652,299	3,530,387	3,128,439	(6,738,714)	57,332,323
Other Assets						
Notes and interest receivable - related party	5,371,210	-	-	-	-	5,371,210
Beneficial interest in perpetual trusts	5,818,143	-	5,600,049	326,831	-	11,745,023
Property, plant and equipment, net	887,081	-	3,706,179	635,729	-	5,228,989
Land held for future development	86,078	-	-	-	-	86,078
Goodwill	-	-	345,000	-	-	345,000
Total other assets	12,162,512	-	9,651,228	962,560	-	22,776,300
Total assets	\$ 42,843,808	\$ 40,772,582	\$ 21,094,637	\$ 5,745,466	\$ (6,822,694)	\$ 103,633,799
Liabilities and Net Assets						
Current Liabilities						
Current portion of debt	\$ 220,000	\$ -	\$ 53,676	\$ 16,781	\$ -	\$ 290,457
Accounts payable	494,292	17,188	1,079,299	196,924	-	1,787,703
Due to third party payors	-	-	577,486	-	-	577,486
Accrued expenses	1,241,848	-	2,582,717	475,178	-	4,299,743
Related party	72,126	6,174,563	-	-	(6,246,689)	-
Deferred revenue	866,742	-	-	-	-	866,742
Accrued employee obligations	241,778	-	-	-	-	241,778
Total current liabilities	3,136,786	6,191,751	4,293,178	688,883	(6,246,689)	8,063,909
Other Liabilities						
Debt	4,645,000	-	4,570	37,733	-	4,687,303
Interest rate swap	506,210	-	-	-	-	506,210
Other	471,585	-	84,845	-	-	556,430
Accrued employee obligations	4,315,344	-	-	-	-	4,315,344
Total liabilities	13,074,925	6,191,751	4,382,593	726,616	(6,246,689)	18,129,196
Net Assets						
Unrestricted						
Undesignated	7,001,002	-	7,892,582	4,197,877	-	19,091,461
Board designated	8,904,877	-	1,797,561	-	-	10,702,438
	15,905,879	-	9,690,143	4,197,877	-	29,793,899
Temporarily restricted	8,029,861	24,001,486	831,592	327,158	(184,021)	33,006,076
Permanently restricted	5,833,143	10,579,345	6,190,309	493,815	(391,984)	22,704,628
Total net assets	29,768,883	34,580,831	16,712,044	5,018,850	(576,005)	85,504,603
Total liabilities and net assets	\$ 42,843,808	\$ 40,772,582	\$ 21,094,637	\$ 5,745,466	\$ (6,822,694)	\$ 103,633,799

Secretariat for Catholic Charities

Details of Combined Statement of Activities
Year Ended December 31, 2014

	Catholic Charities Corporation	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	\$ -	\$ -	\$ -	\$ -	\$ 10,836,163	\$ 10,836,163
Bequests and special gifts	-	-	-	-	1,548,604	1,548,604
Catholic Charities - allocation	9,237,321	-	1,290,527	251,437	(10,779,285)	-
United Way	2,267,078	-	1,981	140,403	-	2,409,462
Program fees	3,990,081	-	10,779,492	9,343	-	14,778,916
Governmental	25,516,538	-	16,482,215	10,584,622	-	52,583,375
Contributions	-	-	-	-	-	-
Foundations, trusts and individuals	3,781,516	2,000	2,107,103	197,890	(2,939,767)	3,148,742
Donated goods, facilities, services	443,901	-	17,400	-	-	461,301
Rental	-	-	1,407,069	-	-	1,407,069
Related party	-	-	-	-	-	-
Operating investment income	678,460	-	30,593	125,663	(34,272)	800,444
Distributable investment income	-	1,361,125	-	-	-	1,361,125
Change in value of beneficial interest in perpetual trusts	24,461	-	42,846	5,576	-	72,883
Special events, net	159,555	-	-	-	-	159,555
Miscellaneous	466,048	-	67,984	28,575	(12,204)	550,403
Total revenues and support	46,564,959	1,363,125	32,227,210	11,343,509	(1,380,761)	90,118,042
Expenses						
Salaries	24,294,740	-	17,456,679	7,202,549	-	48,953,968
Employee benefits	4,729,715	-	2,820,424	1,083,181	-	8,633,320
Payroll taxes	2,315,226	-	1,500,361	633,260	-	4,448,847
Total salaries and related expenses	31,339,681	-	21,777,464	8,918,990	-	62,036,135
Purchased services	2,906,078	-	1,441,574	1,090,201	(39,066)	5,398,787
Supplies	1,681,242	-	4,419,026	781,292	-	6,881,560
Occupancy	4,342,219	-	1,842,573	875,489	-	7,060,281
Special assistance	2,338,493	-	-	-	-	2,338,493
Depreciation and amortization	325,201	-	640,638	95,902	-	1,061,741
Appeal and fund administration fee	1,945,000	-	-	-	-	1,945,000
Repairs and maintenance	803,078	-	611,275	85,471	-	1,499,824
Transportation	1,165,291	-	166,762	175,305	-	1,507,358
Miscellaneous	190,338	-	189,596	77,250	-	457,184
Telephone	336,317	-	78,191	68,328	-	482,836
Organization and membership fees	75,049	-	1,059,379	39,743	-	1,174,171
Interest expense	-	-	1,353	-	-	1,353
Bad debt	-	-	183,224	-	-	183,224
Conferences and meetings	177,221	-	-	48,910	-	226,131
Printing and publications	78,265	-	28,418	11,544	-	118,227
Postage	70,736	-	30,111	7,092	-	107,939
Catholic Charities - allocation	-	1,361,125	-	-	(1,334,285)	26,840
Other Catholic distributions	-	131,323	-	-	-	131,323
Awards and grants	47,995	-	-	-	-	47,995
Total expenses	47,822,204	1,492,448	32,469,584	12,275,517	(1,373,351)	92,686,402
Increase (decrease) from operating activities	(1,257,245)	(129,323)	(242,374)	(932,008)	(7,410)	(2,568,360)
Non-Operating Activity						
Gain on sale of assets	-	-	-	20,680	-	20,680
Non-operating investment income	110,149	2,050,590	-	-	-	2,160,739
Investment income distributed to operations	-	(1,361,125)	-	-	-	(1,361,125)
	110,149	689,465	-	20,680	-	820,294
Change in net assets before effect of postretirement benefits	(1,147,096)	560,142	(242,374)	(911,328)	(7,410)	(1,748,066)
Postretirement related changes	(254,344)	-	-	-	-	(254,344)
Change in net assets	(1,401,440)	560,142	(242,374)	(911,328)	(7,410)	(2,002,410)
Net assets - beginning	29,768,883	34,580,831	16,712,044	5,018,850	(576,005)	85,504,603
Transfer of net assets	(573,503)	-	-	-	-	(573,503)
Net assets - ending	\$ 27,793,940	\$ 35,140,973	\$ 16,469,670	\$ 4,107,522	\$ (583,415)	\$ 82,928,690

Secretariat for Catholic Charities

Details of Combined Statement of Activities
Year Ended December 31, 2013

	Catholic Charities Health & Human Services	Catholic Charities Corporation	Catholic Charities Community Services Corporation	Community Foundation for the Benefit of the Organization	St. Augustine Manor and Affiliates	Catholic Charities Corporation of Cleveland	Rose-Mary Center	Reclassifications / Eliminations	Total
Revenues and Support									
Catholic Charities									
Annual appeal contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,945,570	\$ 9,945,570
Bequests and special gifts	-	-	-	-	-	-	-	1,221,469	1,221,469
Catholic Charities - allocation	-	8,798,363	-	-	1,337,750	-	109,938	(10,246,051)	-
United Way	-	2,364,592	-	-	2,668	-	146,025	-	2,513,285
Program fees	-	4,347,358	-	-	6,718,617	-	15,149	-	11,081,124
Governmental	-	30,293,879	-	-	21,682,419	-	10,781,875	-	62,758,173
Contributions									
Foundations, trusts and individuals	-	5,411,843	-	500	1,747,038	-	319,004	(2,242,039)	5,236,346
Donated goods, facilities, services	-	456,629	-	-	17,400	-	-	-	474,029
Rental	-	-	-	-	1,214,363	-	-	-	1,214,363
Related party	-	-	-	-	-	-	-	-	-
Operating investment income	-	385,914	-	-	41,261	-	530,183	(84,284)	873,074
Distributable investment income	-	-	-	1,346,892	-	-	-	-	1,346,892
Change in value of beneficial interest in perpetual trusts	-	625,264	-	-	694,264	-	34,746	-	1,354,274
Special events, net	-	145,918	-	-	-	-	-	-	145,918
Miscellaneous	-	511,353	-	-	61,923	-	20,237	(11,632)	581,881
Total revenues and support	-	53,341,113	-	1,347,392	33,517,703	-	11,957,157	(1,416,967)	98,746,398
Expenses									
Salaries	-	26,435,611	-	-	17,324,886	-	7,137,635	-	50,898,132
Employee benefits	-	5,462,878	-	-	2,761,828	-	1,163,975	-	9,388,681
Payroll taxes	-	2,232,959	-	-	1,408,395	-	734,597	-	4,375,951
Total salaries and related expenses	-	34,131,448	-	-	21,495,109	-	9,036,207	-	64,662,764
Purchased services	-	3,394,118	-	-	1,423,256	-	595,427	(37,595)	5,375,206
Supplies	-	1,972,246	-	-	4,167,661	-	681,920	-	6,821,827
Occupancy	-	4,533,435	-	-	1,763,633	-	717,030	-	7,014,098
Special assistance	-	2,150,247	-	-	-	-	-	-	2,150,247
Depreciation and amortization	-	397,831	-	-	598,909	-	103,898	-	1,100,638
Appeal and fund administration fee	-	1,905,000	-	-	-	-	-	-	1,905,000
Repairs and maintenance	-	769,657	-	-	596,816	-	86,208	-	1,452,681
Transportation	-	1,183,836	-	-	164,553	-	185,563	-	1,533,952
Miscellaneous	-	193,416	-	-	157,875	-	13,615	-	364,906
Telephone	-	358,435	-	-	78,952	-	58,900	-	496,287
Organization and membership fees	-	98,202	-	-	1,081,180	-	40,409	-	1,219,791
Interest expense	-	-	-	-	3,454	-	-	-	3,454
Bad debt	-	-	-	-	150,999	-	-	-	150,999
Conferences and meetings	-	237,425	-	-	-	-	26,710	-	264,135
Printing and publications	-	90,885	-	-	48,261	-	3,166	-	142,312
Postage	-	70,044	-	-	32,469	-	6,843	-	109,356
Catholic Charities - allocation	-	-	-	1,346,892	-	-	-	(1,321,051)	25,841
Other Catholic distributions	-	-	-	128,344	-	-	-	-	128,344
Awards and grants	-	41,608	-	-	-	-	-	-	41,608
Total expenses	-	51,527,833	-	1,475,236	31,763,127	-	11,555,896	(1,358,646)	94,963,446
Increase (decrease) from operating activities	-	1,813,280	-	(127,844)	1,754,576	-	401,261	(58,321)	3,782,952
Non-Operating Activity									
Gain on sale of assets	-	-	-	-	465,481	-	-	-	465,481
Non-operating investment income	-	608,594	-	5,013,814	-	-	-	-	5,622,408
Investment income distributed to operations	-	-	-	(1,346,892)	-	-	-	-	(1,346,892)
	-	608,594	-	3,666,922	465,481	-	-	-	4,740,997
Change in net assets before effect of postretirement benefits	-	2,421,874	-	3,539,078	2,220,057	-	401,261	(58,321)	8,523,949
Postretirement related changes	-	410,502	-	-	-	-	-	-	410,502
Change in net assets	-	2,832,376	-	3,539,078	2,220,057	-	401,261	(58,321)	8,934,451
Net assets - beginning	14,238,827	2,788,435	3,675,441	31,041,753	14,491,987	6,770,770	4,617,589	(517,684)	77,107,118
Transfer of net assets	(14,238,827)	24,148,072	(3,675,441)	-	-	(6,770,770)	-	-	(536,966)
Net assets - ending	\$ -	\$ 29,768,883	\$ -	\$ 34,580,831	\$ 16,712,044	\$ -	\$ 5,018,850	\$ (576,005)	\$ 85,504,603

Secretariat for Catholic Charities

**Details of Appropriations
Year Ended December 31, 2014**

	Annual Appeal	Foundation Investments	Total
Funds Provided	\$ 11,400,000	\$ 1,361,125	\$ 12,761,125
Cost of Contracted Fundraising	(1,955,000)	-	(1,955,000)
Funds Available for Distribution	\$ 9,445,000	\$ 1,361,125	\$ 10,806,125
Catholic Charities Corporation			
Health & Human Services Division			
Secretary for Catholic Charities	\$ 3,615,334	\$ 334,868	\$ 3,950,202
Bishop William Cosgrove Center	144,598	-	144,598
Diocesan Social Action Offices	312,889	50,000	362,889
Disabilities Services	202,116	66,796	268,912
Emergency Assistance Grants	-	62,784	62,784
Emergency Assistance Services	406,891	-	406,891
Human Life Office	87,038	-	87,038
Lorain 8th Street	101,256	-	101,256
Lorain Shelter	164,637	-	164,637
Marriage and Family Office	285,168	1,268	286,436
Migration and Refugee Services	176,979	-	176,979
Parish & Community Ministries	338,063	-	338,063
Pastoral Care/Health Affairs	370,549	214,273	584,822
Youth and Young Adult Ministry and CYO	280,891	-	280,891
Total Health & Human Services Division	6,486,409	729,989	7,216,398
Prevention, Treatment & Recovery Division			
Prevention, Treatment & Recovery - Central	13,426	-	13,426
Catholic Charities - Cuyahoga	18,590	-	18,590
	1,903	-	1,903
Matt Talbot Inn for Women	2,537	-	2,537
Parmadale	101,809	242,496	344,305
Total Prevention, Treatment & Recovery Division	138,265	242,496	380,761
Community Services Division			
Community Services - Central	48,026	100,000	148,026
Catholic Charities - Ashland	70,761	-	70,761
Catholic Charities - Cuyahoga	1,268	-	1,268
Catholic Charities - Geauga	75,414	-	75,414
Catholic Charities - Lake	102,751	950	103,701
Catholic Charities - Lorain	73,233	-	73,233
Catholic Charities - Medina	78,258	5,117	83,375
Catholic Charities - Summit	143,109	18,110	161,219
Catholic Charities - Wayne	40,963	-	40,963
Fatima Family Center	180,137	121,657	301,794
Hispanic Senior Center	110,927	-	110,927
St. Martin DePorres Family Center	281,458	6,218	287,676
St. Philip Neri Family Center	181,133	672	181,805
Total Community Services Division	1,387,438	252,724	1,640,162
Total Catholic Charities Corporation	8,012,112	1,225,209	9,237,321
Rose-Mary Center	195,796	55,641	251,437
St. Augustine Manor	1,210,252	80,275	1,290,527
Other allocations			
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	12,840	-	12,840
Womankind, Inc.	2,400	-	2,400
Total other allocations	26,840	-	26,840
Total	\$ 9,445,000	\$ 1,361,125	\$ 10,806,125

Secretariat for Catholic Charities

Details of Appropriations Year Ended December 31, 2013

	Annual Appeal	Foundation Investments	Total
Funds Provided	\$ 10,830,000	\$ 1,346,892	\$ 12,176,892
Cost of Contracted Fundraising	(1,905,000)	-	(1,905,000)
Funds Available for Distribution	\$ 8,925,000	\$ 1,346,892	\$ 10,271,892
Catholic Charities Corporation			
Health & Human Services Division			
Secretary for Catholic Charities	\$ 1,640,205	\$ 242,932	\$ 1,883,137
Bishop William Cosgrove Center	194,850	-	194,850
Diocesan Social Action Offices	332,784	-	332,784
Disabilities Services	299,705	64,926	364,631
Emergency Assistance Services	397,081	59,943	457,024
Emergency Assistance Grants	(1,659)	-	(1,659)
Lorain 8th Street	80,796	-	80,796
Lorain Shelter	142,634	-	142,634
Marriage and Family Office	285,206	1,600	286,806
Migration and Refugee Services	262,892	-	262,892
Parish & Community Ministries	335,356	-	335,356
Pastoral Care/Health Affairs	279,010	310,290	589,300
Pro Life Office	82,850	-	82,850
Youth and Young Adult Ministry and CYO	268,378	-	268,378
Total Health & Human Services Division	4,600,088	679,691	5,279,779
Prevention, Treatment & Recovery Division			
Prevention, Treatment & Recovery - Central	522,553	150,000	672,553
Catholic Charities - Cuyahoga	16,104	-	16,104
Matt Talbot Inn for Women	1,000	-	1,000
Parmadale	140,906	55,413	196,319
Total Prevention, Treatment & Recovery Division	680,563	205,413	885,976
Community Services Division			
Community Services - Central	929,875	250,000	1,179,875
Catholic Charities - Ashland	61,801	-	61,801
Catholic Charities - Cuyahoga	6,045	-	6,045
Catholic Charities - Geauga	50,132	-	50,132
Catholic Charities - Lake	99,339	918	100,257
Catholic Charities - Lorain	66,521	-	66,521
Catholic Charities - Medina	67,537	5,117	72,654
Catholic Charities - Summit	127,363	17,631	144,994
Catholic Charities - Wayne	40,060	-	40,060
Fatima Family Center	240,851	44,758	285,609
Hispanic Senior Center	134,913	-	134,913
St. Martin DePorres Family Center	282,019	6,053	288,072
St. Philip Neri Family Center	199,371	645	200,016
Total Community Services Division	2,305,827	325,122	2,630,949
Total Catholic Charities Corporation	7,586,478	1,210,226	8,796,704
Rose-Mary Center	55,718	54,220	109,938
St. Augustine Manor	1,255,304	82,446	1,337,750
Other allocations			
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
Malachi Center	1,500	-	1,500
Pregnancy Care -Summit	1,200	-	1,200
St. Vincent DePaul Society	14,000	-	14,000
Womankind, Inc.	2,400	-	2,400
Total other allocations	27,500	-	27,500
	\$ 8,925,000	\$ 1,346,892	\$ 10,271,892