

CATHOLIC CHARITIES LEGAL SERVICES,  
ARCHDIOCESE OF MIAMI, INC.

Financial Statements  
and Single Audit Reports

June 30, 2024



## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

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, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, and the change 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.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibility of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year from the date the financial statements are issued or available to be issued.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Matters***

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 on page 16 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 October 3, 2024 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.

PAAST.PL

Certified Public Accountants  
Coral Gables, Florida  
October 3, 2024

CATHOLIC CHARITIES LEGAL SERVICES, ARCHDIOCES OF MIAMI, INC.  
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CATHOLIC CHARITIES LEGAL SERVICES, ARCHDIOCES OF MIAMI, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2024

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|  |                     |
|--|---------------------|
| ASSETS   |                     |
| Current assets   |                     |
| Cash   | \$ 1,287,239        |
| Accounts receivable, net of allowance for<br>credit losses of \$78,329 | 78,329              |
| Grants receivable  | <u>2,455,443</u>    |
| Total current assets   | 3,821,011           |
| Noncurrent assets  |                     |
| Security deposit   | 57,849              |
| Property and equipment, net  | 5,005               |
| Operating lease right-of-use assets, net                               | <u>458,549</u>      |
| TOTAL ASSETS   | <u>\$ 4,342,414</u> |
| LIABILITIES AND NET ASSETS   |                     |
| Current liabilities  |                     |
| Operating lease liabilities, current portion                           | \$ 242,458          |
| Accounts payable and accrued expenses                                  | 797,536             |
| Compensated absences   | <u>340,759</u>      |
| Total current liabilities  | <u>1,380,753</u>    |
| Noncurrent liabilities   |                     |
| Operating lease liabilities, net of current portion                    | <u>224,344</u>      |
| Net assets   |                     |
| Without donor restrictions   | 1,622,006           |
| With donor restrictions  | <u>1,115,311</u>    |
| Total net assets   | <u>2,737,317</u>    |
| TOTAL LIABILITIES AND NET ASSETS                                       | <u>\$ 4,342,414</u> |

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

CATHOLIC CHARITIES LEGAL SERVICES, ARCHDIOCES OF MIAMI, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

|  | Without<br>Donor<br>Restrictions | With<br>Donor<br>Restrictions | Total               |
|--|----------------------------------|-------------------------------|---------------------|
| <b>SUPPORT AND OTHER REVENUE</b>       |                                  |                               |                     |
| Grants                                 | \$ 6,018,918                     | 1,586,701                     | \$ 7,605,619        |
| Client fees                            | 604,885                          | -                             | 604,885             |
| Fundraising                            | 147,293                          | -                             | 147,293             |
| Contributions                          | 262,693                          | 27,170                        | 289,863             |
| Interest                               | 31,339                           | -                             | 31,339              |
| Net assets released from restriction   | 982,245                          | (982,245)                     | -                   |
| <b>TOTAL SUPPORT AND OTHER REVENUE</b> | <b>8,047,373</b>                 | <b>631,626</b>                | <b>8,678,999</b>    |
| <b>EXPENSES</b>                        |                                  |                               |                     |
| Program services                       |                                  |                               |                     |
| Immigration services                   | 6,954,153                        | -                             | 6,954,153           |
| Supporting services:                   |                                  |                               |                     |
| Management and general                 | 1,035,169                        | -                             | 1,035,169           |
| Fundraising                            | 48,542                           | -                             | 48,542              |
| Total supporting services              | 1,083,711                        | -                             | 1,083,711           |
| <b>TOTAL EXPENSES</b>                  | <b>8,037,864</b>                 | <b>-</b>                      | <b>8,037,864</b>    |
| <b>CHANGE IN NET ASSETS</b>            | <b>9,509</b>                     | <b>631,626</b>                | <b>641,135</b>      |
| <b>NET ASSETS, BEGINNING OF YEAR</b>   | <b>1,612,497</b>                 | <b>483,685</b>                | <b>2,096,182</b>    |
| <b>NET ASSETS, END OF YEAR</b>         | <b>\$ 1,622,006</b>              | <b>\$ 1,115,311</b>           | <b>\$ 2,737,317</b> |

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

CATHOLIC CHARITIES LEGAL SERVICES, ARCHDIOCES OF MIAMI, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024

|                                   | Program<br>Services     | Supporting Services       |                  |                     | Grand<br>Total      |
|-----------------------------------|-------------------------|---------------------------|------------------|---------------------|---------------------|
|                                   | Immigration<br>Services | Management<br>and General | Fundraising      | Total               |                     |
| <b>EXPENSES</b>                   |                         |                           |                  |                     |                     |
| Compensation and related expenses |                         |                           |                  |                     |                     |
| Salaries                          | \$ 4,496,112            | \$ 671,833                | \$ -             | \$ 671,833          | \$ 5,167,945        |
| Employee benefits                 | 450,119                 | 67,260                    | -                | 67,260              | 517,379             |
| Payroll taxes                     | 339,368                 | 50,710                    | -                | 50,710              | 390,078             |
|                                   | <u>5,285,599</u>        | <u>789,803</u>            | <u>-</u>         | <u>789,803</u>      | <u>6,075,402</u>    |
| Accounting fees                   | 22,446                  | 3,354                     | -                | 3,354               | 25,800              |
| Bad debt                          | 12,188                  | 1,821                     | -                | 1,821               | 14,009              |
| Bank service charges              | 535                     | 79                        | -                | 79                  | 614                 |
| Client costs                      | 11,697                  | 1,748                     | -                | 1,748               | 13,445              |
| Depreciation                      | 3,684                   | 551                       | -                | 551                 | 4,235               |
| Donations                         | 7,604                   | 1,137                     | -                | 1,137               | 8,741               |
| Equipment rental                  | 3,342                   | 499                       | -                | 499                 | 3,841               |
| Fundraising events                | -                       | -                         | 48,542           | 48,542              | 48,542              |
| Interest expense                  | 92                      | 13                        | -                | 13                  | 105                 |
| Liability insurance               | 59,916                  | 8,953                     | -                | 8,953               | 68,869              |
| Licenses and taxes                | 2,850                   | 426                       | -                | 426                 | 3,276               |
| Memberships and subscriptions     | 21,796                  | 3,257                     | -                | 3,257               | 25,053              |
| Merchants fees                    | 12,582                  | 1,880                     | -                | 1,880               | 14,462              |
| Miscellaneous                     | 9,558                   | 1,429                     | -                | 1,429               | 10,987              |
| Occupancy expenses                | 308,867                 | 46,153                    | -                | 46,153              | 355,020             |
| Office supplies                   | 99,409                  | 14,854                    | -                | 14,854              | 114,263             |
| Other professional services       | 762,822                 | 113,985                   | -                | 113,985             | 876,807             |
| Postage and shipping              | 55,502                  | 8,293                     | -                | 8,293               | 63,795              |
| Printing                          | 5,796                   | 866                       | -                | 866                 | 6,662               |
| Special events                    | 26,485                  | -                         | -                | -                   | 26,485              |
| Staff development costs           | 32,421                  | 4,845                     | -                | 4,845               | 37,266              |
| Tech and professional contractors | 112,535                 | 16,815                    | -                | 16,815              | 129,350             |
| Telephone                         | 28,991                  | 4,332                     | -                | 4,332               | 33,323              |
| Travel and training               | 67,436                  | 10,076                    | -                | 10,076              | 77,512              |
|                                   | <u>\$ 6,954,153</u>     | <u>\$ 1,035,169</u>       | <u>\$ 48,542</u> | <u>\$ 1,083,711</u> | <u>\$ 8,037,864</u> |
| <b>TOTAL EXPENSES</b>             |                         |                           |                  |                     |                     |

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

CATHOLIC CHARITIES LEGAL SERVICES, ARCHDIOCES OF MIAMI, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024

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|   |                     |
|---|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES  |                     |
| Change in net assets  | \$ 641,135          |
| Adjustments to reconcile change in net assets to net cash used in operating activities: |                     |
| Depreciation  | 4,235               |
| Non-cash lease expense  | 474,049             |
| Changes in assets and liabilities:  |                     |
| Account receivables   | 19,580              |
| Grant receivables   | (1,236,115)         |
| Security deposit  | (14,833)            |
| Accounts payable and accrued expenses   | 370,040             |
| Compensated absences  | 111,394             |
| Operating lease liabilities   | <u>(474,887)</u>    |
| NET CASH USED IN OPERATING ACTIVITIES   | <u>(105,402)</u>    |
| NET DECREASE IN CASH  | (105,402)           |
| CASH, BEGINNING OF YEAR   | <u>1,392,641</u>    |
| CASH, END OF YEAR   | <u>\$ 1,287,239</u> |

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



NOTE 1 – NATURE OF ORGANIZATION

Catholic Charities Legal Services, Archdiocese of Miami, Inc. (the "Organization") is a non-profit organization. Its 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/grantor-imposed restrictions. Net assets can be classified in the following categories:

- (i) *Net assets without donor restrictions* – consists of net assets that are not subject to donor/grantor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization, at the discretion of management and the board of directors.
- (ii) *Net assets with donor restrictions* – represent net assets subject to stipulations imposed by donors and/or grantors. Some donor/grantor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor/grantor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor/grantor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

B) ACCOUNTS RECEIVABLE – LEGAL SERVICE FEES

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 credit losses. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) 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 support without donor restrictions, 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 support with donor restrictions. 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 net assets with donor restrictions to net assets without donor restrictions, at that time.

D) CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances in three financial institutions, two of which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, and the third insured up to \$5,000,000. Management continually reviews the financial institutions for deposit risk and believes the risk associated with the financial institutions is minimal.

E) OPERATING LEASES

Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on the statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. When the lease agreement does not provide an implicit rate, the Organization uses the incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU assets also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

F) REVENUE AND REVENUE RECOGNITION

The Organization's other revenue sources, aside from legal service fees, are from grants, contributions and fundraising events. Grants and contributions are recognized as revenue when the donor's commitment is received. Fund raising event revenue are recognized as revenue when received. Grants, contributions and fundraising event revenue are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor/grantor-imposed restrictions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F) REVENUE AND REVENUE RECOGNITION (Continued)

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Grants, contributions and fundraising event revenue whose restrictions are met in the same reporting period are reported as support without donor restrictions.

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 2024, the Organization recorded in-kind contributions for professional services totaling \$67,750.

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. Such allocations are determined by management on an equitable basis.

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. 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, 2024, the Organization does not believe it has any uncertain tax positions that would result in a liability to a taxing authority. The Organization is subject to federal and state tax examinations for tax years 2020 through 2022.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2024 totaled \$203,781 and \$313,598, respectively.

L) RECENT ACCOUNTING PRONOUNCEMENTS

The Organization evaluates new accounting pronouncements for relevance and impact on its financial statements.

During 2023, the Organization adopted Accounting Standards Update (“ASU”) 2016-13, Financial Instruments – Credit Losses. However, the adoption of the ASU did not have a material impact on the Organization’s financial statements.

NOTE 3 – AVAILABILITY AND LIQUIDITY

The following reflects the Organization’s financial assets at June 30, 2024, reduced by amounts that are not available to meet general expenses within one year of the statement of financial position date:

|  | <u>Amount</u>       |
|--|---------------------|
| Financial assets at year-end:  |                     |
| Cash   | \$ 1,287,239        |
| Accounts receivable, net   | 78,329              |
| Grants receivable  | <u>2,455,443</u>    |
| Total financial assets   | 3,821,011           |
| Less amounts not available to be used within one year:                             |                     |
| Net assets with donor restrictions   | <u>1,115,311</u>    |
| Financial assets available to meet general obligations over the next twelve months | <u>\$ 2,705,700</u> |

The Organization regularly monitors the availability of resources required to meet its operating needs, and manages its liquidity by operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs. In addition, the Organization anticipates, on an annual basis, collecting sufficient revenue to cover general expenses not covered by donor/grantor-restricted resources.

CATHOLIC CHARITIES LEGAL SERVICES, ARCHDIOCESE OF MIAMI, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2024

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NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2024 consist of the following:

|                               | <u>Amount</u>          |
|-------------------------------|------------------------|
| Furniture and equipment       | \$ 79,841              |
| Leasehold improvements        | <u>29,025</u>          |
| Total                         | 108,866                |
| Less accumulated depreciation | <u>(103,861)</u>       |
| Property and equipment, net   | \$ <u><u>5,005</u></u> |

NOTE 5 – OPERATING LEASE AGREEMENTS

The Organization leases office facilities and equipment under ten operating lease agreements, expiring between 2024 and 2029. Activity on the operating leases as of and for the fiscal year ended June 30, 2024 consists of the following:

|   | <u>Amount</u>     |
|---|-------------------|
| Operating lease costs   | \$ <u>342,549</u> |
| Cash paid for amounts included in the measurement of lease liabilities:   |                   |
| Operating cash flows from operating leases                                | \$ <u>343,128</u> |
| Right-of-use assets obtained in exchange for operating lease obligations: |                   |
| Balance at July 1, 2023   | \$ 587,338        |
| New right-of-use assets during fiscal year                                | 345,260           |
| Non-cash lease expense  | <u>(474,049)</u>  |
| Balance at June 30, 2024  | \$ <u>458,549</u> |
| Weighted averages as of June 30, 2024:                                    |                   |
| Remaining lease term (in months)  | <u>28.93</u>      |
| Discount rate (percent)   | <u>4.58</u>       |

The future minimum payments due under the operating leases as of June 30, 2024 follows:

|   | <u>Amount</u>            |
|---|--------------------------|
| Fiscal year ending June 30:             |                          |
| 2025                                    | \$ 256,326               |
| 2026                                    | 99,627                   |
| 2027                                    | 100,123                  |
| 2028                                    | 31,083                   |
| 2029                                    | <u>5,938</u>             |
|   | 493,097                  |
| Less effects of discounting             | <u>(26,295)</u>          |
| Total lease liabilities recognized      | 466,802                  |
| Less current portion                    | <u>(242,458)</u>         |
| Lease liabilities, less current portion | \$ <u><u>224,344</u></u> |

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2024, total net assets with donor restrictions in the amount of \$1,115,311 consist of grants and contributions restricted for special purposes.

NOTE 7 – SUBSEQUENT EVENTS

The Organization evaluated subsequent events through October 3, 2024, 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.



INDEPENDENT AUDITOR'S 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*

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, 2024, 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 October 3, 2024.

### **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) as a basis for designing 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. 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 or significant deficiencies may exist that have were not 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 financial statement. 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.

PAAST.PL

Certified Public Accountants  
Coral Gables, Florida  
October 3, 2024





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

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

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

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

We have audited Catholic Charities Legal Services, Archdiocese of Miami, Inc. (the "Organization") compliance with the types of compliance requirements identified as subject to audit 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 2024. 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.

In our opinion, the Organization 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 2024.

***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*PAAST.PL*

Certified Public Accountants  
Coral Gables, Florida  
October 3, 2024

CATHOLIC CHARITIES LEGAL SERVICES, ARCHDIOCES OF MIAMI, INC.  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2024

| Federal Grantor / Pass-through Grantor /<br>Program Title                            | Assistance<br>Listing<br>Number | Pass-through<br>Identifying Number | Passed<br>Through to<br>Subrecipients | Federal<br>Expenditures |
|--|---------------------------------|------------------------------------|---------------------------------------|-------------------------|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES   |                                 |                                    |                                       |                         |
| Passed through Florida Department of Children and Families:                          |                                 |                                    |                                       |                         |
| Refugee and Entrant Assistance - State/Replacement<br>Designee-Administered Programs | 93.566                          | XK063CCLS                          | \$ -                                  | \$ 1,521,903            |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES                                   |                                 |                                    | -                                     | 1,521,903               |
| TOTAL EXPNDITURES OF FEDERAL AWARDS  |                                 |                                    | \$ -                                  | \$ 1,521,903            |

See accompanying notes to the 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, 2024. 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.

**NOTE C – INDIRECT COST RATE**

The Organization did not elect to use the 10% de minimis indirect cost rate.

CATHOLIC CHARITIES LEGAL SERVICES, ARCHDIOCES OF MIAMI, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2024

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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:

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

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

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

CATHOLIC CHARITIES LEGAL SERVICES, ARCHDIOCES OF MIAMI, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024

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SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

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.