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CATHOLIC CHARITIES

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2016 and 2015

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Catholic Charities

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Catholic Charities (a non-profit organization), which comprise the consolidated statements of financial position as of June 30, 2016 and 2015, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 the 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 audits. We conducted our audits 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. Those standards require that we plan and perform the audits 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Catholic Charities’ 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 Catholic Charities’ 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.

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, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities as of June 30, 2016 and 2015, 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.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements, and the supplementary consolidating information is also presented for purposes of additional analysis, and is not a required part of the basic 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. This information has been subjected to the audit 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 used 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, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2017, on our consideration of Catholic Charities' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Catholic Charities' internal control over financial reporting and compliance.

Atkinson & Co., Ltd.

Atkinson & Co., Ltd.

Albuquerque, New Mexico
March 1, 2017

Catholic Charities

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS

	2016	2015
CURRENT ASSETS		
Cash and cash equivalents	$ 161,418	$ 103,617
Restricted cash and cash equivalents	818,880	1,767,414
Grants and contracts receivable, net of allowance for doubtful accounts of $3,048 at June 30, 2016 and $3,869 at June 30, 2015	302,092	383,062
Accounts receivable, net of allowance for doubtful accounts of $770 at June 30, 2016 and $58 at June 30, 2015	4,415	7,778
Current portion of unconditional promises to give	340,390	752,419
Prepaid expenses	1,500	56,834
Total current assets	1,628,695	3,071,124
UNCONDITIONAL PROMISES TO GIVE, less current portion net of unamortized discount and allowance for doubtful accounts of $20,499 at June 30, 2016 and $30,162 at June 30, 2015	280,870	363,420
PROPERTY AND EQUIPMENT, net	3,908,900	1,983,156
OTHER ASSETS		
Replacement reserves	116,654	99,884
Prepaid rent	70,375	71,875
Agency trust deposits	19,413	15,910
Security deposits	13,008	12,680
Total other assets	219,450	200,349
Total assets	$ 6,037,915	$ 5,618,049

LIABILITIES AND NET ASSETS

	2016	2015
CURRENT LIABILITIES		
Short-term borrowings	$ 645,000	$ 625,000
Accounts payable	480,333	95,649
Accrued payroll and related taxes	85,234	40,815
Current portion of capital lease obligations	7,683	-
Current portion of long-term debt	37,847	22,078
Accrued compensated absences	101,504	103,901
Deferred revenues	711	447
Security deposits payable	4,309	4,172
Total current liabilities	1,362,621	892,062
CAPITAL LEASE OBLIGATIONS, less current portion	26,144	-
LONG-TERM DEBT, less current portion and unamortized debt issuance costs	156,967	11,375
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT CAPITAL ADVANCE	1,183,300	1,183,300
Total liabilities	2,729,032	2,086,737
COMMITMENTS AND CONTINGENCIES	-	-
NET ASSETS		
Unrestricted net assets	2,491,596	648,059
Temporarily restricted net assets	817,287	2,883,253
Total net assets	3,308,883	3,531,312
Total liabilities and net assets	$ 6,037,915	$ 5,618,049

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

Catholic Charities

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Support:			
Contracts and grants:			
Federal	$ 1,965,445	$ -	$ 1,965,445
Non-federal	830,535	-	830,535
Contributions:			
Monetary	464,214	316,952	781,166
Archdiocese of Santa Fe	370,000	-	370,000
In-kind	225,901	-	225,901
United Way allocations	54,681	22,000	76,681
Total support	3,910,776	338,952	4,249,728
Revenue:			
Program fees	502,787	-	502,787
Fundraising event	135,835	-	135,835
Rental income	52,416	-	52,416
Other, net	10,925	-	10,925
Return on investments	1,057	-	1,057
Loss on disposal of property and equipment	(82)	-	(82)
Loss on demolition of old building	(215,340)	-	(215,340)
Total revenue	487,598	-	487,598
Total support and revenue before releases	4,398,374	338,952	4,737,326
Net assets released from restrictions:			
Restrictions satisfied by time and expenditures	2,404,918	(2,404,918)	-
EXPENSES			
Program services:			
Self sufficiency and housing assistance	1,321,779	-	1,321,779
Educational opportunity	1,102,121	-	1,102,121
Refugee resettlement and support	623,304	-	623,304
Immigration and citizenship legal assistance	568,088	-	568,088
Community involvement	163,353	-	163,353
Hibernian House	108,971	-	108,971
Generations at West Mesa	67,686	-	67,686
Total program services	3,955,302	-	3,955,302
Supporting services:			
Management and general	716,266	-	716,266
Fundraising	288,187	-	288,187
Total supporting services	1,004,453	-	1,004,453
Total expenses	4,959,755	-	4,959,755
CHANGES IN NET ASSETS	1,843,537	(2,065,966)	(222,429)
Net assets at beginning of year	648,059	2,883,253	3,531,312
Net assets at end of year	$ 2,491,596	$ 817,287	$ 3,308,883

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

Catholic Charities

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS – CONTINUED

For the Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Support:			
Contracts and grants:			
Federal	$ 1,868,729	$ -	$ 1,868,729
Non-federal	884,409	-	884,409
Contributions:			
Monetary	515,466	1,440,954	1,956,420
Archdiocese of Santa Fe	370,000	-	370,000
In-kind	118,455	-	118,455
United Way allocations	73,725	10,000	83,725
Total support	3,830,784	1,450,954	5,281,738
Revenue:			
Program fees	526,183	-	526,183
Fundraising event	108,901	-	108,901
Rental income	51,409	-	51,409
Other, net	8,449	-	8,449
Return on investments	1,687	-	1,687
Loss on disposal of property and equipment and donated stock	(5,824)	-	(5,824)
Total revenue	690,805	-	690,805
Total support and revenue before releases	4,521,589	1,450,954	5,972,543
Net assets released from restrictions:			
Restrictions satisfied by time and expenditures	509,966	(509,966)	-
EXPENSES			
Program services:			
Self sufficiency and housing assistance	1,325,620	-	1,325,620
Educational opportunity	1,103,444	-	1,103,444
Refugee resettlement and support	670,483	-	670,483
Immigration and citizenship legal assistance	582,628	-	582,628
Community involvement	230,030	-	230,030
Hibernian House	106,130	-	106,130
Total program services	4,018,335	-	4,018,335
Supporting services:			
Management and general	720,238	-	720,238
Fundraising	189,920	-	189,920
Total supporting services	910,158	-	910,158
Total expenses	4,928,493	-	4,928,493
CHANGES IN NET ASSETS	103,062	940,988	1,044,050
Net assets at beginning of year	544,997	1,942,265	2,487,262
Net assets at end of year	$ 648,059	$ 2,883,253	$ 3,531,312

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

Catholic Charities

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2016

	Program Services				
	Self Sufficiency and Housing Assistance	Educational Opportunity	Refugee Resettlement and Support	Immigration and Citizenship Legal Assistance	Community Involvement
Salaries and related expenses					
Salaries and wages	$ 314,574	$ 705,820	$ 197,145	$ 331,096	$ 101,732
Fringe benefits	61,976	132,794	39,556	78,055	23,192
Payroll taxes	27,640	58,935	17,255	29,116	8,906
Total salaries and related expenses	404,190	897,549	253,956	438,267	133,830
Other expenses					
Special assistance	615,991	5,000	191,142	-	878
Contract services	135,842	5,627	26,001	31,715	808
In-kind	51,040	2,550	60,488	16,022	2,024
Repairs and maintenance	22,965	65,892	13,352	14,930	1,882
Rent	39,525	-	43,325	1,622	9,848
Supplies	2,508	53,382	2,724	4,073	252
Special event	-	38	2,732	-	-
Telephone	8,879	10,374	5,939	9,435	2,170
Audit and accounting fees	7,088	5,149	3,991	2,825	689
Utilities	133	11,659	532	8,536	-
Interest	-	-	-	-	-
Food	-	27,754	-	-	-
Travel	2,194	3,007	4,245	4,874	1,344
Dues and subscriptions	1,735	2,822	931	1,246	130
Insurance	4,349	1,726	2,207	1,925	940
Postage	224	402	900	8,004	384
Legal	7,158	-	-	504	-
Meetings and conferences	12	199	3,342	60	1,511
Employee / volunteer relations	-	494	382	320	2,003
Advertising and marketing	2,366	1,991	1,379	1,093	237
Staff development	745	1,607	129	5,150	199
Bank fees	-	-	-	-	-
Miscellaneous	502	-	63	-	-
Bad debt expense	-	-	-	-	-
Printing and related equipment lease, net of allocations:					
Printing	1,435	1,818	941	1,682	285
Equipment lease	1,859	2,278	1,252	1,689	339
Total expenses before depreciation and amortization	1,310,740	1,101,318	619,953	553,972	159,753
Depreciation and amortization	11,039	803	3,351	14,116	3,600
Total expenses	$ 1,321,779	$ 1,102,121	$ 623,304	$ 568,088	$ 163,353

			Supporting Services		
Hibernian House	Generations at West Mesa	Subtotal Program Services	Management and General	Fundraising	Total Expenses
$ 26,560	$ -	$ 1,676,927	$ 384,680	$ 99,049	$ 2,160,656
1,843	-	337,416	74,221	19,226	430,863
3,601	-	145,453	33,436	8,346	187,235
32,004	-	2,159,796	492,337	126,621	2,778,754
-	-	813,011	1,720	-	814,731
4,154	67,686	271,833	57,009	2,319	331,161
-	-	132,124	1,158	78,547	211,829
13,178	-	132,199	15,895	2,546	150,640
6,683	-	101,003	24,247	3,497	128,747
3,247	-	66,186	2,418	285	68,889
-	-	2,770	5,447	47,056	55,273
-	-	36,797	10,676	1,964	49,437
5,133	-	24,875	3,581	1,001	29,457
7,794	-	28,654	83	-	28,737
-	-	-	28,309	-	28,309
-	-	27,754	-	-	27,754
-	-	15,664	3,851	4	19,519
-	-	6,864	10,421	792	18,077
3,945	-	15,092	2,040	315	17,447
-	-	9,914	1,783	4,143	15,840
-	-	7,662	4,553	-	12,215
603	-	5,727	5,611	543	11,881
-	-	3,199	6,490	39	9,728
82	-	7,148	1,992	413	9,553
-	-	7,830	788	600	9,218
-	-	-	7,414	1,032	8,446
4,581	-	5,146	2,169	110	7,425
-	-	-	594	-	594
-	-	6,161	1,904	15,729	23,794
-	-	7,417	(1,503)	365	6,279
81,404	67,686	3,894,826	690,987	287,921	4,873,734
27,567	-	60,476	25,279	266	86,021
$ 108,971	$ 67,686	$ 3,955,302	$ 716,266	$ 288,187	$ 4,959,755

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

Catholic Charities

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES – CONTINUED

For the Year Ended June 30, 2015

	Program Services				
	Self Sufficiency and Housing Assistance	Educational Opportunity	Refugee Resettlement and Support	Immigration and Citizenship Legal Assistance	Community Involvement
Salaries and related expenses					
Salaries and wages	$ 288,163	$ 728,761	$ 231,500	$ 360,828	$ 146,489
Fringe benefits	58,165	138,432	46,525	74,152	30,603
Payroll taxes	23,806	59,194	19,083	29,692	12,055
Total salaries and related expenses	370,134	926,387	297,108	464,672	189,147
Other expenses					
Special assistance	609,478	2,274	176,721	-	12,099
Contract services	191,402	3,036	24,025	36,105	459
Rent	30,081	120	47,817	10,960	9,814
Repairs and maintenance	25,612	25,194	19,273	14,412	2,542
In-kind	29,660	-	61,669	-	175
Supplies	4,419	63,255	4,171	5,814	3,164
Special event	-	-	-	-	-
Telephone	12,163	9,932	8,586	4,577	870
Interest	-	-	-	-	-
Utilities	93	14,505	372	4,932	-
Audit and accounting fees	7,087	4,430	5,094	1,328	442
Food	-	26,011	-	-	-
Insurance	5,120	1,941	4,217	1,622	408
Meetings and conferences	850	145	1,296	5,685	1,525
Bad debt expense	15,596	-	820	-	-
Legal	1,484	-	-	498	241
Postage	375	429	1,075	7,633	418
Dues and subscriptions	716	555	491	2,041	64
Travel	853	2,975	2,121	4,917	480
Advertising and marketing	946	591	680	178	569
Employee / volunteer relations	-	35	73	96	2,388
Bank fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Staff development	248	768	223	119	8
Printing and related equipment lease, net of allocations:					
Equipment lease	953	5,694	4,193	8,037	2,208
Printing	214	310	586	129	253
Photocopy allocation	755	2,262	774	2,555	547
Total expenses before depreciation and amortization	1,308,239	1,090,849	661,385	576,310	227,821
Depreciation and amortization	17,381	12,595	9,098	6,318	2,209
Total expenses	$ 1,325,620	$ 1,103,444	$ 670,483	$ 582,628	$ 230,030

		Supporting Services		
Hibernian House	Subtotal Program Services	Management and General	Fundraising	Total Expenses
$ 25,850	$ 1,781,591	$ 364,469	$ 59,497	$ 2,205,557
3,515	351,392	80,311	14,217	445,920
3,075	146,905	46,948	4,677	198,530
32,440	2,279,888	491,728	78,391	2,850,007
-	800,572	1,810	-	802,382
9,224	264,251	31,402	1,351	297,004
6,437	105,229	24,356	1,673	131,258
6,364	93,397	20,420	3,495	117,312
-	91,504	-	17,348	108,852
3,763	84,586	21,112	423	106,121
-	-	-	52,706	52,706
-	36,128	9,469	1,753	47,350
-	-	40,074	-	40,074
7,557	27,459	730	846	29,035
4,601	22,982	2,879	886	26,747
-	26,011	-	-	26,011
3,986	17,294	2,763	419	20,476
132	9,633	6,218	2,656	18,507
-	16,416	(630)	-	15,786
7	2,230	13,130	-	15,360
-	9,930	1,352	3,370	14,652
-	3,867	9,720	337	13,924
-	11,346	396	-	11,742
-	2,964	4,716	1,574	9,254
-	2,592	5,492	311	8,395
-	-	4,907	846	5,753
4,183	4,183	-	-	4,183
-	1,366	503	127	1,996
-	21,085	8,495	720	30,300
-	1,492	2,166	17,293	20,951
-	6,893	1,115	889	8,897
78,694	3,943,298	704,323	187,414	4,835,035
27,436	75,037	15,915	2,506	93,458
$ 106,130	$ 4,018,335	$ 720,238	$ 189,920	$ 4,928,493

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

Catholic Charities

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended June 30,

Increase (Decrease) in Cash and Cash Equivalents

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ (222,429)	$ 1,044,050
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	86,021	93,458
Loss on demolition of old building	215,340	
Loss on disposal of property and equipment	82	5,496
Loss on donated stock	-	328
Discount and amortization of discount on unconditional promises to give	(4,764)	6,348
Donated leasehold improvements	(14,072)	-
Donated soil for new building	-	(9,603)
Reinvested interest on reserve replacements	(34)	(38)
Provision for bad debts	594	15,786
Net changes in assets and liabilities:		
Decrease (increase) in grants and contracts receivable	80,772	(43,586)
Decrease (increase) in accounts receivable	3,165	(8,600)
Decrease (increase) in unconditional promises to give	499,145	(526,228)
Decrease (increase) in prepaid expenses	56,834	(46,024)
(Increase) in security deposits	(328)	(4,489)
(Increase) in agency trust deposits	(3,503)	(3,524)
Increase (decrease) in accounts payable	384,684	42,140
Increase (decrease) in accrued payroll and related taxes	44,419	(15,264)
(Decrease) in accrued compensated absences	(2,397)	(13,629)
(Decrease) in program advances	-	(36,000)
Increase in security deposits payable	137	358
Increase in deferred revenues	264	245
Net cash flows provided by operating activities	1,123,930	501,224
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property and equipment	3,701	-
Purchases of property and equipment	(2,170,791)	(221,326)
Deposits to reserve for replacements	(16,736)	(24,637)
Net cash flows used in investing activities	(2,183,826)	(245,963)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing on long-term notes payable	250,000	-
Bond issuance costs	(66,650)	-
Net borrowings on line-of-credit	20,000	125,000
Principal payments on long-term debt	(21,989)	(310,861)
Principal payments on capital lease obligations	(12,198)	(24,179)
Net cash flows provided by (used in) financing activities	169,163	(210,040)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(890,733)	45,221
Cash and cash equivalents, beginning of year	1,871,031	1,825,810
Cash and cash equivalents, end of year	$ 980,298	$ 1,871,031

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

Catholic Charities

CONSOLIDATED STATEMENTS OF CASH FLOWS – CONTINUED

For the Years Ended June 30,

Increase (Decrease) in Cash and Cash Equivalents

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	2016	2015
Donation of materials, supplies, and services	$ 225,901	$ 159,713
Assets acquired under capital leases	$ 46,025	$ -
Cash paid during the year for interest	$ 28,309	$ 34,531

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

NOTE A – NATURE OF BUSINESS

Catholic Charities (the Organization) was incorporated in 1946, and is a faith-based non-profit tax-exempt organization. Catholic Charities is a member of Catholic Charities, USA, the largest non-profit human services network in the United States. Catholic Charities provides help and creates hope by promoting self-sufficiency, strengthening families, fighting poverty, and building community.

During fiscal year 2002, Catholic Charities assumed control of Hibernian House of New Mexico, Inc. (Hibernian House). The project is operated under Section 202 of the National Housing Act and regulated by the U.S. Department of Housing and Urban Development (HUD) with respect to rental charges and operating methods.

During fiscal year 2016, Catholic Charities formed CC Housing, Inc. to provide affordable housing, housing counseling, economic development, and opportunities for youth, families and the elderly.

The consolidated financial statements include the accounts of Catholic Charities, Hibernian House and CC Housing, Inc., collectively referred to as "Catholic Charities." Intercompany accounts and transactions are eliminated in consolidation.

Catholic Charities operates the following social service programs:

SELF-SUFFICIENCY AND HOUSING ASSISTANCE

Proyecto La Luz: Supportive Transitional Housing helps homeless women and children in Bernalillo County gain secure housing, while assisting parents with employment and other services.

Courthouse Advocacy: Prevents homelessness with one month's rent for evicted families at Albuquerque's Metro Court.

Partners in Housing: A permanent housing for chronically homeless persons with a disabling condition. The purpose of this supportive housing program is to enable this special needs population to live as independently as possible in a permanent setting.

ACCESS: The program is a safety net collaborative for homeless individuals and families in Albuquerque.

Homeless Prevention and Rapid Re-Housing: The program provides assistance to individuals and families meeting specific requirements.

Rental Assistance Program (RAP): The program provides up to eleven months of rental assistance, case management, and life skills education to individuals meeting specific requirements.

NOTE A – NATURE OF BUSINESS – CONTINUED

EDUCATIONAL OPPORTUNITY

Adult Basic Education: Classes include English as a second language, citizenship classes, adult basic education, Spanish GED, computer classes, and workplace literacy, including collaboration with Albuquerque Public Schools through Even Start projects, and the UNM HEP project.

Child Learning Center: Early Head Start and childcare programs are provided by trained and certified staff.

REFUGEE SETTLEMENT AND SUPPORT

Culture and Social Service Support: Resettling refugees from all over the world, Catholic Charities provides help in Bernalillo County with housing, language classes, employment, training, economic development, child care, interpreter services, transportation, and orientation to America.

Refugee Youth Program: This after school and summer program for mid-school and high school refugee youth provides tutoring, English language classes, citizenship classes, and the support of caring staff and volunteers.

IMMIGRATION AND CITIZENSHIP LEGAL ASSISTANCE

Immigration Services**:** The services focus on family unification and immigrant victims of domestic violence. Free legal assistance is provided for immigrants who are victims of domestic violence. Citizenship classes, case management, information, and referral are part of the program.

COMMUNITY INVOLVEMENT

Senior Transportation Services: The program provides seniors with companionship and enables them to lead productive, independent lives by providing weekly transportation to medical appointments, government offices, banks, pharmacies, and grocery stores. Volunteer drivers are literally the “driving force” behind this program. All have clean driving records and provide transportation free of charge.

Parish and Faith Community Outreach: Staff and volunteers work with Catholic and non-Catholic institutions to fortify their commitment to social justice by strengthening and developing reciprocal relationships through education, relationship building, and unique projects designed to enrich both Catholic Charities and the Faith Communities.

HIBERNIAN HOUSE

Hibernian House: A 20-unit supportive housing development for low-income seniors in Albuquerque.

NOTE A – NATURE OF BUSINESS – CONTINUED

GENERATIONS AT WEST MESA

Generations at West Mesa: Generations at West Mesa is an affordable housing development for grandparents raising grandchildren. Generations at West Mesa is located at 5715 Avalon Road NW, Albuquerque, New Mexico 87120-7617 containing approximately 3.55 acres. Generations at West Mesa shall consist of a 54-unit mixed-income, senior rental development. Of the 54 units, 45 are restricted to households earning 30%, 50%, and 60% of area median income, along with 9 unrestricted market rate units. The units will be a mix of 1, 2, and 3 bedroom units that will serve the needs of seniors at a variety of income levels over the age of 62, with a particular emphasis on seniors over the age of 75 and grandparents raising grandchildren. Catholic Charities will be providing other supportive services on site.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

1. Basis of Presentation

Catholic Charities is required to report information regarding its financial position and activities according to the existence or absence of donor-imposed restrictions. Accordingly, net assets of Catholic Charities and changes therein are classified and reported as follows:

Unrestricted Net Assets – represent net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – represent net assets subject to donor-imposed stipulations that will be met either by actions of Catholic Charities and / or the passage of time.

Permanently Restricted Net Assets – represent net assets subject to donor-imposed stipulations that must be maintained permanently by Catholic Charities. Catholic Charities does not have any permanently restricted net assets.

2. Use of Estimates

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

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Concentrations of Credit Risk

Catholic Charities maintains its cash depository accounts with various financial institutions. Balances in the accounts may at times exceed Federal or other insurance limits. Catholic Charities has not experienced, and believes it is not exposed to, significant credit risk from these deposits.

4. Cash and Cash Equivalents

For purposes of the Consolidated Statements of Cash Flows, Catholic Charities considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents include cash that is considered restricted for specific purposes either by donor imposed stipulations on the use of the funds or by the Board of Directors.

5. Promises to Give

Contributions received, including unconditional promises to give, are recognized at fair value as revenues in the period received. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions.

Promises to give are valued and initially recorded based on the estimated future cash flows based on historical experience. Promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount on those amounts are computed using risk-free interest rates ranging from .12% to 2.30%, as adjusted, where applicable for the assessed credit risk of the donation, applicable to the years in which the promises are received. Amortization of the discount is included in temporarily restricted contribution revenue. Any subsequent adjustments to the valuation of promises to give are done through a provision for doubtful accounts. Promises to give at June 30 are as follows:

	2016	2015
Unconditional promises to give before unamortized discount	$ 641,759	$ 1,146,001
Less: Unamortized discount	(14,082)	(18,846)
Less: Allowance for doubtful accounts	(6,417)	(11,316)
Net unconditional promises to give	$ 621,260	$ 1,115,839
Amounts due in:		
One year or less	$ 340,390	$ 752,419
Between one year and five years	301,369	393,582
	$ 641,759	$ 1,146,001

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Promises to Give – Continued

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. During 2015, the Organization received a conditional promise to give under the Organization's ability to meet the Affordable Housing Development Organization (AHDO) requirements for $2,000,000. As of June 30, 2016, the Organization has not met these requirements. During 2014, the Organization received a conditional promise to give under a challenge grant for $500,000. During 2015, the Organization met the conditions and recorded an unconditional promise. There were no other outstanding conditional promises to give as of June 30, 2016 and 2015.

6. Accounts Receivable

Accounts receivable are recorded at net realizable value and are evaluated for collectability by using historical experience applied to an aging of the accounts. Generally, collateral is not required on receivables. Contractual terms determine when receivables become delinquent. Catholic Charities utilizes the allowance method to provide a valuation for estimated uncollectible accounts receivable. An allowance of $44 and $58 was recorded for certain accounts receivable as of June 30, 2016 and 2015, respectively.

7. Property and Equipment

All acquisitions of property and equipment in excess of $1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method over useful lives ranging from three to thirty-nine years.

8. Program Fees

Program fees are recognized as the services are performed. Services required in the senior support, homeless, and immigration programs are recorded at standard rates, less a sliding fee adjustment based on the clients' ability to pay.

9. Recognition of Donor Restrictions

Cash contributions and grants from private organizations that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction is satisfied in the reporting period in which the contributions and grants are received. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statements of Activities and Changes in Net Assets as net assets released from restrictions.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. Recognition of Donor Restrictions – Continued

Catholic Charities reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

10. Federal Contracts and Grant Revenue

Revenue on contracts and grants is recognized when funds are spent in accordance with contractual provisions. Contracts and grants receivable represent amounts due for expenditures incurred prior to year-end, but not yet reimbursed. An allowance of $3,048 and $3,869 was recorded for certain contracts and grants receivables as of June 30, 2016 and 2015, respectively.

11. Donated Services and Materials

A substantial number of volunteers have donated time to Catholic Charities' programs and administration. As these services do not qualify for recognition as donated services in accordance with generally accepted accounting principles, they are not recorded as revenue and expenses in the general ledger. Supplies, materials, property, and services that do qualify for recognition were donated to Catholic Charities and are recorded at their estimated values of $225,901 and $118,455 for the years ended June 30, 2016 and 2015, respectively. As of June 30, 2016 and 2015, any inventory on hand associated with these donated materials was minimal and therefore, was not included in the accompanying Consolidated Statements of Financial Position.

12. Income Taxes

Catholic Charities and Hibernian House are non-profit corporations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, their normal activities do not result in any income tax liability. Catholic Charities and Hibernian House are classified as other than a private foundation and file separate entity tax returns.

CC Housing, Inc., a newly formed entity, is anticipated to be granted tax exempt status upon completion of its Form 1023 application with the Internal Revenue Service. The entity will file a separate tax return indicating its application for 501(c)(3) status is pending approval.

Catholic Charities applies the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), *Income Taxes* (FASB ASC 740). FASB ASC 740 provides detailed guidance for the financial statement recognition, measurement, and disclosure of uncertain tax positions in an enterprise's financial statements. Uncertain income tax positions must meet a more-likely-than-not recognition threshold to be recognized. Catholic Charities' policy is to classify income tax penalties and interest according to their

NOTE B – SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Income Taxes – Continued

natural classification rather than as income tax expense. As of June 30, 2016 and 2015, management does not believe Catholic Charities has any uncertain tax positions that would require financial statement recognition, measurement, or disclosure under FASB ASC 740. Due to statutes of limitation, Catholic Charities and Hibernian House tax returns are no longer subject to examinations by tax authorities for fiscal years before 2013.

13. Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities and Changes in Net Assets and in the Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

14. Advertising

Catholic Charities expenses advertising costs as incurred. Such expenses are shown in the Consolidated Statements of Functional Expenses; no amounts of advertising are carried as assets.

15. Subsequent Events

Subsequent events are events or transactions that occur after the Statement of Financial Position date, but before financial statements are issued. Catholic Charities recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the Consolidated Statement of Financial Position, including the estimates inherent in the process of preparing the consolidated financial statements. Catholic Charities' consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the Consolidated Statement of Financial Position, but arose after the Consolidated Statement of Financial Position date and before consolidated financial statements were available to be issued.

Subsequent to June 30, 2016, building construction is completed and the Organization moved into its new facility terminating its leased office space. Demolition of an existing building is completed except the final removal of demolished pieces as part of the original project. The Organization will not be issued a permanent certificate until the entire project is complete. The Organization is restructuring its refugee resettlement program by ending its federal award contracts and will only resettle families under a sponsorship model on a case by case basis. Catholic Charities has evaluated subsequent events through March 1, 2017, which is the date the financial statements were available to be issued.

16. Reclassifications

Certain reclassifications have been made to the 2015 financial statement data to conform to the 2016 financial statement presentation.

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment at June 30, consisted of the following:

	2016	2015
Buildings	$ 1,054,272	$ 1,497,516
Furniture, fixtures, and equipment	209,616	147,338
Leasehold improvements	180,147	166,075
Vehicles	157,933	156,023
Equipment acquired under capital leases	46,025	156,654
	1,647,993	2,123,606
Less accumulated depreciation and amortization	(695,159)	(943,725)
	952,834	1,179,881
Construction in progress	2,209,237	56,446
Land	746,829	746,829
	$ 3,908,900	$ 1,983,156

As of the date of these consolidated financial statements and a result of the Organization's newly constructed building (see Note B15), the Organization recorded an impairment loss on the demolished building of $215,340 as of June 30, 2016.

NOTE D – OPERATING LEASE OBLIGATIONS

Catholic Charities has several non-cancelable operating leases, primarily for equipment and office space that expire at various dates through April 2018. In June 2014, Catholic Charities entered into a lease for space in Santa Fe with the Archdiocese of Santa Fe. The lease is for a fifty year period expiring in June 2064. Catholic Charities prepaid the full amount of the rent of $75,000 and is amortizing the prepaid rent over the life of the lease. Rental expense for these leases was $128,343 and $155,121 for the years ended June 30, 2016 and 2015, respectively.

Future minimum lease payments under non-cancelable operating leases are as follows for the years ending June 30:

2017	$ 69,692
2018	2,640
	$ 72,332

Subsequent to year-end, the Organization terminated its office space lease arrangement. The lessor waived all early termination fees and refunded the deposit.

NOTE E – CAPITAL LEASE OBLIGATIONS

Catholic Charities leases office equipment under capital leases expiring in fiscal year 2021. The assets and liabilities under capital leases are recorded at the present value of the minimum lease payments. The assets are amortized over the life of the lease. Amortization of assets under capital leases is included in depreciation expense.

Following is a summary of property held under capital leases:

Office equipment	$ 46,025
Accumulated depreciation	(9,205)
	$ 36,820

Minimum future lease payments under capital leases of June 30, 2016, were as follows:

2017	$ 9,205
2018	9,205
2019	9,205
2020	9,205
2021	656
Net minimum lease payments	37,476
Amount representing interest	(3,649)
Present value of net minimum lease payments	$ 33,827

NOTE F – SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Catholic Charities has a $750,000 line-of-credit agreement with a local financial institution that renews in February 2017. The line carries interest at the bank's prime lending rate (4.00% plus .5% at June 30, 2016, and 3.75% plus .5% at June 30, 2015) and is secured by deposit accounts, inventory, accounts receivable, and equipment. At June 30, 2016 and 2015, Catholic Charities had $645,000 and $625,000, respectively, in outstanding borrowings on the line. Catholic Charities is required to comply with certain financial covenants and provisions in connection with the line-of-credit. All such covenants and provisions were not complied with as of June 30, 2016; however the Organization received a waiver of these covenants and provisions.

NOTE F – SHORT-TERM BORROWINGS AND LONG-TERM DEBT – CONTINUED

Long-term debt at June 30, consisted of the following:

	2016	2015
Industrial revenue bond (IRB), series 2016 issued by Bernalillo County, New Mexico under a capital lease agreement structure, payable to a bank as trustee. Principal and interest due in monthly installments at an initial interest at 3.47%, maturing March 2041, net of unamortized issuance costs of $66,650. The note is secured by related building project.	$ 183,350	$ -
Note payable to a bank, due in monthly installments of $1,934 including principal and interest at 4.83%, maturing January 2017. The note is secured by related equipment.	11,464	33,453
	194,814	33,453
Less current portion	(37,847)	(22,078)
Total	$ 156,967	$ 11,375

Maturities on long-term debt are as follows for the years ending June 30:

2017	$ 37,847
2018	64,896
2019	67,184
2020	24,887
	$ 194,814

In 2016, the Organization adopted Accounting Standards Update (ASU) 2015-03, *Interest-Imputation of Interest* for the presentation of debt issuance costs and related amortization. Debt issuance costs are now reported on the Consolidated Statement of Financial Position as a direct deduction from the face amount of the debt. The Organization did not have previous debt issuance costs that required reclassification. The Organization reflects amortization of debt issuance costs as interest expense in accordance to ASU 2015-03. The adoption of this ASU had no effect on previously reported net assets or change in net assets.

On January 26, 2016, Bernalillo County, New Mexico, issued its Industrial Revenue Bonds, Series 2016 totaling $3,000,000. A bank purchased the bond and issued a loan in the amount of $2,500,000 for a capital project for which Catholic Charities is the obligor. This qualifies as a conduit financing which requires selected disclosures made by public companies. As of the date of these consolidated financial statements, $250,000 of the bonds had been advanced to Catholic Charities. The remaining $2,000,000 was advanced subsequent to June 30, 2016. The maturities listed above are based on the expected repayment terms of the full $2,500,000 beginning with fiscal year 2017 as it relates to the $183,350 outstanding borrowing at June 30, 2016.

NOTE F – SHORT-TERM BORROWINGS AND LONG-TERM DEBT – CONTINUED

The bond indenture places limits on the incurrence of additional borrowings and also requires that the Organization satisfy certain measures of financial performance including debt service coverage, and hold certain insurance coverage as long as the bonds are outstanding.

Conduit Financing Disclosures

There is only one segment for purposes of segment reporting which is reported on page 4. The construction project acts as security for the bond obligation. Catholic Charities is required to keep a debt service ratio of 1.15 to 1 tested annually on the basis of the audited consolidated financial statements, commencing with the audited consolidated financial statements for the fiscal year ending June 30, 2016. The Organization must comply with other covenants and provisions in connection with the IRB. The Organization was not in compliance with submitting audited financial statements for June 30, 2016, by the required due date; however, the Organization received a waiver of these covenants through March 31, 2017. Financial instrument disclosures for promises to give receivables, accounts receivable, and the bonds payable are presented in Notes B5, B6, and F, respectively. Promises to give receivables are initially recorded based on the estimated future cash flows based on historical experience. Promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows which approximates fair value. Accounts receivable are recorded at net realizable value which approximates fair value due to the short maturities of the receivables. Bonds payable are reported at amortized face amount which approximates fair value. There is no change in the valuation of these instruments.

NOTE G – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30:

	2016	2015
Restricted for purpose:		
Capital Campaign	$ 712,138	$ 2,853,161
Restricted for time:		
Pledges receivable	83,149	20,092
United Way	22,000	10,000
	$ 817,287	$ 2,883,253

NOTE G – TEMPORARILY RESTRICTED NET ASSETS – CONTINUED

Temporarily restricted net assets are released from donor restrictions as expenses are incurred to satisfy the restricted purpose, or due to the passage of time, as follows:

	2016	2015
Purpose restriction accomplished:		
Capital Campaign	$ 2,345,054	$ 451,213
Time restriction accomplished:		
United Way	10,000	30,000
Pledges receivable	49,864	28,753
	$ 2,404,918	$ 509,966

NOTE H – PENSION PLAN

Catholic Charities administers a participant directed non-contributory, defined contribution pension plan (401k plan) for its qualified employees. Catholic Charities contributes five percent of covered compensation to the plan. Employees qualify upon attaining the age of 21 and completing one plan year of employment of at least 1,000 hours. Benefits vest 100 percent after three plan years of employment. Pension plan expense totaled $77,005 and $91,409 for the years ended June 30, 2016 and 2015, respectively.

NOTE I – RELATED PARTY TRANSACTIONS

The Board of Directors of Catholic Charities manages its overall affairs through the direction of the Archbishop of the Archdiocese of Santa Fe.

The Board of Directors and certain employees contribute various amounts in general support of Catholic Charities. A certain Board of Directors member is also an officer of a bank with which Catholic Charities maintains its cash balances. Board of Directors' outstanding promises to give at June 30, 2016 and 2015, are $191,279 and $65,330, respectively.

The Archdiocese of Santa Fe provides annual funding (stipends), which are received monthly. The funding year runs from July 1 through June 30 of each year. The allocation for the years ended June 30, 2016 and 2015, was $370,000, respectively.

During 2014, Catholic Charities entered into a $75,000 lease with the Archdiocese of Santa Fe for use of space in Santa Fe, New Mexico. See also Note D. During 2015, Catholic Charities paid $134,336 to a construction company for renovations of this space. The construction company is owned by a member of the Board of Directors.

NOTE J – COMMITMENTS AND CONTINGENCIES

The grants and contracts operated by Catholic Charities are subject to a closing audit process by federal granting agencies subsequent to the end of a grant period. At this time, no reasonable estimate can be made as to adjustments, if any, in amounts due to or from grantors that may result from the closing process. Actual costs reported in the accompanying Consolidated Statements of Activities and Changes in Net Assets, and for prior years since inception of ongoing grants, exceeded billed costs, and management believes no material reimbursements to granting agencies are due.

Catholic Charities receives a significant amount of its funding from federal grants from various agencies. Should Catholic Charities lose program funding, management believes that Catholic Charities would be able to receive similar program funding from other sources.

Catholic Charities entered into a professional services agreement with an information technology company for the purpose of information technology support. The agreement requires Catholic Charities to pay a fee of $3,300 per month for 60 months ending June 30, 2017.

Catholic Charities entered into a contract with a local construction contractor to build a new facility. The approximate amount of the contract will be $5.5 million and will be partially financed under an Industrial Revenue Bond (IRB) borrowing arrangement (see Note F).

NOTE K – CAPITAL ADVANCE

Hibernian House received a capital advance from the U.S. Department of Housing and Urban Development for the construction of a building for housing to low-income elderly persons. The advance bears no interest and need not be repaid so long as Hibernian House continues to make the housing available for the elderly for at least 40 years. The advance is classified in the financial statements as a long-term liability. The advance program requires Hibernian House to escrow an amount equal to 0.5% of the capital advance, which is shown in the consolidated financial statements as a non-current asset.

NOTE L – HUD RESTRICTED RESERVE

Under the regulatory agreement, the Hibernian House is required to set aside amounts for the replacement of property and other project expenditures approved by HUD. HUD restricted reserves of $53,727 and $49,727 at June 30, 2016 and 2015, respectively, are held in a separate account and generally are not available for operating purposes. There were no withdrawals from the reserve for related expenditures for the fiscal years ending June 30, 2016 and 2015.

NOTE M – MANAGEMENT FEE

The Hibernian House pays Monarch Properties, Inc. a management fee equal to 9.77% for 2016 and 9.62% for 2015 of residential income collected by Monarch Properties, Inc. Management fees for the years ended June 30, 2016 and 2015, amounted to $9,397 and $9,224, respectively.

NOTE N – COMMUNITY FOUNDATION ENDOWMENT FUNDS

Catholic Charities is the beneficiary of an endowment fund known as the Wilhelmina Neat Coe/Peace Foundation Fund held by the Albuquerque Community Foundation (ACF). ACF makes annual distributions of the investment income earned from the endowment to Catholic Charities which are restricted for home care programs for the disabled and elderly. The balance of the endowment fund held by ACF for the benefit of Catholic Charities totaled $101,443 and $105,573 as of June 30, 2016 and 2015, respectively. The donor of these funds granted the governing board of ACF "variance power." This variance power allows ACF to modify the donor's stipulations under certain circumstances in order to meet the changing needs of the Albuquerque community.

Catholic Charities is also the beneficiary of an additional endowment fund. The fund is known as the Olympia Garcia de Duran/Catholic Social Services Fund and is held by the Santa Fe Community Foundation (SFCF). The balance of the endowment fund held by SFCF for the benefit of Catholic Charities programs in Santa Fe totaled $216,843 and $238,664 as of June 30, 2016 and 2015, respectively.

Catholic Charities is the beneficiary of an additional endowment fund known as the Catholic Charities Fund held by the Catholic Foundation of the Archdiocese of Santa Fe. The balance of the endowment fund held by the Catholic Foundation totaled $40,881 and $44,402 as of June 30, 2016 and 2015, respectively.

Catholic Charities is a beneficiary of an endowment fund known as the Hibernian House Priest Home Fund held by the Catholic Foundation of the Archdiocese of Santa Fe. The balance of the endowment fund held by the Catholic Foundation for the benefit of Catholic Charities totaled $20,791 and $22,650 as of June 30, 2016 and 2015, respectively.

None of the above endowment funds are reflected as assets on the consolidated financial statements of Catholic Charities given the variance power granted to each respective foundation.

NOTE O – COLLABORATIVE ARRANGEMENT

Catholic Charities participates in a collaborative arrangement under a grant from the Department of Housing and Urban Development and the City of Albuquerque. The collaborative arrangement includes Albuquerque's Health Care for the Homeless, the Safe House, and Barrett Foundation and provides housing for chronically homeless participants and a broad range of services to homeless families and non-custodial parents. Catholic Charities renews the collaborative arrangement on an annual basis after it receives notice of funding from the Department of Housing and Urban Development and the City of Albuquerque and at renewal is obligated to provide part of the services for the homeless. During 2016, the grant from the City of Albuquerque was not renewed. Revenue is recognized on a cost reimbursement basis and is recorded in grants and contributions in the Consolidated Statement of Activities and Changes in Net Assets. Expenses related to the collaborative arrangement are recorded in the Housing Services program. Revenue and corresponding expenses related to the collaborative arrangement for 2016 and 2015 were approximately $128,461 and $185,305, respectively.

NOTE P – AGENCY TRUST DEPOSITS

Catholic Charities utilizes the 501(c) Agencies Trust Unemployment program to help pay state unemployment claims. Under the program, Catholic Charities establishes a trust that is based on the Organization's unemployment claims experience and gross annual payroll. The Agencies Trust then reimburses the state from the trust for the claims benefits paid to former employees. The amount on deposit to pay for future unemployment claims as of June 30, 2016 and 2015 is $19,413 and $15,910, respectively.

NOTE Q – NEW ACCOUNTING STANDARDS

1. The Financial Accounting Standards Board (FASB) has recently issued Accounting Standards Update (ASU) 2014-09, (Topic 606): *Revenue from Contracts with Customers* that was designed to develop a common revenue standard for U.S. GAAP and international standards. The core principle of this ASU is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Steps to apply the core principle are as follows:

1. Identify the contract(s) with the customer
2. Identify the separate performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognize revenue when a performance obligation is satisfied

NOTE Q – NEW ACCOUNTING STANDARDS – CONTINUED

Several new disclosures will also be required to include sufficient information to enable users of the financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. This ASU will be effective for annual periods beginning after December 15, 2018.

2. In February 2016, the FASB issued ASU 2016-02 *Leases* (FASB Codification Topic 842) which significantly changes the accounting for leases in the financial statements of lessees and supersedes FASB Codification Topic 840. With this update, GAAP now will require lessees under operating leases to recognize a liability in the statement of financial position and an asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting election not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. Cash flows related to operating leases will continue to be reported within operating activities on the statement of cash flows. This ASU is effective for fiscal years beginning after December 15, 2019.

3. In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities* (FASB Codification Topic 958) to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance and cash flows. The main provisions of the ASU are as follows:

A. Present on the face of the statement of financial position amounts for two classes of net assets at the end of the period, rather than for the currently required three classes. That is, a not-for-profit will report amounts for *net assets with donor restrictions* and *net assets without donor restrictions*, as well as the currently required amount for total net assets.

B. Present on the face of the statement of activities the amount of the change in each of the two classes of net assets (noted in item A) rather than that of the currently required three classes. A not-for-profit would continue to report the currently required amount of the change in total net assets for the period.

C. Continue to present on the face of the statement of cash flows the net amount for operating cash flows using either the direct or indirect method of reporting, but no longer require the presentation or disclosure of the indirect method (reconciliation) if using the direct method.

D. Provide the following enhanced disclosures about:

- Amounts and purposes of governing board designations, appropriations, and similar actions that result in self-imposed limits on the use of resources without donor-imposed restrictions as of the end of the period.
- Composition of net assets with donor restrictions at the end of the period and how the restrictions affect the use of resources.
- Qualitative information that communicates how a not-for-profit manages its liquid resources available to meet cash needs for general expenditures within one year of the balance sheet date.

NOTE Q – NEW ACCOUNTING STANDARDS – CONTINUED

- Quantitative information, either on the face of the balance sheet or in the notes, and additional qualitative information in the notes as necessary, that communicates the availability of a not-for-profit's financial assets at the balance sheet date to meet cash needs for general expenditures within one year of the balance sheet date. Availability of a financial asset may be affected by (1) its nature, (2) external limits imposed by donors, grantors, laws, and contracts with others, and (3) internal limits imposed by governing board decisions.
- Amounts of expenses by both their natural classification and their functional classification. That analysis of expenses is to be provided in one location, which could be on the face of the statement of activities, as a separate statement, or in notes to financial statements.
- Method(s) used to allocate costs among program and support functions.
- Underwater endowment funds, which include required disclosures of (1) a not-for-profit's policy, and any actions taken during the period, concerning appropriation from underwater endowment funds, (2) the aggregate fair value of such funds, (3) the aggregate of the original gift amounts (or level required by donor or law) to be maintained, and (4) the aggregate amount by which funds are underwater (deficiencies), which are to be classified as part of net assets with donor restrictions.

E. Report investment return net of external and direct internal investment expenses and no longer require disclosure of those netted expenses.

F. Use, in the absence of explicit donor stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassify any amounts from net assets with donor restrictions to net assets without donor restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption (thus eliminating the current option to release the donor-imposed restriction over the estimated useful life of the acquired asset).

The amendments in this ASU are effective for annual financial statements issued for fiscal years beginning after December 15, 2017.

As of the date of these financial statements, management has not determined the impact these new ASUs will have on future reporting periods.

SUPPLEMENTARY INFORMATION

Catholic Charities

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2016

ASSETS

	Catholic Charities	Hibernian House	CC Housing, Inc.	Eliminating Entries	Total
CURRENT ASSETS					
Cash and cash equivalents	$ 141,362	$ 20,056	$ -	$ -	$ 161,418
Restricted cash and cash equivalents	818,880	-	-	-	818,880
Grants and contracts receivable, net	301,722	370	-	-	302,092
Accounts receivable, net	72,101	-	-	(67,686)	4,415
Current portion of unconditional promises to give	340,390	-	-	-	340,390
Prepaid expenses	1,500	-	-	-	1,500
Total current assets	1,675,955	20,426	-	(67,686)	1,628,695
UNCONDITIONAL PROMISES TO GIVE, less current portion	280,870	-	-	-	280,870
PROPERTY AND EQUIPMENT, net	2,892,413	1,016,487	-	-	3,908,900
OTHER ASSETS					
Replacement reserves	-	116,654	-	-	116,654
Prepaid rent	70,375	-	-	-	70,375
Agency trust deposits	19,413	-	-	-	19,413
Security deposits	8,508	4,500	-	-	13,008
Total other assets	98,296	121,154	-	-	219,450
Total assets	$ 4,947,534	$ 1,158,067	$ -	$ (67,686)	$ 6,037,915

LIABILITIES AND NET ASSETS

	Catholic Charities	Hibernian House	CC Housing, Inc.	Eliminating Entries	Total
CURRENT LIABILITIES					
Short-term borrowings	$ 645,000	$ -	$ -	$ -	$ 645,000
Accounts payable	479,356	977	67,686	(67,686)	480,333
Accrued payroll and related taxes	83,889	1,345	-	-	85,234
Current portion of capital lease obligations	7,683	-	-	-	7,683
Current portion of long-term debt	37,847	-	-	-	37,847
Accrued compensated absences	101,504	-	-	-	101,504
Deferred revenues	384	327	-	-	711
Security deposits payable	-	4,309	-	-	4,309
Total current liabilities	1,355,663	6,958	67,686	(67,686)	1,362,621
CAPITAL LEASE OBLIGATIONS, less current portion	26,144	-	-	-	26,144
LONG-TERM DEBT, less current portion and unamortized issuance costs	156,967	-	-	-	156,967
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT CAPITAL ADVANCE	-	1,183,300	-	-	1,183,300
Total liabilities	1,538,774	1,190,258	67,686	(67,686)	2,729,032
NET ASSETS					
Unrestricted net assets (deficit)	2,591,473	(32,191)	(67,686)	-	2,491,596
Temporarily restricted net assets	817,287	-	-	-	817,287
Total net assets (deficit)	3,408,760	(32,191)	(67,686)	-	3,308,883
Total liabilities and net assets	$ 4,947,534	$ 1,158,067	$ -	$ (67,686)	$ 6,037,915

Catholic Charities

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2016

	Catholic Charities	Hibernian House	CC Housing, Inc.	Eliminating Entries	Total
UNRESTRICTED SUPPORT AND REVENUE					
Support:					
Contracts and grants:					
Federal	$ 1,915,441	$ 50,004	$ -	$ -	$ 1,965,445
Non-federal	830,535	-	-	-	830,535
Contributions:					
Monetary	464,214	-	-	-	464,214
Archdiocese of Santa Fe	370,000	-	-	-	370,000
In-kind	225,901	-	-	-	225,901
United Way allocations	54,681	-	-	-	54,681
Total support	3,860,772	50,004	-	-	3,910,776
Revenue:					
Program fees	502,787	-	-	-	502,787
Fundraising event	135,835	-	-	-	135,835
Rental income	-	52,416	-	-	52,416
Other, net	10,095	830	-	-	10,925
Return on investments	1,057	-	-	-	1,057
Loss on disposal of property and equipment	(82)	-	-	-	(82)
Loss on demolition of old building	(215,340)	-	-	-	(215,340)
Total revenue	434,352	53,246	-	-	487,598
Total unrestricted support and revenue before releases	4,295,124	103,250	-	-	4,398,374
Net assets released from restrictions:					
Restrictions satisfied by time and expenditures	2,404,918	-	-	-	2,404,918
EXPENSES					
Program services:					
Self-sufficiency and housing assistance	1,321,779	-	-	-	1,321,779
Educational opportunity	1,102,121	-	-	-	1,102,121
Refugee resettlement and support	623,304	-	-	-	623,304
Immigration and citizenship legal assistance	568,088	-	-	-	568,088
Community involvement	163,353	-	-	-	163,353
Hibernian House	-	108,971	-	-	108,971
Generations at West Mesa	-	-	67,686	-	67,686
Total program services	3,778,645	108,971	67,686	-	3,955,302
Supporting services:					
Management and general	716,266	-	-	-	716,266
Fundraising	288,187	-	-	-	288,187
Total supporting services	1,004,453	-	-	-	1,004,453
Total expenses	4,783,098	108,971	67,686	-	4,959,755
Changes in unrestricted net assets	$ 1,916,944	$ (5,721)	$ (67,686)	$ -	$ 1,843,537

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS – CONTINUED

For the Year Ended June 30, 2016

	Catholic Charities	Hibernian House	Eliminating Entries	Total
TEMPORARILY RESTRICTED SUPPORT				
Contributions:				
Monetary	$ 316,952	$ -	$ -	$ 316,952
United Way allocations	22,000			22,000
Total temporarily restricted support	338,952	-	-	338,952
Net assets released from restrictions:				
Restrictions satisfied by time and expenditures	(2,404,918)	-	-	(2,404,918)
Changes in temporarily restricted net assets	$ (2,065,966)	$ -	$ -	$ (2,065,966)

SCHEDULES AND REPORTS REQUIRED
BY UNIFORM GUIDANCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2016

Federal Grantor – Pass-Through Grantor – Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through United States Conference of Catholic Bishops				
Refugee Assistance – Voluntary Agency Program (USCC Match)	93.567	90 RV 0070-01 / 90 RV 0070-02	$ -	$ 97,186
Passed through City of Albuquerque				
Department of Family and Community Services:				
Childcare (Headstart)	93.600	06CH7083-04-00	-	173,000
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			**$ -**	**$ 270,186**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Continuum of Care Program - NM0012L6B001407	14.267		$ -	$ 42,663
Continuum of Care Program - NM0012L6B001508	14.267		-	6,961
Continuum of Care Program - NM0011L6B001407	14.267		-	137,121
Continuum of Care Program - NM0011L6B001508	14.267		-	87,710
Continuum of Care Program - NM0008L6B001407	14.267		61,837	211,698
Continuum of Care Program - NM0008L6B001306	14.267		-	36,997
Continuum of Care Program - NM0071L6B011403	14.267		-	129,777
Continuum of Care Program - NM0071L6B011302	14.267		-	71,282
Continuum of Care Program - NM0002L6B001407	14.267		66,624	108,394
Passed through the City of Albuquerque,				
Department of Family and Community Services:				
Leased Units/Supportive Housing and Urban Development	14.267	NM0017L6B001407	-	164,904
Passed through the State of New Mexico				
N.M. Mortgage Finance Authority				
Homeless Prevention RAP Program	14.231	15-02-CCH-RAP-001	-	40,284
Captial Advance Financing	14.157		-	1,183,300
Section 202 Housing for the Elderly – PRAC	14.157		-	50,004
Passed through Catholic Charities, USA				
Housing Counseling Program	14.169	HC160011017	-	8,993
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			**$ 128,461**	**$ 2,280,088**

Catholic Charities

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED

For the Year Ended June 30, 2016

Federal Grantor – Pass-Through Grantor – Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF JUSTICE				
Passed through the United States Department of Justice to the State of New Mexico				
VAWA Program	16.588	2014-WF-AX-0033	$ -	$ 44,514
VOCA Program	16.575	2014-VA-GX-0059 2015-VA-GX-0000	-	18,421
Passed through Catholic Charities, USA				
Juvenile Mentoring Program	16.726	2015-JU-FX-0013	-	23,502
TOTAL U.S. DEPARTMENT OF JUSTICE			**$ -**	**86,437**
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through the United States Catholic Conference:				
Cuban and Haitian Entrant Resettlement Program	97.009	2014-CI-009-000001-03 / 2014-CI-009-000001-04	$ -	$ 155,573
Vulnerable Care Services Program	97.UNKNOWN	VCS032814	-	1,900
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			**$ -**	**$ 157,473**
U.S. DEPARTMENT OF AGRICULTURE				
Passed through the New Mexico Children, Youth and Families Department:				
Child and Adult Care Food Program	10.588	0462	$ -	$ 34,201
TOTAL U.S. DEPARTMENT OF AGRICULTURE			**$ -**	**$ 34,201**
U.S. DEPARTMENT OF STATE – BUREAU FOR REFUGEE PROGRAMS				
Passed through the United States Catholic Conference:				
Reception and Placement Program (USCC)	19.510	S-PRMCO-15-CA-1006 / S-PRMCO-16-CA-1003	$ -	$ 106,133
TOTAL U.S. DEPARTMENT OF STATE – BUREAU FOR REFUGEE PROGRAMS			**$ -**	**$ 106,133**
U.S. DEPARTMENT OF EDUCATION				
Passed through the New Mexico Higher Education Department:				
Education:				
English Language/Civics	84.002	V002A150032	$ -	$ 31,993
Adult Basic Education Grant	84.002	V002A150032	-	182,234
TOTAL U.S. DEPARTMENT OF EDUCATION			**$ -**	**$ 214,227**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 128,461**	**$ 3,148,745**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED

For the Year Ended June 30, 2016

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – SIGNIFICANT ACCOUNTING POLICY

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Catholic Charities and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the presentation of the basic consolidated financial statements. Catholic Charities elected not to use the 10% de minimis indirect cost rate.

NOTE B – LOAN INFORMATION

Catholic Charities' Department of Housing and Urban Development Capital Advance, CFDA number 14.157, is recorded as a loan balance as of June 30, 2016. The amount outstanding at June 30, 2016 is $1,183,300 which is not included in federal revenues as reported in the consolidated statement of activities and changes in net assets.

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

Board of Directors
Catholic Charities

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, which comprise the consolidated statement of financial position as of June 30, 2016, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 23, 2017.

Internal Control Over Financial Reporting

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

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. However, material weaknesses may exist that have not been identified.

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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Atkinson & Co., Ltd.

Atkinson & Co., Ltd.

Albuquerque, New Mexico
March 1, 2017

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Catholic Charities

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Catholic Charities' major federal programs 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 audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and 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 each major federal program. However, our audit does not provide a legal determination of Catholic Charities' compliance.

Opinion on Each 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 each of its major federal programs 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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 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.

Atkinson & Co., Ltd.

Atkinson & Co., Ltd.

Albuquerque, New Mexico
March 1, 2017

Catholic Charities

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2016

I. Summary of Auditor's Results

A. An unmodified opinion was issued on the consolidated financial statements of Catholic Charities.

B. No instances of noncompliance with laws and regulations or the provisions of contracts and grant agreements that are material to the consolidated financial statements were disclosed during the audit.

C. Internal control over financial reporting:

- Material weaknesses identified   Yes ____   No __X__
- Significant deficiencies identified   Yes ____   None Reported __X__

D. The Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance by the Uniform Guidance expresses an unmodified opinion on all major programs.

E. Federal awards:

Internal control over major programs:

- Material weaknesses identified   Yes ____   No __X__
- Significant deficiencies identified   Yes ____   None Reported __X__

F. There are no audit findings that are required to be reported in accordance with the Uniform Guidance.

G. The programs tested as major programs included: Continuum of Care – CFDA No. 14.267, Section 202 Housing for the Elderly – CFDA No. 14.157 and Adult Education – CFDA No. 84.002.

H. The threshold for distinguishing Types A and B programs was $750,000.

I. Catholic Charities was determined to be a low-risk auditee.

II. Financial Statement Audit Findings

None

III. Findings and Questioned Costs – Major Federal Award Programs

None

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

For the Year Ended June 30, 2016

IV. Prior Year Financial Statement Audit Findings

None

V. Prior Year Findings and Questioned Costs – Major Federal Award Programs

None

Catholic Charities

IDENTIFICATION OF AUDIT PRINCIPAL

For the Year Ended June 30, 2016

Audit Principal:	Barbara A. Lewis, CPA, CCIFP
Name and address of independent accounting firm:	Atkinson & Co., Ltd. 6501 Americas Parkway NE Suite 700 Albuquerque, New Mexico 87110
Audit period:	Year ended June 30, 2016
Telephone Number:	(505) 843-6492
Federal Employee ID Number:	85-0211867

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