



Financial Statements,
Schedule of Expenditures of Federal Awards, and Reports
Required by Government Auditing Standards and the Uniform
Guidance

June 30, 2020 and 2019

Catholic Community Services Of Utah

Catholic Community Services of Utah

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June 30, 2020 and 2019

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Independent Auditor's Report

The Board of Trustees
Catholic Community Services of Utah
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Catholic Community Services of Utah, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Community Services of Utah as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules on pages 26 through 28 are presented for the purpose of additional analysis and are 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 our audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2020, on our consideration of Catholic Community Services of Utah'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 Community Services of Utah'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 Community Services of Utah's internal control over financial reporting and compliance.



Salt Lake City, Utah
September 15, 2020

Catholic Community Services of Utah

Statements of Financial Position

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,075,467	\$ 1,647,676
Accounts receivable	115,108	3,530
Promises to give and grants receivable, net	938,454	1,414,135
Inventory, net	426,888	508,260
Prepaid expenses and other assets	<u>234,079</u>	<u>140,769</u>
Total current assets	4,789,996	3,714,370
Investments, Including Amounts Restricted to Long-Term Purposes (Note 3)	6,640,463	4,300,159
Property and Equipment, Net (Note 6)	7,415,501	6,101,799
Beneficial Interest in Assets Held by Catholic Foundation of Utah	<u>5,674,718</u>	<u>5,591,616</u>
	<u>\$ 24,520,678</u>	<u>\$ 19,707,944</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 221,711	\$ 449,559
Accrued expenses and other liabilities	476,250	388,671
Advances and deposits	111,792	111,792
Current portion of capital lease payable	<u>14,512</u>	<u>15,319</u>
Total current liabilities	824,265	965,341
Long-Term Liabilities		
Capital lease payable, less current portion	14,010	26,949
Notes payable (Note 8)	<u>713,700</u>	<u>-</u>
Total liabilities	<u>1,551,975</u>	<u>992,290</u>
Net Assets		
Without donor restrictions		
Undesignated	2,147,967	1,691,915
Invested in endowments	4,526,953	4,430,112
Invested in investments	3,160,272	2,398,550
Invested in property and equipment	<u>7,386,979</u>	<u>6,059,531</u>
	17,222,171	14,580,108
With donor restrictions (Note 12)	<u>5,746,532</u>	<u>4,135,546</u>
Total net assets	<u>22,968,703</u>	<u>18,715,654</u>
	<u>\$ 24,520,678</u>	<u>\$ 19,707,944</u>

See Notes to Financial Statements

Catholic Community Services of Utah
Statement of Activities
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Public support			
Private donors	\$ 3,907,926	\$ 2,646,533	\$ 6,554,459
Gross special events revenue	417,496	-	417,496
Less cost of direct benefit to donors	(71,982)	-	(71,982)
Net special events revenue	345,514	-	345,514
In-kind donations	7,494,013	-	7,494,013
Total public support	11,747,453	2,646,533	14,393,986
Grants and contracts (Note 16)	7,601,458	-	7,601,458
Program income	695,919	-	695,919
Rental income	19,000	-	19,000
Change in value of beneficial interest in assets held by Catholic Foundation of Utah	94,338	20,659	114,997
Net investment return	174,194	-	174,194
Other income	16,900	-	16,900
Net assets released from restrictions	1,056,206	(1,056,206)	-
Total revenue, support, and gains	21,405,468	1,610,986	23,016,454
Expenses and Losses			
Program services expenses			
Migration Refugee Services	4,634,608	-	4,634,608
Homeless Services (Note 16)	6,463,832	-	6,463,832
Catholic Community Services of Northern Utah	6,169,975	-	6,169,975
Total program services expenses	17,268,415	-	17,268,415
Supporting services expenses			
Management and general	1,173,134	-	1,173,134
Fundraising and development	319,576	-	319,576
Total supporting services expenses	1,492,710	-	1,492,710
Loss on disposal of property and equipment	2,280	-	2,280
Total expenses and losses	18,763,405	-	18,763,405
Change in Net Assets	2,642,063	1,610,986	4,253,049
Net Assets, Beginning of Year	14,580,108	4,135,546	18,715,654
Net Assets, End of Year	\$ 17,222,171	\$ 5,746,532	\$ 22,968,703

Catholic Community Services of Utah
Statement of Activities
Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Public support			
Private donors	\$ 2,752,275	\$ 2,167,225	\$ 4,919,500
Gross special events revenue	464,970	-	464,970
Less cost of direct benefit to donors	(59,320)	-	(59,320)
Net special events revenue	405,650	-	405,650
In-kind donations	7,302,373	-	7,302,373
Total public support	10,460,298	2,167,225	12,627,523
Grants and contracts	5,473,446	-	5,473,446
Program income	88,340	-	88,340
Rental income	75,173	-	75,173
Change in value of beneficial interest in assets held by Catholic Foundation of Utah	266,898	68,176	335,074
Net investment return	90,770	-	90,770
Other income	18,662	-	18,662
Net assets released from restrictions	99,094	(99,094)	-
Total revenue, support, and gains	16,572,681	2,136,307	18,708,988
Expenses and Losses			
Program services expenses			
Migration Refugee Services	4,894,417	-	4,894,417
Treatment Services	58,860	-	58,860
Homeless Services	2,555,876	-	2,555,876
Catholic Community Services of Northern Utah	6,580,146	-	6,580,146
Total program services expenses	14,089,299	-	14,089,299
Supporting services expenses			
Management and general	1,155,961	-	1,155,961
Fundraising and development	345,947	-	345,947
Total supporting services expenses	1,501,908	-	1,501,908
Loss on disposal of property and equipment	524,341	-	524,341
Total expenses and losses	16,115,548	-	16,115,548
Change in Net Assets	457,133	2,136,307	2,593,440
Net Assets, Beginning of Year	14,122,975	1,999,239	16,122,214
Net Assets, End of Year	\$ 14,580,108	\$ 4,135,546	\$ 18,715,654

See Notes to Financial Statements

Catholic Community Services of Utah
Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services				Management and General	Fundraising and Development	Total
	Migration Refugee Services	Homeless Services	Catholic Community Services of Northern Utah	Total			
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ 6,489	\$ -	\$ 6,489
Communications	46,816	18,346	9,635	74,797	19,989	3,722	98,508
Conferences and meetings	16,408	11,744	3,541	31,693	16,853	1,707	50,253
Depreciation and amortization	62,099	199,691	146,367	408,157	52,711	5,028	465,896
Dues and subscriptions	15,102	6,392	2,987	24,481	5,861	4,522	34,864
Events	-	-	-	-	-	102,971	102,971
Insurance	13,056	10,613	26,410	50,079	2,546	403	53,028
Interest expense	1,128	458	325	1,911	581	12	2,504
Miscellaneous	1,861	171	10,566	12,598	12,359	8,686	33,643
Participant assistance	610,667	38,990	12,384	662,041	-	-	662,041
Participant assistance (in-kind)	104,878	1,225,610	5,271,455	6,601,943	6,270	180	6,608,393
Professional fees	681,319	554,460	34,351	1,270,130	92,781	2,408	1,365,319
Rent	54,310	905,178	8,811	968,299	10,117	-	978,416
Repairs and maintenance	103,603	149,544	39,003	292,150	48,034	8,418	348,602
Salaries, benefits and taxes (Note 16)	2,270,520	3,143,965	493,636	5,908,121	891,248	242,840	7,042,209
Subcontractors	524,436	-	-	524,436	-	-	524,436
Supplies	19,469	98,025	23,020	140,514	16,833	6,858	164,205
Transportation	76,475	26,562	32,585	135,622	(20,582)	1,150	116,190
Utilities	32,461	74,083	54,899	161,443	11,044	2,653	175,140
	<u>4,634,608</u>	<u>6,463,832</u>	<u>6,169,975</u>	<u>17,268,415</u>	<u>1,173,134</u>	<u>391,558</u>	<u>18,833,107</u>
Less expenses included with revenues on the statement of activities							
Cost of direct benefit to donors	-	-	-	-	-	(71,982)	(71,982)
Total functional expenses	<u>\$ 4,634,608</u>	<u>\$ 6,463,832</u>	<u>\$ 6,169,975</u>	<u>\$ 17,268,415</u>	<u>\$ 1,173,134</u>	<u>\$ 319,576</u>	<u>\$ 18,761,125</u>

See Notes to Financial Statements

Catholic Community Services of Utah
Statement of Functional Expenses
Year Ended June 30, 2019

	Program Services				Total	Management and General	Fundraising and Development	Total
	Migration Refugee Services	Treatment Services	Homeless Services	Catholic Community Services of Northern Utah				
Bad debt expense	\$ 8,611	\$ -	\$ -	\$ 500	\$ 9,111	\$ -	\$ -	\$ 9,111
Communications	35,979	65	8,563	6,971	51,578	8,422	5,645	65,645
Conferences and meetings	18,178	-	8,823	1,969	28,970	18,593	3,268	50,831
Depreciation and amortization	96,761	35,481	84,793	134,994	352,029	92,697	3,645	448,371
Dues and subscriptions	10,025	78	3,268	4,201	17,572	5,477	2,163	25,212
Events	-	-	-	-	-	-	85,205	85,205
Insurance	7,277	4,085	9,196	18,603	39,161	2,705	160	42,026
Interest expense	359	-	135	102	596	161	8	765
Miscellaneous	1,138	-	106	2,934	4,178	-	5,199	9,377
Participant assistance	698,039	-	44,202	12,381	754,622	-	-	754,622
Participant assistance (in-kind)	160,955	1,469	896,571	5,839,835	6,898,830	4,837	739	6,904,406
Professional fees	450,975	905	204,528	3,393	659,801	84,171	3,607	747,579
Rent	75,879	-	79,099	103	155,081	55,107	11,892	222,080
Repairs and maintenance	25,912	4,811	40,125	32,263	103,111	35,524	3,699	142,334
Salaries, benefits and taxes	2,243,873	652	1,065,275	422,178	3,731,978	824,528	271,445	4,827,951
Subcontractors	962,965	-	-	-	962,965	-	-	962,965
Supplies	21,708	10	30,954	27,281	79,953	7,433	7,306	94,692
Transportation	60,107	215	15,489	23,593	99,404	-	1,074	100,478
Utilities	15,676	11,089	64,749	48,845	140,359	16,306	212	156,877
	<u>4,894,417</u>	<u>58,860</u>	<u>2,555,876</u>	<u>6,580,146</u>	<u>14,089,299</u>	<u>1,155,961</u>	<u>405,267</u>	<u>15,650,527</u>
Less expenses included with revenues on the statement of activities								
Cost of direct benefit to donors	-	-	-	-	-	-	(59,320)	(59,320)
Total functional expenses	<u>\$ 4,894,417</u>	<u>\$ 58,860</u>	<u>\$ 2,555,876</u>	<u>\$ 6,580,146</u>	<u>\$ 14,089,299</u>	<u>\$ 1,155,961</u>	<u>\$ 345,947</u>	<u>\$ 15,591,207</u>

See Notes to Financial Statements

Catholic Community Services of Utah
Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	2020	2019
Operating Activities		
Change in net assets	\$ 4,253,049	\$ 2,593,440
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation and amortization	465,896	448,371
Change in beneficial interest in assets held by others	(114,997)	(335,074)
Net investment return	(174,194)	(90,770)
Contributions restricted to building projects	(2,851,482)	(2,357,951)
Contributed property and equipment capitalized	-	(85,000)
Loss on disposal of property and equipment	2,280	524,341
Changes in operating assets and liabilities		
Accounts receivable	(111,578)	(2,391)
Promises to give and grants receivable	475,681	(829,788)
Inventory	81,372	(135,660)
Prepaid expenses and other assets	(93,310)	(3,548)
Accounts payable	(227,848)	192,724
Accrued expenses and other liabilities	87,579	37,704
Net Cash from (used for) Operating Activities	1,792,448	(43,602)
Investing Activities		
Purchases of property and equipment	(1,832,535)	(3,371,038)
Proceeds from sale of fixed assets	50,657	2,970,254
Transfers to board designated endowment	(2,500)	(480,209)
Proceeds from beneficial interest in assets held by Catholic Foundation of Utah	34,395	-
Purchase of investments	(2,166,110)	(2,680,614)
Net Cash used for Investing Activities	(3,916,093)	(3,561,607)
Financing Activities		
Collections of contributions restricted to building projects	2,851,482	2,357,951
Net borrowings on notes payable	713,700	-
Principal payments on capital lease payable	(13,746)	(13,225)
Net Cash from Financing Activities	3,551,436	2,344,726
Net Change in Cash and Cash Equivalents	1,427,791	(1,260,483)
Cash and Cash Equivalents, Beginning of Year	1,647,676	2,908,159
Cash and Cash Equivalents, End of Year	\$ 3,075,467	\$ 1,647,676
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 2,503	\$ 765
Supplemental Disclosure of Non-Cash Investing and Financing Activity		
Equipment financed through capital lease arrangement	\$ -	\$ 34,149

See Notes to Financial Statements

Note 1 - Principal Activity and Significant Accounting Policies

Organization

Catholic Community Services of Utah (CCS) is a nonprofit corporation organized under the laws of the State of Utah. CCS is the social service organization of the Catholic Diocese of Salt Lake City (the Diocese). CCS provides social services to those in need in certain communities throughout Utah.

CCS' principal programs comprise the following:

Migration Refugee Services: Provides refugees with resettlement services and orientation as well as case management, including job development. Also provides legal services to non-residents seeking citizenship, work permits, and family reunification.

Treatment Services: Provides residential and outpatient drug and alcohol treatment, case management and transitional housing. CCS terminated this program during the year ended June 30, 2019.

Homeless Services: Provides basic needs services, including food, clothing, day and night shelter, referrals and case management to the homeless and those at risk of homelessness.

Catholic Community Services of Northern Utah: Provides food to individuals and local food pantries, and baby layettes to poor, working families.

Cash and Cash Equivalents

CCS considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to capital expenditures, permanent endowment, or other long-term purposes of CCS are excluded from this definition.

Investments

Investment purchases are recorded at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Grants and Contracts Receivable and Credit Policies

CCS receives substantial funding through federal, state, and other grants and contracts. The majority of these grants and contracts operate on a cost reimbursement basis. Generally, accounts receivable and the related revenues are recorded when the applicable expenses to grant awards have been incurred. Certain grants require that CCS match the funds received with other funds in varying percentages. Management determines the allowance for uncollectable contracts and grants receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contracts and grants receivable are written off when deemed uncollectable.

Promises to Give

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

Inventory

Inventory represents food inventory on hand, net of an allowance for perishables, in the Catholic Community Services of Northern Utah program and bulk supplies held by CCS. A substantial portion of food inventory is received from the Utah Food Bank, another nonprofit organization. Contribution revenue, participant assistance, and food inventory is valued at \$1.58 and \$1.58, respectively, per pound of food during the years ended June 30, 2020 and 2019.

Property and Equipment

Property and equipment additions are recorded at cost or, if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to thirty-nine years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

CCS reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2020 and 2019.

Beneficial Interest in Assets Held by Catholic Foundation of Utah

CCS and donors have transferred funds to an affiliated organization, the Catholic Foundation of Utah (CFU), for the benefit of CCS or its programs. CCS has evaluated the terms of the agreements governing the funds held by CFU for the benefit of CCS or its programs and recognizes its right to the assets (financial or nonfinancial) held by CFU as an asset unless CFU is explicitly granted variance power, that is, the unilateral power to redirect the use of the transferred assets to another beneficiary. Because CCS and CFU are financially interrelated organizations, as defined by generally accepted accounting principles (GAAP), if variance power is not granted to CFU, CCS recognizes its interest in the net assets of CFU and adjusts that interest for its share of the change in net assets of CFU related to the transferred assets. In cases where CFU has been granted variance power, CCS recognizes its rights to the assets held by CFU as receivable and contribution revenue in accordance with GAAP provisions for unconditional promises to give.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. CCS reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Program income is billed monthly for meals provided (the performance obligation) that month. Accordingly, revenue for meals provided is recognized each month as the meals are provided (at a point in time). Any program income received in advance is deferred to the applicable period in which the related meals are provided. There was no deferred program income at June 30, 2020 and 2019. Accounts receivables at June 30, 2020 and 2019 total \$115,108 and \$3,530, respectively. Accounts receivable at June 30, 2018 totaled \$1,139.

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, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. CCS' federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at June 30, 2020, conditional contributions approximating \$5,635,000, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to CCS' program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by GAAP. Contributed goods are recorded at fair value at the date of donation. CCS records donated professional services at the respective fair values of the services received.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include, rent, utilities and depreciation, which are allocated on a square footage basis, as well as salaries, benefits, taxes, dues and subscriptions, communications, professional fees, insurance, supplies, interest, repair and maintenance, and insurance, which are allocated on the basis of estimates of time and effort.

Income Taxes

CCS is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), that qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). CCS' activity is included with other charitable activity of the Catholic Diocese of Salt Lake City. This combined entity is not required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS because the Catholic Diocese of Salt Lake City is a religious organization exempt from filing. In addition, the combined entity is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. CCS has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

CCS believes that it has appropriate support for any tax positions taken affecting its annual filing requirements and, as such, does not have any uncertain tax positions that are material to the financial statements. CCS would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

CCS manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, CCS has not experienced losses in any of these accounts. Credit risk associated with grants and contracts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of CCS' mission.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Recently Adopted Accounting Pronouncements**FASB Accounting Standards Codification Topic 606**

FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. CCS has implemented Topic 606 and has adjusted the presentation in these financial statements accordingly. The amendment has been applied retrospectively to all periods presented, with no effect on net assets.

FASB Accounting Standards Update 2018-08

CCS has implemented ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. This standard assists the entity in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. CCS has implemented the provisions of ASU 2018-08 applicable to contributions received in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

Note 2 - Liquidity and Availability

CCS operates on a balanced budget and regularly monitors liquidity to meet its operating needs and other contractual commitments while also striving to maximize its mission. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2020	2019
Cash and cash equivalents	\$ 1,956,891	\$ 625,243
Accounts receivable	115,108	3,530
Promises to give and grants receivable, net	938,454	1,414,135
	<u>\$ 3,010,453</u>	<u>\$ 2,042,908</u>

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments, certificates of deposit, money market funds and other investments deemed to be prudent and conservative by CCS' board of trustees (the Board). Under this plan, CCS has made investments to a board-designated endowment which totals \$4,526,953 and \$4,430,112 at June 30, 2020 and 2019, respectively (Note 11). At June 30, 2020 and 2019, CCS also has \$6,640,463 and \$4,300,159, respectively, invested with investment firms and financial institutions deemed qualified by the Board (Note 3). Of this amount, \$3,480,191 and \$1,901,609, respectively, is restricted to long-term purposes for facilities and \$3,160,272 and \$ 2,398,550, respectively, is available for unrestricted purposes. If the need arose, management could make the board-designated endowment assets and the investments for unrestricted purposes available for general use. CCS is also entitled to make distributions from an endowment (Note 11). However, the use of the earnings from this fund is restricted to certain programs of CCS and accordingly, any expected distributions CCS might receive in the next period are not considered in the table above. As described in Note 7, CCS also has a \$200,000 unsecured revolving line of credit with a bank.

Note 3 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to CCS' assessment of the quality, risk or liquidity profile of the asset or liability.

Catholic Community Services of Utah

Notes to Financial Statements

June 30, 2020 and 2019

The fair value of CCS' beneficial interest in assets held by CFU is based on the fair value of fund investments as reported by CFU. This is classified within Level 3. CCS invests in U.S. government obligations that are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and are classified within Level 2.

The following table presents assets measured at fair value on a recurring basis at June 30, 2020:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in assets held by Catholic Foundation of Utah	\$ 5,674,718	\$ -	\$ -	\$ 5,674,718
Investments				
Cash and equivalents (at cost)	247,581	-	-	-
Certificates of deposit (at cost)	1,593,070	-	-	-
U.S. government obligations	4,799,812	-	4,799,812	-
	<u>6,640,463</u>	<u>-</u>	<u>4,799,812</u>	<u>-</u>
	<u>\$ 12,315,181</u>	<u>\$ -</u>	<u>\$ 4,799,812</u>	<u>\$ 5,674,718</u>

The following table presents assets measured at fair value on a recurring basis at June 30, 2019:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in assets held by Catholic Foundation of Utah	\$ 5,591,616	\$ -	\$ -	\$ 5,591,616
Investments				
Cash and equivalents (at cost)	2,393,728	-	-	-
Certificates of deposit (at cost)	1,557,337	-	-	-
U.S. government obligations	349,094	-	349,094	-
	<u>4,300,159</u>	<u>-</u>	<u>349,094</u>	<u>-</u>
	<u>\$ 9,891,775</u>	<u>\$ -</u>	<u>\$ 349,094</u>	<u>\$ 5,591,616</u>

Catholic Community Services of Utah
Notes to Financial Statements
June 30, 2020 and 2019

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2020:

	<u>Beneficial Interest in Assets Held by CFU</u>
Balance at June 30, 2019	\$ 5,591,616
Purchases/contributions of investments	2,500
Investment return, net	114,997
Distributions	<u>(34,395)</u>
Balance at June 30, 2020	<u>\$ 5,674,718</u>

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2019:

	<u>Beneficial Interest in Assets Held by CFU</u>
Balance at June 30, 2018	\$ 4,776,333
Purchases/contributions of investments	480,209
Investment return, net	<u>335,074</u>
Balance at June 30, 2019	<u>\$ 5,591,616</u>

Note 4 - Promises to Give and Grants Receivable

Promises to give and grants receivable are expected to be received within one year and consist of the following at June 30, 2020 and 2019:

	2020	2019
State of Utah - various	\$ 771,129	\$ 1,003,560
United States Conference of Catholic Bishops	55,886	128,163
United Way	-	50,000
Utah Bar Foundation	40,000	-
Catholic Charities USA	5,798	13,221
Salt Lake City Corporation - various	24,554	153,435
Other	61,087	85,756
Less estimated uncollectible amounts	<u>(20,000)</u>	<u>(20,000)</u>
	<u>\$ 938,454</u>	<u>\$ 1,414,135</u>

Note 5 - Inventory

Inventory consists of the following at June 30, 2020 and 2019:

	2020	2019
Food and consumables inventory	\$ 444,944	\$ 523,796
Allowance for perishable food	(23,049)	(23,049)
Supplies	4,993	7,513
	\$ 426,888	\$ 508,260

Note 6 - Property and Equipment

Property and equipment consists of the following at June 30, 2020 and 2019:

	2020	2019
Land	\$ 1,250,468	\$ 1,250,468
Buildings and improvements	6,069,140	4,688,573
Leasehold improvements	531,867	531,867
Equipment	1,631,135	1,351,990
Autos and trucks	912,121	745,449
Computer equipment	302,233	337,062
Furniture and fixtures	41,480	41,480
Software	63,424	53,307
Construction in progress	176,175	385,583
	10,978,043	9,385,779
Less accumulated depreciation and amortization	(3,562,542)	(3,283,980)
	\$ 7,415,501	\$ 6,101,799

During the year ended June 30, 2020, CCS completed a build-out and renovations of the St. Vincent De Paul Center to house its Homeless Kitchen Training program, resulting in a significant increase to property and equipment.

Note 7 - Line of Credit

CCS has a \$200,000 unsecured revolving line of credit with a bank. As of June 30, 2020 and 2019, there were no borrowings on the line of credit. The line of credit is available until November 5, 2020. The line bears interest at the greater of a floating rate of the Prime Rate plus 0.75% or a floor of 4.00%.

Note 8 - Notes Payable

During April 2020, CCS applied for and was granted a \$713,700 loan under the Paycheck Protection Program administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The loan accrues interest at a rate of 1%, but payments are not required to begin for six months after the funding of the loan. CCS is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. While CCS intends to take measures to maximize the loan forgiveness, it cannot reasonably determine the portion of the loan that will ultimately be forgiven. However, CCS expects that based on the available guidance of the SBA, CCS has complied with the program's terms to qualify for full loan forgiveness.

Note 9 - Concentrations

As the local social service arm of the Diocese, a significant portion of the support received by CCS comes from various Catholic organizations. CCS also receives a substantial portion of its support from governmental entities. A loss of this support would have a materially adverse effect on CCS.

Note 10 - Leases

CCS leases office space under operating leases either on a month-to-month basis or that expire at various dates through the year ending June 30, 2021, and leases equipment under capital leases expiring in 2022.

Future minimum lease payments are as follows:

<u>Years Ending June 30,</u>	<u>Capital Leases</u>	<u>Operating Leases</u>
2021	\$ 19,104	\$ 62,500
2022	11,466	-
Total minimum lease payments	30,570	<u>\$ 62,500</u>
Less amount representing interest	<u>(2,048)</u>	
Capital lease obligation	<u>\$ 28,522</u>	

Rent expense for the years ended June 30, 2020 and 2019, totaled \$978,416 and \$222,080, respectively. At June 30, 2020 and 2019, leased property under capital lease totals \$43,380 and \$85,255, respectively, with associated accumulated amortization of \$14,460 and \$22,286, respectively.

CCS leases, at no cost, the St. Vincent de Paul Dining Hall from the Diocese, a related party, for the operation of part of its Homeless Services program. In addition, CCS was provided by another nonprofit organization free use of facilities to operate part of its homeless services program from July 1, 2019 to June 30, 2020. The free use of these facilities is reflected as donated rent (see Note 13).

Note 11 - Beneficial Interest in Assets Held by Catholic Foundation of Utah

In 1992, Jon and Karen Huntsman Foundation, (the Donor) made a permanently restricted contribution of \$1 million and stipulated that the earnings be used to benefit the St. Vincent de Paul Center operated by CCS. In 1994, CCS, CFU, and the Donor, entered into a gift agreement whereby CFU was made responsible for the investment and administration of the \$1 million permanently restricted contribution.

At June 30, 2020 and 2019, CCS has recorded \$1,147,765 and \$1,161,504, respectively, as the value of the beneficial interest in assets administered by CFU relating to this permanently restricted contribution.

CCS' Board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2020 and 2019, there were no such donor stipulations. As a result of this interpretation, CCS retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

CCS 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 the organization
- The investment policies of the organization

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). CCS has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

In addition, CCS has established a board-designated endowment from net assets without restrictions. During the years ended June 30, 2020 and 2019, CCS transferred \$2,500 and \$480,209, respectively, to CFU in board-designated endowment. This board-designated endowment at CFU was established in order to generate a higher return on investment. Amounts will be distributed back to CCS at the direction of the Board.

During the years ended June 30, 2020 and 2019, CCS recorded gains of \$114,997 and \$335,074, respectively, as change in interest in the net assets of CFU. During the years ended June 30, 2020 and 2019, \$34,395 and \$0, respectively, was appropriated and received in cash by CCS.

CFU held other donor-restricted net assets to be held in perpetuity, with a value of approximately \$1,132,000 and \$1,130,000, respectively, at June 30, 2020 and 2019. These contributions were designated by the donors, either in whole or in part, for the benefit of CCS or its programs; however, CFU retains variance power to redirect these contributions and the earnings on these contributions. Accordingly, with respect to these contributions, CCS has not recorded its interest in these net assets of CFU at June 30, 2020 and 2019.

At June 30, 2020, endowment net asset composition by type of fund is as follows:

	Without Donor Restriction	With Donor Restriction	Total
Board-designated endowment funds	\$ 4,526,953	\$ -	\$ 4,526,953
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,000,000	1,000,000
Accumulated investment gains	-	147,765	147,765
	\$ 4,526,953	\$ 1,147,765	\$ 5,674,718

At June 30, 2019, endowment net asset composition by type of fund is as follows:

	Without Donor Restriction	With Donor Restriction	Total
Board-designated endowment funds	\$ 4,430,112	\$ -	\$ 4,430,112
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,000,000	1,000,000
Accumulated investment gains	-	161,504	161,504
	\$ 4,430,112	\$ 1,161,504	\$ 5,591,616

Catholic Community Services of Utah

Notes to Financial Statements

June 30, 2020 and 2019

Changes in endowment net assets for the year ended June 30, 2020, are as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Beneficial interest in assets held by CFU, beginning of year	\$ 4,430,112	\$ 1,161,504	\$ 5,591,616
Investment return, net	94,338	20,659	114,997
Contributions	2,500	-	2,500
Appropriation of endowment assets pursuant to spending-rate policy	<u>-</u>	<u>(34,395)</u>	<u>(34,395)</u>
Beneficial interest in assets held by CFU, end of year	<u>\$ 4,526,950</u>	<u>\$ 1,147,768</u>	<u>\$ 5,674,718</u>

Changes in endowment net assets for the year ended June 30, 2019, are as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Beneficial interest in assets held by CFU, beginning of year	\$ 3,683,005	\$ 1,093,328	\$ 4,776,333
Investment return, net	266,898	68,176	335,074
Contributions	<u>480,209</u>	<u>-</u>	<u>480,209</u>
Beneficial interest in assets held by CFU, end of year	<u>\$ 4,430,112</u>	<u>\$ 1,161,504</u>	<u>\$ 5,591,616</u>

Note 12 - Net Assets with Donor Restrictions

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

	2020	2019
Subject to expenditure for specified purpose		
Homeless Services - capital needs	\$ 119,686	\$ 1,081,642
Northern Utah - capital needs	3,360,505	819,967
Northern Utah - operations and client assistance	750,024	751,089
St. Marthas - operations and program supplies	102,660	100,954
MRS - staff sustainability	66,244	66,244
Homeless Services - client assistance	59,395	49,890
MRS program Supplies	24,817	34,817
MRS client assistance	50,544	14,089
Other	64,892	5,350
Subject to the passage of time		
United Way	-	50,000
Endowment fund earnings subject to spending policy or appropriation - St Vincent de Paul Center (held by CFU)	147,765	161,504
Endowment fund to be held in perpetuity Beneficial interest in assets held by CFU	1,000,000	1,000,000
	\$ 5,746,532	\$ 4,135,546

Northern Utah – capital needs: CCS has undertaken a capital campaign for the construction of a new facility in Ogden, Utah. Construction on the new facility has started subsequent to the year ended June 30, 2020.

Note 13 - Donated Professional Services and Materials

CCS received donated materials and professional services as follows during the years ended June 30, 2020 and 2019:

	2020	2019
Food and consumables	\$ 5,826,956	\$ 6,171,918
Clothing and furnishings	659,183	803,318
Rent	964,471	163,890
Professional realty services capitalized to property and equipment	-	85,000
Other	43,403	78,247
	\$ 7,494,013	\$ 7,302,373

Related expenses included in the statements of activities total \$7,572,864 and \$7,074,295 for the years ended June 30, 2020 and 2019, respectively. Donated materials primarily represent the donation of food items that are provided to or consumed by participants in CCS' Homeless Services and Catholic Community Services of Northern Utah programs. The differences between the revenue and expense primarily represent an increase or decrease in food inventory. Substantially all of these donated materials were used in CCS' programs.

Note 14 - Employee Benefits

CCS participates in the Lay Employees' Pension Plan and Trust (the Plan), which is the defined contribution (profit sharing) retirement plan sponsored by the Diocese. All employees twenty-one years of age and older who have at least six hundred hours of service in a plan year are eligible to participate in the Plan. An employee begins vesting in the Plan after three years and is fully vested at the end of five years. CCS contributes 6% of its eligible employees' gross wages to the Plan. For the years ended June 30, 2020 and 2019, CCS contributed \$229,022 and \$191,659, respectively, to the Plan.

Note 15 - Related Party Transactions

During the years ended June 30, 2020 and 2019, CCS received cash donations of \$105,348 and \$103,211, respectively, and in-kind rent of \$178,416 and \$163,890, respectively, from the Diocese. In addition, CCS reimburses the Diocese for costs of insurance and certain employee benefits as these costs are incurred by the Diocese.

During the years ended June 30, 2020 and 2019, CCS recorded revenue of \$726,813 and \$869,606, respectively, as a sub-recipient of federal grant awards made by the United States Conference of Catholic Bishops (USCCB). At June 30, 2020 and 2019, \$55,886 and \$128,163, respectively, is recorded as receivable from USCCB.

CFU and CCS are both affiliates of the Diocese. CFU raises and holds contributions for CCS and other local affiliates of the Diocese. At June 30, 2020 and 2019, CCS has recorded its interest in the net assets of CFU totaling \$5,674,718 and \$5,591,616, respectively, relating to funds transferred to CFU over which CFU has not been granted variance power. CCS has not recorded any unconditional promises to give from CFU at June 30, 2020 and 2019.

Note 16 - Subsequent Events

CCS has evaluated subsequent events through September 15, 2020, the date the financial statements were available to be issued.

General Operations

Before and subsequent to year-end, the outbreak of the novel Coronavirus pandemic, or Covid-19, has significantly increased risk and uncertainties in the global economy including the community in which CCS operates. As a result, CCS could potentially see reductions in public donations and government contracts coupled with an increased demand for certain of CCS' services. A significant loss of funding could require CCS to respond with changes in its operations including reductions of personnel or reductions to services provided. CCS is closely monitoring the pandemic and its effects on the organization and the community on an ongoing basis. The ultimate financial effect of Covid-19 on CCS is currently under evaluation.

Investments

Before and subsequent to year-end, the United States and global markets experienced significant volatility resulting from uncertainty caused by the world-wide coronavirus pandemic. CCS is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. CCS' financial statements do not include additional adjustments to fair value that have resulted subsequent to year-end.

Homeless Resource Center Lease and Operations

Effective July 1, 2020 CCS is no longer leasing the Gail Miller Homeless Resource Center nor administrating the operations of that shelter. During the year ended June 30, 2020, the operations of this shelter accounted for approximately \$3,100,000 of revenue and expenses.



Supplementary Information and
Schedule of Expenditures of Federal Awards and Reports
Required by Government Auditing Standards and the
Uniform Guidance
June 30, 2020

Catholic Community Services of Utah

Catholic Community Services of Utah
Combining Schedule of Functional Expenses
Year Ended June 30, 2020

	Migration Refugee Services															Total	
	Reception and Placement	Match Grant	TANF	Preferred Communities	Health Screening Services	Refugee Preventative Health	Refugee Youth Coordinator	Refugee Foster Care	Unaccompanied Refugee Minor	Immigration Services	Citizen Integration Services	Sharehouse Operations	Victims of Crimes Act	Utah Bar Fund			
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Communications	1,490	2,149	7,364	1,581	799	211	649	21,298	2	7,259	2,772	375	476	391		46,816	
Conferences and meetings	1,891	575	749	490	195	65	1,663	9,952	19	661	131	-	17	-		16,408	
Depreciation and amortization	3,457	14,090	9,604	3,577	4,029	920	2,889	16,206	6	4,781	1,592	133	-	815		62,099	
Dues and subscriptions	1,321	767	925	395	385	44	696	5,034	-	4,232	318	180	756	49		15,102	
Events	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	
Insurance	156	275	1,473	279	214	33	123	1,423	-	3,276	186	300	3,281	2,037		13,056	
Interest expense	307	53	153	53	18	1	19	128	2	333	1	-	-	60		1,128	
Miscellaneous	485	-	-	30	9	-	-	726	-	611	-	-	-	-		1,861	
Participant assistance	123,172	149,128	-	-	211	-	1,047	322,940	14,100	69	-	-	-	-		610,667	
Participant assistance (in-kind)	28,581	43,009	18,096	398	-	-	1,066	13,728	-	-	-	-	-	-		104,878	
Professional fees	3,755	3,618	2,333	1,129	887	796	1,462	666,159	-	850	-	-	330	-		681,319	
Rent	44,248	8,717	-	-	-	-	-	845	-	-	-	-	500	-		54,310	
Repairs and maintenance	3,954	6,214	17,460	6,914	5,637	1,734	3,021	44,287	-	9,252	3,884	290	816	140		103,603	
Salaries, benefits and taxes	163,040	148,645	337,070	126,021	98,388	24,020	65,406	961,044	11,842	161,010	63,489	35,204	39,303	36,038		2,270,520	
Subcontractors	-	-	-	-	-	-	-	524,436	-	-	-	-	-	-		524,436	
Supplies	1,621	1,396	2,038	991	450	210	994	8,863	-	2,057	397	408	31	73		19,469	
Transportation	3,083	3,486	5,185	2,937	2,425	397	214	56,335	5	12	548	1,848	-	-		76,475	
Utilities	2,137	2,907	7,031	2,076	1,374	472	834	10,722	-	3,218	1,344	-	346	-		32,461	
	<u>\$ 382,698</u>	<u>\$ 385,029</u>	<u>\$ 409,481</u>	<u>\$ 146,871</u>	<u>\$ 115,021</u>	<u>\$ 28,903</u>	<u>\$ 80,023</u>	<u>\$ 2,664,126</u>	<u>\$ 25,976</u>	<u>\$ 197,621</u>	<u>\$ 74,662</u>	<u>\$ 38,738</u>	<u>\$ 45,856</u>	<u>\$ 39,603</u>		<u>\$ 4,634,608</u>	

Catholic Community Services of Utah
Combining Schedule of Functional Expenses
Year Ended June 30, 2020

Homeless Services

	St. Vincent de Paul Dining	Evening Meal Service	Weigand Center	Gail Miller Resource Center	Total
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -
Communications	883	4,957	2,529	9,977	18,346
Conferences and meetings	867	4,669	2,822	3,386	11,744
Depreciation and amortization	18,654	151,823	17,261	11,953	199,691
Dues and subscriptions	1,059	1,088	1,098	3,147	6,392
Events	-	-	-	-	-
Insurance	762	4,585	5,091	175	10,613
Interest expense	53	218	187	-	458
Miscellaneous	11	29	25	106	171
Participant assistance	4,051	24,578	7,478	2,883	38,990
Participant assistance (In-kind)	99,353	683,332	366,358	76,567	1,225,610
Professional fees	5,202	22,637	206,242	320,379	554,460
Rent	10,929	69,202	75,701	749,346	905,178
Repairs and maintenance	13,327	89,438	23,578	23,201	149,544
Salaries, benefits and taxes	276,091	585,204	426,296	1,856,374	3,143,965
Subcontractors	-	-	-	-	-
Supplies	3,916	45,962	5,467	42,680	98,025
Transportation	1,846	14,807	273	9,636	26,562
Utilities	5,050	38,766	30,267	-	74,083
Total	\$ 442,054	\$ 1,741,295	\$ 1,170,673	\$ 3,109,810	\$ 6,463,832

Catholic Community Services of Utah
Combining Schedule of Functional Expenses
Year Ended June 30, 2020

	Catholic Community Services of Northern Utah
Bad debt expense	\$ -
Communications	9,635
Conferences and meetings	3,541
Depreciation and amortization	146,367
Dues and subscriptions	2,987
Events	-
Insurance	26,410
Interest expense	325
Miscellaneous	10,566
Participant assistance	12,384
Participant assistance (in-kind)	5,271,455
Professional fees	34,351
Rent	8,811
Repairs and maintenance	39,003
Salaries, benefits and taxes	493,636
Subcontractors	-
Supplies	23,020
Transportation	32,585
Utilities	54,899
Total	\$ 6,169,975



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

The Board of Trustees
Catholic Community Services of Utah
Salt Lake City, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Catholic Community Services of Utah, which comprise the statement of financial position as of June 30, 2020, 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 September 15, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Catholic Community Services of Utah's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Catholic Community Services of Utah's internal control. Accordingly, we do not express an opinion on the effectiveness of Catholic Community Services of Utah's internal control.

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

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

Compliance and Other Matters

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

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.

Handwritten signature of Erik Bailly LLP in cursive script.

Salt Lake City, Utah
September 15, 2020



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Trustees
Catholic Community Services of Utah
Salt Lake City, Utah

Report on Compliance for Each Major Federal Program

We have audited Catholic Community Services of Utah's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Catholic Community Services of Utah's major federal programs for the year ended June 30, 2020. Catholic Community Services of Utah's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Catholic Community Services of Utah's compliance.

Opinion on Each Major Federal Program

In our opinion, Catholic Community Services of Utah's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major federal program is not modified with respect to this matter.

Catholic Community Services of Utah's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Catholic Community Services of Utah's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

Catholic Community Services of Utah's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Catholic Community Services of Utah's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Eide Bailly LLP

Salt Lake City, Utah
September 15, 2020

Catholic Community Services of Utah
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Health & Human Services			
Passed through Utah State Department of Workforce Services			
Refugee and Entrant Assistance - Refugee Foster Care	93.566	116191	\$ 2,827,651
Refugee and Entrant Assistance - ORR	93.566	136284	202,560
Temporary Assistance for Needy Families (TANF)	93.558	136284	420,727
Passed through Utah State Department of Health			
Refugee and Entrant Assistance - Refugee Health Screening	93.566	156237	99,644
Refugee and Entrant Assistance - Refugee Health Promotion	93.576	126222	22,106
Passed through United States Conference of Catholic Bishops			
Refugee and Entrant Assistance - Match Grant Program	93.567	Unavailable	272,152
Refugee and Entrant Assistance - Preferred Communities	93.576	Unavailable	155,805
Refugee and Entrant Assistance - International Social Service	93.579	Unavailable	416
Subtotal for US Department of Health & Human Services			<u>4,001,061</u>
U.S. Department of Housing and Urban Development			
Passed through Salt Lake City Corporation			
Emergency Solutions Grants - Weigand Resource Center	14.231		30,000
Subtotal for U.S. Department of Housing & Urban Development			<u>30,000</u>
U.S. Department of State			
Passed through United States Conference of Catholic Bishops			
Refugee Admissions - R&P - Program Administration	19.510	Unavailable	116,165
Refugee Admissions - R&P - Direct Assistance	19.510	Unavailable	79,022
Refugee Admissions - R&P - Flex Funds	19.510	Unavailable	23,730
Refugee Admissions - R&P - POWR	19.510	Unavailable	21,399
Refugee Admissions - R&P - URM	19.510	Unavailable	27,100
Subtotal for U.S. Department of State			<u>267,416</u>
U.S. Department of Justice			
Passed through United States Conference of Catholic Bishops			
Juvenile Mentoring Program	16.726	2015-JU-FX-0013	31,024
Utah Office for Victims of Crimes	16.575	Unavailable	36,870
Subtotal for U.S. Department of Justice			<u>67,894</u>

Catholic Community Services of Utah
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
<u>U.S. Department of Homeland Security</u>			
Passed through Office of US Citizen & Immigration Services			
Citizenship Education and Training - English Skills Learning Ctr	97.010	20U-CS-010-000007	\$ 30,333
FEMA - Emergency Food and Shelter Program - Northern Utah	97.024	Unavailable	<u>30,500</u>
Subtotal for U.S. Federal Emergency Management Agency			<u>60,833</u>
<u>U.S. Department of Agriculture</u>			
Passed through Utah Food Bank			
Food Distribution Cluster - Emergency Food Assistance Program - Northern Utah Food Distribution	10.568	TEFAP 01-15	<u>1,678,046</u>
Subtotal for US Department of Agriculture			<u>1,678,046</u>
Total Federal Expenditures			<u>\$ 6,105,250</u>

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	No
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	Yes

Identification of Major Programs

Name of Federal Program	CFDA Number
Refugee and Entrant Assistance	93.566
Food Distribution Cluster - Emergency Food Assistance Program	10.568
Dollar threshold used to distinguish between type A and type B programs	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

2020-001 U.S. Department of Agriculture; Utah Food Bank
CFDA # 10.568,TEFAP 01-15 2019-2020
Food Distribution Cluster – Emergency Food Assistance

Eligibility

**Significant Deficiency in Internal Control over Compliance;
Immaterial Instance of Noncompliance**

Criteria: The organization is required to maintain documentation relating to the eligibility of participants in the USDA program.

Condition: The organization stopped maintaining documentation for new program participants after the coronavirus pandemic began.

Cause: At the time of the pandemic, the organization was able to change the way it documented participant eligibility, but the organization did not correctly apply the new requirements.

Effect: New program participants may not have been eligible for the program.

Questioned Costs: None reported.

Context/Sampling: A nonstatistical sample of 60 participants out of approximately 5,000 participants were selected for eligibility testing. The eligibility of 6 of the selected participants cannot be verified because the organization did not retain the eligibility documentation.

Repeat Finding from Prior Year(s): No.

Recommendation: The organization should maintain documentation of eligibility for all program participants.

Views of Responsible Officials: The organization is in agreement.

