

Sacred Heart Community Service

Financial Statements
and Single Audit Reports and Schedules

June 30, 2016
(With Comparative Totals for 2015)



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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, 2016, 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 (the "U.S."); 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 U.S. and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S. 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, 2016, 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 U.S.

Other Matter

Our audits were 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 December 1, 2016, 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 2015 financial statements, and our report dated November 3, 2015 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, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Armanino^{LLP}
San Jose, California

December 1, 2016

Sacred Heart Community Service
Statement of Financial Position
June 30, 2016
(With Comparative Totals for 2015)

	2016	2015
ASSETS		
Current assets		
Cash and cash equivalents	\$ 671,839	\$ 584,763
Grants receivable	1,167,127	1,047,115
Current portion of unconditional promises to give, net	22,851	5,641
Inventory	269,714	268,217
Prepaid expenses and other	<u>156,837</u>	<u>125,853</u>
Total current assets	<u>2,288,368</u>	<u>2,031,589</u>
Property and equipment, net	<u>4,181,617</u>	<u>4,337,293</u>
Other assets		
Unconditional promises to give, net	-	30,950
Restricted cash for facility improvements	423,746	423,016
Investments held for endowment purposes	<u>826,373</u>	<u>812,122</u>
Total other assets	<u>1,250,119</u>	<u>1,266,088</u>
Total assets	<u>\$ 7,720,104</u>	<u>\$ 7,634,970</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 107,252	\$ 90,290
Accrued liabilities	318,394	403,433
Deferred revenue	<u>261,903</u>	<u>271,903</u>
Total current liabilities	<u>687,549</u>	<u>765,626</u>
Net assets		
Unrestricted		
Board designated operating reserve fund	1,130,764	893,905
Board designated endowment fund	245,068	240,845
Property and equipment fund	<u>4,181,617</u>	<u>4,337,293</u>
Total unrestricted	5,557,449	5,472,043
Temporarily restricted	1,013,661	935,856
Permanently restricted	<u>461,445</u>	<u>461,445</u>
Total net assets	<u>7,032,555</u>	<u>6,869,344</u>
Total liabilities and net assets	<u>\$ 7,720,104</u>	<u>\$ 7,634,970</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, 2016
(With Comparative Totals for 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
Support and revenue					
Contributions in-kind	\$ 9,923,104	\$ -	\$ -	\$ 9,923,104	\$ 11,557,721
Government grants - cash	4,450,979	-	-	4,450,979	3,790,587
Contributions	2,740,394	478,285	-	3,218,679	2,982,106
Government grants - food	1,055,500	-	-	1,055,500	961,981
United Way	53,743	-	-	53,743	56,377
Endowment investment income (loss), net	4,224	10,027	-	14,251	(4,286)
Interest income	6,356	-	-	6,356	1,175
Miscellaneous income	-	-	-	-	608
Gain on disposal of equipment	544	-	-	544	-
Special events, net of expenses	256	-	-	256	46,334
Net assets released from restriction	<u>410,507</u>	<u>(410,507)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>18,645,607</u>	<u>77,805</u>	<u>-</u>	<u>18,723,412</u>	<u>19,392,603</u>
Functional expenses					
Program services					
Essential services	12,021,773	-	-	12,021,773	13,597,531
Self-sufficiency	1,920,910	-	-	1,920,910	1,541,951
Policy and organizing	385,392	-	-	385,392	336,872
Community outreach and education	440,347	-	-	440,347	454,101
Financial and energy assistance	<u>2,438,094</u>	<u>-</u>	<u>-</u>	<u>2,438,094</u>	<u>2,031,078</u>
Total program services	<u>17,206,516</u>	<u>-</u>	<u>-</u>	<u>17,206,516</u>	<u>17,961,533</u>
Support services					
Management and general	903,617	-	-	903,617	844,929
Fundraising	<u>450,068</u>	<u>-</u>	<u>-</u>	<u>450,068</u>	<u>446,483</u>
Total support services	<u>1,353,685</u>	<u>-</u>	<u>-</u>	<u>1,353,685</u>	<u>1,291,412</u>
Total functional expenses	<u>18,560,201</u>	<u>-</u>	<u>-</u>	<u>18,560,201</u>	<u>19,252,945</u>
Change in net assets (See Note 10)	85,406	77,805	-	163,211	139,658
Net assets, beginning of year	<u>5,472,043</u>	<u>935,856</u>	<u>461,445</u>	<u>6,869,344</u>	<u>6,729,686</u>
Net assets, end of year	<u>\$ 5,557,449</u>	<u>\$ 1,013,661</u>	<u>\$ 461,445</u>	<u>\$ 7,032,555</u>	<u>\$ 6,869,344</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, 2016
(With Comparative Totals for 2015)

	Program services					Support services				2016 Total	2015 Total
	Essential services	Self- sufficiency	Policy and organizing	Community outreach and education	Financial and energy assistance	Total program services	Management and general	Fundraising	Total support services		
Personnel expenses											
Salaries and wages	\$ 629,852	\$ 982,308	\$ 261,444	\$ 274,809	\$ 1,177,001	\$ 3,325,414	\$ 550,617	\$ 238,773	\$ 789,390	\$ 4,114,804	\$ 3,821,941
Employee benefits	106,159	165,564	44,065	46,318	245,766	607,872	92,804	40,244	133,048	740,920	671,804
Payroll taxes	51,580	80,444	21,411	22,505	96,389	272,329	45,092	19,554	64,646	336,975	353,071
Total personnel expenses	787,591	1,228,316	326,920	343,632	1,519,156	4,205,615	688,513	298,571	987,084	5,192,699	4,846,816
Donated food	6,341,581	-	-	-	-	6,341,581	-	-	-	6,341,581	6,294,674
Donated clothing	3,892,519	-	-	-	-	3,892,519	-	-	-	3,892,519	5,440,559
Donated toys, bedding, educational materials and gift cards	739,888	-	-	-	-	739,888	-	-	-	739,888	824,141
Assistance to individuals	77,456	81,424	-	-	227,019	385,899	-	-	-	385,899	342,596
Subcontracts	-	342,413	-	-	-	342,413	-	-	-	342,413	-
LIHEAP and weatherization	-	-	-	-	320,762	320,762	-	-	-	320,762	167,159
Professional services	15,464	46,904	7,864	30,277	28,140	128,649	73,721	7,069	80,790	209,439	118,964
Miscellaneous	31,836	37,485	6,739	23,144	9,375	108,579	7,749	3,569	11,318	119,897	135,357
Office expenses	13,928	23,831	5,799	7,293	38,011	88,862	11,637	5,032	16,669	105,531	108,816
Utilities	13,613	21,231	5,651	5,940	31,475	77,910	11,901	5,160	17,061	94,971	69,775
Supplies	34,593	28,189	2,025	3,360	11,954	80,121	7,635	1,192	8,827	88,948	108,863
Repairs and maintenance	22,220	10,408	2,461	2,587	39,603	77,279	5,188	2,248	7,436	84,715	67,508
Office rent	77	219	5,532	33	72,915	78,776	67	29	96	78,872	68,020
Insurance	4,784	6,388	1,688	1,661	31,919	46,440	21,909	1,457	23,366	69,806	62,656
Technology support	5,053	8,427	3,099	4,839	14,863	36,281	9,478	4,410	13,888	50,169	73,974
Printing and publications	2,342	1,706	56	18	78	4,200	467	39,464	39,931	44,131	94,430
Telephone	5,043	8,625	2,093	2,220	18,661	36,642	4,959	1,914	6,873	43,515	33,725
Bank charges	9	43	4	4	96	156	3,199	40,329	43,528	43,684	26,155
Professional development	3,533	15,500	2,233	1,072	1,130	23,468	9,547	4,308	13,855	37,323	29,172
Postage and shipping	427	98	-	-	11,904	12,429	667	21,436	22,103	34,532	38,103
Maintenance of equipment	3,905	6,134	1,621	1,704	11,311	24,675	3,413	1,479	4,892	29,567	30,402
Travel and transportation	870	6,809	1,213	285	2,928	12,105	8,213	1,036	9,249	21,354	24,246
Temporary help	-	7,108	-	-	-	7,108	4,272	-	4,272	11,380	45,196
Membership dues	-	325	-	-	-	325	5,018	1,872	6,890	7,215	7,916
Volunteer expenses	130	476	54	1,409	243	2,312	2,081	50	2,131	4,443	4,625
Conferences and meetings	-	-	-	-	-	-	2,206	-	2,206	2,206	1,562
Total expenses before depreciation	11,996,862	1,882,059	375,052	429,478	2,391,543	17,074,994	881,840	440,625	1,322,465	18,397,459	19,065,410
Depreciation	24,911	38,851	10,340	10,869	46,551	131,522	21,777	9,443	31,220	162,742	187,535
Total functional expenses	<u>\$ 12,021,773</u>	<u>\$ 1,920,910</u>	<u>\$ 385,392</u>	<u>\$ 440,347</u>	<u>\$ 2,438,094</u>	<u>\$ 17,206,516</u>	<u>\$ 903,617</u>	<u>\$ 450,068</u>	<u>\$ 1,353,685</u>	<u>\$ 18,560,201</u>	<u>\$ 19,252,945</u>
Percentage of total	<u>66 %</u>	<u>10 %</u>	<u>2 %</u>	<u>2 %</u>	<u>13 %</u>	<u>93 %</u>	<u>5 %</u>	<u>2 %</u>	<u>7 %</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, 2016
(With Comparative Totals for 2015)

	Program services					Support services			2016 Total	2015 Total	
	Essential services	Self- sufficiency	Policy and organizing	Community outreach and education	Financial and energy assistance	Total program services	Management and general	Fundraising			Total support services
Total functional expenses	<u>\$ 12,021,773</u>	<u>\$ 1,920,910</u>	<u>\$ 385,392</u>	<u>\$ 440,347</u>	<u>\$ 2,438,094</u>	<u>\$ 17,206,516</u>	<u>\$ 903,617</u>	<u>\$ 450,068</u>	<u>\$ 1,353,685</u>	<u>\$ 18,560,201</u>	<u>\$ 19,252,945</u>
Donated items excluded	<u>(10,973,988)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,973,988)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,973,988)</u>	<u>(12,559,374)</u>
Total functional expenses excluding donated items	<u>\$ 1,047,785</u>	<u>\$ 1,920,910</u>	<u>\$ 385,392</u>	<u>\$ 440,347</u>	<u>\$ 2,438,094</u>	<u>\$ 6,232,528</u>	<u>\$ 903,617</u>	<u>\$ 450,068</u>	<u>\$ 1,353,685</u>	<u>\$ 7,586,213</u>	<u>\$ 6,693,571</u>
Percentage of total	<u>14 %</u>	<u>25 %</u>	<u>5 %</u>	<u>6 %</u>	<u>32 %</u>	<u>82 %</u>	<u>12 %</u>	<u>6 %</u>	<u>18 %</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, 2016
(With Comparative Totals for 2015)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ 163,211	\$ 139,658
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	162,742	187,535
Government grants - food	(1,055,500)	(961,981)
In-kind contributions of food, clothing, toys, bedding, educational materials and gift cards	(9,923,104)	(11,557,721)
Distribution of donated food, clothing, toys, bedding, educational materials and gift cards	10,973,988	12,559,374
Net realized and unrealized loss on investments	4,411	19,655
Gain on disposal of equipment	(544)	-
Changes in operating assets and liabilities		
Grants receivable	(120,012)	(136,742)
Unconditional promises to give	13,740	10,685
Inventory	3,117	15,736
Prepaid expenses and other	(30,985)	6,866
Accounts payable	16,961	(30,727)
Accrued liabilities	(85,039)	(6,971)
Deferred revenue	<u>(10,000)</u>	<u>(45,474)</u>
Net cash provided by operating activities	<u>112,986</u>	<u>199,893</u>
Cash flows from investing activities		
Increase (decrease) in restricted cash for facility improvements	(730)	62,663
Purchase of property and equipment	(8,987)	(30,625)
Proceeds from insurance due to loss of property and equipment	2,472	-
Proceeds from sale of endowment fund investments	530,559	117,166
Purchase of endowment fund investments	<u>(549,224)</u>	<u>(132,535)</u>
Net cash provided by (used in) investing activities	<u>(25,910)</u>	<u>16,669</u>
Cash flows from financing activities		
Payments on line of credit	<u>-</u>	<u>(150,000)</u>
Net cash provided by (used in) financing activities	<u>-</u>	<u>(150,000)</u>
Net increase in cash and cash equivalents	87,076	66,562
Cash and cash equivalents, beginning of year	<u>584,763</u>	<u>518,201</u>
Cash and cash equivalents, end of year	<u>\$ 671,839</u>	<u>\$ 584,763</u>

Supplemental disclosure of cash flow information

Cash paid during the year for interest	\$	-	\$	4,228
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The accompanying notes are an integral part of these financial statements.

Sacred Heart Community Service
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

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 60,000 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 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)* - 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, 2016
(With Comparative Totals for 2015)

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, 2016
(With Comparative Totals for 2015)

2. PROGRAM SERVICES (continued)

Financial and 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.
- *Financial Assistance* - provides one-time financial assistance for security deposits, past due rent or other emergency needs to stabilize housing and prevent homelessness.

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.

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.

Sacred Heart Community Service
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation (continued)

- *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. The Organization has elected to report as an increase in unrestricted net assets any restricted support received in the current period for which the restrictions have been met in the current period.
- *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, 2015 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.

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.

Sacred Heart Community Service
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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).

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

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, 2016 and 2015, 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 food was valued at \$1.67 per pound and \$1.70 per pound for the years ended June 30, 2016 and 2015, respectively. This valuation is based on a cost study conducted for Feeding America (formerly America's Second Harvest). 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 2016 and 2015 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, 2016 and 2015, and is included in "accrued liabilities" in the statement of financial position. The accrued vacation balance as of June 30, 2016 and 2015 was \$164,989 and \$152,385, respectively.

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.

Sacred Heart Community Service
Notes to Financial Statements
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(With Comparative Totals for 2015)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 unrestricted net assets if the restrictions have been met in the current fiscal period. If the restriction has not been met by fiscal year end, the amount is reported as an increase in temporarily or permanently restricted net assets. When the restriction is finally met on a contribution received in a prior fiscal period, 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.

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.

Sacred Heart Community Service
Notes to Financial Statements
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(With Comparative Totals for 2015)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax status (continued)

The Organization's federal returns for the years ended June 30, 2013 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, 2012 and beyond could be subject to examination by state taxing authorities, generally for four years after they are filed.

Reclassifications

Certain amounts in the prior year have been reclassified in order to be consistent with the current year presentation.

Subsequent events

Management of the Organization has evaluated events and transactions subsequent to June 30, 2016 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, 2016. Subsequent events have been evaluated through the date the financial statements became available to be issued, December 01, 2016.

4. GRANTS RECEIVABLE

Grants receivable consist of the following:

	2016	2015
Billed receivables	\$ 1,032,143	\$ 977,316
Unbilled receivables	134,984	69,799
	\$ 1,167,127	\$ 1,047,115

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, 2016 and 2015 was \$10,978,604 and \$12,519,702, 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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(With Comparative Totals for 2015)

5. INVENTORY (continued)

Inventory consist of the following:

	2016	2015
Donated food - government	\$ 22,982	\$ 29,456
Donated food - non-government	115,190	104,436
Donated clothing	44,550	46,812
Purchased Weatherization	70,900	74,917
Donatd gift cards	13,692	11,096
Bus passes	2,400	1,500
	\$ 269,714	\$ 268,217

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2016	2015
Building and improvements	\$ 4,642,062	\$ 4,639,482
Land	1,694,354	1,694,354
Furniture and equipment	434,760	431,562
Vehicles	163,495	163,495
	6,934,671	6,928,893
Accumulated depreciation	(2,753,054)	(2,591,600)
	\$ 4,181,617	\$ 4,337,293

Depreciation expense for the years ended June 30, 2016 and 2015, was \$162,742 and \$187,535, respectively.

7. RESTRICTED CASH FOR FACILITY IMPROVEMENTS

Restricted cash for facility improvements at June 30, 2016 and 2015, 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
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

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, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	\$ 237,281	\$ -	\$ -	\$ 237,281
Cash equivalents	88,529	-	-	88,529
Fixed income securities	<u>-</u>	<u>500,563</u>	<u>-</u>	<u>500,563</u>
	<u>\$ 325,810</u>	<u>\$ 500,563</u>	<u>\$ -</u>	<u>\$ 826,373</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	\$ 388,810	\$ -	\$ -	\$ 388,810
Cash equivalents	24,602	-	-	24,602
Fixed income securities	<u>-</u>	<u>398,710</u>	<u>-</u>	<u>398,710</u>
	<u>\$ 413,412</u>	<u>\$ 398,710</u>	<u>\$ -</u>	<u>\$ 812,122</u>

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

	<u>2016</u>	<u>2015</u>
Interest and dividend income	\$ 24,707	\$ 21,515
Net realized and unrealized loss	(4,411)	(19,655)
Fees	<u>(6,045)</u>	<u>(6,146)</u>
	<u>\$ 14,251</u>	<u>\$ (4,286)</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.

Sacred Heart Community Service
Notes to Financial Statements
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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:

	2016	2015
Change in unrestricted net assets	\$ 85,406	\$ 350,892
Depreciation	162,742	187,535
	\$ 248,148	\$ 538,427

11. BOARD DESIGNATED NET ASSETS

Board designated net assets consist of the following:

	2016	2015
Board designated operating reserve fund	\$ 1,130,764	\$ 893,905
Board designated endowment fund	245,068	240,845
	\$ 1,375,832	\$ 1,134,750

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, 2016 and 2015.

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.

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Notes to Financial Statements
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12. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

	<u>2016</u>	<u>2015</u>
Time restriction		
General operating support for future periods	\$ 250,000	\$ -
Uncollected unconditional promises to give	28,105	41,845
Grants receivable	<u>-</u>	<u>123,800</u>
	<u>278,105</u>	<u>165,645</u>
Purpose restriction		
Restricted cash for facility improvements	423,746	423,016
Endowment accumulated earnings - unappropriated	119,860	109,832
Family support	78,500	-
Essential Services	50,526	50,000
Homework Club - education	32,000	18,402
Self Sufficiency - education	12,178	9,614
Housing Assistance	11,949	7,950
Policy and Organizing	6,797	20,190
Community Engagement	-	120,422
Self Sufficiency - asset development	<u>-</u>	<u>10,785</u>
	<u>735,556</u>	<u>770,211</u>
	<u>\$ 1,013,661</u>	<u>\$ 935,856</u>

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

	<u>2016</u>	<u>2015</u>
Time restriction		
Grants receivable	\$ 123,800	\$ 123,800
Uncollected unconditional promises to give	<u>13,740</u>	<u>15,202</u>
	<u>137,540</u>	<u>139,002</u>
Purpose restriction		
Community Engagement	120,422	4,579
Self Sufficiency - asset development	10,785	160,012
Policy and Organizing	58,392	4,810
Essential Services	52,530	-
Homework Club - education	18,402	71,598
Self Sufficiency - education	12,436	18,147
Volunteer office	-	104,554
Restricted cash for facility improvements	-	63,401
Pantry - protein	-	15,000
Pack-A-Back	<u>-</u>	<u>163,152</u>
	<u>272,967</u>	<u>605,253</u>
	<u>\$ 410,507</u>	<u>\$ 744,255</u>

Sacred Heart Community Service
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13. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets as of June 30, 2016 and 2015, 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 food was valued at \$1.67 per pound and \$1.70 per pound for the years ended June 30, 2016 and 2015, respectively. This valuation is based on a cost study conducted for Feeding America (formerly America's Second Harvest).

Donated food received from other sources

Donated food received from other sources were valued at \$40 per bag (which is multiple of 10 items, each valued at \$4). Cans of food are valued at \$0.77 per can. Turkeys are valued at \$15 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 2016 and 2015 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.

Sacred Heart Community Service
Notes to Financial Statements
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14. CONTRIBUTIONS IN-KIND (continued)

Donated clothing (continued)

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

	<u>2016</u>	<u>2015</u>
Contributions in-kind - government		
Food - government	\$ 1,055,500	\$ 961,981
Contributions in-kind - non-government		
Clothing	3,890,257	5,434,342
Food	5,290,362	5,300,498
Toys	293,438	387,834
Educational materials	357,358	242,855
Other	47,784	110,832
Bedding, linens and other	12,528	49,425
Gift cards	31,377	31,935
	<u>9,923,104</u>	<u>11,557,721</u>
	<u>\$ 10,978,604</u>	<u>\$ 12,519,702</u>

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, 2016 and 2015, Sacred Heart Community Service received approximately 87,165 and 103,630 hours of volunteer time, respectively. The estimated value of these services for the years ended June 30, 2016 and 2015, respectively, based on the estimated dollar value of volunteer time calculated by Independent Sector, amounts to \$2,053,607 and \$2,390,744, 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, 2016 and 2015, totaled \$0.

Sacred Heart Community Service
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16. CONTINGENCIES

In order to serve a broader group of constituents with more in-depth services including case management, Sacred Heart Community Service expanded its Housing Assistance services taking on new grants from new funders during the year ended June 30, 2016, including multiple large grants from federal funders. Consistent with its generally conservative approach to accounting matters, the risk of initiating new services and working with unfamiliar grantors, and the significant size of the funding in comparison to the Organization operating budget, the Organization had established a reserve of \$135,000 to cover the possibility of future disallowances such as may occur with any federal contract and was included as a part accrued liabilities in the statement of financial position. During the year ended June 30, 2016, the Organization released this reserve and recognized the revenue as it was determined by management that there was no longer a risk of future disallowances since sufficient time had passed.

17. CONCENTRATIONS

During the years ended June 30, 2016 and 2015, the Organization received approximately 57% and 55%, 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.

18. 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.

Sacred Heart Community Service
Notes to Financial Statements
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18. ENDOWMENT (continued)

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, 2016 and 2015.

Sacred Heart Community Service
Notes to Financial Statements
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18. 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.

Sacred Heart Community Service
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

18. ENDOWMENT (continued)

Endowment composition

Endowment net asset composition by type of fund as of June 30, 2016, is as follows:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 119,860	\$ 461,445	\$ 581,305
Board designated endowment funds	<u>245,068</u>	<u>-</u>	<u>-</u>	<u>245,068</u>
	<u>\$ 245,068</u>	<u>\$ 119,860</u>	<u>\$ 461,445</u>	<u>\$ 826,373</u>

Endowment net asset composition by type of fund as of June 30, 2015, is as follows:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 109,832	\$ 461,445	\$ 571,277
Board designated endowment funds	<u>240,845</u>	<u>-</u>	<u>-</u>	<u>240,845</u>
	<u>\$ 240,845</u>	<u>\$ 109,832</u>	<u>\$ 461,445</u>	<u>\$ 812,122</u>

Changes in endowment net assets for the fiscal year ended June 30, 2016, are as follows:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Balance, June 30, 2015	\$ 240,845	\$ 109,832	\$ 461,445	\$ 812,122
Investment return				
Investment income	6,017	14,277	-	20,294
Fees	<u>(1,794)</u>	<u>(4,249)</u>	<u>-</u>	<u>(6,043)</u>
Balance, June 30, 2016	<u>\$ 245,068</u>	<u>\$ 119,860</u>	<u>\$ 461,445</u>	<u>\$ 826,373</u>

Sacred Heart Community Service
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18. ENDOWMENT (continued)

Endowment composition (continued)

Changes in endowment net assets for the fiscal year ended June 30, 2015, are as follows:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Balance, June 30, 2014	\$ 242,116	\$ 112,847	\$ 461,445	\$ 816,408
Investment return				
Investment income	552	1,308	-	1,860
Fees	<u>(1,823)</u>	<u>(4,323)</u>	<u>-</u>	<u>(6,146)</u>
Balance, June 30, 2015	<u>\$ 240,845</u>	<u>\$ 109,832</u>	<u>\$ 461,445</u>	<u>\$ 812,122</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 (the "U.S.") 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, 2016, 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 December 1, 2016.

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.

A handwritten signature in black ink that reads "Armanino LLP". The signature is written in a cursive, flowing style.

Armanino^{LLP}
San Jose, California

December 1, 2016



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, 2016. 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 "U.S."); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S.; 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, 2016.

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^{LLP}
San Jose, California

December 1, 2016

Sacred Heart Community Service
Schedule of Expenditures of Federal and Other Governmental Awards
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Amount	Total Expenditures
<u>Expenditures of Federal Awards</u>				
U.S. Department of Agriculture				
Emergency Food Assistance Program (Food Commodities)				
Passed through:				
State of California Department of Social Services	10.569	1026	\$ 1,055,500	\$ 1,055,500
Total Emergency Food Assistance Program (Food Commodities)			<u>1,055,500</u>	<u>1,055,500</u>
Summer Food Service Program for Children				
Passed through:				
State of California	10.559	04122-SFSP-43	12,671	12,671
State of California	10.559	04122-SFSP-43	41,525	41,525
			<u>54,196</u>	<u>54,196</u>
Total Summer Food Service Program for Children			<u>54,196</u>	<u>54,196</u>
		04122-CACFP-43-NP-IC		
Child and Adult Care Food Program	10.558		38,433	38,433
Total Child and Adult Care Food Program			<u>38,433</u>	<u>38,433</u>
Total U.S. Department of Agriculture			<u>1,148,129</u>	<u>1,148,129</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grants				
	14.218	PS-16-25	11,469	11,469
Total U.S. Department of Housing and Urban Development			<u>11,469</u>	<u>11,469</u>
U.S. Department of Health and Human Services				
Community Services Block Grant				
Passed through:				
CSBG 2015	93.569	15F-2042	1,327,826	621,423
CSBG 2016	93.569	16F-5042	1,409,006	709,682
Total Community Services Block Grant			<u>2,736,832</u>	<u>1,331,105</u>
Low-Income Home Energy Assistance				
Passed through:				
State of California Department of Community Services and Development	93.568	15B-3038	2,843,752	1,477,870
State of California Department of Community Services and Development	93.568	15K-6022	101,274	17,718
State of California Department of Community Services and Development	93.568	16B-4037	2,331,634	102,359
Total Low-Income Home Energy Assistance			<u>5,276,660</u>	<u>1,597,947</u>
Total U.S. Department of Health and Human Services			<u>8,013,492</u>	<u>2,929,052</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, 2016

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Award Amount	Total Expenditures
U.S. Department of Energy				
Weatherization Assistance for Low-Income Persons	81.042	14C-1834	\$ 151,394	\$ (1,466)
Weatherization Assistance for Low-Income Persons	81.042	15C-1034	<u>170,028</u>	<u>13,561</u>
Total U.S. Department of Energy			<u>321,422</u>	<u>12,095</u>
Corporation for National and Community Service				
Social Innovation Fund	94.019	45144-0004	<u>145,000</u>	<u>92,049</u>
Total Corporation for National and Community Service			<u>145,000</u>	<u>92,049</u>
Total Expenditures of Federal Awards			<u>9,639,512</u>	<u>4,192,794</u>
<u>Other Governmental Awards</u>				
City of San Jose				
Passed through Bill Wilson Center		ESG-12-002B	<u>124,356</u>	<u>124,356</u>
Total City of San Jose			<u>124,356</u>	<u>124,356</u>
Santa Clara County				
Measure A Immigration		SBCGF-SIREN- 2015	60,027	60,027
Measure A Domestic Violence		4300008413	258,848	258,848
Homeless Prevention Financial Assistance			147,750	82,390
Homeless Fund-Rapid Rehousing		4300008413	43,590	42,857
Families First Program		4300008880	21,739	21,738
United Way Measure A - Families First Program			38,904	38,904
United Way Measure A - Housing			20,000	20,000
United Way Measure A - Rapid Re-Housing			21,739	21,739
VTA Clipper Card Discount		4300009764	<u>66,667</u>	<u>28,571</u>
			<u>679,264</u>	<u>575,074</u>
Passed through:				
Silicon Valley Community Foundation		N/A	<u>685,000</u>	<u>445,250</u>
Total Santa Clara County			<u>1,364,264</u>	<u>1,020,324</u>
Other				
Occupational Training Institute		N/A	<u>73,618</u>	<u>73,618</u>
Total Other Governmental Awards			<u>1,562,238</u>	<u>1,218,298</u>
Total Expenditures of Federal and Other Governmental Awards			<u>\$ 11,201,750</u>	<u>\$ 5,411,092</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, 2016

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, 2016. 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, 2016, the Organization had food commodities totaling \$22,982 in inventory.

4. WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS

At June 30, 2016, the Organization had Weatherization inventory totaling \$70,900.

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, 2016, the Organization continues to use these vehicles for the energy program.

6. UNIFORM GUIDANCE FOR FEDERAL AWARDS

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, 2016.

Sacred Heart Community Service
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2016

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>
Community Services Block Grant	93.569
Emergency Food Assistance Program (Food Commodities)	10.569
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, 2016

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. 15F-2042
 For the Period January 1, 2015 through January 31, 2016

	January 1, 2015 through June 30, 2015	July 1, 2015 through January 31, 2016	Total Audited Costs	Unbilled Expenses	Total Reported Expenses	Total Budget
REVENUE:						
Grant Revenue	\$ 706,403	\$ 659,447	\$ 1,365,850	\$ (38,024)	\$ 1,327,826	\$ 1,327,826
EXPENDITURES:						
Salaries and Wages	260,136	229,821	489,957	(32,735)	457,222	450,061
Fringe Benefits	93,649	70,951	164,600	(0)	164,600	161,773
Operating Expenses	33,181	65,054	98,236	(1,167)	97,069	90,500
Other Costs	-	4,272	4,272	-	4,272	7,000
Total Administrative Costs	<u>386,966</u>	<u>370,098</u>	<u>757,064</u>	<u>(33,902)</u>	<u>723,162</u>	<u>709,334</u>
Program Costs						
Salaries and Wages	225,301	227,996	453,296	(26,970)	426,326	426,637
Fringe Benefits	81,108	48,802	129,910	23,567	153,477	153,589
Operating Expenses	13,028	11,909	24,937	(572)	24,365	36,866
Equipment	-	147	147	(147)	-	-
Other Costs	-	495	495	-	495	1,400
Total Program Costs	<u>319,437</u>	<u>289,349</u>	<u>608,786</u>	<u>(4,122)</u>	<u>604,664</u>	<u>618,492</u>
Total Expenditures	<u>\$ 706,403</u>	<u>\$ 659,447</u>	<u>\$ 1,365,850</u>	<u>\$ (38,024)</u>	<u>\$ 1,327,826</u>	<u>\$ 1,327,826</u>

Sacred Heart Community Service
Supplemental Schedule of Revenue and Expenditures
CSD Contract No. 16F-5042
For the period January 1, 2016 through June 30, 2016

	January 1, 2016 through June 30, 2016	Total Audited Costs	Unbilled Expenses	Total Reported Expenses	Total Budget
REVENUE:					
Grant Revenue	\$ 769,645	\$ 769,645	\$ (59,963)	\$ 709,682	\$ 1,077,049
EXPENDITURES:					
Administrative Costs:					
Salaries and Wages	313,357	313,357	(24,595)	288,761	489,966
Fringe Benefits	101,899	101,899	(0)	101,899	176,388
Operating Expenses	63,252	63,252	(17,090)	46,162	90,500
Other Costs	-	-	-	-	3,759
Total Administrative Costs	<u>478,508</u>	<u>478,508</u>	<u>(41,686)</u>	<u>436,822</u>	<u>760,613</u>
Program Costs:					
Salaries and Wages	209,510	209,510	(17,249)	192,261	448,496
Fringe Benefits	68,281	68,281	-	68,281	161,459
Operating Expenses	12,446	12,446	(1,028)	11,418	37,038
Other Costs	900	900	-	900	1,400
Total Program Costs	<u>291,137</u>	<u>291,137</u>	<u>(18,277)</u>	<u>272,859</u>	<u>648,393</u>
Total Expenditures	<u>\$ 769,645</u>	<u>\$ 769,645</u>	<u>\$ (59,963)</u>	<u>\$ 709,682</u>	<u>\$ 1,409,006</u>

Sacred Heart Community Service
Supplemental Schedule of Revenue and Expenditures
CSD Contract No. 15B-3038
For the Period January 1, 2015 through December 31, 2015

	January 1, 2015 through June 30, 2015	July 1, 2015 through December 31, 2015	Total Audited Costs	Unbilled Expenses	Total Reported Expenses	Total Budget
REVENUE:						
Grant Revenue (WX)	\$ 453,243	\$ 1,071,865	\$ 1,525,108	\$ (137,692)	\$ 1,387,416	\$ 1,415,842
Grant Revenue (EHA-16)	125,430	404,124	529,553	-	529,553	1,192,160
Grant Revenue (TRP)	-	1,881	1,881	(39)	1,842	235,750
TOTAL GRANT REVENUE	<u>578,672</u>	<u>1,477,870</u>	<u>2,056,542</u>	<u>(137,731)</u>	<u>1,918,811</u>	<u>2,843,752</u>
EXPENDITURES (WX)						
Program Costs:						
Intake	37,036	76,231	113,267	-	113,267	113,267
Outreach	26,089	44,703	70,792	-	70,792	70,792
Training and Technical Assistance	23,815	42,492	66,307	-	66,307	70,792
Direct Program Activities	255,696	752,667	1,008,363	(137,692)	870,671	870,991
Liability Insurance	8,517	11,097	19,614	-	19,614	21,000
Major Vehicle and Equipment (More than \$5,000)	-	1,377	1,377	-	1,377	12,000
Minor Vehicle and Field Equipment (Less than \$5,000)	2,839	3,338	6,178	-	6,178	8,000
Worker's Compensation	43,111	40,669	83,780	-	83,780	93,000
General Operating Expenditures	56,139	99,291	155,430	-	155,430	150,000
T&T: Solar Water Heating	-	-	-	-	-	6,000
Total Program Costs (WX)	<u>453,243</u>	<u>1,071,865</u>	<u>1,525,108</u>	<u>(137,692)</u>	<u>1,387,416</u>	<u>1,415,842</u>
Total Expenditures (WX)	<u>453,243</u>	<u>1,071,865</u>	<u>1,525,108</u>	<u>(137,692)</u>	<u>1,387,416</u>	<u>1,415,842</u>
EXPENDITURES (EHA-16)						
Administrative Costs:						
Administrative	9,436	28,127	37,564	-	37,564	275,959
Administrative Equipment (more than \$5,000)	-	-	-	-	-	6,000
Total Administration Costs (EHA-16)	<u>9,436</u>	<u>28,127</u>	<u>37,564</u>	<u>-</u>	<u>37,564</u>	<u>281,959</u>
Program Costs:						
Assurance 16 Activities	29,942	99,752	129,694	-	129,694	237,059
Intake	34,376	109,697	144,073	-	144,073	271,614
Outreach	34,347	102,870	137,217	-	137,217	169,759
Training and Technical Assistance	6,741	25,167	31,908	-	31,908	67,903
Direct Program Activities	2,054	-	2,054	-	2,054	-
ECIP EHCS Diagnostics	-	1,110	1,110	-	1,110	6,000
ECIP EHCS Heating Service Repair/Replacement	-	4,361	4,361	-	4,361	10,000
ECIP Water Heater Repair/Replacement	-	2,092	2,092	-	2,092	12,000
ECIP Wood, Propane, and Oil Payments	-	48	48	-	48	-
Liability Insurance	4,195	5,482	9,677	-	9,677	9,500
Major Vehicle and Equipment (More than \$5,000)	-	-	-	-	-	44,000
Minor Vehicle and Field Equipment (Less than \$5,000)	-	-	-	-	-	9,866
Worker's Compensation	3,559	2,441	6,000	-	6,000	9,500
General Operating Expenditures	778	3,879	4,657	-	4,657	38,000
Automation Supplemental	-	19,099	19,099	-	19,099	25,000
Total Program Costs (EHA-16)	<u>115,993</u>	<u>375,996</u>	<u>491,990</u>	<u>-</u>	<u>491,990</u>	<u>910,201</u>
Total Expenditures (EHA-16)	<u>125,430</u>	<u>404,124</u>	<u>529,553</u>	<u>-</u>	<u>529,553</u>	<u>1,192,160</u>
EXPENDITURES (TRP)						
Administrative Cost (Not to exceed 5% of Direct Program Cost)	-	150	150	-	150	10,250
Total Administrative Cost	<u>-</u>	<u>150</u>	<u>150</u>	<u>-</u>	<u>150</u>	<u>10,250</u>
Program Support Cost (Not to exceed 10% of Direct Program Cost)	-	876	876	-	876	20,500
Total Program Support Cost	<u>-</u>	<u>876</u>	<u>876</u>	<u>-</u>	<u>876</u>	<u>20,500</u>
Direct Program Activities	-	855	855	(39)	816	205,000
Total Direct Program Cost	<u>-</u>	<u>855</u>	<u>855</u>	<u>(39)</u>	<u>816</u>	<u>205,000</u>
Total Costs	<u>-</u>	<u>1,881</u>	<u>1,881</u>	<u>(39)</u>	<u>1,842</u>	<u>235,750</u>
Total Grant Expenditures	<u>\$ 578,672</u>	<u>\$ 1,477,870</u>	<u>\$ 2,056,542</u>	<u>\$ (137,731)</u>	<u>\$ 1,918,811</u>	<u>\$ 2,843,752</u>

Sacred Heart Community Service
 Supplemental Schedule of Revenue and Expenditures
 CSD Contract No. 15K-6022
 For the Period January 1, 2015 through June 30, 2016

	January 1, 2015 through June 30, 2015	July 1, 2015 through June 30, 2016	Total Audited Costs	Unbilled Expenses	Total Reported Expenses	Total Budget
REVENUE:						
Grant Revenue	\$ 10,303	\$ 17,718	\$ 28,021	\$ -	\$ 28,021	\$ 101,274
EXPENDITURES:						
Ramp-Up Administrative Cost	1,539		1,539	-	1,539	1,539
Ramp-Up Activities	8,764	1,597	10,361	-	10,361	10,361
Total Ramp-up Costs	10,303	1,597	11,900	-	11,900	11,900
Administrative Cost	-	1,597	1,597	-	1,597	5,802
Administrative Equipment (\$5,000 or more)	-	-	-	-	-	-
Total Administrative Costs	-	1,597	1,597	-	1,597	5,802
Intake	-	805	805	-	805	2,398
Outreach	-	3,078	3,078	-	3,078	10,000
Training & Technical Assistance	-	491	491	-	491	-
General Overhead Cost (From Section 110)	-	2,177	2,177	-	2,177	5,000
Total Program Costs	-	6,551	6,551	-	6,551	17,398
Single-Family Weatherizator	-	7,405	7,405	-	7,405	54,574
Small Muti-Family Weatherizator	-	568	568	-	568	3,500
Solar Water Heating	-	-	-	-	-	8,100
Total Direct Program Costs	-	7,973	7,973	-	7,973	66,174
Total Expenditures	\$ 10,303	\$ 17,718	\$ 28,021	\$ -	\$ 28,021	\$ 101,274

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

	January 1, 2016 through Jun 30, 2016	Total Audited Costs	Unbilled Expenses	Total Reported Expenses	Budget
REVENUE:					
Grant Revenue (WX)	\$ 34,795	\$ 34,795	\$ -	\$ 34,795	\$ 1,208,626
Grant Revenue (EHA-16)	67,564	67,564	-	67,564	1,123,008
TOTAL GRANT REVENUE	102,359	102,359	-	102,359	2,331,634
EXPENDITURES (WX)					
Program Costs:					
Intake	3,110	3,110	-	3,110	96,690
Outreach	11,944	11,944	-	11,944	60,431
Training and Technical Assistance	8,369	8,369	-	8,369	60,431
Out-of-State Travel	-	-	-	-	-
Total Weatherization Activity Expenditures:	2,108	2,108	-	2,108	694,874
Major Vehicle and Equipment (More than \$5,000)	-	-	-	-	49,000
Minor Vehicle and Field Equipment (Less than \$5,000)	-	-	-	-	10,000
General Overhead Cost	9,264	9,264	-	9,264	232,200
T&T: Solar Water Heating	-	-	-	-	5,000
Total Program Costs (WX)	34,795	34,795	-	34,795	1,208,626
Total Expenditures (WX)	34,795	34,795	-	34,795	1,208,626
EXPENDITURES (EHA-16)					
Administrative Costs:					
Administrative	-	-	-	-	247,200
Administrative Equipment (more than \$5,000)	-	-	-	-	-
Total Administration Costs (EHA-16)	-	-	-	-	247,200
Program Costs:					
Assurance 16 Activities	23,762	23,762	-	23,762	242,490
Intake	25,743	25,743	-	25,743	231,716
Outreach	7,820	7,820	-	7,820	144,822
Training and Technical Assistance	1,342	1,342	-	1,342	57,929
Out-of-State Travel	-	-	-	-	-
Major Vehicle and Equipment (More than \$5,000)	-	-	-	-	-
Minor Vehicle and Field Equipment (Less than \$5,000)	-	-	-	-	5,000
General Operating Expenditures	3,112	3,112	-	3,112	125,390
Automation Supplemental	5,786	5,786	-	5,786	25,350
Total Program Costs (EHA-16)	67,564	67,564	-	67,564	832,697
Program Service Costs:					
ECIP Emergency Heating & Cooling Services (EHCS)	-	-	-	-	43,111.00
Total Program Service Costs (EHA-16)	-	-	-	-	43,111.00
Total Expenditures (EHA-16)	67,564	67,564	-	67,564	1,123,008
Total Grant Expenditures	\$ 102,359	\$ 102,359	\$ -	\$ 102,359	\$ 2,331,634

Sacred Heart Community Service
 Supplemental Schedule of Revenue and Expenditures
 CSD Contract No. 15C-1034
 For the Period July 1, 2015 through June 30, 2016

	July 1, 2015 through June 30, 2016	Total Audited Costs	Unbilled Expenses	Total Reported Expenses	Total Budget
REVENUE:					
Grant Revenue	\$ 13,561	\$ 13,561	\$ -	\$ 13,561	\$ 170,028
EXPENDITURES:					
Administrative Costs	-	-	-	-	11,516
Total Administrative Costs	-	-	-	-	11,516
Program Costs					
Training & Technical Assistance	5,761	5,761	-	5,761	8,640
Liability Insurance	-	-	-	-	3,300
Major Vehicle & Field Equipment (More than \$5,000)	-	-	-	-	-
Intake	1,834	1,834	-	1,834	4,700
Outreach	707	707	-	707	4,700
Client Education	331	331	-	331	2,000
Workers' Comp	-	-	-	-	12,900
Minor Vehicle & Field Equipment (Less than \$5,000)	694	694	-	694	-
General Operating Expenses	-	-	-	-	22,263
Direct Program Activities	4,234	4,234	-	4,234	79,860
Health & Safety Activities	-	-	-	-	20,149
Total Program Costs	13,561	13,561	-	13,561	158,512
Total Expenditures	\$ 13,561	\$ 13,561	\$ -	\$ 13,561	\$ 170,028