

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**

Independent Auditor's Reports and Consolidated Financial Statements

June 30, 2016



**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
June 30, 2016

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Independent Auditor's Report

Most Reverend Paul S. Coakley, Archbishop of Oklahoma City
Board of Directors
Catholic Charities of the Archdiocese of Oklahoma City, Inc.
Oklahoma City, Oklahoma

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Catholic Charities of the Archdiocese of Oklahoma City, Inc. (Catholic Charities) and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2016, and the related consolidated statements of activities and cash flows, and the related statement of functional expenses for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Villa Isenbart, Inc., a wholly owned subsidiary, which statements reflect total assets constituting 3% of consolidated total assets at June 30, 2016, and total revenues constituting 2% of consolidated total revenues for the year then ended. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Villa Isenbart, Inc., is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, based on our audit and the report of the other auditor, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities and Subsidiaries as of June 30, 2016, and the changes in their net assets, cash flows and functional expenses for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The 2015 consolidated financial statements, before they were restated for the matter discussed in *Note 2*, were audited by other auditors and their report thereon, dated August 9, 2016, expressed an unmodified opinion. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above and the report of the other auditor, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Most Reverend Paul S. Coakley, Archbishop of Oklahoma City
Board of Directors
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2017, on our consideration of Catholic Charities' internal control over financial reporting and on our tests of its compliance with certain provisions, laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing over internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 of financial reporting and compliance.

BKD, LLP

Oklahoma City, Oklahoma
January 24, 2017

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
Consolidated Statement of Financial Position
June 30, 2016

Assets

Cash and cash equivalents	\$ 4,740,568
Investments	1,433,992
Receivables from United States Conference of Catholic Bishops	72,357
Other receivables	260,074
Pledges receivable, net	3,682,928
Inventory	2,250
Prepaid expenses	123,624
Endowment assets	3,309,063
Beneficial interest	68,220
Other assets	110,434
Related parties notes receivable, net	1,266,154
Property and equipment, net	<u>10,935,176</u>
Total assets	<u><u>\$ 26,004,840</u></u>

Liabilities

Accounts payable and accrued expenses	\$ 353,570
Deferred revenue	1,317,723
Tenant security deposits	12,553
Notes payable	<u>3,635,683</u>
Total liabilities	<u>5,319,529</u>

Net Assets

Unrestricted	
Operating	12,987,296
Board-designated	4,420,328
Temporarily restricted	3,005,517
Permanently restricted	<u>272,170</u>
Total net assets	<u>20,685,311</u>
Total liabilities and net assets	<u><u>\$ 26,004,840</u></u>

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
Consolidated Statement of Activities
Year Ended June 30, 2016

Changes in Unrestricted Net Assets

Revenues, Gains and Other Support

Contributions	
Catholic Charities appeal	\$ 2,535,547
Other contributions	<u>45,681</u>
Total contributions	<u>2,581,228</u>
Fees and grants	
Federal agencies grants	931,651
State agencies and local grants	41,498
Other grants	<u>413,500</u>
Total fees and grants	<u>1,386,649</u>
Other revenue	
Program services fees	376,244
Investment loss	(36,004)
Bequests	455
Special events and honorariums	490,460
Gain on sale of assets	406,079
Other revenue	<u>150,259</u>
Total other revenue	<u>1,387,493</u>
Net assets released from restrictions	<u>10,732,014</u>
Total revenues, gains and other support	<u>16,087,384</u>
Expenses and Losses	
Program services	7,990,642
Supporting services	<u>802,243</u>
Total expenses and losses	<u>8,792,885</u>
Increase in Unrestricted Net Assets	<u>7,294,499</u>

Changes in Temporarily Restricted	
Net Assets	
United Way of Metro OKC funding Contributions	\$ 395,460
Capital campaign contributions, net	153,685
Other contributions	51,681
Fees and grants	
Catholic Charities USA May 2013 disaster	1,037,460
United Way May 2013 disaster	1,647,789
Resiliency	190,007
Other grants	57,230
Investment income of permanently restricted endowments	7,524
Net assets released from restrictions	<u>(10,728,446)</u>
Decrease in Temporarily Restricted Net Assets	<u>(7,187,610)</u>
Changes in Permanently Restricted Net Assets	
Gain on beneficial interest	373
Net assets released from restrictions	<u>(3,568)</u>
Decrease in Permanently Restricted Net Assets	<u>(3,195)</u>
Change in Net Assets	<u>103,694</u>
Net Assets, Beginning of Year, as Previously Reported	23,356,985
Adjustment applicable to prior years (<i>Note 2</i>)	<u>(2,775,368)</u>
Net Assets, Beginning of Year, as Restated	<u>20,581,617</u>
Net Assets, End of Year	<u><u>\$ 20,685,311</u></u>

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
Consolidated Statement of Cash Flows
Year Ended June 30, 2016

Operating Activities	
Change in net assets	\$ 103,694
Items not requiring cash	
Depreciation	239,327
Change in value of beneficial interest	(373)
Net realized and unrealized gains	78,167
Provision for bad debts (annual campaign)	12,660
Provision for bad debts (capital campaign)	(96,213)
Contributions restricted for long-term purposes	(200,250)
Changes in	
Pledges receivables	1,788,030
Other receivables	73,051
Prepaid expenses	(32,936)
Disaster relief – gift card inventory	3,350
Deferred revenue	806,355
Accounts payable and accrued expenses	<u>(327,630)</u>
Net cash provided by operating activities	<u>2,447,232</u>
Investing Activities	
Purchase of property and equipment	(7,369,589)
Purchase of investments	14,356
Sale of investments	106,440
Receipts of payments on notes receivable	40,108
Distribution from beneficial interests	3,568
Proceeds from sale of assets	<u>406,079</u>
Net cash used in investing activities	<u>(6,799,038)</u>
Financing Activities	
Contributions restricted for long-term purposes	200,250
Proceeds from new debt	2,000,000
Payments on notes payable	<u>(16,664)</u>
Net cash provided by financing activities	<u>2,183,586</u>
Decrease in Cash and Cash Equivalents	(2,168,220)
Cash and Cash Equivalents, Beginning of Year	<u>6,908,788</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 4,740,568</u></u>

Catholic Charities of the Archdiocese of Oklahoma City, Inc. and Subsidiaries

Statement of Functional Expenses – Catholic Charities of the Archdiocese of Oklahoma City, Inc. Only

Year Ended June 30, 2016

	Program Services												Supporting Services			2016 Total Expense	
	Advocacy and Outreach	Regional Offices	Family Support Services	Immigration Legal Services	Refugee Resettlement	Homeless Services	St. Joseph Counseling	Adoption and Pregnancy	Resiliency	May 2013 Disaster Relief	2015 Flood Relief	Affordable Housing	Total	Administration	Fund Raising		Total
Employee Compensation																	
Salaries	\$ 169,152	\$ 434,236	\$ 276,170	\$ 347,580	\$ 322,870	\$ 555,457	\$ 261,098	\$ 88,626	\$ 67,273	\$ 374,777	\$ 8,124	\$ -	\$ 2,905,363	\$ 67,777	\$ 26,501	\$ 94,278	\$ 2,999,641
Employee benefits	30,506	105,252	89,366	81,821	69,165	125,304	69,826	22,642	11,913	84,472	1,065	-	691,332	5,022	7,442	12,464	703,796
Payroll taxes	13,796	30,646	23,552	25,127	23,339	41,361	22,045	5,818	5,461	28,294	589	-	220,028	6,230	2,048	8,278	228,306
Total employee compensation	213,454	570,134	389,088	454,528	415,374	722,122	352,969	117,086	84,647	487,543	9,778	-	3,816,723	79,029	35,991	115,020	3,931,743
Expenses Before Depreciation																	
Professional fees and contract service payments	1,011	5,883	6,696	6,840	14,421	76,920	4,270	20,490	6,859	4,901	-	-	148,291	116,918	22,503	139,421	287,712
Supplies	1,483	3,165	1,189	5,652	1,929	4,473	2,054	599	6,687	1,059	-	-	28,290	6,858	2,590	9,448	37,738
Telephone	1,795	9,701	5,202	1,822	6,645	22,725	1,951	1,029	655	8,252	-	-	59,777	6,724	4,959	11,683	71,460
Postage and shipping	544	772	682	8,649	467	393	310	233	-	362	-	-	12,412	21,421	4,326	25,747	38,159
Occupancy	12,092	70,374	75,208	37,471	41,202	179,680	32,525	9,580	2,660	36,952	-	-	497,744	51,189	28,605	79,794	577,538
Transportation	1,217	6,239	1,419	2,713	4,540	2,748	2,453	922	19,305	15,160	256	-	56,972	8,638	1,131	9,769	66,741
Advertising	1,880	4,967	4,473	1,289	1,248	2,825	1,201	1,496	-	581	-	-	19,960	2,949	8,623	11,572	31,532
Printing and publications	1,042	1,336	75	300	765	140	-	1,190	180	195	-	-	5,223	3,563	20,486	24,049	29,272
Specific assistance, including disaster relief to individuals	100,309	159,944	580,891	11,301	544,587	74,730	-	10,005	42,047	1,368,246	-	-	2,892,060	636	-	636	2,892,696
Conferences, conventions and meetings	8,842	1,501	3,729	4,075	3,713	1,496	1,667	853	26,578	2,530	-	-	54,984	18,274	152,147	170,421	225,405
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-	61,900	-	61,900	61,900
Miscellaneous	3,959	4,929	2,686	16,331	1,548	3,640	1,421	1,540	-	281	-	-	36,335	47,355	4,982	52,337	88,672
Affordable housing	-	-	-	-	-	-	-	-	-	-	-	284,617	284,617	-	-	-	284,617
Total expenses before depreciation	347,628	838,945	1,071,338	550,971	1,036,439	1,091,892	400,821	165,023	189,618	1,926,062	10,034	284,617	7,913,388	425,454	286,343	711,797	8,625,185
Depreciation Expense	391	4,793	26,603	1,105	5,824	34,150	1,302	2,698	388	-	-	-	77,254	89,121	1,325	90,446	167,700
Total expenses	\$ 348,019	\$ 843,738	\$ 1,097,941	\$ 552,076	\$ 1,042,263	\$ 1,126,042	\$ 402,123	\$ 167,721	\$ 190,006	\$ 1,926,062	\$ 10,034	\$ 284,617	\$ 7,990,642	\$ 514,575	\$ 287,668	\$ 802,243	\$ 8,792,885

Catholic Charities of the Archdiocese of Oklahoma City, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2016

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Catholic Charities of the Archdiocese of Oklahoma City, Inc. (Catholic Charities) is a charitable organization which obtains and maintains funds, income and real and personal property for charitable, benevolent, educational and religious purposes. The subsidiaries of Catholic Charities were organized to provide low-income elderly persons with housing facilities specially designed to meet their physical, social and psychological needs, and to promote their health, security, happiness and usefulness in longer living. The membership of these subsidiaries consists of individuals who are directors or members of Catholic Charities, the Archdiocese of Oklahoma City (the Archdiocese) or who have the approval of the Board of Directors of Catholic Charities.

3825 NW 19th, Inc. (the Corporation) is a general partner of Trinity Place, an Oklahoma Limited Partnership, which is an affordable tax credit housing development for the elderly pursuant to Section 42 of the Internal Revenue Code (IRC). The Corporation's investment in the partnership is reported in the accompanying consolidated financial statements under the equity method of accounting.

Villa Isenbart, Inc. has developed and is operating a facility which contains 40 independent living housing units under the provisions of Section 202 of the *National Housing Act of 1934*. This organization was audited by other auditors for each year presented in these consolidated financial statements.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 consolidated financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Catholic Charities and its not-for-profit subsidiaries, the Corporation and Villa Isenbart, Inc. Interorganization accounts and transactions, if any, have been eliminated in consolidation.

Cash and Cash Equivalents

Catholic Charities considers all liquid investments with original maturities of three months or less to be cash equivalents. However, cash and investments held temporarily until suitable long-term investments are identified are classified as investments for reporting purposes.

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
Notes to Consolidated Financial Statements
June 30, 2016

Investments

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Investments in private equity funds and hedge funds are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments. Investments in real estate are carried at their estimated value at the time of donation.

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the accompanying consolidated statement of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Catholic Charities participates in pooled investment accounts for its endowments (see *Note 3*). Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Building	40 years
Leasehold improvements	15 years
Furniture and equipment	3–10 years
Vehicles	3–5 years

Long-Lived Asset Impairment

Catholic Charities evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
Notes to Consolidated Financial Statements
June 30, 2016

No asset impairment was recognized during the year ended June 30, 2016.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by Catholic Charities has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by Catholic Charities in perpetuity.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor-stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying consolidated statement of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as unrestricted revenue and net assets.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. It is Catholic Charities' policy to imply a time restriction, based on the assets' estimated useful lives, on donations of property and equipment that are restricted as to their use by the donor. Accordingly, those donations are recorded as support increasing temporarily restricted net assets. Catholic Charities reclassifies temporarily restricted net assets to unrestricted net assets each year in the amount of the donated property and equipment's depreciation expense.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue. Conditional gifts are recognized when the conditions on which they depend are substantially met.

Notes Receivable, Net

Notes receivable are stated net of allowance for loan losses in the accompanying consolidated statement of financial position at June 30, 2016. Interest income is accrued according to the terms of the loan and included in rent and other receivables in the accompanying consolidated statement of financial position. When collection of interest income previously recognized is in doubt, such amounts are reserved through an allowance for uncollectible accounts. Generally, loans are placed on nonaccrual status when interest is considered uncollectible, unless the loan is well collateralized and/or collection of interest is certain. Payments received on nonaccrual loans are applied first to interest and then principal. Once principal and interest are current, the debt instrument is placed back on accrual. Management uses all available information, including the financial status of the borrower and history of payments, to determine the need for an allowance on notes receivable.

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
Notes to Consolidated Financial Statements
June 30, 2016

Concentrations of Credit and Market Risk

Financial instruments that potentially expose Catholic Charities to concentrations of credit risk consist principally of cash and cash equivalents. Catholic Charities maintains these assets at high quality financial institutions and, therefore, does not believe significant credit risk exists with these deposits. Catholic Charities has not experienced any losses on its cash and cash equivalents. At June 30, 2016, Catholic Charities' cash accounts exceeded federally insured limits by approximately \$2,472,000.

As of June 30, 2016, Catholic Charities held funds in the Parish Development Loan Fund (PDLF), which is guaranteed by the Pastoral Office of the Archdiocese and is included in cash and cash equivalents in the accompanying consolidated statement of financial position. The PDLF's balances as of June 30, 2016, are as follows:

May 2013 disaster relief		\$	161,016
Operating			<u>1,541,765</u>
		\$	<u><u>1,702,781</u></u>

Revenue Recognition

Unconditional promises to give made during the annual fall fund drive are recognized when the donor makes a promise to give that is, in substance, unconditional. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. Gifts of long-lived assets with restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted revenue.

The expiration of donor restrictions is reported ratably over the useful life of the related long-lived assets through an implied time restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Program service fees from private organizations are recognized as the services are performed. Revenue from events and honorariums is recognized upon the completion of the event. Grant revenue is recorded when related services or requirements have been performed.

Deferred Revenue

Revenue from advanced funded grants are deferred and recognized over the periods to which the qualifying expenses are incurred.

Catholic Charities of the Archdiocese of Oklahoma City, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2016

Government Grants

Support funded by grants is recognized as Catholic Charities performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Income Taxes

Catholic Charities, the Corporation and Villa Isenbart, Inc., are exempt from income taxes under Section 501 of the IRC and a similar provision of state law. However, the organizations are subject to federal income tax on any unrelated business taxable income.

The organizations file tax returns in the U.S. federal jurisdiction.

Functional Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of activities. Expenses are allocated between program and supportive services based upon either actual usage or the estimated cost attributable to each function.

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period beginning date.

Note 2: Restatement of Prior Years' Consolidated Financial Statements

In prior years, Catholic Charities recognized revenues on grants they had received for cash or notification of awards during the year. However, some of the grants were not unconditional and, therefore, should be recognized in revenues when the conditions are met. In 2016, a restatement of \$2,775,368 was recorded to the beginning temporarily restricted net assets to reflect the change in recorded grant revenue. The restatement reduced the 2015 previously reported change in net assets by approximately \$2,775,000.

Note 3: Investments and Investment Return

Investments at June 30, 2016, consisted of the following:

The Archdiocese of Oklahoma City through Bank One Investment Management Group of Oklahoma City, as custodian	\$ 1,433,992
The Catholic Foundation of Oklahoma, Inc.	3,309,063
	<hr/>
	\$ 4,743,055
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Catholic Charities of the Archdiocese of Oklahoma City, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2016

Catholic Charities has funds invested in a pooled investment with participating entities of the Archdiocese of Oklahoma City, the investment manager. Bank One Investment Management Group of Oklahoma City is custodian of the investment pool. Also, under a custodial arrangement, certain investments were held by the Catholic Foundation of Oklahoma, Inc. (the Foundation) and the Archdiocese of Oklahoma City. These investments are reported at their NAV per share, as determined by the Archdiocese of Oklahoma City.

Catholic Charities receives a portion of the income on these funds for use in its operations. However, principal amounts and reinvested earnings are generally not available for use in current operations due to restrictions designated by donors or the Board of Directors.

Total investment return is comprised of the following:

	Catholic Charities	3825 NW 19th, Inc.	Villa Isenbart, Inc.	Consolidated Total
Pooled investments				
Net realized and unrealized gains (losses)	\$ (32,676)	\$ -	\$ 3,020	\$ (29,656)
Interest and dividends	16,382	-	-	16,382
Management fees	(7,994)	-	-	(7,994)
Catholic Foundation of Oklahoma, Inc.				
Net realized and unrealized gains (losses)	(45,128)	-	-	(45,128)
Interest and dividends	50,966	-	-	50,966
Management fees	(20,574)	-	-	(20,574)
	\$ (39,024)	\$ -	\$ 3,020	\$ (36,004)

Catholic Charities of the Archdiocese of Oklahoma City, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2016

Note 4: Pledges Receivable

Pledges receivable consisted of the following:

Annual Fall fund drive	\$ 157,190
Less allowance for uncollectable accounts	<u>(54,606)</u>
	102,584
Capital campaign promises-to-give	
Receivable in less than one year	1,663,410
Receivable in one to four years	<u>1,629,494</u>
Total capital campaign promises-to-give	3,292,904
Less discount to present value	(39,392)
Less allowance for uncollectable accounts	<u>(100,000)</u>
	3,153,512
United Way of Central Oklahoma City, funding for next year	395,460
United Way of Enid and Northwest Oklahoma, funding for next year	16,372
Untied Way of Lawton – Fort Sill, funding for next year	<u>15,000</u>
	<u>\$ 3,682,928</u>

The discount rate was 1.88% for 2016.

Note 5: Beneficial Interest in Assets Held by Others

Catholic Charities transferred assets to Oklahoma City Community Foundation (OCCF) and retained a beneficial interest in those assets. Catholic Charities receives annual distributions from those assets according to OCCF's spending policy, which currently states 5% of the average market value over the previous 12 quarters will be distributed each year. Catholic Charities has granted variance power to OCCF as Catholic Charities agreement with OCCF states funds received by OCCF are subject to variance power, described by the U.S. Treasury regulations as the power of the governing board of OCCF to modify any donor restrictions as to distributions if they determine them to become unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community. The fair value of the retained beneficial interest included in the accompanying consolidated statement of financial position was \$68,220 at June 30, 2016.

In addition to the funds discussed above, OCCF maintains other funds that have been contributed by various donors to OCCF for the benefit of Catholic Charities; however, these funds are prohibited from inclusion in the assets of Catholic Charities under current accounting standards. For the year ended June 30, 2016, Catholic Charities received approximately \$23,000 from these funds and are included in contributions in the accompanying consolidated statement of activities. At June 30, 2016, the fair value of the funds was approximately \$492,000.

Catholic Charities of the Archdiocese of Oklahoma City, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2016

Note 6: Endowment Assets

Catholic Charities' endowments consist of five individual funds established for a variety of purposes. Its endowments include both donor-restricted funds and funds designated by Catholic Charities to function as endowments. As required by GAAP, net assets associated with endowment funds, including assets designated by Catholic Charities to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Catholic Charities has interpreted the *Uniform Prudent Management of Institutional Funds Act* (the Act) as requiring the preservation of the fair value of a donation as of the date on which the donation was made, except where the donor provides different instructions or conditions in connection with the donation. Consistent with this interpretation, Catholic Charities has classified its permanently restricted net assets in the amount of the original value of donations made to the permanent endowment as well as the original value of subsequent donations made to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are approved for distribution by Catholic Charities in a manner consistent with the standards set forth in the Act.

In accordance with the Act, Catholic Charities considers the following factors in making a determination to maintain or distribute donor-restricted endowment funds: 1) the duration and preservation of the fund, 2) the purposes of Catholic Charities 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/depreciation of investments, 6) other resources of Catholic Charities and 7) the investment policies of Catholic Charities.

Catholic Charities invests its endowment funds with the Foundation. In doing so, Catholic Charities has inherently accepted the investment policies of the Foundation. Catholic Charities believes the investment policies of the Foundation, when applied to the endowment funds, facilitate Catholic Charities' ability to provide funding for programs and provide adequate returns for invested funds. Endowment assets include those assets of donor-restricted funds that Catholic Charities must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under the Foundation's investment policy, the endowment assets are invested in a manner that is intended to provide acceptable investment returns while assuming a moderate level of investment risk.

This investment policy expects its endowment funds, over time, to provide an average rate of return that is consistent with historical returns of assets allocated 60% equity and 40% fixed income and non-equity investments. Actual returns in any given year are dependent on market conditions and other factors, and they may vary from the expected investment return. To satisfy its long-term rate of return objectives, Catholic Charities relies on the Foundation's investment policy, which has a strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

**Catholic Charities of the Archdiocese of
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Notes to Consolidated Financial Statements
June 30, 2016

The composition of net assets by type of endowment fund at June 30, 2016, was:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 118,777	\$ 203,950	\$ 322,727
Board-restricted endowment funds	2,986,336	-	-	2,986,336
Total endowment net assets	\$ 2,986,336	\$ 118,777	\$ 203,950	\$ 3,309,063

Changes in endowment net assets at June 30, 2016, were:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance, June 30, 2015	\$ 3,139,442	\$ 131,841	\$ 203,950	\$ 3,475,233
Investment income	27,612	2,929	-	30,541
Net depreciation (realized and unrealized)	(99,365)	(10,453)	-	(109,818)
Appropriation of endowment assets for expenditure	(81,353)	(5,540)	-	(86,893)
Balance, June 30, 2016	\$ 2,986,336	\$ 118,777	\$ 203,950	\$ 3,309,063

Note 7: Fair Value Measurements

Fair value 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and significant to the fair value of the assets or liabilities

Catholic Charities has certain investments and/or beneficial interest which are measured at NAV per share.

Catholic Charities of the Archdiocese of Oklahoma City, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2016

For the purposes of financial reporting, Catholic Charities has determined the fair values of its financial instruments (which include cash equivalents, accounts receivable and accounts payable) approximate the carrying values, based on their short maturities and/or the terms available to Catholic Charities in financial markets. The notes payable are carried at their outstanding principal balances which approximates fair value as current interest rates are similar to market rates for notes with similar terms and maturities.

The following is a description of valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016.

Pooled Investments

Pooled investments are valued using the practical expedient. The practical expedient allows for the use of the NAV of the proportionate share of the units held at year-end either as reported by the Archdiocese or the Foundation.

Beneficial Interest in Assets Held by Others

The beneficial interest in assets held by others is carried at fair value and based on the fair value of the cash and investment assets held by OCCF for the benefit of Catholic Charities. Fair value is based on the NAV per share as determined by OCCF and provided to Catholic Charities.

The investments are directed by OCCF and are designated to achieve endowment returns consistent with their investment policies.

Investments in this category cannot be redeemed at the current NAV price per share, as Catholic Charities is only the beneficiary of the investments earnings, which are distributed in accordance with OCCF's spending policy.

Certain of Catholic Charities' assets are reported at fair value in the accompanying consolidated statement of financial position on a recurring basis. All assets reported at fair value are valued using the NAV as a practical expedient and, as such, are not categorized in the fair value hierarchy. The following table summarizes assets reported at fair value on a recurring basis at June 30, 2016:

Recurring fair value measurements	
Pooled investments	\$ 4,743,055
Beneficial interest in assets held by others	<u>68,220</u>
	<u>\$ 4,811,275</u>

Catholic Charities of the Archdiocese of Oklahoma City, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2016

The following table provides additional information describing the nature and risk of assets carried at NAV by major class:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Pooled investment funds				
Archdiocese of Oklahoma City	\$ 1,433,992	\$ -	Daily	None
Catholic Foundation of Oklahoma, Inc.	<u>3,309,063</u>	<u>-</u>	Daily	None
	4,743,055	-		
Beneficial interest in assets held by others	<u>68,220</u>	<u>-</u>		
	<u>\$ 4,811,275</u>	<u>\$ -</u>		

Note 8: Notes Receivable

Following is a summary of notes receivable as of June 30, 2016:

Trinity Place retirement project (<i>Note 15</i>)	\$ 1,841,957
Columbia Square housing project (<i>Note 15</i>)	<u>98,197</u>
	1,940,154
Less allowance for uncollectible notes receivable (<i>Note 15</i>)	<u>(674,000)</u>
	<u>\$ 1,266,154</u>

Catholic Charities of the Archdiocese of Oklahoma City, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2016

Note 9: Property and Equipment

Property and equipment at June 30, 2016, consists of:

	Catholic Charities	Villa Isenbart, Inc.	Total
Land	\$ 784,788	\$ 51,000	\$ 835,788
Building and improvements	10,142,194	1,904,751	12,046,945
Vehicles	226,105	-	226,105
Furniture and equipment	394,487	43,667	438,154
Equipment with reversionary interest	21,098	-	21,098
	11,568,672	1,999,418	13,568,090
Less accumulated depreciation	(1,290,010)	(1,342,904)	(2,632,914)
	\$ 10,278,662	\$ 656,514	\$ 10,935,176

Equipment acquired under grants received under the Cooperative Agreement between the United States Department of State and the United States Conference of Catholic Bishops (USCCB) is considered to be owned by Catholic Charities while it is used by the program for which it was purchased or in future authorized programs. The grantors, however, have a reversionary interest in the equipment and proceeds from its disposition.

Note 10: Notes Payable

Following is a summary of notes payable as of June 30, 2016:

Trinity Place retirement project (see <i>Note 15</i>)	\$ 800,000
Casa Maria housing project (see <i>Note 15</i>)	156,102
12th Street building PDLF loan	2,679,581
	\$ 3,635,683

The 12th Street building PDLF loan is a loan with the Archdiocese with no stated maturity date. Interest is payable on the loan monthly at a variable PDLF loan rate (1.88% at June 30, 2016).

**Catholic Charities of the Archdiocese of
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Notes to Consolidated Financial Statements
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Aggregate annual maturities of long-term debt and payments on capital lease obligations at June 30, 2016, are:

2017	\$ 446,951
2018	539,598
2019	550,703
2020	562,045
2021 and thereafter	<u>1,536,386</u>
	<u>\$ 3,635,683</u>

Note 11: Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods as of June 30, 2016:

United Way of Central Oklahoma	\$ 395,460
United Way of Enid and Northwest Oklahoma	16,372
United Way of Lawton – Fort Sill	15,000
Capital campaign	464,626
Disaster relief	900,890
Accumulated earnings on permanently restricted investments	118,778
Housing development	33,400
Villa Isenbart, Inc.	935,570
Various other charitable purposes	<u>125,421</u>
	<u>\$ 3,005,517</u>

Permanently Restricted Net Assets

Permanently restricted net assets as of June 30, 2016, consist of:

C. Harold & Constance Brand endowment	\$ 203,950
Beneficial interest in assets held at OCCF	<u>68,220</u>
	<u>\$ 272,170</u>

Catholic Charities of the Archdiocese of Oklahoma City, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

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Net Assets Released from Restrictions

Temporary restrictions accomplished	
United Way of Central Oklahoma	\$ 392,352
United Way of Enid and Northwest Oklahoma	17,495
United Way of Lawton – Fort Sill	17,000
Capital campaign	7,492,370
Disaster relief	2,558,008
Immigration attorney wages	55,000
Villa Isenbart, Inc.	48,355
Various other charitable purposes	147,866
	<u>\$ 10,728,446</u>
	<u>\$ 10,728,446</u>
Permanent restrictions accomplished	
Distributions	\$ 3,598
	<u>\$ 3,598</u>

Note 12: Related-Party Transactions

Catholic Charities, in the normal course of business, engages in transactions with other organizations related through common purpose and management, principally the Archdiocese of Oklahoma City. Catholic Charities participates in a retirement plan sponsored by the Archdiocese of Oklahoma City, maintains pooled investments with the Archdiocese and the Foundation and sponsored the formation of two not-for-profit organizations and a limited partnership.

Note 13: Retirement Plan

The Archdiocese sponsors a tax-sheltered annuity plan covering all lay employees of the diocese (including affiliated entities) who are at least 18 years of age and who have completed one year of service. The plan is funded by a combination of employer contributions, voluntary employee contributions and employer matching contributions. Employer contributions are 3% of a participant's compensation. The plan provides for employer matching contributions of 50% of voluntary employee contributions up to a maximum additional percentage of 2%. Plan participants are fully vested at all times in their voluntary contributions and gradually vest in employer contributions and are fully vested upon completion of six years of service. Catholic Charities' retirement expense under this plan for the year ended June 30, 2016, totaled \$91,246.

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
Notes to Consolidated Financial Statements
June 30, 2016

Note 14: Fees and Grants from Federal Agencies

United States Department of State

Catholic Charities receives funds from USCCB, which is assisted financially by the United States Department of State under the authority of the *Immigration and Nationality Act*, as amended, for administration and to reimburse refugee sponsors for expenses under a grant for the Migration and Refugee Resettlement and Placement Program (the Refugee Program) and the Migration and Refugee Match Grant. USCCB's funding to the Refugee Program was \$507,416 for the year ended June 30, 2016. USCCB's funding to the Migration and Refugee Match Grant was \$62,402 for the year ended June 30, 2016.

In addition, the Refugee Program held \$7,500 in cash advances from USCCB at June 30, 2016. These advances must be repaid upon completion of the program.

United States Department of Health and Human Services (DHHS)

During the year ended June 30, 2002, the Refugee Cash Assistance (RCA) Program was established. This program is administered by the Office of Refugee Resettlement (ORR) and funds are disbursed by the Oklahoma Department of Human Services (DHS). DHS's funding to the RCA program for the year ended June 30, 2016, was \$216,577.

During the year ended June 30, 2013, the Refugee Social Services (RSS) Program was established. This program is administrated by ORR and funds are disbursed by DHS. DHS's funding to the RSS program for the year ended June 30, 2016, was \$142,064.

Following is a summary of fees and grants received from federal agencies for the years ended June 30, 2016:

Fees and grants from federal agencies	
U.S. Department of State – USCCB	
Migration and refugee match grant	\$ 65,394
Migration and refugee resettlement and placement program	507,618
U.S. Department of Health and Human Services	
Refugee cash assistance program	216,577
Refugee social services program	142,064
	<hr/>
	\$ 931,653
	<hr/> <hr/>

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
Notes to Consolidated Financial Statements
June 30, 2016

Note 15: Affordable Housing Developments

Casa Maria

Casa Maria is a housing project that involved an acquisition and refurbishment of a property at 613 NW 30th Street in Oklahoma City for approximately \$396,000. The property was acquired under a Forgivable Loan Agreement pursuant to the Title II *Cranston-Gonzalez National Affordable Housing Act of 1990* (Public Law 101-625) (the Law) using U.S. Department of Housing and Urban Development (HUD) funding. This property provides six apartments for housing of low-income families meeting certain requirements of the Law and, if Catholic Charities meets the requirements of the Law over a period of 20 years, the loan will be forgiven 5% each year. The loan with the City of Oklahoma City, Oklahoma (the City) bears no interest and the lender, pursuant to a mortgage, must look only to the property as collateral. At June 30, 2016, the amount of the construction loan was \$156,102 after loan forgiveness of \$18,365 for the year ended June 30, 2016.

Villa Isenbart, Inc.

Villa Isenbart, Inc., a wholly owned subsidiary of Catholic Charities, has developed, and is operating, a facility which contains 40 independent living housing units. The organization operates under the provisions of Section 202 of the *National Housing Act of 1934*, with mortgage insurance provided by the National Housing Administration of HUD. The responsibility for the ongoing management of the facility is contracted to an unrelated third-party property management company. Compensation for such services is determined under the bylaws of the organization and a management agreement.

Pursuant to the Capital Grant Agreement with HUD, Villa Isenbart, Inc. received advances not to exceed \$1,934,200 for costs incurred in the acquisition and rehabilitation of property. Under the terms of the grant, the organization must own the property for a period of not less than 40 years. Failure to do so could require all or a portion of the grant to be repaid to HUD.

In accordance with GAAP, capital grant advances have been recorded as temporarily restricted revenue when received. The organization reports the expiration of HUD's restrictions ratably over the useful life of the related long-lived asset through an implied time restriction.

The membership of Villa Isenbart, Inc. consists of individuals who are directors of Catholic Charities, or who have the approval of the Board of Directors of Catholic Charities.

3825 NW 19th, Inc. (Trinity Place)

The Corporation, a wholly owned subsidiary of Catholic Charities, is a 1% general partner and, as of June 9, 2010, Catholic Charities of Southwest Oklahoma, Inc., a wholly owned subsidiary of the Archdiocese of Oklahoma City, is a 99% limited partner of Trinity, an Oklahoma limited partnership, which is an affordable tax credit housing development for the elderly pursuant to Section 42 of IRC. Prior to June 9, 2010, Federal National Mortgage Association (Fannie Mae) was the limited partner.

Catholic Charities of the Archdiocese of Oklahoma City, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2016

Trinity Place L.P. (an Oklahoma Limited Partnership)

This partnership is to assist in the development, financing and operation of the Trinity Gardens Retirement Project, a 58-unit apartment complex. As of June 30, 2010, Catholic Charities of Southwest Oklahoma, Inc. is the limited partner of Trinity Place, and the general partner is the Corporation. The following is a summary of the transactions related to these projects:

- On December 27, 1995, Catholic Charities sold the former St. Ann's Home building and property to the limited partnership (Trinity Place) for \$338,000 secured by a note receivable (Sale of Land and Building) with an interest rate of 1.5% maturing on December 26, 2025. The facility was developed into a 58-unit, affordable apartment complex for elderly persons.
- On October 23, 1996, Catholic Charities received a noninterest-bearing note receivable of \$216,000, maturing December 26, 2012, from Mercy Housing, Inc. (Mercy), a Nebraska nonprofit corporation. This note was received as full payment of the outstanding principal and interest obligation owed to Catholic Charities by Trinity Place under a promissory note in the original amount of \$250,000 dated December 27, 1995. Payments to be received from the Mercy note receivable are secured by, and are to be equal to, payments received by Mercy under a \$216,000 note receivable (Development Loan) from Trinity Place. As of June 30, 2004, the total advanced was \$216,000. On December 24, 2012, the agreement was amended so that Mercy was dropped from the agreement and the note was renewed with a maturity date of December 26, 2025. The agreement is between Catholic Charities and Trinity Place.
- On November 6, 1996, the partnership agreement of Trinity Place, an Oklahoma limited partnership, was amended and Fannie Mae replaced Catholic Charities as the limited partner. The general partner remains as the Corporation, a not-for-profit corporation. In addition, Catholic Charities has guaranteed to Fannie Mae (the limited partner) the payment and performance of the general partner's (the Corporation) obligations.
- On June 9, 2010, the partnership agreement of Trinity Place, an Oklahoma limited partnership, was amended and Catholic Charities of Southwest Oklahoma, Inc. replaced Fannie Mae as the limited partner. The general partner remains as the Corporation, a not-for-profit corporation.
- On December 27, 1995, Catholic Charities entered into a 30-year noninterest-bearing (no recourse loan agreement with the City under the Law) Home Investment Partnerships Program (HOME) whereby Catholic Charities borrowed \$800,000 to be used to advance interim construction funds to Trinity Place for the construction of the Trinity Place retirement project. The loan is secured by Catholic Charities' interest in the project. Principal payments to be made are based on a formula derived from excess cash funds generated by the Trinity Place retirement project, using a residual receipts concept. Funds advanced to Trinity Place by Catholic Charities are secured by a second mortgage agreement (assigned to the City). The loan matures on January 24, 2026.

Catholic Charities of the Archdiocese of Oklahoma City, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2016

- On October 28, 1996, Catholic Charities borrowed from Northwest Bank, now MidFirst Bank, additional funds of \$120,000 for the Trinity Place construction program. The conditions of this noninterest-bearing loan call for forgiveness of the debt each year of acceptable operation by Trinity Place for a 15-year period. Accordingly, Catholic Charities has recorded in the accompanying consolidated financial statements a note payable to the bank reflecting a yearly deduction in the original amount of the loan of \$8,040 since inception for the Trinity Place facility. These funds were then lent to Trinity Place, evidenced by a secured note (Construction Loan) to Catholic Charities. This note bears interest at a rate of 1.5% per annum maturing on December 31, 2025.
- On April 25, 2011, Catholic Charities was assigned a note (Renewal Loan) that was initially payable by Trinity Place to MidFirst Bank. Upon assignment, a modification of the original note was signed. The principal balance of the modified loan as of April 25, 2011, was \$574,915. The note is payable in fixed monthly payments of \$4,000, with an adjustable interest rate of the PDLF loan rate plus 1%, adjustable monthly on the last day of each month. The loan matures on October 15, 2017. As of June 30, 2016, the unpaid principal balance of the loan was \$367,957.
- In October 2014, Catholic Charities passed a resolution to create an allowance to reduce the Construction Loan, the Development Loan and the Sale of Land and Building notes receivable balances as of June 30, 2014, to properly reflect the ultimate collectability of the project.

The following is a summary of the balances of the above transactions as of June 30, 2016:

Investment in partnership	
3825 NW 19th, Inc. – 1% partnership capital contribution in Trinity Place	<u>\$ 264</u>
Notes receivable from Trinity Place, an Oklahoma limited partnership	
Construction Loan	\$ 120,000
Development Loan	216,000
Sale of Land and Building	338,000
Construction funds advanced (HOME)	800,000
Renewal loan	<u>367,957</u>
	1,841,957
Less allowance for uncollectable notes receivable	<u>(674,000)</u>
	<u>\$ 1,167,957</u>
Notes payable to the City	
Construction funds received (HOME)	<u>\$ 800,000</u>

**Catholic Charities of the Archdiocese of
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Notes to Consolidated Financial Statements
June 30, 2016

Catholic Charities has elected not to accrue interest on certain notes receivable from Trinity Place as collectability is not certain. Catholic Charities has decided the low probability of receiving the interest on these notes does not justify the inclusion of this interest income in the accompanying consolidated financial statements. If Catholic Charities had accrued interest on the notes, accrued interest of \$666,943 would be included in the accompanying consolidated statement of financial position at June 30, 2016.

Villanova Apartments (Formerly, Columbia Square Apartments)

Villanova Apartments is a 64-unit housing project fully owned by Lawton Apartments Limited Partnership (LALP), which involves an acquisition and refurbishment of property located in Lawton, Oklahoma.

Columbia Square, Inc., a wholly owned subsidiary of the Archdiocese of Oklahoma City, is a 1% general partner, and Enterprise Housing Alliance Fund II, LP and Enterprise Housing Partners XV Limited Partnership are 99% limited partners of LALP.

On May 14, 2007, Catholic Charities advanced \$116,000 and received a note receivable from LALP. This note bears interest at 6.15% per annum with accrued interest and principal due on the maturity date of June 1, 2049. Catholic Charities has elected not to accrue interest on the note receivable from LALP. Catholic Charities has decided the low probability of receiving the interest on this note does not justify the inclusion of this interest income in the accompanying consolidated financial statements. If Catholic Charities had accrued interest on the note, accrued interest in the amount of \$75,583 would be included in the accompanying consolidated financial statements as of June 30, 2016.

Additionally, on May 16, 2007, Catholic Charities entered into a guaranty agreement with LALP, where Catholic Charities guarantees the following relating to the Columbia Square housing project:

Operating Deficit Guaranty

Catholic Charities has entered into an Operating Deficit Guaranty, whereby, if an operating deficit exists by LALP and the general partner of LALP does not have the ability to fund this operating deficit, then Catholic Charities will advance funds to LALP to cover the operating deficit up to \$146,000. This guaranty shall terminate on the date the following have occurred simultaneously: 1) the project has operated at break-even for at least three consecutive months and 2) the balance of the operating reserve equals or exceeds \$146,198.

Villanova Apartments (Formerly, Columbia Square Apartments)

Guaranty of Obligation to Purchase Interest of Limited Partner: Catholic Charities has entered into a Guaranty of Obligation to Purchase Interest of Limited Partner, whereby, if the general partner of LALP is obligated to purchase the limited partner's interest and fails to do so within the requirements of the LALP partnership agreement, then Catholic Charities will advance the funds to purchase the interest. This guaranty expires upon the purchase of the limited partner's interest.

Catholic Charities of the Archdiocese of Oklahoma City, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2016

Effective October 1, 2013, the HUD-insured mortgage note was refinanced through Bellwether Enterprise Real Estate Capital, LLC. Interest only was payable through November 1, 2013. The original loan of \$2,700,000 is payable in monthly installments of \$14,402 (including 5.65% interest) beginning on December 1, 2013 through December 1, 2053. The mortgage note is nonrecourse and is secured by the rental property.

Note 16: Contingencies

Catholic Charities receives certain revenue from government grants and contracts. These grants and contracts are subject to audit by the grantor agency. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the government and, until such audits have been completed and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Catholic Charities believes no liability will result from such audits.

Note 17: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the consolidated financial statements were available to be issued.

Supplementary Information

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
Consolidating Schedule – Statement of Financial Position
June 30, 2016

	Catholic Charities	3825 NW 19th, Inc.	Villa Isenbart, Inc.	Consolidated Total
Assets				
Cash and cash equivalents	\$ 4,732,999	\$ 478	\$ 7,091	\$ 4,740,568
Investments	1,433,992	-	-	1,433,992
Receivables from United States				
Conference of Catholic Bishops	72,357	-	-	72,357
Other receivables	257,523	-	2,551	260,074
Pledges receivable, net	3,682,928	-	-	3,682,928
Inventory	2,250	-	-	2,250
Prepaid expenses	121,561	-	2,063	123,624
Endowment assets	3,309,063	-	-	3,309,063
Beneficial interest	68,220	-	-	68,220
Other assets	304	264	109,866	110,434
Related parties notes receivable, net	1,266,154	-	-	1,266,154
Property and equipment, net	10,278,662	-	656,514	10,935,176
	<u>\$ 25,226,013</u>	<u>\$ 742</u>	<u>\$ 778,085</u>	<u>\$ 26,004,840</u>
Liabilities				
Accounts payable and accrued expenses	\$ 333,273	\$ -	\$ 20,297	\$ 353,570
Deferred revenue	1,317,723	-	-	1,317,723
Tenant security deposits	-	-	12,553	12,553
Notes payable	3,635,683	-	-	3,635,683
	<u>5,286,679</u>	<u>-</u>	<u>32,850</u>	<u>5,319,529</u>
Net Assets				
Unrestricted				
Operating	13,177,153	478	(190,335)	12,987,296
Board-designated	4,420,328	-	-	4,420,328
Eliminated in consolidation	(264)	264	-	-
Temporarily restricted	2,069,947	-	935,570	3,005,517
Permanently restricted	272,170	-	-	272,170
	<u>19,939,334</u>	<u>742</u>	<u>745,235</u>	<u>20,685,311</u>
Total net assets	<u>19,939,334</u>	<u>742</u>	<u>745,235</u>	<u>20,685,311</u>
Total liabilities and net assets	<u>\$ 25,226,013</u>	<u>\$ 742</u>	<u>\$ 778,085</u>	<u>\$ 26,004,840</u>

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
Consolidating Schedule – Statement of Activities
Year Ended June 30, 2016

	Catholic Charities	3825 NW 19th, Inc.	Villa Isenbart, Inc.	Consolidated Total
Changes in Unrestricted Net Assets				
Revenues, Gains and Other Support				
Contributions				
Catholic Charities appeal	\$ 2,535,547	\$ -	\$ -	\$ 2,535,547
Other contributions	45,681	-	-	45,681
Total contributions	<u>2,581,228</u>	<u>-</u>	<u>-</u>	<u>2,581,228</u>
Fees and grants				
Federal agencies grants	931,651	-	-	931,651
State agencies and local grants	41,498	-	-	41,498
Other grants	413,500	-	-	413,500
Total fees and grants	<u>1,386,649</u>	<u>-</u>	<u>-</u>	<u>1,386,649</u>
Other revenue				
Program services fees	157,293	-	218,951	376,244
Investment income (loss)	(39,024)	-	3,020	(36,004)
Bequests	455	-	-	455
Special events and honorariums	490,460	-	-	490,460
Gain on sale of assets	406,079	-	-	406,079
Other revenue	148,443	(180)	1,996	150,259
Total other revenue	<u>1,163,706</u>	<u>(180)</u>	<u>223,967</u>	<u>1,387,493</u>
Net assets released from restrictions	<u>10,683,659</u>	<u>-</u>	<u>48,355</u>	<u>10,732,014</u>
Total revenues, gains and other support	<u>15,815,242</u>	<u>(180)</u>	<u>272,322</u>	<u>16,087,384</u>
Expenses and Losses				
Program services	7,706,025	3,596	281,021	7,990,642
Supporting services	802,243	-	-	802,243
Total expenses and losses	<u>8,508,268</u>	<u>3,596</u>	<u>281,021</u>	<u>8,792,885</u>
Increase (Decrease) in Unrestricted Net Assets	<u>7,306,974</u>	<u>(3,776)</u>	<u>(8,699)</u>	<u>7,294,499</u>

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
Consolidating Schedule – Statement of Activities, continued
Year Ended June 30, 2016

	Catholic Charities	3825 NW 19th, Inc.	Villa Isenbart, Inc.	Consolidated Total
Changes in Temporarily Restricted				
Net Assets				
United Way of Metro OKC funding Contributions	\$ 395,460	\$ -	\$ -	\$ 395,460
Capital campaign contributions, net	153,685	-	-	153,685
Other contributions	51,681	-	-	51,681
Fees and grants				
Catholic Charities USA May 2013 disaster	1,037,460	-	-	1,037,460
United Way May 2013 disaster	1,647,789	-	-	1,647,789
Resiliency	190,007	-	-	190,007
Other grants	57,230	-	-	57,230
Investment income of permanently restricted endowments	7,524	-	-	7,524
Net assets released from restrictions	<u>(10,680,091)</u>	<u>-</u>	<u>(48,355)</u>	<u>(10,728,446)</u>
Decrease in Temporarily Restricted Net Assets	<u>(7,139,255)</u>	<u>-</u>	<u>(48,355)</u>	<u>(7,187,610)</u>
Changes in Permanently Restricted Net Assets				
Gain on beneficial interest	373	-	-	373
Net assets released from restrictions	<u>(3,568)</u>	<u>-</u>	<u>-</u>	<u>(3,568)</u>
Decrease in Permanently Restricted Net Assets	<u>(3,195)</u>	<u>-</u>	<u>-</u>	<u>(3,195)</u>
Change in Net Assets	<u>164,524</u>	<u>(3,776)</u>	<u>(57,054)</u>	<u>103,694</u>
Net Assets, Beginning of Year, as Previously Reported	22,550,178	4,518	802,289	23,356,985
Adjustment applicable to prior years (Note 2)	<u>(2,775,368)</u>	<u>-</u>	<u>-</u>	<u>(2,775,368)</u>
Net Assets, Beginning of Year, as Restated	<u>19,774,810</u>	<u>4,518</u>	<u>802,289</u>	<u>20,581,617</u>
Net Assets, End of Year	<u>\$ 19,939,334</u>	<u>\$ 742</u>	<u>\$ 745,235</u>	<u>\$ 20,685,311</u>

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
Consolidating Schedule – Statement of Cash Flows
Year Ended June 30, 2016

	Catholic Charities	3825 N.W. 19th, Inc.	Villa Isenbart, Inc.	Consolidated Total
Operating Activities				
Change in net assets	\$ 164,524	\$ (3,776)	\$ (57,054)	\$ 103,694
Items not requiring cash				
Depreciation	167,700	-	71,627	239,327
Change in value of beneficial interest	(373)	-	-	(373)
Net realized and unrealized gains	77,804	-	363	78,167
Provision for bad debts (annual campaign)	12,660	-	-	12,660
Provision for bad debts (capital campaign)	(96,213)	-	-	(96,213)
Contributions restricted for long-term purposes	(200,250)	-	-	(200,250)
Changes in				
Pledges receivables	1,788,030	-	-	1,788,030
Other receivables	74,084	-	(1,033)	73,051
Prepaid expenses	(33,236)	-	300	(32,936)
Disaster relief – gift card inventory	3,350	-	-	3,350
Deferred revenue	806,355	-	-	806,355
Accounts payable and accrued expenses	(339,849)	3,596	8,623	(327,630)
Net cash provided by (used in) operating activities	<u>2,424,586</u>	<u>(180)</u>	<u>22,826</u>	<u>2,447,232</u>
Investing Activities				
Purchase of property and equipment	(7,355,058)	-	(14,531)	(7,369,589)
Purchase (sales) of investments	25,757	-	(11,401)	14,356
Sale of investments	103,161	-	3,279	106,440
Receipts of payments on notes receivable	40,108	-	-	40,108
Distribution from beneficial interests	3,568	-	-	3,568
Proceeds from sale of assets	406,079	-	-	406,079
Net cash used in investing activities	<u>(6,776,385)</u>	<u>-</u>	<u>(22,653)</u>	<u>(6,799,038)</u>
Financing Activities				
Contributions restricted for long-term purposes	200,250	-	-	200,250
Proceeds from new debt	2,000,000	-	-	2,000,000
Payments on notes payable	(16,664)	-	-	(16,664)
Net cash provided by financing activities	<u>2,183,586</u>	<u>-</u>	<u>-</u>	<u>2,183,586</u>
Increase (Decrease) in Cash and Cash Equivalents	(2,168,213)	(180)	173	(2,168,220)
Cash and Cash Equivalents, Beginning of Year	<u>6,901,212</u>	<u>658</u>	<u>6,918</u>	<u>6,908,788</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,732,999</u>	<u>\$ 478</u>	<u>\$ 7,091</u>	<u>\$ 4,740,568</u>

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of State/U.S. Conference of Catholic Bishops/U.S. Refugee Admission Program	19.510	SPRMCO14CA1002	\$ -	\$ 507,618
U.S. Department of Health and Human Services/ U.S. Conference of Catholic Bishops/Refugee and Entrant Assistance Voluntary Agency Program – Matching Grant	93.567	90RV0070-01 SPRMCO16CA1003	- -	16,211 49,183
			-	65,394
U.S. Department of Health and Human Services/ Oklahoma State Department of Human Services/ Refugee and Entrant Assistance State- Administered Program	93.566	8309023271 830902735	- -	216,577 142,064
			-	358,641
			\$ -	\$ 931,653

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Catholic Charities under programs of the federal government for the year ended June 30, 2016. The information in the Schedule is 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* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Catholic Charities, it is not intended to and does not present the financial position, changes in net assets or cash flows of Catholic Charities.
2. Expenditures reported on the Schedule 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. Negative amounts, if any, shown on the Schedule represent adjustments of credits made in the normal course of business to amounts reported as expenditures in the prior years. Catholic Charities has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of the Financial Statements Performed in
Accordance with *Government Auditing Standards***

Most Reverend Paul S. Coakley, Archbishop of Oklahoma City
Board of Directors
Catholic Charities of the Archdiocese of Oklahoma City, Inc.
Oklahoma City, Oklahoma

We have audited, 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, the consolidated financial statements of Catholic Charities of the Archdiocese of Oklahoma City, Inc. (Catholic Charities) and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2016, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 24, 2017, which contained an *Emphasis of Matter* paragraph regarding a restatement of prior year financial statements. Our report includes a reference to another auditor who audited the financial statements of Villa Isenbart, Inc., as described in our report on Catholic Charities' consolidated financial statements. This report does not include the results of the other auditor's testing of internal control over financial or compliance and other matters that are reported on separately by the auditor.

Internal Control over Financial Reporting

Management of Catholic Charities is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit of the consolidated financial statements, we considered Catholic Charities' internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated 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 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 Catholic Charities' consolidated 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.

Most Reverend Paul S. Coakley, Archbishop of Oklahoma City
Board of Directors
Catholic Charities of the Archdiocese of Oklahoma City, Inc.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control described in the accompanying schedule of findings and questioned costs, as item 2016-001, which we consider to be a significant deficiency in internal control.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Catholic Charities' consolidated financial statements are free of 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*.

Catholic Charities' Response to Findings

Catholic Charities' response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Catholic Charities' response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

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 Catholic Charities' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Catholic Charities' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Oklahoma City, Oklahoma
January 24, 2017

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

Independent Auditor's Report

Most Reverend Paul S. Coakley, Archbishop of Oklahoma City
Board of Directors
Catholic Charities of the Archdiocese of Oklahoma City, Inc.

Report on Compliance for the Major Federal Program

We have audited Catholic Charities of the Archdiocese of Oklahoma City, Inc.'s (Catholic Charities) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Catholic Charities' major federal program for the year ended June 30, 2016. Catholic Charities' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Catholic Charities' consolidated financial statements include the operations of 3825 NW 19th, Inc., and Villa Isenbart, Inc., which received no federal awards and are not included in the schedule for the year ended June 30, 2016. Our audit described below did not include the operations of 3825 NW 19th, Inc., and Villa Isenbart, Inc. because 3825 NW 19th, Inc., and Villa Isenbart, Inc. did not receive any federal awards.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, contracts and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Catholic Charities' major federal program based on our audit of the types of compliance requirements referred to above. 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; and 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* (the Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Catholic Charities' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of Catholic Charities' compliance.

Most Reverend Paul S. Coakley, Archbishop of Oklahoma City
Board of Directors
Catholic Charities of the Archdiocese of Oklahoma City, Inc.

Opinion on the Major Federal Program

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 its major federal program for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of Catholic Charities is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Catholic Charities' internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Catholic Charities' 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 on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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 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 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.

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. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Oklahoma City, Oklahoma
January 24, 2017

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2016

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
2016-001	<p>Criteria or Specific Requirement – Management of Catholic Charities is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – Catholic Charities received advanced grant funding from certain grantees that require funding to be spent within certain time requirements or the advance funding is required to be paid back to the granting agency. Previously, Catholic Charities recognized revenue at the time of notification of the grant. However, due to the conditional nature of the grants, the revenues would be recognized when the qualifying expense was incurred. As such, beginning net assets was overstated.</p> <p>Context – Accurate financial statements are critical to managing operations and communicating financial position and results of operations to interested parties.</p> <p>Effect – Revenues were recognized in prior years in advance of qualifying expenses being incurred.</p> <p>Cause – Review of supporting documents in conjunction with the accounting guidance was not performed properly.</p> <p>Recommendation – Management should create a checklist from the applicable accounting guidance to ensure all grant agreements are evaluated for proper treatment in the financial statements.</p> <p>Views of Responsible Officials and Planned Corrective Actions – Management agrees with the finding. Under guidance from previous auditors, management recognized revenue upon receipt of notice or when funds were received. Management will monitor future contracts for conditional requirements and recognize revenue when all conditions have been met.</p>

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
N/A	No matters are reportable.

**Catholic Charities of the Archdiocese of
Oklahoma City, Inc. and Subsidiaries**
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2016

Reference Number	Summary of Finding	Status
2015-001	The June 30, 2015, data collection form and reporting package were not submitted timely.	Corrected