

**CATHOLIC CHARITIES OF THE  
DIOCESE OF GREEN BAY, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2018 AND 2017**

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.  
TABLE OF CONTENTS  
YEARS ENDED JUNE 30, 2018 AND 2017**

<b>INDEPENDENT AUDITORS' REPORT.....</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION.....</b>	<b>3</b>
<b>STATEMENTS OF ACTIVITIES .....</b>	<b>4</b>
<b>STATEMENTS OF CASH FLOWS.....</b>	<b>6</b>
<b>NOTES TO FINANCIAL STATEMENTS.....</b>	<b>7</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>DETAIL OF OPERATIONS.....</b>	<b>15</b>
<b>DETAIL OF EXPENSES.....</b>	<b>16</b>
<b>COMPLIANCE REPORTS AND SCHEDULES</b>	
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER     FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS     BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN     ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>, THE     <i>PROVIDER AGENCY AUDIT GUIDE</i>, AND THE <i>DEPARTMENT OF     HEALTH SERVICES AUDIT GUIDE</i> .....</b>	<b>17</b>
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS .....</b>	<b>19</b>
<b>NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE     AWARDS .....</b>	<b>20</b>
<b>SCHEDULE OF REVENUE AND ALLOWABLE COSTS BY CONTRACT     (PAAG GRANTS).....</b>	<b>21</b>
<b>SCHEDULE OF REVENUE AND ALLOWABLE COSTS – TEEN     PARENTING PROGRAM .....</b>	<b>22</b>
<b>RESERVE SUPPLEMENTARY SCHEDULE – TEEN PARENTING     PROGRAM.....</b>	<b>23</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....</b>	<b>24</b>
<b>SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS .....</b>	<b>26</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Catholic Charities of the Diocese of Green Bay, Inc.  
Green Bay, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Catholic Charities of the Diocese of Green Bay, Inc., which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities 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.

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

**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 Green Bay, Inc. as of June 30, 2018 and 2017, 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 Matters**

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal and state awards, as required by the Wisconsin *Provider Agency Audit Guide*, and the Wisconsin *Department of Health Services Audit Guide*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other accompanying supplementary information listed in the table of contents is also presented for purposes of additional analysis and is not a required part of the financial statements. The 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2018, on our consideration of Catholic Charities of the Diocese of Green Bay, Inc.'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 result of that testing, and not to provide an opinion on the effectiveness of Catholic Charities of the Diocese of Green Bay, Inc.'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 Catholic Charities of the Diocese of Green Bay, Inc.'s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Oshkosh, Wisconsin  
September 14, 2018

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2018 AND 2017**

	2018	2017
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 378,015	\$ 313,139
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$38,151 and \$37,581, Respectively	84,503	74,968
Pledges Receivable	111,975	143,107
Investments	4,197,921	2,839,498
Prepaid Expenses	1,977	803
Furniture and Equipment, Net	-	1,148
	<b>\$ 4,774,391</b>	<b>\$ 3,372,663</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 143,430	\$ 125,044
Deferred Revenue	-	14,429
Total Liabilities	143,430	139,473
<b>NET ASSETS</b>		
Unrestricted	2,642,458	2,499,543
Temporarily Restricted	1,988,503	733,647
Total Net Assets	4,630,961	3,233,190
Total Liabilities and Net Assets	<b>\$ 4,774,391</b>	<b>\$ 3,372,663</b>

See accompanying Notes to Financial Statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2018**

	2018		
	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND SUPPORT</b>			
Bishop's Appeal Grant	\$ 1,343,707	\$ -	\$ 1,343,707
Contracts and Grants	423,057	-	423,057
United Way	140,295	111,975	252,270
Contributions	223,033	1,354,249	1,577,282
Fees for Services	603,458	-	603,458
Fundraising, Net	58,710	13,365	72,075
Other	4,504	-	4,504
Net Assets Released from Restrictions	251,359	(251,359)	-
Total Revenues and Support	<u>3,048,123</u>	<u>1,228,230</u>	<u>4,276,353</u>
<b>EXPENSES</b>			
Salaries and Wages	1,580,016	-	1,580,016
Compensation of Clergy	66,993	-	66,993
Personnel Benefits	506,931	-	506,931
Other Personnel Costs	65,324	-	65,324
Purchased Services	454,079	-	454,079
Facilities, Buildings, and Grounds	182,528	-	182,528
Office	85,157	-	85,157
Grants and Direct Assistance	80,088	-	80,088
Other	44,794	-	44,794
Total Expenses	<u>3,065,910</u>	<u>-</u>	<u>3,065,910</u>
<b>REVENUES AND SUPPORT IN EXCESS (DEFICIT) OF EXPENSES</b>	(17,787)	1,228,230	1,210,443
<b>OTHER CHANGE IN NET ASSETS</b>			
Investment Return	<u>160,702</u>	<u>26,626</u>	<u>187,328</u>
<b>CHANGE IN NET ASSETS</b>	142,915	1,254,856	1,397,771
Net Assets - Beginning of Year	<u>2,499,543</u>	<u>733,647</u>	<u>3,233,190</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,642,458</u>	<u>\$ 1,988,503</u>	<u>\$ 4,630,961</u>

See accompanying Notes to Financial Statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2017**

	2017		
	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND SUPPORT</b>			
Bishop's Appeal Grant	\$ 1,203,226	\$ -	\$ 1,203,226
Contracts and Grants	465,342	-	465,342
United Way	142,788	134,162	276,950
Contributions	214,705	17,087	231,792
Fees for Services	496,264	-	496,264
Fundraising, Net	84,104	11,300	95,404
Other	2,150	-	2,150
Net Assets Released from Restrictions	168,236	(168,236)	-
Total Revenues and Support	<u>2,776,815</u>	<u>(5,687)</u>	<u>2,771,128</u>
<b>EXPENSES</b>			
Salaries and Wages	1,405,825	-	1,405,825
Compensation of Clergy	75,464	-	75,464
Personnel Benefits	470,001	-	470,001
Other Personnel Costs	68,288	-	68,288
Purchased Services	422,551	-	422,551
Facilities, Buildings, and Grounds	173,978	-	173,978
Office	73,087	-	73,087
Grants and Direct Assistance	54,753	-	54,753
Other	43,590	-	43,590
Total Expenses	<u>2,787,537</u>	<u>-</u>	<u>2,787,537</u>
<b>REVENUES AND SUPPORT IN EXCESS (DEFICIT) OF EXPENSES</b>	(10,722)	(5,687)	(16,409)
<b>OTHER CHANGE IN NET ASSETS</b>			
Investment Return	<u>237,422</u>	<u>37,919</u>	<u>275,341</u>
<b>CHANGE IN NET ASSETS</b>	226,700	32,232	258,932
Net Assets - Beginning of Year	<u>2,272,843</u>	<u>701,415</u>	<u>2,974,258</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,499,543</u>	<u>\$ 733,647</u>	<u>\$ 3,233,190</u>

See accompanying Notes to Financial Statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Contributors and Clients	\$ 4,301,740	\$ 2,784,293
Cash Paid to Suppliers	(785,981)	(729,710)
Cash Paid to and on Behalf of Employees	(2,199,700)	(2,002,054)
Cash Paid to Donees	(80,088)	(54,753)
Net Cash Flows from Operating Activities	1,235,971	(2,224)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash Paid for Purchases of Investments	(1,195,608)	(34,299)
Proceeds from Sale of Investments	24,513	7,782
Net Cash Flows from Investing Activities	(1,171,095)	(26,517)
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	64,876	(28,741)
 Cash and Cash Equivalents - Beginning of Year	313,139	341,880
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 378,015	\$ 313,139
 <b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,397,771	\$ 258,932
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	1,148	1,395
Provision for Bad Debts	570	7,557
Investment Return	(187,328)	(275,341)
Changes in Certain Assets and Liabilities:		
Accounts Receivable	(10,105)	12,205
Pledges Receivable	31,132	8,997
Prepaid Expenses	(1,174)	1,787
Accounts Payable and Accrued Expenses	18,386	23,235
Deferred Revenue	(14,429)	(40,991)
Net Cash Flows from Operating Activities	\$ 1,235,971	\$ (2,224)

See accompanying Notes to Financial Statements.



**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 NATURE OF OPERATIONS**

Catholic Charities of the Diocese of Green Bay, Inc. (Catholic Charities) is a nonprofit corporation organized under the laws of the state of Wisconsin for the purpose of providing a variety of personal, family, and community services throughout sixteen counties of northeastern Wisconsin.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Net Assets**

Net assets, revenues, gains, and losses are classified into one of three classes of net assets based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Catholic Charities are classified and reported as follows:

**Unrestricted**

Unrestricted net assets include all net assets that are not subject to donor-imposed stipulations.

**Temporarily Restricted**

Temporarily restricted net assets include net assets subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Catholic Charities pursuant to those stipulations.

**Permanently Restricted**

Permanently restricted net assets include net assets subject to donor-imposed stipulations that they be maintained permanently by Catholic Charities. Catholic Charities does not have any permanently restricted net assets.

**Cash and Cash Equivalents**

Catholic Charities defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less. Catholic Charities maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Catholic Charities has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable**

The majority of Catholic Charities' accounts receivable are due from private parties within the Green Bay Diocese region and government agencies. Credit is extended based on evaluation of financial condition and financial need and collateral is generally not required. Accounts receivable are due within 30 days or according to separately stated terms and are stated as amounts due, net of allowance for doubtful accounts. Catholic Charities provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The estimate is based on historical collection experience and a review of the current status of the accounts receivable.

**Pledges Receivable**

Unconditional promises to give made to Catholic Charities are recorded in the year the pledge is made. An allowance for uncollectible promises to give is determined based on experience. Management believes that all promises to give are collectible.

**Contribution Recognition**

Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions that are unrestricted by the donor are reported as increases in unrestricted net assets. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Catholic Charities.

In connection with its annual budget process, Catholic Charities is made aware of an estimated grant for its support from The Catholic Foundation for the Diocese of Green Bay, Inc. (the Foundation). Management does not consider this estimated grant as an unconditional promise to pay by the Foundation. The grant is recorded as revenue in the year in which it is actually received.

**Government Contracts**

Contracts are received from various federal, state, and county governmental agencies. These programs are considered exchange transactions, and are therefore recorded as unrestricted revenue. Expenditures of government contract funds are for the purposes specified by the funding source. Funds received in advance of qualifying expenditures are recorded as deferred revenue. Revenue from government contracts is recognized when allowable and reimbursable expenditures are incurred upon meeting the legal or contractual requirements of the funding source.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Revenue is recognized in the month that the programs are held or services are provided.

**Investments**

Investments are presented in the accompanying financial statements at fair value using methodologies described in Note 4 - Investments and Fair Value Measurements. All investment income and realized and unrealized gains and losses are accounted for on the accompanying statements of activities.

Investment income or losses are included in the accompanying statements of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

**Furniture and Equipment**

Furniture and equipment are stated at cost, if purchased, or fair market value at date of the gift, if donated. All acquisitions of property in excess of \$5,000 and equipment in excess of \$1,000 and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs, and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Furniture and equipment are depreciated using the straight-line method over their estimated useful lives of 3 – 5 years.

**Impairment of Long-Lived Assets**

Catholic Charities reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

**Tax-Exempt Status**

Catholic Charities has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) covered by the U.S. Internal Revenue Service group exemption letter of the United States Conference of Catholic Bishops and corresponding provisions of state law and, accordingly, is not subject to federal or state income taxes.

**Subsequent Events**

In preparing these financial statements, Catholic Charities has evaluated events and transactions for potential recognition or disclosure through September 14, 2018, the date the financial statements were available to be issued.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 3 NEW ACCOUNTING STANDARDS UPDATE**

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which is expected to impact the information presented in financial statements and notes about a nonprofit entity's liquidity, financial performance, and cash flows. The guidance is required to be applied by Catholic Charities for the year ended June 30, 2019; however, early application is permitted. Catholic Charities is currently evaluating the impact this guidance will have on its financial statements.

**NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Investments are held by St. Francis Xavier Investment Corp. (St. Francis Xavier Corp.), an interdiocesan entity. St. Francis Xavier Corp. has grouped their investments and created a unitized fixed income fund, equity fund, and money market fund. Catholic Charities owns units in the fixed income, equity, and money market funds.

Investments are carried at market and consisted of the following at June 30:

	Fair Value		Redemption Frequency	Termination Notice Period
	2018	2017		
St. Francis Xavier Corp. Fixed Income Fund	\$ 841,392	\$ 770,461	Daily	30 Days
St. Francis Xavier Corp. Equity Fund	1,711,972	1,623,174	Daily	30 Days
St. Francis Xavier Corp. Money Market Fund	1,644,557	445,863	Daily	30 Days
Total Funds	<u>\$ 4,197,921</u>	<u>\$ 2,839,498</u>		

The fixed income fund is intended to be utilized by intermediate and long-term money. The target allocation of the fixed income fund is:

Intermediate Fixed Income	95%
Cash	5%
Total	<u>100%</u>

The equity fund is intended to be utilized by long-term money. The participant is not allowed to invest more than 70% of their funds in the equity fund. The target allocation of the equity fund is:

Small-Cap Domestic Stocks	20%
Mid-Cap Domestic Stocks	20%
Large-Cap Domestic Stocks	40%
International Stocks	17%
Cash and Cash Equivalents	3%
Total	<u>100%</u>

The money market fund is intended to be utilized by intermediate and short-term money.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

As defined by current authoritative guidance, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, Catholic Charities uses various valuation methods including the market, income, and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible, Catholic Charities attempts to utilize valuation methods that maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value hierarchy ranks the quality and reliability of the information used to determine the fair values. Assets measured, reported, and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

*Level 1* – Quoted market prices in active markets for identical assets or liabilities.

*Level 2* – Observable market based inputs or unobservable inputs that are corroborated by market data.

*Level 3* – Unobservable inputs that are not corroborated by market data.

The table presents the balances of assets measured at fair value on a recurring basis:

	June 30, 2018			
	Total	Level 1	Level 2	Level 3
St. Francis Xavier Corp. Fixed Income Fund	\$ 841,392	\$ -	\$ 841,392	\$ -
St. Francis Xavier Corp. Fixed Equity Fund	1,711,972	-	1,711,972	-
St. Francis Xavier Corp. Money Market Fund	1,644,557	-	1,644,557	-
Total Investments	<u>\$ 4,197,921</u>	<u>\$ -</u>	<u>\$ 4,197,921</u>	<u>\$ -</u>

	June 30, 2017			
	Total	Level 1	Level 2	Level 3
St. Francis Xavier Corp. Fixed Income Fund	\$ 770,461	\$ -	\$ 770,461	\$ -
St. Francis Xavier Corp. Fixed Equity Fund	1,623,174	-	1,623,174	-
St. Francis Xavier Corp. Money Market Fund	445,863	-	445,863	-
Total Investments	<u>\$ 2,839,498</u>	<u>\$ -</u>	<u>\$ 2,839,498</u>	<u>\$ -</u>

The fair value of the investment in the fixed income fund, the equity fund, and the money market fund has been estimated using the net asset value per share of the fund as determined by the fund administrator. The funds are valued on a daily basis.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

Investment return in the statements of activities for the years ended June 30 consisted of the following:

	2018	2017
Interest and Dividends	\$ 51,581	\$ 35,933
Realized and Unrealized Gains on Investments	135,747	239,408
Total Investment Return	\$ 187,328	\$ 275,341

Fees charged on investments have been netted against the investment return. Total fees were \$19,979 and \$15,609 for the years ended June 30, 2018 and 2017, respectively.

**NOTE 5 PLEDGES RECEIVABLE**

Pledges receivable consist primarily of donor pledges for funds supporting a variety of activities. Net pledges receivable as of June 30 consisted of the following:

	2018	2017
Total Pledges Receivable	\$ 111,975	\$ 143,107

Catholic Charities considers all pledges receivable to be collectible. All payments on pledges receivable at June 30, 2018 are expected to be received during the year ended June 30, 2019.

**NOTE 6 FURNITURE AND EQUIPMENT**

The major categories of furniture and equipment at June 30 were summarized as follows:

	2018	2017
Machinery, Equipment, Furniture, and Fixtures	\$ 67,081	\$ 67,081
Less: Accumulated Depreciation	(67,081)	(65,933)
Net Furniture and Equipment	\$ -	\$ 1,148

Total depreciation expense was \$1,148 and \$1,395 for the years ended June 30, 2018 and 2017, respectively.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 7 FUNCTIONAL CLASSIFICATION OF EXPENSES**

The costs of providing program and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses by function for the years ended June 30 were as follows:

	<u>2018</u>	<u>2017</u>
Program Services	\$ 2,912,290	\$ 2,644,805
Supporting Service:		
Management and General	146,867	135,654
Fundraising	6,753	7,078
Total	<u>\$ 3,065,910</u>	<u>\$ 2,787,537</u>

Direct costs of fundraising events of \$18,219 and \$25,397 are netted against fundraising revenues in the statements of activities for the years ended June 30, 2018 and 2017, respectively.

**NOTE 8 INTERDIOCESAN TRANSACTIONS**

Catholic Charities was a party to various transactions with other diocesan corporations during the years ended June 30, 2018 and 2017. Total revenues and support in the form of donations and grants from other diocesan corporations were \$2,724,525 and \$1,378,288 for the years ended June 30, 2018 and 2017, respectively. The revenue from interdiocesan transactions constitutes a substantial portion of the Catholic Charities' total revenues for the years ended June 30, 2018 and 2017. Total expenses paid to other diocesan corporations were \$711,052 and \$659,136 for the years ended June 30, 2018 and 2017, respectively, and relates to occupancy and administrative and support services.

**NOTE 9 RETIREMENT PLAN**

Catholic Charities participates in the Catholic Diocese of Green Bay Employees' Retirement Plan. The defined contribution retirement plan covers most lay employees. The vesting period of the plan is six months. Contributions are 9% of an employee's wages and are made each pay period. Retirement plan expense was \$137,478 and \$121,426 for the years ended June 30, 2018 and 2017, respectively.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 10 RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets were available for the following purposes as of June 30:

	<u>2018</u>	<u>2017</u>
Hispanic Outreach and Family Strengthening	\$ 64,685	\$ 74,507
Resettlement and Immigration	149,884	30,514
Deaf and Visually Impaired	198,954	-
Apple Foundation	34,845	34,845
Budget Counseling	24,585	24,582
Adoption and Birth Parent Services	945,215	31,685
Future Periods	113,124	134,433
Farm Grants	59,151	71,597
New Life Fund	101,816	92,465
Prentice Memorial Fund	183,307	169,952
Other Donor-Restricted Purposes	112,937	69,067
Total Temporarily Restricted Net Assets	<u>\$ 1,988,503</u>	<u>\$ 733,647</u>

**NOTE 11 OPERATING LEASES**

Catholic Charities leases its office space at various locations. All leases are accounted for as operating leases.

Future minimum lease payments due to interdiocesan entities and third parties are as follows:

<u>Year Ending June 30,</u>	<u>Interdiocesan Entities</u>	<u>Third Parties</u>
2019	\$ 106,716	\$ 29,434
2020	-	16,500
2021	-	2,250
Total	<u>\$ 106,716</u>	<u>\$ 48,184</u>

Expense on the operating leases was \$180,997 and \$172,436 for the years ended June 30, 2018 and 2017, respectively.

**NOTE 12 COMMITMENTS AND CONTINGENCIES**

Financial awards from federal, state, and local governments in the form of grants are subject to special audit. Such audits could result in claims against the Catholic Charities for disallowed costs or noncompliance with grantor restrictions. At June 30, 2018 and 2017 no provision has been made for any liabilities that may arise from such audits.



**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**DETAIL OF OPERATIONS**  
**YEAR ENDED JUNE 30, 2018**  
(SEE INDEPENDENT AUDITORS' REPORT)

	CC - Green Bay	CC - Fox Cities	CC - Manitowoc	CC - Marinette	Government Contracts and Grants	Total
<b>REVENUES AND SUPPORT</b>						
Bishop's Appeal Grant	\$ 807,215	\$ 282,834	\$ 109,056	\$ 142,635	\$ 1,967	\$1,343,707
Contracts and Grants	9,085	-	-	-	413,972	423,057
United Way:						
Unrestricted	85,632	52,261	1,152	1,250	-	140,295
Restricted	60,277	46,698	-	5,000	-	111,975
Contributions:						
Unrestricted	157,874	21,836	19,031	23,880	412	223,033
Restricted	1,350,304	-	-	-	3,945	1,354,249
Fees for Services	397,357	126,422	31,092	48,587	-	603,458
Fundraising, Net:						
Unrestricted	58,710	-	-	-	-	58,710
Restricted	8,165	-	-	-	5,200	13,365
Other	3,238	52	214	-	1,000	4,504
Total Revenues and Support	<u>2,937,857</u>	<u>530,103</u>	<u>160,545</u>	<u>221,352</u>	<u>426,496</u>	<u>4,276,353</u>
<b>TOTAL EXPENSES</b>	<u>(1,686,944)</u>	<u>(513,737)</u>	<u>(204,375)</u>	<u>(223,746)</u>	<u>(437,108)</u>	<u>(3,065,910)</u>
<b>REVENUES AND SUPPORT IN EXCESS (DEFICIT) OF EXPENSES</b>	1,250,913	16,366	(43,830)	(2,394)	(10,612)	1,210,443
<b>OTHER CHANGE IN NET ASSETS</b>						
Investment Return	<u>162,898</u>	<u>13,355</u>	<u>11,075</u>	<u>-</u>	<u>-</u>	<u>187,328</u>
<b>CHANGE IN NET ASSETS</b>	<u><u>\$1,413,811</u></u>	<u><u>\$ 29,721</u></u>	<u><u>\$ (32,755)</u></u>	<u><u>\$ (2,394)</u></u>	<u><u>\$ (10,612)</u></u>	<u><u>\$1,397,771</u></u>

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**DETAIL OF EXPENSES**  
**YEAR ENDED JUNE 30, 2018**  
(SEE INDEPENDENT AUDITORS' REPORT)

	CC - Green Bay	CC - Fox Cities	CC - Manitowoc	CC - Marinette	Government Contracts and Grants	Total
Salaries and Compensation of Clergy	\$ 906,850	\$ 275,683	\$ 118,489	\$ 114,809	\$ 231,178	\$1,647,009
Payroll Taxes	60,891	19,965	8,402	7,897	17,084	114,239
Fringe Benefits	202,013	61,217	28,949	37,779	62,734	392,692
Other Insurance	7,373	2,250	966	928	592	12,109
Conferences and Conventions	15,045	1,685	1,620	878	5,273	24,501
Recruitment	1,433	12	-	-	-	1,445
Auto and Travel	12,119	8,740	1,412	3,906	13,670	39,847
Professional Fees	37,289	2,917	1,158	4,030	1,586	46,980
Temporary Help	-	1,044	1,121	810	-	2,975
Advertising and Promotion	7,381	2,784	480	702	37	11,384
Instructional Materials and Supplies	306	-	-	-	2,609	2,915
Computer Service Fees	17,650	2,854	100	250	958	21,812
Rent	92,257	44,665	13,475	9,352	21,248	180,997
Utilities and Maintenance	-	18	1,213	-	300	1,531
Dues and Subscriptions	4,536	3,259	379	666	-	8,840
Telephone	13,839	7,595	2,722	3,215	6,102	33,473
Office Supplies	7,620	1,484	480	539	2,027	12,150
Postage	4,432	462	147	-	24	5,065
Printing	17,010	213	46	27	870	18,166
Equipment Rental	1,023	1,829	718	1,110	1,635	6,315
Depreciation	-	1,148	-	-	-	1,148
Purchased Services	218,015	64,078	22,098	25,659	25,585	355,435
Donations	30,346	-	-	-	-	30,346
Direct Client Assistance	16,865	-	400	-	32,477	49,742
Meeting Expense	2,755	1,980	-	-	11,119	15,854
Miscellaneous	9,896	7,855	-	11,189	-	28,940
<b>Total</b>	<b><u>\$1,686,944</u></b>	<b><u>\$ 513,737</u></b>	<b><u>\$ 204,375</u></b>	<b><u>\$ 223,746</u></b>	<b><u>\$ 437,108</u></b>	<b><u>\$3,065,910</u></b>



**INDEPENDENT AUDITORS' 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 PROVIDER AGENCY AUDIT GUIDE, AND THE DEPARTMENT OF HEALTH SERVICES AUDIT GUIDE**

Board of Directors  
Catholic Charities of the Diocese of Green Bay, Inc.  
Green Bay, Wisconsin

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 Wisconsin *Provider Agency Audit Guide*, and the Wisconsin *Department of Health Services Audit Guide*, the financial statements of Catholic Charities of the Diocese of Green Bay, Inc., which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 14, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Catholic Charities of the Diocese of Green Bay, Inc.'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 Catholic Charities of the Diocese of Green Bay, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Catholic Charities of the Diocese of Green Bay, Inc.'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 Catholic Charities of the Diocese of Green Bay, Inc.'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 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*, the *Provider Agency Audit Guide*, or the *Department of Health Services Audit Guide*.

**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 result 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*, the *Provider Agency Audit Guide*, and the *Department of Health Services Audit Guide* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Oshkosh, Wisconsin  
September 14, 2018

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor Programs Expenditures	Federal CFDA Number	Amount
<b><u>U.S. Department of Health and Human Services</u></b>		
Passed through Brown County Human Services Department:		
Teen Parenting Program	93.658	\$ 19,056
Teen Parenting Program	93.645	1,696
Total U.S. Department of Health and Human Services		<u>20,752</u>
<b><u>U.S. State Department</u></b>		
Passed through United States Conference of Catholic Bishops:		
Refugee Assistance	Not Provided	1,950
<b><u>U.S. Department of Housing and Urban Development</u></b>		
Passed through Catholic Charities USA:		
Housing Counseling	14.169	<u>31,600</u>
Total Federal Assistance		<u>54,302</u>
State Grantor/Program Expenditures	State Program Number	Amount
<b><u>Wisconsin Department of Children and Families</u></b>		
<b><u>Direct Award</u></b>		
DV Refugee Family Strengthening	437-6025	\$ 187,543
DV Children's Programming	437-6005	45,839
<b><u>Wisconsin Department of Health Services</u></b>		
Passed through Brown County Human Services Department:		
Teen Parenting Program	437-3561	<u>19,484</u>
Total State Assistance		<u>252,866</u>
Total Federal and State Assistance		<u>\$ 307,168</u>

See Notes to Schedule of Expenditures of Federal and State Awards.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**JUNE 30, 2018**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Catholic Charities of the Diocese of Green Bay, Inc. under programs of the federal and state governments for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of the *Provider Agency Audit Guide*, issued by the Wisconsin Departments of Children and Families and the Wisconsin *Department of Health Services Audit Guide*. Because the schedule presents only a selected portion of the operations of Catholic Charities of the Diocese of Green Bay, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Catholic Charities of the Diocese of Green Bay, Inc.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where applicable.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**SCHEDULE OF REVENUE AND ALLOWABLE COSTS BY CONTRACT (PAAG GRANTS)**  
**YEAR ENDED JUNE 30, 2018**

	Refugee Family Strengthening	Children's Programming	Teen Parenting Program	USCC Grant	CCUSA Housing Counseling Sub-Contract CCHC	Total Program Services
<b>PUBLIC SUPPORT</b>						
Contracts and Grants	\$ 187,543	\$ 45,839	\$ 152,814	\$ 1,950	\$ 25,826	\$ 413,972
Other	-	-	11,524	-	1,000	12,524
Total Public Support and Revenue	187,543	45,839	164,338	1,950	26,826	426,496
<b>EXPENSES</b>						
Salaries and Related Expenses:						
Salaries and Wages	109,493	24,134	81,190	1,619	14,742	231,178
Personnel Benefits	36,843	9,775	36,053	331	2,089	85,091
Total Salaries and Related Expenses	146,336	33,909	117,243	1,950	16,831	316,269
Purchased Services	8,039	2,377	14,844	-	6,107	31,367
Travel Expenses	9,338	2,560	1,772	-	-	13,670
Occupancy	9,759	806	7,404	-	3,579	21,548
Office	6,094	579	3,564	-	421	10,658
Direct Assistance	2,603	1,833	28,041	-	-	32,477
Meetings and Workshops	5,374	3,775	1,970	-	-	11,119
Total Expenses	187,543	45,839	174,838	1,950	26,938	437,108
<b>NET REVENUE/ EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,500)</u>	<u>\$ -</u>	<u>\$ (112)</u>	<u>\$ (10,612)</u>

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.  
SCHEDULE OF REVENUE AND ALLOWABLE COSTS – TEEN PARENTING PROGRAM  
YEAR ENDED JUNE 30, 2018**

	Contract Period 1/1/17 - 12/31/17	Contract Period 1/1/18 - 6/30/18	Total
Revenue:			
Contracts Payments	\$ 147,406	\$ 73,703	\$ 221,109
Allowable Costs:			
Salaries and Wages	79,924	41,395	121,319
Fringe Benefits	36,022	12,824	48,846
Travel:			
Staff	2,550	798	3,348
Client	-	-	-
Training/Recruitment	1,935	471	2,406
Supplies:			
Office	2,207	1,601	3,808
Program	248	274	522
Direct Assistance	30,239	14,223	44,462
Telephone	2,315	1,118	3,433
Insurance	592	-	592
Rentals	7,404	3,702	11,106
Indirect Costs:			
Accounting	5,500	2,750	8,250
Audit	1,000	40	1,040
Community Outreach	38	17	55
Other	6,518	4,168	10,686
Total Allowable Costs	<u>176,492</u>	<u>83,381</u>	<u>259,873</u>
Excess (Deficiency) Payments Over Allowable Costs	<u>\$ (29,086)</u>	<u>\$ (9,678)</u> *	<u>\$ (38,764)</u>

\* Represents expenses in excess of contract payments at June 30 for the 2018 contract year.



**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.  
RESERVE SUPPLEMENTARY SCHEDULE – TEEN PARENTING PROGRAM  
YEAR ENDED JUNE 30, 2018**

1. Total units of service	NA
2. Allowable expenses	\$ 176,492
3. Total payments and revenue	147,406
4. Excess (deficiency) payments and revenue over expenses (line 3 less line 2)	(29,086)
5. Total reserve from all prior periods (not including this period)	16,740
6. Calculation of reserve and amounts due to purchaser:	

Purchaser (6a)	Revenue from Purchaser (6b)	Purchaser's Share of Total Revenue (6c)	First Test				Second Test					Total Amount due to Purchaser (6m)
			Purchaser's Share of Excess Revenue (6d)	Cap on Reserve for First Test (6e)	Amount to Add to Reserve for this Period (6f)	Amount Due to Purchaser from First Test (6g)	Purchaser's Share of Reserve from Prior Periods (6h)	Purchaser's Share of Reserve from All Periods (6i)	Cap on Reserve for Second Test (6j)	Amount of Reserve (6k)	Amount Due to Purchaser from Second Test (6l)	
Brown County	\$ 147,406	100%	\$ (29,086)	\$ 7,370	\$ (29,086)	\$ -	\$ 16,740	\$ (12,346)	\$ 14,741	\$ (12,346)	\$ -	\$ -

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 2018**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

Type of auditors’ report issued?	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

**Vendor Contracts**

Any audit findings disclosed that are required to be reported in accordance with <i>Department of Health Services Audit Guide</i> or <i>Provider Agency Audit Guide</i> ?	No
---	----

Identification of major Wisconsin Department of Health Services and Department of Children and Families programs:

CFDA/State ID Numbers	Name of Program
N/A	N/A

Dollar threshold used to select major programs:	\$250,000
---	-----------

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None reported

**SECTION III - DHS AUDIT GUIDE FINDINGS**

None reported

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2018**


**SECTION IV - OTHER ISSUES**

Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? No

Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness(es), significant deficiency(ies), management letter comments, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *Provider Agency Audit Guide*:

Department of Children and Families No  
Department of Health Services No

Was a management letter or other document conveying audit comments issued as a result of this audit? No

Name and signature of Partner-in-Charge: 

Date of report: September 14, 2018

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.  
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS  
JUNE 30, 2018**

The prior year audit disclosed no findings, and therefore, no uncorrected or unresolved findings exist from prior audits.