

**CATHOLIC CHARITIES LEGAL SERVICES,  
ARCHDIOCESE OF MIAMI, INC.**

Financial Statements

June 30, 2017

(With Independent Auditor's Report Thereon)

**FINANCIAL STATEMENTS**

June 30, 2017

**Table of Contents**

	<u>Pages</u>
Independent Auditor's Report.....	1-2
Basic Financial Statements:	
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
Notes to Financial Statements.....	7-11
Single Audit Reporting:	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i> .....	12-13
Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	14-15
Schedule of Expenditures of Federal Awards and Notes to Schedule of Expenditures of Federal Awards.....	16
Schedule of Findings and Questioned Costs.....	17-18
Summary Schedule of Prior Year Audit Findings.....	19

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**INDEPENDENT AUDITOR'S REPORT**

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## **Independent Auditor's Report**

The Board of Directors  
Catholic Charities Legal Services  
Archdiocese of Miami, Inc.:

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

We have audited the accompanying financial statements of Catholic Charities Legal Services, Archdiocese of Miami, Inc. (the "Organization"), a non-profit organization, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Organization as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Other Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2017 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 the Organization's internal control over financial reporting and compliance.

*Sanson Kline Jacomina Landee & Hamarra, LLP*

Miami, Florida  
August 9, 2017

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**BASIC FINANCIAL STATEMENTS**

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Catholic Charities Legal Services, Archdiocese of Miami, Inc.

**STATEMENT OF FINANCIAL POSITION**

June 30, 2017

**Assets**

Current assets:

Cash	\$ 497,510
Accounts receivable, net of allowance for doubtful accounts of \$43,793	43,793
Grants receivable	442,093
Security deposit	<u>60,304</u>
Total current assets	1,043,700

Property and equipment, net

26,685

Total assets

\$ 1,070,385

**Liabilities and net assets**

Current liabilities:

Accounts payable and accrued expenses	\$ 190,695
Notes payable	430,364
Compensated absences	<u>103,198</u>
Total current liabilities	<u>724,257</u>

Net assets:

Temporarily restricted	109,253
Unrestricted	<u>236,875</u>
Total net assets	<u>346,128</u>
Total liabilities and net assets	<u>\$ 1,070,385</u>

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

Catholic Charities Legal Services, Archdiocese of Miami, Inc.

**STATEMENT OF ACTIVITIES**

For the year ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and other revenue:</b>			
Support:			
Grants	\$ 2,657,264	137,500	\$ 2,794,764
Client fees	602,680	-	602,680
Fundraising	83,125	5,500	88,625
Contributions	119,100	-	119,100
Net assets released from restriction	103,010	(103,010)	-
Interest income	27	-	27
Total support and other revenue	<u>3,565,206</u>	<u>39,990</u>	<u>3,605,196</u>
<b>Expenses:</b>			
Program services:			
Immigration services	<u>2,813,449</u>	<u>-</u>	<u>2,813,449</u>
Total program services	<u>2,813,449</u>	<u>-</u>	<u>2,813,449</u>
Supporting services:			
Management and general	496,011	-	496,011
Fundraising	<u>23,587</u>	<u>-</u>	<u>23,587</u>
Total supporting services	<u>519,598</u>	<u>-</u>	<u>519,598</u>
Total expenses	<u>3,333,047</u>	<u>-</u>	<u>3,333,047</u>
Change in net assets	232,159	39,990	272,149
<b>Net assets - beginning of year</b>	<u>4,716</u>	<u>69,263</u>	<u>73,979</u>
<b>Net assets - end of year</b>	<u>\$ 236,875</u>	<u>\$ 109,253</u>	<u>\$ 346,128</u>

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



Catholic Charities Legal Services, Archdiocese of Miami, Inc.

**STATEMENT OF FUNCTIONAL EXPENSES**

For the year ended June 30, 2017

	<b>Program Services</b>	<b>Supporting Services</b>			<b>Grand Total</b>
	<b>Immigration Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>	
Compensation and related expenses:					
Salaries	\$ 1,753,910	\$ 309,514	\$ -	\$ 309,514	\$ 2,063,424
Employee benefits	309,997	54,705	-	54,705	364,702
Payroll taxes	<u>132,453</u>	<u>23,374</u>	-	<u>23,374</u>	<u>155,827</u>
	2,196,360	387,593	-	387,593	2,583,953
Accounting Fees	21,250	3,750	-	3,750	25,000
Bad Debt	8,481	1,497	-	1,497	9,978
Bank Service Charges	632	112	-	112	744
Client Costs	503	89	-	89	592
Depreciation Expense	5,375	949	-	949	6,324
Donations	1,584	280	-	280	1,864
Employee Meals	2,445	432	-	432	2,877
Equipment Rental	7,227	1,275	-	1,275	8,502
Fundraising Events	-	-	23,587	23,587	23,587
Interest Expense	9,836	1,736	-	1,736	11,572
Liability Insurance	28,778	5,078	-	5,078	33,856
Licenses and Taxes	643	114	-	114	757
Memberships and Subscriptions	12,648	2,232	-	2,232	14,880
Merchants Fees	5,213	919	-	919	6,132
Miscellaneous	6,503	1,148	-	1,148	7,651
Occupancy Expenses	158,213	27,920	-	27,920	186,133
Office Supplies	32,727	5,775	-	5,775	38,502
Other Professional Services	103,509	18,266	-	18,266	121,775
Postage and Shipping	33,510	5,913	-	5,913	39,423
Printing	5,029	888	-	888	5,917
Special Events	2,729	-	-	-	2,729
Tech and Professional Contractors	125,071	22,071	-	22,071	147,142
Telephone	13,237	2,336	-	2,336	15,573
Travel and Entertainment	<u>31,946</u>	<u>5,638</u>	-	<u>5,638</u>	<u>37,584</u>
Total expenses	<u>\$ 2,813,449</u>	<u>\$ 496,011</u>	<u>\$ 23,587</u>	<u>\$ 519,598</u>	<u>\$ 3,333,047</u>

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

Catholic Charities Legal Services, Archdiocese of Miami, Inc.

**STATEMENT OF CASH FLOWS**

For the year ended June 30, 2017

<b>Reconciliation of change in net assets to net cash provided by operating activities</b>	
Change in net assets	\$ 272,149
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	6,324
(Increase) decrease in assets:	
Account receivables	29
Grant receivables	25,765
Prepaid expenses	659
Security deposit	7,447
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	31,492
Compensated absences	<u>10,304</u>
Net cash provided by operating activities	<u>354,169</u>
<b>Cash flows from investing activities</b>	
Purchases of property and equipment	<u>(26,473)</u>
Net cash used in investing activities	<u>(26,473)</u>
<b>Cash flows from financing activities</b>	
Payments on notes payable	<u>(17,845)</u>
Net cash used in financing activities	<u>(17,845)</u>
<b>Net increase in cash</b>	309,851
<b>Cash - beginning of year</b>	<u>187,659</u>
<b>Cash - end of year</b>	<u>\$ 497,510</u>
<b>Supplemental disclosures of cash flow information:</b>	
Cash paid during the year for interest	<u>\$ 11,257</u>

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

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

**NOTE 1 – NATURE OF ORGANIZATION**

Catholic Charities Legal Services, Archdiocese of Miami, Inc. (the "Organization") is a non-profit organization. Its initial and current member is The Most Reverend Thomas G. Wenski, Archbishop of the Archdiocese of Miami. The organization's mission is to promote the principle of equal access to the system of justice, provide legal services to persons and groups in special need, inform immigrants of their legal rights, as well as inform and advise community groups and health and social service providers about the legal problems and rights of immigrants and about legal services provided by this entity, and provide legal services to facilitate the reunification of families and access to employment and human services.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of the Organization's significant accounting policies is presented to assist the reader in interpreting the financial statements. The policies are considered essential and should be read in conjunction with the financial statements.

**A. Basis of presentation**

The financial statements have been prepared on the accrual basis of accounting. Classification of the Organization's net assets, its revenue and expenses, and gains and losses are based on the existence or absence of donor-imposed restrictions. Net assets can be classified in the following categories:

- (i) Unrestricted – consists of net assets that are neither temporarily nor permanently restricted by donor-imposed stipulations.
- (ii) Temporarily restricted – represent net assets with a donor-imposed restriction that is satisfied either by the passage of time or by actions of the Organization.
- (iii) Permanently restricted – result primarily from contributions and other inflows of assets whose use by the Organization is limited by legally imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Expiration of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

**B. Property and equipment**

Property and equipment purchased by the Organization are capitalized and recorded at cost. Donated assets are capitalized and recorded at fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenses for maintenance and repairs are charged to expense when incurred.

Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Without donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service, reclassifying temporarily restricted net assets to unrestricted net assets at that time.

**C. Public support**

A significant portion of the Organization's revenues are received through a single grant, and under a voluntary fee-for-service program. The primary funding source is the U.S. Department of Health and Human Services, passed -through the Florida Department of Children & Families.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

June 30, 2017

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Public support (continued)**

The Organization is the ultimate sub-recipient of such contract funding. Generally, the funding agreements expire on an annual basis and is mostly a fixed price contract, with a small portion on a cost reimbursement basis.

**D. Legal service fees and accounts receivable**

The Organization provides immigration legal services to clients at significantly reduced fixed fee amounts. Due to the nature of the clients served and lengthy legal proceedings, the Organization does not enforce payment of services preceding inception of work. Instead, fees must be paid prior to closing of the client's case and may be paid over the length of the legal proceeding, which in some cases may extend over the period of several fiscal years. As such, the Organization periodically evaluates the accounts receivables for each type of legal service provided, as well as the status of any significant past due accounts, to determine an allowance for doubtful accounts. When management determines that a receivable is uncollectible, the balance is removed from accounts receivable and charged against the allowance. Any subsequent recoveries of amounts previously written-off are charged to income.

**E. Fundraising events and grant revenues**

Fundraising events revenue is recognized when received. Grant revenues are recognized when the requirements under the grant have been fulfilled. Grant revenues whose restrictions are met in the same reporting period are reported as unrestricted support.

**F. Contributions**

Contributions received are recognized as revenues when the donor's commitment is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. When donor restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

**G. Donated goods and services**

Donated goods and services are reflected as in-kind contributions and expensed in the statement of activities. These donations are recorded at fair market value when received and when there is an objective basis for determining such values. During 2017, the Organization recorded in-kind contributions for professional services totaling \$47,500.

**H. Functional allocation of expenses**

The cost of providing various programs and other activities are summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs are allocated among the programs and supporting services benefited.

**I. Income taxes**

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is properly listed under a group exemption with the Archdiocese of Miami. As a result, no income tax provision or liability has been provided in the accompanying financial statements.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

June 30, 2017

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****I. Income taxes (continued)**

In accordance with FASB issued FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, in the unlikely event an uncertain tax position exists in which the Organization could incur income taxes, the Organization would evaluate whether there is a probability that the uncertain tax position taken would be sustained upon examination by a taxing authority. Reserves for uncertain tax positions would then be recorded if the Organization determined that it is probable that either a position would not be sustained upon examination or if a payment would have to be made to a taxing authority and the amount was reasonably estimable. As of June 30, 2017, the Organization does not believe it has any uncertain tax positions that would result in the Organization having a liability to a taxing authority. The Organization is subject to federal and state tax examinations for tax years 2013 through 2015.

**J. Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

**K. Retirement and health plan**

The Organization sponsors retirement and health plans administered through the Archdiocese of Miami. The retirement plan was a non-contributory defined benefit plan through December 31, 2012. Effective January 1, 2014, the Archdiocese of Miami changed the retirement plan to a contributory defined benefit plan, whereby the Organization will match 50% of employee contributions up to 6% of eligible pay. The health plan requires a portion of the monthly obligation to be contributed by each employee. Total pension costs and health and welfare costs incurred by the Organization during the fiscal year ended June 30, 2017 totaled \$123,480 and \$241,223, respectively.

**NOTE 3 – CONCENTRATION OF CREDIT RISK**

The Organization maintains cash balances in one bank, which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Management continually reviews the bank institutions for deposit risk and believes the risk associated with the current banking institutions is minimal.

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2017 consist of the following:

	<u>Amount</u>
Computer equipment	\$ 49,853
Furniture and equipment	10,404
Leasehold improvements	<u>11,495</u>
Total	71,752
Less accumulated depreciation	<u>(45,067)</u>
Property and equipment, net	<u>\$ 26,685</u>

Depreciation expense for the year ended June 30, 2017 totaled \$6,324.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

June 30, 2017

**NOTE 5 – NOTES PAYABLE**

Notes payable at June 30, 2017 consist of the following:

	<u>Amount</u>
\$180,000 revolving note: Sabadell United, NA; interest only payments at variable interest plus 1.5% (2.6589% at June 30, 2017), maturing annually, originated on September 2004, secured by the Organization and The Most Reverend Thomas G. Wenski. Interest paid during fiscal year 2017 was \$3,859.	\$ 174,585
\$356,900 non-revolving note: SunTrust Bank; interest only loan at one-month Libor rate plus 1.5% (2.55% at June 30, 2017), maturing on August 30, 2017, secured by the Organization and The Most Reverend Thomas G. Wenski. Interest paid during fiscal year 2017 was \$5,926.	<u>255,779</u>
Total notes payable	<u>\$ 430,364</u>

**NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS**

At June 30, 2017, total temporarily restricted net assets in the amount of \$109,253 consist of grants contributions restricted for special purposes totaling \$103,753, and fund raising monies restricted for special events totaling \$5,500.

**NOTE 7 – OPERATING LEASES**

The Organization has operations located at three facilities (Miami, Broward and Doral) under separate operating lease agreements, expiring on various dates through fiscal year 2022. The Organization also has office equipment under two operating lease agreements expiring during fiscal years 2020 and 2022. During the fiscal year ended June 30, 2017, the Organization's facilities rent expense for all three facilities and equipment rent expense totaled \$160,327 and \$6,791, respectively.

Future minimum lease payments under these operating lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 151,796
2019	153,036
2020	154,772
2021	156,639
2022	52,480

**NOTE 8 – RELATED PARTY TRANSACTIONS**

The Organization operates under the direction and guidance of the incumbent Archbishop of Miami, The Most Reverend Thomas G. Wenski. Acting as corporate sole for the organization, he appoints the Organization's Board of Directors and its Officers. The Archdiocese of Miami provides the Organization health and welfare participation, acts as guarantee on debt, and is listed with the Organization under a group exemption with the IRS.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

June 30, 2017

**NOTE 9 – CONTINGENCIES**

A substantial amount of the Organization's support is from federal grant funding. A significant reduction in the level of this support, if this were to occur, may have an adverse effect on the Organization's programs and activities.

**NOTE 10 – SUBSEQUENT EVENTS**

The Organization evaluated subsequent events through August 9, 2017, the date the financial statements were available to be issued, and does not believe that there are any such events or transactions that require disclosure.

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**SINGLE AUDIT REPORTING**

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**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***

**Independent Auditor's Report**

The Board of Directors  
Catholic Charities Legal Services  
Archdiocese of Miami, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Catholic Charities Legal Services, Archdiocese of Miami, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 9, 2017.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*Sanson Kline Jacomina Landae S Hamarra, LLP*

Miami, Florida  
August 9, 2017



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**Report on Compliance For Each Major Federal Program  
and on Internal Control Over Compliance Required by the  
Uniform Guidance**

**Independent Auditor's Report**

The Board of Directors  
Catholic Charities Legal Services  
Archdiocese of Miami, Inc.:

**Report on Compliance for Each Major Federal Program**

We have audited Catholic Charities Legal Services, Archdiocese of Miami, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Organization's major federal programs for the year ended June 30, 2017. The Organization's 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's 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 the Organization's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Organization complies, 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, 2017.

## Report on Internal Control Over Compliance

Management of the Organization 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 the Organization's 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 the Organization's 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.

*Sanson Kline Jacomino Landac & Hamarra, LLP*

Miami, Florida  
August 9, 2017

Catholic Charities Legal Services, Archdiocese of Miami, Inc.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended June 30, 2017

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA No.	Pass-Through Entity Identifying Number	Total Federal Expenditures
<b>U.S. Department of Health and Human Services:</b>			
Passed-through Florida Department of Children & Families:			
Refugee and Entrant Assistance – State/Replacement Designee Administered Programs	93.566	XK049	\$ 958,205
Refugee and Entrant Assistance – State/Replacement Designee Administered Programs	93.566	XK050	<u>166,802</u>
Total U.S. Department of Health and Human Services			<u>1,125,007</u>
<b>Corporation for National Community Service:</b>			
Passed-through Equal Justice Works:			
AmeriCorps State and National Grant	94.006	14NDHDC003	<u>23,102</u>
Total Corporation for National Community Service			<u>23,102</u>
Total Expenditures of Federal Awards			<u>\$ 1,148,109</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Note A – Basis of presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of Catholic Charities Legal Services, Archdiocese of Miami, Inc. (the “Organization”) under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, results of its operations, or cash flows of the Organization.

**Note B – Summary of significant accounting policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**SCHEDULE OF FINDINGS AND QUESTIONS COSTS**

For the year ended June 30, 2017

**SECTION 1 – SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes  X  no

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

Noncompliance material for financial statements noted? \_\_\_\_\_ yes  X  no

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified? \_\_\_\_\_ yes  X  no

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR? \_\_\_\_\_ yes  X  no

Identification of major federal programs:

<b>CFDA number</b>	<b>Name of federal program</b>
93.566	U.S. Department of Health and Human Services: Passed-through Florida Department of Children & Families: Refugee and Entrant Assistance – State/Replacement Designee Administered Programs

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

Auditee qualified as a low-risk auditee?  X  yes \_\_\_\_\_ no

**SECTION II – FINANCIAL STATEMENT FINDINGS**

Internal Control Over Financial Reporting – None reported.  
Compliance – None reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Internal Control Over Compliance – None reported.  
Compliance – None reported.

**SCHEDULE OF FINDINGS AND QUESTIONS COSTS (Continued)**

For the year ended June 30, 2017

**SECTION IV – OTHER MATTERS**

- No management letter is required because there were no findings required to be reported in a management letter.
- No summary schedule of prior audit findings is required because there were no prior audit findings related to federal awards programs.