

**Secretariat for Catholic Charities**

**Combined Financial Report**

**December 31, 2020 and 2019**

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## Independent Auditors' Report

Secretariat for Catholic Charities  
Cleveland, Ohio

We have audited the accompanying combined financial statements of the Secretariat for Catholic Charities which comprise the combined statements of financial position as of December 31, 2020 and 2019, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

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

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

### **Opinion**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Secretariat for Catholic Charities as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combined supplementary information on pages 26 to 31 is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Meloney + Novotny LLC*

Cleveland, Ohio  
November 19, 2021

## Secretariat for Catholic Charities

### Combined Statements of Financial Position December 31, 2020 and 2019

	2020	2019
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 15,716,814	\$ 6,079,253
Receivables:		
Trade, net	12,731,519	12,971,681
Pledges	413,071	572,805
Inventory	354,892	231,132
Other	530,092	521,370
Total current assets	<u>29,746,388</u>	<u>20,376,241</u>
Investments	76,303,702	73,510,334
Other assets:		
Beneficial interest in perpetual trusts	14,234,290	13,138,242
Property, plant and equipment, net	13,799,232	13,451,611
Land held for future development	21,500	21,500
Goodwill	345,000	345,000
Other	145,396	125,213
Total other assets	<u>28,545,418</u>	<u>27,081,566</u>
Total assets	<u><u>\$ 134,595,508</u></u>	<u><u>\$ 120,968,141</u></u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Current portion of debt	\$ 21,403	\$ 39,877
Accounts payable	2,835,942	2,826,577
Due to third party payors	477,415	581,472
Accrued expenses	6,213,721	5,640,546
Deferred revenue	1,672,530	779,114
Accrued employee obligations	147,481	184,782
Total current liabilities	<u>11,368,492</u>	<u>10,052,368</u>
Other liabilities:		
Debt	17,051	38,675
Other	280,252	304,509
Coronavirus relief programs	2,073,111	-
Accrued employee obligations	3,664,190	3,765,371
Total liabilities	<u>17,403,096</u>	<u>14,160,923</u>
Net assets:		
Without donor restrictions:		
Undesignated	44,410,650	36,719,938
Board designated	12,282,265	14,528,782
Total without donor restrictions	<u>56,692,915</u>	<u>51,248,720</u>
With donor restrictions	60,499,497	55,558,498
Total net assets	<u>117,192,412</u>	<u>106,807,218</u>
Total liabilities and net assets	<u><u>\$ 134,595,508</u></u>	<u><u>\$ 120,968,141</u></u>

See notes to financial statements.

**Secretariat for Catholic Charities**

**Combined Statement of Activities  
Year Ended December 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Catholic Charities:			
Annual appeal contributions	\$ 13,772,516		\$ 13,772,516
Bequests and special gifts	1,275,761		1,275,761
United Way	1,245,579	\$ 411,996	1,657,575
Program fees	51,921,222		51,921,222
Governmental	24,319,395		24,319,395
Contributions	2,271,408	3,438,332	5,709,740
Donated goods, facilities and services	401,565		401,565
Operating investment income, net	1,509,812		1,509,812
Distributable investment income		1,454,538	1,454,538
Special events, net	19,810		19,810
Coronavirus relief programs	4,637,523		4,637,523
Miscellaneous	1,168,032		1,168,032
Net assets released from restrictions	5,217,760	(5,217,760)	-
Total revenues and support	<u>107,760,383</u>	<u>87,106</u>	<u>107,847,489</u>
Expenses:			
Older adults	34,042,216		34,042,216
Children and family services	12,870,452		12,870,452
Substance use disorder	14,090,899		14,090,899
Disabilities	14,249,736		14,249,736
Parish/pastoral	5,506,451		5,506,451
Emergency and transitional	3,822,115		3,822,115
Total programs	<u>84,581,869</u>		<u>84,581,869</u>
Management and general	16,939,783		16,939,783
Fundraising	3,432,754		3,432,754
Total expenses	<u>104,954,406</u>		<u>104,954,406</u>
Change from operating activities	2,805,977	87,106	2,893,083
Non-operating activity:			
Loss on sale of assets	(3,177)		(3,177)
Non-operating investment income, net	2,406,622	5,291,130	7,697,752
Investment income distributed to operations		(1,454,538)	(1,454,538)
Change in value of beneficial interest in perpetual trusts		1,096,048	1,096,048
Postretirement benefits	156,026		156,026
Net assets released from restrictions	78,747	(78,747)	-
Change in net assets	<u>5,444,195</u>	<u>4,940,999</u>	<u>10,385,194</u>
Net assets – beginning	<u>51,248,720</u>	<u>55,558,498</u>	<u>106,807,218</u>
Net assets – ending	<u>\$ 56,692,915</u>	<u>\$ 60,499,497</u>	<u>\$ 117,192,412</u>

See notes to financial statements.

**Secretariat for Catholic Charities**

**Combined Statement of Activities  
Year Ended December 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Catholic Charities:			
Annual appeal contributions	\$ 13,756,778		\$ 13,756,778
Bequests and special gifts	1,337,282		1,337,282
United Way	1,280,330	\$ 503,355	1,783,685
Program fees	52,460,790		52,460,790
Governmental	30,498,972		30,498,972
Contributions	2,171,647	2,476,713	4,648,360
Donated goods, facilities and services	340,618		340,618
Operating investment income, net	952,880		952,880
Distributable investment income		1,128,263	1,128,263
Special events, net	122,511		122,511
Miscellaneous	572,187		572,187
Net assets released from restrictions	4,827,492	(4,827,492)	-
Total revenues and support	<u>108,321,487</u>	<u>(719,161)</u>	<u>107,602,326</u>
Expenses:			
Older adults	33,596,724		33,596,724
Children and family services	14,128,005		14,128,005
Substance use disorder	15,894,149		15,894,149
Disabilities	11,947,794		11,947,794
Parish/pastoral	6,662,641		6,662,641
Emergency and transitional	3,674,443		3,674,443
Total programs	<u>85,903,756</u>		<u>85,903,756</u>
Management and general	17,161,797		17,161,797
Fundraising	3,464,061		3,464,061
Total expenses	<u>106,529,614</u>		<u>106,529,614</u>
Change from operating activities	1,791,873	(719,161)	1,072,712
Non-operating activity:			
Loss on sale of assets	(2,925)		(2,925)
Non-operating investment income, net	4,115,826	6,358,654	10,474,480
Investment income distributed to operations		(1,128,263)	(1,128,263)
Change in value of beneficial interest in perpetual trusts		1,379,723	1,379,723
Postretirement benefits	624,031		624,031
Appeal contributions disbursed in excess of allocation	(592,180)		(592,180)
Net assets released from restrictions	281,000	(281,000)	-
	<u>4,425,752</u>	<u>6,329,114</u>	<u>10,754,866</u>
Change in net assets	6,217,625	5,609,953	11,827,578
Net assets – beginning	44,823,252	49,948,545	94,771,797
Transfer of net assets	207,843		207,843
Net assets – ending	<u>\$ 51,248,720</u>	<u>\$ 55,558,498</u>	<u>\$ 106,807,218</u>

See notes to financial statements.

Secretariat for Catholic Charities

Combined Statement of Functional Expenses  
Year Ended December 31, 2020

	Programs							Supporting Services		
	Total	Older Adults	Children and Family Services	Substance Use Disorder	Disabilities	Parish/Pastoral	Emergency and Transitional	Total Programs	Management and General	Fundraising
Salaries	\$ 58,898,136	\$ 19,716,398	\$ 7,730,961	\$ 8,694,201	\$ 9,564,053	\$ 2,501,398	\$ 1,430,751	\$ 49,637,762	\$ 8,461,553	\$ 798,821
Employee benefits	10,582,580	3,113,532	1,587,106	1,744,519	1,359,741	642,156	274,553	8,721,607	1,722,330	138,643
Payroll taxes	5,232,148	1,576,575	672,286	1,020,755	817,909	265,432	150,077	4,503,034	666,724	62,390
Total salaries and related expenses	74,712,864	24,406,505	9,990,353	11,459,475	11,741,703	3,408,986	1,855,381	62,862,403	10,850,607	999,854
Purchased services	6,436,324	664,332	163,816	537,642	140,781	1,095,986	13,430	2,615,987	1,464,429	2,355,908
Supplies	7,253,182	5,097,204	757,041	390,121	598,348	45,225	99,879	6,987,818	258,630	6,734
Telephone	729,342	137,701	96,188	124,956	48,286	35,164	29,462	471,757	253,546	4,039
Postage	76,412	3,468	6,452	7,233	880	6,407	576	25,016	50,662	734
Occupancy	7,286,153	2,116,942	1,016,027	1,192,901	905,714	599,271	486,621	6,317,476	934,995	33,682
Equipment and software	1,867,490	310,315	166,540	103,411	41,602	103,638	37,691	763,197	1,095,308	8,985
Printing and publications	73,272	99	18,603	3,415	779	2,285	1,352	26,533	39,319	7,420
Travel	638,113	64,245	104,039	142,244	89,049	39,810	24,527	463,914	173,582	617
Conferences and meetings	186,462	661	54,377	16,966	60,261	19,881	754	152,900	33,270	292
Special assistance	1,707,222	16,436	283,545	60,460	11,128	111,275	1,223,849	1,706,693	529	
Organization and membership fees	1,682,666	231	11,439	616	486,992	2,957	7,058	509,293	1,173,373	
Miscellaneous	422,681	124,239	34,954	8,269	6,476	23,590	633	198,161	222,207	2,313
Other Catholic distributions	26,500		26,500					26,500		
Depreciation and amortization expense	1,855,723	1,099,838	140,578	43,190	117,737	11,976	40,902	1,454,221	389,326	12,176
Total expenses	\$ 104,954,406	\$ 34,042,216	\$ 12,870,452	\$ 14,090,899	\$ 14,249,736	\$ 5,506,451	\$ 3,822,115	\$ 84,581,869	\$ 16,939,783	\$ 3,432,754

See notes to financial statements.



**Secretariat for Catholic Charities**

**Combined Statement of Functional Expenses  
Year Ended December 31, 2019**

	Programs							Supporting Services		
	Total	Older Adults	Children and Family Services	Substance Use Disorder	Disabilities	Parish/Pastoral	Emergency and Transitional	Total Programs	Management and General	Fundraising
Salaries	\$ 58,084,353	\$ 19,407,733	\$ 8,439,211	\$ 9,516,146	\$ 7,415,477	\$ 2,850,656	\$ 1,528,921	\$ 49,158,144	\$ 8,199,765	\$ 726,444
Employee benefits	10,907,008	3,136,157	1,694,687	1,884,417	1,225,788	759,359	280,544	8,980,952	1,795,466	130,590
Payroll taxes	4,577,430	1,431,031	670,621	760,237	676,271	216,926	125,967	3,881,053	639,469	56,908
<b>Total salaries and related expenses</b>	<b>73,568,791</b>	<b>23,974,921</b>	<b>10,804,519</b>	<b>12,160,800</b>	<b>9,317,536</b>	<b>3,826,941</b>	<b>1,935,432</b>	<b>62,020,149</b>	<b>10,634,700</b>	<b>913,942</b>
Purchased services	7,117,559	677,594	221,471	766,615	222,401	1,101,850	32,785	3,022,716	1,654,242	2,440,601
Supplies	7,273,853	4,796,503	870,727	698,856	623,292	51,526	49,887	7,090,791	175,846	7,216
Telephone	669,147	125,368	98,809	120,348	48,583	34,046	27,973	455,127	210,022	3,998
Postage	91,129	1,011	7,973	4,322	1,129	8,576	353	23,364	67,109	656
Occupancy	7,531,162	2,161,463	935,384	1,254,289	921,670	779,493	539,315	6,591,614	907,286	32,262
Equipment and software	2,180,779	357,928	194,084	179,192	61,167	120,897	57,890	971,158	1,184,541	25,080
Printing and publications	97,316	419	8,979	7,167	616	8,862	4,641	30,684	56,884	9,748
Travel	1,523,518	138,304	375,336	405,058	198,297	156,761	29,110	1,302,866	215,109	5,543
Conferences and meetings	368,736	1,395	89,525	28,204	54,982	110,811	5,795	290,712	75,177	2,847
Special assistance	1,853,613		264,598	215,714	31,764	380,480	954,495	1,847,051	6,562	
Organization and membership fees	1,588,021	204	14,313	862	340,800	6,400	2,354	364,933	1,222,788	300
Awards and grants	201,492	113,456	53,787	50		20,020		187,313	14,179	
Miscellaneous	613,379	192,053	38,865	15,420	7,116	36,242	1,475	291,171	311,916	10,292
Other Catholic distributions	106,784							-	106,784	
Depreciation and amortization expense	1,744,335	1,056,105	149,635	37,252	118,441	19,736	32,938	1,414,107	318,652	11,576
<b>Total expenses</b>	<b>\$ 106,529,614</b>	<b>\$ 33,596,724</b>	<b>\$ 14,128,005</b>	<b>\$ 15,894,149</b>	<b>\$ 11,947,794</b>	<b>\$ 6,662,641</b>	<b>\$ 3,674,443</b>	<b>\$ 85,903,756</b>	<b>\$ 17,161,797</b>	<b>\$ 3,464,061</b>

See notes to financial statements.

**Secretariat for Catholic Charities**

**Combined Statements of Cash Flows  
Years Ended December 31, 2020 and 2019**

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 10,385,194	\$ 11,827,578
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,855,723	1,744,335
Loss on sale of assets	3,177	2,925
Realized and unrealized gains on investments	(7,403,396)	(9,789,214)
Contributions restricted for long term purposes	(2,110)	(3,938)
Change in value of beneficial interest in perpetual trusts	(1,096,048)	(1,379,723)
Change in:		
Receivables - trade, net	240,162	(3,028,362)
Pledges receivables	159,734	424,061
Inventory	(123,760)	16,976
Other assets	(28,905)	(128,750)
Accounts payable	9,365	(382,597)
Due to third-party payors	(104,057)	(757)
Accrued expenses	573,175	(189,957)
Deferred revenue	893,416	(129,826)
Other liabilities	(24,257)	(289,432)
Accrued employee obligations	(138,482)	(203,433)
Net cash provided by (used in) operating activities	<u>5,198,931</u>	<u>(1,510,114)</u>
Cash flows from investing activities:		
Proceeds from sale of assets	14,870	1,972
Purchase of property, plant and equipment	(2,221,391)	(2,624,282)
Purchases of investments	(2,959,405)	(8,694,327)
Proceeds from sale of investments	7,569,433	5,047,821
Net cash provided by (used in) investing activities	<u>2,403,507</u>	<u>(6,268,816)</u>
Cash flows from financing activities:		
Transfer of cash to Diocese of Cleveland Facilities Services Corporation	-	460,680
Transfer of cash to Catholic Charities Housing Corporation	-	(252,837)
Contributions restricted for long term purposes	2,110	3,938
Proceeds from Coronavirus relief programs	2,073,111	-
Borrowings on debt	-	53,139
Principal payments on debt	(40,098)	(55,944)
Net cash provided by financing activities	<u>2,035,123</u>	<u>208,976</u>
Net increase (decrease) in cash and cash equivalents	9,637,561	(7,569,954)
Cash and cash equivalents:		
Beginning	<u>6,079,253</u>	<u>13,649,207</u>
Ending	<u>\$ 15,716,814</u>	<u>\$ 6,079,253</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 3,781</u>	<u>\$ 6,215</u>

See notes to financial statements.

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements

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

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

**Principles of combination:** The combined financial statements for the Secretariat for Catholic Charities (collectively the Organization) include the accounts of Catholic Charities Corporation (CCC), St. Augustine Manor and Affiliate (the Manor) and Rose-Mary Center (RM). In addition, the Catholic Community Foundation (the CCF) holds assets for the benefit of the Secretariat for Catholic Charities. Such assets in the amount of \$70,670,106 and \$67,852,987 for the years ended December 31, 2020 and 2019, respectively, and the related financial activity have been included in these combined financial statements. The financial activity of these entities has been combined. All significant intercompany accounts and transactions have been eliminated in the combination.

Significant accounting policies consist of the following:

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

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

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

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

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

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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

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

**Receivables - trade:** These receivables are due primarily from government agencies and residents. The Organization provides for uncollectible accounts receivable using the allowance method. For the years ended December 31, 2020 and 2019, the allowance for uncollectible accounts and contractual allowances totaled \$1,607,834 and 1,323,301, respectively. Management estimates an allowance for delinquent accounts based on their review of delinquent accounts and an assessment of the Organization's historical evidence of collections.

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

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

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

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

**Goodwill:** Goodwill is recognized as the excess cost of an acquired entity over the amounts assigned to assets acquired and liabilities assumed. Goodwill is not amortized, but rather tested for impairment on an annual basis and more often if circumstances require. Impairment losses are recognized whenever the implied fair value of goodwill is less than its carrying value. Goodwill is the result of the Manor acquiring Generations Care Health Services in February 2010. Goodwill amounted to \$345,000 for the years ended December 31, 2020 and 2019. The Manor has determined that there was no impairment for the years ended December 31, 2020 and 2019.

**Impairment:** In accordance with the accounting standards on accounting for the impairment or disposal of long-lived assets, the Organization reviews for the impairment of long-lived assets, including goodwill, whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated future undiscounted cash flows is less than the carrying amount of the asset. No impairment losses were recognized in 2020 and 2019.

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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

**Hospice:** The Manor's hospice program contracts for patient room and board services with outside nursing homes to provide care to patients who elect hospice care under Medicare or Medicaid. The State of Ohio must pay the Manor, in addition to the applicable Medicare or Medicaid hospice daily or hourly rate, an amount equal to at least 95% of the Medicaid daily nursing home rate for room and board services furnished to the patient by the nursing home. Under the Manor's standard nursing home contracts, the Manor pays the nursing home this room and board net revenue and the net amount is included in older adult expenses. The Manor's related costs totaled \$1,534,197 and \$1,538,857 for the years ended December 31, 2020 and 2019, respectively, while related net revenue totaled \$1,458,377 and \$1,439,201 for 2020 and 2019, respectively. This resulted in net costs of \$75,820 and \$99,656 for the years ended December 31, 2020 and 2019, respectively, which are included in older adult purchased services.

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

**Change in accounting principle:** The Organization has adopted Accounting Standards Update (ASU) 2014-09, *Revenues from Contracts with Customers*, and ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. These ASUs have both been implemented on the modified retrospective approach. There were no changes to January 1, 2019 net assets and no material impact to revenue as a result of implementing these standards.

**Operations:** The combined statements of activities include a subtotal for the change in net assets before non-operating activity. This subtotal reflects revenues that the Organization received for operational purposes. Non-operating activity includes the earnings on investment balances, change in postretirement benefits, gains and losses on sales or disposal of assets and distributions and allocations related to the annual appeal and other campaigns, which are not deemed to be a part of operating activities.

**Revenue recognition:** The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance barrier and a right of return - are not recognized until the conditions on which they depend on have been met. The Catholic Charities Appeal revenue is recognized ratably over the course of the year in which it is allocated. Donated goods, services and facilities are recognized at estimated fair market value when the goods are received, the service is rendered or the facilities are utilized.

A portion of the Organization's contribution revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the combined statements of financial position. The Organization received cost-reimbursable grants of \$2,127,439 that have not been recognized at December 31, 2020 because qualifying expenditures have not yet been incurred. In addition, advance payments of \$-0- and \$120,000 have been received related to cost-reimbursement grants prior to incurrence of expenses and have been recognized in the combined statements of financial position as a deferred revenue as of December 31, 2020 and 2019, respectively.

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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

##### Revenue recognition (Continued)

The Organization's program service revenues are recognized as performance obligations are completed. Revenues related to clinical or therapeutic sessions with clients, consultations with clients and other services are recognized at the point the session or consultation occurs at the rate agreed to with the client and/or third party payor.

Revenues related to Catholic Youth Organization athletic fees are recognized over the period of the applicable season. Athletic fees that have been collected but not yet earned have been recognized in the combined statements of financial position as a deferred revenue. Services provided by the Manor on a daily basis (room and board, administration of medications, nursing care, in-house physical therapy services, etc.) that are provided as part of the individual's plan of care and the nature of the Manor's promise to the resident to transfer a combined item (skilled nursing care services) to which the promised goods or services noted above are inputs are considered to be performance obligations that are fulfilled over a period of time.

Amounts included in governmental revenues for the years ended December 31, 2020 and 2019 include governmental grants of \$9,611,661 and \$10,396,532, respectively, and governmental revenues from fee for services which include performance obligations as defined in ASC 606 of \$14,707,734 and \$20,102,440, respectively. Program service revenues for the year ended December 31 were as follows:

	2020	2019
Program fee revenues recognized at a point in time	\$ 15,937,364	\$ 16,936,675
Program fee revenues recognized over a period of time	35,983,858	35,524,115
	<u>\$ 51,921,222</u>	<u>\$ 52,460,790</u>

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

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

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

**Uncertain income tax positions:** The Financial Accounting Standards Board (FASB) provides guidance for how uncertain income tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing tax returns to determine whether the tax positions are more-likely-than-not of being sustained when challenged or when examined by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense and liability in the current year. For the years ended December 31, 2020 and 2019, management has determined that there are no uncertain tax positions.

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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

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

**Subsequent events:** The Organization has evaluated subsequent events for potential recognition and/or disclosure through November 19, 2021, the date the combined financial statements were available to be issued.

#### Note 2. Liquidity and Availability

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

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

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

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

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

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

	2020	2019
Cash and cash equivalents	\$ 15,716,814	\$ 6,079,253
Receivables, net	13,144,590	13,544,486
Investments	29,420,817	30,156,579
Anticipated distributions from investments	1,181,000	1,103,750
	<u>\$ 59,463,221</u>	<u>\$ 50,884,068</u>

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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#### Note 3. Fair Value Disclosures

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

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

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

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

For the years ended December 31, 2020 and 2019, the application of valuation techniques applied to similar assets and liabilities has been consistent. The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risks associated with investing in those instruments.

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

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

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

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



**Secretariat for Catholic Charities**

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

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

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

	2020			
	Total	Level 1	Level 2	Level 3
Financial assets:				
Investments:				
Pooled funds at the CCF	\$ 72,340,621	\$ -	\$ 72,340,621	\$ -
Brokered certificates of deposit	25,000	-	25,000	-
Common stock	848,690	848,690	-	-
Money market funds	5,743	5,743	-	-
Government securities	279,322	279,322	-	-
Bonds - corporate	2,715,831	2,715,831	-	-
Mutual funds	88,495	88,495	-	-
Beneficial interest in perpetual trusts	14,234,290	-	-	14,234,290
Total assets	<u>\$ 90,537,992</u>	<u>\$ 3,938,081</u>	<u>\$ 72,365,621</u>	<u>\$ 14,234,290</u>

	2019			
	Total	Level 1	Level 2	Level 3
Financial assets:				
Investments:				
Pooled funds at the CCF	\$ 69,757,115	\$ -	\$ 69,757,115	\$ -
Brokered certificates of deposit	25,000	-	25,000	-
Common stock	765,803	765,803	-	-
Money market funds	106,471	106,471	-	-
Government securities	221,445	221,445	-	-
Bonds - corporate	2,566,505	2,566,505	-	-
Mutual funds	67,995	67,995	-	-
Beneficial interest in perpetual trusts	13,138,242	-	-	13,138,242
Total assets	<u>\$ 86,648,576</u>	<u>\$ 3,728,219</u>	<u>\$ 69,782,115</u>	<u>\$ 13,138,242</u>

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

	2020	2019
Equities	61.38%	63.43%
Fixed income	32.57%	35.14%
Cash	6.05%	1.43%
Total	<u>100.00%</u>	<u>100.00%</u>

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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

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

	Beneficial Interest in Perpetual Trusts
Balance, January 1, 2019	\$ 11,758,519
Change in fair value of beneficial interest in perpetual trusts	1,379,723
Balance, December 31, 2019	13,138,242
Change in fair value of beneficial interest in perpetual trusts	1,096,048
Balance, December 31, 2020	\$ 14,234,290

#### Note 4. Related Party Transactions

The Organization had a related party payable of \$378,240 and \$90,661 as of December 31, 2020 and 2019, respectively, which is included in accounts payable in the combined statements of financial position.

The Organization purchased health, professional, general liability and workers' compensation insurance through the Diocese of Cleveland. The cost to the Organization was approximately \$9,602,000 and \$9,873,000 for 2020 and 2019, respectively.

#### Note 5. Investments

Under the Organization's portfolio policy governing transfer of funds for operations, 5% of the weighted average fair value of the portfolio for the preceding 3-year period is available for current operations. This calculation equated to \$1,150,000 and \$1,128,263 in portfolio funds available for operations for the years ended December 31, 2020 and 2019, respectively, which were the amounts transferred also.

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

	2020	2019
Interest and dividends	\$ 1,265,749	\$ 1,574,723
Investment management fees	(198,121)	(203,020)
Investment income received from perpetual trust	736,540	266,443
Unrealized and realized gains on investments	7,403,396	9,789,214
	\$ 9,207,564	\$ 11,427,360

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

	2020	2019
Operating investment income	\$ 1,509,812	\$ 952,880
Non-operating investment income	7,697,752	10,474,480
	\$ 9,207,564	\$ 11,427,360

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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#### Note 5. Investments (Continued)

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

#### Note 6. Pledges Receivable

Pledges receivable consist of unconditional promises to give from individuals, foundations and other entities amounting to \$413,071 and \$572,805 as of December 31, 2020 and 2019, respectively. No allowance for uncollectible pledges was deemed necessary. As of December 31, 2020, all pledges are anticipated to be received in less than 1 year.

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

CCC, RM and the Manor are the irrevocable beneficiaries and recipients of income from funds held in trust by others, which operate in perpetuity. The Organization has no control of the fund assets, as the trustees of these funds have discretion over the investment of the fund assets. The change in fair value of the beneficial interest in the trust assets in the amount of \$1,096,048 and \$1,379,723 for the years ended December 31, 2020 and 2019, respectively, is included in revenue and support with donor restrictions in the combined statements of activities. The Organization's share of the present value of the funds held by others is \$14,234,290 and \$13,138,242 at December 31, 2020 and 2019, respectively.

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

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

	2020	2019
Land and improvements	\$ 212,288	\$ 197,908
Building and improvements	21,223,899	20,135,000
Furniture and equipment	15,701,210	15,292,763
Leasehold improvements	3,310,353	2,887,156
Vehicles	2,233,669	2,329,614
Construction in progress	314,311	83,284
	<u>42,995,730</u>	<u>40,925,725</u>
Less accumulated depreciation and amortization	<u>(29,196,498)</u>	<u>(27,474,114)</u>
	<u>\$ 13,799,232</u>	<u>\$ 13,451,611</u>

Depreciation and amortization expense for the years ended December 31, 2020 and 2019 was \$1,855,723 and \$1,744,335 respectively.

#### Note 9. Debt

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

	2020	2019
Notes payable - Rose-Mary	<u>\$ 38,454</u>	<u>\$ 78,552</u>

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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#### Note 9. Debt (Continued)

Future minimum principal payments on the debt are as follows:

2021	\$	21,403
2022		14,490
2023		2,561
	\$	<u>38,454</u>

#### Notes Payable - Rose Mary

RM entered into several loans, primarily to finance the purchase of vehicles, between 2014 and 2019. These loans mature between 2021 and 2023, with interest rates that range from 5.4% to 7.35%. RM incurred interest costs of \$3,781 and \$6,170 for the years ended December 31, 2020 and 2019, respectively. The amount outstanding on these loans at December 31, 2020 and 2019 totaled \$38,454 and \$78,552, respectively.

#### Forgivable Loan Program

The Ohio Department of Mental Health and Addiction Services (ODMHAS) holds an Open End Mortgage on the Parmadale intensive treatment center and multi-purpose facility. The 40-year, \$2,000,000 mortgage was entered into July 1993. The mortgage bears no interest and requires no payments if the facility continues to be utilized for mental health services. In the event the facility is used for a purpose other than approved mental health service as determined by the ODMHAS, payment would be required in an amount equal to the balance of \$629,167 and \$679,167 at December 31, 2020 and 2019, respectively. The Organization intends to utilize the facility in accordance with the ODMHAS requirement and, as such, has not recorded the liability.

#### Note 10. Accrued Employee Obligations

##### Defined Contribution Plans

The Organization provides a variety of defined contribution retirement plans which cover all employees who meet certain requirements. For the years ended December 31, 2020 and 2019, the Organization made contributions in the amount of \$2,013,548 and \$1,983,330, respectively, for these plans.

##### Defined Benefit Plans

RM participates in the Catholic Diocese of Cleveland Pension Plan (the Plan) which is a multi-employer plan to which RM is required to make an annual contribution based on earnings of participants for the year. The Plan is administered by the Diocese Group Life and Pension Office. RM has no other obligations or responsibilities with respect to the Plan. Expenses under the Plan were \$473,513 and \$432,292 in 2020 and 2019, respectively.

**Secretariat for Catholic Charities**

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

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

**Postretirement Benefit Plan**

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

	2020	2019
Accumulated postretirement benefit obligation, beginning	\$ (3,662,881)	\$ (4,153,586)
Employer service cost	(26,750)	(35,690)
Interest cost	(116,041)	(170,877)
Actuarial gain	156,026	624,031
Benefits paid	90,390	73,241
Accumulated postretirement benefit obligation, ending	<u>\$ (3,559,256)</u>	<u>\$ (3,662,881)</u>
Amounts recognized in the combined statements of financial position:		
Current	\$ 147,481	\$ 184,782
Long-term	3,411,775	3,478,099
	<u>\$ 3,559,256</u>	<u>\$ 3,662,881</u>
Amounts recognized for the year:		
Employer contributions	<u>\$ 90,390</u>	<u>\$ 73,241</u>
Benefits paid	<u>\$ 90,390</u>	<u>\$ 73,241</u>
Components of net periodic benefit cost:		
Employer service cost	\$ 26,750	\$ 35,690
Interest cost	116,041	170,877
Net gain amortization	(25,317)	-
Net periodic benefit cost	<u>\$ 117,474</u>	<u>\$ 206,567</u>
Amounts not yet recognized in the net periodic benefit cost:		
Net gain	<u>\$ (872,108)</u>	<u>\$ (741,399)</u>
Expected amortization amounts during fiscal years ending December 31, 2021 and 202020	<u>\$ (36,141)</u>	<u>\$ (25,317)</u>
Weighted average assumptions:		
Discount rate	<u>2.50%</u>	<u>3.25%</u>
Rate of increase in the per capita cost of covered health care benefits	<u>6.50%</u>	<u>6.75%</u>

**Secretariat for Catholic Charities**

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

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

**Postretirement Benefit Plan (Continued)**

Expected benefit payments during the years ending December 31 are:

2021	\$ 147,481
2022	168,543
2023	174,927
2024	180,583
2025	184,076
2026-2030	916,091

Employer contributions expected to be paid during the year ended December 31, 2021 are approximately \$147,500.

For measurement purposes, a 6.50% annual rate of increase in the per capita cost of covered health care benefits is assumed for 2020. This rate is assumed to decrease at .5% per year until reaching 5.0% in 2027 and remaining level thereafter. The effect of a 1% increase or decrease in the medical cost trend rate would result in a \$126,416 increase and a \$110,991 decrease in the accumulated postretirement benefit obligation, respectively.

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

**Note 11. Board Designated Net Assets**

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

	2020	2019
Future Operating Reserve	\$ 6,030,340	\$ 7,848,966
Capital Replacement and/or Major Repairs	3,688,962	3,877,962
Annual Appeal Reserve	1,717,485	1,630,731
Camperships	539,544	507,350
Land held for future development	21,500	21,500
Athletic Grants	-	334,600
Cleveland Diocese Evaluation for Marriage program	121,033	119,516
Summit County support	163,401	143,157
Initiatives	-	45,000
	<u>\$ 12,282,265</u>	<u>\$ 14,528,782</u>

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

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

**Secretariat for Catholic Charities**

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

**Note 11. Board Designated Net Assets (Continued)**

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

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

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

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

	Net Assets Available		Net Assets Released	
	2020	2019	2020	2019
Time restrictions:				
United Way	\$ 411,996	\$ 503,355	\$ 915,351	\$ 747,314
Partners in Giving	54,706	40,810	25,250	52,076
Purpose restrictions:				
General health and welfare - Diocese of Cleveland	18,125,293	16,133,609	1,059,602	1,054,590
Children and family services	4,693,184	3,958,720	815,341	951,873
Emergency and transitional	6,108,381	5,314,108	603,744	701,193
Disabilities	2,638,540	2,738,522	528,878	246,674
Rooted in Faith	125,735	198,812	73,077	174,000
Behavioral health	443,863	205,854	790,148	459,228
Chemical dependency	30,000	167,954	137,954	27,400
Older adults	2,095,912	1,766,447	113,495	436,310
Capital projects	48,163	278,220	230,057	241,537
Special purposes	379,881	9,969	264	14,643
Social action	24,443	26,706	3,346	1,654
Subject to spending policy and appropriation:				
General health and welfare - Diocese of Cleveland	14,123,957	13,529,565	-	-
End of life care	6,744,977	6,279,213	-	-
Children and family services	1,215,324	1,215,323	-	-
Disabilities	1,403,563	1,359,732	-	-
Older adults	1,088,819	1,088,819	-	-
Emergency and transitional	742,760	742,760	-	-
	<u>\$ 60,499,497</u>	<u>\$ 55,558,498</u>	<u>\$ 5,296,507</u>	<u>\$ 5,108,492</u>

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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

CCC contracted with the CCF to provide operational and fundraising support. CCC was charged a net fee of \$2,346,000 and \$2,300,000 by the CCF in 2020 and 2019, respectively.

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

The Organization received in kind contributions and related expenses with a value of \$401,565 and \$340,618 for the years ended December 31, 2020 and 2019, respectively. These donated goods and services were utilized to further the charitable purpose of the Organization.

#### Note 15. Lease Commitments

The Organization leases various operating space and equipment under noncancelable long-term leases. Rental expense for these various items, including various items leased under month to month leases, for the years ended December 31, 2020 and 2019 was \$3,557,491 and \$3,606,265, respectively. The future minimum lease payments at December 31, 2020 are as follows:

2021	\$ 384,154
2022	331,630
2023	210,124
2024	53,576
2025	12,816
	<u>\$ 992,300</u>

#### Note 16. Endowment Funds

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

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

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

- To generate a real annual compound rate of return, inclusive of interest income, dividends and net capital appreciation over the measurement period, at least equal to the sum of the annual payout percentage provided for in the distribution policy plus inflation (for example 5% distribution policy + inflation + investment management cost).



**Secretariat for Catholic Charities**

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

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

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

- To obtain a total return on the portfolio, net of all investment related fees, that exceeds the total return of the policy benchmark.
- Performance will be evaluated versus achievement of distribution policy and comparisons to a similar set of investments.

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

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

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

Endowment net asset composition by type and changes in endowment net assets for the years ended December 31, 2020 and 2019:

	Accumulated Gains	Original Gift Amount
Endowment ending balance, January 1, 2019	\$ 7,463,680	\$ 11,029,529
Investment income, net	606,955	-
Realized and unrealized gains	5,182,562	-
	<u>5,789,517</u>	<u>-</u>
Gifts and other additions	-	3,938
Expenditures and other releases	(1,479,378)	-
Transfer of net assets	(10,431)	10,431
Endowment ending balance, December 31, 2019	<u>11,763,388</u>	<u>11,043,898</u>
Investment income, net	613,039	-
Realized and unrealized gains	4,094,949	-
	<u>4,707,988</u>	<u>-</u>
Gifts and other additions	-	2,110
Expenditures and other releases	(1,455,597)	-
Transfer of net assets	-	-
Endowment ending balance, December 31, 2020	<u><u>\$ 15,015,779</u></u>	<u><u>\$ 11,046,008</u></u>

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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

In the ordinary course of business, the Organization renders services to patients who are financially unable to pay for medical care. The Organization provides care to these patients who meet certain criteria under its charity care policy without charge. Charity care eligibility is established based on limited or no insurance coverage, income compared to published poverty levels and family size, as well as other factors. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The Organization maintains records to identify and monitor the level of charity care it provides. Charity care is measured based on the Organization's estimated direct and indirect costs of providing uncompensated days associated with providing charity care to its patients. The amount of charity care provided during the years ended December 31, 2020 and 2019 was approximately \$1,177,000 and \$1,105,000, respectively.

In addition to charity care, the Organization provides services under the Medicaid program for financially needy patients, for which the payments received were less than the cost of providing the services. The Organization follows the practice of accumulating all direct and indirect costs, determining a per resident day rate and applying that rate to the Medicaid days provided to estimate the total community benefit support. The unpaid costs attributable to providing services under this program, and thus considered a community benefit, were estimated to be approximately \$6,150,000 and \$5,240,000 in 2020 and 2019, respectively.

#### Note 18. Contingencies

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

In 2015, RM (a related party) began to identify, build and/or modify seven properties in the community to serve as homes for the individuals who lived at the main center, in anticipation of moving those individuals into the community based homes in 2016. To facilitate this process, CCHC, a subsidiary of DOCFSC, entered into a loan agreement with a commercial bank to obtain up to \$3,000,000 in financing. The Organization also entered into an agreement to guarantee the loan. This loan was amended on March 20, 2017 to extend the maturity date to March 1, 2027. Prior to the maturity date, interest is payable monthly until the maturity date. The outstanding balance was approximately \$1,956,000 as of December 31, 2020. The loan accrues interest at the LIBOR rate plus 2.5%.

In June 2019, CCHC entered into a revolving line of credit with the bank with a maximum borrowing of \$3,500,000. The line of credit carried interest at the 2-day LIBOR rate, plus 2.5.

Effective September 30, 2020, the line of credit was paid in full with the issuance of a new loan agreement. The new loan has a maturity date of November 30, 2027 and carries interest at the LIBOR rate plus 2.5%. The Organization has also entered into an agreement to guarantee this loan. The outstanding balance of this loan was approximately \$2,947,000 as of December 31, 2020.

As a condition of the loans, the commercial bank required the Organization to enter into a Guaranty of Payment. Under the terms of the agreement, the Organization irrevocably and unconditionally covenants and agrees to be liable for the loan as the primary obligor. In the event of default by CCHC, the Organization would be liable for repayment of the loan. The terms of the agreement also require the Organization to maintain certain financial ratios. As of December 31, 2020, the Organization was in compliance with the financial covenants required by the bank. As of December 31, 2020 and 2019, the Organization considers any payment under the guarantee to be remote and has not recorded a liability related to the guarantee.

## Secretariat for Catholic Charities

### Notes to Combined Financial Statements (Continued)

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#### Note 19. Impact of COVID-19 and Related Funding

On January 30, 2020, the World Health Organization declared the outbreak of the coronavirus disease 2019 (COVID-19) a global health emergency and subsequently declared the COVID-19 outbreak a global pandemic in March 2020. Federal, state or local health departments have banned or limited admissions to the Organization's facilities as a precautionary measure to avoid the spread of COVID-19. Further, COVID-19 has impacted operations by causing staffing and supply shortages in some areas while idle staff in other programs have been laid off. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and impact on the Organization's residents, employees and vendors, all of which are uncertain and cannot be predicted. Given these uncertainties, the Organization cannot reasonably estimate the related impact to its business, operating results and financial condition, if any. While expected to be temporary, these disruptions may negatively impact the Organization's revenues, its results of operations, financial condition and liquidity in 2021.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law by the U.S. Government. The CARES Act, among other things, created the Paycheck Protection Program (PPP) to be administered by the U.S. Small Business Administration (SBA). The CARES Act created a Public Health and Social Services Emergency Fund, also known as the Provider Relief Fund (PRF) for eligible health care entities. The federal program is being administered by the Department of Health and Human Services (HHS) to support healthcare related expenses and lost revenues attributable to the COVID-19 pandemic. The CARES Act also created the Coronavirus Relief Fund (CRF) to provide relief to states and eligible local governments. The federal program is being administered by the U.S. Department of Treasury to support expenditures incurred to the public health emergency of COVID-19 and amounts not included in the budget prior to the pandemic.

The Organization received approximately \$314,000 of payments as part of general and targeted distributions of the PRF and approximately \$930,000 of payments as part of the State of Ohio distributions of CRF. As of December 31, 2020, the Organization recognized all of these payments as revenue included in coronavirus relief programs in the combined statement of activities. The Organization has asserted that it has met the conditions and restrictions outlined within HHS and State of Ohio's published terms and conditions for the CARES Act as of December 31, 2020.

In May 2020, RM received a \$1,800,000 loan under the PPP from a qualified lender. The PPP loan bears interest at a fixed rate of 1% per annum, with the first six months of interest deferred, has a term of five years and is unsecured and guaranteed by the SBA. Provisions of the PPP allow for partial or full forgiveness of the loan provided the proceeds are used for covered expenditures and certain other requirements are satisfied. The loan will be recorded as debt until forgiven and is included as a liability in the combined statement of financial position as coronavirus relief programs. Subsequent to year end, the SBA fully forgave the PPP loan. RM received approximately \$217,000 of payments as part of general and targeted distributions of PRF. RM also received approximately \$474,000 of part of the State of Ohio distributions of CRF. Additionally, RM received approximately \$319,000 in additional waiver payments and COVID-19 expense reimbursements. These amounts are recorded as revenue and included in coronavirus relief programs in the combined statement of activities.

In May 2020, the Manor received a \$116,500 unsecured loan under the PPP. The full loan amount was forgiven subsequent to year end and is recorded as coronavirus relief programs in the combined statement of activities. The Manor also received \$1,704,364 from the PRF, which is recorded as revenue and included in coronavirus relief programs in the combined statement of activities. The Manor received CRF awards passed through the state of Ohio totaling \$836,424 with unapplied funds amounting to \$273,111 which is recorded as a refundable advance and included as a liability in the combined statement of financial position as coronavirus relief programs.

## Supplementary Information

## Secretariat for Catholic Charities

### Details of Combined Statement of Financial Position December 31, 2020

	Catholic Charities Corporation	Catholic Community Foundation for the Benefit of the Organization	St. Augustine Manor and Affiliate	Rose-Mary Center	Eliminations	Total
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 6,829,557	\$ 238,126	\$ 5,678,562	\$ 2,970,569	\$ -	\$ 15,716,814
Receivables:						
Trade, net	5,822,787	-	5,695,073	1,213,659	-	12,731,519
Pledges	411,996	1,075	-	-	-	413,071
Inventory	-	-	354,892	-	-	354,892
Other	133,989	-	52,436	343,667	-	530,092
Total current assets	13,198,329	239,201	11,780,963	4,527,895	-	29,746,388
Investments	35,065,639	70,430,905	3,052,090	1,604,700	(33,849,632)	76,303,702
Other assets:						
Beneficial interest in perpetual trusts	7,490,219	-	6,335,311	408,760	-	14,234,290
Property, plant and equipment, net	2,664,979	-	10,463,238	671,015	-	13,799,232
Land held for future development	21,500	-	-	-	-	21,500
Goodwill	-	-	345,000	-	-	345,000
Other	77,195	-	68,201	-	-	145,396
Total other assets	10,253,893	-	17,211,750	1,079,775	-	28,545,418
Total assets	\$ 58,517,861	\$ 70,670,106	\$ 32,044,803	\$ 7,212,370	\$ (33,849,632)	\$ 134,595,508
<b>Liabilities and Net Assets</b>						
Current liabilities:						
Current portion of debt	\$ -	\$ -	\$ -	\$ 21,403	\$ -	\$ 21,403
Accounts payable	516,987	-	1,817,271	501,684	-	2,835,942
Due to third party payors	-	-	477,415	-	-	477,415
Accrued expenses	1,638,337	-	3,658,052	917,332	-	6,213,721
Related party	-	33,155,923	-	-	(33,155,923)	-
Deferred revenue	1,672,530	-	-	-	-	1,672,530
Accrued employee obligations	147,481	-	-	-	-	147,481
Total current liabilities	3,975,335	33,155,923	5,952,738	1,440,419	(33,155,923)	11,368,492
Other liabilities:						
Debt	-	-	-	17,051	-	17,051
Other	-	-	280,252	-	-	280,252
Coronavirus program funds	-	-	273,111	1,800,000	-	2,073,111
Accrued employee obligations	3,664,190	-	-	-	-	3,664,190
Total liabilities	7,639,525	33,155,923	6,506,101	3,257,470	(33,155,923)	17,403,096
Net assets:						
Without donor restrictions:						
Undesignated	24,650,085	-	16,775,134	2,985,431	-	44,410,650
Board designated	11,135,891	-	1,146,374	-	-	12,282,265
Total without donor restrictions	35,785,976	-	17,921,508	2,985,431	-	56,692,915
With donor restrictions	15,092,360	37,514,183	7,617,194	969,469	(693,709)	60,499,497
Total net assets	50,878,336	37,514,183	25,538,702	3,954,900	(693,709)	117,192,412
Total liabilities and net assets	\$ 58,517,861	\$ 70,670,106	\$ 32,044,803	\$ 7,212,370	\$ (33,849,632)	\$ 134,595,508

## Secretariat for Catholic Charities

### Details of Combined Statement of Financial Position December 31, 2019

	Catholic Charities Corporation	Catholic Community Foundation for the Organization	St. Augustine Manor and Affiliate	Rose-Mary Center	Eliminations	Total
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 2,563,105	\$ 33,744	\$ 2,147,732	\$ 1,334,672	\$ -	\$ 6,079,253
Receivables:						
Trade, net	6,218,570	-	5,497,395	1,267,492	(11,776)	12,971,681
Pledges	503,355	3,450	-	66,000	-	572,805
Inventory	-	-	231,132	-	-	231,132
Other	331,165	-	42,681	147,524	-	521,370
Total current assets	9,616,195	37,194	7,918,940	2,815,688	(11,776)	20,376,241
Investments	35,487,460	67,815,793	2,994,746	1,419,263	(34,206,928)	73,510,334
Other assets:						
Beneficial interest in perpetual trusts	6,900,954	-	5,872,359	364,929	-	13,138,242
Property, plant and equipment, net	2,359,869	-	10,401,949	689,793	-	13,451,611
Land held for future development	21,500	-	-	-	-	21,500
Goodwill	-	-	345,000	-	-	345,000
Other	74,889	-	50,324	-	-	125,213
Total other assets	9,357,212	-	16,669,632	1,054,722	-	27,081,566
Total assets	\$ 54,460,867	\$ 67,852,987	\$ 27,583,318	\$ 5,289,673	\$ (34,218,704)	\$ 120,968,141
<b>Liabilities and Net Assets</b>						
Current liabilities:						
Current portion of debt	\$ -	\$ -	\$ -	\$ 39,877	\$ -	\$ 39,877
Accounts payable	484,084	1,219	1,779,145	562,129	-	2,826,577
Due to third party payors	-	-	581,472	-	-	581,472
Accrued expenses	2,310,728	-	2,510,202	819,616	-	5,640,546
Related party	-	33,579,122	-	-	(33,579,122)	-
Deferred revenue	779,114	-	-	-	-	779,114
Accrued employee obligations	184,782	-	-	-	-	184,782
Total current liabilities	3,758,708	33,580,341	4,870,819	1,421,622	(33,579,122)	10,052,368
Other liabilities:						
Debt	-	-	-	38,675	-	38,675
Other	-	-	304,509	-	-	304,509
Accrued employee obligations	3,765,371	-	-	-	-	3,765,371
Total liabilities	7,524,079	33,580,341	5,175,328	1,460,297	(33,579,122)	14,160,923
Net assets:						
Without donor restrictions:						
Undesignated	19,899,718	-	13,947,868	2,872,352	-	36,719,938
Board designated	13,392,971	-	1,135,811	-	-	14,528,782
Total without donor restrictions	33,292,689	-	15,083,679	2,872,352	-	51,248,720
With donor restrictions	13,644,099	34,272,646	7,324,311	957,024	(639,582)	55,558,498
Total net assets	46,936,788	34,272,646	22,407,990	3,829,376	(639,582)	106,807,218
Total liabilities and net assets	\$ 54,460,867	\$ 67,852,987	\$ 27,583,318	\$ 5,289,673	\$ (34,218,704)	\$ 120,968,141

## Secretariat for Catholic Charities

### Details of Combined Statement of Activities Year Ended December 31, 2020

	Catholic Charities Corporation	Catholic Community Foundation for the Benefit of the Organization	St. Augustine Manor and Affiliates	Rose-Mary Center	Reclassifications/ Eliminations	Total
Revenues and support:						
Catholic Charities:						
Annual appeal contributions	\$ 15,048,277	\$ -	\$ -	\$ -	\$ (1,275,761)	\$ 13,772,516
Bequests and special gifts	-	-	-	-	1,275,761	1,275,761
Catholic Charities - allocation	-	-	1,457,140	426,004	(1,883,144)	-
United Way	1,657,575	-	-	-	-	1,657,575
Program fees	2,504,030	-	36,033,725	13,383,467	-	51,921,222
Governmental	25,563,013	-	-	-	(1,243,618)	24,319,395
Contributions	4,824,420	75,330	1,965,292	299,236	(1,454,538)	5,709,740
Donated goods, facilities and services	401,565	-	-	-	-	401,565
Operating investment income, net	1,278,630	-	42,940	218,531	(30,289)	1,509,812
Distributable investment income	-	1,454,538	-	-	-	1,454,538
Special events, net	19,810	-	-	-	-	19,810
Coronavirus relief programs	-	-	2,384,130	1,009,775	1,243,618	4,637,523
Miscellaneous	1,103,329	-	31,506	33,197	-	1,168,032
<b>Total revenues and support</b>	<b>52,400,649</b>	<b>1,529,868</b>	<b>41,914,733</b>	<b>15,370,210</b>	<b>(3,367,971)</b>	<b>107,847,489</b>
Expenses						
Salaries	26,828,875	-	21,987,567	10,081,694	-	58,898,136
Employee benefits	5,631,159	-	3,539,760	1,411,661	-	10,582,580
Payroll taxes	2,744,813	-	1,632,227	855,108	-	5,232,148
<b>Total salaries and related expenses</b>	<b>35,204,847</b>	<b>-</b>	<b>27,159,554</b>	<b>12,348,463</b>	<b>-</b>	<b>74,712,864</b>
Purchased services	4,951,819	-	1,158,477	326,028	-	6,436,324
Supplies	1,455,290	-	5,161,336	636,556	-	7,253,182
Telephone	455,297	-	150,975	123,070	-	729,342
Postage	42,562	-	30,893	2,957	-	76,412
Occupancy	4,096,099	-	2,240,851	949,203	-	7,286,153
Equipment and software	1,190,760	-	601,536	75,194	-	1,867,490
Printing and publications	43,517	-	27,795	1,960	-	73,272
Travel	416,893	-	128,358	92,862	-	638,113
Conferences and meetings	123,443	-	-	63,019	-	186,462
Special assistance	1,707,222	-	-	-	-	1,707,222
Organization and membership fees	53,408	-	1,133,893	495,365	-	1,682,666
Awards and grants	1,909,644	-	-	-	(1,909,644)	-
Miscellaneous	203,236	-	188,727	30,718	-	422,681
Other Catholic distributions	-	-	-	-	26,500	26,500
Depreciation and amortization	439,947	-	1,275,402	140,374	-	1,855,723
Catholic Charities - allocation	-	1,454,538	-	-	(1,454,538)	-
<b>Total expenses</b>	<b>52,293,984</b>	<b>1,454,538</b>	<b>39,257,797</b>	<b>15,285,769</b>	<b>(3,337,682)</b>	<b>104,954,406</b>
<b>Change from operating activities</b>	<b>106,665</b>	<b>75,330</b>	<b>2,656,936</b>	<b>84,441</b>	<b>(30,289)</b>	<b>2,893,083</b>
Non-operating activity:						
Loss on disposal of assets	-	-	(429)	(2,748)	-	(3,177)
Non-operating investment income, net	3,089,592	4,620,745	11,253	-	(23,838)	7,697,752
Investment income distributed to operations	-	(1,454,538)	-	-	-	(1,454,538)
Change in value of beneficial interest in perpetual trusts	589,265	-	462,952	43,831	-	1,096,048
Postretirement benefits	156,026	-	-	-	-	156,026
	<b>3,834,883</b>	<b>3,166,207</b>	<b>473,776</b>	<b>41,083</b>	<b>(23,838)</b>	<b>7,492,111</b>
<b>Change in net assets</b>	<b>3,941,548</b>	<b>3,241,537</b>	<b>3,130,712</b>	<b>125,524</b>	<b>(54,127)</b>	<b>10,385,194</b>
<b>Net assets - beginning</b>	<b>46,936,788</b>	<b>34,272,646</b>	<b>22,407,990</b>	<b>3,829,376</b>	<b>(639,582)</b>	<b>106,807,218</b>
<b>Net assets - ending</b>	<b>\$ 50,878,336</b>	<b>\$ 37,514,183</b>	<b>\$ 25,538,702</b>	<b>\$ 3,954,900</b>	<b>\$ (693,709)</b>	<b>\$ 117,192,412</b>

## Secretariat for Catholic Charities

### Details of Combined Statement of Activities Year Ended December 31, 2019

	Catholic Charities Corporation	Catholic Community Foundation for the Benefit of the Organization	St. Augustine Manor and Affiliates	Rose-Mary Center	Reclassifications/ Eliminations	Total
Revenues and support:						
Catholic Charities:						
Annual appeal contributions	\$ 15,094,060	\$ -	\$ -	\$ -	\$ (1,337,282)	\$ 13,756,778
Bequests and special gifts	-	-	-	-	1,337,282	1,337,282
Catholic Charities - allocation	-	-	1,443,684	426,004	(1,869,688)	-
United Way	1,783,685	-	-	-	-	1,783,685
Program fees	5,278,874	-	34,957,382	12,224,534	-	52,460,790
Governmental	30,498,972	-	-	-	-	30,498,972
Contributions	3,883,164	2,600	1,920,367	183,020	(1,340,791)	4,648,360
Donated goods, facilities and services	340,618	-	-	-	-	340,618
Operating investment income, net	687,717	-	74,686	233,135	(42,658)	952,880
Distributable investment income	-	1,128,263	-	-	-	1,128,263
Special events, net	122,511	-	-	-	-	122,511
Miscellaneous	516,920	-	44,899	10,368	-	572,187
Total revenues and support	58,206,521	1,130,863	38,441,018	13,077,061	(3,253,137)	107,602,326
Expenses						
Salaries	29,070,122	-	21,173,128	7,841,103	-	58,084,353
Employee benefits	6,160,456	-	3,447,828	1,298,724	-	10,907,008
Payroll taxes	2,314,494	-	1,551,428	711,508	-	4,577,430
Total salaries and related expenses	37,545,072	-	26,172,384	9,851,335	-	73,568,791
Purchased services	5,437,578	-	1,279,504	400,477	-	7,117,559
Supplies	1,857,893	-	4,772,389	643,571	-	7,273,853
Telephone	426,899	-	137,008	105,240	-	669,147
Postage	49,989	-	38,547	2,593	-	91,129
Occupancy	4,324,716	-	2,246,008	960,438	-	7,531,162
Equipment and software	1,458,434	-	633,996	88,349	-	2,180,779
Printing and publications	48,712	-	37,202	11,402	-	97,316
Travel	1,226,053	-	128,087	169,378	-	1,523,518
Conferences and meetings	307,614	-	-	61,122	-	368,736
Special assistance	1,853,613	-	-	-	-	1,853,613
Organization and membership fees	80,995	-	1,140,406	366,620	-	1,588,021
Awards and grants	2,071,180	-	-	-	(1,869,688)	201,492
Miscellaneous	336,833	-	265,711	10,835	-	613,379
Other Catholic distributions	-	319,312	-	-	(212,528)	106,784
Depreciation and amortization	397,922	-	1,213,323	133,090	-	1,744,335
Catholic Charities - allocation	-	1,128,263	-	-	(1,128,263)	-
Total expenses	57,423,503	1,447,575	38,064,565	12,804,450	(3,210,479)	106,529,614
Change from operating activities	783,018	(316,712)	376,453	272,611	(42,658)	1,072,712
Non-operating activity:						
Loss on disposal of assets	-	-	(1,756)	(1,169)	-	(2,925)
Non-operating investment income, net	4,779,335	5,678,499	50,218	-	(33,572)	10,474,480
Investment income distributed to operations	-	(1,128,263)	-	-	-	(1,128,263)
Change in value of beneficial interest in perpetual trusts	705,322	-	624,676	49,725	-	1,379,723
Postretirement benefits	624,031	-	-	-	-	624,031
Appeal contributions disbursed in excess of allocation	(592,180)	-	-	-	-	(592,180)
	5,516,508	4,550,236	673,138	48,556	(33,572)	10,754,866
Change in net assets	6,299,526	4,233,524	1,049,591	321,167	(76,230)	11,827,578
Net assets – beginning	40,637,262	30,039,122	21,358,399	3,300,366	(563,352)	94,771,797
Transfer of net assets	-	-	-	207,843	-	207,843
Net assets – ending	\$ 46,936,788	\$ 34,272,646	\$ 22,407,990	\$ 3,829,376	\$ (639,582)	\$ 106,807,218



## Secretariat for Catholic Charities

### Details of Appropriations Year Ended December 31, 2020

	Annual Appeal	Foundation Investments	Total
Funds provided	\$ 16,256,053	\$ 1,138,224	\$ 17,394,277
Cost of contracted fundraising	(2,346,000)		(2,346,000)
Funds available for distribution	<u>\$ 13,910,053</u>	<u>\$ 1,138,224</u>	<u>\$ 15,048,277</u>
<b>Health &amp; Human Services Division</b>			
Secretary for Catholic Charities	\$ 5,921,550	\$ 166,402	\$ 6,087,952
Bishop William Cosgrove Center	264,444		264,444
Diocesan Social Action Offices	447,928		447,928
Disabilities Services	377,548	69,125	446,673
Emergency Assistance Services	386,416	86,369	472,785
Human Life Office	98,127		98,127
St. Elizabeth Center - Lorain	547,685		547,685
Marriage and Family Office	301,870		301,870
Migration and Refugee Services	108,048		108,048
Parish & Community Ministries	228,624		228,624
Pastoral Care/Health Affairs	220,526	369,675	590,201
St. Augustine Hunger Center	329,000		329,000
Youth and Young Adult Ministry and CYO	338,015		338,015
Total Health & Human Services Division	<u>9,569,781</u>	<u>691,571</u>	<u>10,261,352</u>
<b>Prevention, Treatment &amp; Recovery Division</b>			
Catholic Charities - Cuyahoga	76,852		76,852
Chemical Dependency	47,206		47,206
Hispanic Chemical Dependency	10,749		10,749
Matt Talbot Inn	2,971		2,971
Parma	210,199	63,444	273,643
Total Prevention, Treatment & Recovery Division	<u>347,977</u>	<u>63,444</u>	<u>411,421</u>
<b>Family Services Division</b>			
Family Services - Central	118,273	25,000	143,273
Fatima Family Center	361,150	54,773	415,923
Early Learning/Head Start	15,750		15,750
Hispanic Senior Center	202,696		202,696
St. Martin DePorres Family Center	379,571	6,792	386,363
St. Philip Neri Family Center	236,731	789	237,520
Total Family Services Division	<u>1,314,171</u>	<u>87,354</u>	<u>1,401,525</u>
<b>Regional Services Division</b>			
Community Services - Central	34,309	75,000	109,309
Catholic Charities - Ashland	105,634		105,634
Catholic Charities - Geauga	76,291		76,291
Catholic Charities - Lake	118,654		118,654
Catholic Charities - Lorain	368,601		368,601
Catholic Charities - Medina	81,507	38,588	120,095
Catholic Charities - Summit	56,321	21,029	77,350
Catholic Charities - Wayne	88,401		88,401
Total Regional Services Division	<u>929,718</u>	<u>134,617</u>	<u>1,064,335</u>
<b>Total Catholic Charities Corporation</b>	<u>12,161,647</u>	<u>976,986</u>	<u>13,138,633</u>
Rose-Mary Center	352,909	73,095	426,004
St. Augustine Manor	1,368,997	88,143	1,457,140
<b>Other Allocations</b>			
Birthcare of Medina	1,200		1,200
Birthright - Cuyahoga	3,600		3,600
Birthright - Geauga	1,200		1,200
Birthright - Lake	1,200		1,200
Birthright - Lorain	1,200		1,200
Embrace Care	3,200		3,200
St. Vincent DePaul Society	12,500		12,500
Womankind, Inc.	2,400		2,400
Total other allocations	<u>26,500</u>	<u>-</u>	<u>26,500</u>
	<u>\$ 13,910,053</u>	<u>\$ 1,138,224</u>	<u>\$ 15,048,277</u>

## Secretariat for Catholic Charities

### Details of Appropriations Year Ended December 31, 2019

	Annual Appeal	Foundation Investments	Total
Funds provided	\$ 16,265,797	\$ 1,128,263	\$ 17,394,060
Cost of contracted fundraising	(2,300,000)		(2,300,000)
Funds available for distribution	<u>\$ 13,965,797</u>	<u>\$ 1,128,263</u>	<u>\$ 15,094,060</u>
<b>Health &amp; Human Services Division</b>			
Secretary for Catholic Charities	\$ 5,439,468	\$ 169,575	\$ 5,609,043
Bishop William Cosgrove Center	263,422		263,422
Diocesan Social Action Offices	432,988		432,988
Disabilities Services	345,637	68,609	414,246
Emergency Assistance Services	453,275	76,448	529,723
Human Life Office	95,269		95,269
St. Elizabeth Center - Lorain	561,565		561,565
Marriage and Family Office	329,650		329,650
Migration and Refugee Services	85,651		85,651
Parish & Community Ministries	259,106		259,106
Pastoral Care/Health Affairs	225,823	366,378	592,201
St. Augustine Hunger Center	62,929		62,929
Youth and Young Adult Ministry and CYO	328,691		328,691
Total Health & Human Services Division	<u>8,883,474</u>	<u>681,010</u>	<u>9,564,484</u>
<b>Prevention, Treatment &amp; Recovery Division</b>			
Catholic Charities - Cuyahoga	38,975		38,975
Chemical Dependency	47,644		47,644
Hispanic Chemical Dependency	13,885		13,885
Matt Talbot Inn	42,903		42,903
Parma	282,756	61,800	344,556
Total Prevention, Treatment & Recovery Division	<u>426,163</u>	<u>61,800</u>	<u>487,963</u>
<b>Family Services Division</b>			
Family Services - Central	49,836	25,000	74,836
Catholic Charities - Cuyahoga	36,651		36,651
Fatima Family Center	394,181	53,372	447,553
Early Learning/Head Start	53,610		53,610
Hispanic Senior Center	194,981		194,981
St. Martin DePorres Family Center	471,530	6,930	478,460
St. Philip Neri Family Center	244,293	769	245,062
Total Family Services Division	<u>1,445,082</u>	<u>86,071</u>	<u>1,531,153</u>
<b>Regional Services Division</b>			
Community Services - Central	28,468	75,000	103,468
Catholic Charities - Ashland	151,238		151,238
Catholic Charities - Geauga	74,635		74,635
Catholic Charities - Lake	137,379		137,379
Catholic Charities - Lorain	200,388		200,388
Catholic Charities - Medina	180,983	37,602	218,585
Catholic Charities - Summit	297,415	20,491	317,906
Catholic Charities - Wayne	141,574		141,574
Total Regional Services Division	<u>1,212,080</u>	<u>133,093</u>	<u>1,345,173</u>
Total Catholic Charities Corporation	<u>11,966,799</u>	<u>961,974</u>	<u>12,928,773</u>
Rose-Mary Center	356,029	69,975	426,004
St. Augustine Manor	1,460,826	96,314	1,557,140
<b>Other Allocations</b>			
CCC Emergency Assistance 2018	(13,142)		(13,142)
CCC Substance Use Disorder 2019	(462,069)		(462,069)
CCC Disabilities Camp 2020	569,804		569,804
CCC Wage Enhancement Programs	61,050		61,050
Birthcare of Medina	1,200		1,200
Birtright - Cuyahoga	3,600		3,600
Birtright - Geauga	1,200		1,200
Birtright - Lake	1,200		1,200
Birtright - Lorain	1,200		1,200
Embrace Care	3,200		3,200
St. Vincent DePaul Society	12,500		12,500
Womankind, Inc.	2,400		2,400
Total other allocations	<u>182,143</u>	<u>-</u>	<u>182,143</u>
	<u>\$ 13,965,797</u>	<u>\$ 1,128,263</u>	<u>\$ 15,094,060</u>