

**CATHOLIC CHARITIES OF
THE DIOCESE OF YAKIMA**

**COMBINED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2015 AND 2014

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Catholic Charities of the Diocese of Yakima
Yakima, Washington

Report on the Financial Statements

We have audited the accompanying combined financial statements of Catholic Charities of the Diocese of Yakima (a nonprofit organization), which comprise the combined statements of financial position as of June 30, 2015 and 2014, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of Catholic Charities of the Diocese of Yakima as of June 30, 2015 and 2014, and the changes in their net assets and their 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 audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statements of financial position and combining statements of activities and changes in net assets are presented for purposes of additional analysis and are not a required part of the combined financial statements. The schedules of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are also presented for purposes of additional analysis and are not a required part of the basic combined financial statements. The combining statements of financial position, combining statements of activities and changes in net assets, and the schedules of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the combined financial statements. Such information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined 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 10, 2015, on our consideration of Catholic Charities of the Diocese of Yakima'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 Yakima's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Yakima, Washington
December 10, 2015

**CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014**

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 5,888,480	\$ 5,254,506
Restricted Cash	7,909,587	3,312,792
Total	13,798,067	8,567,298
Grants and Accounts Receivable, Net	2,250,284	1,841,484
Prepaid Expenses	49,468	37,251
Inventory	240,606	272,625
Total Current Assets	16,338,425	10,718,658
PROPERTY AND EQUIPMENT		
Land	315,007	275,587
Building	998,975	998,975
Building Improvements	1,597,205	1,569,458
Furniture and Equipment	714,829	786,641
Total	3,626,016	3,630,661
Less: Accumulated Depreciation	(1,710,228)	(1,585,891)
Total Property and Equipment	1,915,788	2,044,770
Total Assets	\$ 18,254,213	\$ 12,763,428

See accompanying Notes to Combined Financial Statements.

LIABILITIES AND NET ASSETS	<u>2015</u>	<u>2014</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 806,287	\$ 741,857
Accrued Expenses	1,241,130	1,100,014
Deferred Revenues	7,909,587	3,256,323
Current Maturities of Long-Term Debt	100,013	95,000
Total Current Liabilities	<u>10,057,017</u>	<u>5,193,194</u>
NONCURRENT LIABILITIES		
Long-Term Debt, Less Current Maturities	<u>953,378</u>	<u>1,051,926</u>
Total Noncurrent Liabilities	<u>953,378</u>	<u>1,051,926</u>
Total Liabilities	11,010,395	6,245,120
CONTINGENCIES		
NET ASSETS		
Unrestricted	7,215,291	6,386,936
Temporarily Restricted	<u>28,527</u>	<u>131,372</u>
Total Net Assets	<u>7,243,818</u>	<u>6,518,308</u>
Total Liabilities and Net Assets	<u><u>\$ 18,254,213</u></u>	<u><u>\$ 12,763,428</u></u>

**CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2015**

	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE			
Grants from Government Agencies	\$ 18,866,217	\$ -	\$ 18,866,217
Other Grants and Contracts	459,257	-	459,257
Program Service Fees and Sales	1,555,229	-	1,555,229
Contributions	877,251	28,527	905,778
Investment Income	127,901	-	127,901
Miscellaneous Revenue	472,472	-	472,472
Total	22,358,327	28,527	22,386,854
Net Assets Released from Restrictions	131,372	(131,372)	-
Total Public Support and Revenue	22,489,699	(102,845)	22,386,854
 EXPENSES			
Program Services	19,454,494	-	19,454,494
Management and General	1,858,952	-	1,858,952
Fundraising	347,898	-	347,898
Total Expenses	21,661,344	-	21,661,344
 CHANGES IN NET ASSETS	828,355	(102,845)	725,510
 Net Assets - Beginning of Year	6,386,936	131,372	6,518,308
 NET ASSETS - END OF YEAR	\$ 7,215,291	\$ 28,527	\$ 7,243,818

See accompanying Notes to Combined Financial Statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2014**

	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE			
Grants from Government Agencies	\$ 15,852,193	\$ -	\$ 15,852,193
Other Grants and Contracts	432,363	-	432,363
Program Service Fees and Sales	1,612,273	-	1,612,273
Contributions	793,124	152,332	945,456
Investment Income	29,401	-	29,401
Miscellaneous Revenue	353,161	-	353,161
Total	19,072,515	152,332	19,224,847
Net Assets Released from Restrictions	131,566	(131,566)	-
Total Public Support and Revenue	19,204,081	20,766	19,224,847
 EXPENSES			
Program Services	16,938,700	-	16,938,700
Management and General	1,711,749	-	1,711,749
Fundraising	400,198	-	400,198
Total Expenses	19,050,647	-	19,050,647
 CHANGES IN NET ASSETS	153,434	20,766	174,200
 Net Assets - Beginning of Year	6,233,502	110,606	6,344,108
 NET ASSETS - END OF YEAR	\$ 6,386,936	\$ 131,372	\$ 6,518,308

See accompanying Notes to Combined Financial Statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015**

	Children's Services	Child Welfare	Counseling	Elder Services	St. Vincent Centers Program	Fundraising	Management and General	Total
Salaries	\$ 1,939,667	\$ 610,083	\$ 5,969,098	\$ 276,265	\$ 447,765	\$ 168,412	\$ 1,060,300	\$ 10,471,590
Employee Benefits	320,862	83,609	799,431	42,558	78,555	13,026	123,825	1,461,866
Payroll Taxes	180,533	54,038	523,282	25,121	64,602	13,502	76,321	937,399
Subtotal	<u>2,441,062</u>	<u>747,730</u>	<u>7,291,811</u>	<u>343,944</u>	<u>590,922</u>	<u>194,940</u>	<u>1,260,446</u>	<u>12,870,855</u>
Specific Assistance to Individuals	3,332,194	613,212	222,860	279,741	254,940	969	3,627	4,707,543
Professional and Contract Services	178,446	100,478	1,005,403	6,917	19,849	4,681	153,458	1,469,232
Occupancy	113,378	19,437	237,971	11,571	211,054	6,915	44,967	645,293
Supplies	169,399	19,167	139,147	13,586	18,954	42,258	49,372	451,883
Travel	152,702	56,015	158,310	25,996	4,663	8,480	35,351	441,517
Miscellaneous	15,912	7,604	80,458	27,456	46,593	83,994	106,338	368,355
Equipment Expense	25,435	14,957	227,846	11,813	-	1,123	32,603	313,777
Depreciation	21,864	8,895	20,663	538	9,282	2,253	161,914	225,409
Telephone and Internet Charges	39,267	13,969	83,379	7,758	9,946	2,285	10,876	167,480
Subtotal	<u>6,489,659</u>	<u>1,601,464</u>	<u>9,467,848</u>	<u>729,320</u>	<u>1,166,203</u>	<u>347,898</u>	<u>1,858,952</u>	<u>21,661,344</u>
Management and General Allocated to Programs	185,950	72,997	651,321	25,096	61,670	-	(997,034)	-
Total Expenses	<u>\$ 6,675,609</u>	<u>\$ 1,674,461</u>	<u>\$ 10,119,169</u>	<u>\$ 754,416</u>	<u>\$ 1,227,873</u>	<u>\$ 347,898</u>	<u>\$ 861,918</u>	<u>\$ 21,661,344</u>

See accompanying Notes to Combined Financial Statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2014**

	Children's Services	Child Welfare	Counseling	Elder Services	St. Vincent Centers Program	Fundraising	Management and General	Total
Salaries	\$ 2,443,058	\$ 598,024	\$ 3,887,372	\$ 297,989	\$ 438,890	\$ 202,358	\$ 943,623	\$ 8,811,314
Employee Benefits	389,783	68,562	482,675	27,015	81,105	24,882	124,031	1,198,053
Payroll Taxes	236,344	55,064	359,433	26,853	69,515	17,644	86,824	851,677
Subtotal	3,069,185	721,650	4,729,480	351,857	589,510	244,884	1,154,478	10,861,044
Specific Assistance to Individuals	3,417,060	555,071	71,101	223,989	285,464	821	110	4,553,616
Professional and Contract Services	326,066	49,742	780,791	17,265	19,356	38,943	183,775	1,415,938
Occupancy	180,351	32,453	132,555	16,218	217,223	10,945	47,365	637,110
Miscellaneous	33,573	12,424	61,376	74,715	43,170	68,524	103,976	397,758
Supplies	177,766	25,437	77,406	9,229	16,617	19,085	44,585	370,125
Travel	110,688	28,531	52,741	19,381	4,980	6,346	17,250	239,917
Depreciation	24,812	5,919	33,769	1,431	8,022	136	127,290	201,379
Telephone and Internet Charges	44,990	10,528	48,878	5,420	8,871	3,233	16,311	138,231
Conferences and Meetings	104,380	5,872	30,720	1,177	-	4,861	9,058	156,068
Equipment Expense	32,647	9,153	25,815	1,875	-	2,420	7,551	79,461
Subtotal	7,521,518	1,456,780	6,044,632	722,557	1,193,213	400,198	1,711,749	19,050,647
Management and General Allocated to Programs	303,881	61,607	413,052	24,161	49,521	-	(852,222)	-
Total Expenses	<u>\$ 7,825,399</u>	<u>\$ 1,518,387</u>	<u>\$ 6,457,684</u>	<u>\$ 746,718</u>	<u>\$ 1,242,734</u>	<u>\$ 400,198</u>	<u>\$ 859,527</u>	<u>\$ 19,050,647</u>

See accompanying Notes to Combined Financial Statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Clients, Fees, and Contracts	\$ 26,503,417	\$ 21,612,658
Cash Paid to Suppliers and Employees	(21,149,252)	(18,434,492)
Interest Received	127,901	29,401
Interest Paid	(61,335)	(33,625)
Other Receipts	-	29,235
Net Cash Provided by Operating Activities	<u>5,420,731</u>	<u>3,203,177</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in Property and Equipment	(96,427)	(470,011)
Net Cash Used by Investing Activities	<u>(96,427)</u>	<u>(470,011)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on Long-Term Debt	44,003	350,000
Payments on Long-Term Debt	(137,538)	(75,543)
Net Cash Provided (Used) by Financing Activities	<u>(93,535)</u>	<u>274,457</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,230,769	3,007,623
Cash and Cash Equivalents - Beginning of Year	<u>8,567,298</u>	<u>5,559,675</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 13,798,067</u></u>	<u><u>\$ 8,567,298</u></u>
CASH - END OF YEAR CONSISTED OF THE FOLLOWING		
Cash and Cash Equivalents	\$ 5,888,480	\$ 5,254,506
Restricted Cash	<u>7,909,587</u>	<u>3,312,792</u>
	<u><u>\$ 13,798,067</u></u>	<u><u>\$ 8,567,298</u></u>

See accompanying Notes to Combined Financial Statements.

	<u>2015</u>	<u>2014</u>
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Changes in Net Assets	\$ 725,510	\$ 174,200
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	225,409	201,378
(Increase) Decrease in Assets:		
Grants and Accounts Receivable	(408,800)	245,840
Prepaid Expenses	(12,217)	(7,815)
Inventory	32,019	(10,143)
Increase (Decrease) in Liabilities:		
Accounts Payable	64,430	178,771
Accrued Expenses	141,116	220,339
Deferred Revenue	4,653,264	2,200,607
Total Adjustments	<u>4,695,221</u>	<u>3,028,977</u>
Net Cash Provided by Operating Activities	<u>\$ 5,420,731</u>	<u>\$ 3,203,177</u>

CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Catholic Charities of the Diocese of Yakima (Catholic Charities), which includes the network of Catholic Family & Child Service (CFCS) agencies and St. Vincent Centers (collectively, the Organization) is a nonprofit, social service organization. All financial transactions are centralized and kept by the accounting department located in the main office of Catholic Charities. These combined financial statements include amounts and activities related to all divisions of Catholic Charities.

Nature of Operations and Services Provided

The Organization is a social service, child care, and mental health service agency operating and providing services throughout Central Washington, which began operations in 1949. The Organization's services address the needs of children, adults, and families from all socioeconomic, religious, and ethnic backgrounds, and are offered in locations throughout Central Washington to provide access to all individuals and families. The Organization's major source of revenue includes state and federal grants, private grants and contributions, store sales, and program service fees.

Services provided are as follows:

Children's Services:

Carroll Children's Center – A licensed child care and early education facility that provides developmental classrooms serving children ages one month through age five. The program includes low-income preschool-aged children and their families served through the Early Childhood Education and Assistance Program.

Medicaid Treatment Child Care – A licensed early learning program that provides integrated mental health services to high risk children from 12 months through age five. The children spend four hours per day in a therapeutic environment participating in developmentally appropriate activities which promote optimal social/emotional development. The therapist and home visitor work with parents/caregivers in collaboration with allied service providers to support positive parenting.

Child Care Nutrition – Provides monitoring and reimbursement to licensed family child care providers for serving nutritious meals and snacks according to USDA guidelines.

Child Care Aware – Provides information to parents regarding licensed child care. Professional development and consultation is offered to licensed child care providers to improve quality and care provided to children. The program also supports informal caregivers through Play and Learn groups to enhance children's school readiness. Child Care Aware provides technical assistance and coaching to Early Achievers to assist them in developing an environment with a quality rating of excellence.

CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Operations and Services Provided (Continued)

Children's Services (Continued):

Parents as Teachers – An early childhood home visiting program providing parent education and support to families with children prenatal through age five, designed to enhance child development and kindergarten readiness.

Family Parenting – Provides parents, families, and children/teens with in-home and classroom education and support groups to improve family management, including: Parent Trust groups for women in recovery, Strengthening Families, Family Leadership Training, Family Partnering Parent Education, and Community Cafés.

The Community Resource Outreach Team – Provides bilingual resources in early identification of high risk children. Educators focus on referrals to community-based resources for families to successfully meet the needs of children and their families.

Child Welfare:

Child Welfare – Recruits and licenses foster homes for children who cannot be cared for by biological parents and provides critical case management and support for high-risk children in foster care.

Foster Teen Program – Helps foster youth develop the skills needed to make a successful transition to adulthood through education, employment, housing support, and family relationships.

Pregnancy and Parenting – Support and counseling is provided to women experiencing an unplanned pregnancy and assistance in developing a parenting plan and linkage to appropriate services, whether choosing to parent or by developing an adoption plan.

Prepares – Pregnancy and parenting support is provided to young families with children up to age five, through volunteer mentors and a network of support primarily through parishes and some Catholic organizations. Parents receive assistance with basic needs and support through the journey of parenting.

Kinship Navigator Program – Assists grandparents and other kinship providers in understanding and navigating the system of services available for children living in their care.

CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Operations and Services Provided (Continued)

Counseling:

Outpatient Counseling – Individual, marital, family, and group counseling is offered to community members seeking service for abuse, parent-child problems, grief and loss, adjustment, depression, anxiety, attachment, bonding, and other issues affecting optimal mental health functioning. A strength-based approach is used to empower individuals and families with a focus on health and wellness.

Valley Intervention Program – “Hands on” parent training is provided within a behavioral model for preschool children who are experiencing behavior problems. The program assists parents in regaining control of their preschool-aged child and focusing attention on positive behavior. Therapeutic classrooms with integrated mental health services provide an option for children with social, emotional, or behavior issues to prepare them for success in kindergarten.

Integrated Behavioral Health – A behavioral health consultant provides mental health services in a primary care health clinic with the medical provider to successfully address behavioral health concerns such as parenting, obesity, substance abuse, depression, anxiety, and other areas of concern to promote overall health and wellness.

Project LAUNCH – Provides behavioral mental health consultation to licensed child care providers with the goal of assisting child care providers in acquiring skills to enhance the social/emotional development of children in their licensed facilities. The program ended January 31, 2014.

Systems of Care Wraparound – Provides comprehensive multi-systems service through an individualized wraparound plan of care for seriously emotionally disturbed children and youth and their families.

Jail Liaison Program – Assists individuals who are incarcerated with the goal of reducing recidivism with adults and mentally ill in Chelan County.

PACT – Assists chronically mentally ill individuals in Chelan and Douglas counties through a model that offers intensive interventions designed to reduce hospitalizations and support rehabilitation and recovery.

Veteran’s Housing Services – Supports veterans in obtaining affordable housing. This program is ending September 30, 2015.

Crisis Mental Health Services – Provides crisis mental health services and mobile outreach to children, youth, and adults experiencing a crisis episode in Chelan and Douglas counties.

CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Operations and Services Provided (Continued)

Elder Services:

Volunteer Services – Recruits community volunteers to provide low-income elderly persons and adults with disabilities assistance to remain independent within their own homes. Volunteers assist with minor home repairs, yard work, shopping, transportation, laundry, housework, and many other tasks to help those in need.

Foster Grandparent Program – Volunteers serve as one-on-one tutors and mentors for at-risk children and youth with special needs through a variety of community organizations such as Head Start, child care centers, and schools.

Respite Adult Day Center – The Respite Adult Day Center gives cognitively disabled adults the opportunity to make new friends and participate in a variety of enjoyable activities in safe and comfortable surroundings while at the same time providing a period of much needed rest for family members who are caring for their loved one at home.

Senior Companion Program – Utilizes senior volunteers to provide companionship to other isolated low-income elders and individuals with disabilities who live in assisted facilities or their homes in four county areas: Benton, Franklin, Walla Walla, and Yakima.

Retired Senior Volunteer Program – Volunteer opportunities for individuals age 55 and over to make a difference in the lives of those in need in their local community.

St. Vincent Centers:

St. Vincent Centers – The St. Vincent Centers program provides assistance to families through its three thrift stores, emergency services programs, and food bank. The assistance provided offers crisis relief to those facing hardship by providing clothing, household items, food, and shelter.

Financial Statement Presentation

Catholic Charities presents its combined financial statements in accordance with accounting principles generally accepted in the United States of America. The full accrual basis of accounting is used to record revenues and expenses. Accordingly, all revenues and expenses are recognized when earned and incurred.

CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

The Organization reports information regarding their financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. Further, the Organization reports contributions received as unrestricted, temporarily restricted, or permanently restricted support depending upon the existence or nature of any donor restrictions. Net assets are classified based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted Net Assets – Unrestricted net assets are funds controlled by the organization and board of trustees that have not been restricted by law or by donor or funder imposed restrictions and include the general, operating, and equipment accounts.

Temporarily Restricted Net Assets – Temporarily restricted net assets are controlled by law or donor- or funder-imposed restrictions that allow use of the assets as specified either by the passage of time or by actions of the Organization. As of June 30, 2015 and 2014, the Organization had \$28,527 and \$131,372, respectively, in temporarily restricted net assets. Temporarily restricted net assets as of 2015 included certain contributions for Prepares and Volunteer Services. Temporarily restricted net assets as of 2014 included Respite Adult Day Care, United Way designated donations, and certain contributions for Integrated Behavioral Health and Volunteer Services.

Permanently Restricted Net Assets – Permanently restricted net assets are controlled by law or donor-imposed restrictions which state that they be maintained in perpetuity by the Organization. As of June 30, 2015 and 2014, the Organization had no permanently restricted net assets.

Contributions

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. During the years ended June 30, 2015 and 2014, \$131,372 and \$131,566 respectively, of temporarily restricted net assets were released from restrictions.

Contributed Services and Materials

Contributed materials are recorded as support at estimated value and expensed or capitalized as appropriate. The Organization does not recognize support, revenue, or expenses from services contributed by volunteers to support program activities because a measurable basis does not exist.

**CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

Catholic Charities allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated according to the approved cost allocation plan.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those instruments. At times, cash may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

Restricted Cash

Restricted cash consists of funds designated for the recognition of deferred revenue and establishment of operating reserves. Restricted cash consisted of the following deposits as of June 30:

	<u>2015</u>	<u>2014</u>
Counseling	\$ 7,188,289	\$ 2,717,197
Early Learning	696,260	496,288
Child Welfare	20,193	70,264
Elder Services	4,845	29,043
Total	<u>\$ 7,909,587</u>	<u>\$ 3,312,792</u>

Receivables

Receivables, which are unsecured, arising from fee-for-service programs, are reduced by an allowance for estimated contractual allowance and uncollectible accounts. Receivables are carried at original invoice amount less the estimated allowances based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. As of June 30, 2015 and 2014, the allowance for doubtful accounts was \$22,357 and \$947, respectively. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received.

Inventory

Inventory consists mainly of donated goods such as clothing, furniture, and household items contributed to the Organization that will be provided to support the St. Vincent Centers. Inventory is recorded and reflected in the accompanying combined financial statements at their estimated fair value. Noncash contributed goods are recorded at their estimated fair value at the date of receipt.

**CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

The Organization records significant property and equipment acquisitions at cost. A threshold of \$5,000 is established for capitalizing assets. Donated assets are recorded at estimated fair value at the date of contribution, which is thereafter treated as cost. Expenditures for maintenance and repairs are charged to operations as incurred. Betterments and major remodels are capitalized. When assets are disposed of, the related costs and accumulated depreciation or amortization is removed from the accounts and the resulting gain or loss is classified as non-operating revenue or expense.

Depreciation

Depreciation is generally taken over the estimated useful service life of the asset using the straight-line method as follows:

Buildings	25 Years
Building Improvements	5-10 Years
Furniture and Equipment	3-7 Years

Use of Estimates

The preparation of combined 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, if any, 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.

Concentrations of Credit Risk

The Organization maintains cash balances in several cash accounts with financial institutions and the Diocese of Yakima Capital Revolving Program (CRP), a separate legal nonprofit corporation affiliated with the Organization. The balances on deposit with financial institutions and the CRP are in excess of the FDIC insurance limits. Management does not anticipate any material effect on the financial position of the Organization as a result of this concentration.

Deferred Revenue

The Organization defers revenue that has been designated for a specific service. Deferred revenue will be recognized as services are performed and the funds have been spent for the intended purpose.

	2015	2014
Counseling	\$ 7,188,289	\$ 2,709,038
Early Learning	696,260	496,288
Child Welfare	20,193	43,213
Elder Services	4,845	7,784
Total	<u>\$ 7,909,587</u>	<u>\$ 3,256,323</u>

CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The Organization follows the accounting policy which measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. The Organization currently does not have any financial assets or financial liabilities that are measured at fair value on a recurring or nonrecurring basis.

Federal Income Tax

Under provisions of Section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from federal income taxes, except for net income from unrelated business activities. As of June 30, 2015, the Organization had no unrelated business activities subject to federal income taxes.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no significant uncertain tax positions that require adjustments to the financial statements to comply with provisions of Topic 740 of the *Accounting Standards Codification*.

The Organization's tax returns are subject to review and examination by federal authorities.

Reclassifications

Certain 2014 balances have been reclassified to conform with the 2015 presentation with no effect on previously reported net assets.

Subsequent Events

In preparing in these combined financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 10, 2015, the date the combined financial statements were available to be issued.

NOTE 2 AFFILIATED-PARTY TRANSACTIONS

Cash and Cash Equivalents

The Organization has funds on deposit with the CRP. The CRP uses the funds to extend loans to parishes or to fulfill other of its depositors needs. The CRP pays interest on the deposits similar to money market rates offered by local banks. Interest accrues and is paid to the Organization monthly. Cash of \$2,063,697 and \$1,863,874 was on deposit with the CRP as of June 30, 2015 and 2014, respectively. Such amounts are not FDIC insured.

Borrowings

The Organization has outstanding borrowings with the CRP. See Note 3.

CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 3 LONG-TERM DEBT

Long-term debt consisted of the following at June 30:

	2015	2014
Banner Bank, Payable \$4,238 Monthly, Including Variable Interest (5.25% as of June 30, 2015), Due July 15, 2021; Collateralized by Building - Catholic Charities of the Diocese of Yakima	\$ 450,345	\$ 467,767
Unsecured Note Payable to CRP, Payable \$3,167 Monthly, Including Interest at 5.25%, Due April 1, 2023 - Catholic Charities of the Diocese of Yakima	243,647	268,156
Unsecured Note Payable to CRP, Payable \$3,755 Monthly, Including Interest at 5.25%, Due November 1, 2024 - Catholic Charities of the Diocese of Yakima	308,449	336,511
Unsecured Note Payable to CRP, Building Improvement, Payable \$2,241 Monthly, Including Interest at 5.25%, Due June 1, 2017 - Catholic Charities of the Diocese of Yakima	50,950	74,492
Total	1,053,391	1,146,926
Less: Current Maturities	100,013	95,000
Total Long-Term Debt	\$ 953,378	\$ 1,051,926

Principal maturities of long-term debt are as follows:

Year Ending June 30,	Amount
2016	\$ 100,013
2017	105,416
2018	83,498
2019	87,947
2020	92,585
Thereafter	583,932
Total	\$ 1,053,391

CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 4 SPECIAL EVENTS

The Organization has an Annual Auction and Gala in the Tri-Cities that consists of sales of items and services donated by individuals and various local businesses. In addition, the Organization holds an event known as the CFCS Tri-Cities Kid's Day whereby Catholic Charities services are highlighted through a supplement inserted in the local newspaper. The Organization also holds annual events, the CFCS Annual Benefit Dinner in Wenatchee, and the CFCS Garden Gala in Yakima. The revenue and expenses from special events were as follows:

	2015	2014
Revenue	\$ 205,669	\$ 228,068
Expenses	67,351	59,266
Net Proceeds from Special Events	\$ 138,318	\$ 168,802

NOTE 5 RETIREMENT PLAN

The Organization participates in a 403(b) defined contribution retirement plan (the Plan) sponsored by Catholic Charities. Employees may participate in the plan if they are age 21 or older, have been employed for 12 consecutive months, and work in excess of 1,000 hours per year. The Organization contributes 5 percent of the eligible employee's salary to the plan. Employees are 100 percent vested and may make voluntary contributions to the plan. During the years ended June 30, 2015 and 2014, the Organization contributed \$308,917 and \$307,013, respectively, to the plan.

NOTE 6 CONTINGENCIES

Grants require the fulfillment of certain conditions as set forth in the grant instrument. Failure to fulfill the conditions of the grant could result in the return of funds to grantors. Although that is a possibility, management and the board deems the contingency remote since, by accepting the funds and the terms, it has accommodated the objectives of the Organization to the provisions of the grant.



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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

Board of Trustees
Catholic Charities of the Diocese of Yakima
Yakima, Washington

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 combined financial statements of Catholic Charities of the Diocese of Yakima, which comprise the combined statement of financial position as of June 30, 2015, and the related combined statements of activities, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated December 10, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered Catholic Charities of the Diocese of Yakima'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 combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of Catholic Charities of the Diocese of Yakima's internal control. Accordingly, we do not express an opinion on the effectiveness of Catholic Charities of the Diocese of Yakima'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 combined 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 Yakima's combined 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 combined financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control 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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Yakima, Washington
December 10, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees
Catholic Charities of the Diocese of Yakima
Yakima, Washington

Report on Compliance for Each Major Federal Program

We have audited Catholic Charities of the Diocese of Yakima's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Catholic Charities of the Diocese of Yakima's major federal programs for the year ended June 30, 2015. Catholic Charities of the Diocese of Yakima's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Catholic Charities of the Diocese of Yakima's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Catholic Charities of the Diocese of Yakima'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 each major federal program. However, our audit does not provide a legal determination of Catholic Charities of the Diocese of Yakima's compliance.

Opinion on Each Major Federal Program

In our opinion, Catholic Charities of the Diocese of Yakima complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Catholic Charities of the Diocese of Yakima 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 Catholic Charities of the Diocese of Yakima’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Catholic Charities of the Diocese of Yakima’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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Yakima, Washington
December 10, 2015

**CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified not considered to be material weakness(es)? _____ 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 not considered to be material weakness(es)? _____ yes X none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.558	Child and Adult Care Food Program
93.505	ACA Maternal, Infant, and Early Childhood Home Visiting Program
93.575	Child Care and Development Block Grant - Early Achievers
94.016	Senior Companion Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes _____ no

**CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

SECTION II – FINANCIAL STATEMENT AUDIT

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CATHOLIC FAMILY & CHILD SERVICE OF YAKIMA
YEAR ENDED JUNE 30, 2015

Program Title	Federal CFDA Number	Contract Period	Contract Number	Contract Amount	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION					
<i>Passed Through Child Care Resource and Referral Network</i>					
Race to the Top - Early Learning Challenge	84.412	7/1/14 - 12/30/15	0-110-201115-6100 #2	\$ 876,104	\$ 509,128
U.S. DEPARTMENT OF AGRICULTURE					
<i>Passed Through State of Washington Superintendent of Public Instruction</i>					
Child and Adult Care Food Program	10.558	10/1/13 - 9/30/14	39-02-1436	Per Meal Rate	1,021,722
Child and Adult Care Food Program	10.558	10/1/14 - 9/30/15	39-02-1436	Per Meal Rate	<u>2,731,851</u>
Total Passed Through State of Washington Superintendent of Public Instruction				-	<u>3,753,573</u>
U.S. DEPARTMENT OF TRANSPORTATION					
<i>Passed Through Washington State Department of Transportation</i>					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	7/1/13 - 6/30/15	UCB115	50,000	26,856
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
<i>Passed Through the Office of Aging and Long-Term Care</i>					
Special Programs for the Aging	93.044	1/1/14 - 12/31/14	2014(VCS)	2,175	19
National Family Caregiver Support	93.052	1/1/14 - 12/31/14	2014 CFCS	20,000	6,720
National Family Caregiver Support	93.052	1/1/15 - 12/31/15	2015 CFCS	<u>17,500</u>	<u>5,780</u>
Total National Family Caregiver Support				<u>37,500</u>	<u>12,500</u>
Total Passed Through the Office of Aging and Long-Term Care				39,675	12,519

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CATHOLIC FAMILY & CHILD SERVICE OF YAKIMA (CONTINUED)
YEAR ENDED JUNE 30, 2015

Program Title	Federal CFDA Number	Contract Period	Contract Number	Contract Amount	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)					
<i>Passed Through Department of Early Learning</i>					
Child Care and Development Block Grant - Early Achievers	93.575	7/1/14 - 12/31/15	0-110-201115-6100 #2	\$ 1,036,476	\$ 622,267
Child Care and Development Block Grant - Infant Toddler	93.575	7/1/14 - 6/30/15	DEL 14-1065	227,276	130,000
Child Care and Development Block Grant - Infant Toddler	93.575	7/1/14 - 6/30/15	DEL 14-1064	238,412	134,521
Total Passed Through Department of Early Learning				<u>1,502,164</u>	<u>886,788</u>
<i>Passed Through Washington Early Learning Fund dba Thrive by Five</i>					
ACA Maternal, Infant, and Early Childhood Home Visiting Program	93.505	10/1/13 - 9/30/14	MIECHV COHORT 6 #1	380,728	96,151
ACA Maternal, Infant, and Early Childhood Home Visiting Program	93.505	10/1/14 - 9/30/15	MIECHV COHORT 6 #1	380,728	284,424
ACA Maternal, Infant, and Early Childhood Home Visiting Program	93.505	10/1/13 - 9/30/14	MIECHV COHORT 3 #2	111,485	18,154
ACA Maternal, Infant, and Early Childhood Home Visiting Program	93.505	10/1/14 - 9/30/15	MIECHV COHORT 3 #2	111,485	90,340
ACA Maternal, Infant, and Early Childhood Home Visiting Program	93.505	7/1/14 - 6/30/15	MIECHV COHORT 4	107,303	105,555
Total Passed Through Washington Early Learning Fund dba Thrive by Five				<u>1,091,729</u>	<u>594,624</u>
Total U.S. Department of Health and Human Services				<u>2,633,568</u>	<u>1,493,931</u>
Total Expenditures of Federal Awards for CFCS Yakima				<u>\$ 3,559,672</u>	<u>\$ 5,783,488</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CATHOLIC FAMILY & CHILD SERVICE OF TRI-CITIES
YEAR ENDED JUNE 30, 2015

Program Title	Federal CFDA Number	Contract Period	Contract Number	Contract Amount	Federal Expenditures
DEPARTMENT OF VETERANS AFFAIRS					
Supportive Services for Veterans Families	64.033	10/1/13 - 9/30/14	14-WA-149	\$ 173,828	\$ 58,060
Supportive Services for Veterans Families	64.033	10/1/14 - 12/29/14	14-WA-149	-	43,356
Supportive Services for Veterans Families	64.033	10/1/14 - 9/30/15	13-WA-149	177,305	95,496
Total U.S. Department of Veteran Affairs				<u>351,133</u>	<u>196,912</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Direct Federal Support:					
Retired Seniors Volunteer Program	94.002	7/1/14 - 6/30/15	14SRPWA002	49,793	48,677
Total U.S. Department of Health and Human Services				<u>49,793</u>	<u>48,677</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
Direct Federal Support:					
Senior Companion Program	94.016	1/1/12 - 12/31/14	12SCPWA001	372,430	153,144
Senior Companion Program	94.016	1/1/13 - 12/31/15	12SCPWA001	313,774	146,126
Total Corporation for National and Community Service				<u>686,204</u>	<u>299,270</u>
Total Expenditures of Federal Awards for CFCS Tri-Cities				<u>\$ 1,087,130</u>	<u>\$ 544,859</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules of expenditures of federal awards are prepared on the same basis of accounting as the basic combined financial statements.

NOTE 2 CONTRACT AMOUNT

Contract amount represents the total grant award.

NOTE 3 FEDERAL EXPENDITURES

This column reports grant expenditures incurred.

NOTE 4 SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS TOTALS – EXPENDITURES

The schedules are presented by agency. The below table shows the overall combined totals that are not shown in the individual schedules:

U.S. Department of Education	\$ 509,128
U.S. Department Agriculture	3,753,573
U.S. Department of Health and Human Services	1,542,608
Corporation for National and Community Service	299,270
U.S. Department of Transportation	26,856
Department of Veterans Affairs	196,912
Total	<u>\$ 6,328,347</u>

**CATHOLIC CHARITIES OF THE DIOCESE OF YAKIMA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015**

Finding 2014-001: The Organization does not have a consistent system of controls and job duties defined for the process of preparing and reviewing the SEFA.

Status: Resolved.