



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

June 30, 2021 and 2020

Catholic Community Services Of Utah

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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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 25 through 27 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 10, 2021, 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 10, 2021

Catholic Community Services of Utah

Statements of Financial Position

June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,470,025	\$ 3,075,467
Accounts receivable	63,053	115,108
Promises to give and grants receivable, net	1,211,395	938,454
Inventory, net	964,003	426,888
Prepaid expenses and other assets	139,611	234,079
Total current assets	3,848,087	4,789,996
Investments, Including Amounts Restricted to Long-Term Purposes (Note 3)	3,658,094	6,640,463
Property and Equipment, Net (Note 6)	12,115,778	7,415,501
Beneficial Interest in Assets Held by Catholic Foundation of Utah	8,890,257	5,674,718
Total assets	\$ 28,512,216	\$ 24,520,678
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 533,493	\$ 221,711
Accrued expenses and other liabilities	506,964	476,250
Advances and deposits	-	111,792
Current portion of capital lease payable	14,010	14,512
Total current liabilities	1,054,467	824,265
Long-Term Liabilities		
Capital lease payable, less current portion	-	14,010
Paycheck Protection Program loan	-	713,700
Total liabilities	1,054,467	1,551,975
Net Assets		
Without donor restrictions		
Undesignated	1,688,729	2,147,967
Invested in endowments	7,540,276	4,526,953
Invested in investments	3,513,077	3,160,272
Invested in property and equipment	12,101,768	7,386,979
	24,843,850	17,222,171
With donor restrictions (Note 12)	2,613,899	5,746,532
Total net assets	27,457,749	22,968,703
Total liabilities and net assets	\$ 28,512,216	\$ 24,520,678

Catholic Community Services of Utah

Statement of Activities
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Public support			
Private donors	\$ 4,235,159	\$ 62,859	\$ 4,298,018
Gross special events revenue	588,845	-	588,845
Less cost of direct benefit to donors	(22,169)	-	(22,169)
Net special events revenue	566,676	-	566,676
In-kind donations	7,869,398	-	7,869,398
Total public support	12,671,233	62,859	12,734,092
Grants and contracts	6,280,569	-	6,280,569
Program income	1,072,450	-	1,072,450
Rental income	14,000	-	14,000
Change in value of beneficial interest in assets held by Catholic Foundation of Utah	1,012,286	242,066	1,254,352
Net investment return	78,244	-	78,244
Other income	5,866	-	5,866
Net assets released from restrictions	3,437,558	(3,437,558)	-
Total revenue, support, and gains	24,572,206	(3,132,633)	21,439,573
Expenses and Losses			
Program services expenses			
Migration Refugee Services	5,139,937	-	5,139,937
Homeless Services	3,489,229	-	3,489,229
Catholic Community Services of Northern Utah	6,849,154	-	6,849,154
Total program services expenses	15,478,320	-	15,478,320
Supporting services expenses			
Management and general	1,145,947	-	1,145,947
Fundraising and development	303,451	-	303,451
Total supporting services expenses	1,449,398	-	1,449,398
Loss on disposal of property and equipment	22,809	-	22,809
Total expenses and losses	16,950,527	-	16,950,527
Change in Net Assets	7,621,679	(3,132,633)	4,489,046
Net Assets, Beginning of Year	17,222,171	5,746,532	22,968,703
Net Assets, End of Year	\$ 24,843,850	\$ 2,613,899	\$ 27,457,749

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	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	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	<u>\$ 17,222,171</u>	<u>\$ 5,746,532</u>	<u>\$ 22,968,703</u>

Catholic Community Services of Utah
Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services			Total	Management and General	Fundraising and Development	Total
	Migration Refugee Services	Homeless Services	Catholic Community Services of Northern Utah				
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,174	\$ 5,174
Communications	52,263	12,535	14,122	78,920	15,548	6,391	100,859
Conferences and meetings	17,395	4,028	4,524	25,947	10,379	669	36,995
Depreciation and amortization	69,539	169,717	141,731	380,987	55,302	12,000	448,289
Dues and subscriptions	16,417	2,254	1,796	20,467	5,289	2,223	27,979
Events	-	-	-	-	-	46,702	46,702
Insurance	29,449	11,458	18,625	59,532	3,506	830	63,868
Interest expense	578	272	212	1,062	147	2	1,211
Miscellaneous	1,086	18,656	395	20,137	1,144	8,697	29,978
Participant assistance	633,761	146,455	33,145	813,361	-	-	813,361
Participant assistance (in-kind)	143,839	1,209,385	5,734,789	7,088,013	798	180	7,088,991
Professional fees	620,324	242,745	35,666	898,735	76,397	3,106	978,238
Rent	48,010	178,416	122,118	348,544	456	-	349,000
Repairs and maintenance	97,198	88,740	59,349	245,287	44,164	5,568	295,019
Salaries, benefits and taxes	2,803,637	1,265,945	566,818	4,636,400	912,578	220,605	5,769,583
Subcontractors	503,256	-	-	503,256	-	-	503,256
Supplies	20,773	42,032	33,610	96,415	9,557	11,444	117,416
Transportation	47,652	12,450	41,561	101,663	745	164	102,572
Utilities	34,760	84,141	40,693	159,594	9,937	1,865	171,396
	5,139,937	3,489,229	6,849,154	15,478,320	1,145,947	325,620	16,949,887
Less expenses included with revenues on the statement of activities							
Cost of direct benefit to donors	-	-	-	-	-	(22,169)	(22,169)
Total functional expenses	<u>\$ 5,139,937</u>	<u>\$ 3,489,229</u>	<u>\$ 6,849,154</u>	<u>\$ 15,478,320</u>	<u>\$ 1,145,947</u>	<u>\$ 303,451</u>	<u>\$ 16,927,718</u>

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

	Program Services			Total	Management and General	Fundraising and Development	Total
	Migration Refugee Services	Homeless Services	Catholic Community Services of Northern Utah				
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	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
	4,634,608	6,463,832	6,169,975	17,268,415	1,173,134	391,558	18,833,107
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>

Catholic Community Services of Utah

Statements of Cash Flows

Years Ended June 30, 2021 and 2020

	2021	2020
Operating Activities		
Change in net assets	\$ 4,489,046	\$ 4,253,049
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	448,289	465,896
Change in beneficial interest in assets held by others	(1,254,352)	(114,997)
Net investment return	(78,244)	(174,194)
Contributions restricted to building projects	(1,777,088)	(2,851,482)
Loss on disposal of property and equipment	22,809	2,280
Loan forgiveness - grant revenue	(713,700)	-
Changes in operating assets and liabilities		
Accounts receivable	52,055	(111,578)
Promises to give and grants receivable	(272,941)	475,681
Inventory	(537,115)	81,372
Prepaid expenses and other assets	94,468	(93,310)
Accounts payable	311,782	(227,848)
Accrued expenses and other liabilities	30,714	87,579
Advances and deposits	(111,792)	-
Net Cash from Operating Activities	703,931	1,792,448
Investing Activities		
Purchases of property and equipment	(5,173,863)	(1,832,535)
Proceeds from sale of fixed assets	2,488	50,657
Transfers to board-designated endowment	(2,001,035)	(2,500)
Proceeds from beneficial interest in assets held by Catholic Foundation of Utah	39,848	34,395
Purchase of investments	3,060,613	(2,166,110)
Net Cash used for Investing Activities	(4,071,949)	(3,916,093)
Financing Activities		
Collections of contributions restricted to building projects	1,777,088	2,851,482
Net borrowings on Paycheck Protection Program loan	-	713,700
Principal payments on capital lease payable	(14,512)	(13,746)
Net Cash from Financing Activities	1,762,576	3,551,436
Net Change in Cash and Cash Equivalents	(1,605,442)	1,427,791
Cash and Cash Equivalents, Beginning of Year	3,075,467	1,647,676
Cash and Cash Equivalents, End of Year	\$ 1,470,025	\$ 3,075,467
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 1,210	\$ 2,503
Supplemental Disclosure of Non-Cash Investing and Financing Activity		
Forgiveness of Paycheck Protection Program loan	\$ (713,700)	\$ -

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.

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, 2021 and 2020.

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 resulting 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, 2021 and 2020.

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, 2021 and 2020. Accounts receivables at June 30, 2021 and 2020 total \$63,053 and \$115,108, respectively. Accounts receivable at July 1, 2019 totaled \$3,530.

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, 2021 and 2020, conditional contributions approximating \$3,576,000 and \$5,635,000, respectively, 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.

Subsequent Events

CCS has evaluated subsequent events through September 10, 2021, the date the financial statements were available to be issued.

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:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 351,124	\$ 1,956,891
Accounts receivable	63,053	115,108
Promises to give and grants receivable, net	<u>1,211,395</u>	<u>938,454</u>
	<u>\$ 1,625,572</u>	<u>\$ 3,010,453</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 \$7,540,276 and \$4,526,953 at June 30, 2021 and 2020, respectively (Note 11). At June 30, 2021 and 2020, CCS also has \$3,658,094 and \$6,640,463, respectively, invested with investment firms and financial institutions deemed qualified by the Board (Note 3). Of this amount, \$145,018 and \$3,480,191, respectively, is restricted to long-term purposes for facilities and \$3,513,076 and \$3,160,272, 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.

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.

Catholic Community Services of Utah

Notes to Financial Statements

June 30, 2021 and 2020

The following table presents assets measured at fair value on a recurring basis at June 30, 2021:

	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	\$ 8,890,257	\$ -	\$ -	\$ 8,890,257
Investments				
Cash and equivalents (at cost)	2,049,370	-	-	-
Certificates of deposit (at cost)	1,608,724	-	-	-
	<u>3,658,094</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 12,548,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,890,257</u>

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>

Catholic Community Services of Utah

Notes to Financial Statements

June 30, 2021 and 2020

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, 2021:

	Beneficial Interest in Assets Held by CFU
Balance at June 30, 2020	\$ 5,674,718
Purchases/contributions of investments	2,001,035
Investment return, net	1,254,352
Distributions	(39,848)
Balance at June 30, 2021	\$ 8,890,257

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:

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

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, 2021 and 2020:

	2021	2020
State of Utah - various	\$ 647,636	\$ 771,129
United States Conference of Catholic Bishops	55,646	55,886
Utah Bar Foundation	-	40,000
Catholic Charities USA	47,934	5,798
Salt Lake City Corporation - various	183,564	24,554
Other	296,615	61,087
Less estimated uncollectible amounts	(20,000)	(20,000)
	\$ 1,211,395	\$ 938,454

Catholic Community Services of Utah

Notes to Financial Statements

June 30, 2021 and 2020

Note 5 - Inventory

Inventory consists of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Food and consumables inventory	\$ 981,010	\$ 444,944
Allowance for perishable food	(23,049)	(23,049)
Supplies	6,042	4,993
	<u>\$ 964,003</u>	<u>\$ 426,888</u>

Note 6 - Property and Equipment

Property and equipment consists of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Land	\$ 1,250,468	\$ 1,250,468
Buildings and improvements	11,229,841	6,069,140
Leasehold improvements	531,867	531,867
Equipment	1,645,027	1,631,135
Autos and trucks	936,768	912,121
Computer equipment	318,610	302,233
Furniture and fixtures	41,480	41,480
Software	153,563	63,424
Construction in progress	-	176,175
	<u>16,107,624</u>	<u>10,978,043</u>
Less accumulated depreciation and amortization	<u>(3,991,846)</u>	<u>(3,562,542)</u>
	<u>\$ 12,115,778</u>	<u>\$ 7,415,501</u>

During the year ended June 30, 2021, CCS completed renovations of the Catholic Community Services of Northern Utah center, 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, 2021 and 2020, there were no borrowings on the line of credit. The line of credit is available until December 5, 2021. 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 - Paycheck Protection Program (PPP) Loan

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. CCS initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions, that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. CCS has recognized \$713,700 as grant revenue for the year ended June 30, 2021.

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, 2025, 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>
2022	\$ 14,391	\$ 18,540
2023	-	19,096
2024	-	19,669
2025	-	20,259
Total minimum lease payments	14,391	<u>\$ 77,564</u>
Less amount representing interest	<u>(381)</u>	
Capital lease obligation	<u>\$ 14,010</u>	

Rent expense for the years ended June 30, 2021 and 2020, totaled \$348,999 and \$978,416, respectively. At June 30, 2021 and 2020, leased property under capital lease totals \$43,380 and \$43,380, respectively, with associated accumulated amortization of \$27,222 and \$14,460, 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, 2021 and 2020, CCS has recorded \$1,349,981 and \$1,147,765, 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, 2021 and 2020, 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, 2021 and 2020, CCS transferred \$2,001,500 and \$2,500, respectively, to CFU in a 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, 2021 and 2020, CCS recorded gains of \$1,254,352 and \$114,997, respectively, as change in interest in the net assets of CFU. During the years ended June 30, 2021 and 2020, \$39,848 and \$34,395, respectively, was appropriated and received in cash by CCS.

Catholic Community Services of Utah

Notes to Financial Statements

June 30, 2021 and 2020

CFU held other donor-restricted net assets to be held in perpetuity, with a value of approximately \$1,351,000 and \$1,132,000, respectively, at June 30, 2021 and 2020. 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, 2021 and 2020.

At June 30, 2021, endowment net asset composition by type of fund is as follows:

	Without Donor Restriction	With Donor Restriction	Total
Board-designated endowment funds	\$ 7,540,276	\$ -	\$ 7,540,276
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	-	349,981	349,981
	\$ 7,540,276	\$ 1,349,981	\$ 8,890,257

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

Catholic Community Services of Utah

Notes to Financial Statements

June 30, 2021 and 2020

Changes in endowment net assets for the year ended June 30, 2021, are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Beneficial interest in assets held by CFU, beginning of year	\$ 4,526,950	\$ 1,147,768	\$ 5,674,718
Investment return, net	1,012,286	242,066	1,254,352
Contributions	2,001,035	-	2,001,035
Appropriation of endowment assets pursuant to spending-rate policy	-	(39,848)	(39,848)
Beneficial interest in assets held by CFU, end of year	\$ 7,540,271	\$ 1,349,986	\$ 8,890,257

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

	Without Donor Restriction	With Donor Restriction	Total
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	-	(34,395)	(34,395)
Beneficial interest in assets held by CFU, end of year	\$ 4,526,950	\$ 1,147,768	\$ 5,674,718

Catholic Community Services of Utah

Notes to Financial Statements

June 30, 2021 and 2020

Note 12 - Net Assets with Donor Restrictions

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

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose		
Homeless Services - capital needs	\$ 111,011	\$ 119,686
Northern Utah - capital needs	34,006	3,360,505
Northern Utah - operations and client assistance	749,834	750,024
St. Marthas - operations and program supplies	100,954	102,660
MRS - staff sustainability	66,244	66,244
Homeless Services - client assistance	39,574	59,395
MRS program supplies	19,911	24,817
MRS client assistance	33,973	50,544
Immigration	3,200	-
Technology upgrades	55,929	-
Other	49,282	64,892
Endowment fund earnings subject to spending policy or appropriation - St Vincent de Paul Center (held by CFU)	349,981	147,765
Endowment fund to be held in perpetuity Beneficial interest in assets held by CFU	<u>1,000,000</u>	<u>1,000,000</u>
	<u>\$ 2,613,899</u>	<u>\$ 5,746,532</u>

Note 13 - Donated Professional Services and Materials

CCS received donated materials and professional services as follows during the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Food and consumables	\$ 7,005,795	\$ 5,826,956
Clothing and furnishings	570,130	659,183
Rent	244,340	964,471
Other	49,133	43,403
	<u>\$ 7,869,398</u>	<u>\$ 7,494,013</u>

Related expenses included in the statements of activities total \$7,333,331 and \$7,572,864 for the years ended June 30, 2021 and 2020, 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, 2021 and 2020, CCS contributed \$215,164 and \$229,022, respectively, to the Plan.

Note 15 - Related Party Transactions

During the years ended June 30, 2021 and 2020, CCS received cash donations of \$102,494 and \$105,348, respectively, and in-kind rent of \$178,416 and \$178,416, 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, 2021 and 2020, CCS recorded revenue of \$673,612 and \$726,813, respectively, as a sub-recipient of federal grant awards made by the United States Conference of Catholic Bishops (USCCB). At June 30, 2021 and 2020, \$55,646 and \$55,886, 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, 2021 and 2020, CCS has recorded its interest in the net assets of CFU totaling \$8,890,257 and \$5,674,718, 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, 2021 and 2020.

Note 16 - Homeless Resource Center

During the year ended June 30, 2020, CCS operated the Gail Miller Homeless Resource Center (GMHRC) as part of its homeless services program. 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, 2021

Catholic Community Services of Utah

Catholic Community Services of Utah
Combining Schedule of Functional Expenses
Year Ended June 30, 2021

	Migration Refugee Services														
	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	Total
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Communications	1,089	1,643	3,900	1,491	1,550	536	730	26,583	1	8,547	2,196	414	1,581	2,002	52,263
Conferences and meetings	463	323	504	177	912	-	196	14,041	-	205	-	90	484	-	17,395
Depreciation and amortization	2,197	16,139	10,097	3,513	4,786	1,102	2,923	18,075	5	5,416	2,140	402	-	2,744	69,539
Dues and subscriptions	582	794	838	195	291	92	455	9,919	-	2,247	382	18	553	51	16,417
Events	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	407	637	4,822	671	636	-	310	3,870	-	11,593	457	-	3,055	2,991	29,449
Interest expense	26	18	100	40	24	-	1	100	-	176	-	-	-	93	578
Miscellaneous	-	5	-	5	-	-	-	-	-	1,032	-	44	-	-	1,086
Participant assistance	63,991	87,911	49,083	44,826	265	-	58	386,712	-	(85)	-	-	-	1,000	633,761
Participant assistance (in-kind)	16,118	37,328	59,497	971	-	-	4,314	25,611	-	-	-	-	-	-	143,839
Professional fees	3,474	3,241	8,687	7,227	3,766	300	2,570	584,748	-	3,797	480	-	1,250	784	620,324
Rent	7,300	8,245	8,270	-	-	-	-	18,445	-	-	-	-	5,750	-	48,010
Repairs and maintenance	2,246	1,676	19,391	1,922	1,793	1,500	7,776	36,477	-	12,609	2,200	5	4,191	5,412	97,198
Salaries, benefits and taxes	83,874	112,149	399,221	156,984	146,741	28,114	79,918	1,374,628	-	149,557	72,844	42,650	71,767	85,190	2,803,637
Subcontractors	-	-	-	-	-	-	-	465,611	-	-	-	-	-	37,645	503,256
Supplies	3,180	692	5,286	2,123	690	482	699	5,978	-	642	318	-	646	37	20,773
Transportation	1,022	1,163	6,138	2,558	3,703	371	88	31,588	-	-	-	1,012	9	-	47,652
Utilities	2,229	3,045	6,142	2,081	1,910	541	1,301	12,181	-	2,694	1,394	-	156	1,086	34,760
	<u>\$ 188,198</u>	<u>\$ 275,009</u>	<u>\$ 581,976</u>	<u>\$ 224,784</u>	<u>\$ 167,067</u>	<u>\$ 33,038</u>	<u>\$ 101,339</u>	<u>\$ 3,014,567</u>	<u>\$ 6</u>	<u>\$ 198,430</u>	<u>\$ 82,411</u>	<u>\$ 44,635</u>	<u>\$ 89,442</u>	<u>\$ 139,035</u>	<u>\$ 5,139,937</u>

Catholic Community Services of Utah
Combining Schedule of Functional Expenses
Year Ended June 30, 2021

	Homeless Services		
	St. Vincent de Paul Dining	Weigand Center	Total
Bad debt expense	\$ -	\$ -	\$ -
Communications	8,209	4,326	12,535
Conferences and meetings	3,067	961	4,028
Depreciation and amortization	152,148	17,569	169,717
Dues and subscriptions	1,657	597	2,254
Events	-	-	-
Insurance	6,495	4,963	11,458
Interest expense	144	128	272
Miscellaneous	18,634	22	18,656
Participant assistance	145,054	1,401	146,455
Participant assistance (in-kind)	800,866	408,519	1,209,385
Professional fees	8,170	234,575	242,745
Rent	78,432	99,984	178,416
Repairs and maintenance	65,547	23,193	88,740
Salaries, benefits and taxes	792,035	473,910	1,265,945
Subcontractors	-	-	-
Supplies	37,450	4,582	42,032
Transportation	12,205	245	12,450
Utilities	50,888	33,253	84,141
Total	<u>\$ 2,181,001</u>	<u>\$ 1,308,228</u>	<u>\$ 3,489,229</u>

Catholic Community Services of Utah
Combining Schedule of Functional Expenses
Year Ended June 30, 2021

	Catholic Community Services of Northern Utah
	\$
Bad debt expense	-
Communications	14,122
Conferences and meetings	4,524
Depreciation and amortization	141,731
Dues and subscriptions	1,796
Events	-
Insurance	18,625
Interest expense	212
Miscellaneous	395
Participant assistance	33,145
Participant assistance (in-kind)	5,734,789
Professional fees	35,666
Rent	122,118
Repairs and maintenance	59,349
Salaries, benefits and taxes	566,818
Subcontractors	-
Supplies	33,610
Transportation	41,561
Utilities	40,693
	\$ 6,849,154
Total	



**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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 10, 2021.

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) 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 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Salt Lake City, Utah
September 10, 2021



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

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

Report on Compliance for the 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 the Catholic Community Services of Utah's major federal program for the year ended June 30, 2021. Catholic Community Services of Utah's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and 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 the major federal program. However, our audit does not provide a legal determination of Catholic Community Services of Utah's compliance.

Opinion on the 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 its major federal program for the year ended June 30, 2021.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Salt Lake City, Utah
September 10, 2021

Catholic Community Services of Utah
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
<u>U.S. Department of Health & Human Services</u>			
Passed through Utah State Department of Workforce Services			
Refugee and Entrant Assistance - Refugee Foster Care	93.566	116191	\$ 3,218,054
Refugee and Entrant Assistance - ORR	93.566	136284	70,549
Temporary Assistance for Needy Families (TANF)	93.558	136284	79,431
Passed through Utah State Department of Health			
Refugee and Entrant Assistance - Refugee Health Screening	93.566	156237	136,959
Refugee and Entrant Assistance - Refugee Health Promotion	93.576	126222	40,822
Passed through United States Conference of Catholic Bishops			
Refugee and Entrant Assistance - Match Grant Program	93.567	Unavailable	241,580
Refugee and Entrant Assistance - Preferred Communities	93.576	Unavailable	<u>243,426</u>
Subtotal for U.S. Department of Health & Human Services			<u>4,030,821</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through Salt Lake City Corporation			
Community Development Block Grants - Weigand Resource Ctr	14.218	Unavailable	47,000
Community Development Block Grants - SVDP Training Kitchen	14.218	Unavailable	3,965
Emergency Solutions Grants - Weigand Extended Hours	14.231	Unavailable	120,785
Emergency Solutions Grants - Weigand Resource Center	14.231	Unavailable	<u>53,394</u>
Subtotal for U.S. Department of Housing & Urban Development			<u>225,144</u>
<u>U.S. Department of State</u>			
Passed through United States Conference of Catholic Bishops			
Refugee Admissions - R&P - Program Administration	19.510	Unavailable	73,261
Refugee Admissions - R&P - TVAP	93.598	Unavailable	3,313
Refugee Admissions - R&P - Direct Assistance	19.510	Unavailable	38,980
Refugee Admissions - R&P - Flex Funds	19.510	Unavailable	<u>7,017</u>
Subtotal for U.S. Department of State			<u>122,571</u>
<u>U.S. Department of Justice</u>			
Passed through United States Conference of Catholic Bishops			
Juvenile Mentoring Program	16.726	2015-JU-FX-0013	66,035
Utah Office for Victims of Crimes	16.575	Unavailable	<u>58,138</u>
Subtotal for U.S. Department of Justice			<u>124,173</u>

Catholic Community Services of Utah
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
<u>U.S. Federal Emergency Management Agency</u>			
Passed through Emergency Food and Shelter Program Emergency Food and Shelter - Northern Utah	97.114	Unavailable	<u>26,135</u>
Subtotal for U.S. Federal Emergency Management Agency			<u>26,135</u>
<u>U.S. Department of Treasury</u>			
Passed through Utah Bar Foundation Coronavirus Relief Fund - Immigration	21.019	Unavailable	16,537
Passed through Weber County Coronavirus Relief Fund - Northern Utah Food Distribution	21.019	Unavailable	167,000
Passed through Utah Dept of Heritage and Arts Grants to States - Migration and Refugee Placement	45.310	Unavailable	<u>51,446</u>
Subtotal for U.S. Department of Agriculture			<u>234,983</u>
<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	<u>39,277</u>
Subtotal for U.S. Federal Emergency Management Agency			<u>39,277</u>
<u>U.S. Department of Agriculture</u>			
Passed through Utah Food Bank Food Distribution Cluster - Emergency Food Assistance Emergency Food Assistance Program - Northern Utah	10.568	TEFAP 01-15	<u>776,430</u>
Subtotal for U.S. Department of Agriculture			<u>776,430</u>
Total federal expenditures			<u>\$ 5,579,534</u>

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Catholic Community Services of Utah (CSS) under programs of the federal government for the year ended June 30, 2021. The information is presented in accordance with 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 CCS, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of CCS.

Note B - 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. No federal financial assistance has been provided to a subrecipient.

Note C - Indirect Cost Rate

CCS has elected to use the 10% de minimis cost rate.

Note D – Food Donation

Nonmonetary assistance is reported in the Schedule at the fair market value of commodities received and disbursed. Federal awards in the form of commodities consist of food that is valued at a rate set by the Board based on a nationally established price, which was \$1.58 per pound for the year ended June 30, 2021. This price is used by CCS in valuing all food donations received. At June 30, 2021, CCS had food commodities from federal sources totaling \$312,588 in inventory.

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	Yes
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	No
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	No

Identification of Major Programs

Name of Federal Program	CFDA Number
Refugee and Entrant Assistance	93.566
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

**2021 – 001 Financial Statement Adjustments
 Significant Deficiency**

Criteria: CCS should have policies and procedures in place to ensure that the general ledger accounts are properly reconciled and adjusted. In addition, these policies and procedures should encompass the preparation of the organization’s financial statements.

Condition: In connection with the audit procedures performed, certain accounts were not properly reconciled. Adjustments were required to the year-end general ledger accounts. The organization’s system of internal control did not include complete controls over the preparation of a full set of financial statements.

Cause: CCS’ internal control system and its year-end process did not detect all necessary adjustments. With respect to the preparation of the financial statements, the organization’s internal control system is not designed to provide for the full preparation of the financial statements being audited.

Effect: Adjustments were required to properly state certain general ledger account balances. The classifications and disclosures in the consolidated financial statements could be incomplete or incorrect and not be detected by management.

Recommendation: CCS should strengthen its year-end process to ensure the proper closing of account balances. CCS’ internal control system does not provide for the preparation of a complete set of financial statements is not unusual for an organization of this size. We recommend that CCS evaluate the benefits and expenses of including this element into the organizations system of internal control.

Views of Responsible Officials: Management agrees with this finding.

Section III – Federal Award Findings and Questioned Costs

None