

**CATHOLIC CHARITIES OF THE DIOCESE OF
FORT WAYNE - SOUTH BEND, INC.**

ANNUAL REPORT
June 30, 2021 and 2020

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
Fort Wayne, Indiana

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Catholic Charities of the Diocese of Fort
Wayne - South Bend, Inc.
Fort Wayne, Indiana

Report on the Financial Statements

We have audited the financial statements of Catholic Charities of the Diocese of Fort Wayne - South Bend, Inc. (Organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities of the Diocese of Fort Wayne - South Bend, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedules of Program Support and Revenue and Expenses Without Donor Restrictions, and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 other 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 information 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 8, 2021, 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 the effectiveness of 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.


Crowe LLP

Indianapolis, Indiana
October 8, 2021

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
 STATEMENTS OF FINANCIAL POSITION
 June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 1,749,841	\$ 2,191,772
Accounts receivable	289,006	203,092
Accounts receivable, related party	37,217	37,215
Pledges receivable	51,000	26,000
Prepaid expenses and other current assets	65,990	61,211
Investments	1,119,711	831,674
Equipment and improvements		
Building and leasehold improvements	898,436	898,436
Office furniture and equipment	397,826	394,628
Transportation equipment	217,393	160,301
Program equipment	24,347	24,347
Total equipment	<u>1,538,002</u>	<u>1,477,712</u>
Accumulated depreciation	<u>(1,312,375)</u>	<u>(1,264,274)</u>
Net equipment and improvements	<u>225,627</u>	<u>213,438</u>
 Total assets	 <u><u>\$ 3,538,392</u></u>	 <u><u>\$ 3,564,402</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 21,752	\$ 23,903
Accrued payroll	132,848	95,102
Grant advance	-	357,500
Accrued vacation	75,591	85,048
Accrued pension	57,504	84,702
Total liabilities	<u>287,695</u>	<u>646,255</u>
Net assets		
Without donor restrictions		
Designated by Board for endowment	34,723	12,192
Other without donor restrictions	1,956,192	1,525,541
Total without donor restrictions	<u>1,990,915</u>	<u>1,537,733</u>
With donor restrictions	<u>1,259,782</u>	<u>1,380,414</u>
Total net assets	<u><u>3,250,697</u></u>	<u><u>2,918,147</u></u>
	 <u><u>\$ 3,538,392</u></u>	 <u><u>\$ 3,564,402</u></u>

See accompanying notes to financial statements.

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
 STATEMENTS OF ACTIVITIES
 Years ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues						
Contributions	\$ 876,091	\$ -	\$ 876,091	\$ 898,529	\$ -	\$ 898,529
Foundations and trusts	517,768	147,655	665,423	468,698	140,831	609,529
Diocese contributions and support	477,573	-	477,573	480,616	-	480,616
United Way grants						
United Way - Allen County	316,872	-	316,872	94,284	-	94,284
United Way - Dekalb County	30,635	-	30,635	38,677	-	38,677
United Way - Steuben County	2,000	-	2,000	1,500	-	1,500
United Way - St. Joseph County	39,001	-	39,001	62,658	-	62,658
United Way - Noble County	4,125	-	4,125	4,625	-	4,625
United Way - Elkhart County	-	-	-	48	-	48
Grants and fees	1,808,886	-	1,808,886	1,663,566	-	1,663,566
Program service fees	226,226	-	226,226	221,758	-	221,758
Investment returns	312,173	-	312,173	52,125	-	52,125
Net assets released from restriction	268,287	(268,287)	-	161,199	(161,199)	-
Total support and revenues	<u>4,879,637</u>	<u>(120,632)</u>	<u>4,759,005</u>	<u>4,148,283</u>	<u>(20,368)</u>	<u>4,127,915</u>
Expenses						
Pregnancy and adoption	39,967	-	39,967	46,451	-	46,451
Youth	42,003	-	42,003	46,768	-	46,768
Case management brief services	1,660,582	-	1,660,582	1,336,659	-	1,336,659
Refugee & immigration	1,084,291	-	1,084,291	1,212,997	-	1,212,997
Clinical services	321,061	-	321,061	221,687	-	221,687
Older adults	709,189	-	709,189	798,864	-	798,864
Total program expenses	<u>3,857,093</u>	<u>-</u>	<u>3,857,093</u>	<u>3,663,426</u>	<u>-</u>	<u>3,663,426</u>
Management and general	286,415	-	286,415	269,059	-	269,059
Public relations and fund raising	282,947	-	282,947	247,940	-	247,940
Total expenses	<u>4,426,455</u>	<u>-</u>	<u>4,426,455</u>	<u>4,180,425</u>	<u>-</u>	<u>4,180,425</u>
Changes in net assets	453,182	(120,632)	332,550	(32,142)	(20,368)	(52,510)
Net assets at beginning of year	<u>1,537,733</u>	<u>1,380,414</u>	<u>2,918,147</u>	<u>1,569,875</u>	<u>1,400,782</u>	<u>2,970,657</u>
Net assets at end of year	<u>\$ 1,990,915</u>	<u>\$ 1,259,782</u>	<u>\$ 3,250,697</u>	<u>\$ 1,537,733</u>	<u>\$ 1,380,414</u>	<u>\$ 2,918,147</u>

See accompanying notes to financial statements.

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2021

<u>Expense Category</u>	<u>Pregnancy and Adoption</u>	<u>Youth</u>	<u>Case Mgmt. Brief Services</u>	<u>Refugee & Immigration</u>	<u>Clinical Services</u>	<u>Older Adults</u>	<u>Management and General</u>	<u>Public Relations and Fund Raising</u>	<u>2021 Total</u>
Salaries	\$ 25,235	\$ 22,328	\$ 505,660	\$ 536,349	\$ 209,832	\$ 537,329	\$ 157,354	\$ 108,799	\$ 2,102,886
Employee benefits	4,163	4,713	122,849	145,111	43,067	53,759	19,589	19,833	413,084
Payroll taxes	1,870	1,651	37,296	39,702	14,486	40,147	11,575	8,107	154,834
Legal & professional	1,160	9,327	16,110	23,486	5,868	17,691	25,372	94,369	193,383
Supplies	1,211	1,510	13,577	18,215	5,771	9,543	2,978	6,038	58,843
Telephone and fax	505	692	14,859	10,373	3,739	3,800	2,888	1,439	38,295
Postage and shipping	54	4	1,431	2,412	171	1,825	903	5,590	12,390
Land and building rent	4,965	259	91,906	92,790	23,663	31,726	12,425	12,755	270,489
General Insurance	-	-	841	12	381	1,146	34	107	2,521
Utilities	-	1,024	13,477	360	2,499	2,561	761	851	21,533
Maintenance and supplies	-	9	2,245	-	664	74	177	275	3,444
Equipment rental/maintenance	188	35	4,368	3,275	1,318	1,035	622	675	11,516
Printing and art work	97	97	1,703	1,212	299	299	299	18,043	22,049
Subscriptions and publications	-	-	-	-	-	-	752	-	752
Advertising and marketing	27	25	5,376	2,624	1,231	2,739	429	443	12,894
Vehicle expense	-	-	1,775	24,758	12	299	2,331	1,466	30,641
Mileage and parking	40	37	6,148	623	2,123	1,285	112	474	10,842
Travel	96	96	1,023	724	209	286	1,294	203	3,931
Meetings and registrations	97	91	2,625	2,982	3,911	848	2,116	1,710	14,380
Specific assistance	-	-	804,159	169,376	-	55	2,053	-	975,643
Membership dues	65	65	646	1,387	129	729	744	65	3,830
Recognition	17	36	483	546	80	830	224	758	2,974
Bank fees	6	4	87	652	878	308	2,042	581	4,558
Other equipment related	171	-	2,462	7,322	730	875	716	366	12,642
	<u>39,967</u>	<u>42,003</u>	<u>1,651,106</u>	<u>1,084,291</u>	<u>321,061</u>	<u>709,189</u>	<u>247,790</u>	<u>282,947</u>	<u>4,378,354</u>
Depreciation	-	-	9,476	-	-	-	38,625	-	48,101
	<u>\$ 39,967</u>	<u>\$ 42,003</u>	<u>\$ 1,660,582</u>	<u>\$ 1,084,291</u>	<u>\$ 321,061</u>	<u>\$ 709,189</u>	<u>\$ 286,415</u>	<u>\$ 282,947</u>	<u>\$ 4,426,455</u>

See accompanying notes to financial statements.

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2020

<u>Expense Category</u>	<u>Pregnancy and Adoption</u>	<u>Youth</u>	<u>Case Mgmt. Brief Services</u>	<u>Refugee & Immigration</u>	<u>Clinical Services</u>	<u>Older Adults</u>	<u>Management and General</u>	<u>Public Relations and Fund Raising</u>	<u>2020 Total</u>
Salaries	\$ 28,512	\$ 24,883	\$ 488,073	\$ 544,346	\$ 136,095	\$ 614,358	\$ 144,509	\$ 84,625	\$ 2,065,401
Employee benefits	5,693	7,368	124,940	158,810	29,152	63,911	20,011	10,192	420,077
Payroll taxes	2,054	1,750	34,692	39,288	9,012	45,890	10,675	6,074	149,435
Legal & professional	1,152	5,291	10,130	14,587	3,608	15,878	13,443	102,074	166,163
Supplies	1,349	1,754	21,517	20,620	4,560	4,699	3,139	6,082	63,720
Telephone and fax	647	890	15,590	11,671	3,890	3,598	3,003	1,325	40,614
Postage and shipping	134	3	1,285	2,710	111	1,992	902	4,455	11,592
Land and building rent	5,295	2,760	86,544	94,279	22,446	33,446	13,124	11,295	269,189
General Insurance	2	2	957	76	358	1,110	57	39	2,601
Utilities	42	1,099	13,348	1,011	2,680	2,596	717	330	21,823
Maintenance and supplies	8	-	2,272	-	569	-	169	154	3,172
Equipment rental/maintenance	305	35	4,792	4,122	1,632	1,390	984	682	13,942
Printing and art work	14	229	2,183	1,352	29	258	29	14,802	18,896
Subscriptions and publications	-	-	-	-	-	-	389	-	389
Advertising and marketing	491	34	6,658	866	1,740	1,324	608	1,467	13,188
Vehicle expense	53	1	2,290	28,621	59	109	1,834	1,651	34,618
Mileage and parking	78	203	10,770	2,856	2,395	3,145	268	465	20,180
Travel	154	12	7,318	657	308	47	3,436	432	12,364
Meetings and registrations	222	222	3,238	5,499	1,207	933	2,452	1,367	15,140
Specific assistance	-	-	490,693	277,206	-	392	4	-	768,295
Membership dues	145	126	1,135	1,757	252	502	902	126	4,945
Recognition	74	106	930	784	194	2,238	468	98	4,892
Bank fees	7	-	998	456	1,209	300	1,849	-	4,819
Other equipment related	20	-	1,446	1,423	181	748	775	205	4,798
	<u>46,451</u>	<u>46,768</u>	<u>1,331,799</u>	<u>1,212,997</u>	<u>221,687</u>	<u>798,864</u>	<u>223,747</u>	<u>247,940</u>	<u>4,130,253</u>
Depreciation	-	-	4,860	-	-	-	45,312	-	50,172
	<u>\$ 46,451</u>	<u>\$ 46,768</u>	<u>\$ 1,336,659</u>	<u>\$ 1,212,997</u>	<u>\$ 221,687</u>	<u>\$ 798,864</u>	<u>\$ 269,059</u>	<u>\$ 247,940</u>	<u>\$ 4,180,425</u>

See accompanying notes to financial statements.

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
 STATEMENTS OF CASH FLOWS
 Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 332,550	\$ (52,510)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	48,101	50,172
Unrealized and realized gains on investments	(272,822)	(22,587)
Income from forgiveness of PPP Loan	(357,500)	-
Donated stock	(15,215)	-
Change in assets and liabilities		
Accounts receivable	(85,914)	52,010
Accounts receivable - related party	(2)	150,002
Pledges receivable	(25,000)	9,000
Prepaid expenses and other current assets	(4,779)	2,126
Accounts payable and accrued expenses	(2,151)	2,371
Grant advance	-	357,500
Accrued payroll, vacation, and pension	1,091	12,983
Net cash from operating activities	(381,641)	561,067
Cash flows from investing activities		
Capital expenditures	(60,290)	-
Net cash from investing activities	(60,290)	-
Net change in cash and cash equivalents	(441,931)	561,067
Cash and cash equivalents at beginning of year	2,191,772	1,630,705
Cash and cash equivalents at end of year	\$ 1,749,841	\$ 2,191,772
Supplemental disclosures of cash flow information		
Cash paid for during the year:		
Contributed goods and services	\$ 433,557	\$ 436,747
Supplemental disclosure of noncash investing and financing activity		
Contribution of investments designated as endowment	\$ 15,215	\$ -

See accompanying notes to financial statements.

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: Catholic Charities of the Diocese of Fort Wayne - South Bend, Inc. (the Organization) is a not-for-profit charitable corporation organized under the Roman Catholic Church, Diocese of Fort Wayne - South Bend to provide nonsectarian services to meet human needs in fourteen counties in and around Fort Wayne, South Bend and Elkhart, Indiana.

Basis of Accounting: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Presentation of Financial Statements: The financial statements have been prepared in accordance with GAAP. GAAP requires, among other things, that the financial statements report the changes in, and totals of each net asset class based on the existence of donor restrictions, as applicable. Net assets are classified as without donor restrictions and with donor restrictions and are detailed as follows:

Net assets without donor restrictions represent the part of the net assets of the Organization that are not restricted by donor-imposed stipulations.

Net assets with donor restrictions represent the part of the net assets of the Organization resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or by actions of the Organization. This class also includes the part of the net assets of the Organization resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. At June 30, 2021 and 2020, the Organization had no such donor-restricted net assets of a permanent nature.

Within net assets without donor restrictions, the Board of Directors has designated funds for the following purpose:

Endowment - Represents funds that are being invested with the intent that the principal is continually reinvested to support the long-term needs of individuals receiving services through the Organization.

Use of Estimates: The preparation of financial statements in conformity with GAAP 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 and the reported amounts of revenues and expenses during the reporting period. Areas where significant estimates are used in the accompanying financial statements include the allowance for doubtful accounts, depreciable lives of fixed assets, valuation of investments and functional expense allocations.

Program Service Fees: Program service fee revenue is recorded as services are provided. Under the terms of certain government reimbursed programs, providers of these services are subject to regulation by the program intermediaries. For many programs, payment for the services rendered is based upon "allowable cost" as defined by each program's regulations, and is subject to financial audit by the program intermediary.

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Revenue Recognition: The Organization receives a substantial portion of its grant revenue from Federal and State agencies. The grants are generally conditional, and revenue is not recognized until the related conditions are substantially met, such as incurring allowable expenses or providing allowable services. The Organization recognizes grant revenue, up to the awarded amount, from its grants to the extent of allowable services provided and/or allowable expenses incurred. Revenue recognition depends upon the provisions within the agreements. The duration of allowable program services is short-term as services are generally rendered within one day.

Revenue recognition from program services and invoicing occur at the point in time which the service is rendered. Payment from our customers and grantors is due at invoicing. Revenue recognized reflects the consideration the Organization expects to receive as payment for the allowable services rendered. The Organization had no costs that were capitalized to obtain or fulfill a contract.

Contributions: Contributions received and unconditional promises to give are recorded as revenue without donor restrictions or with donor restrictions, depending on the existence of donor restrictions and the nature of such restrictions, if they exist. Conditional promises to give with a right of return and a barrier are recognized only when the conditions on which they depend are substantially met. Payments received in advance of the Organization satisfying the related conditions are recorded as grant advance liabilities in the statement of financial position. Catholic Charities has adopted the policy that all contributions with donor restrictions for which the restriction is met in the same year, be recorded as without restrictions on the Statement of Activities. In the fiscal year 2017, Catholic Charities received a four-year grant which was determined to be conditional. The grant is conditional based on Catholic Charities providing program and financial reports and attending performance meetings. Catholic Charities met the conditions and recorded revenue of \$175,000 in 2021 and 2020, respectively.

In-kind Contributions: For the year ended June 30, 2021 and 2020, Catholic Charities recorded \$433,557 and \$436,747 of discounted rent, donated goods and services. The amounts are reported with contributions on the statement of activities. The value of donated volunteer services is not reflected in the accompanying financial statements since these services do not meet the requirement to be recorded under GAAP. However, a substantial number of volunteers have donated significant amounts of their time to various fund-raising events and contacts with individuals receiving services at Catholic Charities.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses have been classified as program services, management and general, and fundraising based on the actual direct expenditures and cost allocation methodologies including time and space usage of programs benefited.

Advertising: The Organization expenses advertising costs as incurred. Advertising costs for the years ended June 30, 2021 and 2020 were \$12,895 and \$13,191, respectively.

Impairment of Long-Lived Assets: On an ongoing basis, the Organization reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may be overstated. The Organization recognizes impairment losses if the undiscounted cash flows expected to be generated are less than the carrying value of the related asset. If impaired, the assets are adjusted to fair value based on the discounted cash flows. Management believes that no such impairment exists for 2021 or 2020.

(Continued)

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Income Taxes: The Organization is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes.

The Organization is subject to accounting guidance related to accounting for uncertainty in income taxes. This guidance requires the Organization to recognize a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit is recorded. The Organization has examined this issue and has determined there are no material contingent tax liabilities or questionable tax positions.

The Organization does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Organization recognizes interest and/or penalties related to income tax matters in income tax expense. The Organization did not have any amounts accrued for interest and penalties at June 30, 2021 or 2020.

Cash and cash equivalents: Cash includes cash and cash equivalents with original maturities of 90 days or less.

Concentration of Credit Risk: The Organization has cash on deposit with one financial institution which, at times, may be in excess of federally insured limits.

Accounts Receivable: The accounts receivable balance represents the unpaid amounts billed to residents and third-party payors less an allowance for doubtful accounts. Interest is not charged on unpaid receivables.

Allowance for Doubtful Accounts: The allowance for doubtful accounts is determined by management based on the Organization's historical losses, specific customer circumstances, and general economic conditions. Periodically, management reviews accounts receivable and adjusts the allowance based on current circumstances and charges off uncollectible receivables when all attempts to collect have failed. At June 30, 2021 and 2020, management estimated that no allowance was needed.

Investments: Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value based on quoted market prices or dealer quotes. These investments are initially recorded at cost if they were purchased or at their fair value on the date of the gift if they were received as a donation. Alternative investments are included in the investment pool in which the Organization is invested and are valued based upon the financial reporting and valuation procedures of the Diocese of Fort Wayne-South Bend, as independent market valuations are not available. The Organization believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market value for such investments existed. Unrealized gains and losses are included in the Statement of Activities. Investment income, inclusive of interest and dividend income, is recorded when earned.

(Continued)

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021 and 2020

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
 (Continued)

Land, Buildings and Equipment: Property and equipment with an acquisition cost of \$1,000 or more are capitalized at cost or, if donated to the Organization, at fair value on the date of acquisition. Additions and improvements are capitalized; expenditures for routine maintenance are charged to operations. Depreciation is provided over the estimated useful lives of the various classes of assets on the straight-line method. Leasehold improvements are depreciated over the lesser of the useful life or lease term of the asset. The estimated useful lives are generally five to thirty years for the various asset classes.

Gifts of long-lived assets such as land, buildings and equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets are to be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2021, to determine the need for any adjustments or disclosures to the audited financial statements for the year ended June 30, 2021. Management has performed their analysis through October 8, 2021, the date the financial statements were available to be issued.

NOTE 2 - INVESTMENTS

The Organization's investments are part of investment pools that contains funds from the Diocese of Fort Wayne-South Bend and the Catholic Community Foundation of Northeast Indiana. Investment returns are allocated based on the Organization's average balance as a percentage of the pool. Fair values of the Organization's portion of the Diocese investment pool were \$1,084,988 and \$819,482 as of June 30, 2021 and 2020. Substantially all of the Diocese investment pool consists of investments in the Catholic Endowment Fund LP, which invests in a diversified portfolio of holdings. Fair values of the Organization's portion of the Catholic Community Foundation of Northeast Indiana's investment pool were \$15,967 and \$12,192 as of June 30, 2021 and 2020. Fair value of the Organization's portion of the Community Foundation Dekalb County investment pool was \$18,756 as of June 30, 2021. The Organization did not have portion of Community Foundation Dekalb County investment pool as of June 30, 2020.

The following schedule summarizes investment returns for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Interest and dividends, net	\$ 39,351	\$ 29,538
Unrealized/realized gains	<u>272,822</u>	<u>22,587</u>
Total investment return	<u>\$ 312,173</u>	<u>\$ 52,125</u>

(Continued)

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 3 - LEASE COMMITMENTS

The Organization has various operating lease obligations for equipment, vehicles and office space. Future minimum lease payments under noncancelable leases as of June 30, 2021 are as follows:

2022	\$ 45,058
2023	10,472
2024	1,560
2025	<u>1,300</u>
	<u>\$ 58,390</u>

As disclosed in Note 5, the Organization has cancelable operating leases, subject to renewal annually, for office space with a related party. Total rent expense was \$289,679 and \$292,952 for the years ended June 30, 2021 and 2020, respectively.

NOTE 4 - RETIREMENT PLANS

The Organization participated in a defined benefit, multiemployer pension plan administered by the Diocese of Fort Wayne-South Bend, Inc. The Diocese of Fort Wayne-South Bend Retirement Plan for Lay Teachers and Lay Employees (Plan) previously covered those employees of the Diocese and its related organizations with one year or more of service and that have reached the age of 21. The Plan has been frozen as of December 31, 2012. The Organization's policy is to charge operations during the year in which pension costs were incurred. The Organization's pension expense for the years ended June 30, 2021 and 2020 was \$57,504 and \$84,702, respectively. The funded status of the Plan has not been disclosed as the information cannot be obtained by the Organization without undue cost or effort.

The Organization participates in an Internal Revenue Code 403 (b) retirement savings plan administered by the Diocese of Fort Wayne-South Bend, Inc. (the "403 (b) Plan"). The 403 (b) Plan covers substantially all full-time employees of the Diocese. Contributions to the 403 (b) Plan are made by the employee through salary deferrals. The 403 (b) Plan also provides for contributions by the Organization of 2% to 3% of employee wages. Contributions to the 403(b) Plan by the Organization amounted to \$41,015 and \$22,377 for the years ended June 30, 2021 and 2020, respectively.

NOTE 5 - RELATED PARTY TRANSACTIONS

The Organization received \$477,573 and \$480,616 of support from the Diocese of Fort Wayne - South Bend during the years ended June 30, 2021 and 2020, respectively.

At June 30, 2021 and 2020, the Organization's accounts receivable from the Diocese totaled \$37,217 and \$37,215.

The Organization leases building space from the Diocese. The rent expense for these facilities totaled \$244,589 and \$241,589 for the years ended June 30, 2021 and 2020, respectively, of which a portion is recorded as an in-kind contribution.

The Organization's investment portfolio is held in a pooled fund of the Diocese, as disclosed in Note 2.

(Continued)

NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

The Catholic Community Foundation of Northeast Indiana (Foundation) holds an endowment fund from the Legacy of Faith campaign for the benefit of the Organization. The Foundation has variance power over the funds. Accordingly, an asset has not been recorded on the Statement of Financial Position. At June 30, 2021 and 2020, the balance of this endowment is \$2,653,003 and \$2,019,786. Distributions from the endowment fund are recorded as revenue when received by the Organization. There were no distributions taken by the Organization during 2021 and 2020, respectively.

NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

GAAP establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The fair values of investments that are readily marketable, such as securities, are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or by quoted market prices of similar securities with similar due dates. (Level 2 input).

The Organization holds investments at the Diocese of Fort Wayne - South Bend and the Catholic Community Foundation of Northeast, as disclosed in Note 2. These investments are part of respective investment pools. The investment pool contains Level 1, 2, and 3 investments. The Organization does not hold specific investments in the pool, only a share of the total pool. As such, all of the Organization's investments are valued at net asset value, and are excluded from the valuation hierarchy. Pooled investment valuations, which are at fair value based on net asset value using the market value approach, are provided by the Diocese and its fund managers. Catholic Charities' management and Finance Committee review the valuations and returns in comparison to industry benchmarks and other information provided by the Diocese. The Organization does not have a specific redemption policy with the Diocese and there are no unfunded commitments.

(Continued)

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021 and 2020

NOTE 7 - LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,749,841	\$ 2,191,772
Accounts receivable	289,006	203,092
Accounts receivable, related party	37,217	37,215
Pledges receivables	51,000	26,000
Investments	<u>1,119,711</u>	<u>831,674</u>
Total financial assets	3,246,775	3,289,753
Less amounts not available to be used within one year:		
Investments restricted for board-designated endowments	34,723	12,192
Donor-restricted net assets	1,259,782	1,380,414
Pledges receivable, non-current	<u>41,000</u>	<u>17,000</u>
Financial assets not available to be used within one year	<u>1,335,505</u>	<u>1,409,606</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,911,270</u>	<u>\$ 1,880,147</u>

As part of the Organization's liquidity management, the Organization invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30 are as follows:

	<u>2021</u>	<u>2020</u>
Pro-life	\$ 1,055,083	\$ 1,205,583
COVID-19 Relief	35,400	127,337
Other	<u>169,299</u>	<u>47,494</u>
	<u>\$ 1,259,782</u>	<u>\$ 1,380,414</u>

(Continued)

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Purpose restrictions accomplished:

	<u>2021</u>	<u>2020</u>
Pro-life	\$ 150,500	\$ 100,000
COVID-19 Relief	91,937	-
Other	<u>25,850</u>	<u>61,199</u>
	<u>\$ 268,287</u>	<u>\$ 161,199</u>

NOTE 9 - COVID-19 AND PAYCHECK PROTECTION PROGRAM LOAN

In December 2019, a novel strain of coronavirus (“COVID-19”) spread around the world resulting in business and social disruption. COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization of January 30, 2020.

As a result of the economic uncertainty stemming from the impact of the COVID-19 pandemic, on July 1, 2020, the Organization applied for and received a Paycheck Protection Program (PPP) loan in the principal amount of \$357,500 from the US Small Business Administration (SBA). Under the terms of the Paycheck Protection Program, a PPP loan provided for conditional forgiveness if the Organization utilized the loan proceeds on admissible expenses, including qualifying payroll, rent, and utility expenses, and maintains employment and compensation levels for a specified period of time. The PPP loan had a stated interest rate of 1% per annum and requires equal monthly payments of principal commencing November 1, 2020 through the contractual maturity date of April 16, 2022.

The Organization has elected to account for its PPP loan as a conditional contribution in accordance with Subtopic 958-605. Under Subtopic 958-605, the PPP loan proceeds are initially recorded as a grant advance liability and subsequently recognized as grant revenue when the Organization has substantially met all conditions for forgiveness. At June 30, 2020, the Organization had not yet satisfied the forgiveness conditions and, therefore, the loan proceeds were recorded as a grant advance liability on the statement of financial position. In June 2021, the Organization was notified by its Lender that the PPP loan was forgiven in full by the SBA. Accordingly, the Organization has recorded grant income of \$357,500 to grant and fees for year-ended June 30, 2021 on the statements of activities.

The extent to which COVID-19 may impact operating activities or business results will depend on future developments, such as the emergence of new information concerning the severity of the spread of the virus and actions required to contain and treat the virus, which are highly uncertain and cannot be predicted.

SUPPLEMENTARY INFORMATION

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
 SCHEDULE OF PROGRAM SUPPORT AND REVENUE AND EXPENSES
 WITHOUT DONOR RESTRICTIONS
 Year ended June 30, 2021

	Support and <u>Revenue</u>	<u>Expenses</u>
Pregnancy and Adoption		
Adoptions	<u>\$ 39,967</u>	<u>\$ 39,967</u>
Youth		
Youth Mentoring	<u>\$ 42,003</u>	<u>\$ 42,003</u>
Case Management Brief Services	<u>\$ 1,497,951</u>	<u>\$ 1,660,582</u>
Clinical Services	<u>\$ 361,627</u>	<u>\$ 321,061</u>
Refugee Immigration	<u>\$ 1,085,911</u>	<u>\$ 1,084,291</u>
Older Adults		
Retired Senior Volunteer Program	<u>\$ 203,703</u>	<u>\$ 203,703</u>
SCSEP	<u>505,486</u>	<u>505,486</u>
	<u>\$ 709,189</u>	<u>\$ 709,189</u>

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
 SCHEDULE OF PROGRAM SUPPORT AND REVENUE AND EXPENSES
 WITHOUT DONOR RESTRICTIONS
 Year ended June 30, 2020

	<u>Support and Revenue</u>	<u>Expenses</u>
Pregnancy and Adoption		
Adoptions	<u>\$ 46,451</u>	<u>\$ 46,451</u>
Youth		
Youth Mentoring	<u>\$ 46,768</u>	<u>\$ 46,768</u>
Case Management Brief Services	<u>\$ 1,331,705</u>	<u>\$ 1,336,659</u>
Clinical Services	<u>\$ 212,687</u>	<u>\$ 221,687</u>
Refugee Immigration	<u>\$ 1,194,097</u>	<u>\$ 1,212,997</u>
Older Adults		
Retired Senior Volunteer Program	<u>\$ 197,771</u>	<u>\$ 197,772</u>
SCSEP	<u>601,092</u>	<u>601,092</u>
	<u>\$ 798,863</u>	<u>\$ 798,864</u>

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2021

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Agency or Pass Through Number</u>	<u>Federal Expenditures</u>
<i>Pass through Catholic Charities of the USA</i>			
<u>U.S. Department of Justice</u> CCUSA Youth Mentoring	16.726	None	\$ 16,935
<i>Pass through Senior Service America</i>			
<u>U.S. Department of Labor</u> Senior Community Service Employment Program	17.235	42185	459,058
<i>Pass through United States Catholic Conference of Bishops</i>			
<u>U.S. Department of State</u> U.S. Refugee Admission Program	19.510	None	76,646
USCCB R & P Direct Client Assistance	19.510	None	100,861
			<u>177,507</u>
<u>U.S. Department of Health and Human Services</u> * Refugee and Entrant Assistance Voluntary Agency Programs - Matching Grant	93.567	None	77,985
<i>Pass through State of Indiana</i>			
<u>U.S. Department of Health and Human Services</u> * Refugee and Entrant Assistance - State Administered Programs	93.566	None	354,548
* Refugee Preventative Health	93.576	HPR778-1	23,803
<i>Pass through United Way of Allen County</i>			
<u>U.S. Department of Homeland Security</u> Emergency Food and Shelter Program	97.024	262200-004	87,600
Emergency Food and Shelter Program	97.024	277600-005	26,382
Emergency Food and Shelter Program	97.024	265400-017	5,693
Emergency Food and Shelter Program	97.024	274800-018	2,195
Emergency Food and Shelter Program	97.024	274800-007	2,567
			<u>124,437</u>
<i>Other Federal Awards</i>			
<u>Corporation for National and Community Service</u> Retired Senior and Volunteer Program	94.002	16SR187718	92,443
<u>U.S. Department of Housing and Urban Development</u> Community Development Block Grant	14.272	None	15,334
Emergency Services Grant	14.231	None	13,633
			<u>28,967</u>
<u>U.S. Department of the Treasury</u> Emergency Rental Assistance Program	21.023	None	84,483
			<u>84,483</u>
Total expenditures of Federal Awards			<u>\$ 1,440,166</u>

* Total for U.S. Department of Health and Human Services is \$456,337

See note to Schedule of Expenditures of Federal Awards.

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Catholic Charities of the Diocese of Fort Wayne-South Bend, Inc. for the year ended June 30, 2021 and is presented in conformity with accounting principles generally accepted in the United States of America on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. Catholic Charities of the Diocese of Fort Wayne-South Bend, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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 of the Diocese of
Fort Wayne - South Bend, Inc.
Fort Wayne, Indiana

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 of the Diocese of Fort Wayne - South Bend, Inc. (Organization), which comprise the statement of financial position as of June 30, 2021, 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 8, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's 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 may exist that have not been identified.

(Continued)

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 statements. 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.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
October 8, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

The Board of Directors
Catholic Charities of the Diocese of Fort
Wayne - South Bend, Inc.
Fort Wayne, Indiana

Report on Compliance for Each Major Federal Program

We have audited Catholic Charities of the Diocese of Fort Wayne - South Bend, Inc.'s (Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2021. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

(Continued)

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
October 8, 2021

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended June 30, 2021

SECTION 1 - SUMMARY OF AUDITORS' RESULTS:

Financial Statements

Type of auditors report issued	Unmodified		
Internal control over financial reporting			
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____ No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	_____ <u>X</u> _____ None Reported
Noncompliance material to financial statements noted?	_____	Yes	_____ <u>X</u> _____ No

Federal Awards

Internal control over major programs			
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____ No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	_____ <u>X</u> _____ 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 2CFR 200.516(a)?	_____	Yes	_____ <u>X</u> _____ No

Identification of major programs

Assistance Listing Numbers(s) 17.235	<u>Name of Federal Program or Cluster</u> Senior Community Service Employment Program
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Dollar threshold used to distinguish between Type A and Type B programs \$ 750,000

Auditee qualified as low-risk auditee?	_____ <u>X</u> _____	Yes	_____	No
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(Continued)

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2021

**SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO
BE REPORTED IN ACCORDANCE WITH GAGAS.**

None

**SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT
FINDINGS AS DEFINED IN 2CFR 200.516(a).**

None