

**CATHOLIC CHARITIES OF THE DIOCESE OF
GREEN BAY, INC.
Green Bay, Wisconsin**

**FINANCIAL STATEMENTS
June 30, 2015 and 2014**

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	6
Notes to Financial Statements	7
SUPPLEMENTARY INFORMATION	
Detail of Operations	17
Detail of Expenses	18
COMPLIANCE REPORTS AND SCHEDULES	
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>	20
Schedule of Expenditures of Federal and State Awards	22
Notes to Schedule of Expenditures of Federal and State Awards	23
Schedule of Revenue and Allowable Cost by Contract (PAAG Grants)	24
Schedule of Revenue and Allowable Costs - Teen Parenting Program	25
Reserve Supplementary Schedule - Teen Parenting Program	26
Schedule of Findings and Questioned Costs	27
Schedule of Status of Prior Year Findings	29

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, 2015 and 2014, 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, 2015 and 2014, 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. 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 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 22, 2015, 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 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 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.



Oshkosh, Wisconsin
September 22, 2015

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

ASSETS

	2015	2014
Cash and cash equivalents	\$ 388,344	\$ 305,407
Accounts receivable, net of allowance for doubtful accounts of \$37,321 and \$48,209, respectively	45,783	60,948
Pledges receivable	154,825	192,574
Investments	2,499,474	2,332,147
Prepaid expenses	3,830	1,374
Furniture and equipment, net	4,257	897
TOTAL ASSETS	\$ 3,096,513	\$ 2,893,347

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 100,460	\$ 90,824
Deferred revenue	36,771	49,893
Total liabilities	137,231	140,717

NET ASSETS

Unrestricted	2,257,414	2,046,006
Temporarily restricted	701,868	706,624
Total net assets	2,959,282	2,752,630

TOTAL LIABILITIES AND NET ASSETS	\$ 3,096,513	\$ 2,893,347
-----------------------------------------	---------------------	---------------------

The accompanying notes are an integral part of the financial statements.

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUES AND SUPPORT			
Bishop's Appeal grant	\$ 1,088,005	\$ -	\$ 1,088,005
Contracts and grants	506,541	-	506,541
United Way	157,388	139,746	297,134
Contributions	240,282	36,931	277,213
Fees for services	466,224	-	466,224
Fundraising, net	100,844	3,000	103,844
Other	3,567	-	3,567
Net assets released from restrictions	192,834	(192,834)	-
Total revenues and support	2,755,685	(13,157)	2,742,528
EXPENSES			
Salaries and wages	1,263,171	-	1,263,171
Compensation of clergy	71,753	-	71,753
Personnel benefits	467,624	-	467,624
Other personnel costs	57,925	-	57,925
Purchased services	403,762	-	403,762
Facilities, buildings, and grounds	181,282	-	181,282
Office	74,189	-	74,189
Grants and direct assistance	42,662	-	42,662
Other	38,707	-	38,707
Total expenses	2,601,075	-	2,601,075
Revenues and support in excess (deficit) of expenses	154,610	(13,157)	141,453
OTHER CHANGE IN NET ASSETS			
Investment return	56,798	8,401	65,199
CHANGE IN NET ASSETS	211,408	(4,756)	206,652
NET ASSETS, BEGINNING OF YEAR	2,046,006	706,624	2,752,630
NET ASSETS, END OF YEAR	\$ 2,257,414	\$ 701,868	\$ 2,959,282

The accompanying notes are an integral part of the financial statements.

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Total
REVENUES AND SUPPORT			
Bishop's Appeal grant	\$ 1,045,987	\$ -	\$ 1,045,987
Contracts and grants	484,121	-	484,121
United Way	177,241	192,852	370,093
Contributions	555,605	32,896	588,501
Fees for services	479,748	-	479,748
Fundraising, net	88,504	-	88,504
Other	5,084	-	5,084
Net assets released from restrictions	204,962	(204,962)	-
Total revenues and support	3,041,252	20,786	3,062,038
EXPENSES			
Salaries and wages	1,311,520	-	1,311,520
Compensation of clergy	70,734	-	70,734
Personnel benefits	465,047	-	465,047
Other personnel costs	54,698	-	54,698
Purchased services	386,031	-	386,031
Facilities, buildings, and grounds	185,594	-	185,594
Office	82,831	-	82,831
Grants and direct assistance	38,336	-	38,336
Other	16,782	-	16,782
Total expenses	2,611,573	-	2,611,573
Revenues and support in excess (deficit) of expenses	429,679	20,786	450,465
OTHER CHANGE IN NET ASSETS			
Investment return	245,315	40,291	285,606
CHANGE IN NET ASSETS	674,994	61,077	736,071
NET ASSETS, BEGINNING OF YEAR	1,371,012	645,547	2,016,559
NET ASSETS, END OF YEAR	\$ 2,046,006	\$ 706,624	\$ 2,752,630

The accompanying notes are an integral part of the financial statements.

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributors and clients	\$ 2,800,726	\$ 3,067,559
Cash paid to suppliers	(717,137)	(724,671)
Cash paid to and on behalf of employees	(1,851,675)	(1,898,085)
Cash paid to donees	(42,662)	(38,336)
Net cash flows from operating activities	189,252	406,467
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(4,187)	-
Cash paid for purchases of investments	(228,240)	(254,005)
Proceeds from sale of investments	126,112	101,999
Net cash flows from investing activities	(106,315)	(152,006)
NET CHANGE IN CASH AND CASH EQUIVALENTS	82,937	254,461
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	305,407	50,946
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 388,344	\$ 305,407
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 206,652	\$ 736,071
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	827	1,032
Provision for bad debts	28,953	14,625
Investment return	(65,199)	(285,606)
Changes in certain assets and liabilities:		
Accounts receivable	(13,788)	(25,308)
Pledges receivable	37,749	(13,361)
Prepaid expenses	(2,456)	(548)
Accounts payable and accrued expenses	9,636	(35,593)
Deferred revenue	(13,122)	15,155
Net cash flows from operating activities	\$ 189,252	\$ 406,467

The accompanying notes are an integral part of the financial statements.

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - NATURE OF OPERATIONS

Catholic Charities of the Diocese of Green Bay, Inc. (Catholic Charities) is a not-for-profit 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, 2015

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 non-financial 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, 2015

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 3 - 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.

	<u>Years</u>
Furniture and equipment	3 - 5

Impairment of Long-Lived Assets

Catholic Charities reviews long-lived assets 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 assets 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.

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these financial statements, Catholic Charities has evaluated events and transactions for potential recognition or disclosure through September 22, 2015, the date the financial statements were available to be issued.

NOTE 3 - 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	Termination
	2015	2014	Frequency	Notice Period
St. Francis Xavier Corp. fixed income fund	\$ 712,835	\$ 621,693	Daily	30 days
St. Francis Xavier Corp. equity fund	1,467,599	1,595,699	Daily	30 days
St. Francis Xavier Corp. money market fund	<u>319,040</u>	<u>114,755</u>	Daily	30 days
Total funds	<u>\$ 2,499,474</u>	<u>\$ 2,332,147</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	<u>5%</u>
Total	<u><u>100%</u></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	<u>3%</u>
Total	<u><u>100%</u></u>

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

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

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. Based on the observability of the inputs used in the valuation methods, Catholic Charities is required to provide the following information according to the fair value hierarchy. 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, 2015			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
St. Francis Xavier Corp. fixed income fund	\$ 712,835	\$ -	\$ 712,835	\$ -
St. Francis Xavier Corp. fixed equity fund	1,467,599	-	1,467,599	-
St. Francis Xavier Corp. money market fund	<u>319,040</u>	<u>-</u>	<u>319,040</u>	<u>-</u>
Total investments	<u>\$ 2,499,474</u>	<u>\$ -</u>	<u>\$ 2,499,474</u>	<u>\$ -</u>

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

	June 30, 2014			
	Total	Level 1	Level 2	Level 3
St. Francis Xavier Corp. fixed income fund	\$ 621,693	\$ -	\$ 621,693	\$ -
St. Francis Xavier Corp. fixed income equity fund	1,595,699	-	1,595,699	-
St. Francis Xavier Corp. money market fund	114,755	-	114,755	-
Total investments	\$ 2,332,147	\$ -	\$ 2,332,147	\$ -

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.

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

	2015	2014
Interest and dividends	\$ 40,079	\$ 29,865
Realized and unrealized gains (losses) on investments	25,120	255,741
Total investment return	\$ 65,199	\$ 285,606

Fees charged on investments have been netted against the investment return. Total fees were \$14,991 and \$14,516 for the years ended June 30, 2015 and 2014, respectively.

NOTE 4 - 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:

	2015	2014
Total pledges receivable	\$ 154,825	\$ 192,574

Catholic Charities considers all pledges receivable to be collectible. All payments on pledges receivable at June 30, 2015 are expected to be received during the year ended June 30, 2016.

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 5 - FURNITURE AND EQUIPMENT

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

	<u>2015</u>	<u>2014</u>
Machinery, equipment, furniture and fixtures	\$ 67,081	\$ 62,894
Less accumulated depreciation	<u>(62,824)</u>	<u>(61,997)</u>
Net furniture and equipment	<u>\$ 4,257</u>	<u>\$ 897</u>

Total depreciation expense was \$827 and \$1,032 for the years ended June 30, 2015 and 2014, respectively.

NOTE 6 - 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>2015</u>	<u>2014</u>
Program services	\$ 2,445,313	\$ 2,458,661
Supporting service:		
Management and general	149,621	146,263
Fundraising	<u>6,141</u>	<u>6,649</u>
Total	<u>\$ 2,601,075</u>	<u>\$ 2,611,573</u>

Direct costs of fundraising events of \$18,406 and \$14,410 are netted against fundraising revenues in the statements of activities for the years ended June 30, 2015 and 2014, respectively.

NOTE 7 - INTERDIOCESAN TRANSACTIONS

Catholic Charities was a party to various transactions with other diocesan corporations during the years ended June 30, 2015 and 2014. Total revenues and support in the form of donations and grants from other diocesan corporations were \$1,264,521 and \$1,187,663 for the years ended June 30, 2015 and 2014, respectively. The revenue from interdiocesan transactions constitutes a substantial portion of the Catholic Charities' total revenues for the years ended June 30, 2015 and 2014. Total expenses paid to other diocesan corporations were \$657,765 and \$656,840 for the years ended June 30, 2015 and 2014, respectively, and relates to occupancy and administrative and support services.

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 - 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 \$108,380 and \$115,776 for the years ended June 30, 2015 and 2014, respectively.

NOTE 9 - RESTRICTIONS ON NET ASSETS

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

	<u>2015</u>	<u>2014</u>
Hispanic outreach	\$ 63,819	\$ 62,732
Family strengthening	10,941	10,941
Resettlement and immigration	30,494	21,059
Apple Foundation	34,845	34,845
Budget counseling	24,870	26,869
Adoption and birth parent services	41,257	28,538
Future periods	145,225	184,734
Farm grants	65,884	64,634
New Life Fund	79,846	74,597
Prentice Memorial Fund	156,216	153,871
Other donor-restricted purposes	<u>48,471</u>	<u>43,804</u>
Total temporarily restricted net assets	<u>\$ 701,868</u>	<u>\$ 706,624</u>

NOTE 10 - OPERATING LEASES

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

Future minimum lease payments due during the year ended June 30, 2016 to interdiocesan entities are \$100,188. Future minimum lease payments due during the year ended June 30, 2016 to third parties are \$19,089.

Expense on the operating leases was \$179,601 and \$183,929 for the years ended June 30, 2015 and 2014, respectively.

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 11 - 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, 2015 and 2014 a provision of \$-0- and \$5,528, respectively, has been made for any liabilities that may arise from such audits.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
DETAIL OF OPERATIONS
Year Ended June 30, 2015

	<u>CC - Green Bay</u>	<u>CC - Fox Cities</u>	<u>CC - Manitowoc</u>	<u>CC - Marinette</u>	<u>Government Contracts and Grants</u>	<u>Total</u>
REVENUES AND SUPPORT						
Bishop's Appeal grant	\$ 525,308	\$ 304,306	\$ 111,445	\$ 146,946	\$ -	\$ 1,088,005
Contracts and grants	54,608	-	-	-	451,933	506,541
United Way:						
Unrestricted	83,350	69,487	3,201	1,350	-	157,388
Restricted	63,777	52,744	21,875	1,350	-	139,746
Contributions:						
Unrestricted	169,230	24,370	21,123	25,559	-	240,282
Restricted	36,931	-	-	-	-	36,931
Fees for services	380,592	47,734	14,349	23,549	-	466,224
Fundraising, net:						
Unrestricted	100,844	-	-	-	-	100,844
Restricted	3,000	-	-	-	-	3,000
Other	2,045	289	275	958	-	3,567
Total revenues and support	1,419,685	498,930	172,268	199,712	451,933	2,742,528
Total expenses	<u>(1,308,205)</u>	<u>(446,929)</u>	<u>(188,462)</u>	<u>(207,572)</u>	<u>(449,907)</u>	<u>(2,601,075)</u>
REVENUES AND SUPPORT IN EXCESS (DEFICIT) OF EXPENSES	111,480	52,001	(16,194)	(7,860)	2,026	141,453
OTHER CHANGE IN NET ASSETS						
Investment return	56,040	4,545	4,614	-	-	65,199
CHANGE IN NET ASSETS	<u>\$ 167,520</u>	<u>\$ 56,546</u>	<u>\$ (11,580)</u>	<u>\$ (7,860)</u>	<u>\$ 2,026</u>	<u>\$ 206,652</u>

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
DETAIL OF EXPENSES
Year Ended June 30, 2015

	CC - Green Bay	CC - Fox Cities	CC - Manitowoc	CC - Marinette	Government Contracts and Grants	Total
Salaries and compensation of clergy	\$ 677,893	\$ 215,363	\$ 86,716	\$ 107,444	\$ 247,508	\$ 1,334,924
Payroll taxes	41,071	15,242	5,893	7,676	17,892	87,774
Fringe benefits	199,319	59,257	31,514	25,155	64,605	379,850
Other insurance	5,859	1,999	772	853	512	9,995
Conferences and conventions	12,001	993	1,339	361	6,346	21,040
Recruitment	647	-	-	-	-	647
Auto and travel	10,890	5,602	1,783	729	18,383	37,387
Professional fees	37,509	2,723	1,093	3,855	1,575	46,755
Temporary help	7,161	994	12,808	1,067	-	22,030
Advertising and promotion	2,814	1,348	300	410	20	4,892
Instructional materials and supplies	757	-	27	-	8,696	9,480
Computer service fees	5,795	1,584	906	908	199	9,392
Rent	83,852	43,843	13,630	18,948	19,328	179,601
Utilities and maintenance	-	122	1,259	-	300	1,681
Dues and subscriptions	5,474	2,209	794	1,129	-	9,606
Telephone	10,065	14,793	2,633	2,886	2,675	33,052
Office supplies	5,847	2,405	266	327	392	9,237
Postage	4,652	653	393	115	-	5,813
Printing	11,221	165	29	19	664	12,098
Equipment rental	856	1,204	554	942	-	3,556
Depreciation	-	249	578	-	-	827
Purchased services	156,383	64,955	24,175	29,318	25,238	300,069
Donations	1,000	-	-	-	-	1,000
Direct client assistance	10,694	2,950	1,000	-	27,018	41,662
Meeting expense	1,198	-	-	-	8,556	9,754
Miscellaneous	15,247	8,276	-	5,430	-	28,953
	<u>\$ 1,308,205</u>	<u>\$ 446,929</u>	<u>\$ 188,462</u>	<u>\$ 207,572</u>	<u>\$ 449,907</u>	<u>\$ 2,601,075</u>

COMPLIANCE REPORTS AND SCHEDULES

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, 2015, 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 22, 2015.

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 22, 2015

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor Programs Expenditures	Federal CFDA Number	Amount
U.S. Department of Health and Human Services		
Passed through Brown County Human Services Department:		
Teen Parenting Program	93.667	\$ 19,058
Teen Parenting Program	93.558	10,671
Medical Assistance Program	93.778	<u>2,918</u>
Total U.S. Department of Health and Human Services		32,647
U.S. State Department		
Passed through United States Conference of Catholic Bishops:		
Refugee Assistance	Not provided	21,750
U.S. Department of Housing and Urban Development		
Passed through Catholic Charities USA:		
Housing Counseling	14.169	<u>39,922</u>
Total Federal Assistance		<u>\$ 94,319</u>
State Grantor/Program Expenditures	State Program Number	Amount
Wisconsin Department of Children and Families		
Direct Award:		
Refugee Family Strengthening	437.602500	\$ 193,726
Support Services	437.601500	23,892
Refugee Social Services	437.705600	9,846
Refugee Preventive Health Services	437.707100	1,722
Wisconsin Department of Health Services		
Passed through Brown County Human Services Department:		
Teen Parenting Program	435.561000	65,766
Medical Assistance Program	435.348000	199
Medical Assistance Program	435.367000	486
Medical Assistance Program	435.564000	<u>1,819</u>
Total State Assistance		<u>\$ 297,456</u>
Total Federal and State Assistance		<u><u>\$ 391,775</u></u>

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
June 30, 2015

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, 2015. 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 OMB Circular A-133, *Cost Principles for Not-Profit Organizations*, 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, 2015

	<u>Refugee Family Strengthening</u>	<u>Support Services</u>	<u>Teen Parenting Program</u>	<u>Refugee Social Services</u>	<u>USCC Grant</u>	<u>CCUSA Housing Counseling Sub-Contract CCHC</u>	<u>Total Program Services</u>
PUBLIC SUPPORT							
Contracts and grants	<u>\$ 193,726</u>	<u>\$ 23,892</u>	<u>\$ 161,108</u>	<u>\$ 11,568</u>	<u>\$ 21,750</u>	<u>\$ 39,889</u>	<u>\$ 451,933</u>
EXPENSES							
Salaries and wages	111,314	11,693	75,875	8,764	13,674	26,188	247,508
Personnel benefits	<u>42,115</u>	<u>5,233</u>	<u>28,517</u>	<u>1,883</u>	<u>2,938</u>	<u>1,812</u>	<u>82,498</u>
Total salaries and related expenses	153,429	16,926	104,392	10,647	16,612	28,000	330,006
Purchased services	9,437	1,389	14,376	690	1,963	8,385	36,240
Travel expenses	10,920	2,218	4,458	152	635	-	18,383
Occupancy	11,053	-	8,208	-	367	-	19,628
Office	1,468	129	1,908	79	146	-	3,730
Direct assistance	1,687	-	25,331	-	-	-	27,018
Meetings and workshops	<u>5,732</u>	<u>3,230</u>	<u>2,435</u>	<u>-</u>	<u>-</u>	<u>3,504</u>	<u>14,901</u>
Total expenses	<u>193,726</u>	<u>23,892</u>	<u>161,108</u>	<u>11,568</u>	<u>19,723</u>	<u>39,889</u>	<u>449,906</u>
NET REVENUE/EXPENSES	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,027</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,027</u></u>

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
SCHEDULE OF REVENUE AND ALLOWABLE COSTS - TEEN PARENTING PROGRAM
Contract Periods January 1, 2014 to December 31, 2014
and January 1, 2015 to June 30, 2015

	Contract Period 1/1/14 - 12/31/14	Contract Period 1/1/15 - 6/30/15	Total
Revenue			
Contract Payments	<u>\$ 167,406</u>	<u>\$ 97,653</u>	<u>\$ 265,059</u>
Allowable Costs			
Salaries and Wages	75,108	38,406	113,514
Fringe Benefits	28,370	13,977	42,347
Travel:			
Staff	5,700	1,710	7,410
Client	400	-	400
Training/Recruitment	959	931	1,890
Supplies:			
Office	869	1,084	1,953
Program	408	-	408
Direct Assistance	25,677	8,948	34,625
Telephone	1,216	618	1,834
Insurance	482	-	482
Rentals	8,052	4,104	12,156
Indirect Costs:			
Accounting	5,500	2,750	8,250
Audit	1,000	124	1,124
Community Outreach	16	-	16
Other	6,511	3,738	10,249
Addition to Reserve	7,138	-	7,138
Total Allowable Costs	<u>167,406</u>	<u>76,390</u>	<u>243,796</u>
Excess (Deficiency) Payments Over Allowable Costs	<u>\$ -</u>	<u>\$ 21,263</u> *	<u>\$ 21,263</u>

* Represents unspent funds in deferred revenue at June 30 for the 2015 contract year.

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
RESERVE SUPPLEMENTARY SCHEDULE - TEEN PARENTING PROGRAM
June 30, 2015

1. Total units of service	NA
2. Allowable expenses	\$ 160,268
3. Total payments and revenue	167,406
4. Excess (deficiency) payments and revenue over expenses (line 3 less line 2)	7,138
5. Total reserve from all prior periods (not including this period)	8,370
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	\$ 167,406	100%	\$ 7,138	\$ 8,370	\$ 7,138	\$ -	\$ 8,370	\$ 15,508	\$16,740	\$15,508	\$ -	\$ -

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2015

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued?	Unmodified
Internal control over financial reporting:	
a. Material weakness(es) identified?	No
b. Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Non-compliance material to the financial statements noted?	No

Vendor Contracts

Internal control over major Wisconsin Department of Health Service and Department of Children and Families programs:	
a. Material weakness(es) identified?	No
b. Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major Department of Health Services and Department of Children and Families programs?	Unmodified
Any 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 Children and Families and Wisconsin Department of Human Services programs:

<u>CFDA/State ID Numbers</u>	<u>Name of Program</u>
93.667, 93.558, 435.561000 437.602500	Teen Parenting Refugee Family Strengthening
Dollar threshold used to select Wisconsin Department of Health Services programs:	\$25,000

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS None reported

SECTION III – DHS AUDIT GUIDE FINDINGS None reported

SECTION IV - OTHER ISSUES

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

2. Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, 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

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

4. Name and signature of Principal-in-Charge:



5. Date of report:

September 22, 2015

CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
June 30, 2015

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