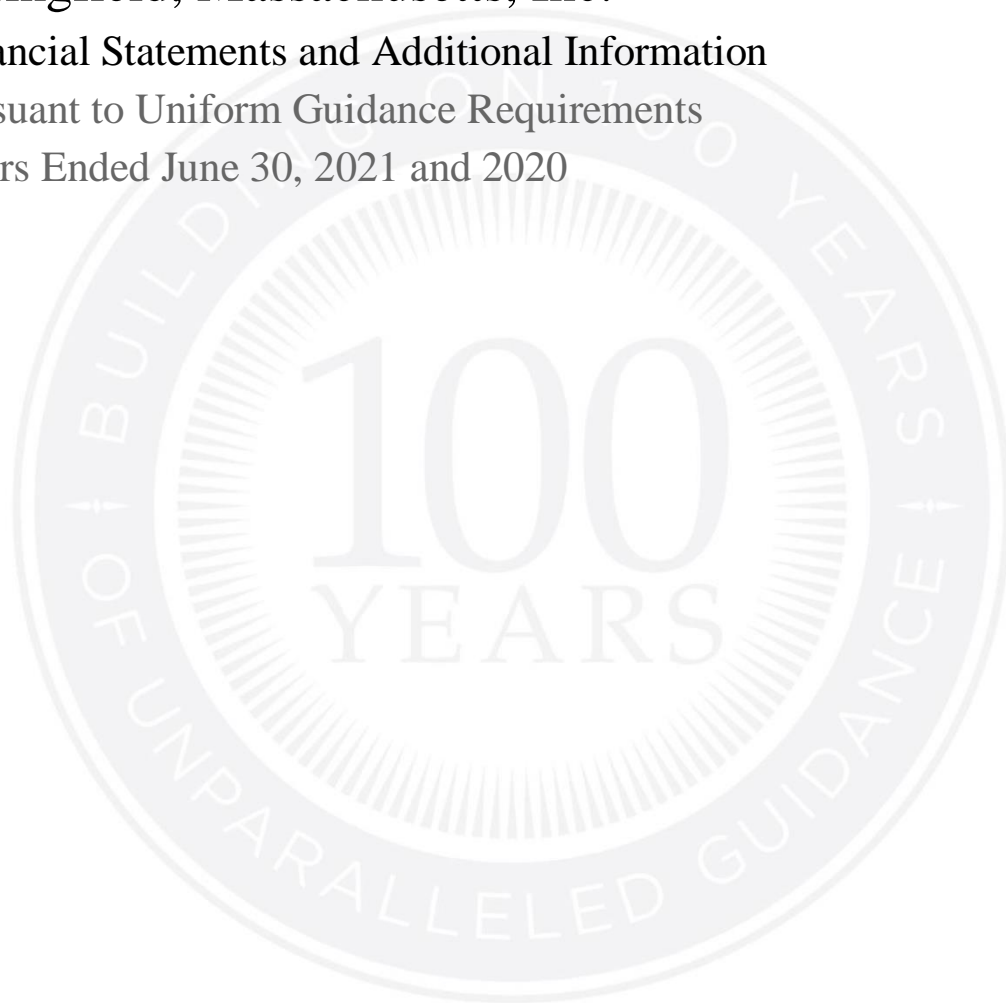




The Catholic Charities Agency of  
the Roman Catholic Diocese of  
Springfield, Massachusetts, Inc.

Financial Statements and Additional Information  
Pursuant to Uniform Guidance Requirements  
Years Ended June 30, 2021 and 2020



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## Independent Auditor's Report

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To the Finance Committee of The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc.

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

We have audited the accompanying financial statements of The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc. (the "Agency"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we

express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinion***

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

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedule of expenditures of federal awards for the year ended June 30, 2021, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is 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 December 15, 2021 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

*Wolf & Company, P.C.*

Springfield, Massachusetts

December 15, 2021

The Catholic Charities Agency of the Roman Catholic Diocese of  
Springfield, Massachusetts, Inc.

Statements of Financial Position

June 30, 2021 and 2020

	2021	2020
<b>Assets:</b>		
Cash and cash equivalents	\$ 14,477	\$ 52,843
Grants receivable	1,134,825	282,971
Prepaid expenses	510	539
Fixed assets, net	1,817	4,932
Total assets	\$ 1,151,629	\$ 341,285
<b>Liabilities and net assets:</b>		
Accounts payable	\$ 44,226	\$ 37,461
Accrued expenses and other liabilities	24,006	21,245
Due to RCB	938,067	138,067
Note payable	-	95,700
Total liabilities	1,006,299	292,473
Net assets without donor restrictions	145,330	48,812
Total liabilities and net assets	\$ 1,151,629	\$ 341,285

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

The Catholic Charities Agency of the Roman Catholic Diocese of  
Springfield, Massachusetts, Inc.

Statements of Activities

Years Ended June 30, 2021 and 2020

	2021	2020
Support:		
Annual Catholic Appeal	\$ 230,620	\$ 27,620
Bequests and contributions	69,812	51,722
Grant income	4,502,813	1,515,549
Fees for services	1,410	3,745
Total support	4,804,655	1,598,636
Expenses:		
Program and support services:		
Homeless assistance	4,445,073	1,030,508
Refugee assistance	174,544	302,968
Social service program	49,642	46,914
Management and general	134,578	289,634
Total expenses	4,803,837	1,670,024
Other income:		
Paycheck protection program	95,700	-
Change in net assets	96,518	(71,388)
Net assets without donor restrictions at beginning of year	48,812	120,200
Net assets without donor restrictions at end of year	\$ 145,330	\$ 48,812

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

The Catholic Charities Agency of the Roman Catholic Diocese of  
Springfield, Massachusetts, Inc.

Statements of Cash Flows

Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 96,518	\$ (71,388)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	3,115	3,114
Forgiveness of note payable	(95,700)	-
Grants receivable	(851,854)	(96,464)
Prepaid expenses	29	(539)
Accounts payable	6,765	(28,054)
Accrued expenses and other liabilities	2,761	6,845
Due to RCB	800,000	138,067
Net cash used by operating activities	<u>(38,366)</u>	<u>(48,419)</u>
Cash flows from financing activities:		
Proceeds from note payable	<u>-</u>	<u>95,700</u>
Net cash provided by financing activities	<u>-</u>	<u>95,700</u>
Net change in cash and cash equivalents	(38,366)	47,281
Cash and cash equivalents at beginning of year	<u>52,843</u>	<u>5,562</u>
Cash and cash equivalents at end of year	<u>\$ 14,477</u>	<u>\$ 52,843</u>

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



The Catholic Charities Agency of the Roman Catholic Diocese of  
Springfield, Massachusetts, Inc.

Statement of Functional Expenses

Year Ended June 30, 2021

	Homeless Assistance	Refugee Assistance	Social Services	Total Program and Support Services	Management and General	Total
Expenses:						
Salaries and wages	\$ 203,472	\$ 56,770	\$ 24,789	\$ 285,031	\$ 93,016	\$ 378,047
Employee benefits	30,840	7,062	9,882	47,784	24,725	72,509
Payroll taxes and other related costs	17,401	4,685	2,675	24,761	6,600	31,361
Total salaries and related expense	<u>251,713</u>	<u>68,517</u>	<u>37,346</u>	<u>357,576</u>	<u>124,341</u>	<u>481,917</u>
Rental and utilities	3,992,510	92,821	11,696	4,097,027	-	4,097,027
Return of grant funding to grantor	10,000	-	-	10,000	-	10,000
Travel and transportation	2,074	1,959	-	4,033	349	4,382
Insurance	3,222	2,020	-	5,242	496	5,738
Office supplies	6,687	936	-	7,623	50	7,673
Professional fees	12,800	-	-	12,800	120	12,920
Outside vendors	143,657	-	-	143,657	-	143,657
Telephone	7,749	281	-	8,030	-	8,030
Dues and subscriptions	16	-	-	16	2,095	2,111
Miscellaneous	1,747	2,778	-	4,525	2,961	7,486
Audit and legal	12,898	5,232	600	18,730	1,051	19,781
Depreciation	-	-	-	-	3,115	3,115
Total expense	<u>\$ 4,445,073</u>	<u>\$ 174,544</u>	<u>\$ 49,642</u>	<u>\$ 4,669,259</u>	<u>\$ 134,578</u>	<u>\$ 4,803,837</u>

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

The Catholic Charities Agency of the Roman Catholic Diocese of  
Springfield, Massachusetts, Inc.

Statement of Functional Expenses

Year Ended June 30, 2020

	Homeless Assistance	Refugee Assistance	Social Services	Total Program and Support Services	Management and General	Total
Expenses:						
Salaries and wages	\$ 134,392	\$ 79,453	\$ 7,566	\$ 221,411	\$ 181,192	\$ 402,603
Employee benefits	9,943	1,510	399	11,852	43,164	55,016
Payroll taxes and other related costs	10,692	5,979	621	17,292	11,994	29,286
Total salaries and related expense	<u>155,027</u>	<u>86,942</u>	<u>8,586</u>	<u>250,555</u>	<u>236,350</u>	<u>486,905</u>
Rental and utilities	859,396	203,385	35,155	1,097,936	-	1,097,936
Travel and transportation	703	4,514	-	5,217	-	5,217
Insurance	2,490	2,062	540	5,092	1,432	6,524
Office supplies	4,826	940	338	6,104	607	6,711
Professional fees	1,487	779	42	2,308	-	2,308
Telephone	619	1,495	1,953	4,067	-	4,067
Dues and subscriptions	-	-	-	-	1,000	1,000
Miscellaneous	680	865	-	1,545	1,926	3,471
Audit and legal	5,280	1,986	300	7,566	45,205	52,771
Depreciation	-	-	-	-	3,114	3,114
Total expense	<u>\$ 1,030,508</u>	<u>\$ 302,968</u>	<u>\$ 46,914</u>	<u>\$ 1,380,390</u>	<u>\$ 289,634</u>	<u>\$ 1,670,024</u>

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

# The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc.

Notes to Financial Statements

Years Ended June 30, 2021 and 2020

## 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Form of Organization and Nature of Activities*

The Agency, a not-for-profit corporation under the auspices of the Roman Catholic Bishop of Springfield, a corporation sole (the “RCB”), commenced operations on July 1, 2005. The purpose of the Agency is to enhance and reflect the religious mission of the Roman Catholic Diocese of Springfield, Massachusetts (the “Diocese”) by providing a variety of social services, programs, and assistance to promote and ensure the immediate, on-going, and long-term health, vitality and well-being of all people located within the Diocese and to conduct any activities in furtherance of the foregoing purposes as may be carried out by a corporation organized under Massachusetts General Laws, Chapter 180, and described in Section 501(c)(3) of the Internal Revenue Code.

This summary of significant accounting policies of The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc. (the “Agency”) is presented to assist in understanding the Agency’s financial statements. The financial statements and notes are the representation of the Agency’s management, who is responsible for their integrity and objectivity, and are presented in accordance with accounting principles generally accepted in the United States of America.

### *Basis of Presentation*

The accompanying financial statements are presented on the accrual basis of accounting and have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions.

Net assets and changes therein are classified as follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of Agency management or may otherwise be limited by contractual agreements with outside parties. The change in net assets without donor restrictions is primarily impacted by the results of operations, unrestricted giving, and by the amount of net assets with donor restrictions that have been released from restrictions.

# The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc.

Notes to Financial Statements (Continued)

## **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

With Donor Restrictions - Net assets whose use by the Agency is subject to donor-imposed stipulations that can be fulfilled by actions of the Agency pursuant to those stipulations or that expire by the passage of time. These also include net assets subject to donor-imposed stipulations that they be maintained in perpetuity by the Agency, with investment return available for designated purposes. The change in net assets with donor restrictions is impacted primarily by gifts with time and donor constraints and the amount of net assets that have been released from restrictions. Net assets with donor restrictions also include funds not yet appropriated for spending, generally representing cumulative investment earnings and appreciation on endowment funds restricted in perpetuity.

The Agency had no net assets with donor restrictions as of June 30, 2021 or 2020.

### *Liquidity and Economic Dependency*

The Agency manages its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Agency's financial assets available within one year of the balance sheet date for general expenditures were as follows as of June 30, 2021:

Cash and cash equivalents	\$ 14,477
Grants receivable	<u>1,134,825</u>
Total financial assets at end of year	<u>\$ 1,149,302</u>

The Agency receives financial support from the Diocese and related entities. Should that support be withdrawn, the Agency's ability to continue its activities would be threatened. This ongoing support amounted to \$354,427 in 2021 and \$439,767 in 2020.

### *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 that affect the reported amounts of assets and liabilities and the 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.

# The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc.

Notes to Financial Statements (Continued)

## **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### ***Revenue Recognition***

The Agency's revenues are derived from contributions and grants.

#### *Contributions*

Contributions are recognized as revenue in the period the contribution or the unconditional promises to give is received. Promises to give that are scheduled to be received after the statement of financial position date, or which are restricted by the donor to a specific purpose which has not been met as of the statement of financial position date, are shown as increases in net assets with donor restrictions.

Donor-restricted conditional contributions are recognized in net assets without donor restrictions if the restriction is met in the year the revenue is recognized.

Contributions are reported as increases in net assets without donor restrictions unless they are received with donor stipulations that limit the use of the donated assets in which case they are reported as with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified to without donor restrictions and reported in the statements of activities as net assets released from restrictions.

#### *Grants*

Revenue from cost-reimbursable grants is conditional upon performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Agency has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as conditional grant liabilities in the statement of financial position.

Donated materials and services are recorded as in-kind contributions at the estimated fair value as of the date of the donation.

### ***Cash and Cash Equivalents***

The Agency considers investments with maturities of three months or less at the date of purchase to be cash equivalents.

# The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc.

Notes to Financial Statements (Continued)

## **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### *Fixed Assets*

Automobiles are carried at cost, less accumulated depreciation computed on a straight-line method over the estimated useful lives of the asset.

### *Concentration of Credit Risk*

The Agency maintains its cash and cash equivalents in financial institutions. The Agency has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk from cash and cash equivalents.

### *Expenses by Nature and Function*

Direct costs are charged to the applicable natural and functional classifications whenever possible. However, the financial statements report certain categories of expenses that are attributable to more than one program or supporting function of the Agency. These expenses require allocation on a reasonable basis that is consistently applied and included considerations such as square footage used by each function and estimates of time and effort.

### *Income Taxes*

The Agency is a 501(c)(3) organization under the Internal Revenue Code. It is generally exempt from federal income tax under a group exemption granted to the Roman Catholic Church and its related organizations. It is also exempt from Massachusetts income taxes under Chapter 180 of Massachusetts General Laws.

Tax positions taken or expected to be taken in the course of preparing the Agency's tax returns, including the position that the Agency qualifies as a tax exempt organization, are required to be evaluated to determine whether the tax positions are "more-likely-than-not" to be upheld under regulatory review. The Agency has determined that there are no uncertain tax positions at June 30, 2021 or 2020.

The Agency is currently open to audit by Federal and state authorities for the years ended June 30, 2018 to the present.

# The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc.

Notes to Financial Statements (Continued)

## **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

### *Subsequent Events*

Management has evaluated subsequent events through December 15, 2021, which is the date the financial statements were available to be issued. The Agency is continuing to monitor the impact of the COVID-19 pandemic including related variants on its operations. There were no other subsequent events that require adjustments or disclosure to the financial statements.

## **2. FIXED ASSETS**

A summary of the cost and accumulated depreciation of fixed assets as of June 30, 2021 and 2020 follows:

	<u>2021</u>	<u>2020</u>	<u>Estimated Useful Life</u>
Automobile	\$ 15,573	\$ 15,573	5 Years
Accumulated depreciation	<u>(13,756)</u>	<u>(10,641)</u>	
	<u>\$ 1,817</u>	<u>\$ 4,932</u>	

Depreciation expense for the years ended June 30, 2021 and 2020 amounts to \$3,115 and \$3,114, respectively.

## **3. NOTE PAYABLE**

On March 27, 2020, the federal Coronavirus Aid Relief, and Economic Security Act (the “Cares Act”) was enacted to, amongst other provisions, provide emergency relief for individuals, businesses, and not-for-profit organizations affected by the coronavirus pandemic. In April 2020, the Agency applied for and received a loan of \$95,700 pursuant to the Cares Act’s Paycheck Protection Program. This loan had a two year term, bore interest at 1%, and was forgivable if the Agency incurred qualifying expenses, including payroll and certain other operating expenses, over a twenty-four-week period. The Agency met these requirements and, accordingly, the loan was forgiven in June 2021. The forgiveness of the loan was recorded as a gain on extinguishment in the statement of activities. Total interest expense related to the loan was forgiven in full.

The Catholic Charities Agency of the Roman Catholic Diocese of  
Springfield, Massachusetts, Inc.

Notes to Financial Statements (Continued)

**4. GRANT INCOME**

Grant income consists of the following for the years ended June 30, 2021 and 2020:

	2021	2020
<b>Non-Federal Grant Income</b>		
<u>Related Entities</u>		
Diocese of Springfield	\$ 1,300	\$ -
Diocese of Springfield - Reopell Trust	-	293,347
Foundation of the Roman Catholic Diocese of Springfield, Massachusetts, Inc.	122,507	118,800
	123,807	412,147
<u>Non-Related Entities</u>		
CCUSA Puerto Rico - Hurricane Maria	-	10,000
CCUSA Emergency Disaster Grant - COVID-19	-	11,000
USCCB - Refugee Admissions Program	22,033	18,052
Community Foundation of Western Mass. - COVID-19	70,000	60,000
CCUSA Francis Fund for Eviction - COVID-19	10,000	-
Total Non-Federal Grant Income	225,840	511,199
<b>Federal Grant Income</b>		
<u>City of Springfield</u>		
Emergency Solutions Grant	34,679	81,952
Emergency Solutions Grant - COVID-19	1,707,343	8,443
Continuum of Care	425,395	494,119
	2,167,417	584,514
<u>State of Massachusetts</u>		
Emergency Solutions Grant	43,934	269,380
Emergency Solutions Grant - COVID-19	1,966,108	11,863
State Opioid Response Grant - Housing	22,684	27,174
Massachusetts Office for Refugee and Immigrants (ORI)	1,423	18,352
<u>Other</u>		
Department of State - USCCB - Refugee Admissions Program	75,407	93,067
Total Federal Grant Income	4,276,973	1,004,350
<b>Total Grant Income</b>	\$ 4,502,813	\$ 1,515,549



# The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc.

Notes to Financial Statements (Continued)

## 5. PENSION PLANS

The Agency is a participant in a multi-employer noncontributory retirement plan, sponsored by the Diocese of Springfield which covers Agency employees. The benefits are based on the participant's years of service and average monthly compensation. There were no contributions as of June 30, 2021 and 2020.

Accumulated plan benefits information, as provided by consulting actuaries, has not been distinguished among the organizations participating in the pension plan and, accordingly, such information is not presented herein. At January 1, 2021 (the most recent available), the unaudited actuarial valuation report for the Plan reflected approximately \$37.4 million in net assets available for benefits and \$45.7 million in accumulated plan benefits. At January 1, 2020, the unaudited actuarial valuation report for the Plan reflected approximately \$35.6 million in net assets available for benefits and \$43.2 million in accumulated plan benefits.

Effective December 31, 2010, the pension plan was frozen. When a plan is frozen, earnings and service are not considered subsequent to that date, meaning employee pension benefits will no longer continue to accumulate. This action did not take away or reduce the benefits an employee had already earned.

Effective January 1, 2019, the Agency is a participant in a defined contribution plan administered by the Diocese of Springfield for all eligible staff. Eligibility for the plan begins following one month of employment for individuals who are age 21 or older. The Plan provides for discretionary employer contributions of up to 2% of employee compensation. For the year ended June 30, 2021 and 2020, the Agency contributed \$2,770 and \$2,578, respectively, as matching contributions. Matching contributions have a one-year cliff vesting period.

# The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc.

Notes to Financial Statements (Concluded)

## 6. INSURANCE

The Agency participates in the Diocesan insurance program for property, general liability, workers' compensation and health insurance. Insurance program expense, which is primarily recorded in employee benefits in the statement of functional expenses, was as follows:

	<u>2021</u>	<u>2020</u>
Property, general liability and workers' compensation	\$ 4,248	\$ 4,764
Health	<u>28,513</u>	<u>45,687</u>
	<u>\$ 32,761</u>	<u>\$ 50,451</u>

## 7. CONTINGENCY

The Agency performs certain of its activities pursuant to federal and state contracts. Entitlement to these resources is generally conditioned upon compliance with the terms and conditions of contracts and budgets and applicable regulations including the expenditures of the resources for eligible purposes. Substantially all contracts are subject to financial and compliance audits by each funding source. Any disallowances as a result of audits become a liability of the Agency. As of June 30, 2021, the Agency does not anticipate any material liabilities will result from such audits.

## 8. STATE SURPLUS REVENUE RETENTION

The Commonwealth of Massachusetts has established regulations which limit the amount of surplus revenue an organization may retain in any year under state unit rate contracts. Specifically, an organization may retain annually a surplus of up to twenty- percent of total revenues attributable to or generated by Commonwealth agreements for the provision of Social Services. Any excess revenues above the aforementioned limit are subject to recoupment by the Commonwealth. For the year ended June 30, 2021 and 2020, the Agency had no excess revenues.

**The Catholic Charities Agency of the Roman Catholic Diocese of  
Springfield, Massachusetts, Inc.**

**Supplementary Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2021**

<b>Federal Grantor/Pass-Through Grantor</b>	<b>Federal CFDA Number</b>	<b>Pass-through Entity Identification Number</b>	<b>Passed Through to Subrecipients</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Health and Human Services:</b>				
Refugee and Entrant Assistance - Pass-Thru from: Massachusetts Office of Refugee and Immigrants	93.583	CTORI919917RCM000010		\$ 1,423
			-	1,423
Total U.S. Department of Health and Human Services:				
<b>Department of State, Bureau of Population, Refugees, and Migration:</b>				
U.S. Refugee Admissions Program - Pass-Thru from: United States Conference of Catholic Bishops - Migration and Refugee Services	19.510	SPRMC019CA0024		75,407
<b>U.S. Department of Housing and Urban Development</b>				
Continuum of Care - Pass-Thru from: City of Springfield, Massachusetts	14.267	N/A		425,395
Continuum of Care - Emergency Solutions Grant Program - Pass-Thru from: City of Springfield, Massachusetts and State of Massachusetts	14.231 14.231 COVID-19	N/A		101,297
			-	3,673,451
			-	4,275,550
Total U.S. Department of Housing and Urban Development:				
			\$ -	\$ 4,276,973
<b>Total Expenditures of Federal Awards</b>				

# The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc.

## Supplementary Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2021

**Note 1: Basis of Presentation:**

The accompanying supplementary schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc. (“the Agency”) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Agency.

**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.

**Note 3: Indirect Cost Rate:**

The Agency has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



# Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

---

To the Finance Committee of The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc. (the "Agency"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2021.

## ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wolf & Company, P.C.*

Springfield, Massachusetts  
December 15, 2021



# Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

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To the Finance Committee of The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc.

## ***Report on Compliance for Each Major Federal Program***

We have audited The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc.'s (the "Agency") (a not-for-profit organization) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Agency's major federal program for the year ended June 30, 2021. The Agency's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

## ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal program.

## ***Auditor's Responsibility***

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

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

### ***Opinion on the Major Federal Program***

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

### ***Report on Internal Control over Compliance***

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

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

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



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

*Wolf & Company, P.C.*

Springfield, Massachusetts

December 15, 2021

# The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc.

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021

## **Section I - Summary of Auditor's Results**

### *Financial Statements*

The auditor's report expresses an unmodified opinion on the financial statements of The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc.

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes     X     No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes     X     None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes     X     No

### *Federal Awards*

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes     X     No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ Yes     X     None Reported

The auditor's report on compliance for the major federal award program for The Catholic Charities Agency of the Roman Catholic Diocese of Springfield, Massachusetts, Inc. expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR Section 200.516(a)? \_\_\_\_\_ Yes     X     No

The program tested as a major program was:

Continuum of Care 14.231     \$3,774,748    

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

Auditee qualified as low-risk auditee?     X     Yes \_\_\_\_\_ No

## **Section II – Financial Statement Findings**

None Reported

## **Section III – Federal Award Findings and Questioned Costs**

None Reported

The Catholic Charities Agency of the Roman Catholic Diocese of  
Springfield, Massachusetts, Inc.

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2021

None.