

## **Sacred Heart Community Service**

Financial Statements  
and Single Audit Reports and Schedules

June 30, 2019  
(With Comparative Totals for 2018)



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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, 2019, 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, 2019, 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.

### **Change in Accounting Principle**

As described in Note 3 to the financial statements, the Organization has adopted ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

## **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and other governmental awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplementary information shown on pages 41 - 47 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 20, 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 the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

## **Report on Summarized Comparative Information**

We have previously audited Sacred Heart Community Service's 2018 financial statements, and our report dated January 4, 2019 expressed an unmodified opinion on those audited financial statements. As part of our audit of the 2019 financial statements, we also audited the adjustments to the 2018 financial statements to apply the change in accounting principle discussed above. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, adjusted for the change in accounting principle discussed above, is consistent, in all material respects, with the audited financial statements from which it has been derived. Also, in our opinion, such adjustments are appropriate and have been properly applied.



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

December 20, 2019

Sacred Heart Community Service  
Statement of Financial Position  
June 30, 2019  
(With Comparative Totals for 2018)

	2019	2018
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,536,191	\$ 703,121
Grants receivable	1,213,870	1,572,700
Unconditional promises to give, net	11,726	15,726
Inventory	297,979	318,275
Prepaid expenses and other assets	246,845	167,986
Total current assets	3,306,611	2,777,808
Property and equipment, net	4,200,246	4,287,977
Other assets		
Restricted cash for facility improvements	425,686	425,048
Investments held for endowment purposes	924,616	883,182
Total other assets	1,350,302	1,308,230
Total assets	\$ 8,857,159	\$ 8,374,015
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 374,674	\$ 288,100
Accrued liabilities	361,808	416,931
Deferred revenue	557,338	290,935
Total current liabilities	1,293,820	995,966
Net assets		
Without donor restrictions		
Board designated operating reserve fund	1,340,021	1,076,150
Board designated endowment fund	274,223	261,911
Property and equipment fund	4,200,246	4,287,977
Total without donor restrictions	5,814,490	5,626,038
With donor restrictions		
Restricted to passage of time	216,980	420,980
Restricted for a specified purpose	881,476	709,760
Subject to appropriation and spending policy	188,948	159,826
Held in perpetuity (donor restricted endowment corpus)	461,445	461,445
With donor restrictions	1,748,849	1,752,011
Total net assets	7,563,339	7,378,049
Total liabilities and net assets	\$ 8,857,159	\$ 8,374,015

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

Sacred Heart Community Service  
Statement of Activities  
For the Year Ended June 30, 2019  
(With Comparative Totals for 2018)

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
Support and revenue				
Contributions in-kind	\$ 12,412,126	\$ -	\$ 12,412,126	\$ 10,678,568
Contributions	6,763,394	989,209	7,752,603	5,330,588
Government grants - cash	4,080,209	-	4,080,209	4,211,488
Government grants - food	1,504,627	-	1,504,627	1,121,095
United Way	136,844	-	136,844	106,546
Endowment investment income, net	12,312	29,122	41,434	28,636
Miscellaneous income	38,615	-	38,615	-
Gain on disposal of equipment	24,631	-	24,631	-
Total support and revenue	<u>24,972,758</u>	<u>1,018,331</u>	<u>25,991,089</u>	<u>21,476,921</u>
Net assets released from restriction	<u>1,021,493</u>	<u>(1,021,493)</u>	<u>-</u>	<u>-</u>
Total support, revenue, and net assets released from restriction	<u>25,994,251</u>	<u>(3,162)</u>	<u>25,991,089</u>	<u>21,476,921</u>
Functional expenses				
Program services				
Essential services	15,371,921	-	15,371,921	13,310,168
Self-sufficiency	1,310,167	-	1,310,167	1,574,017
Policy and organizing	650,218	-	650,218	535,160
Community outreach and education	515,420	-	515,420	426,050
Housing and family assistance	4,630,014	-	4,630,014	1,968,775
Energy assistance	1,769,253	-	1,769,253	1,988,659
Organizational development	71,311	-	71,311	68,102
Total program services	<u>24,318,304</u>	<u>-</u>	<u>24,318,304</u>	<u>19,870,931</u>
Support services				
Management and general	1,016,651	-	1,016,651	1,104,931
Fundraising	470,844	-	470,844	417,402
Total support services	<u>1,487,495</u>	<u>-</u>	<u>1,487,495</u>	<u>1,522,333</u>
Total functional expenses	<u>25,805,799</u>	<u>-</u>	<u>25,805,799</u>	<u>21,393,264</u>
Change in net assets (see Note 10)	188,452	(3,162)	185,290	83,657
Net assets, beginning of year	<u>5,626,038</u>	<u>1,752,011</u>	<u>7,378,049</u>	<u>7,294,392</u>
Net assets, end of year	<u>\$ 5,814,490</u>	<u>\$ 1,748,849</u>	<u>\$ 7,563,339</u>	<u>\$ 7,378,049</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, 2019  
(With Comparative Totals for 2018)

	Program services							Support services		2019 Total	2018 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	\$ 704,873	\$ 803,965	\$ 335,818	\$ 361,432	\$ 606,209	\$ 917,200	\$ 52,333	\$ 3,781,830	\$ 596,388	\$ 245,008	\$ 4,623,226	\$ 4,659,136
Employee benefits	109,361	124,735	52,102	56,076	94,054	178,511	8,119	622,958	87,130	38,013	748,101	840,170
Payroll taxes	46,234	59,651	22,027	23,707	39,763	60,161	3,433	254,976	39,118	16,072	310,166	388,998
Total personnel expenses	860,468	988,351	409,947	441,215	740,026	1,155,872	63,885	4,659,764	722,636	299,093	5,681,493	5,888,304
Donated food	7,417,175	-	-	-	-	-	-	7,417,175	-	-	7,417,175	6,721,086
Donated clothing	5,589,583	-	-	-	-	-	-	5,589,583	-	-	5,589,583	4,520,783
Subcontracts	301,571	-	150,604	-	2,182,207	-	-	2,634,382	-	-	2,634,382	1,085,187
Assistance to individuals	114,312	76,344	12,074	-	1,593,790	-	-	1,796,520	-	-	1,796,520	748,962
Donated toys, bedding, educational materials and gift cards	873,668	-	-	-	-	-	-	873,668	-	-	873,668	545,180
Miscellaneous	53,896	85,296	23,450	19,968	11,306	14,436	314	208,666	32,906	15,396	256,968	265,979
LIHEAP and weatherization	-	-	-	-	-	215,216	-	215,216	-	-	215,216	298,739
Professional services	2,702	27,191	4,803	1,455	2,323	3,515	201	42,190	133,610	11,298	187,098	239,575
Office expenses	18,535	20,997	8,720	9,568	20,183	44,766	1,359	124,128	17,808	6,496	148,432	128,270
Technology support	8,687	12,675	7,139	5,050	14,022	44,686	645	92,904	15,385	12,963	121,252	92,896
Supplies	41,219	16,115	1,301	4,140	7,025	8,618	186	78,604	10,926	1,221	90,751	86,793
Repairs and maintenance	16,548	9,228	3,638	3,963	6,535	34,394	564	74,870	6,429	2,641	83,940	81,760
Utilities	11,478	13,092	5,469	5,886	9,872	19,113	852	65,762	9,712	4,244	79,718	85,289
Office rent	-	-	-	-	-	77,362	-	77,362	-	-	77,362	82,158
Insurance	8,982	6,578	2,312	2,298	3,855	30,664	333	55,022	16,755	1,559	73,336	78,957
Telephone	4,407	6,084	2,100	2,260	5,881	45,138	327	66,197	4,879	2,240	73,316	66,590
Printing and publications	11,800	927	51	126	92	6,683	8	19,687	1,542	51,853	73,082	55,673
Bank charges	-	-	-	-	-	40	-	40	4,445	41,478	45,963	52,980
Postage and shipping	-	90	5	-	850	22,139	-	23,084	894	6,233	30,211	29,072
Professional development	1,627	6,979	1,805	1,410	1,720	726	19	14,286	8,889	1,871	25,046	42,857
Total expenses before depreciation	15,336,658	1,269,947	633,418	497,339	4,599,687	1,723,368	68,693	24,129,110	986,816	458,586	25,574,512	21,197,090
Depreciation	35,263	40,220	16,800	18,081	30,327	45,885	2,618	189,194	29,835	12,258	231,287	196,174
Total functional expenses	\$ 15,371,921	\$ 1,310,167	\$ 650,218	\$ 515,420	\$ 4,630,014	\$ 1,769,253	\$ 71,311	\$ 24,318,304	\$ 1,016,651	\$ 470,844	\$ 25,805,799	\$ 21,393,264
Percentage of total	59 %	5 %	3 %	2 %	18 %	7 %	- %	94 %	4 %	2 %	100 %	

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

Sacred Heart Community Service  
Statement of Functional Expenses  
For the Year Ended June 30, 2019  
(With Comparative Totals for 2018)

	Program services							Support services		2019 Total	2018 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>\$ 15,371,921</u>	<u>\$ 1,310,167</u>	<u>\$ 650,218</u>	<u>\$ 515,420</u>	<u>\$ 4,630,014</u>	<u>\$ 1,769,253</u>	<u>\$ 71,311</u>	<u>\$ 24,318,304</u>	<u>\$ 1,016,651</u>	<u>\$ 470,844</u>	<u>\$ 25,805,799</u>	<u>\$ 21,393,264</u>
Donated items excluded	<u>(13,880,426)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,880,426)</u>	<u>-</u>	<u>-</u>	<u>(13,880,426)</u>	<u>(11,787,049)</u>
Total functional expenses excluding donated items	<u>\$ 1,491,495</u>	<u>\$ 1,310,167</u>	<u>\$ 650,218</u>	<u>\$ 515,420</u>	<u>\$ 4,630,014</u>	<u>\$ 1,769,253</u>	<u>\$ 71,311</u>	<u>\$ 10,437,878</u>	<u>\$ 1,016,651</u>	<u>\$ 470,844</u>	<u>\$ 11,925,373</u>	<u>\$ 9,606,215</u>
Percentage of total	<u>13 %</u>	<u>11 %</u>	<u>5 %</u>	<u>4 %</u>	<u>38 %</u>	<u>15 %</u>	<u>1 %</u>	<u>87 %</u>	<u>9 %</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, 2019  
(With Comparative Totals for 2018)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 185,290	\$ 83,657
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	231,287	196,174
Government grants - food	(1,504,627)	(1,121,095)
In-kind contributions of food, clothing, toys, bedding, educational materials and gift cards	(12,412,126)	(10,678,568)
Distribution of donated food, clothing, toys, bedding, educational materials and gift cards	13,880,426	11,787,049
Net realized and unrealized gain on investments	(13,408)	(7,845)
Gain on disposal of equipment	(24,631)	-
Changes in operating assets and liabilities		
Grants receivable	358,830	(620,348)
Unconditional promises to give, net	4,000	5,195
Inventory	56,623	1,681
Prepaid expenses and other assets	(78,859)	(62,428)
Accounts payable	86,570	157,390
Accrued liabilities	(55,123)	50,704
Deferred revenue	<u>266,403</u>	<u>(361,777)</u>
Net cash provided by (used in) operating activities	<u>980,655</u>	<u>(570,211)</u>
Cash flows from investing activities		
Increase in restricted cash for facility improvements	(638)	(637)
Purchase of property and equipment	(143,552)	(148,014)
Proceeds from sale of property and equipment	24,631	-
Proceeds from sale of endowment fund investments	82,102	218,346
Purchase of endowment fund investments	<u>(110,128)</u>	<u>(238,774)</u>
Net cash used in investing activities	<u>(147,585)</u>	<u>(169,079)</u>
Net increase (decrease) in cash and cash equivalents	833,070	(739,290)
Cash and cash equivalents, beginning of year	<u>703,121</u>	<u>1,442,411</u>
Cash and cash equivalents, end of year	<u>\$ 1,536,191</u>	<u>\$ 703,121</u>

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

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2019  
(With Comparative Totals for 2018)

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, 2019  
(With Comparative Totals for 2018)

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

*Economic and family self-sufficiency*

- *JobLink Employment Services* - assists job-seekers to secure employment by providing them with support and resources that empower them to become economically self-sufficient. Services include individualized assessment, job readiness and skills development workshops, vocational counseling, financial education, and a job interview clothes closet.
- *La Mesa Verde* - 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* - identifies, trains and deploys 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, creates teachers for urban organic gardening techniques, and trains mentors for financial success.

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. This program ended in March 2019.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2019  
(With Comparative Totals for 2018)

2. PROGRAM SERVICES (continued)

Policy and Organizing

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

Community Outreach and Education

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

Housing and Family Assistance

- *Homeless Prevention and Rapid Re-Housing* - 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.

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.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2019  
(With Comparative Totals for 2018)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 two classes of net assets: net assets without donor restrictions and net assets with donor restrictions:

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

Change in accounting principle

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 makes certain improvements to current reporting requirements, including:

1. Reducing the classes of net assets from three (unrestricted, temporarily restricted, and permanently restricted) to two (with donor restrictions and without donor restrictions).
2. Enhancing disclosures about:
  - a. Amounts and purposes of governing board designations, appropriations, and similar actions that result in self-imposed limits on the use of resources without donor-imposed restrictions.
  - b. Composition of net assets with donor restrictions and how the restrictions affect the use of resources.
  - c. Qualitative information about management of liquid resources and quantitative information about the availability of liquid resources to meet cash needs for general expenditures within one year of the statement of financial position date.
  - d. Methods used to allocate costs among program and support functions.
  - e. Underwater endowment funds.

Sacred Heart Community Service  
Notes to Financial Statements  
June 30, 2019  
(With Comparative Totals for 2018)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle (continued)

3. Use, in the absence of explicit donor stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassify any amounts from net assets with donor restrictions to net assets without donor restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption (thus eliminating the current option to release the donor-imposed restriction over the estimated useful life of the acquired asset).

The Organization adopted the provisions of ASU 2016-14 in 2019 and has applied the amendments on a retrospective basis in 2018 with the option to omit the disclosures about liquidity and availability of resources for the prior-year comparative period.

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, 2018 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.

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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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).

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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, 2019 and 2018, 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 \$1.62 and \$1.68 per pound for the years ended June 30, 2019 and 2018, respectively. Donated government food was valued at \$1.52 and \$1.57 per pound for the years ended June 30, 2019 and 2018, 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 2019 and 2018 Software" (see Note 13).

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, 2019 and 2018, and is included in "accrued liabilities" in the statement of financial position. The accrued vacation balance as of June 30, 2019 and 2018 was \$190,117 and \$216,586, 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.



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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 with or without donor restrictions depending on the nature of donor restrictions. Restricted contributions are reported as increases in net assets with donor restrictions. When the restriction is met, the amount is shown as a reclassification of net assets with donor restrictions to net assets without donor restrictions.

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 13). 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 13.

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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent events

Management of the Organization has evaluated events and transactions subsequent to June 30, 2019 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, 2019. Subsequent events have been evaluated through the date the financial statements became available to be issued, December 20, 2019.

Recent accounting pronouncement

Pronouncement effective in the future -

In June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2018-08, Not-For-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Specifically, this update is to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or exchange (reciprocal) transactions, as well as determining whether a contribution is conditional.

The amendments in the update are effective for annual financial statements issued for fiscal years beginning after December 15, 2018 or the Organization's year ending June 30, 2020. Management is currently evaluating the effect that the updated standard will have on the financial statements.

4. GRANTS RECEIVABLE

Grants receivable consisted of the following:

	2019	2018
Billed receivables	\$ 1,213,870	\$ 1,473,099
Unbilled receivables	-	99,601
	\$ 1,213,870	\$ 1,572,700

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, 2019 and 2018 was \$13,916,753 and \$11,799,663, respectively.

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5. INVENTORY (continued)

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).

Inventory consisted of the following:

	<u>2019</u>	<u>2018</u>
Donated clothing	\$ 142,068	\$ 86,253
Donated food - non-government	115,611	105,339
Donated food - government	29,108	24,028
Donated gift cards	9,800	34,716
Bus passes	1,392	1,316
Purchased Weatherization	-	66,623
	<u>\$ 297,979</u>	<u>\$ 318,275</u>

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>2019</u>	<u>2018</u>
Building and improvements	\$ 4,661,146	\$ 4,655,815
Land	1,694,354	1,694,354
Furniture and equipment	801,807	723,112
Vehicles	<u>312,294</u>	<u>317,854</u>
	7,469,601	7,391,135
Accumulated depreciation	<u>(3,269,355)</u>	<u>(3,103,158)</u>
	<u>\$ 4,200,246</u>	<u>\$ 4,287,977</u>

Depreciation expense for the years ended June 30, 2019 and 2018, was \$231,287 and \$196,174, respectively.

7. RESTRICTED CASH OF FACILITY IMPROVEMENTS

Restricted cash for facility improvements at June 30, 2019 and 2018, consisted of contributions received for the construction and improvement of the Organization's facility and are invested in short-term interest-bearing cash deposits. Under the terms of the related donations, these funds are considered temporarily restricted until they have been disbursed for facility improvements.

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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.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Equity securities	\$ 374,841	\$ -	\$ -	\$ 374,841
Cash equivalents	75,604	-	-	75,604
Fixed income securities	<u>-</u>	<u>474,171</u>	<u>-</u>	<u>474,171</u>
	<u>\$ 450,445</u>	<u>\$ 474,171</u>	<u>\$ -</u>	<u>\$ 924,616</u>

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>Fair Value</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>

Endowment income during the year consisted of the following:

	<u>2019</u>	<u>2018</u>
Interest and dividend income	\$ 34,705	\$ 27,348
Net realized and unrealized gain	13,408	7,845
Fees	<u>(6,679)</u>	<u>(6,557)</u>
	<u>\$ 41,434</u>	<u>\$ 28,636</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. There was no balance outstanding on the line of credit as of June 30, 2019 and 2018.

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10. CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS EXCLUDING DEPRECIATION

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

	2019	2018
Change in net assets without donor restrictions	\$ 188,452	\$ (170,369)
Depreciation	231,287	196,174
	\$ 419,739	\$ 25,805

11. BOARD DESIGNATED NET ASSETS

Board designated net assets consist of the following:

	2019	2018
Board designated operating reserve fund	\$ 1,340,021	\$ 1,076,150
Board designated endowment fund	274,223	261,911
	\$ 1,614,244	\$ 1,338,061

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 fund's fair market value (based on the fund's fair market value at the beginning of the fiscal year) may be used to finance Sacred Heart Community Service's charitable activities. The Organization did not make any appropriations during the years ended June 30, 2019 and 2018.

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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12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions held in perpetuity (donor restricted endowment corpus) as of June 30, 2019 and 2018, 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.

Net assets with donor restrictions consisted of the following:

	2019	2018
Restricted to passage of time		
General operating support for future periods	\$ 200,000	\$ 400,000
Uncollected unconditional promises to give	16,980	20,980
	216,980	420,980
Restricted for a specified purpose		
Restricted cash for facility improvements	425,686	425,048
Self-sufficiency - education	143,970	83,783
Policy and organizing	105,000	-
Essential services	86,737	73,029
Housing assistance	75,609	58,817
Self-sufficiency - asset development	44,474	44,038
Community outreach - funds development	-	18,870
Data analysis and program improvement	-	6,175
	881,476	709,760
Subject to appropriation and spending policy (endowment accumulated earnings)	188,948	159,826
Held in perpetuity (donor restricted endowment corpus)	461,445	461,445
	\$ 1,748,849	\$ 1,752,011

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12. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions released from restriction during the year ended June 30, 2019 were as follows:

Restricted to a passage of time	
Grants receivable	\$ 200,000
Uncollected unconditional promises to give	4,000
	204,000
Restricted to a specific purpose	
Essential services	498,474
Self-sufficiency - education	132,135
Self-sufficiency - asset development	63,849
Policy and organizing	52,305
Data analysis and program improvement	21,175
Housing assistance	21,085
Community outreach - fund development	19,270
Self-sufficiency - family support	5,000
Self-sufficiency - urban gardening	4,200
	817,493
	\$ 1,021,493

13. CONTRIBUTIONS IN-KIND

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

Donated food received from Second Harvest of Silicon Valley

Donated non-government products were valued at \$1.62 and \$1.68 per pound for the years ended June 30, 2019 and 2018, respectively. Donated government food was valued at \$1.52 and \$1.57 per pound for the years ended June 30, 2019 and 2018, 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, 2019, 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 \$21 each. Gleaned food is valued at \$1.62 a pound.

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13. CONTRIBUTIONS IN-KIND (continued)

Donated clothing

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

- *Quantity estimate* - donated clothing is tracked and valued based on the number of bags received during the year. The sizes of the bags are inconsistent ranging from large garbage bags to standard grocery bags. The variance in the size of the bags can result in inconsistencies in estimating the quantity of clothing received during the year.
- *Value estimate* - the dollar value per bag is estimated annually based on a statistical sampling of bags tested during the year using a published study performed on eBay sales of used clothing titled "It's Deductible - Tax Year 2019 and 2018 Software". The clothing items in each sampled bag as well as the size of the bag can vary significantly.

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

Donated services

The Organization also receives donated services that do not require specific expertise but which are nonetheless central to the Organization's operations. Much of this time is to assist Sacred Heart Community Service by performing a variety of tasks related to specific essential services, self-sufficiency programs, campaign solicitations, and various committee assignments. During the years ended June 30, 2019 and 2018, Sacred Heart Community Service received 75,748 and 81,999 hours of volunteer time, respectively. The estimated value of these services for the years ended June 30, 2019 and 2018, respectively, based on the estimated dollar value of volunteer time calculated by Independent Sector, amounts to \$1,926,272 and \$2,024,555, respectively. The value of these services is not reflected in the financial statements.



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13. CONTRIBUTIONS IN-KIND (continued)

Contributions in-kind

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

	2019	2018
Contributions in-kind - government		
Food - government	\$ 1,504,627	\$ 1,121,095
Contributions in-kind - non-government		
Food	5,927,900	5,623,880
Clothing	5,645,398	4,510,700
Educational materials	452,482	141,735
Toys	216,640	307,287
Other	151,170	39,151
Bedding, linens and other	17,369	20,741
Gift cards	1,167	35,074
	12,412,126	10,678,568
	\$ 13,916,753	\$ 11,799,663

14. EMPLOYEE PENSION PLAN

Sacred Heart Community Service maintains a tax deferred 403 (b) retirement plan (the "Plan") to provide retirement benefits for all eligible employees. The plan provides for discretionary employer match for employees who complete at least 1,000 hours of service during the plan year and are employed by the Organization on the last day of the plan year. Sacred Heart Community Service did not make any discretionary employer match during the years ended June 30, 2019 and 2018.

15. CONCENTRATIONS

During the years ended June 30, 2019 and 2018, the Organization received approximately 36% and 44%, 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.

16. ENDOWMENT

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

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16. ENDOWMENT (continued)

Interpretation of relevant law

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

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

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

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2019 and 2018.

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16. ENDOWMENT (continued)

Return objectives and risk parameters

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

Strategies employed for achieving objectives

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

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

Spending policy and how the investment objectives relate to spending policy

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

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

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16. ENDOWMENT (continued)

Endowment composition

Endowment net asset composition by type of fund as of June 30, 2019 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions Subject to Appropriation and Spending Policy</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 188,948	\$ 461,445	\$ 650,393
Board designated endowment funds	<u>274,223</u>	<u>-</u>	<u>-</u>	<u>274,223</u>
	<u>\$ 274,223</u>	<u>\$ 188,948</u>	<u>\$ 461,445</u>	<u>\$ 924,616</u>

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions Subject to Appropriation and Spending Policy</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 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>

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16. ENDOWMENT (continued)

Endowment composition (continued)

Changes in endowment net assets for the fiscal year ended June 30, 2019 is as follows:

	Without Donor Restrictions	<u>With Donor Restrictions</u> Subject to Appropriation and Spending Policy	Held in Perpetuity	<u>Total</u>
Balance, June 30, 2018	\$ 261,911	\$ 159,826	\$ 461,445	\$ 883,182
Investment return				
Investment income	14,293	33,820	-	48,113
Fees	<u>(1,981)</u>	<u>(4,698)</u>	<u>-</u>	<u>(6,679)</u>
Balance, June 30, 2019	<u>\$ 274,223</u>	<u>\$ 188,948</u>	<u>\$ 461,445</u>	<u>\$ 924,616</u>

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

	Without Donor Restrictions	<u>With Donor Restrictions</u> Subject to Appropriation and Spending Policy	Held in Perpetuity	<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>

17. LIQUIDITY AND AVAILABILITY OF RESOURCES

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

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17. LIQUIDITY AND AVAILABILITY OF RESOURCES (continued)

Long-term investments include endowment funds consisting of board designated endowments. As described in Note 16, the endowment has a policy of appropriating for distribution each year 5% of its endowment's fair market value of the fund as of the first day of the fiscal year. Accordingly, approximately \$46,231 of appropriations from the endowment will be available within the next 12 months. The board designated endowment could be available in its entirety if needed.

Short-term contributions receivable consists of grants receivable and promises to give expected to be received within one year from June 30, 2019. Short-term grants receivable and promises to give without donor restrictions will be available to support general operations of the Organization.

The following is a quantitative disclosure which describes assets that are available within one year of June 30, 2019 to fund general expenditures and other obligations when they become due:

Financial assets	
Cash and cash equivalents	\$ 1,536,191
Grants receivable	1,213,870
Unconditional promises to give, net	11,726
Restricted cash for facility improvements	425,686
Investments held for endowment purposes	<u>924,616</u>
	<u>4,112,089</u>
Less amounts unavailable for general expenditure within one year	
Board designated endowment funds	(274,223)
Held in perpetuity (donor restricted endowment corpus)	(461,445)
Subject to appropriation and spending policy	(142,717)
Net assets restricted for a specified purpose	<u>(881,476)</u>
	<u>(1,759,861)</u>
Financial assets available to meet cash needs for general expenditures within one year*	
	<u><u>\$ 2,352,228</u></u>

\* In the event of an unanticipated liquidity need, the Organization could draw upon its \$1,000,000 line of credit (see Note 9).

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, 2019, 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 20, 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

December 20, 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, 2019. 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, 2019.

## 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

December 20, 2019

Sacred Heart Community Service  
Schedule of Expenditures of Federal Awards and Other Governmental Awards  
For the Year Ended June 30, 2019

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	\$ 3,159
Low-Income Home Energy Assistance	93.568	17B-3037	253,554
Low-Income Home Energy Assistance	93.568	18B-4036	675,076
Low-Income Home Energy Assistance	93.568	19B-5035	503,854
Community Services Block Grant	93.569	18F-5042	680,937
Community Services Block Grant	93.569	19F-4042	<u>730,258</u>
Total U.S. Department of Health and Human Services			<u>2,846,838</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants	14.218	PS-19-16	<u>12,159</u>
U.S. Department of Agriculture			
Passed-Through: State of California Department of Social Services Emergency Food Assistance Program (Food Commodities)			
	10.569	1026	1,504,627
Passed-Through: State of California Department of Social Services Summer Food Service Program for Children			
	10.559	04122-SFSP-43 04122-CACFP-43-	12,890
Child and Adult Care Food Program	10.558	NP-IC	<u>40,743</u>
Total U.S. Department of Agriculture			<u>1,558,260</u>
Corporation for National and Community Service			
Passed Through: Local Initiatives Support Corporation			
Social Innovation Fund	94.019	45144-0007	5,059
Social Innovation Fund	94.019	45144-0008	938
LISC - FOC	94.019	45144-0009	40,000
LISC - FOC II	94.019	45144-0010	<u>30,000</u>
Total Corporation for National and Community Service			<u>75,997</u>
Total Expenditures of Federal Awards			<u>4,493,254</u>

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

Sacred Heart Community Service  
Schedule of Expenditures of Federal Awards and Other Governmental Awards  
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Expenditures
<u>Other Governmental Awards</u>			
Santa Clara Valley Open Space Authority - Measure Q Urban Open Space		G-000031	\$ <u>12,486</u>
City of San Jose Safe Summer Initiative		646062	<u>22,500</u>
City of Mountain View Community for All			<u>1,500</u>
Santa Clara County			
CalFresh Employment and Training Navigator		4300014811	17,349 82,500
Homeless Prevention		4300012130	226,011
Rapid Response		4300013949	258,780
Safety Net		4300014189	350,796
Office of Supportive Housing			16,324
Resilient Families			53,472
Technology/New Servers			21,292
VTA Clipper Card Discount			<u>28,572</u>
Total Santa Clara County			<u>1,055,096</u>
Total Other Governmental Awards			<u>1,091,582</u>
Total Expenditures of Federal and Other Governmental Awards			<u>\$ 5,584,836</u>

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

Sacred Heart Community Service  
Notes to Schedule of Expenditures of Federal Awards and Other Governmental Awards  
June 30, 2019

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and other governmental awards (the "Schedule") includes the federal award and other governmental award activity of Sacred Heart Community Service (the "Organization") under programs of the federal, state, and local government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Pass-through entity identifying numbers are presented where available and applicable.

3. EMERGENCY FOOD ASSISTANCE PROGRAM (FOOD COMMODITIES)

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. At June 30, 2019, the Organization had food commodities totaling \$29,108 in inventory.

4. INDIRECT COST RATE

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

Sacred Heart Community Service  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2019

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>
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, 2019

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.



Sacred Heart Community Service  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2019

There were no prior year findings.

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

Sacred Heart Community Service  
Supplemental Schedule of Revenue and Expenditures  
CSD Contract No. 16B-4037  
For the period January 1, 2016 through June 30, 2019

	January 1, 2016 through June 30, 2018	July 1, 2018 through June 30, 2019	Total Audited Costs	Unbilled Expenses	Total Expenses Reported	Budget
<b>REVENUE</b>						
Grant Revenue (WX)	\$ 1,206,112	\$ -	\$ 1,206,112	\$ 95	\$ 1,206,112	\$1,208,626
Grant Revenue (EHA-16)	540,298	3,159	543,457	(3,254)	540,298	542,350
Total Grant Revenue	<u>\$ 1,746,410</u>	<u>\$ 3,159</u>	<u>\$ 1,749,569</u>	<u>\$ (3,159)</u>	<u>\$ 1,746,410</u>	<u>\$1,750,976</u>
<b>EXPENDITURES (WX)</b>						
Program Costs						
Intake	\$ 73,020	\$ -	\$ 73,020	\$ -	\$ 73,020	\$ 96,690
Outreach	60,431	-	60,431	-	60,431	60,431
Training and Technical Assistance	31,389	-	31,389	-	31,389	60,431
Total Weatherization Activity Expenditures	506,068	-	505,973	95	506,068	694,874
Major Vehicle and Equipment (More than \$5,000)	-	-	-	-	-	49,000
Minor Vehicle and Field Equipment (Less than \$5,000)	4,185	-	4,185	-	4,185	10,000
General Overhead Cost	530,423	-	530,423	-	530,423	232,200
Training and Technical: Solar Water Heating	-	-	-	-	-	5,000
Total Program Costs (WX)	<u>1,205,516</u>	<u>-</u>	<u>1,205,421</u>	<u>95</u>	<u>1,205,516</u>	<u>1,208,626</u>
Total Expenditures (WX)	<u>1,205,516</u>	<u>-</u>	<u>1,205,421</u>	<u>95</u>	<u>1,205,516</u>	<u>1,208,626</u>
<b>EXPENDITURES (EHA-16)</b>						
Administrative Costs						
Administrative	22,000	-	21,985	15	22,000	22,000
Total Administration Costs (EHA-16)	<u>22,000</u>	<u>-</u>	<u>21,985</u>	<u>15</u>	<u>22,000</u>	<u>22,000</u>
Program Costs						
Assurance 16 Activities	135,000	732	135,732	(732)	135,000	135,000
Intake	145,000	807	145,807	(807)	145,000	145,000
Outreach	130,000	1,077	131,187	(1,187)	130,000	130,000
Training and Technical Assistance	20,000	-	20,000	-	20,000	20,000
General Operating Expenditures	53,000	543	53,543	(543)	53,000	53,000
Automation Supplemental	25,350	-	25,350	-	25,350	25,350
Program Service Cost	9,948	-	9,948	-	9,948	12,000
Total Program Costs (EHA-16)	<u>518,298</u>	<u>3,159</u>	<u>521,567</u>	<u>(3,269)</u>	<u>518,298</u>	<u>520,350</u>
Total Expenditures (EHA-16)	<u>540,298</u>	<u>3,159</u>	<u>543,552</u>	<u>(3,254)</u>	<u>540,298</u>	<u>542,350</u>
Total Grant Expenditures	<u>\$ 1,745,814</u>	<u>\$ 3,159</u>	<u>\$ 1,748,973</u>	<u>\$ (3,159)</u>	<u>\$ 1,745,814</u>	<u>\$1,750,976</u>

Sacred Heart Community Service  
Supplemental Schedule of Revenue and Expenditures  
CSD Contract No. 17B-3037  
For the period July 1, 2018 through June 30, 2019

	October 1, 2016 through June 30, 2018	July 1, 2018 through June 30, 2019	Total Audited Costs	Unbilled Expenses	Total Reported Expenses	Total Budget
<b>REVENUE</b>						
Grant Revenue (WX)	\$ 667,913	\$ 203,087	\$ 871,000	\$ -	\$ 871,000	\$ 871,000
Grant Revenue (EHA-16)	397,700	50,467	448,167	-	448,167	448,880
Total Grant Revenue	<u>\$ 1,065,613</u>	<u>\$ 253,554</u>	<u>\$ 1,319,167</u>	<u>\$ -</u>	<u>\$ 1,319,167</u>	<u>\$ 1,319,880</u>
<b>EXPENDITURES (WX)</b>						
Program Costs						
Intake	\$ 57,000	\$ 10,117	\$ 67,117	\$ -	\$ 67,117	\$ 69,000
Outreach	35,000	8,000	43,000	-	43,000	43,000
Training and Technical Assistance	30,000	-	30,000	-	30,000	30,000
Minor Vehicle and Field Equipment (Less than \$5,000)	2,697	-	2,697	-	2,697	2,700
Liability Insurance	11,464	536	12,000	-	12,000	12,000
General Overhead Cost	91,797	11,089	102,886	-	102,886	101,000
Total Program Costs (WX)	<u>227,958</u>	<u>29,742</u>	<u>257,700</u>	<u>-</u>	<u>257,700</u>	<u>257,700</u>
WX Direct Program Cost	<u>439,955</u>	<u>173,345</u>	<u>613,300</u>	<u>-</u>	<u>613,300</u>	<u>613,300</u>
Total Expenditures (WX)	<u>667,913</u>	<u>203,087</u>	<u>871,000</u>	<u>-</u>	<u>871,000</u>	<u>871,000</u>
<b>EXPENDITURES (EHA-16)</b>						
Administrative Costs						
Administrative	19,414	17,967	37,381	-	37,381	37,381
Total Administration Costs (EHA-16)	<u>19,414</u>	<u>17,967</u>	<u>37,381</u>	<u>-</u>	<u>37,381</u>	<u>37,381</u>
Program Costs						
Assurance 16 Activities	105,828	553	106,381	-	106,381	106,381
Intake	79,833	20,215	100,048	-	100,048	100,047
Outreach	115,029	-	115,029	-	115,029	115,029
Training and Technical Assistance	21,635	365	22,000	-	22,000	22,000
Liability Insurance	1,000	-	1,000	-	1,000	1,000
General Operating Expenditures	292	4,740	5,032	-	5,032	5,042
Automation Supplemental	50,010	-	50,010	-	50,010	50,000
Program Service Cost	4,659	6,627	11,286	-	11,286	12,000
Total Program Costs (EHA-16)	<u>378,286</u>	<u>32,500</u>	<u>410,786</u>	<u>-</u>	<u>410,786</u>	<u>411,499</u>
Total Expenditures (EHA-16)	<u>397,700</u>	<u>50,467</u>	<u>448,167</u>	<u>-</u>	<u>448,167</u>	<u>448,880</u>
Total Grant Expenditures	<u>\$ 1,065,613</u>	<u>\$ 253,554</u>	<u>\$ 1,319,167</u>	<u>\$ -</u>	<u>\$ 1,319,167</u>	<u>\$ 1,319,880</u>

Sacred Heart Community Service  
Supplemental Schedule of Revenue and Expenditures  
CSD Contract No. 18B-4036  
For the period July 1, 2018 through June 30, 2019

	October 1, 2017 through June 30, 2018	July 1, 2018 through June 30, 2019	Unbilled Expenses	Total Expenses Reported	Budget
<b>REVENUE</b>					
Grant Revenue (WX)	\$ 182,101	\$ 387,955	\$ -	\$ 570,056	\$ 570,056
Grant Revenue (EHA-16)	213,000	287,121	-	500,121	500,121
Total Grant Revenue	<u>\$ 395,101</u>	<u>\$ 675,076</u>	<u>\$ -</u>	<u>\$1,070,177</u>	<u>\$ 1,070,177</u>
<b>EXPENDITURES (WX)</b>					
Program Costs					
Intake	\$ 21,826	\$ 10,901	\$ -	\$ 32,727	\$ 45,604
Outreach	17,822	10,681	-	28,503	28,503
Training and Technical Assistance	16,988	1,754	-	18,742	28,503
WX Program Activities and Program Cost	125,465	364,619	-	490,084	467,446
Total Program Costs (WX)	<u>182,101</u>	<u>387,955</u>	<u>-</u>	<u>570,056</u>	<u>570,056</u>
Total Expenditures (WX)	<u>\$ 182,101</u>	<u>\$ 387,955</u>	<u>\$ -</u>	<u>\$ 570,056</u>	<u>\$ 570,056</u>
<b>EXPENDITURES (EHA-16)</b>					
Administrative Costs					
Administrative	\$ 2,779	\$ 31,140	\$ -	\$ 33,919	\$ 35,000
Total Administration Costs (EHA-16)	2,779	31,140	-	33,919	35,000
Program Costs					
Assurance 16 Activities	36,837	107,163	-	144,000	144,000
Intake	20,831	12,614	-	33,445	181,769
Outreach	40,685	73,965	-	114,046	114,650
Training and Technical Assistance	3,360	12,775	-	16,135	24,702
Program Service Cost	108,508	49,464	-	58,371	-
Total Program Costs (EHA-16)	<u>210,221</u>	<u>255,981</u>	<u>-</u>	<u>365,997</u>	<u>465,121</u>
Total Expenditures (EHA-16)	<u>213,000</u>	<u>287,121</u>	<u>-</u>	<u>500,121</u>	<u>500,121</u>
<b>TOTAL GRANT EXPENDITURES</b>	<u>\$ 395,101</u>	<u>\$ 675,076</u>	<u>\$ -</u>	<u>\$1,070,177</u>	<u>\$ 1,070,177</u>

Sacred Heart Community Service  
Supplemental Schedule of Revenue and Expenditures  
CSD Contract No. 19B-5035  
For the period October 1, 2018 through June 30, 2019

	October 1, 2018 through June 30, 2019	Unbilled Expenses	Total Reported Expenses	Total Budget
<b>REVENUE</b>				
Grant Revenue (WX)	\$ 80,076	\$ -	\$ 80,076	\$ 80,076
Grant Revenue (EHA-16)	423,778	-	423,778	1,065,846
Total Grant Revenue	<u>\$ 503,854</u>	<u>\$ -</u>	<u>\$ 503,854</u>	<u>\$ 1,145,922</u>
<b>EXPENDITURES (WX)</b>				
Program Costs				
Intake	\$ -	\$ -	\$ -	\$ 6,406
Outreach	-	-	-	4,004
Training and Technical Assistance	-	-	-	4,004
WX Program Activities & Program Cost	80,076	-	80,076	65,662
Total Program Costs (WX)	<u>80,076</u>	<u>-</u>	<u>80,076</u>	<u>80,076</u>
WX Direct Program Cost	<u>80,076</u>	<u>-</u>	<u>80,076</u>	<u>80,076</u>
Total Expenditures (WX)	<u>80,076</u>	<u>-</u>	<u>80,076</u>	<u>80,076</u>
<b>EXPENDITURES (EHA-16)</b>				
Administrative Costs				
Administrative	36,493	-	36,493	200,599
Total Administration Costs (EHA-16)	<u>36,493</u>	<u>-</u>	<u>36,493</u>	<u>200,599</u>
Program Costs				
Assurance 16 Activities	93,894	-	93,894	200,599
Intake	98,343	-	98,343	265,859
Outreach	64,572	-	64,572	166,162
Training and Technical Assistance	13,639	-	13,639	66,465
Program Service Cost	116,837	-	116,837	166,162
Total Program Costs (EHA-16)	<u>387,285</u>	<u>-</u>	<u>387,285</u>	<u>865,247</u>
Total Expenditures (EHA-16)	<u>423,778</u>	<u>-</u>	<u>423,778</u>	<u>1,065,846</u>
Total Grant Expenditures	<u>\$ 503,854</u>	<u>\$ -</u>	<u>\$ 503,854</u>	<u>\$ 1,145,922</u>

Sacred Heart Community Service  
Supplemental Schedule of Revenue and Expenditures  
CSD Contract No. 18F-5042  
For the Period July 1, 2018 through June 30, 2019

	July 1, 2018 through June 30, 2019	Unbilled Expenses	Total Expenses Reported	Total Budget
<b>REVENUE</b>				
Grant Revenue	\$ 645,937	\$ -	\$ 1,432,126	\$ 1,432,126
<b>EXPENDITURES</b>				
Administrative Costs				
Salaries and Wages	\$ 233,873	\$ -	\$ 538,644	\$ 540,466
Fringe Benefits	81,855	-	188,525	187,273
Operating Expenses	59,590	-	102,309	97,339
Total Administrative Costs	<u>375,318</u>	<u>-</u>	<u>829,478</u>	<u>825,078</u>
Program Costs				
Salaries and Wages	200,459	-	446,406	450,834
Fringe Benefits	70,160	-	156,242	156,214
Total Program Costs	<u>270,619</u>	<u>-</u>	<u>602,648</u>	<u>607,048</u>
Total Expenditures	<u>\$ 645,937</u>	<u>\$ -</u>	<u>\$ 1,432,126</u>	<u>\$ 1,432,126</u>

Sacred Heart Community Service  
 Supplemental Schedule of Revenue and Expenditures  
 CSD Contract No. 18F-5042 Discretionary  
 For the Period January 1, 2018 through June 30, 2019

	January 1, 2018 through June 30, 2019	Unbilled Expenses	Total Expenses Reported	Total Budget
<b>REVENUE</b>				
Grant Revenue	\$ 35,000	\$ -	\$ 35,000	\$ 35,000
<b>EXPENDITURES</b>				
Program Costs				
Salaries and Wages	\$ 25,926	\$ -	\$ 25,926	\$ 26,208
Fringe Benefits	9,074	-	9,074	8,387
Operating Expenses	-	-	-	405
Total Program Costs	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>35,000</u>
Total Expenditures	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>



Sacred Heart Community Service  
Supplemental Schedule of Revenue and Expenditures  
CSD Contract No. 19F-4042  
For the Period January 1, 2019 through June 30, 2019

	January 1, 2019 through June 30, 2019	January 1, 2018 through June 30, 2019	Unbilled Expenses	Total Expenses Reported	Total Budget
<b>REVENUE</b>					
Grant Revenue	\$ 730,258	\$ -	\$ -	\$ 730,258	\$ 1,415,828
<b>EXPENDITURES</b>					
Administrative Costs					
Salaries and Wages	\$ 287,189	\$ -	\$ -	\$ 287,189	\$ 611,329
Fringe Benefits	100,516	-	-	100,516	220,079
Operating Expenses	54,794	-	-	54,794	138,564
Total Administrative Costs	<u>442,499</u>	<u>-</u>	<u>-</u>	<u>442,499</u>	<u>969,972</u>
Program Costs					
Salaries and Wages	213,155	-	-	213,155	327,835
Fringe Benefits	74,604	-	-	74,604	118,021
Total Program Cost	<u>287,759</u>	<u>-</u>	<u>-</u>	<u>287,759</u>	<u>445,856</u>
Total Expenditures	<u>\$ 730,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 730,258</u>	<u>\$ 1,415,828</u>