

Catholic Charities of the East Bay

Financial Statements
and Single Audit Reports and Schedules

April 30, 2018
(With Comparative Totals for 2017)



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Catholic Charities of the East Bay
Oakland, California

We have audited the accompanying financial statements of Catholic Charities of the East Bay (a California nonprofit corporation) (the "Catholic Charities"), which comprise the statement of financial position as of April 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities of the East Bay as of April 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information on page 22 is presented for purposes of additional analysis 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 October 30, 2018, on our consideration of the Catholic Charities' 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 Catholic Charities' internal control over financial reporting and compliance.

Report on Summarized Comparative Information

The financial statements of Catholic Charities of the East Bay as of April 30, 2017, were audited by other auditors whose report dated November 17, 2017, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended April 30, 2017, is consistent in all material respects, with the audited financial statements from which it has been derived.



Armanino^{LLP}
San Francisco, California

October 30, 2018

Catholic Charities of the East Bay
Statement of Financial Position
April 30, 2018
(With Comparative Totals for 2017)

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,706,115	\$ 538,225
Cash and cash equivalents held for other organizations	1,361,942	1,145,614
Grants receivable, net	906,545	707,324
Contributions receivable, net	605,599	509,469
Prepaid and other current assets	34,924	57,749
Total current assets	4,615,125	2,958,381
Noncurrent assets		
Investments	6,537,672	5,636,956
Receivable from charitable remainder trust	154,834	124,785
Contributions receivable, net of current portion	988,615	908,045
Property and equipment, net	2,346,926	2,079,174
Total noncurrent assets	10,028,047	8,748,960
Total assets	\$ 14,643,172	\$ 11,707,341
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 963,748	\$ 592,876
Funds held for other organizations	1,361,942	1,145,614
Current portion of note payable	41,579	36,273
Total current liabilities	2,367,269	1,774,763
Note payable, net of current portion	1,225,044	1,246,059
Total liabilities	3,592,313	3,020,822
Net assets		
Unrestricted		
Operating	1,285,109	1,550,337
Board designated	5,291,532	4,335,118
Total unrestricted	6,576,641	5,885,455
Temporarily restricted	4,474,218	2,801,064
Total net assets	11,050,859	8,686,519
Total liabilities and net assets	\$ 14,643,172	\$ 11,707,341

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

Catholic Charities of the East Bay
Statement of Activities
For the Year Ended April 30, 2018
(With Comparative Totals for 2017)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2018 Total</u>	<u>2017 Total</u>
Revenues, gains and other support				
Contributions	\$ 1,586,577	\$ 1,350,904	\$ 2,937,481	\$ 1,710,394
Private grants	318,940	1,325,147	1,644,087	1,110,288
Government grants	3,086,553	229,142	3,315,695	2,398,909
Program revenue	390,551	83,987	474,538	674,191
Fundraising and special events	853,473	-	853,473	600,324
Other revenue	664,470	30,049	694,519	437,108
Net assets released from restriction	<u>2,065,868</u>	<u>(2,065,868)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>8,966,432</u>	<u>953,361</u>	<u>9,919,793</u>	<u>6,931,214</u>
Functional expenses				
Program services	<u>5,905,414</u>	<u>-</u>	<u>5,905,414</u>	<u>4,684,019</u>
Support services				
Management and general	1,460,872	-	1,460,872	1,456,312
Fundraising	<u>779,830</u>	<u>-</u>	<u>779,830</u>	<u>832,202</u>
Total support services	<u>2,240,702</u>	<u>-</u>	<u>2,240,702</u>	<u>2,288,514</u>
Total functional expenses	<u>8,146,116</u>	<u>-</u>	<u>8,146,116</u>	<u>6,972,533</u>
Change in net assets from operations	<u>820,316</u>	<u>953,361</u>	<u>1,773,677</u>	<u>(41,319)</u>
Non-operating activity				
Realized and unrealized gains	465,656	-	465,656	535,720
Interest and dividends	<u>125,007</u>	<u>-</u>	<u>125,007</u>	<u>97,068</u>
Total non-operating activity	<u>590,663</u>	<u>-</u>	<u>590,663</u>	<u>632,788</u>
Change in net assets	1,410,979	953,361	2,364,340	591,469
Net assets, beginning of year	5,885,455	2,801,064	8,686,519	8,095,050
Reclassifications of net assets	<u>(719,793)</u>	<u>719,793</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 6,576,641</u>	<u>\$ 4,474,218</u>	<u>\$ 11,050,859</u>	<u>\$ 8,686,519</u>

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

Catholic Charities of the East Bay
Statement of Functional Expenses
For the Year Ended April 30, 2018
(With Comparative Totals for 2017)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2018 Total</u>	<u>2017 Total</u>
Personnel expenses					
Salaries and wages	\$ 3,240,317	\$ 704,263	\$ 302,386	\$ 4,246,966	\$ 3,731,300
Employee benefits	442,668	90,192	27,261	560,121	546,233
Payroll taxes	<u>231,336</u>	<u>51,159</u>	<u>22,507</u>	<u>305,002</u>	<u>268,840</u>
Total personnel expenses	3,914,321	845,614	352,154	5,112,089	4,546,373
Financial assistance to individuals	425,584	-	-	425,584	519,077
Contract services	376,821	121,098	92,884	590,803	296,920
Occupancy expense	285,438	20,286	21,994	327,718	247,987
Depreciation	180,836	39,066	16,269	236,171	262,267
Other expenses	63,552	240,283	73,046	376,881	236,134
In-kind expenses	263,349	58,809	29,006	351,164	266,640
Telephone	121,393	39,173	4,914	165,480	168,342
Printing and publications	12,370	19,358	47,343	79,071	51,528
Supplies	57,420	20,128	1,912	79,460	62,499
Travel	82,354	6,799	6,672	95,825	69,308
Interest expense	46,355	13,993	4,170	64,518	60,291
Events	10,716	12,315	92,151	115,182	66,640
Training and conferences	39,504	5,631	32,500	77,635	65,677
Postage and shipping	10,963	6,600	4,070	21,633	14,511
Equipment rental	<u>14,438</u>	<u>11,719</u>	<u>745</u>	<u>26,902</u>	<u>38,339</u>
Total 2018 functional expenses	<u>\$ 5,905,414</u>	<u>\$ 1,460,872</u>	<u>\$ 779,830</u>	<u>\$ 8,146,116</u>	
Total 2017 functional expenses	<u>\$ 4,684,019</u>	<u>\$ 1,456,312</u>	<u>\$ 832,202</u>		<u>\$ 6,972,533</u>

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

Catholic Charities of the East Bay
Statement of Cash Flows
For the Year Ended April 30, 2018
(With Comparative Totals for 2017)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Change in net assets	\$ 2,364,340	\$ 591,469
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	236,171	262,267
Contributions restricted for long term purposes	(14,924)	-
Realized and unrealized gains on investments	(465,656)	(535,720)
Changes in operating assets and liabilities		
Grants receivable, net	(199,221)	(214,156)
Contributions receivable, net	(176,700)	(82,362)
Prepaid and other assets	21,408	(34,229)
Receivable from charitable remainder trust	(30,049)	(3,064)
Accounts payable and accrued expenses	360,926	(16,351)
Funds held for other organizations	<u>216,328</u>	<u>41,922</u>
Net cash provided by operating activities	<u>2,312,623</u>	<u>9,776</u>
Cash flows from investing activities		
Purchase of investments	(522,195)	(591,540)
Redemption of investments	87,135	579,295
Purchases of property and equipment	<u>(492,560)</u>	<u>(57,566)</u>
Net cash used in investing activities	<u>(927,620)</u>	<u>(69,811)</u>
Cash flows from financing activities		
Contributions restricted for long term purposes	14,924	-
Principal payments on note payable	<u>(15,709)</u>	<u>(34,524)</u>
Net cash used in financing activities	<u>(785)</u>	<u>(34,524)</u>
Net increase (decrease) in cash, cash equivalents and cash held for other organizations	1,384,218	(94,559)
Cash, cash equivalents and cash held for other organizations, beginning of year	<u>1,683,839</u>	<u>1,778,398</u>
Cash, cash equivalents and cash held for other organizations, end of year	<u>\$ 3,068,057</u>	<u>\$ 1,683,839</u>
Cash, cash equivalents and cash held for other organizations consisted of the following:		
Cash and cash equivalents	\$ 1,706,115	\$ 538,225
Cash and cash equivalents held for other organizations	<u>1,361,942</u>	<u>1,145,614</u>
	<u>\$ 3,068,057</u>	<u>\$ 1,683,839</u>

Supplemental disclosure of cash flow information

Cash paid during the year - interest	\$ 64,518	\$ 60,291
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The accompanying notes are an integral part of these financial statements.

Catholic Charities of the East Bay
Statement of Cash Flows
For the Year Ended April 30, 2018
(With Comparative Totals for 2017)

	2018	2017
Supplemental schedule of noncash investing and financing activities		
Construction in progress included in accounts payable	\$ 11,363	\$ -
Note payable refinancing	\$ 1,300,000	\$ -

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

Catholic Charities of the East Bay
Notes to Financial Statements
April 30, 2018

1. NATURE OF OPERATIONS

Catholic Charities of the Diocese of Oakland, Inc. dba Catholic Charities of the East Bay (the "Catholic Charities") is a not-for-profit corporation, the Board members of which are elected subject to the approval of the Roman Catholic Bishop of the Diocese of Oakland.

Founded in 1935 by the Diocese of Oakland, Catholic Charities provides hope and healing to vulnerable children, youth and families in Alameda and Contra Costa Counties through compassionate services that transform lives and foster self-sufficiency. Catholic Charities works deeply to address the root causes of poverty and issues of social justice. Catholic Charities heeds the call of Pope Francis to serve the vulnerable. Catholic Charities serves people in need regardless of religious belief, race, national origin, gender, or sexual orientation.

As the social service arm of the Diocese of Oakland, Catholic Charities is a national recognized leader in healing trauma and providing evidence-based mental health services and restorative practices. Catholic Charities is also nationally accredited through the New York-based Council on Accreditation, demonstrating the implementation of best practice standards in the field of human services in all aspects of Catholic Charities' programs, services, management, and administration.

Our Programs are organized under three service areas:

Welcoming the Stranger

Refugee Resettlement - welcoming refugees to our communities by meeting basic needs and assisting with new school systems, public institutions, housing, healthcare access, and culture.

Refugee Support Services - assisting refugees on the road to self-sufficiency through support services and access to English as a Second Language (ESL) classes and employment counseling services.

Legal Immigration Services - helping people navigate the complex immigration system to earn lawful working status and follow a path to citizenship. We offer low-cost legal services provided by the Department of Justice accredited representatives and licensed immigration attorneys.

Unaccompanied Minors - helping children and their families fleeing violence in Central America through direct legal representation and family reunification services. (Central American Minors (CAM) Refugee/Parole Program).

Healing Trauma

Experience Hope - supporting healing and building relationships to improve educational outcomes and strengthen communities. Programs include school-based behavioral health services for children and youth as well as training and coaching activities for school communities and service providers.

Catholic Charities of the East Bay
Notes to Financial Statements
April 30, 2018

1. NATURE OF OPERATIONS (continued)

Crisis Response - providing intensive grief counseling and family support services to victims of violent crime, including family and friends of homicide victims in Oakland and Alameda County.

Family Preservation - home-based case management and clinical services to strengthen Contra Costa County families and keep children and young people safely in their homes.

Mental Health First Aid - training adults in West Contra Costa County to recognize and respond to signs and symptoms of mental health challenges in teens and to decrease stigma around mental illness.

Day Star Mentoring and CSEC Education - a community mentoring and education program developed to engage and empower those impacted by human trafficking through relationship building, increasing awareness, and advocacy.

Fostering Self-Sufficiency

Housing & Financial Services- rental and utilities assistance to families about to lose their homes.

Family Literacy- adult, parent and child literacy classes to promote life-long learning and improve language skills. Serving school families in North Richmond and surrounding communities.

Family to Family - parish-based program helping families move from poverty to self-sufficiency; includes parish refugee co-sponsorship through the People Organized to Welcome Refugees (POWR) initiative.

Hands of Hope Information & Referral - connecting the community to Catholic Charities' programs and services, and facilitating referral to other community resources and service providers.

Coming Soon

Claire's House - home of love, hope and healing for commercially sexually exploited children in the Bay Area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The financial statements of Catholic Charities are prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America specific to nonprofit organizations. Catholic Charities' activities and net assets are classified as unrestricted, temporarily restricted and permanently restricted according to the terms of the various contributions, grants and bequests and donors' wishes or interests.

Catholic Charities of the East Bay
Notes to Financial Statements
April 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting and financial statement presentation (continued)

- *Unrestricted net assets* - consist of all resources that have not been restricted by a donor and are available to support Catholic Charities' activities.
- *Temporarily restricted net assets* - represent contributions that are limited in use in accordance with donor-imposed stipulations. These stipulations may expire with time or may be satisfied by the actions of Catholic Charities according to the intention of the donor. Upon satisfaction of such stipulations, the associated net assets are released from temporarily restricted net assets and reported as unrestricted net assets. This occurs by increasing one class of net assets and decreasing another in the statement of activities. These transactions are reported as net assets released from restrictions and are reported separately from other transactions.
- *Permanently restricted net assets* - consist of assets the use of which has been restricted for investment in perpetuity as donor-restricted endowments. The income from endowments is available for either general operations or specific programs as specified by the donor. Catholic Charities does not have any permanently restricted net assets at April 30, 2018.

Cash and cash equivalents

Catholic Charities considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents.

Investments

Investments are stated at fair value. Investments in stocks which are listed on national securities exchanges, quoted on NASDAQ, or on the over-the-counter market are valued at the last reported sale price, or in the absence of a recorded sale, at a value between the most recent bid and asked prices. Investments in mutual funds, fixed annuities and charitable remainder trusts are valued at the net asset value of shares held by Catholic Charities at year end. Any change in the carrying amount of investments held is included in the statement of activities as unrealized gain or loss. All investment income, gains and losses are unrestricted.

Investment transactions are recorded on trade date. Realized gains and losses on sales of investments are determined on the specific identification basis. Unrealized gains or losses on investments resulting from gain value fluctuations are recorded in the statement of activities.

Grants receivable

Grants receivable are primarily from government agencies. No allowance for uncollectible amounts has been provided because they are deemed collectible.

Catholic Charities of the East Bay
Notes to Financial Statements
April 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions and contributions receivable

Contributions received are reported as unrestricted, temporarily restricted or permanently restricted, depending upon donor restrictions, if any.

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions that are promised in one year but are not expected to be collected until after the end of that year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution and current aging of contributions receivable.

Contributed goods and services

Donated materials and equipment are recorded based on the estimated fair value at the date the contribution is made. Donated services are recognized as contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would be purchased if not donated. During the year ended April 30, 2018, Catholic Charities received \$484,906 worth of in-kind services.

Property and equipment

Catholic Charities capitalizes all property and equipment with a cost greater than \$2,500 with an estimated useful life in excess of one year. Property and equipment is carried at cost or, if donated, at the estimated fair value on the date of the contribution. Minor repairs and maintenance are charged against earnings as incurred. Major repairs and maintenance that extend the useful life of the respective asset are capitalized. Whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recovered, Catholic Charities, using its best estimates and projections, reviews for impairment the carrying value of long-lived identifiable assets to be held and used in the future. Catholic Charities will record impairment losses when determined.

Depreciation and amortization of property and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	10 - 30 years
Furniture and equipment	3 - 7 years

Catholic Charities of the East Bay
Notes to Financial Statements
April 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Catholic Charities determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value (Level 1, Level 2 and Level 3). This hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels:

- *Level 1* - Quoted market prices are available in active market for identical assets or liabilities as of the reporting date.
- *Level 2* - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
- *Level 3* - Pricing inputs are observable and shall be used to measure fair value to the extent that observable inputs are not available. The inputs into the determination of fair value are based upon the best information available and require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following methods and assumptions were used to estimate the fair value of assets and liabilities:

- Investments (Level 1 and Level 3). Investments in equity and debt securities are valued at their fair values as determined primarily by quoted market prices. Investments without quoted market prices, including real estate investments, are valued at fair value as determined by third-party appraisals, management's estimates or a combination of both.
- Contributions receivable (Level 3). Contributions receivable are valued based on unobservable inputs that are developed based on the best information available in the circumstances. Contributions receivable are not measured at fair value on a reoccurring basis subsequent to initial recognition.

Catholic Charities of the East Bay
Notes to Financial Statements
April 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenues or support are reported as increases in unrestricted net assets unless subject to donor-imposed restrictions. If revenue is subject to donor-restrictions it is included in temporary restricted net assets and once restrictions are met release from restrictions is recorded and revenue released to unrestricted. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless restricted by explicit donor stipulation or by law.

- *Government grants* - Catholic Charities recognizes revenue from grants for programmatic purposes in the period the services are provided.
- *Private grants* - Private grants are recognized when the grantor makes a promise to give to Catholic Charities that is, in substance, unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met.
- *Program services fees* - Program services revenue consists primarily of fees for housing, counseling, and immigration services and are recognized as services are performed.
- *Bequests* - Bequests are recognized as income at the time an assailable right to the gift has been established and the proceeds are measurable in amount. The Board has designated that funds received by bequest shall not be used for current operations, but be transferred in the investment fund for long-term use.

Functional expenses

The costs of providing program and other activities have been summarized on a functional basis. Expenses, such as payroll and benefits, have been allocated among program services and supporting services based upon the employees' time spent by function. Facility related costs such as depreciation and maintenance have been allocated based on estimated square footage used by various departments.

Concentration of credit risk

Catholic Charities maintains its cash balances with a high quality institution. Periodically, such amounts may exceed Federal Deposit Insurance Corporation ("FDIC") limits. Risks associated with cash are mitigated by banking with creditworthy institutions. Catholic Charities has not experienced any losses in such accounts.

Income tax status

Catholic Charities is exempt from Federal income and California franchise taxes under provisions of Section 501(c)(3) of the Internal Revenue Code and Section 27301(d) of the California Revenue and Taxation Code. As such, there is no provision for income taxes.

Catholic Charities of the East Bay
Notes to Financial Statements
April 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax status (continued)

Catholic Charities has evaluated its current tax positions and has concluded that as of April 30, 2018 Catholic Charities does not have any significant uncertain tax positions for which a reserve would be necessary.

Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Catholic Charities' financial statements for the year ended April 30, 2017, from which the summarized information was derived.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2017 financial statements have been reclassified to conform to the 2018 presentation. In addition, previously recognized amounts of \$719,793 were reclassified from unrestricted net assets to temporarily restricted net assets to properly reflect the donors' time restrictions on those gifts.

Upcoming accounting pronouncements

In August 2016, the FASB issued ASU 2016-14, Presentation of Financial Statements for Not-for-Profit Entities, which makes targeted changes to the not-for-profit financial reporting model. The new ASU marks the completion of the first phase of a larger project aimed at improving not-for-profit financial reporting. Under the new ASU, net asset reporting will be streamlined and clarified. The ASU is effective for the fiscal year ended April 30, 2019 for Catholic Charities. Catholic Charities is evaluating the impact of the new guidance on the financial statements and will implement the new guidance in fiscal year 2019.

Catholic Charities of the East Bay
Notes to Financial Statements
April 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent events

Catholic Charities has evaluated subsequent events through October 30, 2018, the date the financial statements were available to be issued. Subsequent to year end, Catholic Charities received cash proceeds related to an unrestricted estate gift of approximately \$5,500,000. The estate gifts are restricted to the board designated endowment based on Catholic Charities' policy. No other subsequent events have occurred that would have a material impact on the presentation of Catholic Charities' financial statements.

3. CONTRIBUTIONS RECEIVABLE

Unconditional promises to give, which are not expected to be collected until after the year promised, are reflected in the accompanying financial statements as contributions receivable and revenue in the appropriate net asset category.

Contributions receivable consist of the following:

Receivable in less than one year	\$ 662,489
Receivable in one to five years	984,415
Receivable in more than five years	<u>4,200</u>
	1,651,104
Allowance for doubtful contributions receivable	<u>(56,890)</u>
	<u><u>\$ 1,594,214</u></u>

4. INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Catholic Charities assets at fair value as of April 30, 2018:

	Level 1	Level 2	Level 3	Fair Value
Fixed income	\$ 2,225,572	\$ -	\$ -	\$ 2,225,572
Equities	4,104,695	-	-	4,104,695
Money market funds	207,405	-	-	207,405
Receivable from charitable remainder trust	<u>-</u>	<u>-</u>	<u>154,834</u>	<u>154,834</u>
	<u><u>\$ 6,537,672</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 154,834</u></u>	<u><u>\$ 6,692,506</u></u>

Catholic Charities of the East Bay
Notes to Financial Statements
April 30, 2018

4. INVESTMENTS (continued)

The following table sets forth a summary of changes in the fair value of Level 3 investments for the year ended April 30, 2018:

Balance, beginning of year	\$ 124,785
Unrealized gains	30,049
	154,834
Balance, end of year	\$ 154,834

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Land	\$ 374,224
Buildings and improvements	3,132,330
Furniture and equipment	391,978
Construction in progress	522,988
	4,421,520
Accumulated depreciation	(2,074,594)
	\$ 2,346,926

Depreciation expense for the year ended April 30, 2018 was \$236,171.

6. FUNDS HELD ON BEHALF OF OTHER ORGANIZATIONS

Catholic Charities collects money from Catholic parishes to benefit other Catholic charitable organizations. Catholic Charities also acts as a fiscal agent for disbursing the San Francisco Chronicle's Season of Sharing fund in Alameda and Contra Costa Counties. The Season of Sharing funds are used primarily for housing assistance to individuals. Alameda County Department of Social Services and Contra Costa County administer the program, which involves county social services agencies and other community organizations it designates to screen and direct disbursements to eligible individuals. Catholic Charities is one of the designated organizations.

7. LINE OF CREDIT

Catholic Charities has entered into a line of credit agreement with a major lending organization. The line has a borrowing limit of \$2,500,000 and bears interest at the LIBOR rate plus 2.5%. The interest rate as of April 30, 2018 was 4.41%. There was no outstanding balance on the line of credit at April 30, 2018. The line of credit is secured by Catholic Charities' investment assets and holds an open term, without a maturity date.

Catholic Charities of the East Bay
Notes to Financial Statements
April 30, 2018

8. NOTE PAYABLE

In December 2012, Catholic Charities entered into a note payable agreement with a corporation for the purchase of a building in Richmond, California, with the payments being amortized over a 20 year period. During the year ended April 30, 2018, Catholic Charities refinanced the mortgage note. The note bears interest at a fixed rate of 4.68% with principal and interest payments due monthly. The note is secured by a first deed of trust on the property and the remaining unpaid balance with any interest is repayable on June 29, 2037.

The future maturities of the note payable are as follows:

<u>Year ending April 30,</u>	
2019	\$ 41,579
2020	43,439
2021	45,702
2022	47,918
2023	50,242
Thereafter	<u>1,037,743</u>
	<u><u>\$ 1,266,623</u></u>

9. COMMITMENTS AND CONTINGENCIES

Catholic Charities leases commercial space and equipment under operating lease agreements which expire at varying dates through April 2022. Rent expense for the year amounted to \$50,422.

The scheduled minimum lease payments under the lease terms are as follows:

<u>Year ending April 30,</u>	
2019	\$ 113,286
2020	134,674
2021	133,615
2022	<u>124,952</u>
	<u><u>\$ 506,527</u></u>

10. RELATED PARTY

Catholic Charities receives its organizational insurance coverage from the Roman Catholic Diocese of Oakland, a corporation, which is headed by the Bishop of the Diocese of Oakland, who also serves as the President of Catholic Charities. For the year ended April 30, 2018, the total cost of coverage was \$55,523.

Catholic Charities of the East Bay
Notes to Financial Statements
April 30, 2018

10. RELATED PARTY (continued)

On May 12, 2017, Catholic Charities entered in a 5 year lease with The Roman Catholic Bishop of Oakland for the use of a property in Oakland, California. During the year ended April 30, 2018, the total rental cost was \$54,768.

11. UNRESTRICTED NET ASSETS

Unrestricted net assets consisted of the following:

Operating	\$ 1,285,109
Board designated - endowment	4,721,403
Board designated - care for the elderly	<u>570,129</u>
	<u>\$ 6,576,641</u>

12. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

Housing Counseling and CFN Case Management	\$ 34,711
Immigration and Refugee Resettlement	126,323
Barrier removal	93,065
Family support services	10,000
CSEC	748,517
Cassidy assistance fund for seniors	36,967
Youth: Restorative Justice & Violence Prevention	155,981
Financial assistance	133,877
Family literacy program	139,596
Care for the elderly	1,246,133
General support	1,594,215
Charitable remainder trust	<u>154,834</u>
	<u>\$ 4,474,219</u>

For the year ended April 30, 2018, net assets released from restrictions were \$2,065,868, which were released from purpose restrictions.

Catholic Charities of the East Bay
Notes to Financial Statements
April 30, 2018

13. RETIREMENT PLAN

On November 1, 2008, Catholic Charities adopted a 403(b) plan. Employees are eligible to participate. There is no minimum age or service requirements for employees to make salary reduction contributions to the plan. Eligibility for employer base and matching contributions are offered only to employees age 18 and older who have completed 1,000 hours of service within any 12-month period of employment with Catholic Charities or other members of the Catholic Charities USA network and the Roman Catholic Diocese of Oakland. The established base contribution rate is 3% of compensation. Contributions paid to the plan for the year ended April 30, 2018 amounted to \$39,437.

14. CONCENTRATIONS

For the year ended April 30, 2018, Catholic Charities' largest funder was the Catholic Charities of California. This organization accounts for approximately 11% of revenue during 2018 and 27% of grants receivable at April 30, 2018. In addition, three different organizations account for 56% of grants receivable at April 30, 2018.

15. LIQUIDITY AND FUNDS AVAILABLE

As part of Catholic Charities' liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To meet liquidity needs, Catholic Charities has cash and cash equivalents available. Additionally, grants receivable consist primarily of amounts due from third parties that have been historically collected within 60 days of the year end. Contributions receivable that are considered current will be collected from donors within one year from the date of the Statement of Financial Position.

Monthly, the Finance and Investment Committee of the Board of Directors reviews Catholic Charities' Statement of Financial Position and discusses what may be a reasonable cash position to maintain. The Finance and Investment Committee has set 30 days in cash as the minimum for Fiscal Year 2018 and 2019, with the expectation that Catholic Charities will continue to build toward a minimum of 60 days in cash.

Catholic Charities of the East Bay
Notes to Financial Statements
April 30, 2018

15. LIQUIDITY AND FUNDS AVAILABLE (continued)

The following is a quantitative disclosure which describes assets that are available within one year of April 30, 2018 to fund general expenditures and other obligations when they become due:

Financial assets	
Cash and cash equivalents	\$ 1,706,115
Grants receivable, net	906,545
Contributions receivable, net	605,599
Prepaid and other current assets	34,924
Investments	<u>6,537,672</u>
	<u>9,790,855</u>
Less: amounts unavailable for general expenditure within one year	
Board designated investments	(5,291,532)
Donor restricted investments	<u>(1,246,133)</u>
	<u>(6,537,665)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 3,253,190</u>

Catholic Charities' has financial assets and cash and cash equivalents available at April 30, 2018 to cover approximately 106 days and 56 days, respectively, of operating expenses based on the Fiscal Year 2019 daily budgeted run rate for all program and support services expense of approximately \$30,565, excluding depreciation.

It is highly probable that net assets with time and purpose restrictions of \$1,908,709 (Note 12) at April 30, 2018 (total temporarily restricted net assets excluding donor-restricted investments of \$1,246,133, long-term contributions receivable of \$988,615, and charitable remainder trust of \$154,834) will be released within one year given Catholic Charities has budgeted total program service expense of \$8,376,085 for Fiscal Year 2019.

SUPPLEMENTARY INFORMATION

Catholic Charities of the East Bay
Schedule of Activities for Contracts with Alameda County
For the Year Ended April 30, 2018

Contract 1 Number	16-658	85926	SSGTAFO15012015
Contract Period 1	7/1/16 - 6/30/17	1/1/16 - 6/30/17	10/1/16 - 9/30/17
Contract Period 1 Amount	\$ 289,908	\$ 450,000	\$ 96,465
Contract 2 Number	18-0141	85926	SSGTAFO15012015
Contract Period 2	7/1/17 - 6/30/18	7/1/17 - 6/30/18	10/1/17 - 9/30/18
Contract Period 2 Amount	\$ 279,905	\$ 300,000	\$ 96,465

<u>Contract/Program Description</u>	<u>Oakland USD Crisis Counseling</u>	<u>City of Oakland Measure Y - CRSN</u>	<u>Targeted Assistance</u>	<u>Total</u>
Revenue				
Grants	<u>\$ 281,652</u>	<u>\$ 248,164</u>	<u>\$ 170,211</u>	<u>\$ 700,027</u>
Expenses				
Employee compensation				
Salaries	\$ 181,825	\$ 68,342	\$ 60,054	\$ 310,221
Employee benefits	29,118	8,607	3,323	41,048
Payroll taxes	13,044	4,850	4,374	22,268
	<u>223,987</u>	<u>81,799</u>	<u>67,751</u>	<u>373,537</u>
Other operating expenses				
Financial assistance to individuals	367	23,544	8,295	32,206
Contracted services	-	178,190	34	178,224
Occupancy cost	7,141	5,884	3,181	16,206
Other	-	-	831	831
Telephone	-	-	2,484	2,484
Supplies	-	-	1,090	1,090
Travel expenses	8	2,925	4,172	7,105
Training and conferences	-	-	283	283
Postage and shipping	-	-	26	26
Equipment leases	-	-	110	110
Indirect	49,475	30,000	-	79,475
	<u>56,991</u>	<u>240,543</u>	<u>20,506</u>	<u>318,040</u>
	<u>\$ 280,978</u>	<u>\$ 322,342</u>	<u>\$ 88,257</u>	<u>\$ 691,577</u>

See accompanying independent auditor's report.

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*

Board of Directors
Catholic Charities of the East Bay
Oakland, 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 Catholic Charities of the East Bay (a California nonprofit corporation) (the "Catholic Charities"), which comprise the statement of financial position as of April 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 30, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Catholic Charities 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 Catholic Charities internal control. Accordingly, we do not express an opinion on the effectiveness of the Catholic Charities 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 Catholic Charities 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 Catholic Charities internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Catholic Charities internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Armanino^{LLP}
San Francisco, California

October 30, 2018



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE, AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Catholic Charities of the East Bay
Oakland, California

Report on Compliance for Each Major Federal Program

We have audited Catholic Charities of the East Bay (a California nonprofit corporation) (the "Catholic Charities") 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 Catholic Charities major federal programs for the year ended April 30, 2018. The Catholic Charities 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 Catholic Charities 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 Catholic Charities 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 Catholic Charities compliance.

Opinion on Each Major Federal Program

In our opinion, the Catholic Charities 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 April 30, 2018.

Report on Internal Control Over Compliance

Management of the Catholic Charities 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 Catholic Charities 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 Catholic Charities 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the the Catholic Charities financial statements as of and for the year ended April 30, 2018, and have issued our report thereon dated October 30, 2018, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.



Armanino^{LLP}
San Francisco, California

October 30, 2018

Catholic Charities of the East Bay
Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2018

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<u>Expenditures of Federal Awards</u>			
U.S. Department of Justice ("DOJ")			
Direct award			
Missing Children's Assistance	16.543		\$ <u>203,942</u>
Pass-through program from the State of California Office of Victims of Crime:			
Crime Victim Assistance	16.575	UV15011632	<u>175,612</u>
Total U.S. Department of Justice ("DOJ")			<u>379,554</u>
U.S. Department of Homeland Security ("DHS")			
Pass-through program from the County of Alameda:			
Emergency Food and Shelter National Board Program	97.024	063400-051	<u>28,106</u>
Pass-through program from the County of Contra Costa:			
Emergency Food and Shelter National Board Program	97.024	066000-058	<u>30,487</u>
Total U.S. Department of Homeland Security ("DHS")			<u>58,593</u>
U.S. Department of Housing and Urban Development ("HUD")			
Pass-through program from Catholic Charities of USA:			
Housing Counseling Assistance Program	14.169	HC170011012	<u>17,525</u>
Total U.S. Department of Housing and Urban Development ("HUD")			<u>17,525</u>
U.S. Department of Health and Human Services ("DHHS")			
Direct awards			
Substance Abuse and Mental Health Services_Protocols of Regional and National Significance	93.243		<u>132,881</u>
Pass-through program from the County of Alameda:			
Refugee and Entrant Assistance_Targeted Assistance Grants	93.588	SSGTAFO15012 015	<u>88,258</u>
Total U.S. Department of Health and Human Services ("DHHS")			<u>221,139</u>
U.S. Department of State			
Pass-through program from United States Conference of Catholic Bishops:			
Refugee Admissions Program	19.510	USCCB	<u>400,767</u>
Total U.S. Department of State			<u>400,767</u>
Total Expenditures of Federal Awards			<u>\$ 1,077,578</u>

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

Catholic Charities of the East Bay
Notes to Schedule of Expenditures of Federal Awards
April 30, 2018

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Catholic Charities of the East Bay (the "Catholic Charities") under programs of the federal government for the year ended April 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Catholic Charities, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Catholic Charities.

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. INDIRECT COST RATE

Catholic Charities has elected to not use the 10% de minimus indirect cost rate for federal awards. Catholic Charities applies indirect costs in accordance with the specific terms of its federal award agreements.

Catholic Charities of the East Bay
 Schedule of Findings and Questioned Costs
 For the Year Ended April 30, 2018

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Refugee Admissions Program	19.510
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

Catholic Charities of the East Bay
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2018

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

Catholic Charities of the East Bay
Summary Schedule of Prior Audit Findings
For the Year Ended April 30, 2018

There are no prior audit findings.