

**CATHOLIC CHARITIES OF THE
ARCHDIOCESE OF MIAMI, INC.**

FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2024 AND 2023

TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT	1-3
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statement of Activities and Changes in Net Assets for the Year Ended June 30, 2024 ..	5
Statement of Activities and Changes in Net Assets for the Year Ended June 30, 2023 ..	6
Statements of Cash Flows	7
Statement of Functional Expenses for the Year Ended June 30, 2024	8
Statement of Functional Expenses for the Year Ended June 30, 2023	9
Notes to Financial Statements	10-23
SUPPLEMENTARY INFORMATION	
United Way Allocations	24
Schedule of Expenditures of Federal Awards	25-26
Schedule of Expenditures of State Financial Assistance	27
Schedule of Cost Center Actual Expenses and Revenues - Substance Abuse and Mental Health Services – Part I	28
Schedule of Cost Center Actual Expenses and Revenues - Substance Abuse and Mental Health Services – Part II	29
Schedule of State Earnings	30
Schedule of Related Party Transaction Adjustments	31
Notes to the Schedule of State Earnings, Cost Center Actual Expenses and Revenues and Schedule of Expenditures of Federal Awards and State Financial Assistance	32
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	33-34
Independent Auditor’s Report on Compliance for each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, <i>Rules of the Auditor General</i>	35-37
Schedule of Findings and Questioned Costs – Federal Awards Programs and State Financial Assistance	38-39



Verdeja • Alvarez

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Octavio F. Verdeja, Founder - 1971

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Catholic Charities of the Archdiocese of Miami, Inc.
Wilton Manors, Florida

Opinion

We have audited the accompanying financial statements of Catholic Charities of the Archdiocese of Miami, Inc. ("Catholic Charities") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Catholic Charities as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Catholic Charities and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Catholic Charities' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Catholic Charities' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Catholic Charities' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650 Rules of the Auditor General of the State of Florida, the schedules of state earnings, cost center actual expenses and revenues as required by the Florida Department of Children and Families (the “Department”), Guide to Performance Contracting for Alcohol, Drug Abuse and Mental Health Services, and the schedule of United Way Allocations are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2024, on our consideration of Catholic Charities’ internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Catholic Charities’ internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Catholic Charities’ internal control over financial reporting and compliance.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
October 22, 2024

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
ASSETS		
Cash and cash equivalents, partially restricted	\$ 8,562,285	\$ 9,672,248
Cash held at the Archdiocese of Miami, partially restricted	10,821,305	3,018,573
Accounts receivable, net of allowance of \$53,837 and \$55,655	5,777,626	4,655,452
Prepaid expenses and other assets	74,860	49,443
Investments, including endowments	6,618,972	6,070,862
Right-of-use asset - operating	57,913	30,533
Property and equipment, net of accumulated depreciation of \$17,282,261 and \$16,566,479	<u>23,901,234</u>	<u>14,241,769</u>
TOTAL ASSETS	<u>\$ 55,814,195</u>	<u>\$ 37,738,880</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,146,182	\$ 1,027,489
Deferred revenue	851,477	529,068
Security deposit held	23,000	20,000
Refundable advance	-	105,000
Right-of-use liability - operating	<u>58,111</u>	<u>30,533</u>
TOTAL LIABILITIES	2,078,770	1,712,090
NET ASSETS		
Without donor restrictions	42,116,769	29,655,027
With donor restrictions	<u>11,618,656</u>	<u>6,371,763</u>
TOTAL NET ASSETS	<u>53,735,425</u>	<u>36,026,790</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 55,814,195</u>	<u>\$ 37,738,880</u>

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

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions		Total
		Other Donor Restricted Funds	Gifts Restricted in Perpetuity	
REVENUE AND SUPPORT				
Contributions, foundations, trusts and bequests	\$ 3,635,972	\$ 5,152,015	\$ 32,677	\$ 8,820,664
United Way	297,642	-	-	297,642
Contributed facilities, goods and services	8,287,594	-	-	8,287,594
Contributed property	4,994,156	-	-	4,994,156
Grants from government agencies and others	33,675,325	25,000	-	33,700,325
Program service fees	515,585	-	-	515,585
Other income	19,443	-	-	19,443
Net assets released from restrictions:				
Satisfaction of program restrictions	780,474	(780,474)	-	-
TOTAL REVENUE AND SUPPORT	52,206,191	4,396,541	32,677	56,635,409
EXPENSES				
Program Services:				
Community based services	20,353,031	-	-	20,353,031
Child development services	18,533,193	-	-	18,533,193
Ministries	77,616	-	-	77,616
Supporting Activities:				
General and Administrative	4,560,829	-	-	4,560,829
TOTAL EXPENSES	43,524,669	-	-	43,524,669
CHANGE IN NET ASSETS, before non operating activities	8,681,522	4,396,541	32,677	13,110,740
Investment gain, net of fees	115,928	817,675	-	933,603
Gain on asset exchange	3,664,292	-	-	3,664,292
TOTAL NON OPERATING ACTIVITIES	3,780,220	817,675	-	4,597,895
CHANGE IN NET ASSETS, after non operating activities	12,461,742	5,214,216	32,677	17,708,635
NET ASSETS - Beginning of year	29,655,027	790,371	5,581,392	36,026,790
NET ASSETS - End of year	<u>\$ 42,116,769</u>	<u>\$ 6,004,587</u>	<u>\$ 5,614,069</u>	<u>\$ 53,735,425</u>

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

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions		Total
		Other Donor Restricted Funds	Gifts Restricted in Perpetuity	
REVENUE AND SUPPORT				
Contributions, foundations, trusts and bequests	\$ 756,178	\$ 404,646	\$ 32,801	\$ 1,193,625
United Way	243,081	-	-	243,081
Contributed facilities, goods and services	5,893,143	-	-	5,893,143
Grants from government agencies	28,832,334	232,031	-	29,064,365
Program service fees	339,241	-	-	339,241
Other income	7,868	-	-	7,868
Net assets released from restrictions:				
Satisfaction of program restrictions	1,758,321	(1,758,321)	-	-
TOTAL REVENUE AND SUPPORT	37,830,166	(1,121,644)	32,801	36,741,323
EXPENSES				
Program Services:				
Community based services	14,615,827	-	-	14,615,827
Child development services	17,343,913	-	-	17,343,913
Ministries	23,363	-	-	23,363
Supporting Activities:				
General and Administrative	4,780,817	-	-	4,780,817
TOTAL EXPENSES	36,763,920	-	-	36,763,920
CHANGE IN NET ASSETS, before non operating activities	1,066,246	(1,121,644)	32,801	(22,597)
Investment gain, net of fees	18,573	562,402	-	580,975
TOTAL NON OPERATING ACTIVITIES	18,573	562,402	-	580,975
CHANGE IN NET ASSETS, after non operating activities	1,084,819	(559,242)	32,801	558,378
NET ASSETS - Beginning of year	28,570,208	1,349,613	5,548,591	35,468,412
NET ASSETS - End of year	\$ 29,655,027	\$ 790,371	\$ 5,581,392	\$ 36,026,790

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

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 17,708,635	\$ 558,378
Adjustment to reconcile change in net cash provided by operating activities:		
Depreciation expense	1,465,775	1,366,319
Reduction of right-of-use asset	29,811	4,741
Loss on disposal of fixed assets	9,005	297,281
Contributed property and gain on asset exchange	(8,658,448)	-
Unrealized/realized gain on investments	(706,144)	(472,306)
Reduction of allowance for doubtful accounts	(1,818)	(8,255)
(Increase) Decrease in assets:		
Accounts receivable	(1,120,356)	132,232
Prepaid expenses and other assets	(25,417)	6,571
Increase (Decrease) in liabilities:		
Accounts payable and accrued expenses	118,693	279,745
Security deposit held	3,000	12,000
Deferred revenue	322,409	(69,570)
Change in lease obligation	(29,613)	(4,741)
Total adjustments	<u>(8,593,103)</u>	<u>1,544,017</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>9,115,532</u>	<u>2,102,395</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds of investments	158,034	164,702
Purchase of property and equipment	(2,476,297)	(909,452)
Proceeds from the sale of fixed assets	500	-
NET CASH USED IN INVESTING ACTIVITIES	<u>(2,317,763)</u>	<u>(744,750)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of note payable	(105,000)	-
NET CASH USED IN FINANCING ACTIVITIES	<u>(105,000)</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,692,769	1,357,645
CASH AND CASH EQUIVALENTS - Beginning of year	<u>12,690,821</u>	<u>11,333,176</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 19,383,590</u>	<u>\$ 12,690,821</u>
	\$ 8,562,285	\$ 9,672,248
Cash and cash equivalents	10,821,305	3,018,573
Cash held at the Archdiocese of Miami	<u>\$ 19,383,590</u>	<u>\$ 12,690,821</u>

Non-Cash activities:

Due to the implementation of FASB ASU 2016-02 - Leases (Topic 842), a right-of-use asset and lease liability were recognized during 2024 fiscal year, resulting in the following non-cash adjustments.

Initial right-of-use asset	<u>\$ 57,191</u>
Initial lease liability	<u>\$ 57,191</u>

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

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Community Based Services	Child Development Services	Ministries	Total Program Services	General and Administrative	Total
Personnel Expenses:						
Salaries and payroll taxes	\$ 8,326,771	\$ 8,757,695	\$ 70,513	\$ 17,154,979	\$ 2,560,396	\$ 19,715,375
Temporary employees	127,872	-	-	127,872	-	127,872
Pension and health insurance benefits	748,245	1,036,900	4,306	1,789,451	289,843	2,079,294
Total Personnel Expenses	<u>9,202,888</u>	<u>9,794,595</u>	<u>74,819</u>	<u>19,072,302</u>	<u>2,850,239</u>	<u>21,922,541</u>
Specific assistance	3,172,804	1,370,785	-	4,543,589	224,389	4,767,978
Conferences, meetings and dues	83,662	52,745	-	136,407	35,057	171,464
Insurance	531,826	294,144	-	825,970	56,970	882,940
Professional fees	184,892	-	-	184,892	206,332	391,224
Rent and utilities	578,150	480,671	-	1,058,821	29,740	1,088,561
In-kind expenses	3,682,882	4,449,912	-	8,132,794	154,800	8,287,594
Repairs and maintenance	993,993	809,340	-	1,803,333	71,827	1,875,160
Supplies	284,476	545,516	-	829,992	35,498	865,490
Telephone	292,372	189,246	566	482,184	80,886	563,070
Transportation	193,416	21,731	1,987	217,134	107,517	324,651
Interest and fees	2,272	632	-	2,904	1,833	4,737
Miscellaneous	149,169	153,171	-	302,340	611,144	913,484
	<u>10,149,914</u>	<u>8,367,893</u>	<u>2,553</u>	<u>18,520,360</u>	<u>1,615,993</u>	<u>20,136,353</u>
Total expenses before depreciation	19,352,802	18,162,488	77,372	37,592,662	4,466,232	42,058,894
Depreciation	<u>1,000,229</u>	<u>370,705</u>	<u>244</u>	<u>1,371,178</u>	<u>94,597</u>	<u>1,465,775</u>
Total Expenses	<u>\$ 20,353,031</u>	<u>\$ 18,533,193</u>	<u>\$ 77,616</u>	<u>\$ 38,963,840</u>	<u>\$ 4,560,829</u>	<u>\$ 43,524,669</u>

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

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Community Based Services	Child Development Services	Ministries	Total Program Services	General and Administrative	Total
Personnel Expenses:						
Salaries and payroll taxes	\$ 5,554,373	\$ 7,992,750	\$ 20,559	\$ 13,567,682	\$ 2,499,610	\$ 16,067,292
Temporary employees	127,239	10,419	-	137,658	-	137,658
Pension and health insurance benefits	563,387	1,001,865	1,123	1,566,375	278,166	1,844,541
Total Personnel Expenses	<u>6,244,999</u>	<u>9,005,034</u>	<u>21,682</u>	<u>15,271,715</u>	<u>2,777,776</u>	<u>18,049,491</u>
Specific assistance	3,205,909	1,262,057	-	4,467,966	437,033	4,904,999
Conferences, meetings and dues	47,135	44,216	-	91,351	32,324	123,675
Insurance	428,013	256,595	-	684,608	24,833	709,441
Professional fees	77,491	24,587	-	102,078	277,401	379,479
Rent and utilities	530,374	480,990	-	1,011,364	23,276	1,034,640
In-kind expenses	1,502,006	4,236,338	-	5,738,344	154,799	5,893,143
Repairs and maintenance	839,053	914,693	-	1,753,746	87,021	1,840,767
Supplies	203,699	488,211	-	691,910	38,502	730,412
Telephone	177,037	85,118	652	262,807	56,021	318,828
Transportation	129,792	21,308	662	151,762	107,834	259,596
Interest and fees	3,154	1,533	-	4,687	1,458	6,145
Miscellaneous	417,549	149,593	-	567,142	579,843	1,146,985
	<u>7,561,212</u>	<u>7,965,239</u>	<u>1,314</u>	<u>15,527,765</u>	<u>1,820,345</u>	<u>17,348,110</u>
Total expenses before depreciation	13,806,211	16,970,273	22,996	30,799,480	4,598,121	35,397,601
Depreciation	<u>809,616</u>	<u>373,640</u>	<u>367</u>	<u>1,183,623</u>	<u>182,696</u>	<u>1,366,319</u>
Total Expenses	<u>\$ 14,615,827</u>	<u>\$ 17,343,913</u>	<u>\$ 23,363</u>	<u>\$ 31,983,103</u>	<u>\$ 4,780,817</u>	<u>\$ 36,763,920</u>

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

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

Catholic Charities of the Archdiocese of Miami, Inc. (“Catholic Charities”) was organized under the laws of the state of Florida on October 31, 1967, as a nonprofit corporation with the purpose of meeting the ever changing needs of the communities of Broward, Miami-Dade and Monroe counties of Florida. Catholic Charities operates under the sponsorship of the Archbishop of the Archdiocese of Miami (the “Archdiocese”).

Catholic Charities provides the following services in three counties and in 23 separate locations:

Child Development Services – Through six Child Development Centers in Miami-Dade County, Catholic Charities offers safe and nurturing environments where children can thrive academically and socially. The Head Start, Early Head Start and VPK pre-school programs equip the children and their families with high quality educational and social resources so they can achieve their fullest potential.

Community Based Services – Throughout the tri-county area, Catholic Charities provides services such as: alcohol and substance abuse services, counseling and family services, food distributions through a food pantry, elderly services, homeless prevention and rapid re-housing services, and immigrants and refugee services. Within these groups, various services are offered which include but are not limited to: acculturation, legal, employment, case management, parenting skills and education, medical, mental health, foster care, emergency housing and cash assistance.

Ministries – The Catholic Charities Monroe Ministries assist the five parishes and Deanery to build upon its efforts to uphold human dignity and to reach out in mercy, service and justice to our most vulnerable people. Emphasis is placed on the formation, education and the empowerment of parishes and the community, as we together, develop ministries in response to needs, and social injustice.

As of February 2008, Catholic Charities obtained control of the Catholic Charities Endowment Trust (the “Trust”) through its control of the governing board of the Trust. During the year ended June 30, 2013, the financial statements of Catholic Charities were consolidated with the Trust. At the request of the Corporate Members of Catholic Charities of the Archdiocese of Miami, Inc., the Trust’s endowment investments were liquidated and transferred to the Catholic Community Foundation in the Archdiocese of Miami, Inc. (the “Foundation”) for the benefit of Catholic Charities. For the years ended June 30, 2024 and 2023, these investments are included in these financial statements and they are to be invested and managed by the Foundation in accordance with its investment policies and practices.

Adopted Accounting Pronouncements

In June 2016, FASB issued ASU 2016-13 (the “ASU”), Financial Instruments—Credit Losses (Topic 326), which among other things, requires more timely recognition of credit losses associated with financial instruments. Prior to adoption of the ASU, generally accepted accounting principles (“GAAP”) required an “incurred loss” methodology for recognizing credit losses that delayed recognition until it was probable that a loss had been incurred. The objective of the ASU is to replace the incurred loss impairment methodology with a methodology that requires consideration of a broader range of reasonable and supportable information to income credit loss estimates. The ASU is effective for private companies for fiscal years beginning after December 15, 2022. Catholic Charities has adopted the ASU in these financial statements. The adoption of the ASU did not have a material impact on these financial statements.

Basis of Presentation

Catholic Charities prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and with standards established by the Financial Accounting Standards Board (“FASB”) for external financial reporting by not-for-profit organizations. Accordingly, Catholic Charities’ resources are classified and reported based upon the existence or absence of donor-imposed restrictions, as follows:

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Net assets without donor restriction – include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transactions (except income and gains on assets that are restricted by donors or by law) are included in the net assets without donor restriction class. Net assets without donor restrictions include board designated net assets held in cash of \$1,587,638 and \$1,649,607 as of June 30, 2024 and 2023, respectively, and are to be used to provide counseling services.

Net assets with donor restriction – include those net assets whose use by Catholic Charities has been limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled by expending the funds for their restricted purpose. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with the investment return available for operations. Net assets with donor restrictions totaled \$11,618,656 and \$6,371,763 as of June 30, 2024 and 2023, respectively. See Note 9.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Appreciation or depreciation in the fair value of investments and gains and losses on other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless otherwise restricted by explicit donor stipulation or by law. Expirations of time or purpose restrictions on net assets are reported as net assets released from restrictions. Grants from government agencies are recognized as revenue when the grant funds have been expended or the service has been provided in accordance with the grant provisions.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Unconditional promises to give are recorded at their net realizable value if they are expected to be collected within one year or at fair value, which is measured using the present value of future cash flows, if they are expected to be collected over periods longer than one year. Catholic Charities has been notified of certain intentions to give under various wills and trusts. Catholic Charities' share of such bequests is recorded when Catholic Charities has an irrevocable right to the bequest and the proceeds are measurable. Contributions of assets other than cash are recorded at their estimated fair value at date of donation. Contributions to be received after one year are discounted using a risk-adjusted rate of return. Amortization of discounts is recorded as additional contribution revenue reflecting donor-imposed restrictions, if any. An allowance for uncollectible contributions receivable is provided based upon management's judgment after considering prior collection history, type of contribution and nature of fundraising activity.

Deferred Revenue

Deferred revenue consists of payments received from grant funding agencies, foundations, or donors in advance of the start of the program or of the specific grant obligations being satisfied. Such amounts are recorded as revenues when the related services are performed, or obligations are satisfied.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Catholic Charities considers all cash in banks and highly liquid investments with original maturities of three months or less to be cash and cash equivalents. Catholic Charities maintains its cash and cash equivalents with high credit quality financial institutions and with the Archdiocese, and at times, balances may exceed federally insured limits. Amounts exceeding federally insured limits at June 30, 2024 and 2023 totaled \$19,603,434 and \$12,602,907, respectively. Catholic Charities has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Cash

Restricted cash is primarily composed of amounts held with respect to disaster relief programs, the Day 1 Families Fund and other donor restricted purposes. Restricted cash at June 30, 2024 and 2023 was \$4,999,684 and \$300,901, respectively.

Accounts Receivable

Accounts receivable consist primarily of amounts due from governmental entities under Catholic Charities' grant agreements. Accounts receivable are stated at estimated net realizable value. The allowance for credit losses was \$53,837 and \$55,655 for the years ended June 30, 2024 and 2023, respectively.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets with donor restrictions in the reporting period in which the income and gains are recognized and then released if the restrictions are met (either by passage of time or by use).

Property and Equipment

Property, equipment and leasehold improvements purchased for a value greater than \$500, and with depreciable lives greater than one year, are stated at cost net of depreciation. Donations of property, equipment or leasehold improvements are recorded as contributions at their estimated fair value at the date of the donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Absent donor stipulations, Catholic Charities reports the assets as without donor restrictions. Upon disposal of fixed assets, the costs and accumulated depreciation are removed from the accounts, and the resulting gain or loss, if any, is included within non-operating activities in the accompanying statement of activities and changes in net assets.

Depreciation is calculated using the straight-line method over the estimated useful lives of the fixed assets ranging from 3 to 20 years.

Concentrations

Catholic Charities is supported primarily through grants from federal, state and local government funding. Catholic Charities received approximately 60% and 79% of total operating revenues and support from federal, state and local government grants for each of the years ended June 30, 2024 and 2023, respectively.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expenses Allocation

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, costs have been allocated among the program and supporting services benefited. The expenses that are allocated are personnel expenses, which are allocated on the basis of estimates of time and effort; facilities and interest expenses and depreciation, which are allocated on a weighted-average square footage basis; and supplies and contracted services, which are allocated based on actual expenses incurred for each function.

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

Catholic Charities is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to Catholic Charities' tax-exempt purpose can be subject to taxation as unrelated business income. In addition, Catholic Charities qualified for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation member under Section 509(a)(1). As of June 30, 2024, the tax years that remain subject to examination by taxing authorities are for the years 2020 through 2023.

Subsequent Events

Catholic Charities has evaluated subsequent events through October 22, 2024, which is the date the financial statements were available to be issued.

NOTE 2 – ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at June 30, 2024 and 2023, respectively:

	2024	2023
Governmental and other entities	\$ 5,458,550	\$ 4,385,767
Other receivables	372,913	325,340
Less allowance for credit losses	(53,837)	(55,655)
Total	\$ 5,777,626	\$ 4,655,452

NOTE 3 – FAIR VALUE MEASUREMENTS

Catholic Charities reports its fair value measures using a fair value hierarchy defined by generally accepted accounting principles that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under generally accepted accounting principles are:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, assets or liabilities without restrictions;

Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (that is, inputs supported by little or no market activity).

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

Cash, money market and certificates of deposit: Cash, money market and certificates of deposit with an original maturity of three months or less are valued at their face amount because of the short length of time to maturity.

U.S. government bonds, equities and corporate fixed income: Valued at the closing price reported on the active market on which the individual securities are traded.

The fair value of the contribution receivable from an irrevocable trust is estimated as the present value of expected future cash inflows.

The fair values of Catholic Charities’ assets measured on a recurring basis at June 30, 2024, are as follows:

Fair Value Measurements Using:

Assets	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and money market	\$ 99,947	\$ -	\$ 99,947	\$ -
Mutual Funds:				
Domestic Equity	2,690,612	-	2,690,612	-
International Equity	1,302,613	-	1,302,613	-
Fixed income investments	2,525,800	-	2,525,800	-
	\$ 6,618,972	\$ -	\$ 6,618,972	\$ -

As indicated in Note 1, the investments were liquidated and transferred to the Catholic Community Foundation in the Archdiocese of Miami, Inc. (the “Foundation”). The investments have been identified as level 2 in these financial statements since Catholic Charities has a unit percentage interest in the pooled funds of the Foundation.

The Foundation has established the following asset allocation policy:

Asset Class	Allocation Range		
	Low	Target	High
Cash	0%	1%	5%
Fixed Income	35%	39%	45%
Domestic Equities	30%	40%	45%
International Equities	15%	20%	25%

As per the Foundation’s investment policy, the asset allocation of the alternative investment asset class is incorporated into the equity or fixed income asset class range as per their purpose in being added to the portfolio. At times, market conditions may cause the Foundation investment in various asset classes to vary from the established allocation. If the actual weighing is outside the asset allocation range, the Foundation will rebalance the portfolio to be within the allocation range.

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The fair values of Catholic Charities’ assets measured on a recurring basis at June 30, 2023, are as follows:

Fair Value Measurements Using:

Assets	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and money market	\$ 70,422	\$ -	\$ 70,422	\$ -
Mutual Funds:				
Domestic Equity	2,542,477	-	2,542,477	-
International Equity	1,201,424	-	1,201,424	-
Fixed income investments	2,256,539	-	2,256,539	-
	\$ 6,070,862	\$ -	\$ 6,070,862	\$ -

Investments reported at fair value consist of the following at June 30, 2024 and 2023, respectively:

	2024	2023
Equity investments	\$ 3,993,225	\$ 3,743,901
Fixed income	2,525,800	2,256,539
Cash and money market	99,947	70,422
	\$ 6,618,972	\$ 6,070,862

Investment income with respect to the endowment is reported in the statement of activities as follows:

	2024	2023
Interest and dividends, net	\$ 111,531	\$ 90,096
Unrealized/realized gains	706,144	472,306
	\$ 817,675	\$ 562,402

NOTE 4 – PROPERTY AND EQUIPMENT

The major classifications of property and equipment consist of the following:

	2024	2023
Leasehold improvements	\$ 4,867,655	\$ 4,984,481
Building and improvements	26,501,146	18,110,936
Furniture, computers and equipment	6,326,436	6,093,437
Vehicles	183,117	104,369
Construction in progress	3,305,141	1,515,025
	41,183,495	30,808,248
Less: Accumulated depreciation	(17,282,261)	(16,566,479)
Property and equipment, net	\$ 23,901,234	\$ 14,241,769

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 4 – PROPERTY AND EQUIPMENT (Continued)

A substantial portion of Catholic Charities’ buildings and improvements are located on properties owned by the Archdiocese. Therefore, Catholic Charities’ investment in such buildings and improvements may be adversely affected should the Archdiocese decide to change the use of these properties. The Archdiocese has a long-term commitment for the continuance of Catholic Charities’ activities.

A portion of Catholic Charities’ property and equipment has been acquired with grant funds. Although many grantor agencies reserve the right to request the assets be returned, Catholic Charities has capitalized the assets since it is probable that they will be allowed to keep them or most likely will use the assets until fully depreciated. See Note 8.

For the years ended June 30, 2024 and 2023, depreciation expense was \$1,465,775 and \$1,366,319, respectively.

NOTE 5 – FISCAL AGENT RELATIONSHIP

Catholic Charities serves as the fiscal agent for Catholic Charities of Florida (“CCF”) to accept and administer grant funds to other organizations as specified by CCF. The amounts undisbursed and held for others are recorded as an asset and liability on the statement of financial position. There were no amounts held as of June 30, 2024 and 2023, respectively.

NOTE 6 – RELATED PARTIES

Archdiocese of Miami – Catholic Charities receives its charter and by-laws via the Archbishop and the Archdiocese of Miami. Catholic Charities and the Archdiocese have some mutual board members, including certain managers of the Archbishop that also serve on the board. Catholic Charities participates in certain benefit plans of the Archdiocese. See Note 7. In addition, during the years ended June 30, 2024 and 2023, Catholic Charities received donated rental facilities from the Archdiocese of Miami of \$4,373,947 and \$3,684,669, respectively. See Note 11.

Catholic Charities is a designated beneficiary of the distributable income of an endowment from the Archdiocese of Miami Millennium Appeal, Inc. d/b/a Vision 2000. These funds are held in trust at the Catholic Community Foundation in the Archdiocese of Miami, Inc. The fair value of the funds at June 30, 2024 and 2023, was \$8,861,471 and \$8,189,763, respectively. Catholic Charities is scheduled to receive 5% of the rolling 3-year average of the fair market value of the funds on an annual basis. For the years ended June 30, 2024 and 2023, Catholic Charities received \$429,166 and \$426,053, respectively from the fund. These amounts received have been included as contributions in the Statement of Activities.

During the year ended June 30, 2019, Catholic Charities received a donor restricted grant award of \$5,000,000 to support family homelessness, referred to as the “Day 1 Families Fund”. The portion of the award that had not been spent or released from restriction as of June 30, 2022 totaled \$741,618, of which \$625,000 was held at the Archdiocese of Miami. The balance was fully spent and released from restriction during the year ended June 30, 2023. During the year ended June 30, 2024, Catholic Charities received an additional grant award of \$5,000,000. See Note 9.

NOTE 7 – EMPLOYEE BENEFIT PLANS

Catholic Charities participates in the health and welfare plan and the retirement plan (the “Plan”) sponsored by the Archdiocese. Employees must meet certain eligibility requirements to participate in the plans. Since the computed value of vested benefits and plan assets for employees of Catholic Charities cannot be segregated from those of other entities participating in the Plan, it is not possible to determine that portion of the excess or deficit, if any, which may be attributable to Catholic Charities.

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 7 – EMPLOYEE BENEFIT PLANS (Continued)

Payments to the Plan and the health and welfare plan for the years ended June 30, 2024 and 2023, were as follows:

	2024	2023
Retirement plan	\$ 868,941	\$ 791,640
Health and welfare plan and other	\$ 1,210,353	\$ 1,052,901

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Catholic Charities determines if an arrangement is a lease at inception and when the terms of an existing contract are changed. All leases are recorded on the balance sheet except for leases with an initial term less than 12 months for which Catholic Charities made the short-term lease election.

Lease right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term discounted using the rate implicit on the lease (if available) or Catholic Charities' average incremental borrowing rate. Operating lease ROU assets are presented separately on the balance sheet. Operating lease cost is recognized on a straight-line basis over the lease term and is included within operating expenses in the statement of activities and changes in net assets.

Short Term Operating Leases

Catholic Charities conducts certain operations in leased facilities or uses equipment under operating leases expiring at various times with varying renewal options. Catholic Charities entered into a lease agreement for a facility on a month to month basis. Usage fee and security increase annually on October 1 of each year by 3%.

Additionally, Catholic Charities entered into a separate lease agreement for a facility in October 2023. The lease term is for one year with payments of \$8,372 per month.

Long Term Operating Leases

In February 2023 Catholic Charities entered into another lease for the use of a vehicle. The lease term is for three years with payments of \$1,043 per month. In June 2023 Catholic Charities entered into another two lease agreements for the use of vehicles. The lease term is for three years with payments of \$560 and \$550, respectively. Lastly, in September 2023, Catholic Charities entered into a fourth lease agreement for the use of a vehicle. The lease term is for three years with payments of \$547 per month.

The following table shows the right-of-use assets and lease liabilities as of June 30, 2024:

Lease-Related Assets and Liabilities	Financial Statement Line Items	
Right-of-use assets:		
Operating leases	Other assets	\$ 57,913
Total right-of-use assets		<u>\$ 57,913</u>
Lease liabilities:		
Operating Leases	Current liabilities	\$ 32,397
Operating Leases	Noncurrent liabilities	25,714
Total lease liabilities		<u>\$ 58,111</u>

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 8 – COMMITMENTS AND CONTINGENCIES (Continued)

Future minimum payments under operating leases with long-term term payment arrangements at June 30, 2024, are as follows:

	Operating Leases
2025	\$ 32,397
2026	26,873
2027	1,493
Undiscounted liabilities	60,763
Less: Imputed interest	(2,652)
	<u>\$ 58,111</u>

The following table represents the weighted average remaining lease term (years) and discount rate of Catholic Charities' operating and finance leases as of June 30, 2024:

	Operating Leases
Weighted average remaining lease term (years)	1.87
Weighted average discount rate	4.51%

Support from Outside Agencies

Financial awards from federal, state and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against Catholic Charities for disallowed costs or noncompliance with grantor restrictions.

No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined. However, management is of the opinion that no material liability will result from such audits.

Construction

Catholic Charities is expanding two of their Early Head Start centers, as approved and funded by the federal Early Head Start program. Construction in progress totaling \$1,154,626 has been capitalized for this project as of June 30, 2024 and 2023, respectively. The Early Head Start project is expected to be completed on June 20, 2025.

In addition, Catholic Charities previously entered into a construction contract in Key West, FL for the construction of 37 new units of affordable workforce housing and the renovation of 10 existing affordable housing units. The construction of the 37 units of affordable workforce housing was completed during the year ended June 30, 2022. Construction in progress totaling \$2,150,515 and \$360,399 has been capitalized for the remaining portion of the project as of June 30, 2024 and 2023, respectively. The renovation of the 10 existing affordable housing units for the Key West project is expected to be completed by November 30, 2024.

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted to the following purposes or time periods as of June 30, 2024 and 2023:

	2024	2023
Disaster response	\$ 186,789	\$ 300,901
Bezos Day 1 Fund	4,812,895	-
Endowment held in perpetuity	5,614,069	5,581,392
Endowment accumulated earnings	1,004,903	489,470
	<u>\$ 11,618,656</u>	<u>\$ 6,371,763</u>

Net assets with donor restrictions are held as follows as of June 30, 2024 and 2023:

	2024	2023
Cash and cash equivalents	\$ 186,789	\$ 300,901
Cash held at Archdiocese of Miami	4,812,895	-
Endowment investments	6,618,972	6,070,862
	<u>\$ 11,618,656</u>	<u>\$ 6,371,763</u>

NOTE 10 – ENDOWMENT

Catholic Charities' endowment consists of individual funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretations of Relevant Law

The Board has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) 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, Catholic Charities classifies as net assets with donor restrictions (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 remaining portion of the donor-restricted endowment fund that is not the value of the original gifts to the permanent endowment is classified as net assets with donor restrictions maintained as such for appropriation for expenditure by Catholic Charities in a manner consistent with the standard of prudence prescribed by FUPMIFA and donors' restrictions on use.

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 10 – ENDOWMENT (Continued)

In accordance with FUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the Foundation and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the organization.
7. The investment policies of the organization.

Endowment net assets at June 30, 2024, consisted of the following:

	June 30, 2024		
	With donor restrictions		
	Accumulated Earnings and Other	Gifts Restricted in Perpetuity	Total
Donor-restricted endowment funds	\$ 1,004,903	\$ 5,614,069	\$ 6,618,972
	<u>\$ 1,004,903</u>	<u>\$ 5,614,069</u>	<u>\$ 6,618,972</u>

Changes in endowment net assets for the year ended June 30, 2024, were as follows:

	June 30, 2024		
	With donor restrictions		
	Accumulated Earnings and Other	Gifts Restricted in Perpetuity	Total
Endowment net assets, beginning of year	\$ 489,470	\$ 5,581,392	\$ 6,070,862
Investment income, net of fees	111,531	-	111,531
Net appreciation (realized and unrealized)	706,144	-	706,144
Total investment return	817,675	-	817,675
Contributions	-	32,677	32,677
Distributions	(302,242)	-	(302,242)
Endowment net assets, end of year	<u>\$ 1,004,903</u>	<u>\$ 5,614,069</u>	<u>\$ 6,618,972</u>

Endowment net assets at June 30, 2023, consisted of the following:

	June 30, 2023		
	With Donor Restrictions		
	Accumulated Earnings and Other	Gifts Restricted in Perpetuity	Total
Donor-restricted endowment funds	\$ 489,470	\$ 5,581,392	\$ 6,070,862
	<u>\$ 489,470</u>	<u>\$ 5,581,392</u>	<u>\$ 6,070,862</u>

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 10 – ENDOWMENT (Continued)

Changes in endowment net assets for the year ended June 30, 2023, were as follows:

	June 30, 2023		
	With Donor Restrictions		
	Accumulated Earnings and Other	Gifts Restricted in Perpetuity	Total
Endowment net assets, beginning of year	\$ 214,667	\$ 5,548,591	\$ 5,763,258
Investment income, net of fees	90,096	-	90,096
Net appreciation (realized and unrealized)	472,306	-	472,306
Total investment return	562,402	-	562,402
Contributions	-	32,801	32,801
Distributions	(287,599)	-	(287,599)
Endowment net assets, end of year	<u>\$ 489,470</u>	<u>\$ 5,581,392</u>	<u>\$ 6,070,862</u>

Return Objectives and Parameters

Catholic Charities has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Under this policy, the endowment assets are invested in a manner that is intended to produce certain returns while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, Catholic Charities relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Catholic Charities targets a diversified asset allocation that includes equity investments, fixed income, U.S. government and corporate bonds, certificates of deposits and cash using prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Catholic Charities has a policy of appropriating for distribution each year an amount based on the income of the investment. In establishing this policy, Catholic Charities considered the long-term expected return on its endowment. Accordingly, over the long term, the organization expects the current spending policy to allow its endowment to grow at an annual rate equal to or greater than the consumer price index. This is consistent with the organization’s objective to maintain purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or FUPMIFA requires Catholic Charities to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies as of June 30, 2024.

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 11 – CONTRIBUTED NON-FINANCIAL ASSETS

For the years ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the statement of activities included

	2024	2023
Facility use	\$ 4,373,947	\$ 3,684,669
Services	2,431,795	2,208,474
Goods	1,481,852	-
	<u>\$ 8,287,594</u>	<u>\$ 5,893,143</u>

Facility use

Catholic Charities receives the use of donated facilities for its program operations and supporting services (see Note 6) and recognizes contributed facilities revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. Fair value is estimated using the average price per square foot of rental listings in the service area. Amounts recognized are allocated among program and supporting services based upon the square footage occupied.

Services

Catholic Charities receives in-kind contributions of time and pro bono services from members of the community and volunteers related to program operations, special events, and fund-raising campaigns. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Catholic Charities. Catholic Charities recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation.

Goods

Catholic Charities receives contributed goods to operate its food pantry services from Farm Share, Iberia and Feeding South Florida. The Food Pantry is an agency partner of Feeding South Florida and is the largest pantry in Miami-Dade County partnered with Farm Share. The contributed goods include donations of food and non-food items every month.

Property

Catholic Charities received a contribution of property during the year ended June 30, 2024 in exchange for a property recorded on its books. As a result of the exchange, Catholic Charities recorded contributed property revenue of \$4,930,000. See Note 12. In addition, Catholic Charities received equipment of \$64,156 to be used for its programs. The total of \$4,994,156 is reported in the statement of activities as “Contributed property”.

NOTE 12 – CONTRIBUTED PROPERTY AND GAIN FROM ASSET EXCHANGE

In December 2023, Catholic Charities exchanged a property owned by Catholic Charities for another property owned by an unrelated third party. The exchange of properties was accounted for under ASC 845 (Nonmonetary Transactions), and as the transaction met the criteria for commercial substance, the exchange was recognized at fair value. The exchange was recorded based on the fair value of the property received, which was determined by an independent third-party appraiser. The fair value of the building received was estimated at \$8,830,000, and the carrying value of the property relinquished was \$235,708. The fair value of the building exchanged was estimated at \$3,900,000. As a result Catholic Charities recognized in-kind contribution revenue of \$4,930,000 and a gain on the asset exchange of \$3,664,292.

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 13 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Catholic Charities monitors its liquidity so that it is able to meet its operating needs while maximizing the investment of its excess operating cash. Catholic Charities has the following financial assets that could be made readily available within one year of the statement of financial position date to fund operating expenses without limitation, such as donor-imposed or contractual restrictions or internal designations, as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 8,562,285	\$ 9,672,248
Cash held at Archdiocese of Miami	10,821,305	3,018,573
Accounts receivable	5,777,626	4,655,452
Less those unavailable for general expenditures within one year as follows:		
Restricted cash	(4,999,684)	(300,901)
Board designated for counseling services	(1,587,638)	(1,649,607)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 18,573,894</u>	<u>\$ 15,395,765</u>

SUPPLEMENTARY INFORMATION

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
UNITED WAY ALLOCATIONS
FOR THE YEAR ENDED JUNE 30, 2024

UNITED WAY OF MIAMI-DADE COUNTY

Miami-Dade Area Programs:

Good Shepherd Child Care Center	\$ 52,638
Centro Hispano Child Development Center	47,982
Notre Dame Child Care Center	40,490
Sagrada Familia Child Development Center	23,890
Services for the Elderly - Nutrition and Social Support	70,000
New Life	40,000
Total Miami-Dade Area Programs	<u>275,000</u>

UNITED WAY - OTHER

22,642

TOTAL UNITED WAY SUPPORT

\$ 297,642

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grantor/ Program Title/ Pass-Through Grantor	ALN Number	Grant / Contract Number	Federal
U.S. Department of Agriculture			
<i>Child and Adult Care Food Program:</i>			
Pass-through Florida Department of Health	10.558	S 552	\$ 1,561,606
Pass-through Florida Department of Health - CARES	10.558	S 552	76,164
Pass-through Florida Department Elder Affairs	10.558	028	12,998
<i>Program Total</i>			<u>1,650,768</u>
Total U.S. Department of Agriculture			\$ 1,650,768
U.S. Department of Health and Human Services			
<i>Unaccompanied Alien Children Program:</i>			
Direct - U.S. Department of Health and Human Services	93.676	90ZU0552-02-00	\$ 2,511,169
Direct - U.S. Department of Health and Human Services	93.676	90ZU0552-01	7,409,981
<i>Program Total</i>			<u>9,921,150</u>
<i>Substance Abuse and Mental Health Services Program</i>			
Direct - U.S. Department of Health and Human Services	93.243	6H79T1086800-01M001	286,449
Pass-through Miami Dade County	93.243	H79TI081027	98,230
<i>Program Total</i>			<u>384,679</u>
<i>Head Start Program:</i>			
Pass-through Miami Dade County:			
Head Start FY 2023 - 2024	93.600	D-10122c	10,663,812
Head Start FY 2022 - 2023	93.600	D-10122c	581,316
Head Start FY 2023 - 2024 T&TA	93.600	D-10122c	12,285
Head Start FY 2022 - 2023 T&TA	93.600	D-10122c	13,500
Early Head Start - Montessori	93.600	EHSE-DA 006	54,019
Early Head Start FY 2022 - 2023 T&TA	93.600	EHSE-DA 006	4,200
Early Head Start FY 2023 - 2024 T&TA	93.600	EHSE-DA 006	11,097
Early Head Start FY 2023 - 2024	93.600	EHSE-DA 006	1,695,090
Early Head Start FY 2022 - 2023	93.600	EHSE-DA 006	196,043
<i>Program Total</i>			<u>13,231,362</u>
<i>Aging Cluster:</i>			
Pass-through Areawide Council on Aging of Broward County, Inc:			
Special Programs for the Aging, Title III, Part B	93.044	JA124-39-2024	83,692
Special Programs for the Aging, Title III, Part B	93.044	JA123-39-2023	81,767
Pass-through Alliance for Aging, Inc.			
Nutrition Program for the Elderly	93.053	AA-2302, AA-2402	90,231
Special Programs for the Aging, Title III, C-1	93.045	AA-2302	234,840
Special Programs for the Aging, Title III, C-1 - CARES	93.045	RP-2102.3	20,778
Special Programs for the Aging, Title III, C-1	93.045	RP-2102.2	26,684
Special Programs for the Aging, Title III, C-1	93.045	AA-2402	233,477
<i>Cluster Total</i>			<u>771,469</u>
<i>Block Grants for Community Mental Health Services:</i>			
Pass-through Thriving Mind South Florida	93.958	ME-225-13-06	150,113
Pass-through Thriving Mind South Florida - Matching Funds	93.958	ME-225-13-06	754,759
<i>Temporary Assistance for Needy Families Block Grant:</i>			
Pass-through Thriving Mind South Florida	93.558	ME-225-13-06	417,745
<i>Block Grants for Prevention and Treatment of Substance Abuse:</i>			
Pass-through Thriving Mind South Florida	93.959	ME-225-13-06	507,427
Pass-through Thriving Mind South Florida - Matching Funds	93.959	ME-225-13-06	551,330
<i>Program Total</i>			<u>2,381,374</u>

See accompanying note to the schedule of state earnings, cost center actual expenses and revenues, and schedules of expenditures of federal awards and state financial assistance

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grantor/ Program Title/ Pass-Through Grantor	ALN Number	Grant / Contract Number	Federal
U.S. Department of Health and Human Services (continued)			
<i>National Family Caregiver Support, Title III, Part E Program:</i>			
Pass-through Areawide Council on Aging of Broward County, Inc:	93.052	JA123-39-2023	17,554
Pass-through Areawide Council on Aging of Broward County, Inc	93.052	JA124-39-2024	19,421
<i>Program Total</i>			<u>36,975</u>
<i>Special Programs for the Aging</i>			
Direct - U.S. Department of Health and Human Services	93.048	90INNU056-01-00	43,889
Direct - U.S. Department of Health and Human Services	93.048	90INNU056-02-00	7,808
<i>Program Total</i>			<u>51,697</u>
<i>Pass-through Florida Department of Children and Families</i>			
Refugee and Entrant Assistance State Administered Programs	93.566	XK064	1,277,400
<i>Refugee and Entrant Assistance_Voluntary Agency Programs:</i>			
Pass-through U.S. Conference of Catholic Bishops	93.567	2401DCRVMG	44,336
Pass-through U.S. Conference of Catholic Bishops	93.567	2301DCRVMG	74,731
<i>Program Total</i>			<u>1,396,467</u>
<i>Pass-through Miami Beach Community Health Center</i>			
HIV Emergency Relief Project Grants	93.914	N/A	117,900
Total U.S. Department of Health and Human Services			\$ 28,293,073
U.S. Department of Homeland Security			
<i>Citizen Education and Training Grant Program</i>			
Direct - Department of Homeland Security	97.010	23CICET00334-01-00	\$ 38,683
<i>Program Total</i>			<u>38,683</u>
<i>Emergency Food and Shelter National Board Program:</i>			
Pass-through United Way of Miami-Dade County	97.024	Phase 39	5,413
Pass-through United Way of Miami-Dade County - CARES	97.024	Phase 39	57,559
Pass-through United Way of Miami-Dade County	97.024	Phase 40	82,945
Pass-through United Way of Miami-Dade County	97.024	N/A	126,981
Total U.S. Department of Homeland Security			\$ 311,581
U.S. Department of Housing and Urban Development			
<i>Emergency Solutions Grant Program</i>			
Pass-through Monroe County Homeless Services Continuum of Care Inc.	14.231	KP010	56,387
			<u>56,387</u>
<i>Supportive Housing Program</i>			
Direct - U.S. Department of Housing and Urban Development	14.235	FL0273L4D042316	59,886
Direct - U.S. Department of Housing and Urban Development	14.235	FL0593L4D042207	33,541
Direct - U.S. Department of Housing and Urban Development	14.235	FL0273L4D042215	189,176
Direct - U.S. Department of Housing and Urban Development	14.235	FL0593L4D042106	48,915
Direct - Economic Development Initiatives	14.251	B-23-CP-FL-0372	79,111
<i>Program Total</i>			<u>410,629</u>
Total U.S. Department of Housing and Urban Development			\$ 467,016
TOTAL FEDERAL FUNDS AND PASS-THROUGHS			\$ 30,722,438

See accompanying note to the schedule of state earnings, cost center actual expenses and revenues, and schedules of expenditures of federal awards and state financial assistance.

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2024**

Grantor/ Program Title/ Pass-Through Grantor	CSFA Number	Grant / Contract Number	State
Florida Department of Elder Affairs			
<i>Community Care for the Elderly Program:</i>			
Pass-through Broward County	65.010	22-EVSD-ADC-1440-02	\$ 46,078
Florida Department of Education			
<i>Voluntary Pre-Kindergarten Education Program:</i>			
Pass-through Early Learning Coalition	48.108	N/A	1,726,135
TOTAL STATE PROJECTS			\$ 1,772,213

See accompanying note to the schedule of state earnings, cost center actual expenses and revenues, and schedules of expenditures of federal awards and state financial assistance.

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
SCHEDULE OF COST CENTER ACTUAL EXPENSES AND REVENUES-SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES –
PART I
FOR THE YEAR ENDED JUNE 30, 2024

Part I: Actual Funding Sources and Revenues

STATE-FUNDED															Total for State SAMH-Funded Covered Services or Projects (B+C)	Total for Non-State-Funded Covered Services or Projects	Total for All Covered Services or Projects (D+E)	Non-SAMH Covered Services or Projects	Total Funding (F+G)
Mental Health			Substance Abuse																
FUNDING SOURCES & REVENUES	Case Management 02	Residential II 19	Mental Health Total	Assessment 01	Case Management 02	Medication-Assisted Tx 13	Outpatient (Indiv.) 14	Residential II 19	R&B 36	Transition Voucher B2	Substance Abuse Total	D	E	F	G	H			
A			B								C	D	E	F	G	H			
IA. STATE SAMH FUNDING																			
Current Year Funding																			
Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State FIS-Federal and State																	
MH001	ME225-12-06	F/S		\$ 845,088	\$ 845,088	\$ -	\$ -	\$ -	\$ -	\$ 59,785	\$ -	\$ -	\$ 59,785	\$ 904,873	\$ -	\$ 904,873	\$ -		
MHOTB	ME225-12-06	F	616	132,195	132,811	-	-	-	-	-	-	-	132,811	-	132,811	-			
MS003	ME225-12-06	F/S	-	-	-	-	-	914,031	15,518	-	-	929,549	929,549	-	929,549	-			
MS011	ME225-12-06	F/S	-	-	-	-	284	13,952	10,960	-	-	25,196	25,196	-	25,196	-			
MS027	ME225-12-06	F/S	-	-	-	-	1,578	-	-	85,582	-	-	87,160	-	87,160	-			
MSOTB	ME225-12-06	F	-	-	-	-	2,092	-	-	282,843	-	-	284,935	-	284,935	-			
MSARP	ME225-12-06	F	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
MSTRV	ME225-12-06	S	-	-	-	-	-	-	-	-	12,932	12,932	12,932	-	12,932	-			
Total Current Year Funding			616	977,283	977,899	-	3,954	13,952	10,960	1,342,241	15,518	12,932	1,399,557	2,377,456	-	2,377,456	-		
Current Year Funding																			
Expenditure Report OCA#	Provider Subcontract#	Funding Source: F-Federal S-State FIS-Federal and State																	
MS003	ME225-12-06	S	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
MS011	ME225-12-06	S	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total Current Year Funding			-	-	-	-	-	-	-	-	-	-	-	-	-	-			
TOTAL STATE SAMH FUNDING =			\$ 616	\$ 977,283	\$ 977,899	\$ -	\$ 3,954	\$ 13,952	\$ 10,960	\$ 1,342,241	\$ 15,518	\$ 12,932	\$ 1,399,557	\$ 2,377,456	\$ -	\$ 2,377,456	\$ -		
IB. OTHER GOVERNMENT FUNDING																			
(1) Other State Agency Funding			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,772,213	\$ 1,772,213		
(2) Medicaid			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(3) Local Government			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(4) Federal Grants and Contracts			-	-	-	-	-	-	-	-	-	-	-	-	-	29,550,654	29,550,654		
(5) In-kind from local govt. only			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL OTHER GOVERNMENT FUNDING =			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,322,867	\$ 31,322,867		
IC. ALL OTHER REVENUES																			
(1) 1st & 2nd Party Payments			\$ -	\$ 1,777	\$ 1,777	\$ -	\$ -	\$ -	\$ -	\$ 3,205	\$ -	\$ -	\$ 3,205	\$ 4,982	\$ -	\$ 4,982	\$ 510,603	\$ 515,585	
(2) 3rd Party Payments (except Medicare)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(3) Medicare			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(4) Contributions and Donations			-	-	-	-	-	-	-	-	-	-	-	-	-	9,119,482	9,119,482		
(5) Other			-	-	-	-	-	-	-	-	-	-	-	-	-	5,013,599	5,013,599		
(6) In-kind			47	74,084	74,131	-	300	1,058	831	104,750	-	-	103,939	178,070	-	178,070	8,108,349	8,286,419	
TOTAL ALL OTHER REVENUES =			\$ 47	\$ 75,861	\$ 75,908	\$ -	\$ 300	\$ 1,058	\$ 831	\$ 104,955	\$ -	\$ -	\$ 107,144	\$ 183,052	\$ -	\$ 183,052	\$ 22,752,033	\$ 22,935,085	
TOTAL FUNDING =			\$ 663	\$ 1,053,144	\$ 1,053,807	\$ -	\$ 4,254	\$ 15,010	\$ 11,791	\$ 1,447,196	\$ 15,518	\$ 12,932	\$ 1,506,701	\$ 2,560,508	\$ -	\$ 2,560,508	\$ 54,074,900	\$ 56,635,408	

See accompanying note to the schedule of state earnings, cost center actual expenses and revenues, and schedule of expenditures of federal awards.

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
SCHEDULE OF COST CENTER ACTUAL EXPENSES AND REVENUES-SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES –
PART II
FOR THE YEAR ENDED JUNE 30, 2024

Part II: Actual Expenses

SAMH COVERED SERVICES																			*except IIC & IID	
EXPENSE CATEGORIES	Mental Health				Substance Abuse						Substance Abuse Total	Total for State SAMH-Funded Covered Services (B+C)	Total for Non-State-Funded Covered Services	Total for All Covered Services (D+E)	Non-SAMH Covered Services	Other Support Costs (optional)	Administration	Total Expenses (F+G+H+I+J)		
	Case Management 02	Residential II 19	Mental Health Total	Assessment 01	Case Management 02	Medication-Assisted Tx 13	Outpatient (Indiv.) 14	Residential II 19	R&B with Sup. I 36	Transition Voucher B2									C	D
IIA. PERSONNEL EXPENSES																				
(1) Salaries	\$ 236	\$ 374,764	\$ 375,000	\$ -	\$ 1,517	\$ 5,350	\$ 4,203	\$ 514,716	\$ 5,951	\$ -	\$ 531,737	\$ 906,737	\$ -	\$ 906,737	\$ 16,248,399	\$ -	\$ 2,560,238	\$ 19,715,374		
(2) Fringe Benefits	41	65,688	65,729	-	266	938	737	90,219	1,043	-	93,203	158,932	-	158,932	1,630,539	-	289,824	2,079,295		
TOTAL PERSONNEL EXPENSES =	277	440,452	440,729	-	1,783	6,288	4,940	604,935	6,994	-	624,940	1,065,669	-	1,065,669	17,878,938	-	2,850,062	21,794,669		
(1) Building Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(2) Professional Services	103	35,910	36,013	-	147	-	426	50,494	-	-	51,067	87,080	-	87,080	192,421	-	206,332	485,833		
(3) Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	217,134	-	107,834	324,968		
(4) Equipment	-	-	-	-	-	-	-	7,100	-	-	7,100	7,100	-	7,100	24,208	-	3,590	34,898		
(5) Food Services	-	132,230	132,230	-	-	-	-	187,698	-	-	187,698	319,928	-	319,928	2,443,275	-	-	2,763,203		
(6) Medical and Pharmacy	-	-	-	-	-	33,264	-	-	-	-	33,264	33,264	-	33,264	-	-	-	33,264		
(7) Subcontracted Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(8) Insurance	26	40,705	40,731	-	166	-	457	57,133	-	-	57,756	98,487	-	98,487	727,465	-	56,970	882,922		
(9) Interest Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,904	-	1,833	4,737		
(10) Operating Supplies & Expenses	126	199,944	200,070	-	809	-	1,903	269,784	-	16,852	289,348	489,418	-	489,418	7,247,082	-	1,179,408	8,915,908		
(11) Other-Inkind	-	74,167	74,167	-	-	-	-	105,338	-	-	105,338	179,505	-	179,505	7,949,964	-	154,800	8,284,269		
(12) Donated Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL OTHER EXPENSES =	255	482,956	483,211	-	1,122	33,264	2,786	677,547	-	16,852	731,571	1,214,782	-	1,214,782	18,804,453	-	1,710,767	21,730,002		
TOT. PERSONNEL & OTH. EXP. =	\$ 532	\$ 923,408	\$ 923,940	\$ -	\$ 2,905	\$ 39,552	\$ 7,726	\$ 1,282,482	\$ 6,994	\$ 16,852	\$ 1,356,511	\$ 2,280,451	\$ -	\$ 2,280,451	\$ 36,683,391	\$ -	\$ 4,560,829	\$ 43,524,671		
IIIC. DISTRIBUTED INDIRECT COSTS																				
(a) Other Support Costs (Optional)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(b) Administration	816	109,046	109,862	-	1,348	1,577	3,799	149,056	-	-	155,780	265,642	-	265,642	4,295,187	-	(4,560,829)	-		
TOT. DISTR'D INDIRECT COSTS =	\$ 816	\$ 109,046	\$ 109,862	\$ -	\$ 1,348	\$ 1,577	\$ 3,799	\$ 149,056	\$ -	\$ -	\$ 155,780	\$ 265,642	\$ -	\$ 265,642	\$ 4,295,187	\$ -	\$ (4,560,829)	\$ -		
TOTAL ACTUAL OPER. EXPENSES =	\$ 1,348	\$ 1,032,454	\$ 1,033,802	\$ -	\$ 4,253	\$ 41,129	\$ 11,525	\$ 1,431,538	\$ 6,994	\$ 16,852	\$ 1,512,291	\$ 2,546,093	\$ -	\$ 2,546,093	\$ 40,978,578	\$ 0.00	\$ 0.00	\$ 43,524,671		
IIID. UNALLOWABLE COSTS																				
TOT. ALLOWABLE OPER. EXP. =	\$ 1,348	\$ 1,032,454	\$ 1,033,802	\$ -	\$ 4,253	\$ 41,129	\$ 11,525	\$ 1,431,538	\$ 6,994	\$ 16,852	\$ 1,512,291	\$ 2,546,093	\$ -	\$ 2,546,093	\$ 40,978,578	\$ -	\$ -	\$ 43,524,671		

See accompanying note to the schedule of state earnings, cost center actual expenses and revenues, and schedule of expenditures of federal awards.

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
SCHEDULE OF STATE EARNINGS
FOR THE YEAR ENDED JUNE 30, 2024

1. Total Expenditures	\$ 43,524,669
2. Less other State and Federal Funds	(31,322,867)
3. Less Non-Match SAMH Funds	(1,775,105)
4. Less Unallowable Costs, per 65E-14, F.A.C.	<u>-</u>
5. Total Allowable Expenditures (Sum of lines 1,2,3 and 4)	<u>10,426,697</u>
6. Maximum Available Earnings (Line 5 times 75%)	7,820,023
7. Amount of Funds Requiring Local Match	179,245
8. Amount Due to Department, if negative (Subtract line 7 from line 6)	<u><u>\$ 7,640,778</u></u>

See accompanying note to the schedule of state earnings, cost center actual expenses and revenues, and schedule of expenditures of federal awards.

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
SCHEDULE OF RELATED PARTY TRANSACTION ADJUSTMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

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

See accompanying note to the schedule of state earnings, cost center actual expenses and revenues, and schedule of expenditures of federal awards

CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
NOTES TO THE SCHEDULE OF STATE EARNINGS, COST CENTER ACTUAL EXPENSES AND
REVENUES AND SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
JUNE 30, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the “Schedules”) presents the activity of all federal awards and state projects of Catholic Charities of the Archdiocese of Miami, Inc. for the year ended June 30, 2024.

The information in the Schedules are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General of the State of Florida*. Because the Schedules present only a selected portion of the operation of the organization, they are not intended to and do not present the financial position, changes in net assets, or cash flows of the organization.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Catholic Charities has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

In addition, the Schedules of State Earnings, Cost Center Actual Expenses and Revenues were prepared in accordance with the requirements in the State of Florida Department of Children and Families Contract ME-225-13-06 for Substance Abuse and Mental Health Services.

NOTE C – CONTINGENCY

Financial awards and assistance from federal and state governmental entities in the form of grants and contracts are subject to special audit and adjustments. If expenditures are disallowed by the grantor/contract agencies as a result of such audit, any claim for reimbursement to the grantor/contract agencies would become a liability to Catholic Charities. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined. However, management is of the opinion that no material liability will result from such audits.



Verdeja • Alvarez

Certified Public Accountants & Advisors



Manny Alvarez, C.F.F., C.P.A.
Lisset I. Cascudo, C.P.A.
Michelle del Sol, C.F.E., C.P.A.
Cristy C. Rubio, C.P.A.
Javier Verdeja, C.P.A.
Octavio A. Verdeja, C.P.A.
Octavio "Tab" Verdeja, C.F.F., C.P.A.

Octavio F. Verdeja, Founder - 1971

Armando Aburto, C.P.A.
Jorge Albeirus, C.P.A.
Viviana Bruno, C.P.A.
Pedro L. Silva, C.P.A.
Michael Vildosola, C.P.A.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Catholic Charities of the Archdiocese of Miami, Inc.
Wilton Manors, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Catholic Charities of the Archdiocese of Miami, Inc. ("Catholic Charities"), a nonprofit organization, which comprise the statement of financial position as of and for the year ended June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 22, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Catholic Charities' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Catholic Charities' internal control. Accordingly, we do not express an opinion on the effectiveness of the Catholic Charities' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Catholic Charities' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
October 22, 2024



Verdeja • Alvarez

Certified Public Accountants & Advisors



Octavio F. Verdeja, Founder - 1971

Manny Alvarez, C.F.F., C.P.A.
Lisset I. Cascudo, C.P.A.
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT
AND ON INTERNAL CONTROL OVER COMPLIANCE BY UNIFORM
GUIDANCE AND CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL***

To the Board of Directors of
Catholic Charities of the Archdiocese of Miami, Inc.
Wilton Manors, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Catholic Charities of the Archdiocese of Miami, Inc.'s ("Catholic Charities"), compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *OMB Circular Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of Catholic Charities' major federal programs and state projects for the year ended June 30, 2024. Catholic Charities' major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Catholic Charities complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650 Rules of the Auditor General of the State of Florida. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Catholic Charities and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Catholic Charities' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Catholic Charities' federal programs and state projects.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Catholic Charities' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Catholic Charities' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Catholic Charities' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Catholic Charities' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of Catholic Charities' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program and state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
October 22, 2024

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS PROGRAMS AND
 STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2024**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness (es) identified? yes no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards and State Projects

Type of auditor's report issued on compliance for major federal programs and state projects: *Unmodified*

Internal control over major federal programs and state projects:

- Material weakness (es) identified? yes no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? yes none reported

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance or Chapter 10.650, *Rules of the Auditor General*? yes no

Identification of major federal programs and state projects:

Federal Program/State Project or Cluster	ALN/CSFA Number	Expenditures
Federal Programs:		
<u>U.S. Department of Health and Human Services</u>		
Block Grant for Substance use Prevention, Treatment, and Recovery Services	93.959	\$ 1,058,757
Unaccompanied Alien Children Program	93.676	\$ 9,921,150
State Projects:		
<u>Florida Department of Education</u>		
Voluntary Pre-Kindergarten Education Program	48.108	\$ 1,726,135

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS PROGRAMS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2024**

SECTION I - SUMMARY OF AUDITOR'S RESULTS (Continued)

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

Auditee qualified as low-risk auditee? X yes no

Dollar threshold used to distinguished between type A and
type B state projects: \$ 921,838

SECTION II – FINANCIAL STATEMENT FINDINGS

The audit disclosed no matters that are reportable for the current year.

**SECTION III – FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS
AND STATE PROJECTS**

The audit disclosed no matters that are reportable for the current year.

SECTION IV – OTHER ISSUES

1. No management letter was issued for the year ended June 30, 2024.
2. No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings relating to Federal Award Programs or state financial assistance projects.
3. No corrective action plan is required because there were no findings required to be reported under the Uniform Guidance or the Department of Financial Services' State Project Compliance Supplement.