



**CATHOLIC CHARITIES OF FAIRFIELD  
COUNTY, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2014 and 2013**

# CATHOLIC CHARITIES OF FAIRFIELD COUNTY, INC.

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Catholic Charities of Fairfield County, Inc.  
New York, New York

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Catholic Charities of Fairfield County, Inc. ("Catholic Charities"), which comprise the consolidated statements of financial position as of June 30, 2014 and 2013, the related consolidated statements of activities, 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***

Catholic Charities' 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.

### ***Auditors' 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 evidence about the amounts and disclosures in the 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 the organization's preparation and fair presentation of the 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 organization'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 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 of Fairfield County, Inc. as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014 on our consideration of Catholic Charities' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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.

*EisnerAmper LLP*

New York, New York  
December 19, 2014

EISNERAMPER  
LLP

**CATHOLIC CHARITIES OF FAIRFIELD COUNTY, INC.****Consolidated Statements of Financial Position**

	June 30,	
	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,643,021	\$ 650,249
Accounts receivable	276,909	283,465
Annual Bishop's Appeal pledges receivable	298,595	228,502
Grants receivable	605,071	495,415
Diocese of Bridgeport receivable, net	118,195	497,475
Prepaid expenses	104,361	148,172
Property and equipment, net	<u>1,168,189</u>	<u>1,188,529</u>
	<u>\$ 4,214,341</u>	<u>\$ 3,491,807</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 261,238	\$ 286,624
Accrued expenses	641,472	411,955
Refundable advances	70,289	127,537
Conditional asset retirement obligation	<u>51,511</u>	<u>49,099</u>
	<u>1,024,510</u>	<u>875,215</u>
<b>NET ASSETS</b>		
Unrestricted	2,398,754	2,308,415
Temporarily restricted	<u>791,077</u>	<u>308,177</u>
	<u>3,189,831</u>	<u>2,616,592</u>
	<u>\$ 4,214,341</u>	<u>\$ 3,491,807</u>

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

**CATHOLIC CHARITIES OF FAIRFIELD COUNTY, INC.**  
**Consolidated Statements of Activities**

	Year Ended June 30,			
	2014		2013	
	Unrestricted	Temporarily Restricted	Total	Temporarily Restricted
Unrestricted	Temporarily Restricted	Total	Unrestricted	Total
<b>Support and revenue:</b>				
Governmental grants	\$ 5,210,030		\$ 5,210,030	\$ 5,174,915
Non-governmental grants and contributions	1,922,081	\$ 532,445	2,454,526	\$ 37,681
Annual Bishop's Appeal	1,059,409	190,595	1,250,004	228,502
Program revenue	1,106,651		1,106,651	1,364,637
Fund-raising	759,645		759,645	733,518
In-kind contributions	671,052		671,052	714,007
Interest income	2,502		2,502	2,501
Support and revenue before net assets released from restrictions	10,731,370	723,040	11,454,410	10,680,810
Net assets released from restrictions	240,140	(240,140)	0	168,721
Total support and revenue	10,971,510	482,900	11,454,410	10,849,531
<b>Expenses:</b>				
Program services	9,433,087		9,433,087	9,608,701
Management and general	1,315,334		1,315,334	1,121,832
Development and fundraising	132,750		132,750	121,660
Total expenses	10,881,171		10,881,171	10,852,193
<b>Change in net assets</b>				
Net assets - beginning of year	90,339	482,900	573,239	(2,662)
Net assets - end of year	2,308,415	308,177	2,616,592	2,311,077
<b>Net assets - end of year</b>	<b>\$ 2,398,754</b>	<b>\$ 791,077</b>	<b>\$ 3,189,831</b>	<b>\$ 2,308,415</b>
				<b>\$ 308,177</b>
				<b>\$ 2,616,592</b>

CATHOLIC CHARITIES OF FAIRFIELD COUNTY, INC.

Consolidated Statement of Functional Expenses

Year Ended June 30, 2014

	Program Services						Total	Management and General	Development and Fundraising	Total
	Food Services	Behavioral Health Services	Family Services	Community Services	Housing	Total				
Personnel costs	\$ 1,340,724	\$ 988,393	\$ 1,061,869	\$ 1,130,344	\$ 681,286	\$ 5,202,616	\$ 910,803	\$ 6,113,419		
Client support	1,095,934	4,864	14,507	357,079	398,914	1,871,298	6,866	1,878,164		
Occupancy	202,013	188,881	131,868	180,079	70,212	773,053	57,826	830,879		
Professional fees and contractual services	78,492	171,597	8,090	1,795	57,321	317,295	185,534	502,829		
Office	79,574	76,593	38,129	88,515	35,573	318,384	100,561	418,945		
Travel, meetings and conferences	59,614	15,138	12,019	47,502	8,192	142,465	33,676	176,141		
Fundraising								\$ 132,750	\$ 132,750	
In-kind	629,303		41,749			671,052		671,052		
Total expenses before depreciation and accretion	3,485,654	1,445,466	1,308,231	1,805,314	1,251,498	9,296,163	1,295,266	132,750	10,724,179	
Depreciation and accretion	63,753	11,510	10,543	17,728	33,390	136,924	20,068		156,992	
Total expenses	<b>\$ 3,549,407</b>	<b>\$ 1,456,976</b>	<b>\$ 1,318,774</b>	<b>\$ 1,823,042</b>	<b>\$ 1,284,888</b>	<b>\$ 9,433,087</b>	<b>\$ 1,315,334</b>	<b>\$ 132,750</b>	<b>\$ 10,881,171</b>	

CATHOLIC CHARITIES OF FAIRFIELD COUNTY, INC.

Consolidated Statement of Functional Expenses

Year Ended June 30, 2013

	Program Services							Total	Management and General	Development and Fundraising	Total
	Behavioral Health Services			Community Services		Housing	Total				
	Food Services	Family Services	Health Services	Community Services	Management and General						
Personnel costs	\$ 1,359,752	\$ 1,330,931	\$ 1,146,747	\$ 1,041,623	\$ 764,931	\$ 5,643,984	\$ 796,441	\$ 6,440,425			
Client support	1,125,003	15,656	3,216	34,081	401,821	1,579,777	11,974	1,591,751			
Occupancy	163,467	123,935	226,121	170,362	83,298	767,183	50,474	817,657			
Professional fees and contractual services	82,736	6,527	183,314	7,830	63,563	343,970	150,117	494,087			
Office	78,694	52,858	100,288	43,671	24,871	300,382	67,239	367,621			
Travel, meetings and conferences	59,664	16,683	19,187	30,206	7,659	133,399	15,153	148,552			
Fundraising								121,660			
In-kind	608,427	65,240		27,465		701,132	12,875	714,007			
Total expenses before depreciation and accretion	3,477,743	1,611,830	1,678,873	1,355,238	1,346,143	9,469,827	1,104,273	10,695,760			
Depreciation and accretion	69,505	11,915	10,718	15,936	30,800	138,874	17,559	156,433			
Total expenses	\$ 3,547,248	\$ 1,623,745	\$ 1,689,591	\$ 1,371,174	\$ 1,376,943	\$ 9,608,701	\$ 1,121,832	\$ 10,852,193			



**CATHOLIC CHARITIES OF FAIRFIELD COUNTY, INC.****Consolidated Statements of Cash Flows**

	Year Ended June 30,	
	2014	2013
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 573,239	\$ 94,800
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation and accretion	156,992	156,433
Loss from disposal	1,866	6,583
In-kind contribution of property		(372,377)
Changes in:		
Accounts receivable	6,556	(159,502)
Annual Bishop's Appeal pledges receivable	(70,093)	(88,981)
Grants receivable	(109,656)	14,206
Diocese of Bridgeport receivable	379,280	(31,051)
Prepaid expenses	43,811	(77,072)
Accounts payable	(25,386)	112,326
Accrued expenses	229,517	(23,332)
Refundable advances	(57,248)	(23,905)
Net cash provided by (used in) operating activities	<u>1,128,878</u>	<u>(391,872)</u>
<b>Cash flows from investing activity:</b>		
Acquisition of property and equipment	<u>(136,106)</u>	<u>(72,424)</u>
Net cash used in investing activity	<u>(136,106)</u>	<u>(72,424)</u>
<b>Net change in cash and cash equivalents</b>	<b>992,772</b>	<b>(464,296)</b>
Cash and cash equivalents, beginning of year	<u>650,249</u>	<u>1,114,545</u>
<b>Cash and cash equivalents, end of period</b>	<u><u>\$ 1,643,021</u></u>	<u><u>\$ 650,249</u></u>

*The accompanying notes are an integral part of these consolidated statements*

# CATHOLIC CHARITIES OF FAIRFIELD COUNTY, INC.

## Notes to Consolidated Financial Statements June 30, 2014 and 2013

### NOTE 1 - ORGANIZATION

Catholic Charities of Fairfield County, Inc. ("CCFC") is a not-for-profit, non-stock corporation organized under the laws of the State of Connecticut in April 1955 by the Bridgeport Roman Catholic Diocesan Corporation (the "Diocese"). The members of Catholic Charities are the Bishop, the Vicar(s) General, and the Chancellor of the Diocese, the President of Catholic Charities, and such other members appointed by the Bishop. No less than six members will be appointed. Catholic Charities has a Board of Directors consisting of those members and up to nineteen lay people. The mission of CCFC is to put faith into action by providing food, housing, mental health, adoption, immigration and family support services to the needy and vulnerable of all faiths in Fairfield County, Connecticut.

Catholic Charities of Fairfield County Holdings, LLC ("CCFCH"), a single member limited liability company owned by CCFC and was organized under the laws of the State of Connecticut in September 2012 to provide transitional housing facilities to support the CCFC mission.

The accompanying consolidated financial statements are presented on a consolidated basis to include the transactions of CCFC and CCFCH (collectively "Catholic Charities"). All material intercompany balances and transactions have been eliminated in the consolidated financial statements.

**Program Services** - Catholic Charities provides the following services:

**Food Services** - Food services includes the State of Connecticut's two largest soup kitchens, a mobile breakfast program, food pantries, and a congregate and home delivered meal program for the elderly.

**Behavioral Health Services** - Behavioral health services provide family and individual counseling throughout Fairfield County, Connecticut. Behavioral health services have district offices in Bridgeport, Danbury, and Norwalk, Connecticut.

**Family Services** - Family services provides school readiness for children who would otherwise not receive pre-school preparation, through the Room to Grow Early Childhood Education Center, as well as a full array of Family Directions services including adoption and pregnancy outreach activities. In addition, family services include immigration outreach services that have been accredited by the U.S. Department of Justice to meet a broad spectrum of challenges normally faced by families new to the United States.

**Community Services** - Community services programs provide assistance, training, counseling to the chronically homeless and individuals dealing with substance abuse and mental health issues, as well as family support services.

**Housing Services** - Housing services programs provide rental assistance and support services to formerly homeless families and individuals who have documented disabilities. The support services assist these families and individuals with life skills as they move towards self-sufficiency. Housing programs consist of a network of both transitional and permanent housing.

# CATHOLIC CHARITIES OF FAIRFIELD COUNTY, INC.

## Notes to Consolidated Financial Statements June 30, 2014 and 2013

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### [1] Basis of accounting:

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"). Accordingly, the accounts of Catholic Charities are reported in the following net asset categories:

##### *Unrestricted:*

Unrestricted net assets represent available resources other than donor-restricted contributions.

##### *Temporarily restricted:*

Temporarily restricted net assets include contributions that are restricted by the donor either as to purpose or time of expenditure.

##### *Permanently restricted:*

Permanently restricted net assets represent contributions received with the donor restriction that the principal be invested in perpetuity and that only the income earned thereon be available for use. Catholic Charities did not have any permanently restricted net assets as of June 30, 2014 and 2013.

#### [2] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. Financial statement areas where management applies the use of estimates consists primarily of allowance for doubtful accounts. It is management's opinion that the estimates applied in the accompanying consolidated financial statements are reasonable.

#### [3] Cash and cash equivalents:

Cash and cash equivalents are defined as highly liquid investments with original maturities of up to 90 days.

#### [4] Accounts receivable:

Catholic Charities generally does not require collateral or other security in providing health care and other services to clients. However, Catholic Charities routinely obtains assignment of clients' benefits payable under their health care insurance programs, plans or policies. Based on management's assessment of the credit history with clients having outstanding balances and their current relationships with them, it has concluded that a reserve is not deemed necessary at June 30, 2014 and 2013, respectively. Accounts receivable balances are written off when management has concluded that all reasonable methods of collection have been exhausted.

# CATHOLIC CHARITIES OF FAIRFIELD COUNTY, INC.

## Notes to Consolidated Financial Statements June 30, 2014 and 2013

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [5] Property and equipment:

Property acquisitions and improvements thereon that exceed \$2,000 are capitalized at cost and depreciated on a straight-line basis over the following estimated useful lives:

Buildings	30 - 40 years
Furniture and fixtures	3 - 5 years
Automobiles	3 - 5 years
Leasehold improvements	5 - 30 years
Computer equipment	3 - 5 years

Repairs and maintenance are charged to expense as incurred.

#### [6] Refundable advances:

Amounts from grants, contracts and other funds for related program services received in advance but unearned are reflected as refundable advances in the accompanying consolidated statement of financial position and are subsequently reflected in the accompanying consolidated statement of activities during the period to which they apply as the funds are expended.

#### [7] Conditional asset retirement obligation:

Catholic Charities has a conditional asset retirement obligation for asbestos material associated with property it owns. This obligation is defined as a legal obligation associated with the future retirement of a tangible long-lived asset in which the timing and/or method of settlement is conditional on a future event that may or may not be within the control of Catholic Charities. The present value of this obligation and resulting accretion expense, together with the related asset retirement cost capitalized, accumulated depreciation and depreciation expense, are recognized in these accompanying consolidated financial statements.

#### [8] Contributions:

Unconditional contributions are recognized when pledged or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions receivable that are expected to be collected in more than one year are discounted to their present value. Catholic Charities reports non-governmental contributions and grants of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets released from restrictions. Restricted contributions received in a period in which the restrictions are met are recognized with unrestricted net assets. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributed goods and services are recognized in the financial statements if they enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. General volunteer services do not meet these criteria for recognition.

## CATHOLIC CHARITIES OF FAIRFIELD COUNTY, INC.

### Notes to Consolidated Financial Statements June 30, 2014 and 2013

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [9] Governmental grants:

Governmental grant revenue is recognized to the extent that allowable expenditures have been incurred. Grant receipts in excess of expenditures are recognized as refundable advances.

##### [10] Program revenue:

Program fees are recognized as revenue when services are provided. Catholic Charities bills for services and recognized revenue using a sliding fee scale based on patient family income levels.

##### [11] Functional expense allocation:

Expenses are charged directly to Catholic Charities program services, management and general, and development and fundraising, and based on specific identification to the extent practicable. Expenses related to more than one function have been allocated using reasonable ratios determined by management. Management and general expenses include those expenses that are not directly identifiable with a specific function, but provide for the overall support and direction of the Catholic Charities.

##### [12] Income taxes:

Both CCFC and CCFCH are not-for-profit organizations exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

Catholic Charities follows the provisions of ASC Topic 740-10-05 relating to accounting and reporting for uncertainty in income taxes. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. Catholic Charities tax returns for the years ended June 30, 2011 through June 30, 2014 are subject to examination by the Internal Revenue Service and the State of Connecticut.

##### [13] Reclassification:

Certain amounts in the fiscal-year 2013 consolidated financial statements have been reclassified to conform to the fiscal-year 2014 presentation.

##### [14] Subsequent events:

In preparing these consolidated financial statements, management has evaluated subsequent events through December 19, 2014, which is the date the consolidated financial statements were available to be issued.

## CATHOLIC CHARITIES OF FAIRFIELD COUNTY, INC.

### Notes to Consolidated Financial Statements June 30, 2014 and 2013

#### NOTE 3 - PLEDGES RECEIVABLE

Pledges receivable of \$298,595 and \$228,502, from the Annual Bishop's Appeal are outstanding and all are due within one year at June 30, 2014 and 2013, respectively.

#### NOTE 4 - CONCENTRATIONS

Catholic Charities' financial instruments that are exposed to concentrations of credit risk consist of cash and cash equivalents, grants receivable and governmental grants.

**Cash and cash equivalents** – Catholic Charities places its cash deposits with credit-quality institutions. Such deposits exceed federal depository insurance limits at various times during the year. However, management believes that Catholic Charities' deposits are not subject to significant credit risk.

**Grants receivable** – Grants are supported by contracts and based on historical experience, represent negligible credit risk.

**Governmental grants** – Catholic Charities receives a significant portion of its funding from federal and state grants. As with all grants, there is a risk that future grants will be reduced or eliminated. A significant reduction in grant revenue would have a large impact on Catholic Charities' program services.

#### NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2014</u>	<u>2013</u>
Buildings	\$ 797,894	\$ 797,894
Furniture and equipment	93,895	91,830
Automobiles	370,815	374,025
Leasehold improvements	1,709,952	1,664,842
Computer equipment	69,990	72,146
Land	<u>157,250</u>	<u>157,250</u>
	3,199,796	3,157,987
Less accumulated depreciation	<u>(2,087,562)</u>	<u>(1,987,590)</u>
	1,112,234	1,170,397
Construction-in-progress	<u>55,955</u>	<u>18,132</u>
	<u>\$ 1,168,189</u>	<u>\$ 1,188,529</u>

# CATHOLIC CHARITIES OF FAIRFIELD COUNTY, INC.

## Notes to Consolidated Financial Statements June 30, 2014 and 2013

### NOTE 6 - CONDITIONAL ASSET RETIREMENT OBLIGATION

Changes in conditional asset retirement obligations for asbestos material related to property owned by Catholic Charities were as follows for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Balance beginning of the year	\$ 49,099	\$ 46,990
Accretion	<u>2,412</u>	<u>2,109</u>
	<u>\$ 51,511</u>	<u>\$ 49,099</u>

### NOTE 7 - DEFINED-CONTRIBUTION PLANS

Catholic Charities participates in the Diocese maintained defined-contribution 401(a) thrift plan covering all Catholic Charities employees who worked at least 20 hours per week, who meet the eligibility requirements of one year of service, and who were 21 years of age. Contributions are based on years of service, including years of service prior to August 1, 2010 at rates of 3%, 5% or 7%, with certain long serving employees at August 1, 2010 at rates of 10% or 13%. Catholic Charities contributions totaled approximately \$186,000 and \$219,000 for the years ended June 30, 2014 and 2013, respectively.

Catholic Charities also provides for a 403(b) salary reduction plan for all employees who wish to contribute. Catholic Charities does not make any contributions to this plan.

### NOTE 8 - RELATED-PARTY TRANSACTIONS

Catholic Charities receives contributions from the Diocese to fund its operations, as well as proceeds from special collections conducted by parishes of the Diocese. Additionally, Catholic Charities provides services to Diocesan entities consisting primarily of social services to clergy and to its Catholic schools.

During the fiscal years ended June 30, 2014 and 2013, revenue earned from social services provided to Diocesan entities, and included in the behavioral health services program revenue was \$82,000 and \$27,000, respectively.

Catholic Charities participates in employee benefit and insurance programs sponsored by the Diocese for all Diocesan entities and the Diocese provides various services and office space to Catholic Charities. Expenses for these programs and services are as follows for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Employee benefit and insurance programs	\$ 940,024	\$ 952,762
Support services including: accounting, human resources, information technology and development	<u>124,132</u>	101,519
Office space and related services	<u>112,728</u>	<u>112,268</u>
	<u>\$ 1,176,884</u>	<u>\$ 1,166,549</u>

# CATHOLIC CHARITIES OF FAIRFIELD COUNTY, INC.

## Notes to Consolidated Financial Statements June 30, 2014 and 2013

### NOTE 8 - RELATED-PARTY TRANSACTIONS (CONTINUED)

In October of 2007, Catholic Charities entered into an agreement with The Stratford Coalition for the Homeless, Inc. ("The Stratford Coalition"), a not-for-profit, non-stock corporation formed under the laws of the State of Connecticut to study and meet the needs of the homeless and hungry in Stratford, Connecticut. The agreement included Catholic Charities providing programmatic, facilities, financial, and other management services to The Stratford Coalition. The members of Catholic Charities had become members of The Stratford Coalition, but Catholic Charities had no financial interest in The Stratford Coalition. In September 2012, the assets (excluding the real property and equipment) and liabilities of The Stratford Coalition were transferred to Catholic Charities. As of the same date, the Stratford Coalition's real property and equipment were conveyed to a newly formed entity, CCFCH, of which Catholic Charities is the sole member, and The Stratford Coalition subsequently dissolved. As a result, Catholic Charities reported the fair value of the property and equipment of \$353,163 and other assets and liabilities of \$19,214 as public support revenue in the consolidated statement of activities for fiscal 2013. The operations of The Stratford Coalition were consolidated with the operations of Catholic Charities effective as of such date.

### NOTE 9 - LEASE COMMITMENTS

Catholic Charities leases various office equipment, facilities and vehicles under operating leases, which expire at various times through June 2024. Rent expense for the years ended June 30, 2014 and 2013 amounted to \$515,210 and \$498,773, net of sublease rental income of \$5,300 and \$15,763, respectively.

At June 30, 2014, future minimum lease payments under these operating leases were as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 464,706
2016	431,547
2017	339,573
2018	316,658
2019	223,596
2020 thereafter	<u>933,874</u>
	<u>\$ 2,709,954</u>



# CATHOLIC CHARITIES OF FAIRFIELD COUNTY, INC.

## Notes to Consolidated Financial Statements June 30, 2014 and 2013

### NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2014</u>	<u>2013</u>
Future periods:		
Annual Bishops' Appeal pledges receivable	\$ 190,595	\$ 228,502
Capital campaign pledges receivable for New Covenant House	108,000	
United Way Neighbors Helping Neighbors for Thomas Merton Center	27,000	
Fairfield Community Foundation for New Covenant House	10,000	
Purposes:		
Maryann Furlong Education Assistance Fund	60,960	72,221
Malta House contribution for Room to Grow	4,191	4,367
Merton Homes' furnishings contribution	2,500	2,500
United Way Neighbor-to-Neighbor grants	437	437
Housing	150	150
Catholic Charities USA grant for:		
Sandy Hook counseling	64,762	
Disaster case management	17,505	
Contributions for Merton Center development	550	
Norwalk Mayor's Ball for Room to Grow	19,145	
Capital campaign contributions for New Covenant House	<u>285,282</u>	
	<u>\$ 791,077</u>	<u>\$ 308,177</u>

### NOTE 11 - NET ASSETS RELEASED FROM RESTRICTIONS

During each year, net assets were released from restrictions by incurring expenses satisfying the following purpose or time restrictions for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Future periods:		
Annual Bishops' Appeal pledges receivable	\$ 228,502	\$ 139,521
Purposes:		
Maryann Furlong Education Assistance Fund	11,463	12,895
Malta House contribution for Room to Grow	175	930
Adnor Capital Management for Merton House freezer		10,000
Suzanski Foundation for Merton House van		<u>5,375</u>
	<u>\$ 240,140</u>	<u>\$ 168,721</u>

## **CATHOLIC CHARITIES OF FAIRFIELD COUNTY, INC.**

### **Notes to Consolidated Financial Statements June 30, 2014 and 2013**

#### **NOTE 12 - CONTINGENCIES**

Catholic Charities received funding in the form of state and federal grant programs, Medicaid and Medicare reimbursements. The use of grant and Medicaid and Medicare reimbursements is subject to further review by the granting agencies and Medicaid and Medicare. Such reviews may result in Catholic Charities having liabilities to the grantors. There are no known liabilities as a result of such review.

Catholic Charities is a defendant with respect to claims involving issues arising in the normal course of business. In the opinion of management and its legal counsel, the resolution of these complaints will not have a material impact on the consolidated financial position and changes in net assets of Catholic Charities.

#### **NOTE 13 - SUBSEQUENT EVENT**

Subsequent to June 30, 2014, Catholic Charities entered into a construction agreement for improvements to the New Covenant House property located in Stamford, Connecticut at an estimated projected cost of approximately \$1.3 million.