



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

June 30, 2022 and 2021

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 Audit of the Financial Statements

Opinion

We have audited the financial statements of Catholic Community Services of Utah, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Catholic Community Services of Utah as of June 30, 2022 and 2021, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Catholic Community Services of Utah's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Catholic Community Services of Utah's ability to continue as a going concern for a reasonable period of time.

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

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 and the accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes 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 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 28, 2022 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.

Eide Bailly LLP

Salt Lake City, Utah
September 28, 2022

Catholic Community Services of Utah
Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,746,633	\$ 1,325,008
Accounts receivable	4,777	63,053
Promises to give and grants receivable, net	1,402,174	1,211,395
Inventory, net	578,478	964,003
Prepaid expenses and other assets	201,262	139,611
Total current assets	3,933,324	3,703,070
Cash Restricted to Building Projects	3,161,220	145,017
Investments, Including Amounts Restricted to Long-Term Purposes (Note 3)	2,704,856	3,658,094
Property and Equipment, Net (Note 6)	13,648,185	12,115,778
Beneficial Interest in Assets Held by Catholic Foundation of Utah	7,859,030	8,890,257
Total assets	\$ 31,306,615	\$ 28,512,216
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 134,248	\$ 533,493
Accrued expenses and other liabilities	695,724	506,964
Current portion of capital lease payable	-	14,010
Total current liabilities	829,972	1,054,467
Total liabilities	829,972	1,054,467
Net Assets		
Without donor restrictions		
Undesignated	2,080,879	1,688,729
Invested in endowments	6,697,992	7,540,276
Invested in investments	2,543,636	3,513,077
Invested in property and equipment	13,648,185	12,101,768
	24,970,692	24,843,850
With donor restrictions (Note 12)	5,505,951	2,613,899
Total net assets	30,476,643	27,457,749
Total liabilities and net assets	\$ 31,306,615	\$ 28,512,216

Catholic Community Services of Utah

Statement of Activities
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Public support			
Private donors	\$ 3,263,888	\$ 3,654,916	\$ 6,918,804
Gross special events revenue	560,356	-	560,356
Less cost of direct benefit to donors	(57,810)	-	(57,810)
Net special events revenue	502,546	-	502,546
In-kind donations	6,786,243	-	6,786,243
Total public support	10,552,677	3,654,916	14,207,593
Grants and contracts	8,293,650	-	8,293,650
Program income	953,393	-	953,393
Rental income	34,951	-	34,951
Change in value of beneficial interest in assets held by Catholic Foundation of Utah	(843,005)	(146,908)	(989,913)
Net investment return	24,970	-	24,970
Other income	4,555	-	4,555
Net assets released from restrictions	615,956	(615,956)	-
Total revenue, support, and gains	19,637,147	2,892,052	22,529,199
Expenses and Losses			
Program services expenses			
Migration Refugee Services	8,049,656	-	8,049,656
Homeless Services	3,460,347	-	3,460,347
Catholic Community Services of Northern Utah	6,359,234	-	6,359,234
Total program services expenses	17,869,237	-	17,869,237
Supporting services expenses			
Management and general	1,250,490	-	1,250,490
Fundraising and development	390,578	-	390,578
Total supporting services expenses	1,641,068	-	1,641,068
Total expenses and losses	19,510,305	-	19,510,305
Change in Net Assets	126,842	2,892,052	3,018,894
Net Assets, Beginning of Year	24,843,850	2,613,899	27,457,749
Net Assets, End of Year	\$ 24,970,692	\$ 5,505,951	\$ 30,476,643

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

See Notes to Financial Statements

Catholic Community Services of Utah
Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services			Total	Management and General	Fundraising and Development	Total
	Migration Refugee Services	Homeless Services	Catholic Community Services of Northern Utah				
Bad debt expense	\$ 995	\$ -	\$ -	\$ 995	\$ -	\$ 10,326	\$ 11,321
Communications	97,031	12,859	23,127	133,017	12,702	6,752	152,471
Conferences and meetings	30,446	4,643	7,765	42,854	14,576	1,603	59,033
Depreciation and amortization	68,042	147,947	256,956	472,945	50,658	14,347	537,950
Dues and subscriptions	27,875	3,669	4,460	36,004	5,565	3,000	44,569
Events	-	-	-	-	-	85,398	85,398
Insurance	44,648	12,044	23,564	80,256	4,219	871	85,346
Interest expense	182	85	56	323	591	2	916
Miscellaneous	1,047	(104)	14	957	23,051	15,766	39,774
Participant assistance	1,700,975	26,140	77,527	1,804,642	-	-	1,804,642
Participant assistance (in-kind)	457,083	1,207,925	5,253,240	6,918,248	5,954	180	6,924,382
Professional fees	481,406	273,830	15,348	770,584	80,497	3,797	854,878
Rent	124,125	179,573	31,249	334,947	1,885	-	336,832
Repairs and maintenance	138,954	68,058	38,224	245,236	18,038	2,188	265,462
Salaries, benefits and taxes	4,147,721	1,366,174	532,151	6,046,046	1,008,960	289,758	7,344,764
Subcontractors	500,017	-	-	500,017	-	-	500,017
Supplies	105,370	53,791	11,586	170,747	12,921	10,956	194,624
Transportation	82,119	17,316	41,560	140,995	-	1,148	142,143
Utilities	41,620	86,397	42,407	170,424	10,873	2,296	183,593
	<u>8,049,656</u>	<u>3,460,347</u>	<u>6,359,234</u>	<u>17,869,237</u>	<u>1,250,490</u>	<u>448,388</u>	<u>19,568,115</u>
Less expenses included with revenues on the statement of activities							
Cost of direct benefit to donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,810)</u>	<u>(57,810)</u>
Total functional expenses	<u>\$ 8,049,656</u>	<u>\$ 3,460,347</u>	<u>\$ 6,359,234</u>	<u>\$ 17,869,237</u>	<u>\$ 1,250,490</u>	<u>\$ 390,578</u>	<u>\$ 19,510,305</u>

See Notes to Financial Statements

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
	<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>325,620</u>	<u>16,949,887</u>
Less expenses included with revenues on the statement of activities							
Cost of direct benefit to donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,169)</u>	<u>(22,169)</u>
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>

See Notes to Financial Statements

Catholic Community Services of Utah

Statements of Cash Flows

Years Ended June 30, 2022 and 2021

	2022	2021
Operating Activities		
Change in net assets	\$ 3,018,894	\$ 4,489,046
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	537,950	448,289
Change in beneficial interest in assets held by others	989,913	(1,254,352)
Net investment return	(24,970)	(78,244)
Contributions restricted to building projects	(3,120,238)	(1,777,088)
Loss on disposal of property and equipment	-	22,809
Changes in operating assets and liabilities		
Accounts receivable	58,276	52,055
Promises to give and grants receivable	(190,779)	(272,941)
Inventory	385,525	(537,115)
Prepaid expenses and other assets	(61,651)	94,468
Accounts payable	(399,245)	311,782
Accrued expenses and other liabilities	188,760	30,714
Advances and deposits	-	(825,492)
Net Cash from Operating Activities	1,382,435	703,931
Investing Activities		
Purchases of property and equipment	(2,070,357)	(5,173,863)
Proceeds from sale of fixed assets	-	2,488
Transfers to board-designated endowment	(719)	(2,001,035)
Proceeds from beneficial interest in assets held by Catholic Foundation of Utah	42,033	39,848
Sale of investments	978,208	3,060,613
Net Cash used for Investing Activities	(1,050,835)	(4,071,949)
Financing Activities		
Collections of contributions restricted to building projects	3,120,238	1,777,088
Principal payments on capital lease payable	(14,010)	(14,512)
Net Cash from Financing Activities	3,106,228	1,762,576
Net Change in Cash, Cash Equivalents and Restricted Cash	3,437,828	(1,605,442)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	1,470,025	3,075,467
Cash, Cash Equivalents and Restricted Cash, End of Year	\$ 4,907,853	\$ 1,470,025
Cash and Cash Equivalents	1,746,633	1,325,008
Cash Restricted to Building Projects	3,161,220	145,017
Total cash, cash equivalents and restricted cash	\$ 4,907,853	\$ 1,470,025

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, 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, per pound of food during the years ended June 30, 2022 and 2021.

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, 2022 and 2021.

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, 2022 and 2021. Accounts receivables at June 30, 2022 and 2021 total \$4,777 and \$63,053, respectively. Accounts receivable at July 1, 2020 totaled \$115,108.

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, 2022 and 2021, conditional contributions approximating \$3,966,000 and \$3,576,000, 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 change in net assets or net assets.

Subsequent Events

CCS has evaluated subsequent events through September 28, 2022, 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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 562,940	\$ 206,107
Accounts receivable	4,777	63,053
Promises to give and grants receivable, net	<u>1,402,174</u>	<u>1,211,395</u>
	<u>\$ 1,969,891</u>	<u>\$ 1,480,555</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 \$6,697,992 and \$7,540,276 at June 30, 2022 and 2021, respectively (Note 11). At June 30, 2022 and 2021, CCS also has \$2,704,856 and \$3,658,094, respectively, invested with investment firms and financial institutions deemed qualified by the Board (Note 3). Of this amount, \$161,220 and \$145,018, respectively, is restricted to long-term purposes for facilities and \$2,543,636 and \$3,513,076, 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 equity securities that are classified within Level 1 because they comprise stocks with readily determinable fair values based on daily redemption values.

Catholic Community Services of Utah

Notes to Financial Statements

June 30, 2022 and 2021

The following table presents assets measured at fair value on a recurring basis at June 30, 2022:

	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	\$ 7,859,030	\$ -	\$ -	\$ 7,859,030
Investments				
Cash and equivalents (at cost)	1,051,025	-	-	-
Certificates of deposit (at cost)	1,614,647	-	-	-
Equity securities	39,184	39,184	-	-
	<u>2,704,856</u>	<u>39,184</u>	<u>-</u>	<u>-</u>
	<u>\$ 10,563,886</u>	<u>\$ 39,184</u>	<u>\$ -</u>	<u>\$ 7,859,030</u>

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>

Catholic Community Services of Utah

Notes to Financial Statements

June 30, 2022 and 2021

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, 2022:

	Beneficial Interest in Assets Held by CFU
Balance at June 30, 2021	\$ 8,890,257
Purchases/contributions of investments	719
Investment return, net	(989,913)
Distributions	(42,033)
Balance at June 30, 2022	\$ 7,859,030

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

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, 2022 and 2021:

	2022	2021
State of Utah - various	\$ 1,073,299	\$ 647,636
United States Conference of Catholic Bishops	205,865	55,646
Catholic Charities USA	4,848	47,934
Salt Lake City Corporation - various	76,167	183,564
Shelter the Homeless	49,960	-
Other	12,035	296,615
Less estimated uncollectible amounts	(20,000)	(20,000)
	\$ 1,402,174	\$ 1,211,395

Note 5 - Inventory

Inventory consists of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Food and consumables inventory	\$ 595,634	\$ 981,010
Allowance for perishable food	(23,049)	(23,049)
Supplies	5,893	6,042
	<u>\$ 578,478</u>	<u>\$ 964,003</u>

Note 6 - Property and Equipment

Property and equipment consists of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Land	\$ 1,824,642	\$ 1,250,468
Buildings and improvements	12,583,188	11,229,841
Leasehold improvements	549,612	531,867
Equipment	1,651,728	1,645,027
Autos and trucks	983,364	936,768
Computer equipment	327,110	318,610
Furniture and fixtures	41,480	41,480
Software	153,563	153,563
Construction in progress	56,888	-
	<u>18,171,575</u>	<u>16,107,624</u>
Less accumulated depreciation and amortization	<u>(4,523,390)</u>	<u>(3,991,846)</u>
	<u>\$ 13,648,185</u>	<u>\$ 12,115,778</u>

During the year ended June 30, 2022, CCS completed the purchase of a new building, resulting in a significant increase to property and equipment. 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, 2022 and 2021, there were no borrowings on the line of credit. The line of credit is available until February 5, 2023. The line bears interest at the greater of a floating rate of the Prime Rate plus 0.75%.

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.

Future minimum lease payments are as follows:

<u>Years Ending June 30,</u>	<u>Operating Leases</u>
2023	\$ 44,846
2024	19,669
2025	<u>20,259</u>
Total minimum lease payments	<u>\$ 84,774</u>

Rent expense for the years ended June 30, 2022 and 2021, totaled \$336,832 and \$348,999, respectively. At June 30, 2022 and 2021, leased property under capital lease totals \$43,380 and \$43,380, respectively, with associated accumulated amortization of \$43,380 and \$27,222, 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. The free use of this facility 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, 2022 and 2021, CCS has recorded \$1,161,038 and \$1,349,981, 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, 2022 and 2021, 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, 2022 and 2021, CCS transferred \$719 and \$2,001,035, 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, 2022 and 2021, CCS recorded losses of \$989,913 and gains of \$1,254,352, respectively, as change in interest in the net assets of CFU. During the years ended June 30, 2022 and 2021, \$42,033 and \$39,848, respectively, was appropriated and received in cash by CCS.

Catholic Community Services of Utah

Notes to Financial Statements

June 30, 2022 and 2021

CFU held other donor-restricted net assets to be held in perpetuity, with a value of approximately \$1,161,000 and \$1,351,000, respectively, at June 30, 2022 and 2021. 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, 2022 and 2021.

At June 30, 2022, endowment net asset composition by type of fund is as follows:

	Without Donor Restriction	With Donor Restriction	Total
Board-designated endowment funds	\$ 6,697,992	\$ -	\$ 6,697,992
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	-	161,038	161,038
	\$ 6,697,992	\$ 1,161,038	\$ 7,859,030

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

Catholic Community Services of Utah

Notes to Financial Statements

June 30, 2022 and 2021

Changes in endowment net assets for the year ended June 30, 2022, are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Beneficial interest in assets held by CFU, beginning of year	\$ 7,540,271	\$ 1,349,986	\$ 8,890,257
Investment return, net	(843,005)	(146,908)	(989,913)
Contributions	719	-	719
Appropriation of endowment assets pursuant to spending-rate policy	-	(42,033)	(42,033)
Beneficial interest in assets held by CFU, end of year	\$ 6,697,985	\$ 1,161,045	\$ 7,859,030

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

Note 12 - Net Assets with Donor Restrictions

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

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose		
Homeless Services - capital needs	\$ 3,022,764	\$ 111,011
Northern Utah - capital needs	138,456	34,006
Northern Utah - operations and client assistance	189,701	749,834
St. Marthas - operations and program supplies	100,954	100,954
MRS - staff sustainability	66,244	66,244
Homeless Services - client assistance	65,278	39,574
MRS program supplies	10,413	19,911
MRS client assistance	639,582	33,973
Immigration	2,450	3,200
Technology upgrades	55,929	55,929
Other	53,142	49,282
Endowment fund earnings subject to spending policy or appropriation - St Vincent de Paul Center (held by CFU)	161,038	349,981
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>\$ 5,505,951</u>	<u>\$ 2,613,899</u>

Note 13 - Donated Professional Services and Materials

CCS received donated materials and professional services as follows during the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Food and consumables	\$ 5,436,553	\$ 7,005,795
Clothing and furnishings	968,441	570,130
Rent	247,238	244,340
Other	134,011	49,133
	<u>\$ 6,786,243</u>	<u>\$ 7,869,398</u>

Related expenses included in the statements of activities total \$7,171,619 and \$7,333,331 for the years ended June 30, 2022 and 2021, 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, 2022 and 2021, CCS contributed \$262,681 and \$215,164, respectively, to the Plan.

Note 15 - Related Party Transactions

During the years ended June 30, 2022 and 2021, CCS received cash donations of \$102,275 and \$102,494, 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, 2022 and 2021, CCS recorded revenue of \$2,166,940 and \$673,612, respectively, as a sub-recipient of federal grant awards made by the United States Conference of Catholic Bishops (USCCB). At June 30, 2022 and 2021, \$205,865 and \$55,646, 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, 2022 and 2021, CCS has recorded its interest in the net assets of CFU totaling \$7,859,030 and \$8,890,257, 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, 2022 and 2021.



Supplementary Information and
Schedule of Expenditures of Federal Awards and Reports
Required by Government Auditing Standards and the
Uniform Guidance
June 30, 2022

Catholic Community Services of Utah

Catholic Community Services of Utah
Combining Schedule of Functional Expenses
Year Ended June 30, 2022

Migration Refugee Services

	Reception and Placement	Match Grant	TANF	Preferred Communities	Health Screening Services	Refugee Preventative Health	Refugee Youth Coordinator	Refugee Foster Care	Immigration Services	Citizen Integration Services	Sharehouse Operations	Victims of Crimes Act	VERA Grant	Utah Bar Fund	Total
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ 995	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 995
Communications	6,282	2,191	6,011	1,955	2,772	1,071	1,541	60,427	7,410	2,432	1,456	1,749	7	1,727	97,031
Conferences and meetings	6,736	629	1,005	331	752	180	365	19,144	1,170	-	9	125	-	-	30,446
Depreciation and amortization	4,091	6,711	11,792	2,754	4,278	716	2,357	24,942	5,128	2,070	400	-	455	2,348	68,042
Dues and subscriptions	3,865	3,773	4,275	410	830	195	96	10,407	2,772	336	307	593	-	16	27,875
Events	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	1,017	784	7,722	749	841	159	408	5,482	19,631	4,241	-	107	3,507	-	44,648
Interest expense	20	6	32	7	4	2	1	18	66	-	-	-	-	26	182
Miscellaneous	312	-	-	-	-	-	-	142	593	-	-	-	-	-	1,047
Participant assistance	564,640	539,586	18,776	-	-	-	69	552,079	25,450	-	-	-	-	375	1,700,975
Participant assistance (in-kind)	222,219	175,015	47,221	1,038	-	-	2,808	8,782	-	-	-	-	-	-	457,083
Professional fees	17,843	6,616	8,025	7,198	7,412	2,921	1,655	424,327	3,061	150	350	176	420	1,252	481,406
Rent	32,287	17,502	2,970	-	-	-	-	60,866	-	-	10,500	-	-	-	124,125
Repairs and maintenance	21,993	12,218	15,400	3,892	12,482	2,505	794	65,463	1,757	803	525	145	363	614	138,954
Salaries, benefits and taxes	507,372	228,443	384,193	172,725	211,545	46,733	115,816	2,022,825	226,230	55,858	14,755	71,645	6,777	82,804	4,147,721
Subcontractors	-	-	-	-	-	-	-	395,094	-	-	-	-	-	104,923	500,017
Supplies	18,134	3,364	9,160	11,658	3,366	3,065	346	50,623	1,521	218	43	73	3,723	76	105,370
Transportation	17,257	5,092	8,117	3,739	14,385	610	615	29,949	214	71	2,070	-	-	-	82,119
Utilities	2,641	2,351	7,965	1,880	2,172	358	1,094	14,862	2,528	1,367	2,626	253	244	1,279	41,620
	<u>\$ 1,426,709</u>	<u>\$ 1,004,281</u>	<u>\$ 532,664</u>	<u>\$ 208,336</u>	<u>\$ 261,834</u>	<u>\$ 58,515</u>	<u>\$ 127,965</u>	<u>\$ 3,745,432</u>	<u>\$ 297,531</u>	<u>\$ 67,546</u>	<u>\$ 33,041</u>	<u>\$ 74,866</u>	<u>\$ 15,496</u>	<u>\$ 195,440</u>	<u>\$ 8,049,656</u>

Catholic Community Services of Utah
Combining Schedule of Functional Expenses
Year Ended June 30, 2022

	Homeless Services		
	St. Vincent de Paul Dining	Weigand Center	Total
Bad debt expense	\$ -	\$ -	\$ -
Communications	8,061	4,798	12,859
Conferences and meetings	3,860	783	4,643
Depreciation and amortization	131,547	16,400	147,947
Dues and subscriptions	2,724	945	3,669
Events	-	-	-
Insurance	6,807	5,237	12,044
Interest expense	39	46	85
Miscellaneous	(109)	5	(104)
Participant assistance	25,905	235	26,140
Participant assistance (in-kind)	667,925	540,000	1,207,925
Professional fees	8,610	265,220	273,830
Rent	79,589	99,984	179,573
Repairs and maintenance	54,068	13,990	68,058
Salaries, benefits and taxes	865,869	500,305	1,366,174
Subcontractors	-	-	-
Supplies	48,158	5,633	53,791
Transportation	17,148	168	17,316
Utilities	54,253	32,144	86,397
Total	\$ 1,974,454	\$ 1,485,893	\$ 3,460,347

Catholic Community Services of Utah
Combining Schedule of Functional Expenses
Year Ended June 30, 2022

	Catholic Community Services of Northern Utah
Bad debt expense	\$ -
Communications	23,127
Conferences and meetings	7,765
Depreciation and amortization	256,956
Dues and subscriptions	4,460
Events	-
Insurance	23,564
Interest expense	56
Miscellaneous	14
Participant assistance	77,527
Participant assistance (in-kind)	5,253,240
Professional fees	15,348
Rent	31,249
Repairs and maintenance	38,224
Salaries, benefits and taxes	532,151
Subcontractors	-
Supplies	11,586
Transportation	41,560
Utilities	42,407
	6,359,234
Total	\$ 6,359,234



**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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 28, 2022.

Report on 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. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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 black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Salt Lake City, Utah
September 28, 2022



Independent Auditor’s Report on Compliance for Each 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 Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Catholic Community Services of Utah’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Catholic Community Services of Utah’s major federal programs for the year ended June 30, 2022. 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.

In our opinion, Catholic Community Services of Utah complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Catholic Community Services of Utah's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Catholic Community Services of Utah's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Catholic Community Services of Utah's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on Catholic Community Services of Utah's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Catholic Community Services of Utah's response was not subjected to the other 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.



Salt Lake City, Utah
September 28, 2022

Catholic Community Services of Utah
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

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	\$ 4,018,111
Refugee and Entrant Assistance - ORR	93.566	136284	122,651
Passed through Utah State Department of Health			
Refugee and Entrant Assistance - Refugee Health Screening	93.566	156237	<u>217,193</u>
Total for Refugee and Entrant Assistance FFAL 93.566			<u>4,357,955</u>
Passed through Utah State Department of Health			
Refugee and Entrant Assistance - Refugee Health Promotion	93.576	126222	62,341
Passed through United States Conference of Catholic Bishops			
Refugee and Entrant Assistance - Preferred Communities	93.576	90RP0121-01-00	<u>218,826</u>
Total for Refugee and Entrant Assistance FFAL 93.576			<u>281,167</u>
Passed through Utah State Department of Workforce Services			
Temporary Assistance for Needy Families (TANF)	93.558	136284	702,521
Passed through Utah State Department of Health			
Covid-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response	93.354	NU90TP922163	5,684
Passed through VERA Institute of Justice			
USAID Foreign Assistance for Programs Overseas	98.001	75P00121C00019	6,494
Passed through United States Conference of Catholic Bishops			
Refugee and Entrant Assistance - Match Grant Program	93.567	2101DCRVMG	<u>828,310</u>
Total for U.S. Department of Health & Human Services			<u>6,182,131</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through Salt Lake City Corporation			
Community Development Block Grants - SVDP Training Kitchen	14.218	Unavailable	3,042
Passed through Salt Lake City Corporation			
Emergency Solutions Grants - Weigand Resource Center	14.231	72-5-22-3723	41,000
Passed through Utah State Department of Workforce Services			
Emergency Solutions Grants - Weigand Extended Hours	14.231	211028	171,825
Emergency Solutions Grants - Weigand Resource Center	14.231	Unavailable	<u>78,188</u>
Total for Emergency Solutions Grants			<u>291,013</u>
Total for U.S. Department of Housing & Urban Development			<u>294,055</u>

Catholic Community Services of Utah
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

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 State</u>			
Passed through United States Conference of Catholic Bishops			
Refugee Admissions - R&P - Program Administration	19.510	SPRMC022CA0023	\$ 275,343
Refugee Admissions - R&P - Direct Assistance	19.510	SPRMC022CA0023	139,772
Refugee Admissions - R&P - Afghan Placement & Assistance	19.510	SPRMC021CA3291	683,115
Refugee Admissions - R&P - Flex Funds	19.510	Unavailable	16,490
Refugee Admissions - R&P - Remote Placement	19.510	Unavailable	<u>5,085</u>
Total for U.S. Department of State			<u>1,119,805</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	72,765
Crime Victim Assistance	16.575	Unavailable	<u>46,054</u>
Total for U.S. Department of Justice			<u>118,819</u>
<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>7,000</u>
Total for U.S. Federal Emergency Management Agency			<u>7,000</u>
<u>U.S. Department of Treasury</u>			
Passed through Utah Department of Workforce Services			
Emergency Rental Assistance Program - COVID 19	21.019	22-DWS-278	<u>13,531</u>
Total for U.S. Department of Treasury			<u>13,531</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>45,220</u>
Total for U.S. Federal Emergency Management Agency			<u>45,220</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>537,198</u>
Total for U.S. Department of Agriculture			<u>537,198</u>
Total Federal Financial Assistance			<u>\$ 8,317,759</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 (CCS) under programs of the federal government for the year ended June 30, 2022. 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, 2022. This price is used by CCS in valuing all food donations received. At June 30, 2022, CCS had food commodities from federal sources totaling \$132,394 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	None Reported
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	Federal Financial Assistance Listing/ CFDA Number
Refugee and Entrant Assistance - Refugee Foster Care and ORR	93.566
Refugee and Entrant Assistance - Match Grant Program	93.567
Refugee Admissions - Reception and Placement	19.510
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

**2022 – 001 U.S. Department of State and United States Conference of Catholic Bishops
Federal Financial Assistance Listing / CFDA Number 19.510
Award numbers SPRMCO22CA0023, SPRMCO22CA0023, SPRMCO21CA3291
Refugee Admissions – Reception and Placement**

Allowable Costs

Significant Deficiency in Internal Control Over Compliance

Criteria: CCS should have policies and procedures in place to ensure that indirect costs are calculated correctly.

Condition: In connection with the audit procedures performed over the Refugee Admission – Reception and Placement program, we noted instances when indirect cost calculations included an insignificant amount of ineligible costs.

Cause: CCS' internal control system and its month-end process did not detect the ineligible costs that were included in the calculation to determine the ineligible indirect costs charged to the Refugee Admission – Reception and Placement program.

Effect: An insignificant amount of ineligible indirect costs were billed to the program.

Questioned Costs: None reported

Context/Sampling: A non statistical sample of 11 transactions out of 47 total cash management transactions were selected for testing.

Repeat Finding from Prior Year: No

Recommendation: CCS should ensure that its billing process correctly calculates indirect costs.

Views of Responsible Officials: Management agrees with this finding.