

## **Sacred Heart Community Service**

Financial Statements  
and Single Audit Reports and Schedules

June 30, 2018  
(With Comparative Totals for 2017)



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## 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, 2018, 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, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

## **Other Matter**

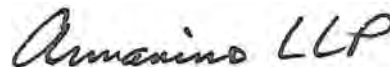
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and other governmental awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost 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 38 - 43 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 January 4, 2019, 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 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 2017 financial statements, and our report dated November 3, 2017 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, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.



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

January 4, 2019

Sacred Heart Community Service  
Statement of Financial Position  
June 30, 2018  
(With Comparative Totals for 2017)

	2018	2017
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 703,121	\$ 1,442,411
Grants receivable	1,572,700	952,352
Unconditional promises to give, net	15,726	20,921
Inventory	318,275	307,343
Prepaid expenses and other	<u>167,986</u>	<u>105,558</u>
Total current assets	<u>2,777,808</u>	<u>2,828,585</u>
Property and equipment, net	<u>4,287,977</u>	<u>4,336,138</u>
Other assets		
Restricted cash for facility improvements	425,048	424,411
Investments held for endowment purposes	<u>883,182</u>	<u>854,913</u>
Total other assets	<u>1,308,230</u>	<u>1,279,324</u>
 Total assets	 <u>\$ 8,374,015</u>	 <u>\$ 8,444,047</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 288,100	\$ 130,717
Accrued liabilities	416,931	366,226
Deferred revenue	<u>290,935</u>	<u>652,712</u>
Total current liabilities	<u>995,966</u>	<u>1,149,655</u>
Net assets		
Unrestricted		
Board designated operating reserve fund	1,076,150	1,206,737
Board designated endowment fund	261,911	253,532
Property and equipment fund	<u>4,287,977</u>	<u>4,336,138</u>
Total unrestricted	5,626,038	5,796,407
Temporarily restricted	1,290,566	1,036,540
Permanently restricted	<u>461,445</u>	<u>461,445</u>
Total net assets	<u>7,378,049</u>	<u>7,294,392</u>
 Total liabilities and net assets	 <u>\$ 8,374,015</u>	 <u>\$ 8,444,047</u>

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

Sacred Heart Community Service  
Statement of Activities  
For the Year Ended June 30, 2018  
(With Comparative Totals for 2017)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2018 Total</u>	<u>2017 Total</u>
Support and revenue					
Contributions in-kind	\$ 10,678,568	\$ -	\$ -	\$ 10,678,568	\$ 11,720,423
Contributions	4,505,917	824,671	-	5,330,588	6,279,514
Government grants - cash	4,211,488	-	-	4,211,488	4,127,660
Government grants - food	1,121,095	-	-	1,121,095	825,330
United Way	106,546	-	-	106,546	121,638
Endowment investment income, net	8,746	19,890	-	28,636	29,294
Total support and revenue	<u>20,632,360</u>	<u>844,561</u>	<u>-</u>	<u>21,476,921</u>	<u>23,103,859</u>
Net assets released from restriction	<u>590,535</u>	<u>(590,535)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support, revenue, and net assets released from restriction	<u>21,222,895</u>	<u>254,026</u>	<u>-</u>	<u>21,476,921</u>	<u>23,103,859</u>
Functional expenses					
Program services					
Essential services	13,310,168	-	-	13,310,168	13,640,425
Self-sufficiency	1,574,017	-	-	1,574,017	1,802,962
Policy and organizing	535,160	-	-	535,160	474,241
Community outreach and education	426,050	-	-	426,050	392,651
Housing and family assistance	1,968,775	-	-	1,968,775	3,290,366
Energy assistance	1,988,659	-	-	1,988,659	1,805,107
Organizational development	68,102	-	-	68,102	73,286
Total program services	<u>19,870,931</u>	<u>-</u>	<u>-</u>	<u>19,870,931</u>	<u>21,479,038</u>
Support services					
Management and general	1,104,931	-	-	1,104,931	885,225
Fundraising	417,402	-	-	417,402	477,759
Total support services	<u>1,522,333</u>	<u>-</u>	<u>-</u>	<u>1,522,333</u>	<u>1,362,984</u>
Total functional expenses	<u>21,393,264</u>	<u>-</u>	<u>-</u>	<u>21,393,264</u>	<u>22,842,022</u>
Change in net assets (see Note 10)	(170,369)	254,026	-	83,657	261,837
Net assets, beginning of year	<u>5,796,407</u>	<u>1,036,540</u>	<u>461,445</u>	<u>7,294,392</u>	<u>7,032,555</u>
Net assets, end of year	<u>\$ 5,626,038</u>	<u>\$ 1,290,566</u>	<u>\$ 461,445</u>	<u>\$ 7,378,049</u>	<u>\$ 7,294,392</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, 2018  
(With Comparative Totals for 2017)

	Program services							Support services			2018 Total	2017 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	\$ 728,678	\$ 983,508	\$ 361,247	\$ 297,967	\$ 408,852	\$ 1,004,934	\$ 49,477	\$ 3,834,663	\$ 602,825	\$ 221,648	\$ 4,659,136	\$ 4,344,878
Employee benefits	117,541	158,649	58,272	48,065	65,952	244,206	7,981	700,666	103,750	35,754	840,170	841,643
Payroll taxes	60,838	82,114	30,161	24,878	34,136	83,903	4,131	320,161	50,331	18,506	388,998	335,659
Total personnel expenses	907,057	1,224,271	449,680	370,910	508,940	1,333,043	61,589	4,855,490	756,906	275,908	5,888,304	5,522,180
Donated food	6,721,086	-	-	-	-	-	-	6,721,086	-	-	6,721,086	6,971,421
Donated clothing	4,520,783	-	-	-	-	-	-	4,520,783	-	-	4,520,783	4,827,102
Subcontracts	222,346	-	-	-	861,182	1,659	-	1,085,187	-	-	1,085,187	168,365
Assistance to individuals	136,065	75,861	350	-	536,686	-	-	748,962	-	-	748,962	2,960,144
Donated toys, bedding, educational materials and gift cards	545,180	-	-	-	-	-	-	545,180	-	-	545,180	705,921
LIHEAP and weatherization	-	-	-	-	-	298,739	-	298,739	-	-	298,739	263,523
Miscellaneous	94,002	89,198	16,444	1,452	2,906	10,720	185	214,907	41,715	9,357	265,979	270,530
Professional services	5,162	21,561	10,396	7,974	2,896	7,118	350	55,457	180,498	3,620	239,575	139,802
Office expenses	17,993	24,694	8,841	7,292	11,144	36,828	1,211	108,003	14,843	5,424	128,270	123,172
Technology support	6,888	14,270	4,653	4,557	3,865	37,467	468	72,168	14,615	6,113	92,896	66,700
Supplies	38,726	24,563	1,073	1,957	3,879	8,219	66	78,483	7,439	871	86,793	108,321
Utilities	12,424	16,771	6,160	5,081	6,972	22,977	844	71,229	10,280	3,780	85,289	84,220
Office rent	-	-	-	-	-	82,158	-	82,158	-	-	82,158	79,151
Repairs and maintenance	20,404	11,470	3,988	3,268	4,485	28,559	543	72,717	6,612	2,431	81,760	77,023
Insurance	6,934	8,371	2,212	1,638	2,247	31,714	272	53,388	24,351	1,218	78,957	65,675
Telephone	6,381	8,960	3,163	2,692	3,579	33,550	433	58,758	5,828	2,004	66,590	49,678
Printing and publications	11,501	645	6,353	461	-	120	-	19,080	169	36,424	55,673	78,207
Bank charges	-	-	-	-	-	27	-	27	3,301	49,652	52,980	56,626
Professional development	5,948	11,243	1,796	6,021	2,200	2,276	24	29,508	11,957	1,392	42,857	34,712
Postage and shipping	116	65	4,597	-	304	13,635	-	18,717	629	9,726	29,072	37,580
Total expenses before depreciation	13,278,996	1,531,943	519,706	413,303	1,951,285	1,948,809	65,985	19,710,027	1,079,143	407,920	21,197,090	22,690,053
Depreciation	31,172	42,074	15,454	12,747	17,490	39,850	2,117	160,904	25,788	9,482	196,174	151,969
Total functional expenses	<u>\$ 13,310,168</u>	<u>\$ 1,574,017</u>	<u>\$ 535,160</u>	<u>\$ 426,050</u>	<u>\$ 1,968,775</u>	<u>\$ 1,988,659</u>	<u>\$ 68,102</u>	<u>\$ 19,870,931</u>	<u>\$ 1,104,931</u>	<u>\$ 417,402</u>	<u>\$ 21,393,264</u>	<u>\$ 22,842,022</u>
Percentage of total	<u>62 %</u>	<u>7 %</u>	<u>3 %</u>	<u>2 %</u>	<u>9 %</u>	<u>9 %</u>	<u>1 %</u>	<u>93 %</u>	<u>5 %</u>	<u>2 %</u>	<u>100 %</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, 2018  
(With Comparative Totals for 2017)

	Program services							Support services		2018 Total	2017 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>\$ 13,310,168</u>	<u>\$ 1,574,017</u>	<u>\$ 535,160</u>	<u>\$ 426,050</u>	<u>\$ 1,968,775</u>	<u>\$ 1,988,659</u>	<u>\$ 68,102</u>	<u>\$ 19,870,931</u>	<u>\$ 1,104,931</u>	<u>\$ 417,402</u>	<u>\$ 21,393,264</u>	<u>\$ 22,842,022</u>
Donated items excluded	<u>(11,787,049)</u>	-	-	-	-	-	-	<u>(11,787,049)</u>	-	-	<u>(11,787,049)</u>	<u>(12,504,444)</u>
Total functional expenses excluding donated items	<u>\$ 1,523,119</u>	<u>\$ 1,574,017</u>	<u>\$ 535,160</u>	<u>\$ 426,050</u>	<u>\$ 1,968,775</u>	<u>\$ 1,988,659</u>	<u>\$ 68,102</u>	<u>\$ 8,083,882</u>	<u>\$ 1,104,931</u>	<u>\$ 417,402</u>	<u>\$ 9,606,215</u>	<u>\$ 10,337,578</u>
Percentage of total	<u>16 %</u>	<u>16 %</u>	<u>6 %</u>	<u>4 %</u>	<u>20 %</u>	<u>21 %</u>	<u>1 %</u>	<u>84 %</u>	<u>12 %</u>	<u>4 %</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, 2018  
(With Comparative Totals for 2017)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Change in net assets	\$ 83,657	\$ 261,837
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	196,174	151,969
Government grants - food	(1,121,095)	(825,330)
In-kind contributions of food, clothing, toys, bedding, educational materials and gift cards	(10,678,568)	(11,720,423)
Distribution of donated food, clothing, toys, bedding, educational materials and gift cards	11,787,049	12,504,444
Net realized and unrealized gain on investments	(7,845)	(13,464)
Changes in operating assets and liabilities		
Grants receivable	(620,348)	214,775
Unconditional promises to give, net	5,195	1,930
Inventory	1,681	5,644
Prepaid expenses and other	(62,428)	51,279
Accounts payable	157,390	23,460
Accrued liabilities	50,704	47,832
Deferred revenue	<u>(361,777)</u>	<u>390,809</u>
Net cash provided by (used in) operating activities	<u>(570,211)</u>	<u>1,094,762</u>
Cash flows from investing activities		
Increase in restricted cash for facility improvements	(637)	(665)
Purchase of property and equipment	(148,014)	(308,450)
Proceeds from sale of endowment fund investments	218,346	255,887
Purchase of endowment fund investments	<u>(238,774)</u>	<u>(270,962)</u>
Net cash used in investing activities	<u>(169,079)</u>	<u>(324,190)</u>
Net increase (decrease) in cash and cash equivalents	(739,290)	770,572
Cash and cash equivalents, beginning of year	<u>1,442,411</u>	<u>671,839</u>
Cash and cash equivalents, end of year	<u>\$ 703,121</u>	<u>\$ 1,442,411</u>

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

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2018  
(With Comparative Totals for 2017)

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 64,900 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 250 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*

- *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.
- *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.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2018  
(With Comparative Totals for 2017)

2. PROGRAM SERVICES (continued)

Self-Sufficiency Program (continued)

- *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 America 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 Organization's After School Academy are required to complete the series.

*Economic and family self-sufficiency*

- *Family Support* - provides one-on-one mentoring/coaching, advocacy, and direct services to facilitate leadership development and empower low-income families to achieve healthy relationships with self, family, and community. Services include case management and home visitation, educational workshops and leadership development for survivors of domestic violence.
- *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* - works with low-income families 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 enrollment, Individualized Development Accounts (IDAs), and individualized credit coaching.
- *Colectivo de Lideres* - identify, train and deploy leaders from within the community of people receiving services from the Organization in order to build stronger families that become advocates for their children's and their own education, create teachers for urban organic gardening techniques, and train mentors for financial success.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2018  
(With Comparative Totals for 2017)

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.
- *Weatherization Assistance Program* - promotes energy-efficiency in dwellings occupied by low-income households in order to reduce their monthly energy bill. Weatherizes homes by replacing old appliances, upgrading insulation and venting, installing low-flow shower heads and weather stripping windows and doors.

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 structure 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* - provides assistance to families and individuals at high risk of losing their housing or already in shelters. 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, 2018  
(With Comparative Totals for 2017)

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, the Organization reports its financial position and operating activities in three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- *Unrestricted net assets* - 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 fund, property and equipment fund, plus any net assets designated by the board for specific purposes.
- *Temporarily restricted net assets* - include those assets which are subject to donor restriction and for which the applicable restriction was not met as of the year end of the current reporting period.
- *Permanently restricted net assets* - 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, 2017 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, 2018  
(With Comparative Totals for 2017)

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  
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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. Grants receivable include both billed receivables and unbilled receivables (see Note 4).

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. The Organization estimates the allowance for uncollectible amounts as of June 30, 2018 and 2017, to be \$5,254 and \$5,254, respectively. 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 \$1.68 and \$1.73 per pound for the years ended June 30, 2018 and 2017, respectively. Donated government food was valued at \$1.57 and \$1.52 per pound for the years ended June 30, 2018 and 2017, 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 2018 and 2017 Software" (see Note 14).

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, 2018 and 2017, and is included in "accrued liabilities" in the statement of financial position. The accrued vacation balance as of June 30, 2018 and 2017 was \$216,586 and \$188,473, respectively.

Sacred Heart Community Service  
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Organization recognizes support and revenue on the accrual basis of accounting. Revenue from grants which have been classified as "exchange transactions" are recognized as revenue in the period in which the service is provided.

Contributions

Contributions are recognized when the donor makes a pledge to give that is, in substance, an unconditional promise. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the nature of donor restrictions and depending on whether the restrictions are met in the current fiscal period. Restricted contributions are reported as increases in restricted net assets. When the restriction is met the amount is shown as a reclassification of restricted net assets to unrestricted net assets.

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 14). 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 14.

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.

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.



Sacred Heart Community Service  
Notes to Financial Statements  
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax status (continued)

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.

The Organization's federal returns for the years ended June 30, 2015 and beyond could be subject to examination by federal taxing authorities, generally for three years after they are filed. The Organization's state returns for the years ended June 30, 2014 and beyond could be subject to examination by state taxing authorities, generally for four years after they are filed.

Subsequent events

Management of the Organization has evaluated events and transactions subsequent to June 30, 2018 for potential recognition or disclosure in the financial statements. The Organization did not have subsequent events that required recognition or disclosure in the financial statements for the fiscal year ended June 30, 2018. Subsequent events have been evaluated through the date the financial statements became available to be issued, January 4, 2019.

4. GRANTS RECEIVABLE

Grants receivable consist of the following:

	2018	2017
Billed receivables	\$ 1,473,099	\$ 871,523
Unbilled receivables	99,601	80,829
	\$ 1,572,700	\$ 952,352

5. 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, 2018 and 2017 was \$11,799,663 and \$12,545,753, 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  
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5. INVENTORY (continued)

Inventory consists of the following:

	2018	2017
Donated food - non-government	\$ 105,339	\$ 90,777
Donated clothing	86,253	96,336
Purchased Weatherization	66,623	68,959
Donated gift cards	34,716	35,909
Donated food - government	24,028	14,701
Bus passes	1,316	661
	\$ 318,275	\$ 307,343

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2018	2017
Building and improvements	\$ 4,655,815	\$ 4,650,575
Land	1,694,354	1,694,354
Furniture and equipment	723,112	591,909
Vehicles	317,854	306,283
	7,391,135	7,243,121
Accumulated depreciation	(3,103,158)	(2,906,983)
	\$ 4,287,977	\$ 4,336,138

Depreciation expense for the years ended June 30, 2018 and 2017, was \$196,174 and \$151,969, respectively.

7. RESTRICTED CASH FOR FACILITY IMPROVEMENTS

Restricted cash for facility improvements at June 30, 2018 and 2017, consisted of contributions received for the construction and improvements 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 temporarily restricted until they have been disbursed for facility improvements.

8. 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  
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8. 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, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	\$ 350,963	\$ -	\$ -	\$ 350,963
Cash equivalents	79,696	-	-	79,696
Fixed income securities	<u>-</u>	<u>452,523</u>	<u>-</u>	<u>452,523</u>
	<u>\$ 430,659</u>	<u>\$ 452,523</u>	<u>\$ -</u>	<u>\$ 883,182</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	\$ 268,430	\$ -	\$ -	\$ 268,430
Cash equivalents	105,718	-	-	105,718
Fixed income securities	<u>-</u>	<u>480,765</u>	<u>-</u>	<u>480,765</u>
	<u>\$ 374,148</u>	<u>\$ 480,765</u>	<u>\$ -</u>	<u>\$ 854,913</u>

Endowment income (loss) during the year consist of the following:

	<u>2018</u>	<u>2017</u>
Interest and dividend income	\$ 27,348	\$ 22,116
Net realized and unrealized gain	7,845	13,464
Fees	<u>(6,557)</u>	<u>(6,286)</u>
	<u>\$ 28,636</u>	<u>\$ 29,294</u>

9. 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. The Organization paid off the line of credit in full during the year ended June 30, 2015. There was no balance outstanding on the line of credit as of June 30, 2018 and 2017.

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10. CHANGE IN UNRESTRICTED NET ASSETS EXCLUDING DEPRECIATION

Changes in net assets, excluding depreciation, in the "Unrestricted" column of the Statement of Activities is as follows:

	2018	2017
Change in unrestricted net assets	\$ (170,369)	\$ 238,958
Depreciation	196,174	151,969
	\$ 25,805	\$ 390,927

11. BOARD DESIGNATED NET ASSETS

Board designated net assets consist of the following:

	2018	2017
Board designated operating reserve fund	\$ 1,076,150	\$ 1,206,737
Board designated endowment fund	261,911	253,532
	\$ 1,338,061	\$ 1,460,269

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 endowment fund

The Board of Directors has designated certain investments as an endowment fund. Each year, up to 5% of the annual investment earnings (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, 2018 and 2017.

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.

Sacred Heart Community Service  
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12. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

	<u>2018</u>	<u>2017</u>
Time restriction		
General operating support for future periods	\$ 400,000	\$ 225,000
Uncollected unconditional promises to give	<u>20,980</u>	<u>26,175</u>
	<u>420,980</u>	<u>251,175</u>
Purpose restriction		
Restricted cash for facility improvements	425,048	424,411
Endowment accumulated earnings - unappropriated	159,826	139,936
Self sufficiency - education	83,783	-
Essential services	73,029	68,113
Housing assistance	58,817	11,949
Self sufficiency - asset development	44,038	83,543
Community outreach - funds development	18,870	-
Data analysis and program improvement	6,175	-
Self sufficiency - family support	-	27,622
Self sufficiency - urban gardening	-	17,278
Policy and organizing	-	12,513
	<u>869,586</u>	<u>785,365</u>
	<u>\$ 1,290,566</u>	<u>\$ 1,036,540</u>

Temporarily restricted net assets released from restriction during the year were as follows:

	<u>2018</u>	<u>2017</u>
Time restriction		
Grants receivable	\$ 225,000	\$ 250,000
Uncollected unconditional promises to give	<u>5,195</u>	<u>11,830</u>
	<u>230,195</u>	<u>261,830</u>
Purpose restriction		
Self sufficiency - family support	107,010	52,378
Self sufficiency - asset development	89,505	-
Essential services	55,084	50,526
Self sufficiency - education	47,863	44,178
Data analysis and program improvement	23,825	-
Self sufficiency - urban gardening	17,278	-
Policy and organizing	12,513	6,798
Community outreach - funds development	6,130	-
Housing assistance	<u>1,132</u>	<u>-</u>
	<u>360,340</u>	<u>153,880</u>
	<u>\$ 590,535</u>	<u>\$ 415,710</u>

Sacred Heart Community Service  
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13. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets as of June 30, 2018 and 2017, 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.

14. 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 Food Bank of Santa Clara and San Mateo Counties

Donated non-government products were valued at \$1.68 and \$1.73 per pound for the years ended June 30, 2018 and 2017, respectively. Donated government food was valued at \$1.57 and \$1.52 per pound for the years ended June 30, 2018 and 2017, respectively. This valuation is based on a cost study conducted for Feeding America.

Donated food received from other sources

During the year ended June 30, 2018 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 are valued at \$1.50 per can. Turkeys are valued at \$49 each.

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 2018 and 2017 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.

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14. CONTRIBUTIONS IN-KIND (continued)

In-kind contributions received during the year were as follows:

	2018	2017
Contributions in-kind - government		
Food - government	\$ 1,121,095	\$ 825,330
Contributions in-kind - non-government		
Food	5,623,880	6,113,397
Clothing	4,510,700	4,871,868
Toys	307,287	212,439
Educational materials	141,735	273,555
Other	39,151	176,105
Gift cards	35,074	54,383
Bedding, linens and other	20,741	18,676
	10,678,568	11,720,423
	\$ 11,799,663	\$ 12,545,753

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, 2018 and 2017, Sacred Heart Community Service received approximately 81,999 and 85,053 hours of volunteer time, respectively. The estimated value of these services for the years ended June 30, 2018 and 2017, respectively, based on the estimated dollar value of volunteer time calculated by Independent Sector, amounts to \$2,024,555 and \$2,420,608, respectively. The value of these services is not reflected in the financial statements.

15. EMPLOYEE PENSION PLAN

Sacred Heart Community Service has a simplified employee pension plan and contributes up to 6% of eligible employees' salaries. Contributions for the years ended June 30, 2018 and 2017, totaled \$0.

16. CONCENTRATIONS

During the years ended June 30, 2018 and 2017, the Organization received approximately 44% and 39%, 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.

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17. ENDOWMENT

The Organization's endowment consists of funds established for a variety of purposes. Its endowment includes both donor restricted endowment funds and funds designated by the Board of Directors to function as endowments. 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 Board of Directors of the Organization 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, Sacred Heart Community Service classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the California version of 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 original contributed amount by the donor. There were no deficiencies of this nature that would be required to be reported in unrestricted net assets as of June 30, 2018 and 2017.



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17. ENDOWMENT (continued)

Return objectives and risk parameters

The Organization has adopted investment and spending policies for endowment assets with the primary objectives of preservation of capital and purchasing power and the long-term growth of 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 endowment assets are invested in a manner that is intended to produce results that exceed the inflation risk as measured by the Consumer Price Index and/or exceed the return of the appropriate benchmark long-term indices (Equities S&P 500 Index, Fixed Income Merrill Lynch Intermediate-Term Index).

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 of the fund 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, offsetting 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.

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17. ENDOWMENT (continued)

Endowment composition

Endowment net asset composition by type of fund as of June 30, 2018, is as follows:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 159,826	\$ 461,445	\$ 621,271
Board designated endowment funds	<u>261,911</u>	<u>-</u>	<u>-</u>	<u>261,911</u>
	<u>\$ 261,911</u>	<u>\$ 159,826</u>	<u>\$ 461,445</u>	<u>\$ 883,182</u>

Endowment net asset composition by type of fund as of June 30, 2017, is as follows:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 139,936	\$ 461,445	\$ 601,381
Board designated endowment funds	<u>253,532</u>	<u>-</u>	<u>-</u>	<u>253,532</u>
	<u>\$ 253,532</u>	<u>\$ 139,936</u>	<u>\$ 461,445</u>	<u>\$ 854,913</u>

Changes in endowment net assets for the fiscal year ended June 30, 2018, are as follows:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Balance, June 30, 2017	\$ 253,532	\$ 139,936	\$ 461,445	\$ 854,913
Investment return				
Investment income	10,328	24,498	-	34,826
Fees	<u>(1,949)</u>	<u>(4,608)</u>	<u>-</u>	<u>(6,557)</u>
Balance, June 30, 2018	<u>\$ 261,911</u>	<u>\$ 159,826</u>	<u>\$ 461,445</u>	<u>\$ 883,182</u>

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17. ENDOWMENT (continued)

Endowment composition (continued)

Changes in endowment net assets for the fiscal year ended June 30, 2017, are as follows:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Balance, June 30, 2016	\$ 245,068	\$ 119,860	\$ 461,445	\$ 826,373
Investment return				
Investment income	10,328	24,498	-	34,826
Fees	<u>(1,864)</u>	<u>(4,422)</u>	<u>-</u>	<u>(6,286)</u>
Balance, June 30, 2017	<u>\$ 253,532</u>	<u>\$ 139,936</u>	<u>\$ 461,445</u>	<u>\$ 854,913</u>

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, 2018, 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 January 4, 2019.

### **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.

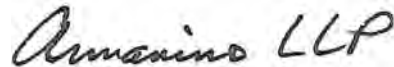
## **Compliance and Other Matters**

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

January 4, 2019



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, 2018. 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, 2018.

## Report on Internal Control Over Compliance

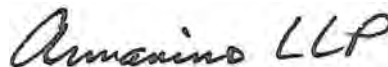
Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance 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

January 4, 2019



Sacred Heart Community Service  
Schedule of Expenditures of Federal and Other Governmental Awards  
For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Expenditures
<u>Expenditures of Federal Awards</u>			
U.S. Department of Health and Human Services			
Passed-Through: State of California Department of Community Services and Development			
Low-Income Home Energy Assistance	93.568	16B-4037	\$ 473,131
Low-Income Home Energy Assistance	93.568	17B-3037	888,179
Low-Income Home Energy Assistance	93.568	18B-4036	395,101
Community Services Block Grant	93.569	17F-2042	662,208
Community Services Block Grant	93.569	18F-5042	<u>786,189</u>
Total U.S. Department of Health and Human Services			<u>3,204,808</u>
U.S. Department of Energy			
Weatherization Assistance to Low-Income Persons	81.042	16C-6034	<u>9,738</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants	14.218	PS-18-16	<u>11,165</u>
U.S. Department of Agriculture			
Passed-Through: State of California Department of Social Services Emergency Food Assistance Program (Food Commodities)			
	10.569	1026	1,121,095
Passed-Through: State of California Department of Social Services			
Summer Food Service Program for Children	10.559	04122-SFSP-43	10,012
Summer Food Service Program for Children	10.559	04122-SFSP-43	2,848
		04122-CACFP-43-	
Child and Adult Care Food Program	10.558	NP-IC	<u>39,153</u>
Total U.S. Department of Agriculture			<u>1,173,108</u>
Corporation for National and Community Service			
Passed Through: Local Initiatives Support Corporation			
Social Innovation Fund	94.019	45144-0007	29,941
Social Innovation Fund	94.019	45144-0008	<u>19,875</u>
Total Corporation for National and Community Service			<u>49,816</u>
Total Expenditures of Federal Awards			<u>4,448,635</u>

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

Sacred Heart Community Service  
Schedule of Expenditures of Federal and Other Governmental Awards  
For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Expenditures
<u>Other Governmental Awards</u>			
San Jose Unified School District			\$ <u>8,000</u>
City of San Jose Passed-Through: Bill Wilson Center		ESG-015-006	<u>33,379</u>
Santa Clara County			
CalFresh Employment and Training		4300014811	5,371
Domestic Violence		GF-SHCS-DV-FY18	185,000
Homeless Prevention		4300012130	137,951
Rapid Response		4300013949	50,559
Safety Net		4300014189	260,917
Office of Supportive Housing			4,071
Rapid Rehousing		4300008413	56,820
Technology/New Servers			20,944
VTA Clipper Card Discount			<u>28,571</u>
Total Santa Clara County			<u>750,204</u>
Other Organizations			
Occupational Training Institute			<u>92,365</u>
Total Other Governmental Awards			<u>883,948</u>
Total Expenditures of Federal and Other Governmental Awards			<u>\$ 5,332,583</u>

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

Sacred Heart Community Service  
Notes to Schedule of Expenditures of Federal and Other Governmental Awards  
June 30, 2018

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and other governmental awards (the "Schedule") includes the federal and other governmental grant activity of Sacred Heart Community Service (the "Organization") under programs of the federal, state and local government for the year ended June 30, 2018. 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 for 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, 2018, the Organization had food commodities totaling \$24,028 in inventory.

4. WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS

At June 30, 2018, the Organization had Weatherization inventory totaling \$66,623.

5. VEHICLES FUNDED BY FEDERAL CONTRACTS

As required by the federal contracts, the Organization purchased 12 vehicles in prior years for its energy program. Expenditures for the vehicles purchased were claimed in those respective years. As of June 30, 2018, the Organization continues to use these vehicles for the energy program.

6. UNIFORM GUIDANCE FOR FEDERAL AWARD

The OMB Uniform Guidance became effective on December 26, 2014. Non-federal entities that receive a federal award with terms and conditions that incorporate the Uniform Guidance on or after December 26, 2014 are required to implement the reforms to the administrative requirements and cost principles. Sacred Heart Community Service received certain federal awards that are subject to the Uniform Guidance during the year ended June 30, 2018.

Sacred Heart Community Service  
Notes to Schedule of Expenditures of Federal and Other Governmental Awards  
June 30, 2018

7. 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, 2018

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>CFDA Number</u>
Low-Income Home Energy Assistance	93.568
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, 2018

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.

SECTION IV - STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.

SECTION V - CORRECTIVE ACTION PLAN

There is no corrective action plan required.

SUPPORTING SCHEDULES REQUIRED BY CSD

Sacred Heart Community Service  
Supplemental Schedule of Revenue and Expenditures  
CSD Contract No. 16C-6034  
For the Period July 1, 2016 through September 30, 2017

	July 1, 2015 through June 30, 2017	July 1, 2017 to September 30, 2017	Total Audited Costs	Unbilled Expenses	Total Expenses Reported	Total Budget
<b>REVENUE</b>						
Grant Revenue	\$ 17,085	\$ 9,738	\$ 26,823	\$ -	\$ 26,823	\$ 135,235
<b>EXPENDITURES</b>						
Administrative Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,064
Total Administrative Costs	-	-	-	-	-	8,064
<b>Program Costs</b>						
Training and Technical Assistance	6,642	-	6,642	-	6,642	4,000
Liability Insurance	-	-	-	-	-	3,704
Intake	2,283	2,484	4,767	-	4,767	2,500
Outreach	1,081	232	1,313	-	1,313	2,500
Direct Program Activities	4,234	6,350	10,584	-	10,584	54,500
Minor Vehicle and Field Equipment (Less than \$5,000)	694	-	694	-	694	2,256
General Operating Expenses	1,820	-	1,820	-	1,820	33,800
Client Education	331	-	331	-	331	1,500
Automation Supplemental	-	-	-	-	-	2,500
Health and Safety Activities	-	672	672	-	672	19,911
Total Program Costs	17,085	9,738	26,823	-	26,823	127,171
Total Expenditures	\$ 17,085	\$ 9,738	\$ 26,823	\$ -	\$ 26,823	\$ 135,235



Sacred Heart Community Service  
Supplemental Schedule of Revenue and Expenditures  
CSD Contract No. 17F-2042  
For the Period July 1, 2017 through December 30, 2017

	January 1, 2017 through June 30, 2017	July 1, 2017 through December 31, 2017	Total Audited Costs	Unbilled Expenses	Total Expenses Reported	Total Budget
<b>REVENUE</b>						
Grant Revenue	\$ 746,798	\$ 662,208	\$ 1,409,006	\$ -	\$ 1,409,006	\$ 1,409,006
<b>EXPENDITURES</b>						
Administrative Costs						
Salaries and Wages	\$ 212,629	\$ 234,436	\$ 447,065	\$ -	\$ 446,620	\$ 481,926
Fringe Benefits	67,899	75,019	142,918	-	142,918	173,493
Operating Expenses	48,182	42,615	90,797	-	90,797	86,000
Total Administrative Costs	<u>328,710</u>	<u>352,070</u>	<u>680,780</u>	<u>-</u>	<u>680,335</u>	<u>741,419</u>
Program Costs						
Salaries and Wages	298,570	225,990	524,560	-	525,005	474,251
Fringe Benefits	95,684	72,318	168,002	-	168,002	170,731
Operating Expenses	22,964	11,830	34,794	-	34,794	21,205
Other Costs	870	-	870	-	870	1,400
Total Program Cost	<u>418,088</u>	<u>310,138</u>	<u>728,226</u>	<u>-</u>	<u>728,671</u>	<u>667,587</u>
Total Expenditures	<u>\$ 746,798</u>	<u>\$ 662,208</u>	<u>\$ 1,409,006</u>	<u>\$ -</u>	<u>\$ 1,409,006</u>	<u>\$ 1,409,006</u>

Sacred Heart Community Service  
Supplemental Schedule of Revenue and Expenditures  
CSD Contract No. 18F-5042  
For the Period January 1, 2018 through June 30, 2018

	January 1, 2018 through June 30, 2018	Unbilled Expenses	Total Expenses Reported	Total Budget
<b>REVENUE</b>				
Grant Revenue	\$ 786,189	\$ -	\$ 2,195,195	\$ 2,805,493
<b>EXPENDITURES</b>				
Administrative Costs				
Salaries and Wages	\$ 304,771	\$ -	\$ 877,638	\$ 1,296,324
Fringe Benefits	106,670	-	293,404	436,711
Operating Expenses	42,719	-	141,873	162,121
Total Administrative Costs	454,160	-	1,312,915	1,895,156
Program Costs				
Salaries and Wages	245,947	-	647,099	648,581
Fringe Benefits	86,082	-	213,507	223,318
Operating Expenses	-	-	20,279	37,038
Other Costs	-	-	1,395	1,400
Total Program Costs	332,029	-	882,280	910,337
Total Expenditures	\$ 786,189	\$ -	\$ 2,195,195	\$ 2,805,493

Sacred Heart Community Service  
Supplemental Schedule of Revenue and Expenditures  
CSD Contract No. 16B-4037  
For the period January 1, 2016 through June 30, 2018

	January 1, 2016 through June 30, 2017	July 1, 2017 through June 30, 2018	Total Audited Costs	Unbilled Expenses	Total Expenses Reported	Budget
<b>REVENUE</b>						
Grant Revenue (WX)	\$ 863,755	\$ 307,562	\$ 1,171,317	\$ -	\$ 1,206,112	\$ 1,208,626
Grant Revenue (EHA-16)	374,134	166,165	540,299	-	540,298	542,350
Total Grant Revenue	<u>\$ 1,237,889</u>	<u>\$ 473,727</u>	<u>\$ 1,711,616</u>	<u>\$ -</u>	<u>\$ 1,746,410</u>	<u>\$ 1,750,976</u>
<b>EXPENDITURES (WX)</b>						
Program Costs						
Intake	\$ 58,674	\$ 14,346	\$ 73,020	\$ -	\$ 73,020	\$ 96,690
Outreach	60,431	-	60,431	-	60,431	60,431
Training and Technical Assistance	27,853	3,536	31,389	-	31,389	60,431
Total Weatherization Activity Expenditures	348,011	158,057	506,068	-	506,664	694,874
Major Vehicle and Equipment (More than \$5,000)	-	-	-	-	-	49,000
Minor Vehicle and Field Equipment (Less than \$5,000)	3,472	713	4,185	-	4,185	10,000
General Overhead Cost	400,109	130,314	530,423	-	530,423	232,200
Training and Technical: Solar Water Heating	-	-	-	-	-	5,000
Total Program Costs (WX)	<u>898,550</u>	<u>306,966</u>	<u>1,205,516</u>	<u>-</u>	<u>1,206,112</u>	<u>1,208,626</u>
Total Expenditures (WX)	<u>898,550</u>	<u>306,966</u>	<u>1,205,516</u>	<u>-</u>	<u>1,206,112</u>	<u>1,208,626</u>
<b>EXPENDITURES (EHA-16)</b>						
Administrative Costs						
Administrative	7,583	14,417	22,000	-	22,000	22,000
Total Administration Costs (EHA-16)	<u>7,583</u>	<u>14,417</u>	<u>22,000</u>	<u>-</u>	<u>22,000</u>	<u>22,000</u>
Program Costs						
Assurance 16 Activities	97,241	37,758	134,999	-	135,000	135,000
Intake	108,340	36,660	145,000	-	145,000	145,000
Outreach	76,877	53,123	130,000	-	130,000	130,000
Training and Technical Assistance	15,478	4,523	20,001	-	20,000	20,000
General Operating Expenditures	39,438	13,562	53,000	-	53,000	53,000
Automation Supplemental	25,349	-	25,349	-	25,350	25,350
Program Service Cost	3,827	6,122	9,949	-	9,949	12,000
Total Program Costs (EHA-16)	<u>366,550</u>	<u>151,748</u>	<u>518,298</u>	<u>-</u>	<u>518,299</u>	<u>520,350</u>
Total Expenditures (EHA-16)	<u>374,133</u>	<u>166,165</u>	<u>540,298</u>	<u>-</u>	<u>540,299</u>	<u>542,350</u>
Total Grant Expenditures	<u>\$ 1,272,683</u>	<u>\$ 473,131</u>	<u>\$ 1,745,814</u>	<u>\$ -</u>	<u>\$ 1,746,411</u>	<u>\$ 1,750,976</u>

Sacred Heart Community Service  
Supplemental Schedule of Revenue and Expenditures  
CSD Contract No. 17B-3037  
For the period October 1, 2016 through June 30, 2018

	October 1, 2016 through June 30, 2017	July 1, 2017 through June 30, 2018	Total Audited Costs	Unbilled Expenses	Total Reported Expenses	Total Budget
<b>REVENUE</b>						
Grant Revenue (WX)	\$ 92,819	\$ 575,094	\$ 667,913	\$ -	\$ 667,913	\$ 720,000
Grant Revenue (EHA-16)	84,615	313,085	397,700	-	397,700	524,880
Total Grant Revenue	<u>\$ 177,434</u>	<u>\$ 888,179</u>	<u>\$ 1,065,613</u>	<u>\$ -</u>	<u>\$ 1,065,613</u>	<u>\$ 1,244,880</u>
<b>EXPENDITURES (WX)</b>						
Program Costs						
Intake	\$ 2,485	\$ 54,515	\$ 57,000	\$ -	\$ 57,000	\$ 57,000
Outreach	4,915	30,085	35,000	-	35,000	35,000
Training and Technical Assistance	609	29,391	30,000	-	30,000	30,000
Minor Vehicle and Field Equipment (Less than \$5,000)	277	2,420	2,697	-	2,697	2,700
Liability Insurance	-	11,464	11,464	-	11,464	12,000
General Overhead Cost	2,988	88,809	91,797	-	91,797	97,000
Total Program Costs (WX)	<u>11,274</u>	<u>216,684</u>	<u>227,958</u>	<u>-</u>	<u>227,958</u>	<u>233,700</u>
WX Direct Program Cost	<u>81,545</u>	<u>358,410</u>	<u>439,955</u>	<u>-</u>	<u>439,955</u>	<u>486,300</u>
Total Expenditures (WX)	<u>92,819</u>	<u>575,094</u>	<u>667,913</u>	<u>-</u>	<u>667,913</u>	<u>720,000</u>
<b>EXPENDITURES (EHA-16)</b>						
Administrative Costs						
Administrative	1,335	18,079	19,414	-	19,414	97,381
Administrative Equipment (more than \$5,000)	-	-	-	-	-	500
Out-of-State Travel	-	-	-	-	-	500
Total Administration Costs (EHA-16)	<u>1,335</u>	<u>18,079</u>	<u>19,414</u>	<u>-</u>	<u>19,414</u>	<u>98,381</u>
Program Costs						
Assurance 16 Activities	40,140	65,688	105,828	-	105,828	106,381
Intake	512	79,321	79,833	-	79,833	100,047
Outreach	26,086	88,943	115,029	-	115,029	115,029
Training and Technical Assistance	1,613	20,022	21,635	-	21,635	22,000
Liability Insurance	-	1,000	1,000	-	1,000	1,000
General Operating Expenditures	-	292	292	-	292	20,042
Automation Supplemental	14,929	35,081	50,010	-	50,010	50,000
Program Service Cost	-	4,659	4,659	-	4,659	12,000
Total Program Costs (EHA-16)	<u>83,280</u>	<u>295,006</u>	<u>378,286</u>	<u>-</u>	<u>378,286</u>	<u>426,499</u>
Total Expenditures (EHA-16)	<u>84,615</u>	<u>313,085</u>	<u>397,700</u>	<u>-</u>	<u>397,700</u>	<u>524,880</u>
Total Grant Expenditures	<u>\$ 177,434</u>	<u>\$ 888,179</u>	<u>\$ 1,065,613</u>	<u>\$ -</u>	<u>\$ 1,065,613</u>	<u>\$ 1,244,880</u>

Sacred Heart Community Service  
Supplemental Schedule of Revenue and Expenditures  
CSD Contract No. 18B-4036  
For the period October 1, 2017 through June 30, 2018

	October 1, 2017 through June 30, 2018	Total Audited Costs	Unbilled Expenses	Total Expenses Reported	Budget
<b>REVENUE</b>					
Grant Revenue (WX)	\$ 182,101	\$ 182,101	\$ -	\$ 182,101	\$ 356,435
Grant Revenue (EHA-16)	213,000	213,000	(99,601)	113,399	713,742
Total Grant Revenue	<u>\$ 395,101</u>	<u>\$ 395,101</u>	<u>\$ (99,601)</u>	<u>\$ 295,500</u>	<u>\$ 1,070,177</u>
<b>EXPENDITURES (WX)</b>					
Program Costs					
Intake	\$ 21,826	\$ 21,826	\$ -	\$ 21,826	\$ 28,515
Outreach	17,822	17,822	-	17,822	17,822
Training and Technical Assistance	16,988	16,988	-	16,988	17,822
WX Program Activities and Program Cost	125,465	125,465	-	125,465	292,276
Total Program Costs (WX)	<u>182,101</u>	<u>182,101</u>	<u>-</u>	<u>182,101</u>	<u>356,435</u>
Total Expenditures (WX)	<u>\$ 182,101</u>	<u>\$ 182,101</u>	<u>\$ -</u>	<u>\$ 182,101</u>	<u>\$ 356,435</u>
<b>EXPENDITURES (EHA-16)</b>					
Administrative Costs					
Administrative	\$ 2,779	\$ 2,779	\$ -	\$ 2,779	\$ 168,875
Total Administration Costs (EHA-16)	<u>2,779</u>	<u>2,779</u>	<u>-</u>	<u>2,779</u>	<u>168,875</u>
Program Costs					
Assurance 16 Activities	36,837	36,837	-	36,837	168,875
Intake	20,831	20,831	-	20,831	200,529
Outreach	40,685	40,685	-	40,685	125,331
Training and Technical Assistance	3,360	3,360	-	3,360	50,132
Program Service Cost	108,508	108,508	(99,601)	8,907	-
Total Program Costs (EHA-16)	<u>210,221</u>	<u>210,221</u>	<u>(99,601)</u>	<u>110,620</u>	<u>544,867</u>
Total Expenditures (EHA-16)	<u>213,000</u>	<u>213,000</u>	<u>(99,601)</u>	<u>113,399</u>	<u>713,742</u>
TOTAL GRANT EXPENDITURES	<u>\$ 395,101</u>	<u>\$ 395,101</u>	<u>\$ (99,601)</u>	<u>\$ 295,500</u>	<u>\$ 1,070,177</u>