

## **Sacred Heart Community Service**

Financial Statements  
and Single Audit Reports and Schedules

June 30, 2021  
(With Comparative Totals for 2020)



## TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5 - 6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 29
Single Audit Reports and Schedules	
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 <i>Government Auditing Standards</i>	31 - 32
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	33 - 34
Schedule of Expenditures of Federal Awards and Other Governmental Awards	35 - 37
Notes to Schedule of Expenditures of Federal Awards and Other Governmental Awards	38
Schedule of Findings and Questioned Costs	39 - 40
Summary Schedule of Prior Audit Findings	41
Supporting Schedules Required by California Department of Community Services and Development (CSD)	
Supplemental Schedules of Revenue and Expenditures	43 - 51



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Sacred Heart Community Service  
San Jose, California

We have audited the accompanying financial statements of Sacred Heart Community Service (a California nonprofit corporation) (the "Organization"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of 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 Sacred Heart Community Service as of June 30, 2021, 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.



An independent firm  
associated with Moore  
Global Network Limited

## **Emphasis of Matter**

As discussed in Note 18 to the financial statements, on March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is unmodified with respect to that matter here.

## **Other Matter**

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 and other governmental awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplementary information shown on pages 43 - 51 is presented for purposes of additional analysis as required by the California Department of Community Services and Development and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2022, on our consideration of the Organization'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 the effectiveness of the Organization'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 the Organization's internal control over financial reporting and compliance.

## **Report on Summarized Comparative Information**

We have previously audited Sacred Heart Community Service's 2020 financial statements, and our report dated December 29, 2020 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Armanino<sup>LLP</sup>  
San Jose, California

March 10, 2022

Sacred Heart Community Service  
Statement of Financial Position  
June 30, 2021  
(With Comparative Totals for 2020)

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,855,424	\$ 8,314,701
Grants receivable	7,820,176	1,542,776
Inventory	204,953	434,796
Prepaid expenses and other assets	1,118,125	635,330
Total current assets	14,998,678	10,927,603
Property and equipment, net	4,407,032	4,043,912
Other assets		
Restricted cash for facility improvements	426,652	426,272
Investments held for endowment purposes	1,141,345	974,127
Total other assets	1,567,997	1,400,399
Total assets	\$ 20,973,707	\$ 16,371,914
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 1,636,601	\$ 749,786
Accrued liabilities	355,949	575,526
Deferred revenue	3,803,856	3,201,903
Total current liabilities	5,796,406	4,527,215
Net assets		
Without donor restrictions		
Board designated operating reserve fund	2,840,251	1,780,021
Board designated facilities reserve fund	4,130,465	3,130,465
Board designated endowment fund	338,453	288,862
Property and equipment fund	4,407,032	4,043,912
Total without donor restrictions	11,716,201	9,243,260
With donor restrictions		
Restricted to passage of time	100,830	200,000
Restricted for a specified purpose	2,557,378	1,716,174
Subject to appropriation and spending policy	341,447	223,820
Held in perpetuity (donor restricted endowment corpus)	461,445	461,445
Total with donor restrictions	3,461,100	2,601,439
Total net assets	15,177,301	11,844,699
Total liabilities and net assets	\$ 20,973,707	\$ 16,371,914

The accompanying notes are an integral part of these financial statements.

Sacred Heart Community Service  
Statement of Activities  
For the Year Ended June 30, 2021  
(With Comparative Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Support and revenue				
Contributions	\$ 27,884,599	\$ 2,075,380	\$ 29,959,979	\$ 26,825,791
Government grants - cash	12,838,398	-	12,838,398	4,186,568
Contributions in-kind	4,476,904	-	4,476,904	10,187,502
Government grants - food	1,752,733	-	1,752,733	1,723,376
Endowment investment income, net	49,591	117,627	167,218	49,511
United Way	86,522	-	86,522	420,059
Miscellaneous income	4,167	-	4,167	1,267
Gain on sale of equipment	-	-	-	20,943
Total support and revenue	<u>47,092,914</u>	<u>2,193,007</u>	<u>49,285,921</u>	<u>43,415,017</u>
Net assets released from restriction	<u>1,333,346</u>	<u>(1,333,346)</u>	<u>-</u>	<u>-</u>
Total support, revenue, and net assets released from restriction	<u>48,426,260</u>	<u>859,661</u>	<u>49,285,921</u>	<u>43,415,017</u>
Functional expenses				
Program services				
Essential services	8,045,899	-	8,045,899	12,946,308
Self-sufficiency	1,450,835	-	1,450,835	1,161,833
Policy and organizing	1,539,959	-	1,539,959	894,082
Community outreach and education	779,385	-	779,385	584,956
Housing and family assistance	30,809,026	-	30,809,026	20,974,091
Energy assistance	942,351	-	942,351	884,746
Organizational development	129,150	-	129,150	50,429
Total program services	<u>43,696,605</u>	<u>-</u>	<u>43,696,605</u>	<u>37,496,445</u>
Support services				
Management and general	1,656,580	-	1,656,580	1,080,421
Fundraising	600,134	-	600,134	556,791
Total support services	<u>2,256,714</u>	<u>-</u>	<u>2,256,714</u>	<u>1,637,212</u>
Total functional expenses	<u>45,953,319</u>	<u>-</u>	<u>45,953,319</u>	<u>39,133,657</u>
Change in net assets (see Note 9)	2,472,941	859,661	3,332,602	4,281,360
Net assets, beginning of year	<u>9,243,260</u>	<u>2,601,439</u>	<u>11,844,699</u>	<u>7,563,339</u>
Net assets, end of year	<u>\$ 11,716,201</u>	<u>\$ 3,461,100</u>	<u>\$ 15,177,301</u>	<u>\$ 11,844,699</u>

The accompanying notes are an integral part of these financial statements.

Sacred Heart Community Service  
Statement of Functional Expenses  
For the Year Ended June 30, 2021  
(With Comparative Totals for 2020)

	Program Services							Support Services		2021 Total	2020 Total	
	Essential Services	Self- Sufficiency	Policy and Organizing	Community Outreach and Education	Housing and Family Assistance	Energy Assistance	Organizational Development	Total Program Services	Management and General			Fundraising
Personnel expenses												
Salaries and wages	\$ 753,036	\$ 937,329	\$ 835,938	\$ 546,722	\$ 3,091,364	\$ 588,684	\$ 100,876	\$ 6,853,949	\$ 861,006	\$ 328,799	\$ 8,043,754	\$ 5,378,569
Employee benefits	73,233	88,602	78,809	52,198	347,110	56,031	7,948	703,931	74,020	32,726	810,677	734,126
Payroll taxes	59,353	73,879	65,888	43,092	243,658	46,399	7,951	540,220	67,864	25,916	634,000	411,059
Total personnel expenses	885,622	1,099,810	980,635	642,012	3,682,132	691,114	116,775	8,098,100	1,002,890	387,441	9,488,431	6,523,754
Assistance to individuals	153,513	49,669	85,390	-	15,438,807	-	-	15,727,379	-	-	15,727,379	10,902,510
Subcontracts	320,009	-	270,415	-	11,039,405	-	-	11,629,829	125,000	-	11,754,829	8,730,690
Donated food	6,049,456	-	-	-	-	-	-	6,049,456	-	-	6,049,456	7,173,229
Miscellaneous	56,341	108,268	68,439	20,104	155,382	22,009	1,532	432,075	56,980	6,031	495,086	359,753
Professional services	6,530	41,983	24,370	33,561	69,894	5,105	875	182,318	179,118	58,476	419,912	250,196
Donated toys, bedding, educational materials and gift cards	405,282	-	-	-	-	-	-	405,282	-	-	405,282	308,200
Technology support	10,864	27,968	13,418	8,033	133,775	37,670	1,289	233,017	21,822	17,838	272,677	132,384
Office rent	-	-	-	-	-	61,491	-	61,491	144,300	-	205,791	56,788
Office expenses	17,803	21,909	19,507	12,758	80,688	19,923	2,354	174,942	20,187	7,673	202,802	124,992
Supplies	31,289	28,690	1,365	1,703	4,820	10,593	89	78,549	10,874	647	90,070	89,471
Utilities	7,803	9,659	8,614	5,634	31,854	12,703	1,039	77,306	8,872	3,388	89,566	101,256
Bank charges	117	146	130	85	481	97	16	1,072	3,410	82,666	87,148	60,783
Telephone	6,486	9,099	7,089	4,787	26,536	9,931	856	64,784	16,831	2,789	84,404	57,661
Printing and publications	8,628	4,736	19,698	19,650	8,364	320	55	61,451	1,757	16,015	79,223	57,316
Repairs and maintenance	19,097	7,221	5,659	3,701	20,926	4,031	683	61,318	5,866	2,226	69,410	80,977
Insurance	9,179	3,804	2,209	1,445	8,170	18,296	267	43,370	19,733	869	63,972	46,905
Professional development	5,792	6,914	4,618	4,679	3,062	440	-	25,505	9,407	119	35,031	23,740
Postage and shipping	-	97	879	3,232	2,946	18,727	-	25,881	1,184	3,130	30,195	25,265
Donated clothing	27,294	-	-	-	-	-	-	27,294	-	-	27,294	3,760,464
LIHEAP and weatherization	-	-	-	-	-	10,518	-	10,518	-	-	10,518	16,736
Total expenses before depreciation	8,021,105	1,419,973	1,512,435	761,384	30,707,242	922,968	125,830	43,470,937	1,628,231	589,308	45,688,476	38,883,070
Depreciation	24,794	30,862	27,524	18,001	101,784	19,383	3,320	225,668	28,349	10,826	264,843	250,587
Total functional expenses	\$ 8,045,899	\$ 1,450,835	\$ 1,539,959	\$ 779,385	\$ 30,809,026	\$ 942,351	\$ 129,150	\$ 43,696,605	\$ 1,656,580	\$ 600,134	\$ 45,953,319	\$ 39,133,657
Percentage of total	18 %	3 %	3 %	2 %	66 %	2 %	1 %	95 %	4 %	1 %	100 %	

The accompanying notes are an integral part of these financial statements.

Sacred Heart Community Service  
Statement of Functional Expenses  
For the Year Ended June 30, 2021  
(With Comparative Totals for 2020)

	Program Services							Support Services		2021 Total	2020 Total	
	Essential Services	Self- Sufficiency	Policy and Organizing	Community Outreach and Education	Housing and Family Assistance	Energy Assistance	Organizational Development	Total Program Services	Management and General			Fundraising
Total functional expenses	<u>\$ 8,045,899</u>	<u>\$ 1,450,835</u>	<u>\$ 1,539,959</u>	<u>\$ 779,385</u>	<u>\$ 30,809,026</u>	<u>\$ 942,351</u>	<u>\$ 129,150</u>	<u>\$ 43,696,605</u>	<u>\$ 1,656,580</u>	<u>\$ 600,134</u>	<u>\$ 45,953,319</u>	<u>\$ 39,133,657</u>
Donated items excluded	<u>(6,482,032)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,482,032)</u>	<u>-</u>	<u>-</u>	<u>(6,482,032)</u>	<u>(11,241,893)</u>
Total functional expenses excluding donated items	<u>\$ 1,563,867</u>	<u>\$ 1,450,835</u>	<u>\$ 1,539,959</u>	<u>\$ 779,385</u>	<u>\$ 30,809,026</u>	<u>\$ 942,351</u>	<u>\$ 129,150</u>	<u>\$ 37,214,573</u>	<u>\$ 1,656,580</u>	<u>\$ 600,134</u>	<u>\$ 39,471,287</u>	<u>\$ 27,891,764</u>
Percentage of total	<u>4 %</u>	<u>4 %</u>	<u>4 %</u>	<u>2 %</u>	<u>77 %</u>	<u>2 %</u>	<u>1 %</u>	<u>94 %</u>	<u>4 %</u>	<u>2 %</u>	<u>100 %</u>	

The accompanying notes are an integral part of these financial statements.



Sacred Heart Community Service  
Statement of Cash Flows  
For the Year Ended June 30, 2021  
(With Comparative Totals for 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 3,332,602	\$ 4,281,360
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	264,843	250,587
Capital campaign contributions for new building acquisition and improvement	(500,000)	-
Government grants - food	(1,752,733)	(1,723,376)
In-kind contributions of food, clothing, toys, bedding, educational materials and gift cards	(4,476,904)	(10,187,502)
Distribution of donated food, clothing, toys, bedding, educational materials and gift cards	6,482,032	11,241,893
Net realized and unrealized gain on investments	(146,540)	(27,606)
Gain on disposal of equipment	-	(20,943)
Changes in operating assets and liabilities		
Grants receivable	(6,267,718)	328,906
Unconditional promises to give, net	-	11,726
Inventory	(5,903)	(98,012)
Prepaid expenses and other assets	(482,795)	(388,483)
Accounts payable	860,485	375,111
Accrued liabilities	(219,577)	213,718
Deferred revenue	601,953	2,616,933
Net cash provided by (used in) operating activities	<u>(2,310,255)</u>	<u>6,874,312</u>
Cash flows from investing activities		
Increase in restricted cash for facility improvements	(380)	(586)
Purchase of property and equipment	(627,964)	(94,254)
Proceeds from sale of property and equipment	-	20,943
Proceeds from sale of endowment fund investments	1,022	3,321
Purchase of endowment fund investments	(21,700)	(25,226)
Net cash used in investing activities	<u>(649,022)</u>	<u>(95,802)</u>
Cash flows from financing activities		
Capital campaign contributions for new building acquisition and improvement	<u>500,000</u>	<u>-</u>
Net cash provided by financing activities	<u>500,000</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(2,459,277)	6,778,510
Cash and cash equivalents, beginning of year	<u>8,314,701</u>	<u>1,536,191</u>
Cash and cash equivalents, end of year	<u>\$ 5,855,424</u>	<u>\$ 8,314,701</u>

The accompanying notes are an integral part of these financial statements.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

1. GENERAL INFORMATION

Sacred Heart Community Service (the "Organization") is a California nonprofit public benefit corporation founded in 1964 to provide assistance and support to the community in San Jose, California. The Organization offers essential services, including food and clothing, tools for developing self-sufficiency, such as education programs, employment support, and financial education, and opportunities for community engagement and action, including volunteer programs and community advocacy. The Organization provides these services free of charge to over 50,000 individuals each year. The Organization's vision is a community united to ensure that every child and adult is free from poverty.

2. PROGRAM SERVICES

The Organization offers the following program services:

Essential Services

- *Welcome Center* - main registration area for the Organization, providing resource referral and information. The Welcome Center also distributes newborn layettes to pregnant customers.
- *Food Pantry* - provides a 3-day supplemental supply of food twice per month, to customers within specified zip code areas. The Pantry also provides surplus fruits and vegetables up to once per week and approximately 300 bag lunches per day for customers, regardless of zip code.
- *Clothes Closet* - provides gently used clothing, blankets, and linens to customers, up to twice per month and distributes backpacks full of hygiene supplies, underwear, and socks for homeless customers.

Self-Sufficiency Program

*Education Programs*

- *Resilient Families-Infants Program* - Teaches parents/caretakers from San Jose and Gilroy to provide sensitive and supportive care that helps their age 0-3 children develop a healthy attachment. Children who have a healthy attachment with a caretaker are more resilient, making it more likely for them to overcome challenges associated with poverty and perform better socially, behaviorally, and academically. Families that go through this program may be less likely to need intervention services from schools and child protective services.
- *Parents of Preschoolers (POPS) and Early Childhood Education (ECE)* - English as a Second Language (ESL) and parenting classes for parents and preschool classes for their children 3 to 5 years of age. POPS classes teach parents of young children different approaches to parenting and child development with a focus on teaching basic English skills that parents need to communicate with their child's physician, teacher, etc. Simultaneous ECE classes teach kindergarten readiness skills to children.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

2. PROGRAM SERVICES (continued)

Self-Sufficiency Program (continued)

- *After School Academy* - after school learning, outreach, and enrichment program for children from grades 1-5; tutoring and homework time; organized activities and field trips; protein and fruit snacks provided each day. Past Academy students in grades 6-8 engage in leadership development by assisting younger students and learning mindfulness techniques to cope with stress and emotions in a healthy manner.
- *Summer Academy* - summer camp with an academic focus for children entering grades 4-8; designed to enrich their summer with learning and prepare them for the coming school year; weekly field trips; afternoon enrichment activities.
- *Computer Classes* - classes taught at varied skill levels are offered in both English and Spanish.
- *Familias Unidas con las Escuelas (Families United with the Schools)* - a national best practice curriculum developed by Mexican American Legal Defense & Education Fund (MALDEF), the series of 12 parent workshops help parents learn how to navigate the public school system and to become an effective advocate for their child's education. Parents whose children attend the Organization's After School Academy are required to complete the series.

*Economic and family self-sufficiency*

- *JobLink Employment Services* - assists job-seekers to secure employment by providing them with support and resources that empower them to become economically self-sufficient. Services include individualized assessment, job readiness and skills development workshops, vocational counseling, financial education, and a job interview clothes closet.
- *La Mesa Verde* - organizes low-income families and master gardeners to build organic home gardens to grow healthy food.
- *Asset Building for Independence* - provides individuals and families with concrete pathways to economic self-sufficiency through financial educational classes, individualized coaching, and income tax assistance. Programs include: Volunteer Income Tax Assistance (VITA), financial education workshops, public benefits eligibility screening, and individualized credit coaching.
- *Logrando Juntos* - provides a financial literacy club that harnesses peer support to help individuals and families improve their lives. In this program, members are grouped into cohorts of 10 to 15 people. Through the Logrando Juntos program, Sacred Heart Community Service offers workshops on identify theft, credit building strategies, budgeting and saving and planning for paying for college.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

2. PROGRAM SERVICES (continued)

Energy Assistance Programs

- *Low-Income Home Energy Assistance Program* - provides assistance to help pay utility bills and avoid energy-related crises for households that are experiencing financial hardship.

Policy and Organizing

- Promotes leadership development and civic engagement to help low-income residents become effective advocates for themselves and their community; engages public officials, neighbors, and community allies in actions that address the root causes of poverty.

Community Outreach and Education

- *Volunteer Office* - engages community members and customers in structured volunteer service at Sacred Heart Community Service.
- *Outreach and Education* - reaches out to the community to engage and educate people about poverty and potential solutions to poverty in Santa Clara County. Includes educational classes and immersion programs.

Housing and Family Assistance

- *Homeless Prevention and Rapid Re-Housing* - in partnership with DestinationHome Sacred Heart Community Service staff support county-wide homelessness prevention services by training dozens of partners and centralizing administrative work associated with contracting and compliance. With four years of success and rapid growth of partners this team has grown and was entrusted to manage county-wide COVID-19 relief.
- *Homeless Prevention and Rapid Re-Housing* - provides assistance to families and individuals at high risk of losing their housing. The intervention delivers case management coordinated with multi-month rental assistance for secure and appropriate rental housing.
- *Financial Assistance* - provides one-time financial assistance for security deposits, past due rents, or other emergency needs to stabilize housing and prevent homelessness.

Organizational Development

- *Data Analysis & Program Improvement* - provides for the collection of data on strategic priorities, service provision, and their outcomes for use in analyzing the effectiveness of programs and strategies and informing any modification of services, policies, and procedures as necessary.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of Sacred Heart Community Service have been prepared on the accrual basis of accounting.

Basis of presentation

The Organization follows standards of accounting and financial reporting for voluntary health and welfare organizations. In accordance with generally accepted accounting principles (GAAP), the Organization reports its financial position and operating activities in two classes of net assets: net assets without donor restrictions and net assets with donor restrictions:

- *Net assets without donor restrictions* - include those assets over which the Board of Directors has discretionary control in carrying out the operations of the Organization. Under this category, the Organization maintains an operating reserve fund, property and equipment fund, plus any net assets designated by the board for specific purposes.
- *Net assets with donor restrictions* - include contributions received from donors that are restricted for specific purposes or for subsequent periods. When a donor restriction expires, net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Net assets held in perpetuity include those assets which are subject to a non-expiring donor restriction, such as endowments.

Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense categories. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020 from which the summarized information was derived.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 support, revenue, and expenses during the period. Accordingly, actual results could differ from those estimates.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments and investments with a maturity of three months or less, and exclude donor restricted receipts and amounts designated for long-term purposes. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash accounts.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Fair value measurements

Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

A hierarchy has been established to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). Observable inputs are those that market participants would use in pricing the asset based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

- *Level 1* - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.
- *Level 2* - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.
- *Level 3* - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants receivable

The Organization considers all grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary.

Promises to give

Unconditional promises to give, less an allowance for doubtful amounts, are recognized as contribution support in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. A provision for losses on receivables is made when considered necessary to maintain an adequate allowance to cover bad debts. Receivables are charged against the allowance when the Organization determines that payments will not be received. Any subsequent receipts are credited to the allowance. Promises are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give, if any, are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Inventory

Inventory consists primarily of donated food and clothing. Donated non-government products were valued at \$1.79 and \$1.74 per pound for the years ended June 30, 2021 and 2020, respectively. Donated government food was valued at \$1.70 and \$1.49 per pound for the years ended June 30, 2021 and 2020, respectively. This valuation is based on a cost study conducted for Feeding America. Donated clothing was valued based on published studies performed on eBay sales of used clothing, toys, and other household items titled "It's Deductible - Tax Year 2021 and 2020 Software" (see Note 12).

Property and equipment

Property and equipment are recorded at cost or estimated fair value for donated items. Equipment purchases over \$500 are capitalized. The cost of repairs and maintenance which do not improve or extend the lives of the respective assets are expensed currently. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets, which range from 3 to 39 years. Depreciation is charged to the activity benefiting from the use of the property or equipment.

Accrued vacation

Accrued vacation represents vacation earned, but not taken as of June 30, 2021 and 2020, and is included in "accrued liabilities" in the statement of financial position. The accrued vacation balance as of June 30, 2021 and 2020 was \$331,501 and \$270,994, respectively.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions, including unconditional promises to give, are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any restrictions and are then reclassified to net assets without donor restrictions upon satisfaction of any restrictions through the net assets released from restriction. Contributions and unconditional promises to give that are expected to be collected or paid in future years are discounted using a net present value technique, unless management determines the discount amount is insignificant.

Contributions that are considered conditional promises to give which contain barriers and a right of return or right of release are not recognized until the conditions on which they depend are met, at which time, the gift is recognized as either contribution revenue with or without donor restrictions.

The Organization generates a significant amount of support from providing services to accomplish its program and support services through cost reimbursement state and federally funded programs. The support generated from these services is recorded as government grants in the statement of activities. These government grants meet the criteria to be classified as conditional contributions under GAAP revenue recognition for nonprofit organizations as they contain barriers related to the incurrence of qualifying expenditures and a right of return or release. The Organization has elected a simultaneous release option to account for these grants. Therefore, they are recorded as government grants without donor restrictions upon satisfaction of the barriers. In the event amounts are received and have not been earned, the Organization records such amounts as deferred revenue and/or refundable advances until earned.

Contributions in-kind

Donated equipment and other donated goods are recorded at their estimated fair value as of the date of the donation (see Note 12). Contributed services, which require a specialized skill and which the Organization would have paid for if not donated, are recorded at the estimated fair value at the time the services are rendered. The Organization also receives donated services that do not require specific expertise but which are nonetheless central to the Organization's operations. While these contributed services are not reflected in the financial statements, the estimated value of these services is disclosed in Note 12.

Functional expense allocations

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Indirect expense allocations are based on the related salary expense.



Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under Section 23701(d) of the California Revenue Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more-likely-than-not to be sustained upon examination.

Subsequent events

Management of the Organization has evaluated events and transactions subsequent to June 30, 2021 for potential recognition or disclosure in the financial statements. The Organization had subsequent events (see Note 19) that required recognition or disclosure in the financial statements for the fiscal year ended June 30, 2021. Subsequent events have been evaluated through the date the financial statements became available to be issued, March 10, 2022.

4. INVENTORY

Inventory consists of donated food and non-food items, and purchased non-food items. Goods donated to the Organization are valued at their estimated fair value and recognized as support in the statement of activities. Donated goods remaining in inventory at year end are also recorded at their estimated fair value. The estimated fair value of contributed goods received for the years ended June 30, 2021 and 2020 was \$6,229,637 and \$11,910,878, respectively.

In accordance with generally accepted accounting principles all donated goods inventory is classified as Level 2 inventory and all purchased inventory is classified as Level 1 inventory (see Note 3).

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

4. INVENTORY (continued)

Inventory consisted of the following:

	2021	2020
Donated food - non-government	\$ 100,328	\$ 42,221
Donated gift cards	77,754	383,304
Bus passes	17,907	307
Donated clothing	8,964	8,964
	\$ 204,953	\$ 434,796

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	2021	2020
Building and improvements	\$ 5,179,937	\$ 4,702,423
Land	1,694,354	1,694,354
Furniture and equipment	1,005,234	854,784
Vehicles	312,294	312,294
	8,191,819	7,563,855
Accumulated depreciation	(3,784,787)	(3,519,943)
	\$ 4,407,032	\$ 4,043,912

Depreciation expense for the years ended June 30, 2021 and 2020, was \$264,843 and \$250,587, respectively.

6. RESTRICTED CASH FOR FACILITY IMPROVEMENTS

Restricted cash for facility improvements at June 30, 2021 and 2020, consisted of contributions received for the construction and improvement of the Organization's facility and are invested in short-term interest-bearing cash deposits. Under the terms of the related donations, these funds are considered donor restricted until they have been disbursed for facility improvements (see Note 11).

7. INVESTMENTS HELD FOR ENDOWMENT PURPOSES

Investments are held for endowment purposes and consist of contributions to Sacred Heart Community Service's board designated and donor restricted endowment funds.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

7. INVESTMENTS HELD FOR ENDOWMENT PURPOSES (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Equity securities	\$ 631,750	\$ -	\$ -	\$ 631,750
Cash equivalents	37,829	-	-	37,829
Fixed income securities	<u>-</u>	<u>471,766</u>	<u>-</u>	<u>471,766</u>
	<u>\$ 669,579</u>	<u>\$ 471,766</u>	<u>\$ -</u>	<u>\$ 1,141,345</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Equity securities	\$ 406,304	\$ -	\$ -	\$ 406,304
Cash equivalents	87,017	-	-	87,017
Fixed income securities	<u>-</u>	<u>480,806</u>	<u>-</u>	<u>480,806</u>
	<u>\$ 493,321</u>	<u>\$ 480,806</u>	<u>\$ -</u>	<u>\$ 974,127</u>

Endowment income during the year consisted of the following:

	<u>2021</u>	<u>2020</u>
Net realized and unrealized gain	\$ 146,540	\$ 27,606
Interest and dividend income	28,565	28,950
Fees	<u>(7,887)</u>	<u>(7,045)</u>
	<u>\$ 167,218</u>	<u>\$ 49,511</u>

8. LINE OF CREDIT

The Organization has a \$1,000,000 line of credit with Comerica Bank. The line of credit is due on demand and is secured by substantially all the assets of the Organization and bears interest at a per annum rate equal to the Prime Referenced Rate plus the Applicable Margin of 0.35% per annum. There was no balance outstanding on the line of credit as of June 30, 2021 and 2020.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

9. CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS EXCLUDING DEPRECIATION

The positive change in net assets for the year ended June 30, 2021 and 2020 is largely due to operating funds raised in response to the COVID-19 pandemic as well as Sacred Heart Community Service's ongoing capital needs. The economic fallout from the pandemic could last several years. The operating funds will be used to in these years to address the ongoing needs of the community. The capital funds will be used in subsequent years to acquire new facilities to accommodate the community and organization's expanding needs.

Changes in net assets without donor restrictions, excluding depreciation, in the statement of activities is as follows:

	2021	2020
Change in net assets without donor restrictions	\$ 2,490,507	\$ 3,428,770
Depreciation	264,843	250,587
	\$ 2,755,350	\$ 3,679,357

10. BOARD DESIGNATED NET ASSETS

Board designated net assets consist of the following:

	2021	2020
Board designated operating reserve fund	\$ 2,857,817	\$ 1,780,021
Board designated facilities reserve fund	4,130,465	3,130,465
Board designated endowment fund	338,453	288,862
	\$ 7,326,735	\$ 5,199,348

Board designated operating reserve fund

The Organization maintains a reserve to stabilize cash flow, cover unexpected support or revenue shortfalls, cover unexpected expenses, help fund significant equipment repairs and replacement, as well as address future increased capacity or expansion.

Board designated facilities reserve fund

Sacred Heart Community Service maintains a reserve fund to attend to significant long-term building repairs and equipment replacement as well as to address increased capacity and need for expansion.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

10. BOARD DESIGNATED NET ASSETS (continued)

Board designated endowment fund

The Board of Directors has designated certain investments as an endowment fund. Each year, up to 5% of the fund's fair market value (based on the fund's fair market value at the beginning of the fiscal year) may be used to finance Sacred Heart Community Service's charitable activities. The Organization did not make any appropriations during the years ended June 30, 2021 and 2020.

Board designations do not meet the criteria for being classified as restricted net assets. Board designations are not donor imposed restrictions and are subject to change at the Board's discretion.

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions held in perpetuity (donor restricted endowment corpus) as of June 30, 2021 and 2020, totaled \$461,445, and consisted of amounts held in the Organization's donor restricted endowment fund whose usage is restricted by donors. Under no circumstances shall donor restricted endowment contributions be expended.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

11. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions consisted of the following:

	2021	2020
Restricted to passage of time		
General operating support for future periods	\$ 100,830	\$ 200,000
Restricted for a specified purpose		
REAL - racial equity	692,079	-
Restricted cash for new building acquisition and improvement	500,000	-
Policy and organizing	464,494	375,401
Restricted cash for facility improvements	426,652	426,272
Self-sufficiency - education	179,989	243,500
Essential services - pantry and clothes closet	100,400	68,657
Community development	100,000	300,000
Family assistance - housing	56,752	146,185
Self-sufficiency - asset development	37,012	49,160
Data analysis and program improvement	-	65,000
Community outreach - funds development	-	33,134
Self-sufficiency - urban gardening	-	8,865
	2,557,378	1,716,174
Subject to appropriation and spending policy (endowment accumulated earnings)	341,447	223,820
Held in perpetuity (donor restricted endowment corpus)	461,445	461,445
	\$ 3,461,100	\$ 2,601,439

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

11. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions released from restriction during the year ended June 30, 2021 were as follows:

Restricted to a passage of time	
Grants receivable	\$ 99,169
	99,169
Restricted to a specific purpose	
Community outreach - funds development	333,134
Policy and organizing	245,907
REAL - racial equity	207,921
Self-sufficiency - education	158,511
Self-sufficiency - asset development	110,248
Essential services - pantry and clothes closet	90,856
Admin / HR	65,000
Family assistance - housing	22,600
	1,234,177
	\$ 1,333,346

12. CONTRIBUTIONS IN-KIND

Sacred Heart Community Service receives a significant amount of donated food, clothing, and household items from the community that are distributed as part of its essential services program. The estimated fair value of donated goods received are recorded as contributions.

Donated food received from Second Harvest of Silicon Valley

Donated non-government products were valued at \$1.79 and \$1.74 per pound for the years ended June 30, 2021 and 2020, respectively. Donated government food was valued at \$1.70 and \$1.49 per pound for the years ended June 30, 2021 and 2020, respectively. This valuation is based on a cost study conducted for Feeding America.

Donated food received from other sources

During the years ended June 30, 2021 and 2020, donated food received from other sources were valued at \$18 per bag (which is a multiple of 12 items, each valued at \$1.50), cans of food were valued at \$1.50 per can, turkeys were valued at \$21 each. Gleaned food was valued at \$1.79 and \$1.74 per pound for the years ended June 30, 2021 and 2020, respectively.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

12. CONTRIBUTIONS IN-KIND (continued)

Donated clothing

While the Organization provides a best effort estimate in valuing its donated clothing received, the estimate is inherently imprecise due to the following factors:

- *Quantity estimate* - donated clothing is tracked and valued based on the number of bags received during the year. The sizes of the bags are inconsistent ranging from large garbage bags to standard grocery bags. The variance in the size of the bags can result in inconsistencies in estimating the quantity of clothing received during the year.
- *Value estimate* - the dollar value per bag is estimated annually based on a statistical sampling of bags tested during the year using a published study performed on eBay sales of used clothing titled "It's Deductible - Tax Year 2021 and 2020 Software". The clothing items in each sampled bag as well as the size of the bag can vary significantly.

In summary, the inconsistencies in the size of the bags, as well as the inconsistencies in the contents and quality of clothing in the bags, can result in significant variances in the estimated value of donated clothing from year to year.

Donated services

The Organization also receives donated services that do not require specific expertise but which are nonetheless central to the Organization's operations. Much of this time is to assist Sacred Heart Community Service by performing a variety of tasks related to specific essential services, self-sufficiency programs, campaign solicitations, and various committee assignments. During the years ended June 30, 2021 and 2020, Sacred Heart Community Service received 31,317 and 68,418 hours of volunteer time, respectively. The estimated value of these services for the years ended June 30, 2021 and 2020, respectively, based on the estimated dollar value of volunteer time calculated by Independent Sector, amounts to \$893,787 and \$1,860,970, respectively. The value of these services is not reflected in the financial statements.



Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

12. CONTRIBUTIONS IN-KIND (continued)

Contributions in-kind

Contributions in-kind received during the year were as followed:

	2021	2020
Contributions in-kind - government		
Food - government	\$ 1,752,733	\$ 1,723,376
Contributions in-kind - non-government		
Food	4,354,830	5,347,355
Other	59,119	24,203
Clothing	27,294	3,627,360
Educational materials	20,260	139,940
Gift cards	11,674	905,805
Bedding, linens, and other	3,477	11,495
Toys	250	131,344
	4,476,904	10,187,502
	\$ 6,229,637	\$ 11,910,878

13. CONDITIONAL GOVERNMENT GRANTS

Conditional government grants as of June 30, 2021 consisted of the following:

Incurring allowable expenditures for federal, state, and local government grants	\$ 31,500,143
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14. EMPLOYEE PENSION PLAN

Sacred Heart Community Service maintains a tax deferred 403(b) retirement plan (the "Plan") to provide retirement benefits for all eligible employees. The plan provides for discretionary employer match for employees who complete at least 1,000 hours of service during the plan year and are employed by the Organization on the last day of the plan year. Sacred Heart Community Service did not make any discretionary employer match during the years ended June 30, 2021 and 2020.

15. CONCENTRATIONS

During the years ended June 30, 2021 and 2020, the Organization received approximately 24% and 13%, respectively, of its cash support and revenue (not including contributions in-kind) from various government grantors. Significant reductions in future funding from one or more of these government grantors could have an impact on the Organization's program service operations.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

16. ENDOWMENT

The Organization's endowment consists of both a donor restricted endowment fund and a fund designated by the Board of Directors to function as an endowment. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

Interpretation of relevant law

The Organization's Board of Directors has interpreted the California version of 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 absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in net assets with donor restrictions held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with the California version of UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2021 and 2020.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

16. ENDOWMENT (continued)

Return objectives and risk parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Organization must hold in perpetuity or for a donor specified period(s) as well as board designated funds. Under this policy, as approved by the Board of Directors, the Organization diversifies its investments, subject to practicality constraints, among a variety of asset classes so as to provide a balance that will enhance total real return while avoiding undue risk concentration in any single asset class or investment category.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Investment Committee does not believe it is necessary or desirable that securities held in the endowment fund represent a cross section of the economy. However, in order to achieve a prudent level of portfolio diversification, the securities of any one company or government agency should not exceed 5% of the total fund, and no more than 20% of the total fund should be invested in any one industry. Individual treasury securities may represent 10% of the total fund, while the total allocation to treasury bonds and notes may represent up to 100% of the endowment fund's aggregate bond position.

The Investment Committee will provide guidance and recommendations to the Board as to the asset allocation ranges. Such ranges will be reviewed at least annually by the Investment Committee and ratified by the Board.

Spending policy and how the investment objectives relate to spending policy

The Organization has a policy of appropriating for distribution each year 5% of its endowment fund's fair market value as of the first day of the fiscal year. The payout on this basis may exceed current income. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects that the annual payout will constitute only a portion of the fund's total return (income and appreciation), thus building up the endowment over time, off-setting inflation, and preserving the purchasing power of the fund.

This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The recommended payout rate is reviewed annually by the Investment Committee, which will make recommendations to the Board of Directors.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

16. ENDOWMENT (continued)

Endowment composition

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions Subject to Appropriation and Spending Policy</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 341,447	\$ 461,445	\$ 802,892
Board designated endowment funds	<u>338,453</u>	<u>-</u>	<u>-</u>	<u>338,453</u>
	<u>\$ 338,453</u>	<u>\$ 341,447</u>	<u>\$ 461,445</u>	<u>\$ 1,141,345</u>

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions Subject to Appropriation and Spending Policy</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 223,820	\$ 461,445	\$ 685,265
Board designated endowment funds	<u>288,862</u>	<u>-</u>	<u>-</u>	<u>288,862</u>
	<u>\$ 288,862</u>	<u>\$ 223,820</u>	<u>\$ 461,445</u>	<u>\$ 974,127</u>

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

16. ENDOWMENT (continued)

Endowment composition (continued)

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions Subject to Appropriation and Spending Policy</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Balance, June 30, 2020	\$ 288,862	\$ 223,820	\$ 461,445	\$ 974,127
Investment return				
Investment income	51,929	123,176	-	175,105
Fees	<u>(2,338)</u>	<u>(5,549)</u>	<u>-</u>	<u>(7,887)</u>
Balance, June 30, 2021	<u>\$ 338,453</u>	<u>\$ 341,447</u>	<u>\$ 461,445</u>	<u>\$ 1,141,345</u>

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions Subject to Appropriation and Spending Policy</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Balance, June 30, 2019	\$ 274,223	\$ 188,948	\$ 461,445	\$ 924,616
Investment return				
Investment income	16,728	39,828	-	56,556
Fees	<u>(2,089)</u>	<u>(4,956)</u>	<u>-</u>	<u>(7,045)</u>
Balance, June 30, 2020	<u>\$ 288,862</u>	<u>\$ 223,820</u>	<u>\$ 461,445</u>	<u>\$ 974,127</u>

17. LIQUIDITY AND AVAILABILITY OF RESOURCES

As part of the Organization's liquidity management it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

17. LIQUIDITY AND AVAILABILITY OF RESOURCES (continued)

Long-term investments include endowment funds consisting of donor restricted and board designated endowments. As described in Note 16, the endowment has a policy of appropriating for distribution each year 5% of its endowment's fair market value as of the first day of the fiscal year. Accordingly, \$57,067 of appropriations from the endowment will be available within the next 12 months. The board designated endowment could be available in its entirety if needed.

Short-term grants receivable are expected to be received within one year from June 30, 2021. Short-term grants receivable without donor restrictions will be available to support general operations of the Organization.

The following is a quantitative disclosure which describes assets that are available within one year of June 30, 2021 to fund general expenditures and other obligations when they become due:

Financial assets	
Cash and cash equivalents	\$ 5,855,424
Grants receivable	7,837,742
Restricted cash for facility improvements	426,652
Investments held for endowment purposes	<u>1,141,345</u>
	<u>15,261,163</u>
Less amounts unavailable for general expenditure within one year	
Net assets restricted for a specified purpose	(2,557,378)
Held in perpetuity (donor restricted endowment corpus)	(461,445)
Subject to appropriation and spending policy	(341,447)
Board designated for facilities reserve	(500,000)
Board designated endowment fund	<u>(338,453)</u>
	<u>(4,198,723)</u>
Financial assets available to meet cash needs for general expenditures within one year*	<u>\$ 11,062,440</u>

\* In the event of an unanticipated liquidity need, the Organization could draw upon its \$1,000,000 line of credit (see Note 8).

18. RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2021  
(With Comparative Totals for 2020)

18. RISKS AND UNCERTAINTIES (continued)

The Organization is an essential service provider and its services have continued throughout the COVID-19 pandemic without any material disruption. As the situation continues to evolve, the Organization is closely monitoring the impact of the pandemic on all aspects of its business, including how it impacts its participants, suppliers, vendors, and employees, as well as its ability to continue providing services. The Organization believes the ultimate impact of the COVID-19 pandemic on its operating results, cash flows, and financial condition is likely to be determined by factors that are uncertain and unpredictable.

During year ended June 30, 2021 as the pandemic unfolded certain impacts became clearer. For the most part, large corporations have not gone back to in-person work and subsequently have not come back to volunteer. This impacts the Organization's delivery of services as well as donations made by individual volunteers, corporate matching, corporate sponsorships, and volunteer hours matching. The lack of volunteers, more generally, generates long-term concerns about the Organization's ability to acquire and retain new contacts in the community for volunteering and donations. Sacred Heart Community Service is addressing this issue through a welcome back volunteers campaign beginning in December 2021. Additionally, due to the pandemic protocols, Sacred Heart Community Service has not reopened its clothing closet during year ended June 30, 2021. This impacts its ability to meet community need and acquire stakeholders through clothing donations. Finally, the large amounts of government pass-through funding for pandemic relief are uncertain.

19. SUBSEQUENT EVENTS

Acquisition and financing of new building

On October 29, 2021, Sacred Heart Community Service acquired property at 550 South First Street and 551 South Second Street in San Jose for \$5,950,000 with plans to invest \$2,089,000 in renovation costs for the property.

In order to help finance its acquisition, Sacred Heart Community Service entered into a New Markets Tax Credit (NMTC) financing agreement with Partners for the Common Good and U.S. Bancorp Community Development Corporation. The NMTC agreement involves borrowing and investing transactions over a term of seven years which is expected to result in Sacred Heart Community Service's receipt of approximately \$1,600,000 of tax credit equity.

Additionally, Sacred Heart Community Service entered into a loan agreement with Community Vision Capital and Consulting for \$5,000,000 to complete needed funding for the acquisition and renovation.

SINGLE AUDIT REPORTS AND SCHEDULES



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  
Sacred Heart Community Service  
San Jose, California

We have audited, in accordance with the 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 Sacred Heart Community Service (a California nonprofit corporation) (the "Organization"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 10, 2022.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Armanino<sup>LLP</sup>  
San Jose, California

March 10, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE

To the Board of Directors  
Sacred Heart Community Service  
San Jose, California

### **Report on Compliance for Each Major Federal Program**

We have audited Sacred Heart Community Service (a California nonprofit corporation) (the "Organization")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2021. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

## Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weakness or significant deficiencies.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Armanino<sup>LLP</sup>  
San Jose, California

March 10, 2022

Sacred Heart Community Service  
Schedule of Expenditures of Federal Awards and Other Governmental Awards  
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
<u>Expenditures of Federal Awards</u>			
U.S. Department of the Treasury			
Coronavirus Relief Fund			
Pass-through program from:			
City of San Jose	21.019	GF-20-001	\$ 900,000
Second Harvest of Silicon Valley (Food Commodities)	21.019	N/A	<u>12,279</u>
Total Coronavirus Relief Fund			<u>912,279</u>
Emergency Rental Assistance Program			
Pass-through program from:			
City of San Jose	21.023	79934	383,282
County of Santa Clara	21.023	43000020121	<u>136,534</u>
Total Emergency Rental Assistance Program			<u>519,816</u>
Total U.S. Department of the Treasury			<u>1,432,095</u>
U.S. Department of Health and Human Services			
Low-Income Home Energy Assistance			
Pass-through program from:			
State of California Department of Community Services and Development	93.568	20B-2035	623,720
State of California Department of Community Services and Development	93.568	21B-5035	122,892
State of California Department of Community Services and Development	93.568	20U-2584	<u>173,007</u>
Total Low-Income Home Energy Assistance			<u>919,619</u>
Community Services Block Grant			
Pass-through program from:			
State of California Department of Community Services and Development	93.569	20F-3042	763,099
State of California Department of Community Services and Development	93.569	20F-3042	32,000
State of California Department of Community Services and Development	93.569	20F-3681	739,343
State of California Department of Community Services and Development	93.569	20F-3681	40,370
State of California Department of Community Services and Development	93.569	21F-4042	<u>767,146</u>
Total Community Services Block Grant			<u>2,341,958</u>
Total U.S. Department of Health and Human Services			<u>3,261,577</u>
U.S. Department of Homeland Security			
Emergency Food and Shelter National Board Program			
Direct awards:			
Emergency Food and Shelter National Board Program (FEMA)	97.024	N/A	37,000
Pass-through program from:			
Second Harvest of Silicon Valley (Food Commodities)	97.024	N/A	<u>3,213</u>
Total U.S. Department of Homeland Security			<u>40,213</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards  
and Other Governmental Awards are an integral part of this schedule.

Sacred Heart Community Service  
Schedule of Expenditures of Federal Awards and Other Governmental Awards  
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
U.S. Department of Housing and Urban Development			
Community Services Block Grants/Entitlement Grants			
Pass-through program from:			
County of Santa Clara	14.218	PS-21-16	\$ 20,720
County of Santa Clara	14.218	N/A	1,351
City of San Jose	14.218	CPA-20-003	52,808
County of Santa Clara	14.218	N/A	<u>906</u>
Total Community Services Block Grants/Entitlement Grants			<u>75,785</u>
Home Investment Partnership Program			
Pass-through program from:			
City of San Jose	14.239	HOME-19-001A	5,079,911
City of San Jose	14.239	HOME-19-001A	<u>112,632</u>
Total Home Investment Partnership Program			<u>5,192,543</u>
Total U.S. Department of Housing and Urban Development			<u>5,268,328</u>
U.S. Department of Agriculture			
Child and Adult Care Food Program			
Pass-through program from:			
California Department of Education - Department of Nutrition Services	10.558	N/A	<u>11,171</u>
Summer Food Service Program for Children			
Pass-through program from:			
California Department of Education - Department of Nutrition Services	10.559	N/A	<u>2,677</u>
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			
Pass-through program from:			
County of Santa Clara	10.561	N/A	<u>18,336</u>
Emergency Food Assistance Program (Food Commodities)			
Pass-through program from:			
Second Harvest of Silicon Valley	10.569	N/A	1,419,939
Second Harvest of Silicon Valley	10.569	N/A	<u>317,302</u>
Total Emergency Food Assistance Program (Food Commodities)			<u>1,737,241</u>
Total U.S. Department of Agriculture			<u>1,769,425</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards and Other Governmental Awards are an integral part of this schedule.

Sacred Heart Community Service  
Schedule of Expenditures of Federal Awards and Other Governmental Awards  
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
Corporation for National and Community Service			
Social Innovation Fund			
Pass-through program from:			
Local Initiative Support Corporation	94.019	45144-0011	\$ 30,000
Local Initiative Support Corporation	94.019	45144-0012	<u>20,000</u>
Total Corporation for National and Community Service			<u>50,000</u>
Total Expenditures of Federal Awards			<u>11,821,638</u>
<u>Other Governmental Awards</u>			
State of California			
Community Services and Development - DAP		20D-1035	<u>336</u>
City of San Jose			
Safe Summer Initiative		N/A	<u>26,000</u>
Santa Clara County			
CalFresh Employment and Training		SSA-SHCS- CFET	6,172
Navigator		SBC-SSA-SH- CRNPP-FY19	78,920
Homeless Prevention		4300012130	235,776
Rapid Response		4300018188	444,736
Safety Net		GF-SNS-SHCS- EANSNCS-FY18	373,958
Resilient Families		440007494	287,538
Transitional Subsidized Employment (TSE)		N/A	100,095
VTA Discounted Bus Passes		440007377	21,428
Isolation & Quarantine Pilot Program		N/A	347,955
Grant for Census		N/A	<u>10,000</u>
Total Santa Clara County			<u>1,906,578</u>
Other Organizations			
Destination Home COVID Phase 2		N/A	677,274
Destination Home COVID Emergency Response		N/A	152,305
Metropolitan Transportation - Plan Bay Area 2050		N/A	<u>7,000</u>
Total Other Organizations			<u>836,579</u>
Total Other Governmental Awards			<u>2,769,493</u>
Total Expenditures of Federal and Other Governmental Awards			<u>\$ 14,591,131</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards  
and Other Governmental Awards are an integral part of this schedule.

Sacred Heart Community Service  
Notes to Schedule of Expenditures of Federal Awards and Other Governmental Awards  
June 30, 2021

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and other governmental awards (the "Schedule") includes the federal award and other governmental award activity of Sacred Heart Community Service (the "Organization") under programs of the federal, state, and local government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the 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 the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. SUMMARY OF 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 limited as to reimbursement. Pass-through entity identifying numbers are presented where available and applicable.

3. EMERGENCY FOOD ASSISTANCE PROGRAM (FOOD COMMODITIES)

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the Organization had food commodities totaling \$0 in inventory.

4. INDIRECT COST RATE

The Organization has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance. The Organization's indirect cost rate for a given program is calculated by applying that program's proportional direct expenses to the overall pool of indirect expenses.



Sacred Heart Community Service  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are 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 2 CFR 200.516(a)?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
Tenant Based Rental Assistance - COVID-19	14.239
COVID-19 Emergency County of Santa Clara HPS CARES vis Destination Home	21.019
COVID-19 Emergency City of San Jose HPS CARES	21.019
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

Sacred Heart Community Service  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

Sacred Heart Community Service  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2021

There were no prior year findings.

SUPPORTING SCHEDULES REQUIRED BY CALIFORNIA DEPARTMENT OF COMMUNITY  
SERVICES AND  
DEVELOPMENT (CSD)

Sacred Heart Community Service  
 Supplemental Schedule of Revenue and Expenditures  
 CSD Contract No. 20B-2035  
 For the Period October 1, 2019 through June 30, 2021

	October 1, 2019 through June 30, 2020	July 1, 2020 through June 30, 2021	Total Expenses Reported	Total Budget
<b>REVENUE</b>				
Grant Revenue (EHA-16)	\$ 354,318	\$ 623,720	\$ 978,038	\$ 978,114
<b>EXPENDITURES</b>				
Administrative Costs				
Administrative	\$ 27,536	\$ 47,120	\$ 74,656	\$ 196,539
Program Costs				
Assurance 16 Activities	68,329	128,210	196,539	196,539
Intake	71,210	151,952	223,162	266,014
Outreach	66,821	99,438	166,259	166,259
Training and Technical Assistance	23,896	28,393	52,289	66,504
Program Service Cost	96,526	168,607	265,133	86,259
Total Program Costs (EHA-16)	<u>326,782</u>	<u>576,600</u>	<u>903,382</u>	<u>781,575</u>
Total Expenditures	<u>\$ 354,318</u>	<u>\$ 623,720</u>	<u>\$ 978,038</u>	<u>\$ 978,114</u>

Sacred Heart Community Service  
 Supplemental Schedule of Revenue and Expenditures  
 CSD Contract No. 21B-5035  
 For the Period November 1, 2020 through June 30, 2021

	November 1, 2020 through June 30, 2021	July 1, 2020 through June 30, 2021	Total Budget
<b>REVENUE</b>			
Grant Revenue (EHA-16)	<u>\$ 122,892</u>	<u>\$ 122,892</u>	<u>\$ 836,256</u>
<b>EXPENDITURES (EHA-16)</b>			
Administrative Costs			
Administrative	<u>\$ 4,787</u>	<u>\$ 4,787</u>	<u>\$ 100,000</u>
Program Costs			
Assurance 16 Activities	28,657	28,657	190,532
Intake	35,750	35,750	258,289
Outreach	35,684	35,684	161,431
Training and Technical Assistance	5,829	5,829	64,572
Program Service Cost	<u>12,185</u>	<u>12,185</u>	<u>61,432</u>
Total Program Costs (EHA-16)	<u>118,105</u>	<u>118,105</u>	<u>736,256</u>
Total Expenditures	<u>\$ 122,892</u>	<u>\$ 122,892</u>	<u>\$ 836,256</u>

Sacred Heart Community Service  
 Supplemental Schedule of Revenue and Expenditures  
 CSD Contract No. 20U-2584  
 For the Period July 1, 2020 through June 30, 2021

	<u>July 1, 2020 through June 30, 2021</u>	<u>July 1, 2020 through June 30, 2021</u>	<u>Total Budget</u>
<b>REVENUE</b>			
Grant Revenue (EHA-16)	<u>\$ 173,007</u>	<u>\$ 173,007</u>	<u>\$ 175,955</u>
<b>EXPENDITURES (EHA-16)</b>			
Administrative Costs			
Administrative	<u>\$ 16,387</u>	<u>\$ 16,387</u>	<u>\$ 24,000</u>
Program Costs			
Assurance 16 Activities	30,000	30,000	30,000
Intake	35,000	35,000	35,000
Outreach	35,028	35,028	35,028
Training and Technical Assistance	7,000	7,000	7,000
Business Continuation Plan	40,631	40,631	40,644
Program Service Cost	<u>8,961</u>	<u>8,961</u>	<u>4,283</u>
Total Program Costs (EHA-16)	<u>156,620</u>	<u>156,620</u>	<u>151,955</u>
Total Expenditures	<u>\$ 173,007</u>	<u>\$ 173,007</u>	<u>\$ 175,955</u>

Sacred Heart Community Service  
Supplemental Schedule of Revenue and Expenditures  
CSD Contract No. 20F-3042  
For the Period January 1, 2020 through January 31, 2021

	January 1, 2020 through June 30, 2020	July 1, 2020 through June 30, 2021	Total Expenses Reported	Total Budget
<b>REVENUE</b>				
Grant Revenue	\$ 696,432	\$ 763,099	\$ 1,459,531	\$ 1,459,563
<b>EXPENDITURES</b>				
Administrative Costs				
Salaries and Wages	\$ 283,828	\$ 377,843	\$ 661,671	\$ 648,706
Fringe Benefits	88,944	123,458	212,402	233,535
Operating Expenses	4,003	32,018	36,021	32,746
Total Administrative Costs	<u>376,775</u>	<u>533,319</u>	<u>910,094</u>	<u>914,987</u>
Program Costs				
Salaries and Wages	243,432	174,642	418,074	400,423
Fringe Benefits	76,225	55,138	131,363	144,153
Total Program Costs	<u>319,657</u>	<u>229,780</u>	<u>549,437</u>	<u>544,576</u>
Total Expenditures	<u>\$ 696,432</u>	<u>\$ 763,099</u>	<u>\$ 1,459,531</u>	<u>\$ 1,459,563</u>



Sacred Heart Community Service  
 Supplemental Schedule of Revenue and Expenditures  
 CSD Contract No. 20F-3042 - Discretionary  
 For the Period January 1, 2020 through January 31, 2021

	January 1, 2020 through June 30, 2020	July 1, 2020 through June 30, 2021	Total Expenses Reported	Total Budget
<b>REVENUE</b>				
Grant Revenue	\$ -	\$ 32,000	\$ 32,000	\$ 32,000
<b>EXPENDITURES</b>				
Program Costs				
Salaries and Wages	\$ -	\$ 24,253	\$ 24,253	\$ 23,534
Fringe Benefits	-	7,747	7,747	8,466
Total Program Costs	-	32,000	32,000	32,000
Total Expenditures	\$ -	\$ 32,000	\$ 32,000	\$ 32,000

Sacred Heart Community Service  
Supplemental Schedule of Revenue and Expenditures  
CSD Contract No. 20F-3681 - CARES  
For the Period July 1, 2020 through June 30, 2021

	July 1, 2020 through June 30, 2021	July 1, 2020 through June 30, 2021	Total Budget
<b>REVENUE</b>			
Grant Revenue	<u>\$ 739,343</u>	<u>\$ 739,343</u>	<u>\$ 1,979,449</u>
<b>EXPENDITURES</b>			
Administrative Costs			
Salaries and Wages	\$ 75,636	\$ 75,636	\$ 85,500
Fringe Benefits	25,101	25,101	30,780
Operating Expenses	311,738	311,738	715,993
Other Costs	<u>1,246</u>	<u>1,246</u>	<u>50,000</u>
Total Administrative Costs	<u>413,721</u>	<u>413,721</u>	<u>882,273</u>
Program Costs			
Salaries and Wages	248,143	248,143	806,747
Fringe Benefits	<u>77,479</u>	<u>77,479</u>	<u>290,429</u>
Total Program Costs	<u>325,622</u>	<u>325,622</u>	<u>1,097,176</u>
Total Expenditures	<u>\$ 739,343</u>	<u>\$ 739,343</u>	<u>\$ 1,979,449</u>

Sacred Heart Community Service  
 Supplemental Schedule of Revenue and Expenditures  
 CSD Contract No. 20F-3681 - CARES Discretionary  
 For the Period January 1, 2020 through June 30, 2021

	January 1, 2020 through June 30, 2020	July 1, 2020 through June 30, 2021	Total Expenses Reported	Total Budget
<b>REVENUE</b>				
Grant Revenue	\$ -	\$ 40,370	\$ 40,370	\$ 40,370
<b>EXPENDITURES</b>				
Administrative Costs				
Operating Expenses	\$ -	\$ -	\$ -	\$ 223
<b>Program Costs</b>				
Salaries and Wages	-	32,415	32,415	29,520
Fringe Benefits	-	7,955	7,955	10,627
Total Program Costs	-	40,370	40,370	40,147
Total Expenditures	\$ -	\$ 40,370	\$ 40,370	\$ 40,370

Sacred Heart Community Service  
Supplemental Schedule of Revenue and Expenditures  
CSD Contract No. 21F-4042  
For the Period January 1, 2021 through June 30, 2021

	January 1, 2021 through June 30, 2021	July 1, 2020 through June 30, 2021	Total Budget
<b>REVENUE</b>			
Grant Revenue	<u>\$ 767,146</u>	<u>\$ 767,146</u>	<u>\$ 1,459,563</u>
<b>EXPENDITURES</b>			
Administrative Costs			
Salaries and Wages	\$ 440,283	\$ 440,283	\$ 640,400
Fringe Benefits	146,922	146,922	211,332
Operating Expenses	<u>4,168</u>	<u>4,168</u>	<u>147,204</u>
Total Administrative Costs	<u>591,373</u>	<u>591,373</u>	<u>998,936</u>
Program Costs			
Salaries and Wages	134,577	134,577	346,336
Fringe Benefits	<u>41,196</u>	<u>41,196</u>	<u>114,291</u>
Total Program Costs	<u>175,773</u>	<u>175,773</u>	<u>460,627</u>
Total Expenditures	<u>\$ 767,146</u>	<u>\$ 767,146</u>	<u>\$ 1,459,563</u>

Sacred Heart Community Service  
 Supplemental Schedule of Revenue and Expenditures  
 CSD Contract No. 20D-1035  
 For the Period October 1, 2019 through June 30, 2021

	October 1, 2019 through June 30, 2020	July 1, 2020 through June 30, 2021	Total Reported Expenses	Total Budget
<b>REVENUE</b>				
Grant Revenue (EHA-16)	\$ 47,347	\$ 336	\$ 47,684	\$ 49,414
<b>EXPENDITURES (EHA-16)</b>				
Administrative Costs				
Administrative	\$ 9,677	\$ -	\$ 9,677	\$ 9,677
Program Costs				
Assurance 16 Activities	9,677	-	9,677	9,677
Intake	13,934	-	13,934	13,934
Outreach	8,709	-	8,709	8,709
Training and Technical Assistance	3,484	-	3,484	3,484
Program Service Cost	1,866	336	2,203	3,933
Total Program Costs (EHA-16)	37,670	336	38,007	39,737
Total Expenditures	\$ 47,347	\$ 336	\$ 47,684	\$ 49,414