



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

June 30, 2023 and 2022

# 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, 2023 and 2022, 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, 2023 and 2022, 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 28 through 30 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 November 15, 2023 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.

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

Salt Lake City, Utah  
November 15, 2023

Catholic Community Services of Utah  
Statements of Financial Position  
June 30, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,987,109	\$ 1,746,633
Accounts receivable	2,933	4,777
Promises to give and grants receivable, net	1,935,248	1,402,174
Inventory, net	476,057	578,478
Prepaid expenses and other assets	199,623	201,262
Total current assets	7,600,970	3,933,324
Cash Restricted to Building Projects	-	3,161,220
Investments, Including Amounts Restricted to Long-Term Purposes (Note 3)	5,073,584	2,704,856
Property and Equipment, Net (Note 6)	13,689,534	13,648,185
Operating Lease Right-of-Use Asset	102,426	-
Beneficial Interest in Assets Held by Catholic Foundation of Utah	8,442,415	7,859,030
Total assets	\$ 34,908,929	\$ 31,306,615
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 187,203	\$ 134,248
Accrued expenses and other liabilities	834,514	695,724
Current portion of operating lease liability	19,335	-
Total current liabilities	1,041,052	829,972
Long-Term Liabilities		
Operating lease liability	86,946	-
Total liabilities	1,127,998	829,972
Net Assets		
Without donor restrictions		
Undesignated	5,278,676	4,624,515
Invested in endowments	7,237,172	6,697,992
Invested in property and equipment	13,689,534	13,648,185
	26,205,382	24,970,692
With donor restrictions (Note 11)	7,575,549	5,505,951
Total net assets	33,780,931	30,476,643
Total liabilities and net assets	\$ 34,908,929	\$ 31,306,615

# Catholic Community Services of Utah

Statement of Activities  
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Support, and Gains</b>			
Public support			
Private donors	\$ 2,984,379	\$ 2,367,179	\$ 5,351,558
Gross special events revenue	319,668	-	319,668
Less cost of direct benefits to donors	(59,011)	-	(59,011)
Net special events revenue	260,657	-	260,657
In-kind donations	5,661,208	-	5,661,208
Total public support	8,906,244	2,367,179	11,273,423
Grants and contracts	10,195,028	-	10,195,028
Program income	978,497	-	978,497
Rental income	61,917	-	61,917
Change in value of beneficial interest in assets held by Catholic Foundation of Utah	539,180	89,608	628,788
Net investment return	226,735	-	226,735
Other income	7,465	-	7,465
Net assets released from restrictions	387,189	(387,189)	-
Total revenue, support, and gains	21,302,255	2,069,598	23,371,853
<b>Expenses and Losses</b>			
Program services expenses			
Migration Refugee Services	9,573,487	-	9,573,487
Homeless Services	3,986,940	-	3,986,940
Catholic Community Services of Northern Utah	4,739,970	-	4,739,970
Total program services expenses	18,300,397	-	18,300,397
Supporting services expenses			
Management and general	1,353,761	-	1,353,761
Fundraising and development	413,407	-	413,407
Total supporting services expenses	1,767,168	-	1,767,168
Total expenses and losses	20,067,565	-	20,067,565
Change in Net Assets	1,234,690	2,069,598	3,304,288
Net Assets, Beginning of Year	24,970,692	5,505,951	30,476,643
Net Assets, End of Year	\$ 26,205,382	\$ 7,575,549	\$ 33,780,931

# Catholic Community Services of Utah

Statement of Activities  
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Support, and Gains</b>			
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 benefits to donors	(57,810)	-	(57,810)
Net special events revenue	502,546	-	502,546
In-kind donations	5,186,415	-	5,186,415
Total public support	8,952,849	3,654,916	12,607,765
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	18,037,319	2,892,052	20,929,371
<b>Expenses and Losses</b>			
Program services expenses			
Migration Refugee Services	7,944,050	-	7,944,050
Homeless Services	3,181,265	-	3,181,265
Catholic Community Services of Northern Utah	5,145,511	-	5,145,511
Total program services expenses	16,270,826	-	16,270,826
Supporting services expenses			
Management and general	1,249,115	-	1,249,115
Fundraising and development	390,536	-	390,536
Total supporting services expenses	1,639,651	-	1,639,651
Total expenses and losses	17,910,477	-	17,910,477
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 Functional Expenses  
Year Ended June 30, 2023

	Program Services			Total	Management and General	Fundraising and Development	Total
	Migration Refugee Services	Homeless Services	Catholic Community Services of Northern Utah				
Bad debt expense	\$ 1,753	\$ 216	\$ -	\$ 1,969	\$ -	\$ -	\$ 1,969
Communications	125,216	11,703	24,884	161,803	25,476	11,469	198,748
Conferences and meetings	26,692	7,059	5,008	38,759	20,859	2,650	62,268
Depreciation and amortization	74,538	130,470	257,858	462,866	55,127	13,873	531,866
Dues and subscriptions	29,465	9,976	4,579	44,020	6,736	4,455	55,211
Events	-	-	-	-	-	90,517	90,517
Insurance	40,477	12,902	23,853	77,232	3,057	855	81,144
Interest expense	-	-	-	-	1,605	-	1,605
Miscellaneous	1,285	42	370	1,697	480	12,978	15,155
Participant assistance	1,488,268	113,888	29,971	1,632,127	-	-	1,632,127
Participant assistance (in-kind)	465,552	1,421,888	3,680,198	5,567,638	2,044	180	5,569,862
Professional fees	599,604	293,422	16,302	909,328	104,205	3,904	1,017,437
Rent	131,467	202,177	-	333,644	-	-	333,644
Repairs and maintenance	92,873	72,318	45,743	210,934	10,864	2,250	224,048
Salaries, benefits and taxes	5,728,560	1,530,379	510,932	7,769,871	1,125,415	322,675	9,217,961
Subcontractors	444,815	-	-	444,815	-	-	444,815
Supplies	133,552	55,453	45,883	234,888	13,655	2,678	251,221
Transportation	135,337	20,035	49,175	204,547	(25,067)	1,308	180,788
Utilities	54,033	105,012	45,214	204,259	9,305	2,626	216,190
	<u>9,573,487</u>	<u>3,986,940</u>	<u>4,739,970</u>	<u>18,300,397</u>	<u>1,353,761</u>	<u>472,418</u>	<u>20,126,576</u>
Less expenses included with revenues on the statement of activities							
Cost of direct benefit to donors	-	-	-	-	-	(59,011)	(59,011)
Total functional expenses	<u>\$ 9,573,487</u>	<u>\$ 3,986,940</u>	<u>\$ 4,739,970</u>	<u>\$ 18,300,397</u>	<u>\$ 1,353,761</u>	<u>\$ 413,407</u>	<u>\$ 20,067,565</u>

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)	351,477	928,843	4,039,517	5,319,837	4,579	138	5,324,554
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>7,944,050</u>	<u>3,181,265</u>	<u>5,145,511</u>	<u>16,270,826</u>	<u>1,249,115</u>	<u>448,346</u>	<u>17,968,287</u>
Less expenses included with revenues on the statement of activities							
Cost of direct benefit to donors	-	-	-	-	-	(57,810)	(57,810)
Total functional expenses	<u>\$ 7,944,050</u>	<u>\$ 3,181,265</u>	<u>\$ 5,145,511</u>	<u>\$ 16,270,826</u>	<u>\$ 1,249,115</u>	<u>\$ 390,536</u>	<u>\$ 17,910,477</u>

See Notes to Financial Statements

# Catholic Community Services of Utah

## Statements of Cash Flows

Years Ended June 30, 2023 and 2022

	2023	2022
Operating Activities		
Change in net assets	\$ 3,304,288	\$ 3,018,894
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	531,866	537,950
Change in beneficial interest in assets held by others	(628,788)	989,913
Net investment return	(226,735)	(24,970)
Contributions restricted to building projects	(1,891,752)	(3,120,238)
Changes in operating assets and liabilities		
Accounts receivable	1,844	58,276
Promises to give and grants receivable	(533,074)	(190,779)
Inventory	102,421	385,525
Prepaid expenses and other assets	1,639	(61,651)
Operating lease assets and liabilities	3,855	-
Accounts payable	52,955	(399,245)
Accrued expenses and other liabilities	138,790	188,760
<b>Net Cash from Operating Activities</b>	<b>857,309</b>	<b>1,382,435</b>
Investing Activities		
Purchases of property and equipment	(573,215)	(2,070,357)
Transfers to board-designated endowment	-	(719)
Proceeds from beneficial interest in assets held by Catholic Foundation of Utah	45,403	42,033
Purchases of operating investments	(2,820,057)	(83,666)
Proceeds from sales of operating investments	678,064	1,061,874
<b>Net Cash used for Investing Activities</b>	<b>(2,669,805)</b>	<b>(1,050,835)</b>
Financing Activities		
Collections of contributions restricted to building projects	1,891,752	3,120,238
Principal payments on capital lease payable	-	(14,010)
<b>Net Cash from Financing Activities</b>	<b>1,891,752</b>	<b>3,106,228</b>
<b>Net Change in Cash, Cash Equivalents and Restricted Cash</b>	<b>79,256</b>	<b>3,437,828</b>
<b>Cash, Cash Equivalents and Restricted Cash, Beginning of Year</b>	<b>4,907,853</b>	<b>1,470,025</b>
<b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>	<b>\$ 4,987,109</b>	<b>\$ 4,907,853</b>
Cash and Cash Equivalents	4,987,109	1,746,633
Cash Restricted to Building Projects	-	3,161,220

**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 \$1.79, per pound of food during the years ended June 30, 2023 and 2022.

**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, 2023 and 2022.

**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, 2023 and 2022. Accounts receivables at June 30, 2023 and 2022 total \$2,933 and \$4,777, respectively. Accounts receivable at July 1, 2021 totaled \$63,053.

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, 2023 and 2022, conditional contributions approximating \$6,308,000 and \$3,966,000, 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, supplies, interest, repairs 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 IRC Section 501(a) as an organization described in IRC Section 501(c)(3), that qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. 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. CCS maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank,

for each account ownership category. At June 30, 2023 and 2022, CCS had approximately \$4,341,234 and \$4,458,315, respectively, in excess of FDIC-insured limits.

### **Adoption of Accounting Standards Codification Topic 842**

Effective July 1, 2022, CCS adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases* (Topic 842). CCS elected to apply the guidance as of July 1, 2022, the beginning of the adoption period. The comparative financial information and disclosures presented are in accordance with the legacy standard, Topic 840. The standard requires the recognition of right-of-use assets and lease liabilities for lease contracts with terms greater than 12 months. Operating lease costs are recognized in the income statement as a single lease cost and finance lease costs are recognized in two components, interest expense and amortization expense. CCS has elected the package of practical expedients permitted in Topic 842. Accordingly, CCS accounted for its existing leases as either finance or operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under Topic 842, (b) whether classification of the operating lease would be different in accordance with Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in Topic 842 at lease commencement.

As a result of the adoption of the new lease accounting guidance, CCS recognized on July 1, 2022, the beginning of the adoption period, no cumulative effect adjustment to retained earnings, an operating lease liability of \$120,454, and an operating right-of-use asset of \$117,712. The adoption of the new standard did not materially impact CCS' Statements of Activities or Statements of Cash Flows. See Note 9 for further disclosure of the CCS' lease contracts.

### **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 November 15, 2023, 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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 4,987,109	\$ 1,746,633
Accounts receivable	2,933	4,777
Promises to give and grants receivable, net	<u>1,935,248</u>	<u>1,402,174</u>
Less restrictions	<u>(1,647,532)</u>	<u>(1,183,693)</u>
	<u>\$ 5,277,758</u>	<u>\$ 1,969,891</u>

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments, certificates of deposit, money market funds and other investments deemed to be prudent and conservative by CCS' board of trustees (the Board). Under this plan, CCS has made investments to a board-designated endowment which totals \$7,237,172 and \$6,697,992 at June 30, 2023 and 2022, respectively (Note 11). At June 30, 2023 and 2022, CCS also has \$5,073,584 and \$2,704,856, respectively, invested with investment firms and financial institutions deemed qualified by the Board (Note 3). Of this amount, \$4,722,852 and \$161,220, respectively, is restricted to long-term purposes for facilities and \$350,732 and \$2,543,636, 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.

**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 and fixed income securities that are classified within Level 1 because they comprise securities with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis at June 30, 2023:

	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	\$ 8,442,415	\$ -	\$ -	\$ 8,442,415
Investments				
Cash and equivalents (at cost)	1,573,787	-	-	-
Certificates of deposit (at cost)	1,087,790	-	-	-
Equity securities	69,736	69,736	-	-
Fixed income securities	2,342,271	2,342,271	-	-
	<u>5,073,584</u>	<u>2,412,007</u>	<u>-</u>	<u>-</u>
	<u>\$ 13,515,999</u>	<u>\$ 2,412,007</u>	<u>\$ -</u>	<u>\$ 8,442,415</u>

# Catholic Community Services of Utah

Notes to Financial Statements

June 30, 2023 and 2022

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 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, 2023:

	Beneficial Interest in Assets Held by CFU
Balance at June 30, 2022	\$ 7,859,030
Purchases/contributions of investments	-
Investment return, net	628,788
Distributions	<u>(45,403)</u>
Balance at June 30, 2023	<u>\$ 8,442,415</u>

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 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	<u>(42,033)</u>
Balance at June 30, 2022	<u>\$ 7,859,030</u>

**Note 4 - Promises to Give and Grants Receivable**

Promises to give and grants receivable are expected to be received within one year and consist of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
State of Utah - various	\$ 1,139,805	\$ 1,073,299
United States Conference of Catholic Bishops	511,769	205,865
Catholic Charities USA	4,725	4,848
Salt Lake City Corporation - various	104,531	76,167
Shelter the Homeless	98,241	49,960
Utah Community Action Program	54,976	-
Other	41,201	12,035
Less estimated uncollectible amounts	<u>(20,000)</u>	<u>(20,000)</u>
	<u>\$ 1,935,248</u>	<u>\$ 1,402,174</u>

**Note 5 - Inventory**

Inventory consists of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Food and consumables inventory	\$ 492,320	\$ 595,634
Allowance for perishable food	(23,049)	(23,049)
Supplies	<u>6,786</u>	<u>5,893</u>
	<u>\$ 476,057</u>	<u>\$ 578,478</u>

**Note 6 - Property and Equipment**

Property and equipment consists of the following at June 30, 2023 and 2022:

	2023	2022
Land	\$ 1,824,642	\$ 1,824,642
Buildings and improvements	12,685,744	12,583,188
Leasehold improvements	549,612	549,612
Equipment	1,734,256	1,651,728
Autos and trucks	1,112,692	983,364
Computer equipment	327,110	327,110
Furniture and fixtures	41,480	41,480
Software	209,323	153,563
Construction in progress	259,931	56,888
	<u>18,744,790</u>	<u>18,171,575</u>
Less accumulated depreciation and amortization	<u>(5,055,256)</u>	<u>(4,523,390)</u>
	<u>\$ 13,689,534</u>	<u>\$ 13,648,185</u>

**Note 7 - Line of Credit**

CCS had a \$200,000 unsecured revolving line of credit with a bank. As of June 30, 2023 and 2022, there were no borrowings on the line of credit. The line of credit was available until February 5, 2023, and the entity did not renew the line of credit. The line bore interest at the greater of a floating rate of the Prime Rate plus 0.75%.

**Note 8 - 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 9 - Leases**

The Organization leases a building under a long-term non-cancelable operating lease agreement. The lease expires in 2026 and provides for a three year renewal option. The Organization includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The Organization's operating lease provides for increases in future minimum annual rental payments. Additionally, the operating lease agreement requires the Organization to pay real estate taxes, insurance, and repairs.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to the building class of assets.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

Total lease costs for the year ended June 30, 2023 was as follows:

	<u>2023</u>
Operating lease cost	\$ 20,008

The following table summarizes the supplemental cash flow information for the year ended June 30, 2023:

	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating lease	\$ 3,855

The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

	<u>2023</u>
Weighted-average remaining lease term in years:	
Operating lease	5.59
Weighted-average discount rate:	
Operating lease	2.92%

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of June 30, 2023:

<u>Years Ending June 30,</u>	<u>Operating</u>
2024	\$ 19,335
2025	19,915
2026	20,512
2027	21,128
2028	21,762
Thereafter	<u>12,913</u>
Total lease payments	115,565
Less interest	<u>(9,284)</u>
Present value of lease liabilities	<u>\$ 106,281</u>

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 12).

### **Note 10 - 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, 2023 and 2022, CCS has recorded \$1,205,243 and \$1,161,038, 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, 2023 and 2022, 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, 2023 and 2022, CCS transferred \$0 and \$719, 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, 2023 and 2022, CCS recorded gains of \$628,788 and losses of \$989,913,

## Catholic Community Services of Utah

Notes to Financial Statements

June 30, 2023 and 2022

respectively, as change in interest in the net assets of CFU. During the years ended June 30, 2023 and 2022, \$45,403 and \$42,033, respectively, was appropriated and received in cash by CCS.

CFU held other donor-restricted net assets to be held in perpetuity, with a value of approximately \$1,232,000 and \$1,169,000, respectively, at June 30, 2023 and 2022. 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, 2023 and 2022.

At June 30, 2023, endowment net asset composition by type of fund is as follows:

	Without Donor Restriction	With Donor Restriction	Total
Board-designated endowment funds	\$ 7,237,172	\$ -	\$ 7,237,172
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	-	205,243	205,243
	\$ 7,237,172	\$ 1,205,243	\$ 8,442,415

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



## Catholic Community Services of Utah

Notes to Financial Statements

June 30, 2023 and 2022

Changes in endowment net assets for the year ended June 30, 2023, are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Beneficial interest in assets held by CFU, beginning of year	\$ 6,697,992	\$ 1,161,038	\$ 7,859,030
Investment return, net	539,180	89,608	628,788
Contributions	-	-	-
Appropriation of endowment assets pursuant to spending-rate policy	-	(45,403)	(45,403)
Beneficial interest in assets held by CFU, end of year	\$ 7,237,172	\$ 1,205,243	\$ 8,442,415

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	\$ 7,540,278	\$ 1,349,979	\$ 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	\$ 6,697,992	\$ 1,161,038	\$ 7,859,030

**Note 11 - Net Assets with Donor Restrictions**

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

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose		
Homeless Services - capital needs	\$ 4,690,691	\$ 3,022,764
Northern Utah - capital needs	32,161	138,456
Northern Utah - operations and client assistance	49,424	189,701
Northern Utah - client food	11,250	-
St. Marthas - operations and program supplies	100,954	100,954
MRS - staff sustainability	66,244	66,244
Homeless Services - client assistance	82,418	65,278
Homeless Services - stipend	4,700	-
MRS program supplies	-	10,413
MRS client assistance	1,250,152	639,582
MRS staff wages and technology	25,613	-
Immigration	2,075	2,450
Technology upgrades	-	55,929
Refugee Foster Care - client money	1,560	-
Other	53,142	53,142
Endowment fund earnings subject to spending policy or appropriation - St Vincent de Paul Center (held by CFU)	205,243	161,038
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>\$ 7,575,627</u>	<u>\$ 5,505,951</u>

**Note 12 - Donated Professional Services and Materials**

CCS received donated materials and professional services as follows during the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Food and consumables	\$ 4,326,258	\$ 3,836,725
Clothing and furnishings	1,028,481	968,441
Rent	194,660	247,238
Other	111,809	134,011
	<u>\$ 5,661,208</u>	<u>\$ 5,186,415</u>

Related expenses included in the statements of activities total \$5,764,523 and \$5,571,791 for the years ended June 30, 2023 and 2022, respectively. Of this amount, \$194,660 and \$247,238 are presented as rent and the

remainder as participant assistance (in-kind) in the accompanying statements of functional expenses. 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 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 6% of its eligible employees' gross wages to the Plan. For the years ended June 30, 2023 and 2022, CCS contributed \$337,395 and \$262,681, respectively, to the Plan.

### **Note 14 - Related Party Transactions**

During the years ended June 30, 2023 and 2022, CCS received cash donations of \$101,867 and \$102,275, 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, 2023 and 2022, CCS recorded revenue of \$2,612,307 and \$2,166,940, respectively, as a sub-recipient of federal grant awards made by the United States Conference of Catholic Bishops (USCCB). At June 30, 2023 and 2022, \$511,769 and \$205,865 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, 2023 and 2022, CCS has recorded its interest in the net assets of CFU totaling \$8,442,415 and \$7,859,030, 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, 2023 and 2022.



Supplementary Information and  
Schedule of Expenditures of Federal Awards and Reports  
Required by Government Auditing Standards and the  
Uniform Guidance  
June 30, 2023

**Catholic Community Services of Utah**

Catholic Community Services of Utah  
Combining Schedule of Functional Expenses  
Year Ended June 30, 2023

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	\$ 532	\$ -	\$ -	\$ -	\$ 96	\$ -	\$ -	\$ -	\$ 1,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,753
Communications	8,478	5,695	9,244	6,583	4,240	1,203	1,249	66,002	10,388	2,173	2,191	1,770	2,813	3,187	125,216
Conferences and meetings	10,055	617	487	1,429	280	-	-	13,350	474	-	-	-	-	-	26,692
Depreciation and amortization	3,707	7,392	11,168	6,283	4,531	1,204	2,171	30,662	4,075	942	267	-	1,357	779	74,538
Dues and subscriptions	3,245	3,056	3,166	774	683	162	228	15,936	1,436	376	141	11	96	155	29,465
Events	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	935	1,479	2,742	1,753	962	352	391	8,671	12,562	3,935	-	2,479	4,069	147	40,477
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	117	-	-	-	14	300	-	490	364	-	-	-	-	-	1,285
Participant assistance	531,759	578,221	(2,488)	25,005	208	209	642	351,522	3,190	-	-	-	-	-	1,488,268
Participant assistance (in-kind)	181,907	166,307	55,653	37,146	-	-	8,468	16,071	-	-	-	-	-	-	465,552
Professional fees	23,931	9,868	10,659	12,472	10,340	3,875	4,097	512,864	5,193	200	389	-	5,207	509	599,604
Rent	13,461	-	-	-	-	-	-	86,694	13,312	-	18,000	-	-	-	131,467
Repairs and maintenance	3,123	4,647	7,537	5,805	2,936	936	982	61,226	3,240	690	117	199	1,043	392	92,873
Salaries, benefits and taxes	479,428	465,814	759,362	542,845	372,419	100,501	107,308	2,344,626	272,780	38,359	29,196	44,382	73,272	98,268	5,728,560
Subcontractors	-	-	-	-	-	-	-	444,815	-	-	-	-	-	-	444,815
Supplies	35,486	6,411	11,331	18,485	1,763	265	166	57,216	1,214	158	568	33	69	387	133,552
Transportation	18,559	10,668	15,391	7,431	19,537	3,116	1,851	55,564	86	103	2,960	-	15	56	135,337
Utilities	3,060	4,501	8,077	5,333	2,986	1,087	1,208	16,374	3,613	825	4,919	371	1,255	424	54,033
	<u>\$ 1,317,783</u>	<u>\$ 1,264,676</u>	<u>\$ 892,329</u>	<u>\$ 671,344</u>	<u>\$ 420,995</u>	<u>\$ 113,210</u>	<u>\$ 128,761</u>	<u>\$ 4,082,083</u>	<u>\$ 333,052</u>	<u>\$ 47,761</u>	<u>\$ 58,748</u>	<u>\$ 49,245</u>	<u>\$ 89,196</u>	<u>\$ 104,304</u>	<u>\$ 9,573,487</u>

Catholic Community Services of Utah  
Combining Schedule of Functional Expenses  
Year Ended June 30, 2023

	Homeless Services		
	St. Vincent de Paul Dining	Weigand Center	Total
Bad debt expense	\$ -	\$ 216	\$ 216
Communications	7,653	4,050	11,703
Conferences and meetings	6,186	873	7,059
Depreciation and amortization	118,724	11,746	130,470
Dues and subscriptions	5,477	4,499	9,976
Events	-	-	-
Insurance	7,285	5,617	12,902
Interest expense	-	-	-
Miscellaneous	18	24	42
Participant assistance	78,629	35,259	113,888
Participant assistance (in-kind)	816,606	605,282	1,421,888
Professional fees	5,802	287,620	293,422
Rent	82,094	120,083	202,177
Repairs and maintenance	51,423	20,895	72,318
Salaries, benefits and taxes	982,505	547,874	1,530,379
Subcontractors	-	-	-
Supplies	49,508	5,945	55,453
Transportation	19,897	138	20,035
Utilities	70,723	34,289	105,012
<b>Total</b>	<b>\$ 2,302,530</b>	<b>\$ 1,684,410</b>	<b>\$ 3,986,940</b>

Catholic Community Services of Utah  
Combining Schedule of Functional Expenses  
Year Ended June 30, 2023

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	Catholic Community Services of Northern Utah
Bad debt expense	\$ -
Communications	24,884
Conferences and meetings	5,008
Depreciation and amortization	257,858
Dues and subscriptions	4,579
Events	-
Insurance	23,853
Interest expense	-
Miscellaneous	370
Participant assistance	29,971
Participant assistance (in-kind)	3,680,198
Professional fees	16,302
Rent	-
Repairs and maintenance	45,743
Salaries, benefits and taxes	510,932
Subcontractors	-
Supplies	45,883
Transportation	49,175
Utilities	45,214
	4,739,970
Total	\$ 4,739,970



**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, 2023, 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 November 15, 2023.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-01 that we consider to be a significant deficiency.



## **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*.

## **Management's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on Catholic Community Services of Utah's response to the finding identified in our audit and 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 the financial statements, and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Salt Lake City, Utah  
November 15, 2023



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

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

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

***Opinion on the 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 Catholic Community Services of Utah’s major federal program for the year ended June 30, 2023. Catholic Community Services of Utah’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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 its major federal program for the year ended June 30, 2023.

***Basis for Opinion on the 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 the 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 the 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

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



Salt Lake City, Utah  
November 15, 2023

Catholic Community Services of Utah  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Health & Human Services			
Passed through Utah State Department of Workforce Services			
Refugee and Entrant Assistance - Refugee Foster Care	93.566	116191	\$ 4,573,650
Refugee and Entrant Assistance - ORR	93.566	2201UTRSSS	147,155
Passed through Utah State Department of Health			
Refugee and Entrant Assistance - Refugee Health Screening	93.566	156237	370,372
Refugee and Entrant Assistance - Refugee Health Promotion	93.566	225350	114,531
Refugee and Entrant Assistance - Afghan Refugee Health Promot	93.566	226350	<u>35,123</u>
Total for Refugee and Entrant Assistance FFAL 93.566			<u>5,240,831</u>
Passed through United States Conference of Catholic Bishops			
Refugee and Entrant Assistance - Preferred Communities	93.576	90RP0121-01-00	170,306
Refugee and Entrant Assistance - Afghan Supplement	93.576	Unavailable	277,134
Refugee and Entrant Assistance - Ukranian	93.576	Unavailable	<u>219,803</u>
Total for Refugee and Entrant Assistance FFAL 93.576			<u>667,243</u>
Passed through Utah State Department of Workforce Services			
Temporary Assistance for Needy Families (TANF)	93.558	136284	634,448
MaryLee Allen Promoting Safe and Stable Families - Legal Service	93.556	2201UTRSSS	77,405
Passed through Salt Lake Community Action Program			
Community Services Block Grant - Special Assistance	93.569	Unavailable	96,645
Passed through Utah State Department of Health			
Covid-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response	93.354	222701206	23,508
Passed through VERA Institute of Justice			
USAID Foreign Assistance for Programs Overseas	98.001	75P00121C00019	87,886
Passed through United States Conference of Catholic Bishops			
Refugee and Entrant Assistance - Match Grant Program	93.567	2101DCRVMG	<u>1,127,060</u>
Total for U.S. Department of Health & Human Services			<u>7,955,026</u>

Catholic Community Services of Utah  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Housing and Urban Development			
Passed through Salt Lake City Corporation			
CDBG Entitlement Cluster			
Community Development Block Grants - Weigand Center	14.218	2201705	\$ 39,531
Total CDBG Entitlement Cluster			<u>39,531</u>
Passed through Utah State Department of Workforce Services			
Emergency Solutions Grants - Weigand Extended Hours	14.231	21-1028	171,822
Emergency Solutions Grants - Weigand Overflow	14.231	23-DWS-0410	<u>122,381</u>
Total for Emergency Solutions Grants			<u>294,203</u>
Total for U.S. Department of Housing & Urban Development			<u>333,734</u>
U.S. Department of State			
Passed through United States Conference of Catholic Bishops			
Refugee Admissions - R&P - Program Administration	19.510	SPRMC022CA0023	311,936
Refugee Admissions - R&P - Direct Assistance	19.510	SPRMC022CA0023	334,753
Refugee Admissions - R&P - Afghan Placement & Assistance	19.510	SPRMC021CA3291	106,868
Refugee Admissions - R&P - Flex Funds	19.510	SPRMC022CA0023	52,189
Refugee Admissions - R&P - Remote Placement	19.510	Unavailable	10,059
Refugee Admissions - R&P - URM	19.510	Unavailable	<u>2,200</u>
Total for U.S. Department of State			<u>818,005</u>
U.S. Department of Justice			
Passed through United States Conference of Catholic Bishops			
Juvenile Mentoring Program	16.726	2015-JU-FX-0013	62,771
Crime Victim Assistance	16.575	Unavailable	<u>36,086</u>
Total for U.S. Department of Justice			<u>98,857</u>
U.S. Federal Emergency Management Agency			
Passed through Emergency Food and Shelter Program			
Emergency Food and Shelter - Northern Utah	97.114	Unavailable	11,250
Emergency Food and Shelter - St. Vincent de Paul Center	97.114	Unavailable	<u>218,673</u>
Total for U.S. Federal Emergency Management Agency			<u>229,923</u>

Catholic Community Services of Utah  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Treasury			
Passed through Utah Department of Workforce Services Emergency Rental Assistance Program - COVID 19	21.023	Unavailable	<u>\$ 69,729</u>
Total for U.S. Department of Treasury			<u>69,729</u>
U.S. Department of Homeland Security			
Passed through Office of US Citizen & Immigration Services Citizenship Education & Training - English Skills	97.010	20U-CS-010-000007	<u>37,057</u>
Total for U.S. Federal Emergency Management Agency			<u>37,057</u>
U.S. Department of Agriculture			
Passed through Utah Food Bank Food Distribution Cluster - Emergency Food Assistance Emergency Food Assistance Program - Northern Utah	10.568	TEFAP 01-15	<u>669,581</u>
Total Food Distribution Cluster			<u>669,581</u>
Total for U.S. Department of Agriculture			<u>669,581</u>
Total Federal Financial Assistance			<u><u>\$ 10,211,912</u></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, 2023. 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 \$1.79 per pound for the year ended June 30, 2023. This price is used by CCS in valuing all food donations received. At June 30, 2023, CCS had food commodities from federal sources totaling \$137,981 in inventory.



**Section I – Summary of Auditor’s Results**

**FINANCIAL STATEMENTS**

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

**FEDERAL AWARDS**

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	No

**Identification of Major Programs**

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
Refugee and Entrant Assistance - Refugee Foster Care and ORR	93.566
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

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**Section II – Financial Statement Findings**

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**2023 – 001      Financial Statement Adjustment  
Significant Deficiency**

*Criteria:* CCS should ensure that all accounts are properly reconciled and adjusted as part of the accounting closing process. Policies and procedures should be adapted to work with current software.

*Condition:* During testing it was discovered that a revenue transaction was duplicated, which also affected accounts receivable. Adjustments were required to the year-end general ledger accounts. Due to the migration to a new software one quarter before fiscal year end, the organization was not fully prepared for the financial statements being audited.

*Cause:* CCS' year-end process did not detect all necessary adjustments. With respect to the preparation of the financial statements, CCS should update internal controls and procedures to match their current software.

*Effect:* Adjustments were required to properly state certain general ledger account balances. The classifications and disclosures in the consolidated financial statements could be incomplete or incorrect and not be detected by management if internal controls and procedures that align with the new software are not implemented.

*Recommendation:* CCS should strengthen its year-end process to ensure the proper closing of account balances. The fact that CCS' internal control system did not provide for the preparation of a complete set of financial statements is not unusual for an organization of this size, particularly in light of the implementation of new accounting software. We recommend that CCS evaluate the benefits and expenses of including this element into the organizations system of internal control.

*Views of Responsible Officials:* Management agrees with this finding.

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**Section III – Federal Award Findings and Questioned Costs**

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**None**