

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

**ANNUAL REPORT**  
June 30, 2016 and 2015

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

Fort Wayne, Indiana

ANNUAL REPORT  
June 30, 2016 and 2015

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## INDEPENDENT AUDITOR'S REPORT

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, 2016 and 2015, 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 of material misstatement.

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

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

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(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, 2016 and 2015, 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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedules of Unrestricted Program Support and Revenue and Expenses, 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.

## **Report on Other Legal and Regulatory Requirement**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2016, on our consideration of the Organization's internal control over financial reporting and on our test 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 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 Horwath LLP*

Crowe Horwath LLP

Indianapolis, Indiana  
September 19, 2016

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 789,685	\$ 783,971
Accounts receivable	274,050	289,761
Accounts receivable - related party	37,731	36,717
Prepaid expenses and other current assets	39,260	40,314
Total current assets	<u>1,140,726</u>	<u>1,150,763</u>
Equipment and improvements		
Building and leasehold improvements	820,523	3,604,513
Office furniture and equipment	387,969	362,536
Transportation equipment	118,355	56,914
Program equipment	24,347	119,123
Total	<u>1,351,194</u>	<u>4,143,086</u>
Accumulated depreciation	<u>(961,189)</u>	<u>(2,295,879)</u>
Net equipment and improvements	390,005	1,847,207
Other assets		
Investments	<u>636,780</u>	<u>680,674</u>
	<u>\$ 2,167,511</u>	<u>\$ 3,678,644</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 6,513	\$ 34,743
Accrued payroll	79,894	91,463
Accrued vacation	63,536	68,423
Accrued pension	73,351	80,350
Current maturities of capital lease obligations	5,310	-
Total current liabilities	<u>228,604</u>	<u>274,979</u>
Capital lease obligations, less current portion	<u>21,675</u>	<u>-</u>
Total liabilities	250,279	274,979
Net assets		
Unrestricted		
Designated by Board for endowment	9,467	9,788
Other unrestricted	<u>1,788,538</u>	<u>3,275,745</u>
Total unrestricted	1,798,005	3,285,533
Temporarily restricted	<u>119,227</u>	<u>118,132</u>
Total net assets	<u>1,917,232</u>	<u>3,403,665</u>
	<u>\$ 2,167,511</u>	<u>\$ 3,678,644</u>

See accompanying notes to financial statements.

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.  
STATEMENTS OF ACTIVITIES  
June 30, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Support and revenues</b>						
Contributions	\$ 812,296	\$ 119,227	\$ 931,523	\$ 733,730	\$ 118,132	\$ 851,862
Foundations and trusts	542,483	-	542,483	485,839	-	485,839
Diocese contributions and support	458,237	-	458,237	408,274	-	408,274
United Way grants						
United Way - Allen County	155,856	-	155,856	158,723	-	158,723
United Way - Dekalb County	44,040	-	44,040	40,515	-	40,515
United Way - Steuben County	750	-	750	250	-	250
United Way - St. Joseph County	55,067	-	55,067	42,407	-	42,407
United Way - Noble County	2,000	-	2,000	-	-	-
United Way - Huntington County	28	-	28	155	-	155
United Way - Elkhart County	261	-	261	523	-	523
Government grants and fees	1,880,376	-	1,880,376	1,866,374	-	1,866,374
Program service fees	125,987	-	125,987	164,051	-	164,051
Investment returns	(9,178)	-	(9,178)	29,620	-	29,620
Assets released from restrictions	118,132	(118,132)	-	89,510	(89,510)	-
	<u>4,186,335</u>	<u>1,095</u>	<u>4,187,430</u>	<u>4,019,971</u>	<u>28,622</u>	<u>4,048,593</u>
<b>Expenses</b>						
Pregnancy and adoption	298,175	-	298,175	364,383	-	364,383
Children	62,764	-	62,764	50,147	-	50,147
Case management brief services	713,155	-	713,155	619,322	-	619,322
Refugee immigration	1,719,171	-	1,719,171	1,412,623	-	1,412,623
Clinical services	18,237	-	18,237	-	-	-
Older adults	850,428	-	850,428	947,730	-	947,730
Total program expenses	<u>3,661,930</u>	<u>-</u>	<u>3,661,930</u>	<u>3,394,205</u>	<u>-</u>	<u>3,394,205</u>
Management and general	344,835	-	344,835	421,767	-	421,767
Public relations and fund raising	208,676	-	208,676	151,100	-	151,100
	<u>4,215,441</u>	<u>-</u>	<u>4,215,441</u>	<u>3,967,072</u>	<u>-</u>	<u>3,967,072</u>
Changes in net assets from continuing operations	(29,106)	1,095	(28,011)	52,899	28,622	81,521
Discontinued operations:						
Loss from discontinued operations (including 2016 loss on disposal of \$1,452,996)	(1,458,422)	-	(1,458,422)	(92,502)	-	(92,502)
Changes in net assets	(1,487,528)	1,095	(1,486,433)	(39,603)	28,622	(10,981)
Net assets at beginning of year	<u>3,285,533</u>	<u>118,132</u>	<u>3,403,665</u>	<u>3,325,136</u>	<u>89,510</u>	<u>3,414,646</u>
<b>Net assets at end of year</b>	<u>\$ 1,798,005</u>	<u>\$ 119,227</u>	<u>\$ 1,917,232</u>	<u>\$ 3,285,533</u>	<u>\$ 118,132</u>	<u>\$ 3,403,665</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, 2016

Expense Category	Pregnancy and Adoption	Children	Case Mgmt. Brief Services	Refugee Immigration	Clinical Services	Older Adults	Management and General	Public Relations and Fund Raising	2016 Total
Salaries	\$ 174,380	\$ 28,166	\$ 180,990	\$ 656,595	\$ 9,752	\$ 635,609	\$ 158,309	\$ 59,381	\$ 1,903,182
Employee benefits	41,600	10,049	44,834	208,395	3,089	67,679	24,841	12,870	413,357
Payroll taxes	12,994	1,960	12,717	46,683	529	47,563	12,221	3,900	138,567
Legal and professional	8,638	14,777	8,104	22,307	321	16,860	10,564	70,353	151,924
Food and beverages	-	-	-	-	-	-	-	-	-
Supplies	7,560	2,765	6,944	37,680	1,551	21,643	4,950	5,928	89,021
Telephone and fax	3,399	302	5,672	12,689	337	4,009	4,168	775	31,351
Postage and shipping	530	10	788	4,446	-	2,378	1,110	13,164	22,426
Land and building rent	30,708	1,760	47,194	93,909	1,613	29,644	16,187	8,331	229,346
General insurance	238	-	616	2,339	68	1,283	173	34	4,751
Utilities	1,552	559	6,762	2,260	265	4,365	1,211	146	17,120
Maintenance and supplies	682	-	2,829	577	77	805	233	82	5,285
Equipment rental/maintenance	1,602	23	3,960	747	(343)	939	1,336	(278)	7,986
Printing and art work	966	244	375	992	8	184	644	22,933	26,346
Subscriptions and publications	-	-	-	-	-	-	325	-	325
Advertising and marketing	3,820	221	1,957	4,804	82	1,001	2,077	2,168	16,130
Gas, oil and vehicle maintenance	135	89	3,905	19,665	-	384	6,163	547	30,888
Mileage and parking	5,036	374	4,242	16,086	257	2,711	1,081	243	30,030
Travel	368	1,103	188	3,320	210	696	3,285	1,096	10,266
Meetings and registrations	1,033	118	650	4,703	70	985	2,898	3,290	13,747
Specific assistance	725	-	369,886	572,792	-	389	35	-	943,827
Membership dues	603	28	746	2,253	5	616	118	227	4,596
Recognition	371	78	1,057	1,028	3	4,222	1,215	2,450	10,424
Interest expense	1,102	138	1,277	4,475	338	1,015	735	923	10,003
Bank fees	133	-	851	426	5	180	3,936	113	5,644
	<u>298,175</u>	<u>62,764</u>	<u>706,544</u>	<u>1,719,171</u>	<u>18,237</u>	<u>845,160</u>	<u>257,815</u>	<u>208,676</u>	<u>4,116,542</u>
Depreciation	-	-	6,611	-	-	5,268	87,020	-	98,899
	<u>\$ 298,175</u>	<u>\$ 62,764</u>	<u>\$ 713,155</u>	<u>\$ 1,719,171</u>	<u>\$ 18,237</u>	<u>\$ 850,428</u>	<u>\$ 344,835</u>	<u>\$ 208,676</u>	<u>\$ 4,215,441</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, 2015

<u>Expense Category</u>	<u>Pregnancy and Adoption</u>	<u>Children</u>	<u>Case Mgmt. Brief Services</u>	<u>Refugee Immigration</u>	<u>Older Adults</u>	<u>Management and General</u>	<u>Public Relations and Fund Raising</u>	<u>2015 Total</u>
Salaries	\$ 215,115	\$ 16,367	\$ 164,270	\$ 524,401	\$ 709,316	\$ 208,066	\$ 28,016	\$ 1,865,551
Employee benefits	52,068	7,109	31,214	151,129	68,390	38,216	4,987	353,113
Payroll taxes	15,458	1,121	12,141	36,765	52,543	15,083	1,904	135,015
Legal and professional	9,173	20,037	8,200	20,030	20,914	10,791	80,691	169,836
Food and beverages	-	-	-	-	-	-	-	-
Supplies	10,528	2,351	9,083	25,619	23,772	5,576	3,852	80,781
Telephone and fax	3,627	254	5,303	10,957	4,309	5,026	514	29,990
Postage and shipping	770	7	1,253	4,595	3,359	1,472	6,996	18,452
Land and building rent	32,188	1,613	50,213	84,435	30,001	22,383	8,512	229,345
General insurance	440	-	673	27	2,387	138	10	3,675
Utilities	2,079	624	8,130	2,164	4,807	942	49	18,795
Maintenance and supplies	952	-	2,477	125	549	336	30	4,469
Equipment rental/maintenance	3,734	54	4,886	7,107	3,273	3,025	1,037	23,116
Printing and art work	766	-	623	661	280	265	11,402	13,997
Subscriptions and publications	-	-	-	-	-	808	-	808
Advertising and marketing	2,479	-	1,498	2,997	595	2,580	593	10,742
Gas, oil and vehicle maintenance	465	-	1,690	16,822	1,255	7,381	200	27,813
Mileage and parking	5,593	398	3,795	12,931	5,187	1,378	52	29,334
Travel	1,405	-	71	3,292	279	5,553	51	10,651
Meetings and registrations	3,003	212	3,251	7,160	2,165	6,417	1,528	23,736
Specific assistance	3,032	-	307,238	497,641	45	30	-	807,986
Membership dues	616	-	898	1,941	620	514	150	4,739
Recognition	444	-	735	1,212	8,317	1,880	138	12,726
Bank fees	448	-	2	612	99	4,719	388	6,268
	<u>364,383</u>	<u>50,147</u>	<u>617,644</u>	<u>1,412,623</u>	<u>942,462</u>	<u>342,579</u>	<u>151,100</u>	<u>3,880,938</u>
Depreciation	-	-	1,678	-	5,268	79,188	-	86,134
	<u>\$ 364,383</u>	<u>\$ 50,147</u>	<u>\$ 619,322</u>	<u>\$ 1,412,623</u>	<u>\$ 947,730</u>	<u>\$ 421,767</u>	<u>\$ 151,100</u>	<u>\$ 3,967,072</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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (1,486,433)	\$ (10,981)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	106,473	176,886
Loss on disposal of Villa property, plant and equipment	1,452,996	-
Unrealized and realized gain on investments	25,264	(14,979)
Change in assets and liabilities		
Accounts receivable	15,711	14,567
Accounts receivable - related party	(1,014)	9,283
Prepaid expenses and other current assets	1,054	(18,588)
Accounts payable and accrued expenses	(28,230)	(31,275)
Accrued payroll, vacation, and pension	(23,455)	29,266
Net cash from operating activities	62,366	154,179
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	18,629	-
Purchase of investments	-	(5,733)
Capital expenditures	(69,971)	(6,793)
Net cash from investing activities	(51,342)	(12,526)
<b>Cash flows from financing activities</b>		
Payments on capital lease	(5,310)	-
Cash used in financing activities	(5,310)	-
Net change in cash and cash equivalents	5,714	141,653
Cash and cash equivalents at beginning of year	783,971	642,318
<b>Cash and cash equivalents at end of year</b>	<b>\$ 789,685</b>	<b>\$ 783,971</b>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid for during the year:		
Interest	\$ 10,003	\$ -
Contributed goods and services	\$ 517,033	\$ 468,001
Assets acquired under capital lease	33,234	-

See accompanying notes to financial statements.

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016 and 2015

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**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.

Discontinued Operations: On August 1, 2015, the members of the Organization resolved to transfer the administration and operation the Villa of the Woods Senior Residential Living Facility (the "Villa") to a third party for no consideration. The Organization recognized a loss on the disposal of the Villa's property, plant and equipment of \$1,452,996 for the year-ended June 30, 2016. Operating results of this program for all years presented have been reclassified in the statements of activities as "discontinued operations". Revenues of this program for the years ended June 30, 2016 and 2015 were \$7,289 and \$374,763, respectively. Expenses for this program for the years ended June 30, 2016 and 2015, not including loss on disposals of fixed assets, were \$12,838 and \$467,265, respectively.

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 unrestricted, temporarily restricted, or permanently restricted and are detailed as follows:

Unrestricted net assets represent the part of the net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets 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.

Permanently restricted net assets 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 neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. At June 30, 2016 and 2015, the Organization had no permanently restricted net assets.

Within unrestricted net assets, the Board of Directors has designated funds for the following purposes:

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.

Other unrestricted - Represents those funds presently available for use within current operations of 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.

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(Continued)

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016 and 2015

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

Revenue Recognition: The Organization receives substantially all of its grant and contract revenue from Federal and State agencies. The Organization recognizes contract revenue, up to the contract ceiling, from its contracts to the extent of services provided or expenses incurred. Revenue recognition depends upon the provisions within the contract. Revenue from program services is recorded as revenue in the period earned. Investment income is recorded when earned.

Program Service Fees: 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.

Contributions: Contributions received and unconditional promises to give are recorded as unrestricted, temporarily restricted, or permanently restricted revenue depending on the existence of donor restrictions and the nature of such restrictions, if they exist. Catholic Charities has adopted the policy that all temporarily restricted contributions for which the restriction is met in the same year, be recorded as unrestricted on the Statement of Activities. In fiscal year 2012, Catholic Charities received a four year grant which was determined to be conditional. The grant, in the amount of \$190,000 per year, is related to operating support. 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 \$190,000 in both 2016 and 2015.

In-kind Contributions: For the year ended June 30, 2016 and 2015, Catholic Charities recorded \$517,033 and \$468,001 of donated goods and services. 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.

Advertising: The Organization expenses advertising costs as incurred. Advertising costs for the years ended June 30, 2016 and 2015 were \$16,130 and \$13,496.

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. No such impairment exists for 2016 or 2015.

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.

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(Continued)

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016 and 2015

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

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, 2016 or 2015.

Cash Flows: For the purpose of the statement of cash flows, 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, 2016 and 2015, 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. 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.

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(Continued)

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2016 and 2015

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

Gifts of long-lived assets such as land, buildings and equipment are reported as unrestricted support 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 temporarily restricted support. 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, 2016, to determine the need for any adjustments or disclosures to the audited financial statements for the year ended June 30, 2016. Management has performed their analysis through September 19, 2016, the date the financial statements were available to be issued.

**NOTE 2 - INVESTMENTS**

The Organization's investments are part of an investment pool that contains funds from the Diocese of Fort Wayne-South Bend and other organizations related to the Diocese. 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 \$636,780 and \$658,364 as of June 30, 2016 and 2015. In addition, the Organization also holds an investment in securities totaling \$0 and \$22,310 at June 30, 2016 and 2015.

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

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 16,086	\$ 14,641
Unrealized/realized gains (losses)	<u>(25,264)</u>	<u>14,979</u>
Total investment return	<u>\$ (9,178)</u>	<u>\$ 29,620</u>

**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, 2016 are as follows:

2017	\$ 26,920
2018	8,696
2019	4,072
2020	3,150
2021	<u>525</u>
	<u>\$ 43,363</u>

Total rent expense was \$245,519 and \$279,788 for the years ended June 30, 2016 and 2015, respectively.

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(Continued)

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016 and 2015

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**NOTE 4 - PENSION PLAN**

The Organization participates in a defined benefit, multiemployer pension plan administered by the Roman Catholic Church, Diocese of Fort Wayne - South Bend. The Diocese of Fort Wayne-South Bend Retirement Plan for Lay Teachers and Lay Employees (Plan) covers those employees of the Diocese and its related organizations with one year or more of service and that have reached the age of 21. Upon meeting eligibility requirements, an employee automatically becomes a participant in the Plan and vests after five years of service. 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, 2016 and 2015 was \$73,351 and \$80,350, respectively. The actuarial present value of vested and non-vested accumulated plan benefits and the Plan's net assets available for those accumulated benefits are not available because separate actuarial valuations are not made with respect to each employer nor are the Plan's assets so segregated.

**NOTE 5 - RELATED PARTY TRANSACTIONS**

The Organization received \$458,237 and \$480,360 of support from the Diocese of Fort Wayne - South Bend during the years ended June 30, 2016 and 2015, respectively.

At June 30, 2016 and 2015, the Organization's accounts receivable from the Diocese totaled \$37,731 and \$36,717.

The Organization leases building space from the Diocese. The rent expense for these facilities totaled \$202,946 and \$220,946 for the years ended June 30, 2016 and 2015, respectively.

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, 2016 and 2015, the balance of this endowment is \$1,778,541 and \$1,993,868. Distributions from the endowment fund are recorded as revenue when received by the Organization. During 2016 and 2015, distributions of \$150,000 and \$0 were taken by the Organization and recorded as revenue.

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(Continued)

**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. These investments are part of an investment pool. 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 at the Diocese are valued at net asset value, and are excluded from the valuation hierarchy, pursuant to the adoption of ASU 2015-07, *Fair Value Measurement*. 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.

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(Continued)

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2016 and 2015

**NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)**

The following table summarizes the Organization's investments that are measured at fair value on a recurring basis:

Fair Value Measurements at June 30, 2016					
	Quoted Prices in Active Markets for Identical Assets <u>Level 1</u>	Significant Other Observable Inputs <u>Level 2</u>	Significant Unobservable Inputs <u>Level 3</u>	Funds Invested in Diocese Pool Valued at Net Asset Value	<u>Total</u>
Funds invested in Diocese pool*	\$ -	\$ -	\$ -	\$ 636,780	\$ 636,780

Fair Value Measurements at June 30, 2015					
	Quoted Prices in Active Markets for Identical Assets <u>Level 1</u>	Significant Other Observable Inputs <u>Level 2</u>	Significant Unobservable Inputs <u>Level 3</u>	Funds Invested in Diocese Pool Valued at Net Asset Value	<u>Total</u>
Funds invested in Diocese pool*	\$ -	\$ -	\$ -	\$ 658,364	\$ 658,364
Securities	<u>22,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,310</u>
	<u>\$ 22,310</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 658,364</u>	<u>\$ 680,674</u>

\*Investments measured at fair value using net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the hierarchy tables for such investments are intended to permit reconciliation of the fair value hierarchy to the investments at fair value line item presented in the statements of financial position.

(Continued)

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016 and 2015

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**NOTE 7 – CAPITAL LEASE OBLIGATIONS**

The Organization has entered into a capital lease for office equipment. As of June 30, 2016, the cost and accumulated depreciation of the assets acquired under the capital lease was \$33,234 and \$9,416, respectively.

Minimum annual lease payments under the capital lease is as follows at June 30, 2016:

2017	\$ 11,472
2018	11,472
2019	11,472
2020	<u>6,692</u>
	41,108
Less amounts representing interest	<u>(14,123)</u>
Present value of net minimum lease payments	26,985
Less current maturities	<u>(5,310)</u>
Capital lease obligation, less current maturities	<u>\$ 21,675</u>

**SUPPLEMENTARY INFORMATION**

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.  
 SCHEDULE OF UNRESTRICTED PROGRAM SUPPORT AND REVENUE AND EXPENSES  
 Year ended June 30, 2016

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	<u>Support and Revenue</u>	<u>Expenses</u>
Pregnancy and Adoption		
Adoptions	\$ 54,024	\$ 54,024
Pregnancy services	<u>211,152</u>	<u>244,151</u>
	<u>\$ 265,176</u>	<u>\$ 298,175</u>
Children		
Youth Mentoring	<u>\$ 62,764</u>	<u>\$ 62,764</u>
Case Management Brief Services	<u>\$ 725,790</u>	<u>\$ 713,155</u>
Clinical Services	<u>\$ 18,237</u>	<u>\$ 18,237</u>
Refugee Immigration	<u>\$ 1,775,510</u>	<u>\$ 1,719,171</u>
Older Adults		
Retired Senior Volunteer Program	\$ 265,889	\$ 252,907
Villa of the Woods (included in loss from discontinued operations)	7,289	1,465,711
SCSEP	<u>597,521</u>	<u>597,521</u>
	<u>\$ 870,699</u>	<u>\$ 2,316,139</u>

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CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.  
 SCHEDULE OF UNRESTRICTED PROGRAM SUPPORT AND REVENUE AND EXPENSES  
 Year ended June 30, 2015

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	<u>Support and Revenue</u>	<u>Expenses</u>
Pregnancy and Adoption		
Adoptions	\$ 138,227	\$ 138,227
Pregnancy services	<u>235,288</u>	<u>226,156</u>
	<u>\$ 373,515</u>	<u>\$ 364,383</u>
Children		
Youth Mentoring	<u>\$ 50,147</u>	<u>\$ 50,147</u>
Case Management Brief Services	<u>\$ 645,765</u>	<u>\$ 619,322</u>
Refugee Immigration	<u>\$ 1,415,774</u>	<u>\$ 1,412,623</u>
Older Adults		
Retired Senior Volunteer Program	\$ 288,470	\$ 296,294
Villa of the Woods (included in loss from discontinued operations)	374,763	467,265
SCSEP	<u>651,436</u>	<u>651,436</u>
	<u>\$ 1,314,669</u>	<u>\$ 1,414,995</u>

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CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2016

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass Through Number</u>	<u>Federal Expenditures</u>
<b><i>Pass through Catholic Charities of the USA</i></b>			
<u>U.S. Department of Justice</u>			
CCUSA Youth Mentoring	16.726	None	\$ 36,565
<b><i>Pass through Senior Service America</i></b>			
<u>U.S. Department of Labor</u>			
Senior Community Service Employment Program	17.235	42185	549,493
<b><i>Pass through United States Catholic Conference of Bishops</i></b>			
<u>U.S. Department of State</u>			
U.S. Refugee Admission Program	19.510	None	284,761
USCCB R & P Direct Client Assistance	19.510	None	332,075
			<u>616,836</u>
<u>U.S. Department of Health and Human Services</u>			
* Refugee and Entrant Assistance Voluntary Agency Programs - Matching Grant			
	93.567	None	212,621
<b><i>Pass through State of Indiana</i></b>			
<u>U.S. Department of Health and Human Services</u>			
* Refugee and Entrant Assistance - State Administered Programs			
	93.566	None	292,238
* Refugee Preventative Health	93.576	HPR778-1	26,867
* Refugee Preventative Health	93.576	None	10,600
			<u>37,467</u>
<b><i>Pass through United Way of Allen County</i></b>			
<u>Federal Emergency Management Administration</u>			
Emergency Food and Shelter Program	97.024	262200-004	22,295
Emergency Food and Shelter Program	97.024	277600-005	3,433
			<u>25,728</u>
Emergency Food and Shelter Program	97.114	265400-017	2,563
<b><i>Other Federal Awards</i></b>			
<u>Corporation for National and Community Service</u>			
Retired Senior and Volunteer Program	94.002	13SRNIN001	51,609
Retired Senior and Volunteer Program	94.002	12SRNIN012	83,547
			<u>135,156</u>
			<u>\$ 1,908,667</u>

\* Total for U.S. Department of Health and Human Services is \$542,326.

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, 2016

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**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, 2016 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

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, 2016, 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 September 19, 2016.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting 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 Horwath LLP*

Crowe Horwath LLP

Indianapolis, Indiana  
September 19, 2016

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

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, 2016. 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, 2016.

### **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 Horwath LLP*

Crowe Horwath LLP

Indianapolis, Indiana  
September 19, 2016

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year ended June 30, 2016

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**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

CFDA Numbers(s)	<u>Name of Federal Program or Cluster</u>
17.235	Senior Community Service Employment Program

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, 2016

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**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 ARE DEFINED IN OMB CIRCULAR A-133 510(a).**

None

CATHOLIC CHARITIES OF THE DIOCESE OF FORT WAYNE - SOUTH BEND, INC.  
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2016

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No findings or questioned costs for federal awards were reported in the prior audit period.