



**CATHOLIC CHARITIES WEST VIRGINIA, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2022 AND 2021**



CPAs | CONSULTANTS | WEALTH ADVISORS

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## INDEPENDENT AUDITORS' REPORT

The Most Reverend Mark E. Brennan, Bishop of the Diocese of  
Wheeling – Charleston and the Board of Directors  
Catholic Charities West Virginia, Inc.  
Wheeling, West Virginia

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Catholic Charities West Virginia, Inc. (CCWVa) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities West Virginia, Inc., as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Catholic Charities West Virginia, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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Catholic Charities West Virginia, Inc.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Catholic Charities West Virginia, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Catholic Charities West Virginia, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Catholic Charities West Virginia, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

The Most Reverend Mark E. Brennan, Bishop of the Diocese of  
Wheeling – Charleston and the Board of Directors  
Catholic Charities West Virginia, Inc.

### ***Supplementary Information***

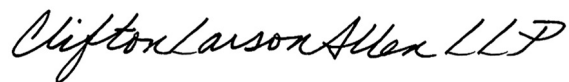
Our audit was conducted for the purpose of forming opinion on the financial statements as a whole. The 2022 schedule of functional expenses by location for the regional/community-based services and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Emphasis-of-Matter Regarding Restatement***

As discussed in Note 2 to the financial statements, a change to Unconditional Promises to Give, Refundable Advances, Net Assets, and Grants – Other revenue was discovered by management of Catholic Charities West Virginia during the year, resulting in a restatement. Accordingly, these balances as of June 30, 2021 have been restated. Our opinion is not modified with respect to this matter.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2023, on our consideration of Catholic Charities West Virginia, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Catholic Charities West Virginia, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Catholic Charities West Virginia, Inc.'s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Pittsburgh, Pennsylvania  
January 31, 2023

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

|                                   | 2022         | 2021<br>(As Restated) |
|-----------------------------------|--------------|-----------------------|
| <b>ASSETS</b>                     |              |                       |
| <b>CURRENT ASSETS</b>             |              |                       |
| Cash and Cash Equivalents         | \$ 5,892,405 | \$ 5,667,825          |
| Accounts Receivable               | 667,062      | 810,172               |
| Prepaid Expenses                  | 18,873       | 20,564                |
| Unconditional Promises to Give    | 83,500       | 123,450               |
| Total Current Assets              | 6,661,840    | 6,622,011             |
| <b>INVESTMENTS</b>                | 1,685,091    | 1,949,268             |
| <b>DEPOSITS</b>                   | -            | 2,500                 |
| <b>PROPERTY AND EQUIPMENT</b>     | 1,047,917    | 590,453               |
| Total Assets                      | \$ 9,394,848 | \$ 9,164,232          |
| <b>LIABILITIES AND NET ASSETS</b> |              |                       |
| <b>CURRENT LIABILITIES</b>        |              |                       |
| Accounts Payable                  | \$ 335,894   | \$ 412,413            |
| Accrued Payroll                   | 147,578      | 124,835               |
| Accrued Expenses                  | 102,103      | 99,402                |
| Deferred Revenue                  | 25,468       | 5,000                 |
| Refundable Advances               | 645,810      | 630,231               |
| Total Liabilities                 | 1,256,853    | 1,271,881             |
| <b>NET ASSETS</b>                 |              |                       |
| Without Donor Restrictions:       |              |                       |
| Undesignated                      | 6,044,843    | 5,521,236             |
| Board-Designated                  | 543,373      | 588,377               |
| Total Without Donor Restrictions  | 6,588,216    | 6,109,613             |
| With Donor Restrictions           | 1,549,779    | 1,782,738             |
| Total Net Assets                  | 8,137,995    | 7,892,351             |
| Total Liabilities and Net Assets  | \$ 9,394,848 | \$ 9,164,232          |

See accompanying Notes to Financial Statements.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total        |
|---|-------------------------------|----------------------------|--------------|
| <b>REVENUES, GAINS, AND OTHER SUPPORT</b>                         |                               |                            |              |
| Federal and State Financial Assistance                            | \$ 5,394,382                  | \$ -                       | \$ 5,394,382 |
| Contributions:  |                               |                            |              |
| Diocese of Wheeling-Charleston                                    | 1,150,000                     | -                          | 1,150,000    |
| Fundraising   | 771,782                       | -                          | 771,782      |
| Other   | 643,514                       | 526,277                    | 1,169,791    |
| Contributed Goods and Services                                    | 1,118,049                     | -                          | 1,118,049    |
| Grants - Other  | 765,200                       | 40,061                     | 805,261      |
| Interest and Dividends - Investments                              | 49,929                        | -                          | 49,929       |
| Net Unrealized and Realized Gains (Losses)<br>on Investments, Net | (136,646)                     | (144,807)                  | (281,453)    |
| Interest - Other  | 83,716                        | 93                         | 83,809       |
| Other   | 113,887                       | -                          | 113,887      |
| Net Assets Released from Restrictions                             | 654,583                       | (654,583)                  | -            |
| Total Revenue, Gains, and Other Support                           | 10,608,396                    | (232,959)                  | 10,375,437   |
| <b>EXPENSES</b>   |                               |                            |              |
| Program Services:   |                               |                            |              |
| Regional/Community-Based Services                                 | 3,848,460                     | -                          | 3,848,460    |
| Child Nutrition   | 1,871,715                     | -                          | 1,871,715    |
| Refugee Resettlement  | 257,797                       | -                          | 257,797      |
| Child Daycare Resources   | 1,267,290                     | -                          | 1,267,290    |
| Homecare  | 738,619                       | -                          | 738,619      |
| Developmentally Delayed Children Case<br>Management               | 567,679                       | -                          | 567,679      |
| Parish Social Ministry  | 5,185                         | -                          | 5,185        |
| Supplemental Nutrition Assistance Program                         | 232,267                       | -                          | 232,267      |
| Disaster Services   | 128,728                       | -                          | 128,728      |
| Support Services:   |                               |                            |              |
| Management and General  | 755,717                       | -                          | 755,717      |
| Fundraising   | 456,336                       | -                          | 456,336      |
| Total Expenses  | 10,129,793                    | -                          | 10,129,793   |
| <b>CHANGE IN NET ASSETS</b>                                       | 478,603                       | (232,959)                  | 245,644      |
| Net Assets - Beginning of Year                                    | 6,109,613                     | 1,782,738                  | 7,892,351    |
| <b>NET ASSETS - END OF YEAR</b>                                   | \$ 6,588,216                  | \$ 1,549,779               | \$ 8,137,995 |

See accompanying Notes to Financial Statements.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021 (RESTATED)**

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total        |
|---|-------------------------------|----------------------------|--------------|
| <b>REVENUES, GAINS, AND OTHER SUPPORT</b>                         |                               |                            |              |
| Federal and State Financial Assistance                            | \$ 5,397,827                  | \$ -                       | \$ 5,397,827 |
| Contributions:  |                               |                            |              |
| Diocese of Wheeling-Charleston                                    | 1,150,000                     | -                          | 1,150,000    |
| Fundraising   | 603,385                       | -                          | 603,385      |
| Other   | 666,788                       | 380,130                    | 1,046,918    |
| Contributed Goods and Services                                    | 1,455,842                     | -                          | 1,455,842    |
| Paycheck Protection Program Loan Forgiveness                      | 799,155                       | -                          | 799,155      |
| Grants - Other  | 336,385                       | 447,992                    | 784,377      |
| Interest and Dividends - Investments                              | 23,600                        | -                          | 23,600       |
| Net Unrealized and Realized Gains (Losses)<br>on Investments, Net | 137,798                       | 184,226                    | 322,024      |
| Interest - Other  | 49,321                        | 761                        | 50,082       |
| Other   | 137,986                       | -                          | 137,986      |
| Net Assets Released from Restrictions                             | 511,339                       | (511,339)                  | -            |
| Total Revenue, Gains, and Other Support                           | 11,269,426                    | 501,770                    | 11,771,196   |
| <b>EXPENSES</b>   |                               |                            |              |
| Program Services:   |                               |                            |              |
| Regional/Community-Based Services                                 | 4,127,752                     | -                          | 4,127,752    |
| Child Nutrition   | 1,816,639                     | -                          | 1,816,639    |
| Refugee Resettlement  | 187,616                       | -                          | 187,616      |
| Child Daycare Resources   | 1,286,544                     | -                          | 1,286,544    |
| Homecare  | 775,513                       | -                          | 775,513      |
| Developmentally Delayed Children Case<br>Management               | 529,771                       | -                          | 529,771      |
| Parish Social Ministry  | 15,002                        | -                          | 15,002       |
| Supplemental Nutrition Assistance Program                         | 214,723                       | -                          | 214,723      |
| Disaster Services   | 102,563                       | -                          | 102,563      |
| Support Services:   |                               |                            |              |
| Management and General  | 663,155                       | -                          | 663,155      |
| Fundraising   | 388,148                       | -                          | 388,148      |
| Total Expenses  | 10,107,426                    | -                          | 10,107,426   |
| <b>CHANGE IN NET ASSETS</b>                                       | 1,162,000                     | 501,770                    | 1,663,770    |
| Net Assets - Beginning of Year                                    | 4,947,613                     | 1,280,968                  | 6,228,581    |
| <b>NET ASSETS - END OF YEAR</b>                                   | \$ 6,109,613                  | \$ 1,782,738               | \$ 7,892,351 |

See accompanying Notes to Financial Statements.



**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2022**

|                                       | Program Services                            |                     |                         |                               |                   |   |                              | Supporting Services                                |                      |                           | Total             |                      |
|---------------------------------------|---|---------------------|-------------------------|-------------------------------|-------------------|---|------------------------------|--|----------------------|---------------------------|-------------------|----------------------|
|                                       | Regional/<br>Community<br>Based<br>Services | Child<br>Nutrition  | Refugee<br>Resettlement | Child<br>Daycare<br>Resources | Homecare          | Developmentally<br>Delayed<br>Children Case<br>Management | Parish<br>Social<br>Ministry | Supplemental<br>Nutrition<br>Assistance<br>Program | Disaster<br>Services | Management<br>and General |                   | Fundraising          |
| Salary and Benefits                   | \$ 1,484,147                                | \$ 215,048          | \$ 184,556              | \$ 927,730                    | \$ 682,606        | \$ 469,371  | \$ 5,185                     | \$ 156,273   | \$ 86,634            | \$ 563,249                | \$ 302,294        | \$ 5,077,093         |
| Liability Insurance                   | 9,671                                       | -                   | 2,059                   | 324                           | 29                | 62  | -                            | -  | -                    | 44                        | -                 | 12,189               |
| Maintenance                           | 17,108                                      | 80                  | -                       | 332                           | 92                | 206   | -                            | -  | -                    | 378                       | 57                | 18,253               |
| Rent                                  | 160,287                                     | 5,775               | 5,539                   | 89,458                        | 8,433             | 29,124  | -                            | 1,200  | 960                  | 44,375                    | -                 | 345,151              |
| Utilities                             | 76,584                                      | -                   | 1,033                   | 4,259                         | -                 | 1,220   | -                            | -  | -                    | 82                        | -                 | 83,178               |
| Office Supplies                       | 28,849                                      | 2,856               | 878                     | 11,611                        | 2,012             | 6,229   | -                            | 876  | 326                  | 4,974                     | 2,512             | 61,123               |
| Promotions                            | 6,324                                       | -                   | 51                      | 9,876                         | 4,277             | 1,110   | -                            | -  | 1,005                | -                         | -                 | 7,388                |
| Printing                              | 4,952                                       | 1,441               | 178                     | 7,312                         | 815               | 1,334   | -                            | 44   | 11                   | 530                       | 16,204            | 32,821               |
| Postage                               | 1,924                                       | 3,015               | 1,679                   | 7,110                         | 999               | 4,614   | -                            | -  | 60                   | 4,167                     | 14,397            | 37,965               |
| Office Equipment                      | 43,840                                      | 110                 | 3,855                   | 4,107                         | -                 | 22,218  | -                            | -  | -                    | 7,679                     | 2,572             | 84,381               |
| Contract Services                     | 46,380                                      | 2,513               | 4,130                   | 16,042                        | 3,667             | 15,340  | -                            | 110  | -                    | 38,857                    | 41,769            | 168,808              |
| Telephone                             | 47,373                                      | 4,116               | 1,782                   | 17,099                        | 4,733             | 9,685   | -                            | 4,219  | 784                  | 6,212                     | 1,815             | 97,818               |
| Travel                                | 37,510                                      | 6,415               | 2,224                   | 18,870                        | 16,354            | 2,834   | -                            | 12,460   | 896                  | 12,682                    | 17,758            | 128,003              |
| Vehicle Expenses                      | 7,581                                       | 4                   | 4,587                   | 11,130                        | 11                | 1,200   | -                            | 3  | 3                    | 170                       | 13                | 24,702               |
| Literature                            | 7,944                                       | -                   | -                       | 300                           | -                 | 1,049   | -                            | -  | -                    | 3,651                     | 483               | 13,427               |
| Dues                                  | 3,722                                       | 2,613               | 1,539                   | 3,397                         | 1,003             | 995   | -                            | 281  | 396                  | 444                       | 998               | 15,388               |
| Professional Services                 | -   | 936                 | -                       | 7,774                         | -                 | -   | -                            | -  | -                    | 55,163                    | -                 | 63,873               |
| Staff Workshops                       | 5,175                                       | 348                 | 2,080                   | 5,736                         | 695               | 750   | -                            | -  | 450                  | 2,961                     | 3,295             | 21,490               |
| Miscellaneous Expenses                | 3,185                                       | 886                 | 348                     | 596                           | 632               | -   | -                            | -  | -                    | 1,053                     | 8,355             | 15,055               |
| Internet                              | 850   | 18,218              | 172                     | -                             | 172               | 308   | -                            | 24   | -                    | 350                       | -                 | 20,094               |
| Emergency Assistance                  | 439,696                                     | -                   | 40,742                  | -                             | 459               | -   | -                            | -  | 4,460                | -                         | -                 | 485,357              |
| Program Assistance                    | 349,270                                     | 1,607,341           | 365                     | 122,443                       | 11,630            | 30  | -                            | 56,777   | 32,743               | 5,517                     | 26,592            | 2,212,708            |
| Donated Goods                         | 990,736                                     | -                   | -                       | -                             | -                 | -   | -                            | -  | -                    | -                         | 9,834             | 1,000,570            |
| Depreciation                          | 75,352                                      | -                   | -                       | 1,784                         | -                 | -   | -                            | -  | -                    | 3,179                     | -                 | 80,315               |
| <b>Total Expenses<br/>by Function</b> | <b>\$ 3,848,460</b>                         | <b>\$ 1,871,715</b> | <b>\$ 257,797</b>       | <b>\$ 1,267,290</b>           | <b>\$ 738,619</b> | <b>\$ 567,679</b>   | <b>\$ 5,185</b>              | <b>\$ 232,267</b>                                  | <b>\$ 128,728</b>    | <b>\$ 755,717</b>         | <b>\$ 456,336</b> | <b>\$ 10,129,793</b> |

See accompanying Notes to Financial Statements.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

|                               | Program Services                            |                     |                         |                               |                   |   |                              |  | Supporting Services  |                           | Total             |                      |
|-------------------------------|---|---------------------|-------------------------|-------------------------------|-------------------|---|------------------------------|--|----------------------|---------------------------|-------------------|----------------------|
|                               | Regional/<br>Community<br>Based<br>Services | Child<br>Nutrition  | Refugee<br>Resettlement | Child<br>Daycare<br>Resources | Homecare          | Developmentally<br>Delayed<br>Children Case<br>Management | Parish<br>Social<br>Ministry | Supplemental<br>Nutrition<br>Assistance<br>Program | Disaster<br>Services | Management<br>and General |                   | Fundraising          |
| Salary and Benefits           | \$ 1,321,346                                | \$ 202,215          | \$ 157,892              | \$ 953,892                    | \$ 722,964        | \$ 462,474  | \$ 7,978                     | \$ 153,034   | \$ 80,154            | \$ 509,125                | \$ 276,832        | \$ 4,847,906         |
| Liability Insurance           | 7,488                                       | -                   | 1,523                   | 324                           | 63                | 62  | -                            | 11   | 5                    | 44                        | -                 | 9,520                |
| Maintenance                   | 17,478                                      | 64                  | -                       | 591                           | 74                | 166   | -                            | 21   | 223                  | 304                       | 46                | 18,967               |
| Rent                          | 165,220                                     | 6,270               | 5,588                   | 94,180                        | 9,723             | 28,986  | -                            | 2,333  | 1,523                | 37,920                    | -                 | 351,743              |
| Utilities                     | 68,005                                      | -                   | 734                     | 4,395                         | -                 | 1,099   | -                            | -  | -                    | 1                         | -                 | 74,234               |
| Office Supplies               | 19,699                                      | 2,356               | 515                     | 12,016                        | 6,050             | 2,974   | -                            | 460  | 2,938                | 2,461                     | 2,526             | 51,995               |
| Promotions                    | 10,693                                      | -                   | -                       | 5,300                         | 2,480             | 1,236   | -                            | 366  | 366                  | -                         | 5,932             | 26,373               |
| Printing                      | 4,751                                       | 1,045               | 197                     | 4,678                         | 1,542             | 1,165   | -                            | 69   | 12                   | 600                       | 22,753            | 36,812               |
| Postage                       | 1,767                                       | 2,527               | 1,863                   | 13,468                        | 1,012             | 5,680   | -                            | -  | 247                  | 3,290                     | 10,227            | 40,081               |
| Office Equipment              | 46,449                                      | 2,333               | -                       | 1,960                         | 550               | 5,232   | -                            | 240  | 335                  | 4,310                     | -                 | 61,409               |
| Contract Services             | 50,276                                      | 2,163               | 5,631                   | 13,564                        | 3,219             | 6,222   | 6,288                        | 174  | -                    | 31,953                    | 13,803            | 133,293              |
| Telephone                     | 42,415                                      | 4,582               | 1,196                   | 20,803                        | 3,747             | 8,641   | -                            | 4,082  | 1,168                | 5,354                     | 1,623             | 93,611               |
| Travel                        | 15,675                                      | 2,329               | 1,935                   | 5,962                         | 21,250            | 1,379   | 273                          | 9,423  | 275                  | 4,873                     | 10,797            | 74,171               |
| Vehicle Expenses              | 16,366                                      | -                   | 1,829                   | 11,367                        | 606               | 1,634   | -                            | -  | -                    | (3)                       | -                 | 31,799               |
| Literature                    | 2,502                                       | -                   | -                       | 321                           | -                 | 1,401   | -                            | -  | -                    | 4,199                     | 1,204             | 9,627                |
| Dues                          | 1,737                                       | 1,366               | 1,141                   | 2,284                         | 551               | 447   | -                            | 141  | 113                  | 749                       | 724               | 9,253                |
| Professional Services         | -   | 680                 | -                       | 7,420                         | -                 | -   | -                            | -  | 271                  | 47,773                    | -                 | 56,144               |
| Staff Workshops               | 2,248                                       | 348                 | 400                     | 2,440                         | 1,180             | 660   | 25                           | -  | 99                   | 1,133                     | 1,332             | 9,865                |
| Miscellaneous Expenses        | 1,955                                       | 903                 | 16                      | 362                           | 63                | -   | 232                          | -  | -                    | 1,458                     | 8,442             | 13,431               |
| Internet                      | 980   | 10,560              | 172                     | -                             | 213               | 298   | -                            | 22   | -                    | 384                       | -                 | 12,629               |
| Emergency Assistance          | 451,885                                     | -                   | 6,672                   | -                             | -                 | -   | -                            | -  | -                    | -                         | -                 | 458,557              |
| Program Assistance            | 465,960                                     | 1,576,898           | 312                     | 123,392                       | 226               | 15  | 206                          | 44,347   | 14,834               | 4,048                     | 31,907            | 2,262,145            |
| Donated Goods                 | 1,337,828                                   | -                   | -                       | -                             | -                 | -   | -                            | -  | -                    | -                         | -                 | 1,337,828            |
| Donated Services              | 75,029                                      | -                   | -                       | 7,825                         | -                 | -   | -                            | -  | -                    | 3,179                     | -                 | 86,033               |
| Depreciation                  |   |                     |                         |                               |                   |   |                              |  |                      |                           |                   |                      |
| Total Expenses<br>by Function | <u>\$ 4,127,752</u>                         | <u>\$ 1,816,639</u> | <u>\$ 187,616</u>       | <u>\$ 1,286,544</u>           | <u>\$ 775,513</u> | <u>\$ 529,771</u>   | <u>\$ 15,002</u>             | <u>\$ 214,723</u>                                  | <u>\$ 102,563</u>    | <u>\$ 663,155</u>         | <u>\$ 388,148</u> | <u>\$ 10,107,426</u> |

See accompanying Notes to Financial Statements.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

|   | 2022         | 2021<br>(As Restated) |
|---|--------------|-----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |              |                       |
| Change in Net Assets  | \$ 245,644   | \$ 1,663,770          |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: |              |                       |
| Depreciation  | 80,315       | 86,033                |
| Net Unrealized and Realized Investment Gain (Loss)  | 269,894      | (333,465)             |
| Forgiveness of Paycheck Protection Program Loan   | -            | (799,155)             |
| (Increase) Decrease in Assets:  |              |                       |
| Accounts Receivable   | 143,110      | (518,611)             |
| Prepaid Expenses  | 1,691        | 1,411                 |
| Unconditional Promises to Give  | 39,950       | (49,306)              |
| Deposits  | 2,500        | -                     |
| Increase (Decrease) in Liabilities:   |              |                       |
| Accounts Payable  | (76,519)     | 16,268                |
| Accrued Payroll   | 22,743       | 21,742                |
| Deferred Revenue  | 20,468       | (1,000)               |
| Refundable Advances   | 15,579       | 440,674               |
| Accrued Expenses  | 2,701        | (31,265)              |
| Net Cash Provided by Operating Activities   | 768,076      | 497,096               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |              |                       |
| Proceeds from Sale of Investments   | 427,335      | 602,239               |
| Purchase of Investments   | (433,052)    | (558,655)             |
| Purchases of Property and Equipment   | (537,779)    | (43,796)              |
| Net Cash Used by Investing Activities   | (543,496)    | (212)                 |
| <b>CHANGE IN CASH AND CASH EQUIVALENTS</b>  | 224,580      | 496,884               |
| Cash and Cash Equivalents - Beginning of Year   | 5,667,825    | 5,170,941             |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>  | \$ 5,892,405 | \$ 5,667,825          |

See accompanying Notes to Financial Statements.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 1 NATURE OF THE ORGANIZATION**

Catholic Charities West Virginia, Inc. (CCWVa) is a nonprofit, private agency, which provides nonsectarian services to all individuals regardless of their race, religion, age, sex, or national origin. It is the primary noninstitutional, social service arm of the Department of Catholic Charities within the Diocese of Wheeling-Charleston. CCWVa was created January 8, 1975. The objectives of this corporation are:

To further the ministry of the Church by initiating and assisting in the development of programs and services designed to enable people in the community to meet their own needs. The programs and services are aimed at aiding people to achieve a greater measure of self-understanding, self-determination, and human growth and development to take a more active part in community affairs and to assume more fruitful social relationships.

To further the development of the members of the various community churches in their awareness of the needs of their brothers and sisters within and outside the community, and to stimulate in the members of the churches a genuine concern for their neighbors which will result in a meaningful response in terms of effective help and service to those who are in need.

To develop and maintain an informed, articulate collective voice, which courageously speaks to the issues of justice and peace, and attacks all forms of oppression.

The following programs are administered by CCWVa throughout West Virginia.

Regional/Community Based Services – provides utility, medical, prescription, housing, clothing, transportation, flood, and food assistance for the needy and poor.

Child Nutrition – provides meal and snack reimbursement to in home daycare providers who meet nutritional requirements. It ensures that children who stay with daycare providers receive good nutritious meals.

Refugee Resettlement – provides resettlement services to any refugees entering West Virginia.

Child Day Care Resources – assists low-income families in locating needed daycare for their children so that the adults can locate and maintain employment or return to school.

Homecare – provides supervision and homecare services to elderly and disabled adults to enable them to remain in their homes rather than being placed in a nursing home facility.

Developmentally Delayed Children Case Management – provides screening and referral services for children (ages birth to three) with developmental delays.

Supplemental Nutrition Assistance Program (SNAP) – assists low-income individuals in applying for SNAP benefits.

Disaster Services – assists with state-wide disasters as well as localized disasters throughout the state and coordinates parish disaster committees.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 1 NATURE OF THE ORGANIZATION (CONTINUED)**

Parish Social Ministry – assists the Catholic faithful to better understand the principles of Catholic social teaching and seeks ways to put these principles into concrete action in their daily lives. It seeks to build effective partnerships with parishes of the Diocese of Wheeling-Charleston in order to help organize and fulfill works of charity and justice in local communities.

CCWVa's programs are delivered throughout West Virginia through the following regional offices:

Eastern Region – Martinsburg, West Virginia  
Western Region – Charleston, West Virginia  
Northern Region – Wheeling, West Virginia  
Southern Region – Princeton, West Virginia

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting.

**Basis of Presentation**

CCWVa reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

*Net Assets Without Donor Restrictions* – Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of CCWVa, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, a board-designated endowment.

*Net Assets With Donor Restrictions* – Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that resources be maintained in perpetuity.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

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

**Basis of Presentation (Continued)**

CCWVa's unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

**Cash and Cash Equivalents**

For the purpose of the statements of cash flows, CCWVa considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. It does not include cash on deposit with fund managers within the investment funds.

**Accounts Receivable**

Accounts receivable are stated at net realizable values. Uncollectible amounts are expected to be insignificant, consequently, an allowance for doubtful accounts as of June 30, 2022 and 2021 has not been recorded. When management determines that an account is uncollectible the balance is charged off to bad debt expense.

**Investments**

Investments are reflected in the statements of financial position at fair value. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**Contributed Goods and Services**

Donated goods are recorded as contributions at their estimated fair value at the date of donation. Donated services are recorded as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CCWVa.

**Property and Equipment**

All acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. State-funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. Depreciation is computed using the straight-line method over estimated useful lives ranging from 3 to 20 years.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

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

**Donated Facilities**

CCWVa receives below-market rate use of various facilities. Rent expense and the related contribution revenue reported as contributions without donor restrictions have been recorded at fair value in the statements of activities.

**Donated Assets**

Donated marketable securities and other noncash donations are recorded as contributions without donor restrictions at their estimated fair values at the date of donation.

**Income Taxes**

CCWVa is exempt from income tax under §501(c)(3) of the Internal Revenue Code and accordingly, no income tax accounts are reflected in these financial statements.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Functional Allocation of Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as repairs, telephone, office expenses, and occupancy, which are allocated on a square footage basis.

**Deferred Revenue**

Deferred revenue represents sponsorships and donations received in advance of the next fiscal year for special events that will take place at the beginning of fiscal years 2023 and 2022.

**Contributions**

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the absence or existence and nature of any donor restrictions. Cash received for conditional contributions in advance of meeting associated conditions is recorded as a Refundable Advance.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

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

**Contributions (Continued)**

A portion of CCWVa's revenue is derived from cost reimbursable federal and state contract and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when CCWVa has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. CCWVa received cost reimbursable grants that have not been recognized at June 30, 2022 and 2021 because qualifying expenditures have not yet been incurred, with advance payments of \$645,810 and \$997,275, respectively, recognized in the Statement of Financial Position as a Refundable Advance.

**Revenue Recognition**

At June 30, 2022 and 2021, \$1,169,434 and \$1,205,120, respectively, of the Federal and State Financial Assistance revenue consists of fee for service arrangements. Amounts are recognized at a point in time as the performance obligations are met in the contracts. Amounts received in advance of program services performed are recognized as deferred revenue until related services are performed, at which time they are recognized as revenue. Contract liabilities consist of deferred revenue totaling \$25,468 and \$5,000 at June 30, 2022 and 2021, respectively.

**Adoption of Accounting Standards**

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This guidance was issued to improve the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure.

**Restatement**

CCWVa determined that two grants in previously stated Grants - Other Revenue, which were being recorded as conditional contributions and being recognized in revenue as the conditions were met, should have been recorded as restricted, unconditional contributions. To be in accordance with accounting principles generally accepted in the United States of America, CCWVa decided to restate the prior period financial statements in order to accurately reflect the impact of these grants as of and for the year ended June 30, 2021. Accordingly, the amounts previously recorded in the Statement of Net Position and Statement of Activities as of June 30, 2021 related to these grants have been restated.



**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

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

The overall changes to the statement of financial position as of June 30, 2021 are as follows:

|                                   | <u>As Previously<br/>Reported 2021</u> | <u>Restatement</u> | <u>As Restated<br/>2021</u> |
|-----------------------------------|--|--------------------|-----------------------------|
| Unconditional Promises to Give    | \$ 66,120                              | \$ 57,330          | \$ 123,450                  |
| Refundable Advances               | 997,275                                | (367,044)          | 630,231                     |
| Net Assets with Donor Restriction | 1,358,364                              | 424,374            | 1,782,738                   |

The overall changes to the statement of activities for the year ended June 30, 2021 are as follows:

|                          | <u>As Previously<br/>Reported 2021</u> | <u>Restatement</u> | <u>As Restated<br/>2021</u> |
|--------------------------|--|--------------------|-----------------------------|
| Grants - Other           | \$ 360,003                             | \$ 424,374         | \$ 784,377                  |
| Release from Restriction | 487,721                                | 23,618             | 511,339                     |

**Subsequent Events**

Management has evaluated subsequent events through January 31, 2023, the date the financial statements were available to be issued.

**NOTE 3 ADVERTISING**

Advertising costs are expensed as incurred. During the fiscal years ended June 30, 2022 and 2021, advertising costs totaled \$30,030 and \$26,373, respectively.

**NOTE 4 CONTRIBUTED GOODS AND SERVICES**

CCWVa received the following contributions of nonfinancial assets for the year ending June 30:

|                              | <u>2022</u>         | <u>2021</u>         |
|------------------------------|---------------------|---------------------|
| Food                         | \$ 870,437          | \$ 1,262,394        |
| Clothing and Household Goods | 120,298             | 75,433              |
| Rent                         | 78,530              | 72,721              |
| Fundraising Donations        | 34,504              | 31,014              |
| Parking                      | 14,280              | 14,280              |
| Total                        | <u>\$ 1,118,049</u> | <u>\$ 1,455,842</u> |

The value of donated goods included in contributed goods and services in the financial statements primarily represent food and clothing donated by various organizations and provided to individuals at various CCWVa facilities. All in-kind contributions of goods and services were used to support CCWVa's programs and fundraising efforts during the years ended June 30, 2022 and 2021, respectively.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 4 CONTRIBUTED GOODS AND SERVICES (CONTINUED)**

Donated food, clothing and household goods are valued using the average rate per pound as established by the Mountaineer Food Bank.

CCWVa receives donated rent from the Diocese of Wheeling-Charleston. The value of the donated rent is derived from the underlying agreements and approximates market value.

CCWVa also records donated parking from the city of Wheeling. The value of the parking is derived from the market value cost to park per day.

CCWVa receives donations of goods for fundraising events. These can range from goods to event tickets and are valued using the gross selling price received, or current price located on a publicly available website.

There were no donor-imposed restrictions associated with the contributed nonfinancial assets.

**NOTE 5 INVESTMENTS AND FAIR VALUE MEASUREMENTS**

CCWVa's investments are measured at fair value and are short-term in nature consisting of money market funds and mutual funds.

ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described as follows:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that CCWVa has the ability to access.

*Level 2* – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 5 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis are as follows at June 30:

|                                 | 2022         |              |         |         |
|---------------------------------|--------------|--------------|---------|---------|
|                                 | Fair Value   | Level 1      | Level 2 | Level 3 |
| Money Market Funds              | \$ 49,548    | \$ 49,548    | \$ -    | \$ -    |
| Mutual Funds                    | 1,635,543    | 1,635,543    | -       | -       |
| Total Investments at Fair Value | \$ 1,685,091 | \$ 1,685,091 | \$ -    | \$ -    |
|                                 | 2021         |              |         |         |
|                                 | Fair Value   | Level 1      | Level 2 | Level 3 |
| Money Market Funds              | \$ 12,425    | \$ 12,425    | \$ -    | \$ -    |
| Mutual Funds                    | 1,936,843    | 1,936,843    | -       | -       |
| Total Investments at Fair Value | \$ 1,949,268 | \$ 1,949,268 | \$ -    | \$ -    |

**Investment Valuations and Methodologies**

Fair value valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. CCWVa's investments are valued using the market approach on a recurring basis. There have been no changes in valuation techniques or inputs.

Money market funds are valued at \$1 per share. Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by CCWVa are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at the price. The mutual funds of CCWVa are traded actively.

**NOTE 6 INVESTMENT EXPENSES**

Expenses relating to investment revenues, including custodial fees and investment advisory fees, amount to \$11,558 and \$11,440 for the years ended June 30, 2022 and 2021, respectively.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 7 ENDOWMENTS**

CCWVa's endowments consist of two individual funds established to assist the needy and poor in the eight counties in northern West Virginia and the needy and poor in Preston County, West Virginia. Its endowments include donor-restricted funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations - CCWVa is subject to the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date, of the donor-restricted endowment funds.

CCWVa classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity is subject to appropriation for expenditures by CCWVa in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, CCWVa considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- the duration and preservation of the fund
- the purposes of the organization and the donor-restricted endowment fund
- general economic conditions
- the possible effect of inflation and deflation
- the expected total return from income and the appreciation of investments
- other resources of CCWVa
- the investment policies of CCWVa

Investment Return Objectives, Risk Parameters, and Strategies – CCWVa has adopted investment and spending policies, approved by the board of directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets over the long-term. Endowment assets include the assets of donor-restricted funds that CCWVa must hold in perpetuity or for a donor specified period. Under this policy the endowment equity assets are invested in a manner that is intended to produce results competitive with the returns indicated by the S&P 500 Index and fixed income investments are invested in a manner that is competitive with Barclays Capital Government/Credit Bond Index. In order to achieve the stated objectives, CCWVa's investment policy provides that the investment manager utilize a diversified portfolio of investment vehicles each of which involve levels of risk and return that are commensurate with levels of risk and return from similar types of investments and, in the aggregate, would be regarded as prudent by a person acting in a like capacity and familiar with such matter. The endowment assets of CCWVa are to be invested in a prudent and socially responsible manner so that the assets of the agency will be able to grow in order to provide long-term support for the purposes as defined by the directors. The investment manager is evaluated regularly for adherence to investment discipline.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 7 ENDOWMENTS (CONTINUED)**

Spending Policy – The board of directors direct that one fund distributes 5.0% of the fair market value based on a rolling average over twelve previous quarters and the second fund distribute the lesser of the income earned on the investment or 5.0% of the investment on an annual basis. This rate of distribution is believed to be consistent with the long-term investment objectives established by the policy.

The composition of the endowment net assets is as follows at June 30:

| June 30, 2022    | Net Assets<br>With Donor<br>Restrictions |
|------------------|--|
| Original Gift    | \$ 233,575                               |
| Accumulated Gain | 672,630                                  |
| Total            | \$ 906,205                               |
|                  |  |
| June 30, 2021    | Net Assets<br>With Donor<br>Restrictions |
| Original Gift    | \$ 233,575                               |
| Accumulated Gain | 829,516                                  |
| Total            | \$ 1,063,091                             |

Changes in endowment fund net assets is as follows as of June 30:

| June 30, 2022                            | Net Assets<br>With Donor<br>Restrictions |
|--|--|
| Endowment Net Assets - Beginning of Year | \$ 1,063,091                             |
| Investment Income                        | 27,078                                   |
| Net Appreciation                         | (151,069)                                |
| Amounts Approved for Expenditures        | (32,895)                                 |
| Total                                    | \$ 906,205                               |
|  |  |
| June 30, 2021                            |  |
| Endowment Net Assets - Beginning of Year | \$ 927,902                               |
| Investment Income                        | 13,019                                   |
| Net Appreciation                         | 177,912                                  |
| Amounts Approved for Expenditures        | (55,742)                                 |
| Total                                    | \$ 1,063,091                             |

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 8 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects CCWVa's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. The board has designated funds be put aside in a quasi- endowment fund for unemployment purposes. These funds fluctuate with the market as well as paying the quarterly unemployment bills.

|   | 2022         | 2021         |
|---|--------------|--------------|
| Financial Assets at Year End  | \$ 8,328,058 | \$ 8,550,715 |
| Less: Those Unavailable for General Expenditures<br>Within One Year Due to:               |              |              |
| Contractual or Donor-Imposed Restrictions:  |              |              |
| Restricted by Donor With Time or Purpose<br>Restrictions                                  | (603,512)    | (295,273)    |
| Subject to Appropriation and Satisfaction of<br>Donor Restrictions                        | (906,205)    | (1,063,091)  |
| Board Designations:   |              |              |
| Self-Funded Unemployment Insurance  | (543,373)    | (588,377)    |
| Financial Assets Available to Meet Cash Needs<br>for General Expenditures Within One Year | \$ 6,274,968 | \$ 6,603,974 |

**NOTE 9 RETIREMENT BENEFITS**

CCWVa participates in a 403(b) plan administered by the Diocese of Wheeling-Charleston. The Diocese administers the plan for the benefit of its employees, as well as employees and clergy of the churches, schools and other religious organizations under the general supervision and control of the Diocese. Substantially all employees 21 years of age, whose employers participate in the plan, are covered. The plan is funded through contributions of both employees and employers, with CCWVa being one of the employers. The contributions to the plan for the employees of CCWVa for the years ended June 30, 2022 and 2021 were \$163,944 and \$102,690, respectively.

**NOTE 10 CONCENTRATION OF FEDERAL AND STATE FINANCIAL ASSISTANCE**

Approximately 51% and 48% of CCWVa's funding for the years ended June 30, 2022 and 2021, respectively, was provided through federal assistance from the Department of Health and Human Services, Department of Agriculture, Department of Education, Department of Homeland Security and through state assistance from the WV Department of Health and Human Resources and WV Department of Education.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 11 CONCENTRATION OF CREDIT RISK**

**Certificates of Deposit**

CCWVa transfers excess cash to the Diocese of Wheeling - Charleston for safekeeping and temporary investment purposes. The Diocese issues certificates of deposit to CCWVa to document these transactions. These certificates bear interest at the rate of 1.98% and 1.17% for June 30, 2022 and 2021. The deposits are not collateralized and are not insured by the Federal Deposit Insurance Corporation (FDIC). On June 30, 2022 and 2021, CCWVa had certificates of deposit of \$5,096,265 and \$4,914,942, respectively.

**Repurchase Agreements**

At specific dollar levels, checking account balances are swept into repurchase agreements, the balances of which are collateralized by bank owned securities, which are not insured by the FDIC. The interest of CCWVa in the securities underlying the repurchase agreements is not perfected and in the event of a bank's insolvency CCWVa may only be able to look to the general assets of the bank and not to the underlying security. On June 30, 2022 and 2021, CCWVa had such repurchase agreements of \$418,062 and \$375,143, respectively.

**NOTE 12 RELATED PARTY TRANSACTIONS**

CCWVa is closely associated with the Diocese of Wheeling-Charleston. CCWVa received operating subsidies of \$1,150,000 from the Diocese of Wheeling-Charleston during both years ended June 30, 2022 and 2021. In addition, CCWVa also recognized \$210,000 in contributions from the Diocese of Wheeling-Charleston during the year ended June 30, 2022 related to the Diocese's Catholic Sharing Appeal campaign. The contributions received from the Diocese's Catholic Sharing Appeal campaign are recognized in the statements of activities as part of contributions-other. Additionally, some administrative offices of CCWVa are leased through facilities owned by the Diocese of Wheeling-Charleston and excess funds are temporarily invested in certificates of deposit with the Diocese of Wheeling-Charleston.

**NOTE 13 OPERATING LEASES**

CCWVa leases office facilities, copiers and vehicles under various short-term and long-term arrangements for use in its programs. Total rental expense amounted to \$345,151 and \$351,745 for the years ended June 30, 2022 and 2021, respectively. Included in rent expense for the years ended June 30, 2022 and 2021 is \$78,530 and \$72,720, respectively, for each year related to below-market rate use of various facilities. The total future minimum lease payments are as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u>     |
|-----------------------------|-------------------|
| 2023                        | \$ 152,105        |
| 2024                        | 112,379           |
| 2025                        | 107,452           |
| 2026                        | 104,090           |
| 2027                        | 92,785            |
| Total                       | <u>\$ 568,811</u> |

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 14 RESTRICTIONS/LIMITATIONS ON NET ASSETS**

**Board-Designated Net Assets**

The governing board of CCWVa has designated net assets without donor restrictions for the following purposes:

|                                    | 2022       | 2021       |
|------------------------------------|------------|------------|
| Self-Funded Unemployment Insurance | \$ 543,373 | \$ 588,377 |

**Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purpose or periods:

|   | 2022         | 2021<br>(As Restated) |
|---|--------------|-----------------------|
| Subject to Expenditure for Specified Purpose:   |              |                       |
| Assist the Needy in Preston County  | \$ 171,505   | \$ 196,593            |
| Assist the Needy in the Eight Counties in<br>Northern West Virginia                                 | 734,700      | 866,498               |
| Disaster Assistance   | 81,040       | 133,746               |
| Innovation Grant  | 224,140      | 309,715               |
| Medical Expenses  | -            | 2,674                 |
| Medically Necessitated Travel Expenses  | 3,035        | 3,724                 |
| Assist the Needy in Wetzel County   | 57,902       | 60,286                |
| Counseling and Educational Assistance for Miners  | 32,314       | 31,766                |
| Provide Emergency Assistance for Ziegenfelder<br>Employees  | 20,802       | 21,863                |
| Rachel's Vineyard Retreats  | 5,453        | 5,361                 |
| COVID-19  | 95,327       | 88,999                |
| Community Center of Huntington Personnel  | 40,061       | -                     |
| Total   | 1,466,279    | 1,721,225             |
| Subject to the Passage of Time:   |              |                       |
| Promises to Give, Without Donor Restrictions but<br>Which are Unavailable for Expenditure Until Due | 83,500       | 61,513                |
| Total Net Assets with Donor Restrictions  | \$ 1,549,779 | \$ 1,782,738          |

**NOTE 15 RISKS AND UNCERTAINTIES**

CCWVa is involved in lawsuits, claims, investigations and proceedings which arise in the ordinary course of business. There are no such matters pending that CCWVa expects to be material in relation to its financial condition or results of operations.

CCWVa invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.



**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 15 RISKS AND UNCERTAINTIES (CONTINUED)**

On March 11, 2020, the World Health Organization declared the COVID-19 spread of a disease a pandemic. While it is premature to accurately predict the ultimate impact, it is likely that the operations of CCWVa will be impacted. As of June 30, 2021, CCWVa had endured 15 months of the COVID-19 pandemic. In response to the various safety measures that were required to be imposed on CCWVa, including closing the office and facility to employees and the public for several months, management elected to reduce the 403(b) employer match from 6% as of June 30, 2020 to 3% as of June 30, 2021 due to the unknown factors of how the COVID-19 pandemic would affect CCWVa. As of January 1, 2022, CCWVa raised the 403(b) employer match back to 6% as the pandemic has eased.

Subsequent to June 30, 2020, the Homecare program incurred a liability related to an audit in 2014. CCWVa is currently in conversation with the state regarding the issue and hopes to resolve the situation very soon.

**NOTE 16 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30:

|                                | 2022         | 2021        |
|--------------------------------|--------------|-------------|
| Land                           | \$ 23,504    | \$ 23,504   |
| Buildings and Improvements     | 1,594,347    | 1,594,347   |
| Leasehold Improvements         | 582,292      | 110,367     |
| Equipment                      | 205,822      | 205,822     |
| Vehicles                       | 267,627      | 201,774     |
| Total                          | 2,673,592    | 2,135,814   |
| Less: Accumulated Depreciation | (1,625,675)  | (1,545,361) |
| Property and Equipment, Net    | \$ 1,047,917 | \$ 590,453  |

Depreciation expense for the years ended June 30, 2022 and 2021 was \$80,315 and \$86,033, respectively.

**NOTE 17 PROMISES TO GIVE**

Unconditional promises to give consists of the following:

|                     | 2022      | 2021<br>(As Restated) |
|---------------------|-----------|-----------------------|
| United Way Services | \$ 83,500 | \$ 66,120             |
| CCUSA               | -         | 57,330                |
| Total               | \$ 83,500 | \$ 123,450            |
| Amounts Due in:     |           |                       |
| Less Than One Year  | \$ 83,500 | \$ 66,120             |

Uncollectible amounts for unconditional promises to give are expected to be insignificant. Accordingly, no provision has been made for uncollectible amounts.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 18 PAYCHECK PROTECTION PROGRAM LOAN**

On May 8, 2020, CCWVa received a loan in the amount \$1,099,399 under the Paycheck Protection Program (PPP) through the Small Business Administration (SBA). On May 15, 2020, CCWVa repaid \$300,244, leaving a remaining loan balance of \$799,155 at June 30, 2020.

The PPP, established as part of the Coronavirus Aid Relief and Economic Security Act (CARES Act), provides loans to qualifying entities for an amount up to two- and one-half times of the average monthly payroll expenses. The loan and accrued interest are forgivable after a 24-week period as long as the entity uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of the loan forgiveness will be reduced if the entity terminates employees or reduces salaries during the 24-week period.

The unforgiven portion of the PPP Loan is payable over 24 months at a fixed interest rate of 1%, with a deferral of payments for the first six months. Total interest expense for CCWVA over the life of the loan would have been \$10,379.

On February 9, 2021, the SBA, as authorized by Section 1106 of the CARES Act, has remitted to the lender on record, WesBanco Bank, payment in the amount of \$799,155 for forgiveness of the Borrower's Paycheck Protection Program (PPP) Loan.

The SBA may review funding eligibility and usage of funds in compliance with the program based on the dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on CCWVa's financial position.

**NOTE 19 ALLOCATION OF COSTS OF ACTIVITIES THAT INCLUDE FUNDRAISING**

In order to further the mission of CCWVa, fundraising events are held throughout the state in various regions. Regional outreach employees are responsible for carrying out these activities. As a result, their salaries and benefits associated with the time spent on these fundraising events are allocated out of their respective regions to fundraising costs. At June 30, 2022 and 2021, \$36,577 and \$9,793 were allocated to fundraising salaries and benefits, respectively.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES BY LOCATION**  
**FOR THE REGIONAL/COMMUNITY BASED SERVICES**  
**YEAR ENDED JUNE 30, 2022**

|                                   | Eastern<br>Region | Western<br>Region | Northern<br>Region  | Southern<br>Region | Total               |
|-----------------------------------|-------------------|-------------------|---------------------|--------------------|---------------------|
| Salary and Benefits               | \$ 347,754        | \$ 374,823        | \$ 510,584          | \$ 250,986         | \$ 1,484,147        |
| Liability Insurance               | 155               | 146               | 7,424               | 1,946              | 9,671               |
| Maintenance                       | 127               | 897               | 13,956              | 2,128              | 17,108              |
| Rent                              | 67,980            | 26,337            | 38,453              | 27,517             | 160,287             |
| Utilities                         | 12,206            | 933               | 43,934              | 19,511             | 76,584              |
| Office Supplies                   | 3,711             | 9,584             | 11,528              | 4,026              | 28,849              |
| Advertising                       | 1,240             | 2,176             | 2,885               | 23                 | 6,324               |
| Printing                          | 349               | 1,381             | 1,604               | 1,618              | 4,952               |
| Postage                           | 632               | 852               | 14                  | 426                | 1,924               |
| Office Equipment                  | 4,935             | 18,778            | 16,985              | 3,142              | 43,840              |
| Contract Services                 | 12,685            | 7,123             | 19,517              | 7,055              | 46,380              |
| Telephone                         | 15,049            | 9,270             | 13,655              | 9,399              | 47,373              |
| Travel                            | 5,015             | 13,564            | 11,387              | 7,544              | 37,510              |
| Vehicle Expenses                  | 2,942             | 1,888             | 1,542               | 1,209              | 7,581               |
| Literature                        | 954               | 2,767             | 4,223               | -                  | 7,944               |
| Dues                              | 637               | 1,092             | 1,564               | 429                | 3,722               |
| Staff Workshops                   | 1,190             | 515               | 3,470               | -                  | 5,175               |
| Miscellaneous Expenses            | 1,259             | 1,434             | 390                 | 102                | 3,185               |
| Internet                          | 200               | 210               | 100                 | 340                | 850                 |
| Emergency Assistance              | 91,126            | 58,987            | 197,757             | 91,826             | 439,696             |
| Program Assistance                | 29,568            | 99,154            | 159,262             | 61,286             | 349,270             |
| Donated Goods                     | 286,225           | 106,735           | 425,164             | 172,612            | 990,736             |
| Depreciation                      | 1,356             | -                 | 52,499              | 21,497             | 75,352              |
| <b>Total Expenses by Function</b> | <b>\$ 887,295</b> | <b>\$ 738,646</b> | <b>\$ 1,537,897</b> | <b>\$ 684,622</b>  | <b>\$ 3,848,460</b> |

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES BY LOCATION**  
**FOR THE REGIONAL/COMMUNITY BASED SERVICES**  
**YEAR ENDED JUNE 30, 2021**

|                                   | Eastern<br>Region | Western<br>Region | Northern<br>Region  | Southern<br>Region | Total               |
|-----------------------------------|-------------------|-------------------|---------------------|--------------------|---------------------|
| Salary and Benefits               | \$ 309,263        | \$ 314,259        | \$ 469,829          | \$ 227,995         | \$ 1,321,346        |
| Liability Insurance               | 158               | 82                | 5,778               | 1,470              | 7,488               |
| Maintenance                       | 87                | 1,724             | 15,333              | 334                | 17,478              |
| Rent                              | 67,890            | 28,966            | 43,176              | 25,188             | 165,220             |
| Utilities                         | 11,236            | 4,449             | 37,429              | 14,891             | 68,005              |
| Office Supplies                   | 2,924             | 5,477             | 7,095               | 4,203              | 19,699              |
| Advertising                       | -                 | 6,558             | 4,000               | 135                | 10,693              |
| Printing                          | 520               | 2,118             | 1,518               | 595                | 4,751               |
| Postage                           | 544               | 548               | 191                 | 484                | 1,767               |
| Office Equipment                  | 2,150             | 27,735            | 13,693              | 2,871              | 46,449              |
| Contract Services                 | 11,248            | 8,817             | 22,294              | 7,917              | 50,276              |
| Telephone                         | 14,668            | 6,944             | 12,653              | 8,150              | 42,415              |
| Travel                            | 1,421             | 3,880             | 5,431               | 4,943              | 15,675              |
| Vehicle Expenses                  | 3,081             | 9,353             | 2,778               | 1,154              | 16,366              |
| Literature                        | 887               | 807               | 808                 | -                  | 2,502               |
| Dues                              | 539               | 299               | 420                 | 479                | 1,737               |
| Staff Workshops                   | -                 | 940               | 1,273               | 35                 | 2,248               |
| Miscellaneous Expenses            | 335               | 1,149             | 306                 | 165                | 1,955               |
| Internet                          | 200               | 320               | 210                 | 250                | 980                 |
| Emergency Assistance              | 156,541           | 59,752            | 130,412             | 105,180            | 451,885             |
| Program Assistance                | 62,971            | 192,269           | 125,367             | 85,353             | 465,960             |
| Donated Goods                     | 295,242           | 237,397           | 567,866             | 237,323            | 1,337,828           |
| Depreciation                      | 830               | -                 | 52,701              | 21,498             | 75,029              |
| <b>Total Expenses by Function</b> | <b>\$ 942,735</b> | <b>\$ 913,843</b> | <b>\$ 1,520,561</b> | <b>\$ 750,613</b>  | <b>\$ 4,127,752</b> |

**CATHOLIC CHARITIES WEST VIRGINIA, INC.  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED JUNE 30, 2022**

| State Grantor/Program Title                                     | Identification<br>Number | State<br>Expenditures    |
|---|--------------------------|--------------------------|
| <b>West Virginia Department of Health and Human Resources</b>   |                          |                          |
| Child Care Development  | G220103                  | \$ 89,245                |
| West Virginia Birth to Three Fund                               | G220273                  | <u>155,064</u>           |
| Total West Virginia Department of Health and<br>Human Resources |                          | 244,309                  |
| <b>West Virginia Department of Education</b>                    |                          |                          |
| Jobs and Hope - Basic Grants to States                          | 4030x                    | <u>98,461</u>            |
| Total West Virginia Department of Education                     |                          | <u>98,461</u>            |
| <b>Total Expenditures of State Awards</b>                       |                          | <u><u>\$ 342,770</u></u> |



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Most Reverend Mark E. Brennan, Bishop of the Diocese of Wheeling – Charleston and the Board of Directors  
Catholic Charities West Virginia, Inc.  
Wheeling, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Catholic Charities West Virginia, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 January 31, 2023.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Catholic Charities West Virginia, Inc.'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 Catholic Charities West Virginia, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Catholic Charities West Virginia, Inc.'s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

The Most Reverend Mark E. Brennan, Bishop of the Diocese of  
Wheeling – Charleston and the Board of Directors  
Catholic Charities West Virginia, Inc.

***Report on Compliance and Other Matters***

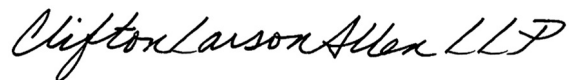
As part of obtaining reasonable assurance about whether Catholic Charities West Virginia, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

***Catholic Charities West Virginia's Response to Finding***

*Government Auditing Standards* requires the auditor to perform limited procedures on Catholic Charities West Virginia, Inc.'s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Catholic Charities West Virginia, Inc. response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***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 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**

Pittsburgh, Pennsylvania  
January 31, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Most Reverend Mark E. Brennan, Bishop of the Diocese of  
Wheeling – Charleston and the Board of Directors  
Catholic Charities West Virginia, Inc.  
Wheeling, West Virginia

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

***Opinion on Each Major Federal Program***

We have audited Catholic Charities West Virginia, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Catholic Charities West Virginia, Inc.'s major federal programs for the year ended June 30, 2022. Catholic Charities West Virginia, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Catholic Charities West Virginia, Inc. complied, in all material respects, with the 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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditors' Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of Catholic Charities West Virginia, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Catholic Charities West Virginia, Inc.'s compliance with the compliance requirements referred to above.



The Most Reverend Mark E. Brennan, Bishop of the Diocese of  
Wheeling – Charleston and the Board of Directors  
Catholic Charities West Virginia, Inc.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Catholic Charities West Virginia, Inc.'s federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Catholic Charities West Virginia, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Catholic Charities West Virginia, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Catholic Charities West Virginia, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Catholic Charities West Virginia, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Catholic Charities West Virginia, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

The Most Reverend Mark E. Brennan, Bishop of the Diocese of  
Wheeling – Charleston and the Board of Directors  
Catholic Charities West Virginia, Inc.

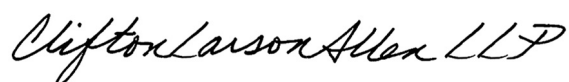
### **Report on Internal Control Over Compliance**

*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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



**CliftonLarsonAllen LLP**

Pittsburgh, Pennsylvania  
January 31, 2023

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2022**

| Federal Grantor/Pass through Grantor/<br>Program or Cluster Title  | Federal<br>Assistance<br>Listing Number | Pass-Through<br>Entity Identifying<br>Number | Passed-<br>Through to<br>Subrecipients | Federal<br>Expenditures |
|--|---|--|--|-------------------------|
| <b>U.S. Department of Agriculture</b>  |   |  |  |                         |
| Pass-Through West Virginia Department of Education:  |   |  |  |                         |
| Child and Adult Care Food Program  | 10.558                                  | 51211  | \$ -                                   | \$ 1,717,613            |
| COVID-19 - Child and Adult Care Food Program   | 10.558                                  | 51211  | -                                      | 153,047                 |
| Total Child and Adult Care Food Program  |   |  |  | <u>1,870,660</u>        |
| Pass-Through West Virginia Department of Health and Human Resources:   |   |  |  |                         |
| SNAP Cluster:  |   |  |  |                         |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program   | 10.561                                  | G220147                                      | 43,011                                 | 108,819                 |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program   | 10.561                                  | G210538                                      | 13,767                                 | 30,832                  |
| Total SNAP Cluster   |   |  | <u>56,778</u>                          | <u>139,651</u>          |
| Total U.S. Department of Agriculture   |   |  | 56,778                                 | <u>2,010,311</u>        |
| <b>U.S. Department of Education</b>  |   |  |  |                         |
| Pass-Through West Virginia Department of Education:  |   |  |  |                         |
| Adult Education - Basic Grants to States   | 84.002                                  | 6122x  | -                                      | 45,479                  |
| Adult Education - Basic Grants to States   | 84.002                                  | 6122x  | -                                      | 52,466                  |
| Total U.S. Department of Education   |   |  | -                                      | <u>97,945</u>           |
| <b>U.S. Department of Health and Human Services</b>  |   |  |  |                         |
| Pass-Through West Virginia Department of Health and Human Services   |   |  |  |                         |
| CCDF Cluster:  |   |  |  |                         |
| Child Care and Development Block Grant   | 93.575                                  | G220103                                      | -                                      | 1,047,161               |
| Child Care Mandatory and Matching Funds of the Child Care Development Fund   | 93.596                                  | G220103                                      | -                                      | 331,440                 |
| Total CCDF Cluster   |   |  | -                                      | <u>1,378,601</u>        |
| Refugee and Entrant Assistance   | 93.566                                  | G220093                                      | -                                      | 38,197                  |
| Refugee and Entrant Assistance   | 93.566                                  | G210505                                      | -                                      | 7,999                   |
|  |   |  | -                                      | <u>46,196</u>           |
| COVID-19 - CARES Act Provider Relief Fund  | 93.498                                  | N/A  | -                                      | 70,964                  |
| Total U.S. Department of Health and Human Services   |   |  | -                                      | <u>1,495,761</u>        |
| <b>U.S. Department of Homeland Security</b>  |   |  |  |                         |
| Pass-Through Emergency Food and Shelter Program:   |   |  |  |                         |
| Emergency Food and Shelter Board Program   | 97.024                                  | 901800-006                                   | -                                      | 10,911                  |
| Emergency Food and Shelter Board Program   | 97.024                                  | 669000-004                                   | -                                      | 4,345                   |
| Emergency Food and Shelter Board Program   | 97.024                                  | 902600-007                                   | -                                      | 1,391                   |
| Emergency Food and Shelter Board Program   | 97.024                                  | 899400-026                                   | -                                      | 4,582                   |
| Emergency Food and Shelter Board Program   | 97.024                                  | 895600-001                                   | -                                      | 7,760                   |
| Emergency Food and Shelter Board Program   | 97.024                                  | 902200-011                                   | -                                      | 682                     |
| Emergency Food and Shelter Board Program   | 97.024                                  | 903400-018                                   | -                                      | (230)                   |
| Emergency Food and Shelter Board Program   | 97.024                                  | 904000-003                                   | -                                      | 6,418                   |
| Emergency Food and Shelter Board Program   | 97.024                                  | 900400-003                                   | -                                      | 2,313                   |
| Emergency Food and Shelter Board Program   | 97.024                                  | 904600-002                                   | -                                      | 2,089                   |
| Total U.S. Department of Homeland Security   |   |  | -                                      | <u>40,261</u>           |
| <b>U.S. Department of Housing and Urban Development</b>  |   |  |  |                         |
| Pass-Through Community Development Block Grant Entitlement Grants Cluster:   |   |  |  |                         |
| City of Wheeling, WV   |   |  |  |                         |
| Community Development Block Grants/Entitlement Grants  | 14.218                                  | N/A  | -                                      | 20,000                  |
| City of Wheeling, WV   |   |  |  |                         |
| COVID-19 - Community Development Block Grants - CV Program   | 14.218                                  | N/A  | -                                      | 99,702                  |
| City of Martinsburg, WV  |   |  |  |                         |
| COVID -19 - Community Development Block Grants - CV Program  | 14.218                                  | N/A  | -                                      | 1,559                   |
| Corporation of Shepherdstown   |   |  |  |                         |
| COVID -19 - Community Development Block Grants - CV Program  | 14.218                                  | N/A  | -                                      | 3,750                   |
| Total CDBG Entitle Grants Cluster  |   |  | -                                      | <u>125,011</u>          |
| West Virginia Development Office   |   |  |  |                         |
| COVID-19 - Emergency Solutions Grant Program - CV  | 14.231                                  | 21*4447                                      | -                                      | 48,321                  |
| Total U.S. Department of Housing and Urban Development   |   |  | -                                      | <u>173,332</u>          |
| <b>U.S. Department of State, Bureau of Population, Refugees and Migration Pass-Through United States Conference of Catholic Bishops 2021 Afghan Placement and Assistance Program</b> |   |  |  |                         |
|  | 19.51                                   | SPRMC021CA3291                               | -                                      | 4,567                   |
| <b>Total Expenditures of Federal Awards</b>  |   |  | <u>\$ 56,778</u>                       | <u>\$ 3,822,177</u>     |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2022**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Catholic Charities West Virginia, Inc. under programs of the federal government for the year ended June 30, 2022. 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 Catholic Charities West Virginia, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Catholic Charities West Virginia, Inc.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 INDIRECT COST RATE**

Catholic Charities West Virginia, Inc. has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CATHOLIC CHARITIES WEST VIRGINIA, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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***Section I – Summary of Auditors’ Results***

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***Financial Statements***

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified?     x     yes            no
  - Significant deficiency(ies) identified?            yes     x     none reported
3. Noncompliance material to financial statements noted?            yes     x     no

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness(es) identified?            yes     x     no
  - Significant deficiency(ies) identified?            yes     x     none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?            yes     x     no

***Identification of Major Federal Programs***

| <b>Assistance Listing Number(s)</b>                                      | <b>Name of Federal Program or Cluster</b> |
|--|---|
| 10.558   | Child and Adult Care Food Program         |
| Dollar threshold used to distinguish between Type A and Type B programs: | \$ <u>    750,000    </u>                 |
| Auditee qualified as low-risk auditee                                    | <u>    x    </u> yes <u>          </u> no |

**CATHOLIC CHARITIES WEST VIRGINIA, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2022**

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

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**2022 – 001 Grant Revenues**

**Type of Finding:** Material Weakness in Internal Control Over Financial Reporting

**Criteria or Specific Requirement:** Catholic Charities West Virginia, Inc. internal controls must be able to prevent or detect a material misstatement in the financial statements. Internal controls are critical to ensure accurate financial reporting. Grants should only be considered conditional if both a barrier and right of return/release exist in the grant documentation.

**Condition:** Catholic Charities West Virginia erroneously applied conditional contribution guidance to certain grants which did not meet the criteria for conditional contributions. This caused an overstatement of current year grant revenues and refundable advances, and an understatement of current year accounts receivable and net assets, along with a restatement of the prior year balances as described in Note 2 to the financial statements.

**Cause:** Catholic Charities West Virginia did not have proper controls, policies or procedures in place related to the accounting for grants revenue.

**Effect:** An adjusting entry was made for the following: Other Grant Revenue was decreased by \$142,904, Refundable Advances was decreased by \$224,140, Accounts Receivable was increased by \$57,330, and Net Assets was increased by \$424,374. The June 30, 2021 financial statements were restated as described in Note 2.

**Repeat Finding:** Not a repeat finding

**Recommendation:** We recommend that management review its policies and procedures surrounding grant revenue accounting to ensure amounts are recorded in the appropriate period in accordance with accounting principles generally accepted in the United States of America (GAAP).

**Views of Responsible Officials and Planned Corrective Action:** Management agrees and has a plan to correct the finding.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



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## Finance Department

US Department of Agriculture

Catholic Charities West Virginia, Inc. (CCWVa) respectfully submits the following corrective action plan for the year ended June 30, 2022.

Audit period: July 1, 2021 – June 30, 2022

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### **FINDINGS—FINANCIAL STATEMENT AUDIT**

#### **MATERIAL WEAKNESS**

2022-001 Grant Revenue

Condition: Catholic Charities West Virginia erroneously applied conditional contribution guidance to certain grants which did not meet the criteria for conditional contributions. This caused an overstatement of current year grant revenues and refundable advances, and an understatement of current year accounts receivable and net assets, along with a restatement of the prior year balances as described in Note 2 to the financial statements.

Recommendation: We recommend that management review its policies and procedures surrounding grant revenue accounting to ensure recorded amounts are in accordance with accounting principles generally accepted in the United States of America (GAAP).

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: We have reviewed grant revenue guidance with staff and implemented procedures to ensure that contributions and grants are properly recognized as conditional or unconditional.

Name(s) of the contact person(s) responsible for corrective action: Danielle Doerr

Planned completion date for corrective action plan: February 3, 2023

If the US Department of Agriculture has questions regarding this plan, please call Danielle Doerr at 304-905-9872.