

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

ANNUAL REPORT
June 30, 2024 and 2023

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

ANNUAL REPORT
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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 Audit of the Financial Statements***Opinion***

We have audited the financial statements of Catholic Charities of the Diocese of Fort Wayne – South Bend, Inc. (the “Organization”), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were 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.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the Organization's 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
Crowe LLP

Indianapolis, Indiana
October 30, 2024

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 921,384	\$ 378,688
Accounts receivable	342,128	500,307
Accounts receivable, related party	61,750	36,000
Prepaid expenses and other current assets	<u>85,924</u>	<u>72,813</u>
Total current assets	1,411,186	987,808
Equipment and improvements		
Building and leasehold improvements	1,004,284	983,548
Office furniture and equipment	348,168	462,695
Transportation equipment	125,352	134,352
Program equipment	<u>29,050</u>	<u>29,050</u>
Total equipment	1,506,854	1,609,645
Accumulated depreciation	<u>(1,228,576)</u>	<u>(1,345,583)</u>
Net equipment and improvements	278,278	264,062
Investments	4,475,149	3,491,780
Right-of-use assets	<u>532,093</u>	<u>678,655</u>
Total assets	<u>\$ 6,696,706</u>	<u>\$ 5,422,305</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 103,499	\$ 134,612
Accrued payroll	101,151	112,851
Accrued vacation	147,191	116,196
Accrued pension	53,273	53,958
Grant advance	-	11,776
Operating lease liability, current portion	<u>151,602</u>	<u>146,562</u>
Total current liabilities	556,716	575,955
Operating lease liability, long-term	<u>380,491</u>	<u>532,093</u>
Total liabilities	937,207	1,108,048
Net assets		
Without donor restrictions		
Designated by Board for endowment	36,439	32,237
Other without donor restrictions	<u>4,790,107</u>	<u>3,332,962</u>
Total without donor restrictions	4,826,546	3,365,199
With donor restrictions	<u>932,953</u>	<u>949,058</u>
Total net assets	<u>\$ 5,759,499</u>	<u>\$ 4,314,257</u>
	<u>\$ 6,696,706</u>	<u>\$ 5,422,305</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, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues						
Contributions	\$ 2,933,760	\$ -	\$ 2,933,760	\$ 1,371,861	\$ 36,527	\$ 1,408,388
In-kind revenue	556,778	-	556,778	571,825	-	571,825
Foundations and trusts	863,494	239,720	1,103,214	731,965	100,000	831,965
Diocese contributions and support	451,996	-	451,996	452,396	-	452,396
United Way grants						
United Way - Allen County	29,293	-	29,293	97,044	-	97,044
United Way - Dekalb County	-	30,000	30,000	20,000	-	20,000
United Way - St. Joseph County	31,463	1,050	32,513	51,766	-	51,766
United Way - Elkhart County	5,388	-	5,388	1,000	-	1,000
Grants and fees	3,636,258	-	3,636,258	3,103,931	-	3,103,931
Program service fees	543,240	-	543,240	356,240	-	356,240
Investment returns	275,309	-	275,309	188,388	-	188,388
Net assets released from restriction	<u>286,875</u>	<u>(286,875)</u>	<u>-</u>	<u>324,081</u>	<u>(324,081)</u>	<u>-</u>
Total support and revenues	9,613,854	(16,105)	9,597,749	7,270,497	(187,554)	7,082,943
Expenses						
Pro-life services	273,154	-	273,154	218,250	-	218,250
Stability services	2,418,387	-	2,418,387	2,495,075	-	2,495,075
Migration services	3,724,232	-	3,724,232	3,161,930	-	3,161,930
Counseling services	<u>757,742</u>	<u>-</u>	<u>757,742</u>	<u>718,922</u>	<u>-</u>	<u>718,922</u>
Total program expenses	7,173,515	-	7,173,515	6,594,177	-	6,594,177
Management and general	370,203	-	370,203	377,813	-	377,813
Public relations and fund raising	<u>608,789</u>	<u>-</u>	<u>608,789</u>	<u>545,635</u>	<u>-</u>	<u>545,635</u>
Total expenses	<u>8,152,507</u>	<u>-</u>	<u>8,152,507</u>	<u>7,517,625</u>	<u>-</u>	<u>7,517,625</u>
Changes in net assets	1,461,347	(16,105)	1,445,242	(247,128)	(187,554)	(434,682)
Net assets at beginning of year	<u>3,365,199</u>	<u>949,058</u>	<u>4,314,257</u>	<u>3,612,327</u>	<u>1,136,612</u>	<u>4,748,939</u>
Net assets at end of year	<u>\$ 4,826,546</u>	<u>\$ 932,953</u>	<u>\$ 5,759,499</u>	<u>\$ 3,365,199</u>	<u>\$ 949,058</u>	<u>\$ 4,314,257</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, 2024

<u>Expense Category</u>	<u>Pro-Life Services</u>	<u>Stability Services</u>	<u>Migration Services</u>	<u>Counseling Services</u>	<u>Management and General</u>	<u>Public Relations and Fund Raising</u>	<u>2024 Total</u>
Salaries	\$ 180,577	\$ 1,298,551	\$ 1,610,140	\$ 465,732	\$ 221,938	\$ 407,385	\$ 4,184,323
Employee Benefits	34,143	205,794	331,225	77,024	28,391	60,780	737,357
Payroll Taxes	13,193	95,792	119,318	33,947	15,378	29,108	306,736
Legal & Professional	6,224	66,578	87,220	82,608	20,175	16,410	279,215
Supplies	4,411	33,612	87,087	11,858	5,312	23,851	166,131
Telephone and fax	2,362	16,216	24,163	8,667	1,599	3,101	56,108
Postage and Shipping	63	3,167	5,635	422	833	8,492	18,612
Land and building rent	11,660	109,507	144,232	55,090	16,271	14,543	351,303
General Insurance	40	1,724	293	254	10	107	2,428
Utilities	1,109	13,966	6,774	1,846	1,055	1,058	25,808
Maintenance and supplies	526	2,680	2,526	810	574	509	7,625
Equipment rental/maintenance	1,022	4,386	10,903	472	1,192	1,105	19,080
Printing and art work	696	1,403	2,771	307	198	28,371	33,746
Subscriptions and publications	35	179	399	35	35	493	1,176
Advertising and marketing	-	1,724	(11)	1,612	-	560	3,885
Vehicle Expense	-	4,484	42,537	394	-	1,292	48,707
Mileage and parking	5,160	10,022	13,322	4,778	434	3,422	37,138
Travel	1,714	4,043	7,785	1,147	4,228	1,248	20,165
Meetings and registrations	3,113	11,420	14,808	3,579	3,483	5,776	42,179
Specific Assistance	4,619	515,321	1,195,611	175	1,100	-	1,716,826
Membership dues	246	1,656	2,802	246	182	553	5,685
Recognition	196	2,748	1,953	224	430	308	5,859
Write-off for Uncollectible	(33)	(493)	559	(563)	(498)	-	(1,028)
Bank Fees	2	1,841	2,071	1,903	7,336	168	13,321
Other equipment related	228	5,360	4,541	5,175	1,824	149	17,277
	<u>271,306</u>	<u>2,411,681</u>	<u>3,718,664</u>	<u>757,742</u>	<u>331,480</u>	<u>608,789</u>	<u>8,099,662</u>
Depreciation	<u>1,848</u>	<u>6,706</u>	<u>5,568</u>	<u>-</u>	<u>38,723</u>	<u>-</u>	<u>52,845</u>
	<u>\$ 273,154</u>	<u>\$ 2,418,387</u>	<u>\$ 3,724,232</u>	<u>\$ 757,742</u>	<u>\$ 370,203</u>	<u>\$ 608,789</u>	<u>\$ 8,152,507</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, 2023

<u>Expense Category</u>	<u>Pro-Life Services</u>	<u>Stability Services</u>	<u>Migration Services</u>	<u>Counseling Services</u>	<u>Management and General</u>	<u>Public Relations and Fund Raising</u>	<u>2023 Total</u>
Salaries	\$ 135,107	\$ 1,255,665	\$ 1,238,312	\$ 429,270	\$ 223,860	\$ 293,583	\$ 3,575,797
Employee benefits	29,472	188,363	243,555	88,348	25,529	40,269	615,536
Payroll taxes	9,982	93,822	91,469	31,619	15,831	21,715	264,438
Legal & professional	6,803	52,854	70,515	62,289	20,216	94,949	307,626
Supplies	4,487	23,873	78,536	15,484	2,210	26,314	150,904
Telephone and fax	2,893	23,487	24,408	9,205	1,331	3,029	64,353
Postage and shipping	205	2,879	5,145	1,007	1,233	6,785	17,254
Land and building rent	12,644	102,063	134,147	33,182	13,047	14,921	310,004
General Insurance	112	1,588	214	416	11	54	2,395
Utilities	865	16,340	22,189	3,845	379	291	43,909
Maintenance and supplies	847	3,101	9,221	1,732	350	504	15,755
Equipment rental/maintenance	1,040	4,472	9,528	2,309	675	912	18,936
Printing and art work	170	1,293	1,717	919	178	30,751	35,028
Subscriptions and publications	85	423	558	85	179	42	1,372
Advertising and marketing	9	2,560	2,985	4,984	353	2,991	13,882
Vehicle expense	2,177	10,284	29,962	127	-	1,620	44,170
Mileage and parking	3,458	7,755	7,319	7,784	559	1,886	28,761
Travel	231	1,839	6,626	6,115	8,637	577	24,025
Meetings and registrations	1,391	6,636	12,912	3,088	2,897	2,520	29,444
Specific assistance	453	676,997	1,058,224	-	380	-	1,736,054
Membership dues	255	1,877	2,257	255	716	128	5,488
Recognition	132	2,987	1,426	848	711	739	6,843
Contribution of equipment and improvements	-	-	88,011	-	-	-	88,011
Bank fees	61	8	495	2,053	2,619	140	5,376
Other equipment related	943	7,033	11,543	13,958	14,199	915	48,591
	<u>213,822</u>	<u>2,488,199</u>	<u>3,151,274</u>	<u>718,922</u>	<u>336,100</u>	<u>545,635</u>	<u>7,453,952</u>
Depreciation	<u>4,428</u>	<u>6,876</u>	<u>10,656</u>	<u>-</u>	<u>41,713</u>	<u>-</u>	<u>63,673</u>
	<u>\$ 218,250</u>	<u>\$ 2,495,075</u>	<u>\$ 3,161,930</u>	<u>\$ 718,922</u>	<u>\$ 377,813</u>	<u>\$ 545,635</u>	<u>\$ 7,517,625</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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ 1,445,242	\$ (434,682)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	52,845	63,673
Unrealized and realized gains on investments	(126,984)	(131,756)
Contribution of equipment and improvements	-	88,011
Change in assets and liabilities		
Accounts receivable	158,179	(97,011)
Accounts receivable - related party	(25,750)	-
Pledges receivable	-	6,000
Prepaid expenses and other current assets	(13,111)	(11,659)
Right-of-use assets	146,562	130,997
Accounts payable, accrued expenses and grant advance	(42,889)	82,606
Accrued payroll, vacation, and pension	18,610	47,455
Operating lease liability	(146,562)	(130,997)
Net cash from operating activities	1,466,142	(387,363)
Cash flows from investing activities		
Capital expenditures	(67,061)	(73,157)
Purchases of investments	(856,385)	(2,442,184)
Net cash from investing activities	(923,446)	(2,515,341)
Net change in cash and cash equivalents	542,696	(2,902,704)
Cash and cash equivalents at beginning of year	378,688	3,281,392
Cash and cash equivalents at end of year	\$ 921,384	\$ 378,688
Supplemental disclosure of noncash investing and financing activity		
Non-cash additions to right-of-use assets and operating lease liabilities	\$ -	\$ 809,651
In-kind contributions	556,778	571,825

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, which 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, 2024 and 2023, 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 credit losses and uncollectible contributions receivable, depreciable lives of fixed assets, valuation of investments and functional expense allocations.

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 2023, Catholic Charities received a three-year grant which was determined to be conditional. The grant is conditional based on Catholic Charities providing program and financial reports, attending performance meetings and reporting changes at the executive level management. Catholic Charities met the conditions and recorded revenue of \$175,000 in 2024 and 2023, respectively.

(Continued)

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

In-kind Contributions: For the year ended June 30, 2024 and 2023, Catholic Charities recorded \$556,778 and \$571,825 for contributions of discounted rent, donated goods and services. These items were used in relation to Catholic Charities' programs and operations. 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.

In-kind contributions from discounted rent is determined by comparing the Organization's discounted rental rate per the lease agreement to the prevailing market rental rates of similar types of office space in their geographic location. In-kind contributions from donated goods and services is determined by current market rates to purchase the goods or services. In-kind contributions are used for the Organization's programs and operations.

Revenue Recognition: The Organization receives a substantial portion of its grant revenue from Federal and State agencies. The grants are generally conditional contributions, 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 occurs at the point in time which the service is rendered or eligible expense incurred. 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.

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.

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, 2024 and 2023 were \$3,885 and \$13,882, 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 2024 or 2023.

(Continued)

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, 2024 or 2023.

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.

Recently Adopted Accounting Pronouncement: On July 1, 2023, the Organization adopted Accounting Standards Update (“ASU”) 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. This standard replaces existing financial asset impairment guidance with the current expected credit loss (“CECL”) methodology. Under the CECL methodology, the Organization must estimate the expected credit losses on applicable financial assets considering the risk of loss over their contractual lives and incorporating reasonable and supportable forecasts of key inputs in addition to historical credit loss trends and current conditions. The effects of this ASU did not materially impact the Organization’s financial statements.

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

Allowance for Credit Losses: The allowance for credit losses is determined by management based on consideration of historical loss information, current economic conditions and reasonable and supportable forecasts of future economic conditions. Management recognizes an allowance for expected credit losses such that the net carrying amount of the financial assets presented in the Organization’s balance sheets represents the amount expected to be collected. Management charges off uncollectible receivables when all attempts to collect have failed. At June 30, 2024 and 2023, management estimated that no allowance for credit losses 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.

(Continued)

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

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.

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.

Right-of-Use Lease Asset and Lease Liability: The Organization recognizes a right-of-use ("ROU") asset and lease liability on the statement of financial position for all leases with a term longer than 12-months. Leases are classified as operating or finance, with the classification affecting the pattern and classification of expense recognition in the income statement. Certain leases include one or more options to renew. Management includes renewal periods in the lease term when it is reasonably certain that a renewal option will be exercised. As most leases do not provide an implicit rate, the Organization elected the practical expedient to utilize a risk-free rate over a similar remaining term of the lease as the discount rate.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2024, to determine the need for any adjustments or disclosures to the audited financial statements for the year ended June 30, 2024. Management has performed their analysis through October 30, 2024, the date the financial statements were available to be issued.

NOTE 2 - INVESTMENTS

The Organization's investments include 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 \$1,114,271 and \$992,908 as of June 30, 2024 and 2023. Substantially all of the Diocese investment pool consists of investments in the Catholic Endowment Fund LP, which invests in a diversified portfolio of holdings. The invested funds are available for the Organization's withdrawal as needed. Fair values of the Organization's portion of the Catholic Community Foundation of Northeast Indiana's investment pool were \$16,770 and \$14,555 as of June 30, 2024 and 2023. Fair value of the Organization's portion of the Community Foundation Dekalb County

(Continued)

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 2 – INVESTMENTS (Continued)

investment pool was \$19,669 and \$17,682 as of June 30, 2024 and 2023. During 2024 the Organization purchased US Treasury bonds and interests in mutual funds and exchange traded funds for \$856,385. During 2023, the Organization purchased US Treasury bonds for \$2,442,184. The fair value of the US Treasury bonds directly held by the Organization at June 30, 2024 and 2023 is \$3,052,344 and \$2,466,635, respectively. The fair value of mutual funds and exchange traded funds directly held by the Organization at June 30, 2024 is \$272,095. The Organization did not hold any investments in mutual funds or exchange traded funds as of June 30, 2023.

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

	<u>2024</u>	<u>2023</u>
Interest and dividends, net	\$ 148,325	\$ 56,632
Unrealized/realized gains (losses)	<u>126,984</u>	<u>131,756</u>
Total investment return	<u>\$ 275,309</u>	<u>\$ 188,388</u>

NOTE 3 - LEASE COMMITMENTS

The Organization has various operating lease obligations for equipment, vehicles and office space. 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 \$376,441 and \$335,138 for the years ended June 30, 2024 and 2023, respectively.

As of June 30, 2024 and 2023, the weighted-average remaining lease term and the weighted-average discount rate used in calculating the right-of-use asset are as follows:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term (in years)	3.69	4.62
Weighted average discount rate used in calculated ROU asset	3.10%	3.13%

As of June 30, 2024, remaining maturities of lease liabilities are as follows:

2025		\$ 165,823
2026		145,184
2027		132,683
2028		<u>119,446</u>
		563,136
Less interest		<u>(31,043)</u>
Present value of lease liabilities		<u>\$ 532,093</u>

(Continued)

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, 2024 and 2023 was \$53,273 and \$53,958, 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 40 (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 \$82,322 and \$99,051 for the years ended June 30, 2024 and 2023, respectively.

NOTE 5 - RELATED PARTY TRANSACTIONS

The Organization received \$451,996 and \$452,396 of support from the Diocese of Fort Wayne - South Bend during the years ended June 30, 2024 and 2023, respectively.

At June 30, 2024 and 2023, the Organization's accounts receivable from the Diocese totaled \$61,750 and \$36,000.

The Organization leases building space from the Diocese. The rent expense for these facilities totaled \$283,813 and \$273,301 for the years ended June 30, 2024 and 2023, 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.

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, 2024 and 2023, the balance of this endowment is \$2,289,481 and \$2,075,540. Distributions from the endowment fund are recorded as contributions on the statements of activities when received by the Organization. During 2024 and 2023, distributions of \$108,900 and \$108,500 were taken by the Organization and recorded as revenue.

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:

(Continued)

NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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.

The fair values of US Treasury bonds, mutual funds and exchange traded funds are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

(Continued)

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2024 and 2023

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>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 921,384	\$ 378,688
Accounts receivable	342,128	500,307
Accounts receivable, related party	61,750	36,000
Investments	<u>4,475,149</u>	<u>3,491,780</u>
Total financial assets	5,800,411	4,406,775
Less amounts not available to be used within one year:		
Investments restricted for board-designated endowments	36,439	32,237
Donor-restricted net assets	<u>932,953</u>	<u>949,058</u>
Financial assets not available to be used within one year	<u>969,392</u>	<u>981,295</u>
Financial assets available to meet general expenditures within one year	<u>\$ 4,831,019</u>	<u>\$ 3,425,480</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>2024</u>	<u>2023</u>
Pro-life	\$ 662,183	\$ 806,233
Other	<u>270,770</u>	<u>142,825</u>
	<u>\$ 932,953</u>	<u>\$ 949,058</u>

Purpose restrictions accomplished:

	<u>2024</u>	<u>2023</u>
Pro-life	\$ 144,050	\$ 119,100
COVID-19 Relief	-	14,476
Other	<u>142,825</u>	<u>190,505</u>
	<u>\$ 286,875</u>	<u>\$ 324,081</u>

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, 2024

	Support and <u>Revenue</u>	<u>Expenses</u>
Pro-Life Services	\$ 82,731	\$ 273,154
Stability Services	\$ 2,434,083	\$ 2,418,387
Migration Services	\$ 3,805,886	\$ 3,724,232
Counseling Services	\$ 757,742	\$ 757,742

See accompanying Independent Auditor's Report.

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, 2023

	Support and <u>Revenue</u>	<u>Expenses</u>
Pro-Life Services	\$ 139,722	\$ 218,250
Stability Services	\$ 2,458,374	\$ 2,495,075
Migration Services	\$ 3,117,906	\$ 3,161,930
Counseling Services	\$ 697,921	\$ 718,922

See accompanying Independent Auditor's Report.

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2024

<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	\$ 16,325
<i>Pass through Senior Service America</i>			
<u>U.S. Department of Labor</u>			
Senior Community Service Employment Program	17.235	42185	493,381
<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	425,582
U.S. Refugee Admission Program USCCB R & P			
Direct Client Assistance	19.510	None	511,189
			<u>936,771</u>
<u>U.S. Department of Health and Human Services</u>			
* Refugee and Entrant Assistance Voluntary			
Agency Programs - Matching Grant	93.567	None	802,795
<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	895,068
* Refugee Preventative Health	93.576	HPR778-1	348,500
<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	17,709
Emergency Food and Shelter Program	97.024	277600-005	15,729
			<u>33,438</u>
<i>Pass through City of Fort Wayne, Indiana</i>			
<u>U.S. Department of Housing and Urban Development</u>			
Community Development Block Grant	14.272	None	20,000
<i>Other Federal Award</i>			
<u>Corporation for National and Community Service</u>			
Retired Senior and Volunteer Program	94.002	16SR187718	89,980
Total expenditures of Federal Awards			<u>\$ 3,636,258</u>

* Total for U.S. Department of Health and Human Services is \$2,046,363

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, 2024

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, 2024 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, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 30, 2024.

Report on 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 or significant deficiencies may exist that have not been identified.

Report on 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*.

(Continued)

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 30, 2024

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

Opinion on Each Major Federal Program

We have audited the Catholic Charities of the Diocese of Fort Wayne – South Bend, Inc. (the “Organization”) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the Organization’s major federal programs for the year ended June 30, 2024. The Organization’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

(Continued)

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

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
October 30, 2024

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended June 30, 2024

SECTION 1 - SUMMARY OF AUDITORS' RESULTS:

Financial Statements

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

Federal Awards

Internal control over major programs				
Material weakness(es) identified?	_____	Yes	___X___	No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	___X___	None Reported
Type of auditor's report issued on compliance for major programs			Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	_____	Yes	___X___	No

Identification of major programs

Assistance Listing Numbers(s)	<u>Name of Federal Program or Cluster</u>
93.566	Refugee and Entrant Assistance – State Administered Programs
93.567	Refugee and Entrant Assistance Voluntary Agency Programs – Matching Grant

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

Auditee qualified as low-risk auditee?	___X___	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, 2024

**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