



Financial Statements
June 30, 2013 and 2012

Catholic Community Services of Utah

Catholic Community Services of Utah

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June 30, 2013 and 2012

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Independent Auditor's Report

The Board of Directors
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 (CCS), which comprise the statements of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

The financial statements of Catholic Community Services of Utah as of and for the year ended June 30, 2012, were audited by other auditors, whose report dated September 6, 2012, expressed an unmodified opinion on those statements.

Report on Supplementary Information

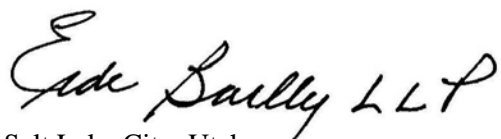
The supplemental schedules on pages 22-29 are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to 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.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Catholic Community Services of Utah as of and for the year ended June 30, 2013, and have issued our report thereon dated September 23, 2013, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by OMB Circular A-133 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 schedule of expenditure of federal awards 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 23, 2013, 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 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 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 23, 2013

Catholic Community Services of Utah
 Statements of Financial Position
 June 30, 2013 and 2012

| | 2013 | 2012 |
|---|---------------|--------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 2,094,044 | \$ 1,494,641 |
| Grants and contracts receivable, net | 1,127,408 | 1,132,991 |
| Promises to give, net | 72,723 | 86,412 |
| Inventory | 341,793 | 216,547 |
| Prepaid expenses | 15,081 | 14,323 |
| Total current assets | 3,651,049 | 2,944,914 |
| Property and equipment, net | 5,473,835 | 5,743,639 |
| Beneficial interest in assets held by Catholic Foundation of Utah | 1,209,033 | 1,124,458 |
| | \$ 10,333,917 | \$ 9,813,011 |
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts payable | \$ 333,780 | \$ 305,581 |
| Accrued expenses and other liabilities | 199,685 | 214,238 |
| Advances and deposits | 111,792 | 147,750 |
| Total current liabilities | 645,257 | 667,569 |
| Net Assets | | |
| Unrestricted | | |
| Undesignated | 2,652,616 | 2,017,591 |
| Invested in property and equipment | 5,473,835 | 5,743,639 |
| Temporarily restricted | 8,126,451 | 7,761,230 |
| Permanently restricted | 562,209 | 384,212 |
| Total net assets | 1,000,000 | 1,000,000 |
| | 9,688,660 | 9,145,442 |
| | \$ 10,333,917 | \$ 9,813,011 |

Catholic Community Services of Utah
Statement of Activities
Year Ended June 30, 2013

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---------------------|---------------------------|---------------------------|---------------------|
| Revenue, Support, and Gains | | | | |
| Public Support | | | | |
| Private donors | \$ 1,625,162 | \$ 346,701 | \$ - | \$ 1,971,863 |
| Special events | 188,985 | - | - | 188,985 |
| Less direct costs of special events | (59,180) | - | - | (59,180) |
| In-kind donations | 7,580,816 | - | - | 7,580,816 |
| Net assets released from restrictions | 253,279 | (253,279) | - | - |
| Total public support | 9,589,062 | 93,422 | - | 9,682,484 |
| Grants and contracts | 6,671,215 | - | - | 6,671,215 |
| Program income | 144,003 | - | - | 144,003 |
| Rental income | 95,730 | - | - | 95,730 |
| Change in value of beneficial interest in assets held by Catholic Foundation of Utah | 30,000 | 84,575 | - | 114,575 |
| Dividend and interest income | 22,790 | - | - | 22,790 |
| Other income | 19,642 | - | - | 19,642 |
| Total revenue, support, and gains | 16,572,442 | 177,997 | - | 16,750,439 |
| Expenses and Losses | | | | |
| Program services expense | | | | |
| Immigration and refugee resettlement services | 6,024,888 | - | - | 6,024,888 |
| Treatment services | 769,261 | - | - | 769,261 |
| Basic needs - Salt Lake City | 1,977,490 | - | - | 1,977,490 |
| Basic needs - Northern Utah | 6,470,681 | - | - | 6,470,681 |
| Total program expenses | 15,242,320 | - | - | 15,242,320 |
| Supporting services expense | | | | |
| Management and general | 741,296 | - | - | 741,296 |
| Fundraising and development | 223,605 | - | - | 223,605 |
| Total supporting services expenses | 964,901 | - | - | 964,901 |
| Change in Net Assets | 365,221 | 177,997 | - | 543,218 |
| Net Assets, Beginning of Year | 7,761,230 | 384,212 | 1,000,000 | 9,145,442 |
| Net Assets, End of Year | <u>\$ 8,126,451</u> | <u>\$ 562,209</u> | <u>\$ 1,000,000</u> | <u>\$ 9,688,660</u> |

Catholic Community Services of Utah
Statement of Activities
Year Ended June 30, 2012

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|--------------|---------------------------|---------------------------|--------------|
| Revenue, Support, and Gains | | | | |
| Public Support | | | | |
| Private donors | \$ 1,536,674 | \$ 258,090 | \$ - | \$ 1,794,764 |
| Special events | 211,687 | - | - | 211,687 |
| Less direct costs of special events | (57,155) | - | - | (57,155) |
| In-kind donations | 7,190,804 | - | - | 7,190,804 |
| Net assets released from restrictions | 422,723 | (422,723) | - | - |
| Total public support | 9,304,733 | (164,633) | - | 9,140,100 |
| Grants and contracts | 5,867,262 | - | - | 5,867,262 |
| Program income | 112,157 | - | - | 112,157 |
| Rental income | 97,322 | - | - | 97,322 |
| Change in value of beneficial interest in assets held by Catholic Foundation of Utah | 19,860 | (39,504) | - | (19,644) |
| Dividend and interest income | 17,899 | - | - | 17,899 |
| Other income | 7,454 | - | - | 7,454 |
| Total revenue, support, and gains | 15,426,687 | (204,137) | - | 15,222,550 |
| Expenses and Losses | | | | |
| Program services expense | | | | |
| Immigration and refugee resettlement services | 4,644,180 | - | - | 4,644,180 |
| Treatment services | 836,510 | - | - | 836,510 |
| Basic needs - Salt Lake City | 2,305,150 | - | - | 2,305,150 |
| Basic needs - Northern Utah | 6,345,885 | - | - | 6,345,885 |
| Total program expenses | 14,131,725 | - | - | 14,131,725 |
| Supporting services expense | | | | |
| Management and general | 796,721 | - | - | 796,721 |
| Fundraising and development | 259,367 | - | - | 259,367 |
| Total supporting services expenses | 1,056,088 | - | - | 1,056,088 |
| Change in net assets from operations | 238,874 | (204,137) | - | 34,737 |
| Net Assets, Beginning of Year | 7,522,356 | 588,349 | 1,000,000 | 9,110,705 |
| Net Assets, End of Year | \$ 7,761,230 | \$ 384,212 | \$ 1,000,000 | \$ 9,145,442 |

Catholic Community Services of Utah
Statement of Functional Expenses
Year Ended June 30, 2013

| | Program Services | | | | | Management and General | Fundraising and Development | Total |
|--|--|-----------------------|---------------------------------|--------------------------------|---------------|---------------------------|-----------------------------------|---------------|
| | Immigration and Refugee Resettlement Services | Treatment Services | Basic Needs - Salt Lake City | Basic Needs - Northern Utah | Total | | | |
| Salaries, benefits and taxes | \$ 1,631,852 | \$ 485,388 | \$ 508,607 | 355,186 | \$ 2,981,033 | \$ 555,423 | \$ 175,505 | \$ 3,711,961 |
| Bad debt expense | 8,573 | 87 | - | 1,020 | 9,680 | 884 | - | 10,564 |
| Communications | 53,428 | 13,691 | 11,907 | 11,518 | 90,544 | 9,945 | 3,963 | 104,452 |
| Conferences and meetings | 11,336 | 1,498 | 2,077 | 2,878 | 17,789 | 10,126 | 2,835 | 30,750 |
| Depreciation and amortization | 69,281 | 78,041 | 97,338 | 103,812 | 348,472 | 43,441 | 2,954 | 394,867 |
| Dues and subscriptions | 9,188 | 1,787 | 1,918 | 2,783 | 15,676 | 2,604 | 2,436 | 20,716 |
| Events | - | - | - | 11,261 | 11,261 | - | 50,310 | 61,571 |
| Insurance | 3,013 | 6,066 | 7,149 | 9,870 | 26,098 | 1,624 | 162 | 27,884 |
| Interest expense | - | - | - | - | - | - | - | - |
| Miscellaneous | 3,082 | 39 | 3,050 | 553 | 6,724 | 6,428 | 5,919 | 19,071 |
| Participant assistance (in-kind) | 521,443 | 72,250 | 1,149,437 | 5,673,064 | 7,416,194 | 23,551 | 420 | 7,440,165 |
| Participant assistance | 1,667,820 | 36,858 | 78,593 | 183,675 | 1,966,946 | 1,679 | 82 | 1,968,707 |
| Professional fees | 48,928 | 3,188 | 3,842 | 8,579 | 64,537 | 54,425 | 3,430 | 122,392 |
| Rent | 72,103 | - | 1,221 | - | 73,324 | - | - | 73,324 |
| Repairs and maintenance | 9,599 | 23,445 | 22,967 | 48,959 | 104,970 | 9,599 | 307 | 114,876 |
| Subcontractors | 1,782,694 | - | - | - | 1,782,694 | - | - | 1,782,694 |
| Supplies | 14,458 | 16,388 | 16,272 | 13,415 | 60,533 | 8,615 | 20,248 | 89,396 |
| Transportation | 105,910 | 3,506 | 14,393 | 20,605 | 144,414 | 5,536 | 2,310 | 152,260 |
| Utilities | 12,180 | 27,029 | 58,719 | 34,764 | 132,692 | 7,416 | 643 | 140,751 |
| | 6,024,888 | 769,261 | 1,977,490 | 6,481,942 | 15,253,581 | 741,296 | 271,524 | 16,266,401 |
| Less expenses included with revenues on the statement of activities | | | | | | | | |
| Direct costs of special events | - | - | - | 11,261 | 11,261 | - | 47,919 | 59,180 |
| Total functional expenses | \$ 6,024,888 | \$ 769,261 | \$ 1,977,490 | \$ 6,470,681 | \$ 15,242,320 | \$ 741,296 | \$ 223,605 | \$ 16,207,221 |

Catholic Community Services of Utah
Statement of Functional Expenses
Year Ended June 30, 2012

| | Program Services | | | | | Management and General | Fundraising and Development | Total |
|--|--|-----------------------|---------------------------------|--------------------------------|----------------------|---------------------------|-----------------------------------|----------------------|
| | Immigration and Refugee Resettlement Services | Treatment Services | Basic Needs - Salt Lake City | Basic Needs - Northern Utah | Total | | | |
| Salaries, benefits and taxes | \$ 1,404,454 | \$ 421,384 | \$ 482,990 | \$ 377,631 | \$ 2,686,459 | \$ 592,481 | \$ 167,686 | \$ 3,446,626 |
| Bad debt expense | 12,682 | - | - | 10,009 | 22,691 | - | 1,832 | 24,523 |
| Communications | 41,969 | 13,307 | 11,691 | 10,622 | 77,589 | 11,095 | 4,112 | 92,796 |
| Conferences and meetings | 4,711 | 2,443 | 1,058 | 4,839 | 13,051 | 7,999 | 2,946 | 23,996 |
| Depreciation and amortization | 61,274 | 81,954 | 95,744 | 106,927 | 345,899 | 41,916 | 2,961 | 390,776 |
| Dues and subscriptions | 7,615 | 2,649 | 1,603 | 1,815 | 13,682 | 1,762 | 1,794 | 17,238 |
| Events | - | 50 | - | 5,772 | 5,822 | - | 97,696 | 103,518 |
| Insurance | 2,654 | 5,193 | 7,287 | 8,396 | 23,530 | 1,440 | 137 | 25,107 |
| Interest expense | - | - | - | - | - | 38 | - | 38 |
| Miscellaneous | 1,176 | 4,904 | 447 | 1,172 | 7,699 | 6,642 | 905 | 15,246 |
| Participant assistance (in-kind) | 323,704 | 190,898 | 1,301,115 | 5,371,414 | 7,187,131 | 46,367 | 680 | 7,234,178 |
| Participant assistance | 930,419 | 49,192 | 256,240 | 349,531 | 1,585,382 | 2,085 | - | 1,587,467 |
| Professional fees | 56,891 | 2,267 | 3,442 | 10,054 | 72,654 | 56,393 | 2,981 | 132,028 |
| Rent | 63,974 | - | 383 | - | 64,357 | - | - | 64,357 |
| Repairs and maintenance | 6,757 | 21,130 | 66,034 | 27,913 | 121,834 | 5,784 | 228 | 127,846 |
| Subcontractors | 1,639,701 | - | - | 942 | 1,640,643 | - | - | 1,640,643 |
| Supplies | 9,249 | 13,827 | 12,677 | 8,462 | 44,215 | 12,610 | 12,085 | 68,910 |
| Transportation | 66,560 | 2,564 | 12,536 | 19,516 | 101,176 | 3,327 | 2,191 | 106,694 |
| Utilities | 10,390 | 24,748 | 51,903 | 30,870 | 117,911 | 6,782 | 637 | 125,330 |
| Total functional expenses | 4,644,180 | 836,510 | 2,305,150 | 6,345,885 | 14,131,725 | 796,721 | 298,871 | 15,227,317 |
| Less expenses included with revenues on the statement of activities | | | | | | | | |
| Direct costs of special events | - | - | - | - | - | - | 39,504 | 39,504 |
| | <u>\$ 4,644,180</u> | <u>\$ 836,510</u> | <u>\$ 2,305,150</u> | <u>\$ 6,345,885</u> | <u>\$ 14,131,725</u> | <u>\$ 796,721</u> | <u>\$ 259,367</u> | <u>\$ 15,187,813</u> |

Catholic Community Services of Utah
Statements of Cash Flows
Years Ended June 30, 2013 and 2012

| | 2013 | 2012 |
|---|--------------|--------------|
| Operating Activities | | |
| Change in net assets | \$ 543,218 | \$ 34,737 |
| Adjustments to reconcile change in net assets to net cash from operating activities | | |
| Depreciation and amortization | 394,867 | 390,776 |
| Loss on sale of property and equipment | 465 | - |
| Change in beneficial interest in assets held by others | (84,575) | 4,504 |
| Changes in operating assets and liabilities | | |
| Grants and contracts receivable | 5,583 | (151,007) |
| Promises to give | 13,689 | 28,793 |
| Inventory | (125,246) | 79,283 |
| Prepaid expenses | (758) | (4,150) |
| Accounts payable | 28,199 | 50,044 |
| Accrued expenses and other liabilities | (14,553) | (77,040) |
| Advances and deposits | (35,958) | (4,500) |
| Net Cash from Operating Activities | 724,931 | 351,440 |
| Investing Activities | | |
| Purchases of property and equipment | (125,528) | (380,936) |
| Net Cash used for Investing Activities | (125,528) | (380,936) |
| Net Change in Cash and Cash Equivalents | 599,403 | (29,496) |
| Cash and Cash Equivalents, Beginning of Year | 1,494,641 | 1,524,137 |
| Cash and Cash Equivalents, End of Year | \$ 2,094,044 | \$ 1,494,641 |

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 Sale Lake City (the Diocese). CCS provides social services to those in need in certain communities throughout Utah.

CCS's principal programs comprise the following:

- **Immigration and Refugee Resettlement Services:** Refugee Resettlement provides refugees with resettlement services and orientation, and case management including job development. Immigration provides legal services to non-residents seeking citizenship, work permits, and family reunification.
- **Treatment Services:** Provides residential and outpatient drug and alcohol treatment, case management and transitional housing.
- **Basic Needs - Salt Lake City:** Provides basic needs services, including food, clothing, day shelter, referrals and case management to the homeless and those at risk of homelessness.
- **Basic Needs - Northern Utah:** Provides food to individuals and local food pantries, rental and utility assistance, 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.

Contracts and Grants 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. At June 30, 2013 and 2012, the allowance was \$20,000 and \$20,000, respectively.

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 statement 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. At June 30, 2013 and 2012, the allowance was \$11,563 and \$14,246, respectively.

Inventory

Inventory represents food inventory on hand, net of an allowance for perishables, in the Emergency Services and Northern Utah Food Bank programs and bulk supplies held by the Organization. Food inventory is generally received from the Utah Food Bank, another non-profit organization. Contribution revenue, participant assistance, and food inventory is valued at \$1.66 per pound of food.

Property and Equipment

Property and equipment additions are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to thirty nine years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement 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, 2013 and 2012.

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:

Unrestricted Net Assets – Net assets available for use in general operations.

Temporarily Restricted Net Assets – CCS reports contributions restricted by donors as increases in unrestricted net assets 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 temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of CCS. The restrictions stipulate that resources be maintained permanently but permit CCS to expend the income generated in accordance with the provisions of the agreements.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to CCS's 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 generally accepted accounting principles. 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.

Advertising Costs

Advertising costs are expensed as incurred and approximated \$2,000 and \$1,000 for the years ended June 30, 2013 and 2012, respectively.

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.

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 organizations described in Section 501(c)(3), qualify for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and (viii), and have been determined not to be private foundations under Sections 509(a)(1) and (3), respectively. CCS's 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, each 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, 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 generally accepted accounting principles 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's 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.

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 rights 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 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.

Subsequent Events

CCS has evaluated subsequent events through September 23, 2013, the date the financial statements were available to be issued.

Note 2 - Fair Value Measurements and Disclosures

Certain assets and liabilities 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 CCS can access 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, CCS develops inputs 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's assessment of the quality, risk or liquidity profile of the asset or liability.

The fair value of CCS's beneficial interest in assets held by CFU is based on the fair value of fund investments as reported by the CFU. These are considered to be Level 2 measurements.

The following table presents assets and liabilities measured at fair value on a recurring basis at June 30, 2013:

| | 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) | |
| Total | | | | |
| Assets | | | | |
| Beneficial interests in assets held by Catholic Foundation of Utah | <u>\$ 1,209,033</u> | <u>\$ -</u> | <u>\$ 1,209,033</u> | <u>\$ -</u> |

The following table presents assets and liabilities measured at fair value on a recurring basis at June 30, 2012:

| | 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) | |
| Total | | | | |
| Assets | | | | |
| Beneficial interests in assets held by Catholic Foundation of Utah | <u>\$ 1,124,458</u> | <u>\$ -</u> | <u>\$ 1,124,458</u> | <u>\$ -</u> |

Fair Value of Financial Instruments Not Required To Be Reported at Fair Value

The carrying amounts of cash and cash equivalents, grants and contracts receivable, promises to give, accounts payable and accrued expenses and other liabilities approximate fair value due to the short-term nature of the items.

Note 3 - Grants and Contracts Receivable

Grants and contracts receivable consist of the following at June 30, 2013 and 2012:

| | 2013 | 2012 |
|--|--------------|--------------|
| State of Utah - various | \$ 497,321 | \$ 522,830 |
| United States Conference of Catholic Bishops | 373,540 | 278,530 |
| United Way | 58,437 | 140,025 |
| Other | 198,110 | 191,606 |
| | \$ 1,127,408 | \$ 1,132,991 |

Note 4 - Promises to Give

Unconditional promises to give are expected to be received within one year and consist of the following at June 30, 2013 and 2012:

| | 2013 | 2012 |
|--------------------------------------|-----------|-----------|
| United Way | \$ 77,092 | \$ 94,974 |
| Others | 7,194 | 5,684 |
| Less estimated uncollectible amounts | (11,563) | (14,246) |
| | \$ 72,723 | \$ 86,412 |

Note 5 - Inventory

Inventory consists of the following at June 30, 2013 and 2012:

| | 2013 | 2012 |
|-------------------------------|------------|------------|
| Food bank | \$ 356,989 | \$ 230,499 |
| Allowance for perishable food | (23,049) | (23,049) |
| Supplies | 7,853 | 9,097 |
| | \$ 341,793 | \$ 216,547 |

Note 6 - Property and Equipment

Property and equipment consists of the following at June 30, 2013 and 2012:

| | 2013 | 2012 |
|--|--------------|--------------|
| Buildings and improvements | \$ 5,695,799 | \$ 5,678,003 |
| Equipment | 787,763 | 852,924 |
| Land | 669,968 | 669,968 |
| Autos and trucks | 658,123 | 625,580 |
| Leasehold improvements | 575,500 | 591,721 |
| Computer equipment | 200,465 | 208,518 |
| Furniture and fixtures | 97,981 | 97,981 |
| Software | 24,798 | 24,798 |
| | 8,710,397 | 8,749,493 |
| Less accumulated depreciation and amortization | (3,236,562) | (3,005,854) |
| | \$ 5,473,835 | \$ 5,743,639 |

Depreciation and amortization expense totaled \$394,867 and \$390,776 for the years ended June 30, 2013 and 2012, respectively.

Note 7 - Line of Credit

CCS has a \$200,000 unsecured revolving line of credit with a bank. As of June 30, 2013 and 2012 there were no borrowings on the line of credit. The line of credit is available until November 5, 2013. The line bears interest at the greater of a floating rate Prime Rate plus 0.75% or a floor of 5.00%.

Note 8 - Concentrations

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

Note 9 - Leases

CCS leases office space and equipment under operating leases expiring at various dates through 2015.

Future minimum lease payments are as follows:

| Years Ending June 30, | | |
|------------------------------|----|--------|
| 2014 | \$ | 61,898 |
| 2015 | | 18,151 |
| Total minimum lease payments | \$ | 80,049 |

Total rent expense for the years ended June 30, 2013 and 2012 totaled \$71,724 and \$64,357, respectively.

CCS leases the St. Vincent de Paul Center from the Diocese, a related party, for the operation of part of its Basic Needs – Salt Lake City program. The Diocese donates the cost of the rent to CCS as further described in Note 12.

Note 10 - Beneficial Interest in Assets Held by Catholic Foundation of Utah

In 1992, a 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, the original donor, and CFU entered into a gift agreement whereby CFU was made responsible for the investment and administration of the \$1 million permanently restricted contribution.

CCS’s Board of Directors 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. The donor has specifically stipulated that the original endowment principal may only be expended with the prior written consent of the donor, but the earnings on the endowment are to be used to benefit the St. Vincent de Paul Center. As a result of this interpretation, CCS classifies as permanently restricted net assets (a) the original value of gifts donated to the Endowment, and (b) the original value of subsequent gifts donated to the Endowment. The remaining portion of the donor-restricted endowment is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by CCS in a manner consistent with the standard of prudence prescribed by UPMIFA. The duration and preservation of the fund

At June 30, 2013 and 2012, CCS has recorded \$1,209,033 and \$1,124,458, respectively, as the value of the beneficial interest in assets fund administered by CFU relating to this permanently restricted contribution. During the years ended June 30, 2013 and 2012, CCS recorded a gain of \$114,575 and a loss of \$19,644, respectively, as change in interest in the net assets of CFU. During the years ended June 30, 2013 and 2012, \$30,000 and \$19,860, respectively, was transferred to and received in cash by CCS.

Catholic Community Services of Utah

Notes to Financial Statements

June 30, 2013 and 2012

CFU held other permanently restricted contributions, with a value of approximately \$333,000 and \$297,000 at June 30, 2013 and 2012. 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 the earnings on these contributions. Accordingly, with respect to these contributions, CCS has recorded no unconditional promises to give at June 30, 2013 and 2012.

Changes in beneficial interest in assets held by Catholic Foundation of Utah for the year ended June 30, 2013 are as follows:

| | |
|--|----------------------------|
| Beneficial interest in assets held by Catholic Foundation of Utah, beginning of year | <u>\$ 1,124,457</u> |
| Investment return | |
| Investment income, net of fees | 8,736 |
| Net realized and unrealized gain (loss) | <u>105,840</u> |
| | <u>114,576</u> |
| Contributions | - |
| Distributions | |
| Appropriation of endowment assets pursuant to spending-rate policy | <u>(30,000)</u> |
| Beneficial interest in assets held by Catholic Foundation of Utah, end of year | 1,209,033 |
| Allocations | |
| Allocation to temporarily restricted net assets | <u>(209,033)</u> |
| Permanently restricted net assets at June 30, 2013 | <u><u>\$ 1,000,000</u></u> |

Changes in beneficial interest in assets held by Catholic Foundation of Utah for the year ended June 30, 2012 are as follows:

| | |
|--|----------------------------|
| Beneficial interest in assets held by Catholic Foundation of Utah, beginning of year | <u>\$ 1,128,962</u> |
| Investment return | |
| Investment income, net of fees | 8,752 |
| Net realized and unrealized gain (loss) | <u>(28,397)</u> |
| | <u>(19,645)</u> |
| Contributions | <u>35,000</u> |
| Distributions | |
| Appropriation of endowment assets pursuant to spending-rate policy | <u>(19,860)</u> |
| Beneficial interest in assets held by Catholic Foundation of Utah, end of year | 1,124,457 |
| Allocations | |
| Allocation to temporarily restricted net assets | <u>(124,457)</u> |
| Permanently restricted net assets at June 30, 2012 | <u><u>\$ 1,000,000</u></u> |

Note 11 - Restricted Net Assets**Temporarily Restricted**

Temporarily restricted net assets consist of the following at June 30, 2013 and 2012:

| | 2013 | 2012 |
|--------------------------------------|-------------------|-------------------|
| Restricted by donors for | | |
| St. Vincent de Paul Center | \$ 209,158 | \$ 124,703 |
| Basic needs - Northern Utah | 137,985 | 6,701 |
| United Way - time restriction | 65,529 | 150,728 |
| Dinner at Vinny's | 64,838 | - |
| Emergency crisis fund | 30,924 | 42,988 |
| Capital needs | 21,889 | 23,575 |
| Quarters for Christmas | 15,236 | 14,485 |
| United Way safety net | 7,500 | - |
| Refugee dental and vision screenings | 3,836 | 4,549 |
| Training | 2,500 | - |
| Garden | 1,312 | 1,312 |
| Bus tokens | 557 | 704 |
| Supplies for orientation | 472 | 472 |
| Immigration and refugee restrictions | 273 | 173 |
| Tool kits for R&P clients | 200 | - |
| Building maintenance | - | 7,500 |
| Computer network upgrade | - | 6,072 |
| St. Mary's - treats for movies | - | 250 |
| | <u>\$ 562,209</u> | <u>\$ 384,212</u> |

Permanently Restricted

Permanently restricted net assets totaling \$1 million at June 30, 2013 and 2012 represent a permanently restricted donation from the Jon and Karen Huntsman Foundation (Donor). As further discussed in Note 10, an agreement was entered into between CCS, CFU, and the Donor, whereby the responsibility for the investment and administration of this donation was transferred to CFU. Earnings on this donation are restricted to provide food, shelter, and clothing to homeless persons and other persons who by reason of condition of poverty or otherwise are in need of such assistance; provided, however, that for so long as the St. Vincent de Paul Center shall have need of funds to provide food, clothing, and shelter to homeless persons in the State of Utah, all income derived from the endowment shall be directed to the St. Vincent de Paul Center for such purposes.

Note 12 - Donated Professional Services and Materials

CCS received donated materials as follows during the years ended June 30, 2013 and 2012:

| | 2013 | 2012 |
|--------------------------|--------------|--------------|
| Food and consumables | \$ 6,566,166 | \$ 6,032,155 |
| Clothing and furnishings | 838,668 | 992,745 |
| Rent | 72,000 | 72,000 |
| Other | 103,982 | 93,904 |
| | \$ 7,580,816 | \$ 7,190,804 |

Donated materials primarily represent the donation of food items that are provided to or consumed by participants in CCS' Basic Needs – Salt Lake City and Northern Utah programs. Related expenses recorded in the statement of activities total \$7,440,165 and \$7,234,178 for the years ended June 30, 2013 and 2012, respectively. 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 13 - 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 six percent of its eligible employees' gross wages to the Plan. For the years ended June 30, 2013 and 2012, CCS contributed \$130,157 and \$132,097 to the Plan.

Note 14 - Related Party Transactions

During the years ended June 30, 2013 and 2012, CCS received cash donations of \$78,700 and \$92,517 and in-kind rent of \$72,000 and \$72,000 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, 2013 and 2012, CCS recorded revenue of \$2,305,663 and \$1,443,078 as a sub-recipient of federal grant awards made by the United States Conference of Catholic Bishops (USCCB). At June 30, 2013 and 2012, \$373,540 and \$278,530 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, 2013 and 2012, CCS has recorded its interest in the net assets of CFU totaling \$1,209,033 and \$1,124,458 relating to funds transferred to CFU over which CFU has not been granted variance power. CCS has recorded no unconditional promise to give from CFU at June 30, 2013 and 2012.



Supplementary Information
June 30, 2013

Catholic Community Services of Utah

Catholic Community Services of Utah
Combining Statement of Functional Expenses
Year Ended June 30, 2013

IMMIGRATION AND REFUGEE RESETTLEMENT SERVICES

| | Reception and Placement | Match Grant | TANF | Health Screening Services | Refugee Preventative Health | Refugee Youth Coordinator | Refugee Foster Care | Unaccompanied Refugee Minor | Immigration Services | Refugee Elder Care | Citizen Integration Services | Sharehouse Operations | Total |
|----------------------------------|-------------------------------|---------------------|-------------------|---------------------------------|-----------------------------------|---------------------------------|------------------------|-----------------------------------|-------------------------|-----------------------|------------------------------------|--------------------------|---------------------|
| Salaries, benefits and taxes | \$ 301,278 | \$ 235,624 | \$ 206,558 | \$ 319,642 | \$ 34,280 | \$ 38,578 | \$ 252,350 | \$ 10,468 | \$ 140,547 | \$ 22,000 | \$ 33,835 | \$ 36,692 | \$ 1,631,852 |
| Bad debt expense | 4,250 | - | - | 123 | - | - | - | 4,200 | - | - | - | - | 8,573 |
| Communications | 7,540 | 6,733 | 6,586 | 6,212 | 290 | 1,481 | 10,189 | 70 | 8,785 | 301 | 4,283 | 958 | 53,428 |
| Conferences and meetings | 1,370 | 1,408 | 82 | 994 | 3,000 | 63 | 3,732 | - | 552 | - | 36 | 99 | 11,336 |
| Depreciation | 15,205 | 21,270 | 2,059 | 1,712 | 549 | 148 | 17,356 | - | 2,465 | 460 | 292 | 7,765 | 69,281 |
| Dues and subscriptions | 1,261 | 1,439 | 319 | 1,188 | 627 | - | 2,322 | - | 865 | 42 | 963 | 162 | 9,188 |
| Insurance | 775 | 851 | 184 | 145 | 18 | - | 207 | - | 126 | 3 | 23 | 681 | 3,013 |
| Miscellaneous | 196 | 3,061 | - | (298) | 32 | - | - | - | - | - | - | 91 | 3,082 |
| Participant assistance (in-kind) | 228,869 | 270,239 | - | 874 | - | - | 20,595 | 866 | - | - | - | - | 521,443 |
| Participant assistance | 804,815 | 718,316 | - | 1,781 | - | - | 127,523 | 15,385 | - | - | - | - | 1,667,820 |
| Professional fees | 5,143 | 6,470 | 3,947 | 4,283 | 1,087 | 261 | 21,081 | - | 5,498 | 431 | 679 | 48 | 48,928 |
| Rent | 14,459 | 7,994 | - | - | - | - | 48,763 | - | - | - | - | 887 | 72,103 |
| Repairs and maintenance | 1,778 | 1,865 | 308 | 247 | 412 | - | 391 | 164 | 698 | 4 | 279 | 3,453 | 9,599 |
| Subcontractors | - | - | 298,777 | - | - | - | 1,483,917 | - | - | - | - | - | 1,782,694 |
| Supplies | 2,799 | 2,685 | 357 | 1,878 | 2,858 | 60 | 1,261 | - | 782 | 1,083 | 435 | 260 | 14,458 |
| Transportation | 14,473 | 6,630 | 6,446 | 49,414 | 1,326 | 1,336 | 15,462 | 3,460 | 543 | 1,071 | 2,783 | 2,966 | 105,910 |
| Utilities | 4,807 | 4,662 | 737 | 631 | 88 | - | 90 | - | 563 | 18 | 129 | 455 | 12,180 |
| | <u>\$ 1,409,018</u> | <u>\$ 1,289,247</u> | <u>\$ 526,360</u> | <u>\$ 388,826</u> | <u>\$ 44,567</u> | <u>\$ 41,927</u> | <u>\$ 2,005,239</u> | <u>\$ 34,613</u> | <u>\$ 161,424</u> | <u>\$ 25,413</u> | <u>\$ 43,737</u> | <u>\$ 54,517</u> | <u>\$ 6,024,888</u> |

Catholic Community Services of Utah
Combining Statement of Functional Expenses
Year Ended June 30, 2013

TREATMENT SERVICES

| | St. Mary's Home for Men | Outpatient Services | Residential Services | Total |
|----------------------------------|-------------------------------|------------------------|-------------------------|-------------------|
| Salaries, benefits and taxes | \$ 443,131 | \$ 41,839 | \$ 418 | \$ 485,388 |
| Bad debt expense | 87 | - | - | 87 |
| Communications | 13,682 | - | 9 | 13,691 |
| Conferences and meetings | 1,498 | - | - | 1,498 |
| Depreciation | 49,999 | - | 28,042 | 78,041 |
| Dues and subscriptions | 1,680 | 107 | - | 1,787 |
| Insurance | 3,766 | 9 | 2,291 | 6,066 |
| Miscellaneous | 39 | - | - | 39 |
| Participant assistance (in-kind) | 72,250 | - | - | 72,250 |
| Participant assistance | 36,858 | - | - | 36,858 |
| Professional fees | 3,020 | - | 168 | 3,188 |
| Repairs and maintenance | 22,022 | 1 | 1,422 | 23,445 |
| Supplies | 15,173 | 1,215 | - | 16,388 |
| Transportation | 3,506 | - | - | 3,506 |
| Utilities | 16,876 | 8 | 10,145 | 27,029 |
| Total | <u>\$ 683,587</u> | <u>\$ 43,179</u> | <u>\$ 42,495</u> | <u>\$ 769,261</u> |

Catholic Community Services of Utah
Combining Statement of Functional Expenses
Year Ended June 30, 2013

BASIC NEEDS - SALT LAKE CITY

| | <u>St. Vincent de Paul Dining</u> | <u>Evening Meal Service</u> | <u>Weigand Center</u> | <u>Emergency Assistance</u> | <u>Total</u> |
|----------------------------------|---------------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| Salaries, benefits and taxes | \$ 227,894 | \$ 66,115 | \$ 148,615 | \$ 65,983 | \$ 508,607 |
| Communications | 3,493 | 721 | 4,334 | 3,359 | 11,907 |
| Conferences and meetings | 1,142 | 386 | 49 | 500 | 2,077 |
| Depreciation | 44,064 | 9,019 | 42,077 | 2,178 | 97,338 |
| Dues and subscriptions | 1,191 | 71 | 354 | 302 | 1,918 |
| Insurance | 2,433 | 498 | 3,538 | 680 | 7,149 |
| Miscellaneous | 1,932 | 1,118 | - | - | 3,050 |
| Participant assistance (in-kind) | 422,897 | 367,891 | 16,808 | 341,841 | 1,149,437 |
| Participant assistance | - | - | 147 | 78,446 | 78,593 |
| Professional fees | 1,200 | 540 | 670 | 1,432 | 3,842 |
| Rent | - | - | - | 1,221 | 1,221 |
| Repairs and maintenance | 13,455 | 4,393 | 4,334 | 785 | 22,967 |
| Supplies | 4,583 | 9,287 | 1,089 | 1,313 | 16,272 |
| Transportation | 11,427 | 1,033 | 102 | 1,831 | 14,393 |
| Utilities | 25,752 | 5,276 | 22,146 | 5,545 | 58,719 |
| Total | <u><u>\$ 761,463</u></u> | <u><u>\$ 466,348</u></u> | <u><u>\$ 244,263</u></u> | <u><u>\$ 505,416</u></u> | <u><u>\$ 1,977,490</u></u> |

Catholic Community Services of Utah
Combining Statement of Functional Expenses
Year Ended June 30, 2013

BASIC NEEDS - NORTHERN UTAH

| | Special Assistance | Food Distribution | TANF | Total |
|----------------------------------|-----------------------|----------------------|-------------------|---------------------|
| Salaries, benefits and taxes | \$ 64,530 | \$ 262,068 | \$ 28,588 | \$ 355,186 |
| Bad debt expense | 1,020 | - | - | 1,020 |
| Communications | 746 | 7,986 | 2,786 | 11,518 |
| Conferences and meetings | 1,384 | 1,494 | | 2,878 |
| Depreciation | 11,013 | 88,372 | 4,426 | 103,811 |
| Dues and subscriptions | 388 | 2,229 | 167 | 2,784 |
| Insurance | 955 | 8,701 | 214 | 9,870 |
| Miscellaneous | 301 | 245 | 7 | 553 |
| Participant assistance (in-kind) | 146,903 | 5,526,161 | - | 5,673,064 |
| Participant assistance | 63,861 | 12,972 | 106,842 | 183,675 |
| Professional fees | 1,099 | 5,950 | 1,530 | 8,579 |
| Repairs and maintenance | 2,849 | 45,194 | 916 | 48,959 |
| Supplies | 5,624 | 6,292 | 1,499 | 13,415 |
| Transportation | 1,722 | 18,883 | - | 20,605 |
| Utilities | 4,702 | 28,523 | 1,539 | 34,764 |
| | <u>4,702</u> | <u>28,523</u> | <u>1,539</u> | <u>34,764</u> |
| Total | <u>\$ 307,097</u> | <u>\$ 6,015,070</u> | <u>\$ 148,514</u> | <u>\$ 6,470,681</u> |

Catholic Community Services of Utah
Schedule of Expenditure of Federal Awards
Year Ended June 30, 2013

| Federal Grantor Agency Administrator | Grant Title | Federal CFDA Number | Passthrough Grant Number | 2012-13 Expenditures |
|---|--|---------------------------|--------------------------------|-------------------------|
| <u>U.S. Department of Health & Human Services</u> | | | | |
| Administered by Utah State Department of Workforce Services | Refugee Foster Care* | 93.566 | 116191 | \$ 2,018,986 |
| | Temporary Assistance for Needy Families (TANF)* | 93.558 | 136284 | 558,351 |
| | Temporary Assistance for Needy Families* | 93.558 | 10-1974 | 135,446 |
| Administered by Utah State Department of Health | Refugee Health Screening - TB - 026568* | 93.566 | 116217 | 363,605 |
| | Refugee Preventative Health* | 93.566 | 126222 | 50,490 |
| Administered by United States Conference of Catholic Bishops | Refugee Resettlement Match Grant Program | 93.567 | | 1,034,614 |
| | Refugee Resettlement Safe Passage Grant | 93.676 | 902UZ0065 | 535 |
| | Catholic Charities USA | 16.726 | 2012-JU-FX-0005 | 1,398 |
| Administered by Office of Refugee Resettlement | Refugee Elder Care Grant through SL County | 93.576 | AE08276C | 22,701 |
| Administered by Office of US Citizen & Immigration Services | English Skills Learning Ctr - USCIS | 97.010 | 20U-CS-010-000007 | 41,223 |
| Administered by the State of Utah | Liheap Energy Crisis Fund | 93.568 | 13-1621 | 60,273 |
| Administered by Salt Lake Community Action Program | Community Services Block Grant - Special Assistance | 93.569 | | 11,898 |
| Administered by Salt Lake County Division of Community Resources and Development. | Social Services Block Grant - Immigration | 93.667 | BJ-12108 | 35,000 |
| Administered by Salt Lake County Department of Human Services | Substance Abuse - St. Mary's Home for Men | 93.959 | AL11506C | 9,540 |
| | Substance Abuse - Co. Out Patient | 93.959 | AL11506C | 21,710 |
| | Subtotal for US Department of Health & Human Services | | | <u>4,365,770</u> |

Catholic Community Services of Utah
Schedule of Expenditure of Federal Awards
Year Ended June 30, 2013

| Federal Grantor Agency Administrator | Grant Title | Federal CFDA Number | Passthrough Grant Number | 2012-13 Expenditures |
|---|--|------------------------------------|---|---------------------------------|
| <u>U.S. Department of Housing and Urban Development</u> | | | | |
| | Supportive Housing Program (HUD) | 14.235 | UT01B600008 | 86,651 |
| Administered by Salt Lake City Corporation | CDBG - SVDP Dining Hall | 14.218 | | 5,000 |
| | CDBG - Weigand Resource Center | 14.218 | | 20,000 |
| | ESG - Weigand Resource Center | 14.231 | | 20,000 |
| | ESG - St. Mary's Home for Men | 14.231 | | 8,999 |
| Administered by Utah Department of Community and Economic Development | Housing Opportunities for Persons with AIDS | 14.241 | 13-0664 | 4,079 |
| | Subtotal for US Department of Housing & Urban Development | | | <u>144,729</u> |
| <u>U.S. Department of State</u> | | | | |
| Administered by United States Conference of Catholic Bishops | Reception and Placement Grant - Program Administrati | 19.510 | | 407,713 |
| | Reception and Placement Grant - Direct Assistance | 19.510 | | 677,456 |
| | Refugee and Placement Grant - Flex Funds | 19.510 | | 146,813 |
| | Refugee and Placement Grant - POWR | 19.510 | | 11,683 |
| | Reception and Placement Grant - URM | 19.510 | | 25,450 |
| | Subtotal for US Department of State | | | <u>1,269,115</u> |
| <u>U.S. Federal Emergency Management Agency</u> | | | | |
| Emergency Food and Shelter Program | St. Vincent de Paul Center | 97.024 | 8510-00 | 57,230 |
| | Northern Utah - Housing Assistance | 97.024 | 8540-00 | 19,500 |
| | Subtotal for US Federal Emergency Management Agency | | | <u>76,730</u> |

Catholic Community Services of Utah
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2013

| Federal Grantor Agency Administrator | Grant Title | Federal CFDA Number | Passthrough Grant Number | 2012-13 Expenditures |
|--|--|------------------------------------|---|-----------------------------------|
| <u>U.S. Department of Veterans' Affairs</u> | | | | |
| Administered by Regional Department of Veteran's Affairs | St. Mary's Home for Men Substance Abuse Treatment | 64.019 | VA259-P-1100 | <u>485,437</u> |
| | Subtotal for US Department of Veterans' Affairs | | | <u>485,437</u> |
| <u>U.S. Department of Agriculture</u> | | | | |
| Administered by Utah State Department of Education | Northern Utah Food Distribution | 10.568 | 13-001 | <u>29,897</u> |
| | Subtotal for US Department of Agriculture | | | <u>29,897</u> |
| TOTAL FEDERAL EXPENDITURES | | | | <u><u>\$ 6,371,678</u></u> |

* Major program

Note 1 - General

The schedule of expenditures of federal awards presents the activity of all federal award programs of Catholic Community Services of Utah. The Catholic Community Services of Utah reporting entity is defined in Note 1 to Catholic Community Services of Utah's financial statements. All federal financial awards received directly from federal agencies as well as federal financial awards passed through from other government agencies are included on the schedule.

Note 2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using grant accounting principles. Certain government and other grants require that another comprehensive basis of accounting be followed. The differences from accounting principles generally accepted in the United States of America are as follows:

Acquisition of capital assets are recorded as expenses rather than being capitalized and depreciated and supporting services are reflected with program expenses rather than reflected separately.

Note 3 - Sub-Recipients

Catholic Community Services of Utah provided federal awards to sub-recipients as follows:

| Program Title | Federal CFDA Number | Amount Provided |
|---|---------------------------|--------------------|
| Temporary Assistance for Needy Families | 93.558 | \$ 298,777 |
| Refugee Foster Care | 96.566 | 1,483,917 |
| Total federal awards to sub-recipients | | \$ 1,782,694 |



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*

To the Board of Directors
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, 2013, 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 23, 2013.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not yet been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a significant deficiency as item 2013-A.

Compliance and Other Matters

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

Catholic Community Services of Utah's Response to Findings

Catholic Community Services of Utah's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Catholic Community Services of Utah's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Salt Lake City, Utah
September 23, 2013



Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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

Report on Compliance for Each Major Federal Program

We have audited Catholic Community Services of Utah’s compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2013. Catholic Community Services of Utah’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Catholic Community Services of Utah’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Catholic Community Services of Utah complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect of each of its major Federal programs for the year ended June 30, 2013.

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 compliance requirements referred to above. In planning and performing our audit of compliance, we considered Catholic Community Services of Utah's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses and 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.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Salt Lake City, Utah
September 23, 2013

Summary of Auditors' Results

- i. The auditor issued an unqualified opinion on the financial statements of Catholic Community Services of Utah.
- ii. One significant deficiency in internal control over the financial statement is disclosed as a result of the audit of the financial statements.
- iii. No instances of noncompliance material to the financial statements of Catholic Community Services of Utah which would be required to be reported in accordance with Government Auditing Standards were disclosed during the audit.
- iv. There are no significant deficiencies or material weaknesses in internal controls over major federal award programs disclosed during the audit of the financial statements.
- v. The auditor issued an unqualified opinion on compliance with requirements applicable to each major program.
- vi. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.

vii. Major programs consisted of:

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Expenditures |
|--|---------------------------|--------------|
| United States Department of Health and Human Services: | | |
| Administered by Utah State Department of Workforce Services: | | |
| Refuge Foster Care | 93.566 | \$ 2,018,986 |
| Administered by Utah State Department of Health: | | |
| Refugee Health Screening - TB - 026568 | 93.566 | \$ 363,605 |
| Refugee Preventative Health | 93.566 | \$ 50,490 |
| Temporary Assistance for Needy Families | 93.558 | \$ 693,797 |

- viii. The dollar threshold to distinguish Type A and Type B programs was \$300,000. Programs were selected to meet the percentage coverage rule of OMB Circular A-133 §530
- ix. The Organization qualified as a low-risk auditee.

Audit Findings - Financial Statement Audit - Internal Controls

Significant Deficiencies

2013-A Year-end Adjustments

Condition:

In connection with audit procedures, several minor adjustments were made to the year-end balances. The number of adjustments indicates that the Organization should strengthen its year-end closing policies and procedures.

Criteria:

The Organization should have policies and procedures in place to ensure that appropriate year-end general ledger accounts are properly reconciled and adjusted.

Cause:

The Organization does not have a process to review all year-end general ledger account balances to ensure all balances are properly reconciled and adjusted.

Effect:

General ledger account balances and the resulting financial statement amounts may be misstated.

Recommendation:

The Organization should strengthen its policies and procedures to ensure that all year-end general ledger accounts are properly reconciled and adjusted.

Views of Responsible Officials and Planned Corrective Action:

The finance department will work together to create a policy for reviewing all year-end closing procedures. Each team member will have the opportunity to provide input in developing and adopting the policy. This will help ensure a more complete policy as well as responsibility and accountability on their part.

The Finance Director will use the current month-end closing checklist as a basis to create an expanded and comprehensive year-end checklist that includes all items necessary to ensure year-end closing procedures are properly performed particularly in the area of general ledger account balance review, reconciliation and adjustment. The Finance Director is ultimately responsible to verify that each item on the checklist is completed before the audit begins.

The Finance Director will inform the audit team up front of any potentially material financial items related to the year under audit of which proper support is still outstanding as of fiscal year-end because of timing or other issues such as United Way designations.

Findings and Questioned Costs – Major Federal Award Program Audit

None.

Catholic Community Services of Utah
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2013

Ref

Finding

There are no prior audit findings.