DIOCESE OF VENICE IN FLORIDA, INC.

COMBINED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2016 AND 2015

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INDEPENDENT AUDITORS' REPORT

Most Reverend Frank J. Dewane, Bishop
Diocese of Venice in Florida, Inc.
Venice, Florida

Report on the Financial Statements

We have audited the accompanying combined financial statements of the Diocese of Venice in Florida, Inc. (a nonprofit organization), which comprise the combined statements of financial position as of June 30, 2016 and 2015, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

Basis for Qualified Opinion

As discussed in Note 18 to the combined financial statements, the accounts of the All Saints Catholic Cemetery, Inc. have not been included in the accompanying combined financial statements of the Diocese of Venice in Florida, Inc. In our opinion, accounting principles generally accepted in the United States of America require those accounts be included in the accompanying combined financial statements.

Qualified Opinion

In our opinion, except for the effects of not including the accounts of All Saints Catholic Cemetery, Inc., deemed to be an entity under common control, as discussed in the Basis for Qualified Opinion paragraph, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Diocese of Venice in Florida, Inc., as of June 30, 2016 and 2015, and the change in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

Fort Myers, Florida
November 3, 2016

DIOCESE OF VENICE IN FLORIDA, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents	$ 27,579,289	$ 44,091,715
Accounts Receivable, Net	3,211,494	2,903,439
Investments (Parishes & Diocesan)	98,523,750	61,879,842
Loans and Accrued Interest Receivable from Diocesan Entities, Net	18,003,929	21,126,539
Mortgages and Other Notes Receivable	7,969,291	8,813,132
Land, Buildings, and Equipment, Net	6,800,964	6,955,037
Other Assets	1,665,225	1,591,589
Land Held for Expansion	33,798,155	34,398,757
Total Assets	$ 197,552,097	$ 181,760,050
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 1,813,735	$ 2,094,372
Insurance Claims Payable	1,544,376	1,005,904
Savings on Deposit from Diocesan Entities	75,626,660	62,029,572
Deferred Revenue	13,411,645	13,296,320
Funds Held for Others	3,721,286	3,705,137
Other Liabilities	1,469,288	1,387,467
Mortgage Notes Payable	4,195,726	5,113,432
Total Liabilities	101,782,716	88,632,204
NET ASSETS		
Unrestricted:		
Designated for Outreach	458,180	447,027
Designated Endowment	4,676,355	4,675,450
Designated for Land, Buildings, and Equipment	6,800,964	6,955,037
Designated for Future Expansion	43,146,552	40,916,252
Undesignated	38,802,037	38,084,690
Total Unrestricted	93,884,088	91,078,456
Temporarily Restricted	285,293	449,390
Permanently Restricted	1,600,000	1,600,000
Total Net Assets	95,769,381	93,127,846
Total Liabilities and Net Assets	$ 197,552,097	$ 181,760,050

See accompanying Notes to Combined Financial Statements.

DIOCESE OF VENICE IN FLORIDA, INC.
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING ACTIVITIES				
Support and Revenues:				
Parish Assessments	$ 12,244,790	$ -	$ -	$ 12,244,790
Insurance Program Revenue	14,159,022	-	-	14,159,022
Contributions and Collections	368,008	-	-	368,008
Change in Value of Gift Annuities	(131,773)	-	-	(131,773)
Investment Return	1,745,141	-	-	1,745,141
Miscellaneous	645,868	-	-	645,868
Other Property Revenue	2,690,973	-	-	2,690,973
Total Support and Revenues	31,722,029	-	-	31,722,029
Net Assets Released from Restrictions	164,097	(164,097)	-	-
Total Support and Revenues	31,886,126	(164,097)	-	31,722,029
Expenses:				
Program Services:				
Outreach Programs and Faith Formation	3,020,965	-	-	3,020,965
Mission and Apostolate Support	3,840,428	-	-	3,840,428
Catholic School Support	1,519,929	-	-	1,519,929
Vocations and Clergy Formation	1,136,254	-	-	1,136,254
Insurance Program Expenses	11,852,889	-	-	11,852,889
Interest Paid	1,704,360	-	-	1,704,360
Property Revolving Program	272,253	-	-	272,253
Total Program Service Expenses	23,347,078	-	-	23,347,078
Support Services:				
Temporal Services	4,220,846	-	-	4,220,846
Stewardship and Development	563,965	-	-	563,965
Total Support Service Expenses	4,784,811	-	-	4,784,811
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITIES	3,754,237	(164,097)	-	3,590,140
NON-OPERATING ACTIVITIES				
Doubtful Accounts Expense	948,605	-	-	948,605
CHANGE IN NET ASSETS	2,805,632	(164,097)	-	2,641,535
Net Assets - Beginning of Year	91,078,456	449,390	1,600,000	93,127,846
NET ASSETS - END OF YEAR	$ 93,884,088	$ 285,293	$ 1,600,000	$ 95,769,381

See accompanying Notes to Combined Financial Statements.

DIOCESE OF VENICE IN FLORIDA, INC.
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING ACTIVITIES				
Support and Revenues:				
Parish Assessments	$ 11,834,128	$ -	$ -	$ 11,834,128
Insurance Program Revenue	14,617,350	-	-	14,617,350
Contributions and Collections	718,593	296,877	-	1,015,470
Investment Return	1,060,057	-	-	1,060,057
Miscellaneous	481,597	-	-	481,597
Other Property Revenue	839,328	-	-	839,328
Total Support and Revenues	29,551,053	296,877	-	29,847,930
Net Assets Released from Restrictions	-	-	-	-
Total Support and Revenues	29,551,053	296,877	-	29,847,930
Expenses				
Program Services				
Outreach Programs and Faith Formation	2,879,043	-	-	2,879,043
Mission and Apostolate Support	2,990,683	-	-	2,990,683
Catholic School Support	2,104,662	-	-	2,104,662
Vocations and Clergy Formation	1,160,927	-	-	1,160,927
Insurance Program Expenses	12,076,016	-	-	12,076,016
Interest Paid	1,278,137	-	-	1,278,137
Property Revolving Program	325,296	-	-	325,296
Total Program Service Expenses	22,814,764	-	-	22,814,764
Support Services:				
Temporal Services	3,551,163	-	-	3,551,163
Stewardship and Development	408,114	-	-	408,114
Total Support Service Expenses	3,959,277	-	-	3,959,277
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITIES	2,777,012	296,877	-	3,073,889
NON-OPERATING ACTIVITIES				
Doubtful Accounts Expense	455,748	-	-	455,748
CHANGE IN NET ASSETS	2,321,264	296,877	-	2,618,141
Net Assets - Beginning of Year	88,757,192	152,513	1,600,000	90,509,705
NET ASSETS - END OF YEAR	$ 91,078,456	$ 449,390	$ 1,600,000	$ 93,127,846

See accompanying Notes to Combined Financial Statements.

DIOCESE OF VENICE IN FLORIDA, INC.
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 2,641,535	$ 2,618,141
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	320,631	335,401
Provision for Doubtful Accounts	564,103	455,748
Net Realized and Unrealized Losses on Investments	966,373	1,563,230
Gain on Sale of Land, Buildings, and Equipment	-	(103,973)
Gain on Sale of Land Held for Future Expansion	(2,471,305)	(651,101)
(Increase) Decrease in:		
Accounts Receivable	(378,371)	(399,219)
Loans and Accrued Interest Receivable	2,628,823	5,608,452
Other Assets	(73,636)	281,664
Accrued Interest on Notes Receivable	(161,240)	(157,352)
Increase (Decrease) in:		
Accounts Payable and Other Liabilities	(280,637)	671,209
Insurance Claims Payable	538,472	(131,550)
Deferred Revenue	115,325	(142,144)
Funds Held for Others	16,149	435,055
Other Liabilities	81,821	(171,008)
Net Cash Provided by Operating Activities	4,508,043	10,212,553
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Land, Buildings, and Equipment	-	509,095
Purchase of Land, Buildings, and Equipment	(166,558)	(146,869)
Proceeds from Sales of Land Held for Future Expansion	4,555,696	950,069
Purchases of Land Held for Future Expansion	(1,483,789)	(7,260,806)
Loans Made	-	(16,171)
Principal Payments Received on Loans Made	87,375	27,628
Proceeds from Sales of Investments	71,024,185	110,495,941
Purchase of Investments	(108,634,466)	(110,140,507)
Net Cash Used by Investing Activities	(34,617,557)	(5,581,620)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Savings on Deposit	13,597,088	11,241,876
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,512,426)	15,872,809
Cash and Cash Equivalents - Beginning of Year	44,091,715	28,218,906
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 27,579,289	$ 44,091,715
SUPPLEMENTAL DISCLOSURES		
Cash Paid for Interest	$ 1,704,360	$ 1,223,338

See accompanying Notes to Combined Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Diocese of Venice in Florida was established by Pope Saint John Paul II in 1984 from parts of the Archdiocese of Miami, Diocese of Orlando, and the Diocese of St. Petersburg, and is geographically comprised of the ten counties of Southwest Florida. The Chancery offices of the Diocese conduct business through the Diocese of Venice in Florida, Inc. (the Catholic Center), which consists of the Office of the Bishop and his Curia or support staff, who minister to parishes, schools, and other institutions within the geographical Diocese of Venice in Florida. The Catholic Center's accounts do not include the assets, liabilities, net assets, revenues, or expenses of parishes, missions, schools, Catholic Charities of the Diocese of Venice, and low income housing units, among others. Certain institutions within the geographical Diocese of Venice are separately incorporated as nonprofit corporations under the laws of the state of Florida. The Catholic Center does include assets, liabilities, net assets, revenues and expenses of the outreach and support service programs that are under the direct administrative operations of the Catholic Center.

The Most Reverend Frank J. Dewane, in his capacity as Bishop, holds title to real property within the geographical Diocese including its parishes, missions, schools, and certain Institutions under both the laws of the state of Florida and the laws of the Roman Catholic Church in trust for these entities. He is empowered under both civil and Ecclesiastical law to receive and hold title to real property, administer all real property, and to dispose of all real property of each and every entity in the geographical Diocese, for the benefit and use of those entities. Deeds for all real property for parishes and schools are in the name of "Frank J. Dewane as Bishop of the Diocese of Venice in Florida, His Successors in Office, a corporation sole." A corporation sole is not a statutory corporation. It exists under the common law doctrine that is recognized in the state of Florida by Florida Statute §2.01. Authority is referenced to Reid v. Barry, 112 So.846 (Fla). Under the doctrine, the Bishop "solely" is the corporation and is the only interested person. Since it is not a statutory corporation, there are no articles of incorporation, by-laws, or any officers or directors. Real property assets held by the Corporation Sole in trust for the Catholic Center are included in the accompanying combined financial statements.

The assets, liabilities, net assets, revenues, and expenses of Diocese of Venice Savings and Loan Trust Fund are included in the accompanying combined financial statements. This cooperative savings and loan program is governed by trustees and administered by the Catholic Center in trust for entities within the geographical Diocese. Its purpose is to manage deposits of medium to long-term funds and also to issue loans to participating members, primarily for construction projects.

The assets, liabilities, net assets, revenues, and expenses of Trinity Real Estate Trust are included in the accompanying combined financial statements. This property revolving program is governed by a trustee and administered by the Catholic Center. Its purpose is to hold and manage real property held for future expansion of parishes and schools within the geographical Diocese along with expendable resources designated for real property acquisitions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Organization (Continued)

The Catholic Center receives financial support from and provides financial support and services to approximately 85 parishes and schools in the geographical Diocese of Venice in Florida. In addition, under Canon Law, subject to certain specific restrictions, the Bishop of the Diocese is responsible for canonical oversight of all diocesan assets for the purpose of fulfilling the ministerial purposes of the Catholic Church.

Basis of Presentation

These combined financial statements, which are prepared on the accrual basis of accounting, have been prepared to focus on the Catholic Center as a whole. Net assets and revenues, gains, and losses are classified based on donor imposed restrictions. Accordingly, net assets of the Catholic Center and changes therein are classified and reported as follows:

Unrestricted – Net assets not subject to donor-imposed restrictions. Included in unrestricted net assets are net assets designated for specific programs based upon the nature and types of programs. Such designations are subject to change.

Temporarily Restricted – Those resources subject to donor imposed restrictions which will be satisfied by actions of the Catholic Center or the passage of time.

Permanently Restricted – Those resources subject to a donor imposed restriction that they be maintained permanently by the Catholic Center. The donors of these resources typically would permit the Catholic Center to use all or part of the income earned, including capital appreciation on related investments, for unrestricted or temporarily restricted purposes.

Liquidity

Assets are presented in the accompanying combined statements of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates include the allowances for doubtful loans and the reserves for insurance claims.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the combined statements of cash flows, the Catholic Center considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

The Catholic Center places its cash with financial institutions. At times, such cash balances may be in excess of federally insured limits.

Investments

Investments in marketable securities with readily determinable fair values and investments in debt and other securities are reported at fair value in the combined statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying combined statements of activities.

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. The Catholic Center uses the allowance method of accounting for doubtful accounts, which is based on management judgment using historical information. Additions to the allowance are based on several factors which include, but are not limited to, analytical review of loss experience in relation to outstanding receivables, a continuing review of economically disadvantaged and other parishes which are currently unable to meet their financial obligations, and overall adequacy of collateral on the existing receivable balances. Accounts receivable includes self-insurance premiums and other assessments and fees due from parishes at June 30, 2016 and 2015.

Land, Buildings, and Equipment, Net

All land, buildings, and equipment of the Catholic Center are recorded at their historical cost. Donated assets are recorded at fair market value at the date of the gift. Donated assets are treated as unrestricted in the absence of stipulations by the donor about how long the asset may be used. All maintenance and repair of assets are charged to operations as incurred. Depreciation of buildings and equipment is provided for by charges to operations using straight-line methods over the estimated useful lives ranging from 3 to 40 years.

Land Held for Future Expansion

The Catholic Center purchases real estate for the purpose of providing future parish sites. The property is recorded at cost and the related real estate taxes, maintenance, legal and other costs are expensed as incurred. When a parish is established, the cost and a 6% annual market appreciation are charged to the parish. Proceeds from the sale of land held for future expansion are designated for future property acquisitions. At June 30, 2016 and 2015, the Catholic Center had $82,328 and $84,132, respectively, of deferred revenue related to real estate sales recorded under the installment method of revenue recognition. This deferred revenue is related to property sales in which the Catholic Center has accepted a note receivable as payment, and will be recorded to revenue as cash is received.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Split-Interest Agreements

The Catholic Center is named residual beneficiary of certain charitable remainder trusts. In addition, the Catholic Center is a named beneficiary for bequests under existing will and trust instruments. The assets of these trusts and bequests are not included in the combined statements of financial position of the Catholic Center because the designation of ultimate beneficiary is revocable at the discretion of the grantor/testator.

Annuity Obligations

The Catholic Center is obligated under charitable gift annuity agreements. The obligations were calculated based on actuarial assumptions and the fair values at the dates of receipt. The Catholic Center has recorded a gift annuity obligation equal to the present value of the total anticipated future payments to the beneficiaries. Gains or losses resulting from changes in actuarial assumptions are included in change in value of gift annuities on the combined statement of activities.

Donated Materials and Services

Donated materials are recorded as contributions at their estimated fair value at the date of receipt. The Catholic Center has adopted a policy which recognizes donated services provided by individuals possessing specialized skills which would typically need to be purchased if not provided by donation. No such services were donated during the years ended June 30, 2016 and 2015. Many volunteers have donated their time to Diocesan program services and administrative functions performing tasks that do not require specialized skills. The financial statements do not reflect the value of these donated services because an objective basis of measurement is unavailable.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are transferred to unrestricted net assets and reported in the combined statements of activities as net assets released from restrictions.

All Diocesan entities, including parishes and schools, are required to participate in the insurance programs that are administered through the Self Insurance and Employee Benefit Programs. Participating individuals and entities are charged premiums based upon the estimated costs of the programs, including insurance premiums paid for stop-loss coverage, self-insured claims expenses, and professional program administration.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The costs of providing the various programs and other activities of the Catholic Center have been summarized on a functional basis in the combined statements of activities.

Fair Value Measurement of Investments and Annuity Obligations

The Catholic Center categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Catholic Center has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Subsequent to initial recognition, the Catholic Center may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Catholic Center has not elected to measure any existing financial instruments at fair value. However, it may elect to measure newly acquired financial instruments at fair value in the future.

Investments are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the investment's credit rating, prepayment assumptions, and other factors such as credit loss assumptions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement of Investments and Annuity Obligations (Continued)

Investments valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. Government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Investments valued using Level 2 inputs include investments such as private collateralized mortgage obligations, municipal bonds, and corporate debt securities. Investments valued using Level 3 inputs would include private equity funds.

Other Fair Value Measurements

The carrying amounts of cash and cash equivalents, accounts receivable, loans and accrued interest receivable, accounts payable, savings on deposit, funds held for others, and other liabilities approximate fair value due to the short maturity of these instruments. The carrying amounts of mortgages and other notes receivable and mortgage notes payable approximate fair value because the debt is at floating rates or rates currently available for fixed rate debt with similar terms.

Income Taxes

In an annually updated ruling, the Internal Revenue Service held that the agencies, instrumentalities and educational, charitable, and religious institutions operated, supervised, or controlled by or in connection with the Roman Catholic Church in the United States, its territories or possessions appearing in “The Official Catholic Directory” are exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Diocese of Venice in Florida is listed in “The Official Catholic Directory” and therefore is exempt from income tax. Accordingly, the accompanying combined financial statements reflect no provision for income taxes.

Subsequent Events

In preparing these financial statements, the Catholic Center has evaluated events and transactions for potential recognition or disclosure through November 3, 2016, the date the financial statements were available to be issued.

NOTE 2 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at June 30:

	2016	2015
Self Insurance Premiums	$ 2,597,741	$ 2,326,006
Other Receivables	238,706	561,669
Employee Benefit Premiums	613,753	568,988
Allowance for Doubtful Accounts	(238,706)	(553,224)
Accounts Receivable, Net	$ 3,211,494	$ 2,903,439

NOTE 3 INVESTMENTS

Investments consist of the following at June 30:

	2016	
	Market Value	Cost
Domestic Equities	$ 29,626,207	$ 24,301,738
Foreign Equities	13,146,322	13,785,456
Corporate Bonds	5,770,014	5,748,567
Government Bonds	7,220,915	7,219,824
Government Backed Securities	275,357	269,603
Mortgage Backed Securities	4,405,840	4,406,351
Certificates of Deposit	33,725,065	33,725,065
Commodity Funds	2,723,021	2,975,934
Exchange Traded Funds	221,765	174,439
Real Estate Investment Funds	1,409,244	1,343,197
Total Investments	$ 98,523,750	$ 93,950,174

	2015	
	Market Value	Cost
Domestic Equities	$ 27,896,674	$ 22,789,860
Foreign Equities	12,846,809	12,998,841
Corporate Bonds	3,093,627	3,122,856
Government Bonds	10,135,870	10,127,101
Government Backed Securities	350,938	344,199
Mortgage Backed Securities	3,319,405	3,354,887
Commodity Funds	1,853,521	1,880,934
Exchange Traded Funds	268,545	217,578
Real Estate Investment Funds	2,114,453	2,052,231
Total Investments	$ 61,879,842	$ 56,888,487

Investment income earned and market value change on these investments consisted of the following for the years ended June 30:

	2016	2015
Interest and Dividends	$ 2,680,626	$ 2,631,853
Realized Gains (Losses)	(812,491)	2,109,222
Unrealized Gains (Losses)	(122,994)	(3,672,452)
Total Investment Return	$ 1,745,141	$ 1,068,623

NOTE 4 LOANS RECEIVABLE AND SAVINGS ON DEPOSIT (SAVINGS & LOAN TRUST FUND)

Loans receivable and savings on deposit represent loans to and deposits from Diocesan entities, respectively. They are held by the Diocese of Venice Savings and Loan Trust Fund which is established for the mutual benefit of the participants. The provision for doubtful loans receivable is estimated by management based on an analysis of outstanding loans and related accrued interest. During the years ended June 30, 2016 and 2015, doubtful loans expense was recorded totaling $878,289 and $31,329, respectively.

Loans receivable due from parishes generally bear interest at a variable rate which was 4.75% at June 30, 2016 and 2015, and are due over periods ranging from 1 to 10 years. Total interest income associated with these loans for the years ended June 30, 2016 and 2015 was $1,421,468 and $1,315,099, respectively. At June 30, 2016 and 2015, loans receivable included accrued interest receivable totaling $2,016,924 and $2,581,702, respectively, and are due as follows:

	2016	2015
Loans Receivable - Current Year	$ 1,282,506	$ 1,970,840
Loans Receivable - Greater than One Year	27,601,083	30,826,710
Estimate of Doubtful Loans Receivable	(10,879,660)	(11,671,011)
Total Loans Receivable	$ 18,003,929	$ 21,126,539

Savings on deposit from parishes totaled $75,626,660 and $62,029,572 at June 30, 2016 and 2015, respectively, and bear interest at a variable rate which was 2.75% at June 30, 2016 and 2015. Interest expense on such deposits totaled $1,607,029 and $1,211,061 during the years ended June 30, 2016 and 2015, respectively. Certain savings on deposit, currently known as Pooled Investments Accounts totaling $9,303,494 and $9,597,099 at June 30, 2016 and 2015, respectively, are allocated a proportional share of total investment return of the Savings and Loan Trust Fund portfolio. The total rate of return on the Savings and Loan Trust Fund portfolio at June 30, 2016 and 2015 was approximately -0.93% and -0.34%, respectively.

NOTE 5 MORTGAGES AND OTHER NOTES RECEIVABLE

Mortgages and other notes receivable are summarized as follows at June 30:

	2016	2015
Note Receivable from Nonprofit Corporation, Unsecured, Interest Accruing at 2%, Interest Only Payments Commencing June 30, 2013 and Payable Thereafter Annually, any Unpaid Interest and Principal due in full at Maturity Date, April 2, 2018.	$ 204,000	$ 204,000
Mortgages Receivable - See Description at Note 9	4,195,726	5,113,432
Promissory Note Line of Credit from All Saints Catholic Cemetery, Inc., $8,000,000 Available, Interest Accruing at 4.75%, Interest Only Payments Commencing July 2016 and Payable Thereafter Annually, any Unpaid Interest and Principal due in full at Maturity Date, July 1, 2022. The balance includes accrued interest totaling $387,323 and $254,101 at June 30, 2016 and 2015, respectively.	3,522,425	3,377,697
Other	47,140	118,003
Total Mortgages and Other Notes Receivable	$ 7,969,291	$ 8,813,132

A summary of the scheduled principal collections of mortgages and other notes receivable is as follows at June 30, 2016:

Year Ending June 30,	Amount
2017	$ 2,838,404
2018	745,801
2019	563,425
2020	299,236
2021	-
2022 and Thereafter	3,522,425
Total	$ 7,969,291

NOTE 6 LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment consist of the following at June 30:

	2016	2015
Land	$ 1,413,158	$ 1,413,158
Equipment	633,020	675,825
Buildings and Improvements	9,676,291	9,599,291
Total	11,722,469	11,688,274
Less: Accumulated Depreciation	(4,921,505)	(4,733,237)
Total Land, Buildings, and Equipment	$ 6,800,964	$ 6,955,037

Depreciation expense for the years ended June 30, 2016 and 2015 was $320,631 and $335,401, respectively.

NOTE 7 LAND HELD FOR FUTURE EXPANSION

Land held for future expansion totals $33,798,155 and $34,398,757 at June 30, 2016 and 2015, respectively, and consists of land purchased or donated, designated to be used and held for future parish sites or for other religious purposes. The cost basis of the land includes original purchase price in addition to certain engineering and other permitting costs incurred in conjunction with the original purchase.

NOTE 8 LINE OF CREDIT

The Catholic Center has a $10,000,000 revolving line of credit with a bank that is due on demand. Interest accrues at the 30-day LIBOR rate plus 1.25% (1.70% and 1.43% at June 30, 2016 and 2015, respectively) and is payable monthly. The line of credit is collateralized by business assets of the Catholic Center. The total outstanding amount of this line of credit at June 30, 2016 and 2015 was $-0-.

NOTE 9 MORTGAGE NOTES PAYABLE

The Catholic Center is the primary obligor for certain mortgage loans from financial institutions and others on behalf of several Diocesan entities. The proceeds of these loans were primarily used to finance construction of real property improvements. The Catholic Center records a loan receivable from the Diocesan entity equal to the amount due to the mortgage holders. The debt service related to these loans is paid directly to the financial institution by the Diocesan entity. These loans are secured by substantially all business assets of the Catholic Center, with the exception of any real property.

The Catholic Center believes the entities are capable of making the required payments when due. Further, in management's opinion, the value of the underlying assets of these entities is sufficient to fully collateralize the debt. The total outstanding amount of these loans payable at June 30, 2016 and 2015 was $4,195,726 and $5,113,432, respectively.

NOTE 9 MORTGAGE NOTES PAYABLE (CONTINUED)

During the year ended June 30, 2016, the Catholic Center recognized interest expense and interest revenue totaling $150,082 in accordance with accounting standards for joint and several liability arrangements. This accounting standard was effective beginning with the year ended June 30, 2016.

These mortgage loan agreements contain various covenants pertaining to maintenance of minimum debt service coverage and liquidity ratios in addition to requirements to provide certain reports to the financial institution. Also, the loan agreements require that no loans or extensions of credit be made to any individual without the prior consent of the financial institution. During the year ended June 30, 2016, the Catholic Center made loans to priests totaling approximately $20,589 without the prior required consent of the financial institution. Additionally, the Catholic Center failed to provide certain reports to the financial institution. The financial institution has waived these instances of non-compliance with the agreement as of June 30, 2016.

A summary of the scheduled principal payments on mortgage notes payable by parishes is as follows at June 30, 2016:

Year Ending June 30,	Amount
2017	$ 2,791,264
2018	541,801
2019	563,425
2020	299,236
Total	$ 4,195,726

NOTE 10 ANNUITY OBLIGATIONS

The Catholic Center has received funds for gift annuities. The annuity agreements provide that the Catholic Center will pay annuitants an amount each year based on the established life expectancy of the donor. The recorded annuity obligation at June 30, 2016 and 2015 of $754,608 and $622,834, respectively, represents the present value of future cash flows expected to be paid to the donors, and is included in other liabilities on the combined statement of financial position. Payments to beneficiaries for the years ended June 30, 2016 and 2015 totaled $97,331 and $97,676, respectively.

Additionally, the Catholic Center has received funds for gift annuities in which the ultimate beneficiaries are third parties other than the Catholic Center. The total estimated amounts owed to others related to these annuity obligations total $407,820 and $407,820 at June 30, 2016 and 2015, respectively.

State statutes require that assets equal to the sum of the outstanding annuity agreements, and a surplus of 10% of that amount, be maintained as a reserve in a separate fund. As of June 30, 2016, the Catholic Center is in compliance with the state statutes.

NOTE 11 FAIR VALUE MEASUREMENTS

The Catholic Center uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Catholic Center measures fair value, refer to Note 1 – Summary of Significant Accounting Policies.

The following table presents the fair value hierarchy for the balances of the assets and liabilities of the Catholic Center measured at fair value on a recurring basis as of June 30:

2016	Level 1	Level 2	Level 3	Total
Investments:				
Domestic Equities	$ 29,626,207	$ -	$ -	$ 29,626,207
Foreign Equities	13,146,322	-	-	13,146,322
Corporate Bonds	-	5,770,014	-	5,770,014
Government Bonds	-	7,220,915	-	7,220,915
Government Backed Securities	-	275,357	-	275,357
Mortgage Backed Securities	-	4,405,840	-	4,405,840
Certificates of Deposit	-	33,725,065	-	33,725,065
Commodity Funds	2,723,021	-	-	2,723,021
Exchange Traded Funds	221,765	-	-	221,765
Real Estate Investment Funds	1,409,244	-	-	1,409,244
Total Investments	$ 47,126,559	$ 51,397,191	$ -	$ 98,523,750
Liabilities:				
Annuity Obligations	$ -	$ -	$ 1,162,428	$ 1,162,428

2015	Level 1	Level 2	Level 3	Total
Investments:				
Domestic Equities	$ 27,896,674	$ -	$ -	$ 27,896,674
Foreign Equities	12,846,809	-	-	12,846,809
Corporate Bonds	-	3,093,627	-	3,093,627
Government Bonds	-	10,135,870	-	10,135,870
Government Backed Securities	-	350,938	-	350,938
Mortgage Backed Securities	-	3,319,405	-	3,319,405
Commodity Funds	1,853,521	-	-	1,853,521
Exchange Traded Funds	268,545	-	-	268,545
Real Estate Investment Funds	2,114,453	-	-	2,114,453
Total Investments	$ 44,980,002	$ 16,899,840	$ -	$ 61,879,842
Liabilities:				
Annuity Obligations	$ -	$ -	$ 1,030,654	$ 1,030,654

NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth a summary of changes in the fair value of the Catholic Center Level 3 liabilities for the years ended June 30, 2016 and 2015:

Level 3 Annuity Obligations:	
Balance at July 1, 2014	$ 1,061,462
Payments Made to Beneficiaries	(97,676)
Change in Fair Value of Annuity Obligations	66,868
Balance at June 30, 2015	1,030,654
Payments Made to Beneficiaries	(97,331)
Change in Fair Value of Annuity Obligations	229,105
Balance at June 30, 2016	$ 1,162,428

Corporate and government bonds, and government and mortgage backed securities are measured at fair value with a valuation technique utilizing market prices at the close of the last business day for the statement period, provided by the investment advisors.

Annuity obligations are measured at fair value with a valuation technique utilizing estimated payout percentages, life expectancies, and IRS remainderment factors.

NOTE 12 EMPLOYEE RETIREMENT PLANS

The Catholic Center makes contributions to a multi-employer defined benefit pension plan and a 403(b) Plan. These payments are made through the Diocese of Venice Retirement Program Trust.

The Plans cover eligible employees from Diocesan institutions, such as parishes and schools, which as noted in Note 1, are not combined with the Chancery Office for financial reporting purposes.

The Pension Plan is a noncontributory defined benefit pension plan established July 1, 2012 by a spin-off from the Seventh Amended and Restated Pension Plan for Employees within the Archdiocese of Miami/Diocese of Venice (Prior Plan). The Pension Plan is a qualified plan and is exempt from income taxes under the provisions of the Internal Revenue Code (IRC). The Pension Plan is a “Church Plan” as defined in Section 414(e) of the IRC and is exempt from Title I of the Employee retirement Income Security Act of 1974 (ERISA), as amended. The Pension Plan was most recently amended effective May 26, 2015.

The Pension Plan covers all members in the Prior Plan who are designated as Transferred members immediately prior to July 1, 2012. All other employees of the Diocese of Venice, as defined by the Pension Plan, were able to commence participation immediately or upon their subsequent employment, appointment, assignment, re-employment, reappointment, or reassignment. Effective July 1, 2014, the Pension Plan was frozen with regard to participation of certain Lay employees based on their years of service and no Lay employee hired on or after July 1, 2014 is eligible to participate in the Pension Plan.

NOTE 12 EMPLOYEE RETIREMENT PLANS (CONTINUED)

The following table discloses quantitative information of the Pension Plan as of and for the year ended February 1, 2016, which is the date of the latest actuarial valuation.

Legal Name and Plan Number	Plan EIN	Actuarial Present Value of Accumulated Plan Benefits	Fair Value of Plan Assets	Total Contributions	Long-Term Funded Status
Diocese of Venice Pension Plan & Trust, Number 001	45-6947361	$ 107,962,887	$ 89,864,383	$ 4,139,833	83%

Effective July 1, 2014, the Diocese of Venice adopted an Internal Revenue Code 403(b) retirement savings plan for substantially all employees of the Catholic Center and Diocesan entities. Contributions to the 403(b) plan are made by employees through salary deferrals as well as by the Catholic Center in both a non-contributory and matching component. The plan is exempt from the reporting requirements of ERISA.

The Catholic Center’s contribution to both the pension and 403(b) plans is a fixed amount per priest and a percentage of qualified salaries for lay employees established by the trustees of the Plan. The Catholic Center’s contributions to the plans for the years ended June 30, 2016 and 2015 are as follows:

	2016	2015
Employer Contributions	$ 354,586	$ 454,643

Effective July 1, 2014, the Diocese of Venice froze its Internal Revenue Code 401(k) retirement savings plan for all employees. The 401(k) plan was terminated as of December 31, 2014. All contributions to the 401(k) plan through June 30, 2014 were made by employees through salary deferrals. The 401(k) plan did not provide for employer contributions. The plan is exempt from the reporting requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

NOTE 13 OTHER EMPLOYEE BENEFITS

The Catholic Center provides post-employment health and other insurance coverage benefits to certain retired clergy. The Catholic Center is required to disclose the over or under funded status of a defined benefit post-employment plan and changes in the funding in the year in which the change occurs in unrestricted net assets. At June 30, 2016 and 2015, the post-employment obligation of the Catholic Center of approximately $575,000 and $917,000, respectively, is unfunded and calculated using the IRS life expectancy tables with a 3.25% discount rate. These obligations are based on the list of priests who are assigned to the Catholic Center at each respective fiscal year-end. Being that the majority of these priests will be assigned to another institution prior to their retirement, management believes that the full amount of the obligations noted above will not be realized and therefore these amounts are not recognized. The Catholic Center estimates post-employment health and other insurance benefit payments will be approximately $43,000 for each of the subsequent five years, and approximately $128,000 for years ending June 30, 2022-2025.

NOTE 14 ENDOWMENT

Endowment net asset composition by type of fund as of June 30:

	2016		
	Unrestricted	Permanently Restricted	Total
Donor-Restricted Endowment Funds	$ -	$ 1,600,000	$ 1,600,000
Designated Endowment Funds	4,676,355	-	4,676,355
Total Endowment Funds	$ 4,676,355	$ 1,600,000	$ 6,276,355

	2015		
	Unrestricted	Permanently Restricted	Total
Donor-Restricted Endowment Funds	$ -	$ 1,600,000	$ 1,600,000
Designated Endowment Funds	4,675,450	-	4,675,450
Total Endowment Funds	$ 4,675,450	$ 1,600,000	$ 6,275,450

The Catholic Center's endowment consists of two funds established for a variety of purposes. One endowment is donor-restricted and its income is to be used for operations and other administrative costs. The other consists of funds designated to function as an endowment. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Catholic Center has interpreted the relevant law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

NOTE 14 ENDOWMENT (CONTINUED)

As a result of this interpretation, the Catholic Center classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as unrestricted net assets. The Catholic Center considers all earnings on endowment funds to be available for current year operations.

Endowment net asset composition by fund type as of June 30, 2016 and 2015 and during the years then ended is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, July 1, 2014	$ 4,728,428	$ -	$ 1,600,000	$ 6,328,428
Investment Return:				
Investment Income	137,611	-	-	137,611
Net Realized and Unrealized Losses	(161,629)	-	-	(161,629)
Total Investment Return	(24,018)	-	-	(24,018)
Contributions	-	-	-	-
Appropriations of Endowment Assets for Expenditure	(28,960)	-	-	(28,960)
Endowment Net Assets, June 30, 2015	4,675,450	-	1,600,000	6,275,450
Investment Return:				
Investment Income	125,153	-	-	125,153
Net Realized and Unrealized Losses	(94,724)	-	-	(94,724)
Total Investment Return	30,429	-	-	30,429
Contributions	-	-	-	-
Appropriations of Endowment Assets for Expenditure	(29,524)	-	-	(29,524)
Endowment Net Assets, June 30, 2016	$ 4,676,355	$ -	$ 1,600,000	$ 6,276,355

NOTE 14 ENDOWMENT (CONTINUED)

The Catholic Center has an investment policy statement (IPS) that is based on providing funding for its various programs. The objective of the IPS is to preserve capital and provide growth, income, and inflation protection with a moderate level of risk. The target rate of return is 5% - 7% over a 20-year time horizon. The Catholic Center IPS limits the type of investments to equities, fixed income, and real estate investment trusts. In addition, the policy limits that investments adhere to the prohibitions of investments in companies substantially engaged in the manufacturing, distribution, or provision of products or services that are inconsistent with the teachings of the Roman Catholic Church. No minimum performance yields have been established; however, the Catholic Center measures performance of fund managers within specified benchmarks. Performance is reviewed quarterly by both the Diocesan Investment Committee and the Diocesan Finance Council.

Spending Policy

The Catholic Center has a spending policy to determine the endowment distribution each year. In establishing this policy, the Catholic Center considers the long-term expected return on its endowment net of investment fees, inflation, and administrative fees. The Catholic Center's goal is to provide sustainable funding to Diocesan programs in perpetuity.

NOTE 15 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets available for future periods are as follows at June 30:

	2016	2015
Retained Life Interest	$ -	$ 164,097
Elder Care	285,293	285,293
Total Temporarily Restricted Net Assets	$ 285,293	$ 449,390

NOTE 16 SELF-INSURANCE PROGRAMS

The Diocese of Venice and certain other Roman Catholic dioceses in the state of Florida participates in their own self-insurance programs to provide coverage for property, workers' compensation, general liability, and certain other claims. A "first sharing agreement" enables each participating diocese to share each other's losses. Each diocese is allocated a sharing limit which represents the maximum amount of losses a diocese will be responsible for in any one year. For the policy years beginning April 1, 2016 and 2015, the Diocese of Venice's allocated sharing limit is $672,289 and $666,943, respectively. The Diocese of Venice is responsible for the losses incurred up to the amount of its allocated sharing limit. The other participating dioceses share in the remaining losses in proportion to their share of the total agreement, not to exceed their own respective limits. If the sharing limit for all participating dioceses in a certain claim year is exhausted, the Diocese of Venice is responsible for its losses in excess of its assigned proportion.

NOTE 16 SELF-INSURANCE PROGRAMS (CONTINUED)

Reinsurance coverage cannot be obtained for certain liability risks. The Diocese of Venice participated in a "second loss sharing agreement" with certain other Roman Catholic dioceses within the state of Florida wherein the Diocese of Venice is liable to share in claims up to the amount equal to an allocated sharing limit for the policy year. For the policy years beginning April 1, 2016 and 2015, the Diocese of Venice's portion of the assigned allocated sharing limit is $-0- and $222,314, respectively. The Diocese of Venice is responsible for the losses incurred up to the amount of its allocated sharing limit requirement. The other participating dioceses share in the remaining losses in proportion to their share of the total agreement. If the sharing limit for all participating dioceses in a certain claim year is exhausted, the Diocese of Venice is responsible for its losses in excess of its assigned proportion. The second loss sharing agreement was terminated on April 1, 2015.

The Diocese of Venice and certain other dioceses within the state of Florida are members of the Bishop's Plan Insurance Company (BPIC), an insurance captive, to provide excess coverage for property damage and workers' compensation claims. Membership in BPIC requires each member to purchase insurance as a condition of membership. Accordingly, the Diocese of Venice purchases insurance coverage required for membership.

All eligible employees of the Catholic Center and all Diocesan entities are offered health and dental insurance benefits through a self-insured plan. All entities are charged a premium estimated to meet the employer portion of the coverage provided.

NOTE 17 RELATED PARTIES

In addition to the other Diocesan entities described in Note 1, there are certain entities that are not included in the financial statements in which the Catholic Center has financial responsibility.

During the year ended June 30, 2013, the Catholic Center purchased 102 acres in Sarasota adjacent to the National Cemetery for approximately $2,800,000 on behalf of All Saints Catholic Cemetery, Inc. (ASCC), related through common management and control. This purchase was in response to a growing desire of Catholics in the Sarasota area to be buried in a Catholic cemetery. The Catholic Center loaned funds and entered into a loan agreement with ASCC, as described in Note 5. The amount due from ASCC totaled $3,522,425 and $3,377,697 at June 30, 2016 and 2015, respectively.

At June 30, 2016 and 2015, the Catholic Community Foundation of Southwest Florida, Inc. owed the Savings and Loan Trust Fund $650,000.

During the years ended June 30, 2016 and 2015, the Catholic Center received support from parishes in the form of Diocesan assessments of approximately $12,200,000 and $11,800,000, respectively.

NOTE 18 GAAP DEPARTURE

All Saints Catholic Cemetery, Inc. (ASCC) was incorporated during the year ended June 30, 2013. ASCC has three voting members: the Bishop, the Vicar General, and the Chancellor of the Diocese of Venice. Although ASCC is a separate legal corporation, accounting principles generally accepted in the United States of America require that an entity such as ASCC be included in the combined financial statements of the Diocese of Venice in Florida, Inc. If ASCC had been included in the combined financial statements of the Catholic Center at June 30, 2016, total land, buildings, and equipment would have increased $3,002,873; mortgages and other notes receivable would have decreased $3,522,425; interest revenue would have decreased $159,728; and total net assets – end of year would have decreased $519,552. If ASCC had been included in the combined financial statements of the Catholic Center at June 30, 2015, total land, buildings, and equipment would have increased $3,002,873; mortgages and other notes receivable would have decreased $3,377,697; interest revenue would have decreased $153,222; and total net assets – end of year would have decreased $374,824.

NOTE 19 COMMITMENTS AND CONTINGENCIES

The Catholic Center is involved in various asserted claims arising in the ordinary course of operations. In addition, the Catholic Center has consulted with legal counsel with respect to certain asserted and unasserted claims. In the opinion of management, the Catholic Center has made adequate provision for losses, if any, and while the ultimate result of these claims cannot be predicted with certainty, management believes the final outcome will not have a materially adverse effect on the Catholic Center's financial position.

At June 30, 2016 and 2015, the Catholic Center is contingently liable for a letter of credit in the amount of $447,560 placed with a financial institution, as required by Florida Power & Light. The letter of credit has a maturity date of June 5, 2017, and can be automatically extended for up to one year from that date.