

Financial Statements and Report of
Independent Certified Public
Accountants in Accordance with the
Uniform Guidance and the *City of
Philadelphia Subrecipient Audit Guide*

**Catholic Social Services of the
Archdiocese of Philadelphia**

June 30, 2019 and 2018

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Catholic Social Services of the Archdiocese of Philadelphia

Report on the financial statements

We have audited the accompanying financial statements of Catholic Social Services of the Archdiocese of Philadelphia (the "Organization"), which comprise the statements of financial position as of and for the years ended June 30, 2019 and 2018, and the related statements of activities and changes in net assets and cash flows for the years 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 opinions on these financial statements based on our audits. We conducted our audits 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, and the *City of Philadelphia Subrecipient Audit Guide*. 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 Organization'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 Organization'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Social Services of the Archdiocese of Philadelphia as of June 30, 2019 and 2018, and its activities and changes in net assets and, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters*Supplementary information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information listed on pages 35 to 60 in the table of contents, as required by pass-through agencies, and the Schedule of Expenditures of Federal, State, City and Other 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, and the *City of Philadelphia Subrecipient Audit Guide*, are presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary 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. These additional procedures included comparing and reconciling the 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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated March 30, 2020, 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 solely 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.



Philadelphia, Pennsylvania
March 27, 2020

Catholic Social Services of the Archdiocese of Philadelphia

STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS	<u>2019</u>	<u>2018</u>
Current assets		
Cash and cash equivalents	\$ 6,086,367	\$ 3,728,412
Accounts receivable - public agencies, less allowance of \$70,000 at at June 30, 2019 and 2018	1,738,744	1,737,240
Accounts receivable - other	447,364	204,288
Pledges receivable - United Way, net	37,354	37,170
Prepaid expenses and other assets	380,707	450,165
Client escrow funds	<u>29,434</u>	<u>25,714</u>
Total current assets	<u>8,719,970</u>	<u>6,182,989</u>
Noncurrent assets		
Property, plant and equipment, net	2,197,768	2,627,234
Related party note receivable - Archdiocese of Philadelphia	6,944,421	7,148,554
Investments - Board designated	16,434,162	15,520,713
Investments	3,456,162	3,303,687
Trusts held by third parties	<u>477,746</u>	<u>269,435</u>
Total assets	<u><u>\$ 38,230,229</u></u>	<u><u>\$ 35,052,612</u></u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 879,369	\$ 992,156
Salaries and wages payable	373,927	363,962
Due to affiliated institutions	8,232,980	4,879,661
Program advances	129,638	154,009
Client escrow funds	<u>29,434</u>	<u>25,714</u>
Total current liabilities	<u>9,645,348</u>	<u>6,415,502</u>
Long-term related party loans payable	<u>4,400,000</u>	<u>4,400,000</u>
Total liabilities	<u>14,045,348</u>	<u>10,815,502</u>
Net assets		
Without donor restrictions	21,130,787	20,988,289
With donor restrictions	<u>3,054,094</u>	<u>3,248,821</u>
Total net assets	<u>24,184,881</u>	<u>24,237,110</u>
Total liabilities and net assets	<u><u>\$ 38,230,229</u></u>	<u><u>\$ 35,052,612</u></u>

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

Catholic Social Services of the Archdiocese of Philadelphia

STATEMENT OF ACTIVITIES

Year ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating revenue			
Governmental revenue	\$ 9,669,556	\$ -	\$ 9,669,556
Fees for services	5,054,959	-	5,054,959
Rental income	257,893	-	257,893
Contributed rent	679,300	-	679,300
Contributed services and goods	2,209,100	-	2,209,100
Net assets released from restrictions	<u>472,376</u>	<u>(472,376)</u>	<u>-</u>
Total operating revenue	<u>18,343,184</u>	<u>(472,376)</u>	<u>17,870,808</u>
Operating expenses			
Salaries, wages and other payroll costs	13,789,753	-	13,789,753
Administrative and general expenses	6,556,394	-	6,556,394
Occupancy	2,634,169	-	2,634,169
Direct expenses of care	<u>1,487,404</u>	<u>-</u>	<u>1,487,404</u>
Total operating expenses	<u>24,467,720</u>	<u>-</u>	<u>24,467,720</u>
Deficiency in operating revenue under operating expenses	<u>(6,124,536)</u>	<u>(472,376)</u>	<u>(6,596,912)</u>
Other revenue			
Appropriation from Catholic Charities Appeal	3,896,047	-	3,896,047
Contributions, bequests and other	1,497,012	69,392	1,566,404
Investment return, net	<u>873,975</u>	<u>208,257</u>	<u>1,082,232</u>
Total other revenue	<u>6,267,034</u>	<u>277,649</u>	<u>6,544,683</u>
Change in net assets	142,498	(194,727)	(52,229)
Net assets			
Beginning of year	<u>20,988,289</u>	<u>3,248,821</u>	<u>24,237,110</u>
End of year	<u>\$ 21,130,787</u>	<u>\$ 3,054,094</u>	<u>\$ 24,184,881</u>

The accompanying notes are an integral part of this financial statement.

Catholic Social Services of the Archdiocese of Philadelphia

STATEMENT OF ACTIVITIES

Year ended June 30, 2018

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Operating revenue			
Governmental revenue	\$ 9,325,609	\$ -	\$ 9,325,609
Fees for services	4,642,139	-	4,642,139
Rental income	351,043	-	351,043
Contributed rent	679,300	-	679,300
Contributed services and goods	2,034,020	-	2,034,020
Net assets released from restrictions	467,000	(467,000)	-
 Total operating revenue	 <u>17,499,111</u>	 <u>(467,000)</u>	 <u>17,032,111</u>
Operating expenses			
Salaries, wages and other payroll costs	13,618,470	-	13,618,470
Administrative and general expenses	6,100,530	-	6,100,530
Occupancy	3,092,350	-	3,092,350
Direct expenses of care	1,680,816	-	1,680,816
 Total operating expenses	 <u>24,492,166</u>	 <u>-</u>	 <u>24,492,166</u>
 Deficiency in operating revenue under operating expenses	 <u>(6,993,055)</u>	 <u>(467,000)</u>	 <u>(7,460,055)</u>
Other revenue			
Appropriation from Catholic Charities Appeal	3,902,440	-	3,902,440
Contributions, bequests and other	2,425,247	71,927	2,497,174
Investment return, net	1,259,294	301,518	1,560,812
 Total other revenue	 <u>7,586,981</u>	 <u>373,445</u>	 <u>7,960,426</u>
 Change in net assets	 593,926	 (93,555)	 500,371
Net assets			
Beginning of year	<u>20,394,363</u>	<u>3,342,376</u>	<u>23,736,739</u>
End of year	<u>\$ 20,988,289</u>	<u>\$ 3,248,821</u>	<u>\$ 24,237,110</u>

The accompanying notes are an integral part of this financial statement.

Catholic Social Services of the Archdiocese of Philadelphia

STATEMENTS OF CASH FLOWS

Year ended June 30,

	2019	2018
Cash flows from operating activities		
Change in net assets	\$ (52,229)	\$ 500,371
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	536,716	562,443
Net realized and unrealized gains on investments	(914,104)	(1,304,368)
Changes in operating assets and liabilities		
Accounts receivable - public agencies	(1,504)	(28,671)
Accounts receivable - other	(243,076)	95,791
Pledges receivable - Office of Development, United Way	(184)	(830)
Prepaid expenses and other assets	69,458	(48,388)
Due to affiliated institutions	3,353,319	1,838,661
Accounts payable and accrued expenses	(112,787)	(43,463)
Salaries and wages payable	9,965	21,656
Program advances	(24,371)	(9,120)
	<u>2,621,203</u>	<u>1,584,082</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Capital expenditures	(107,250)	(107,892)
Purchases of investments	(360,131)	(3,645,264)
Proceeds from note receivable - Archdiocese of Philadelphia	204,133	191,908
	<u>(263,248)</u>	<u>(3,561,248)</u>
Net cash used in investing activities		
Increase (decrease) in cash and cash equivalents	2,357,955	(1,977,166)
Cash and cash equivalents		
Beginning of year	<u>3,728,412</u>	<u>5,705,578</u>
End of year	<u>\$ 6,086,367</u>	<u>\$ 3,728,412</u>

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

Catholic Social Services of the Archdiocese of Philadelphia

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE A - ORGANIZATION

Catholic Charities of the Archdiocese of Philadelphia, operating as Catholic Social Services of the Archdiocese of Philadelphia (“Catholic Social Services”) established in 1919, is a multi-faceted social services organization whose departments offer a wide range of services to meet the needs of children, adults and families including adoption and foster care programs. Catholic Social Services functions as a self-contained entity and maintains separate financial statements for each of its operations.

The accompanying financial statements include programs operated and administered by Catholic Social Services.

The Archdiocese of Philadelphia (the “Archdiocese”) was proclaimed a Catholic diocese in 1808 and raised to an Archdiocese in 1875. The Archdiocese oversees the activities of the Roman Catholic Church (the “Church”) for the five counties of Philadelphia, Bucks, Chester, Delaware and Montgomery in the southeastern part of the Commonwealth of Pennsylvania and is operated in accordance with the provisions of the 1983 Code of Canon Law, as amended, of the Church. Catholic Social Services, which is related, is operated separately and distinctly from the Archdiocese.

Catholic Charities Appeal, a separate legal corporation and a related organization, raises money for certain organizations within the Archdiocese, including Catholic Social Services.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recently Adopted Accounting Pronouncement

Effective July 1, 2018, Catholic Social Services adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. This standard makes certain improvements to the current reporting requirements for not-for-profit entities including: (1) the presentation for two classes of net assets at the end of the period, rather than the previously required three classes, as well as the annual change in each of the two classes; (2) information about liquidity and the availability of resources; and (3) addresses the lack of consistency with expenses and investment return. Catholic Social Services’ financial statements have been adjusted to reflect the new requirements. The standard has been applied retrospectively to all years presented, except for functional expenses which is only presented for 2019.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America (“US GAAP”). Catholic Social Services presents its financial statements in accordance with the guidance set forth by the Financial Accounting Standards Board (“FASB”) in regard to *Financial Statements of Not-for-Profit Organizations*. Accordingly, Catholic Social Services’ net assets and its revenues, expenses, gains and losses are classified into two categories, based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be designated for specific purposes by action of the Board of Directors.

Catholic Social Services of the Archdiocese of Philadelphia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net assets with donor restrictions include contributions, including pledges, trusts, remainder interests, income and appreciation which can be expended but for which restrictions have not yet been met, or which are required by donors to be perpetually retained. Such restrictions include purpose restrictions where donors have specified the purpose for which the net assets are to be spent, or time restrictions imposed by donors or implied by the nature of the gift.

The accompanying financial statements include programs operated and administered by Catholic Social Services. Excluded are certain institutions of the Archdiocese for which Catholic Social Services performs certain administrative and accounting functions, including the collection and remittance of unemployment compensation contributions, for which separate accounts are maintained by Catholic Social Services and for which separate reports are issued. The excluded entities (affiliated institutions and group homes) are as follows:

St. Joseph Catholic Home for Children	St. Edmond's Home for Crippled Children
St. Francis-St. Joseph Homes for Children	Don Guanella Village
St. Vincent's Services for Women and Children	Divine Providence Village
St. Joseph's House for Homeless Industrious Boys	St. Gabriel's System
St. Vincent's Orphans' Asylum of Tacony	Catholic Community Services of the
St. John's Hospice	Archdiocese of Philadelphia

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant management estimates and assumptions include the allowance for doubtful accounts, useful lives of depreciable assets and the fair value of investments. Actual results could differ from those estimates.

Cash and Cash Equivalents

Catholic Social Services considers investments in highly-liquid securities, authorized by management, purchased with a maturity of three months or less from the date purchased, to be cash equivalents. Catholic Social Services maintains cash balances with financial institutions that at times may exceed Federal Deposit Insurance Corporation limits. Management does not believe the credit risk related to these deposits to be significant.

Accounting for Long-Lived Assets

Catholic Social Services continually evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance may not be recoverable. When factors indicate that long-lived assets should be evaluated for possible impairment, Catholic Social Services uses an estimate of the related undiscounted operating income over the remaining life of the long-lived asset in measuring whether the long-lived asset is recoverable. The impairment loss on these assets is measured as the excess of the carrying amount of the asset over its fair value. Fair value is based on market prices where available, or discounted cash flows. Catholic Social Services believes that no revision to the remaining useful lives or write-down of long-lived assets were required at June 30, 2019 and 2018.

Catholic Social Services of the Archdiocese of Philadelphia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Client Escrow Funds

Catholic Social Services acts as trustee over funds held for its residents. Expenditures of resident funds are authorized by the residents or their families. Generally, the funds are used to cover the costs of personal items that are not covered by the daily general service charge or special charges. These funds are returned to the resident, family or estate upon discharge or death.

Investments

SEI, a provider of institutional asset management services, created two publicly traded Catholic Values mutual funds: the Catholic Values Equity Fund and the Catholic Values Fixed Income Fund (the "Catholic Values Funds"), which provide Catholic institutions with high-quality investment products that align with their core values, without sacrificing diversification or return potential. Specifically, the Catholic Values Funds align with the investment directives set forth by the United States Conference of Catholic Bishops ("USCCB"). The Archdiocese appointed SEI Private Trust Company to act as custodian (the "Custodian") of the investments, which consist of certain cash and securities and are more fully described in Note C.

Investments are reported at fair value. Realized gains and losses are reported to the participant monthly. Gains and losses created at the participant level due to sales are recorded in the specific accounts. Realized and unrealized gains and losses are included in the statements of activities as net realized and unrealized gains (losses) on investments.

Governmental Revenue

Catholic Social Services receives its funding through contracts/agreements with the Commonwealth of Pennsylvania, various cities and counties, federal programs and agreements with managed care and insurance organizations. These contracts/agreements generally fall into two categories: cost reimbursement and fee-for-service. The ultimate determination of amounts reimbursable under cost reimbursement contracts/agreements is based upon allowable costs to be reported and subject to audit by grantors and/or their agents.

Net program service revenues are from funding sources under cost reimbursement-type contracts for several of Catholic Social Services' programs. Catholic Social Services records revenues under such contracts as costs are incurred. For other programs, Catholic Social Services receives program service fees from funding sources under per diem-type contracts for certain programs and unit prices for outpatient services. Revenue for these programs is recorded when the services are provided. Retroactive adjustments are recorded in the period that final settlements are determined. Catholic Social Services recorded revenue of \$167,475 during the year ended June 30, 2019 and \$-0- for the year ended June 30, 2018, related to settlements received for fiscal years 2013 through 2016.

Catholic Social Services is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Government activity in the health care industry has increased with respect to investigations and allegations concerning possible violations of regulations by health care providers, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues of client services. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Management believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing.

Catholic Social Services of the Archdiocese of Philadelphia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, Catholic Social Services reports the support as without donor restriction. When a stipulated time restriction or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions of long-lived assets received without donor stipulations are reported as revenue without donor restriction at the fair value on the date of the gift. Contributions of other assets specified for the acquisition or construction of long-lived assets are reported as restricted support; those restrictions expire when the assets are placed in service.

Unconditional promises to give ("pledges") are recorded as receivables and revenues within the appropriate net asset category, and are expected to be collected within one year. See Note G for more information on pledges.

Allowance for Doubtful Accounts

Catholic Social Services continually monitors accounts receivable for collectability issues. The allowance is based upon management's judgment and is determined by considering a number of factors, including the length of time accounts receivable are past due, Catholic Social Services' previous loss history, the nature of the service provided and other pertinent factors. Catholic Social Services writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Contributed Services, Goods and Rent

Contributed services and goods represents the difference between the stipend allowance paid for the religious personnel performing work for Catholic Social Services, and the compensation which would be paid to lay persons possessing similar qualifications and performing similar work. In addition, contributed services and goods include food contributed to Catholic Social Services. Contributed rent includes rent on the premises used by Catholic Social Services which are owned by other entities within the Archdiocese and for which no rent is charged. These amounts are reported as both revenue and expenses in the statement of activities.

Property, Plant and Equipment

Land, buildings, building improvements, automobiles and equipment are capitalized at cost or at their fair market value if donated. Depreciation for fixed assets is computed on a straight-line basis over the estimated useful lives of the assets, which are as follows:

Building	20 years
Building improvements	20 years
Automobiles	5 years
Equipment	3 - 5 years

Catholic Social Services of the Archdiocese of Philadelphia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Liquidity and Availability of Resources

Financial assets available for general expenditure, all of which are classified as net assets without donor restrictions, within one year of the balance sheet date consist of the following:

	June 30,	
	2019	2018
Cash and cash equivalents	\$ 6,073,492	\$ 3,702,713
Accounts receivable	2,186,108	1,941,528
Investments – board designated	16,434,162	15,520,713
Investments	700,000	350,000
Assets available to management	\$ 25,393,762	\$ 21,514,954
Liabilities to be settled within one year		
Accounts payable and accrued expenses	(879,369)	(992,156)
Salaries and wages payable	(373,927)	(363,962)
Due to affiliated institutions	(8,232,980)	(4,879,661)
Assets available to management less liabilities to be settled within one year	\$ 15,907,486	\$ 15,279,175

Catholic Social Services provides cash management services for the various excluded entities discussed in Note B, which includes the receipt of program revenues and payments of operating expenses. The cash activity is recorded through due to affiliated institutions which are settled periodically.

Pending Accounting Pronouncement

In May 2014, the FASB issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers*, to improve financial reporting by creating common revenue recognition guidance. The core principle of this guidance is that an entity should recognize revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods and services at the date the performance obligation has occurred. ASU 2014-09 is effective for non-public entities for periods beginning after December 15, 2018. An entity will apply this update using either a full retrospective application, which applies the standard to each prior period presented, or under the modified retrospective application, in which an entity recognizes the cumulative effect of initially applying the new standard as an adjustment to the opening statement of financial position at the date of initial application. Catholic Social Services is evaluating the impact of ASU 2014-09 at this time.

Catholic Social Services of the Archdiocese of Philadelphia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE C - INVESTMENTS

The Investments are reported at fair value and consist of the following:

Catholic Values Equity Fund (or "fund") - Invests in common stocks and is managed by SEI. The equity fund is valued at the closing price of the traded fund.

Catholic Values Fixed Income Fund (or "fund") - Invests in mutual funds, corporate obligations, United States Treasury obligations and municipal obligations and is managed by SEI. The fixed income fund is valued at the closing price of the traded fund.

Account holders have the option of six asset classifications in which to invest. The options include a short-duration U.S. government bond fund, a 100% fixed income bond fund and four equity funds with varying fixed income to equity mixes of 30/70, 50/50, 60/40 or 70/30. The Investment Committee of the Archdiocese of Philadelphia has primary responsibility for determining fixed income to equity mix. The asset mix of the mutual funds is SEI's responsibility. Management of the Archdiocese is responsible for ensuring that asset investment allocations among the funds are maintained as determined by the Investment Committee of the Archdiocese of Philadelphia.

At June 30, 2019 and 2018, Catholic Social Services held the following categories of investments:

	<u>2019</u>	<u>2018</u>
Catholic Values Equity Fund	\$ 14,321,033	\$ 13,332,700
Catholic Values Fixed Income Fund	<u>5,569,921</u>	<u>5,491,700</u>
	<u>\$ 19,890,324</u>	<u>\$ 18,824,400</u>

Investment return for investments comprised of the following for the years ended June 30, 2019 and 2018:

	2019			2018		
	Net assets without donor restrictions	Net assets with donor restrictions	Total	Net assets without donor restrictions	Net assets with donor restrictions	Total
Other revenue						
Interest and dividend income	\$ 24,790	\$ 143,338	\$ 168,128	\$ 216,537	\$ 39,907	\$ 256,444
Net realized gains (losses)	(8,369)	4,239	(4,130)	72,819	25,576	98,395
Change in unrealized net gains and losses on investments	<u>857,554</u>	<u>60,680</u>	<u>918,234</u>	<u>969,938</u>	<u>236,035</u>	<u>1,205,973</u>
Total	<u>\$ 873,975</u>	<u>\$ 208,257</u>	<u>\$1,082,232</u>	<u>\$ 1,259,294</u>	<u>\$ 301,518</u>	<u>\$1,560,812</u>

NOTE D - TRUSTS HELD BY THIRD PARTIES

Catholic Social Services is the beneficiary of individual trusts held in perpetuity by third parties. At June 30, 2019 and 2018, the allocable fair value of these trusts was \$477,746 and \$269,435, respectively, and is recorded as trusts held by third parties in the accompanying statements of financial position. During the years ended June 30, 2019 and 2018, Catholic Social Services recognized donor restricted appreciation of \$15,622 and \$8,584, respectively, related to these trusts.

Catholic Social Services of the Archdiocese of Philadelphia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE E - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment and accumulated depreciation consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
Land	\$ 131,134	\$ 131,134
Buildings and improvements	6,238,249	6,238,249
Automobiles	4,943,613	4,942,646
Equipment	2,339,699	2,233,416
	<u>13,652,695</u>	<u>13,545,445</u>
Accumulated depreciation	<u>(11,454,927)</u>	<u>(10,918,211)</u>
Property, plant and equipment, net	<u>\$ 2,197,768</u>	<u>\$ 2,627,234</u>

Depreciation expense of \$536,716 and \$562,443 was incurred for the years ended June 30, 2019 and 2018, respectively.

NOTE F - ACCOUNTS RECEIVABLE - PUBLIC AGENCIES

At June 30, 2019 and 2018, Catholic Social Services had uncollateralized accounts receivable from various public agencies, primarily the Philadelphia Department of Human Services ("DHS") and various City of Philadelphia departments, of \$1,738,744 and \$1,737,240, respectively. These balances potentially subject Catholic Social Services to a concentration of credit risk. Catholic Social Services monitors its funding arrangements with DHS and other public agencies.

NOTE G - PLEDGES RECEIVABLE - OFFICE OF DEVELOPMENT, UNITED WAY

Pledges receivable - Office of Development, United Way were \$37,354 and \$37,170, respectively, net of an allowance of \$11,796 and \$11,728, respectively, for fiscal years 2019 and 2018. Pledges receivable are expected to be received in the following year.

NOTE H - RELATED PARTY NOTE RECEIVABLE - ARCHDIOCESE OF PHILADELPHIA

In 2012, the Archdiocese of Philadelphia and related entities entered into several Term Loan Agreements with participating Archdiocesan entities to retire outstanding external debt obligations. The transaction resulted in the inter-diocesan Term Loan Receivables and Term Loan Payables totaling \$71,357,582 at participating Archdiocesan entities, which included a loan receivable of \$9,109,791 recorded by Catholic Social Services. The loan receivable was refinanced on July 1, 2014, with terms as described below.

The loan is collateralized by first priority mortgage liens encumbering the following Archdiocesan high school premises: Bonner-Prendergrast High School, Pope John Paul II High School, Bishop Shanahan High School and Archbishop Wood High School. In addition, the Archdiocese of Philadelphia pledges the High School Revenue associated with these specific schools. The loan carries a fixed interest rate of 4% and matures on June 1, 2042.

Catholic Social Services of the Archdiocese of Philadelphia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE H - RELATED PARTY NOTE RECEIVABLE - ARCHDIOCESE OF PHILADELPHIA - Continued

The future principal amounts receivable on the loan at June 30, 2018 are as follows:

2020	\$ 189,315
2021	197,003
2022	205,002
2023	213,326
2024	221,987
Thereafter	<u>5,917,788</u>
	<u>\$ 6,944,421</u>

NOTE I - RELATED PARTY LOANS PAYABLE

As of June 30, 2019 and 2018, Catholic Social Services had a loan payable of \$4,400,000 to St. Edmond's Home for Crippled Children. A loan payable to St. Joseph's House for Homeless Industrious Boys was repaid during fiscal year 2017. The loans payable bear interest on the unpaid outstanding principal at an annual rate of 3%. Catholic Social Services used proceeds from the loans to provide lines of credit to affiliated corporations as described in Note B.1 to support cash flow needs. The lines of credit from/to each affiliated organization bears interest on the unpaid outstanding principal at an annual rate of 3%. Balances of the lines of credit are included in due to affiliated institutions on the statements of financial position. The financial statements of Catholic Social Services include \$132,000 in interest income and \$132,000 in interest expense for the year ended June 30, 2019 and \$159,500 in interest income and \$159,500 in interest expense for the year ended June 30, 2018 from these lending transactions. There is no repayment schedule associated with these loans.

NOTE J - FAIR VALUE MEASUREMENTS

FASB Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, establishes a single authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurements. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

- Level 1 Quoted prices in active markets for identical assets or liabilities as of the measurement date.
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Catholic Social Services of the Archdiocese of Philadelphia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE J - FAIR VALUE MEASUREMENTS - Continued

Fair value calculations may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Catholic Social Services believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the fair values of the investments held by Catholic Social Services by level within the fair value hierarchy, as of June 30, 2019 and 2018:

	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
<u>2019</u>				
Assets				
Investments	\$ 19,890,324	\$ -	\$ -	\$ 19,890,324
Trusts held by third parties	-	-	477,746	477,746
Total assets	<u>\$ 19,890,324</u>	<u>\$ -</u>	<u>\$ 477,746</u>	<u>\$ 20,368,070</u>
<u>2018</u>				
Assets				
Investments	\$ 18,824,400	\$ -	\$ -	\$ 18,824,400
Trusts held by third parties	-	-	269,435	269,435
Total assets	<u>\$ 18,824,400</u>	<u>\$ -</u>	<u>\$ 269,435</u>	<u>\$ 19,093,835</u>

The following table is a roll-forward of the statements of financial position amounts for financial instruments classified within Level 3 of the fair value hierarchy defined above:

	Trusts held by third parties
Fair value, June 30, 2017	\$ 260,851
Unrealized gain, net	8,584
Fair value, June 30, 2018	269,435
Contributions	192,689
Unrealized gain, net	15,622
Fair value, June 30, 2019	<u>\$ 477,746</u>

During the years ended June 30, 2019 and 2018, no investments were transferred between Levels 1, 2 or 3.

Catholic Social Services of the Archdiocese of Philadelphia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE K - PENSION PLANS

Lay Employees' Retirement Plan - Frozen Effective June 30, 2014

Through June 30, 2014, the eligible lay employees of Catholic Social Services were covered under the Archdiocese of Philadelphia Lay Employees' Retirement Plan (the "Plan"), which is a defined benefit pension plan covering substantially all lay employees of the Archdiocese, based on age and service requirements. The Plan is administered by the Trustees of the Plan. Catholic Social Services made annual contributions to the Plan at a rate of 5.9% of the salaries of eligible employees for the years ended June 30, 2019 and 2018. The amount expensed by Catholic Social Services for contributions to the Plan was \$498,356 and \$496,353 for the fiscal years ended June 30, 2019 and 2018, respectively. Separate accounts for vested benefits and pension fund assets are not maintained for each institution.

On November 5, 2013, the Archdiocese of Philadelphia Office for Financial Services ("OFS") announced that it would freeze the Plan effective June 30, 2014. All current employees at the time of the announced freeze retained benefits they had earned and continued to accrue benefits through the effective date. After the effective date, accrued pension benefits under the Plan do not increase for current employees for additional service or increases in pay after the freeze date.

Archdiocese of Philadelphia 403(b) Retirement Plan

The Archdiocese of Philadelphia established a 403(b) defined contribution plan, under which, and subject to statutory limits, all employees at least 18 years of age are immediately eligible to make voluntary deferred salary contributions into the 403(b) plan.

Employer contributions, which cover employees meeting the eligibility requirements below, are discretionary. The following are the eligibility requirements for the employer contributions:

- *Grandfathered Employees* - Any employee who was accruing benefits as an active participant in the Plan as of its freeze date of June 30, 2014 is a grandfathered employee and will be eligible to receive employer contributions beginning with the first payroll on or after September 1, 2014.
- *Non-Grandfathered Employees* - Non-grandfathered employees are eligible to receive the employer contribution beginning with the first payroll coinciding with or immediately following the completion of 1,000 hours of service during the 18-month period beginning July 1, 2014 through December 31, 2015. The employee must also have attained at least 18 years of age to be eligible. For a non-grandfathered employee hired prior to July 1, 2014 who does not meet the eligibility requirements for an employer contribution in the time frame described above, the period for determining whether or not one meets the 1,000-hour service requirement will shift to the calendar year beginning January 1, 2016.
- *Vesting* - Vesting in employer contributions to a 403(b) plan account will be immediate for any grandfathered employee who has completed 12 months of service as of June 30, 2014. Vesting in employer contributions for all other employees will take place after the completion of 12 months of service.

In fiscal years 2019 and 2018, the Archdiocese employer contribution rate was 4.9% of base salary for eligible employees. The contributions by Catholic Social Services into the 403(b) plan totaled \$380,103 and \$378,656 for the years ended June 30, 2019 and 2018, respectively.

Catholic Social Services of the Archdiocese of Philadelphia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE K - PENSION PLANS - Continued

Other Contributions

Catholic Social Services also makes contributions to the various orders of the religious personnel who provide services at its institutions. The amount of expense related to these contributions was \$54,780 and \$31,200 and for the years ended June 30, 2019 and 2018, respectively.

NOTE L - RELATED PARTY TRANSACTIONS

Catholic Social Services leases certain facilities and equipment, utilized in the delivery of its services, from the Archdiocese and is covered under various insurance and retirement plans administered by the Archdiocese. The transactions with the Archdiocese and affiliates charged to expense for the fiscal years ended June 30, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Rental of facilities	\$ 526,539	\$ 499,771
Rental of facility - contributed	679,300	679,300
Insurance	142,139	107,751
Lay employee pension contributions	498,356	496,353
Religious employee pension contributions	54,780	31,200
Archdiocese human resources office	186,600	186,000
Information technology services	<u>187,706</u>	<u>251,810</u>
	<u>\$ 2,275,420</u>	<u>\$ 2,252,185</u>

Included in operating expenses of Catholic Social Services are allocable expenses for administrative and accounting services provided to the affiliated institutions and group homes described in Note B. For fiscal years 2019 and 2018, respectively, fees for services revenue included in operating revenue includes \$2,808,674 and \$2,546,982, respectively, of revenue received from affiliated institutions and group homes for these services. In addition, Catholic Social Services leases automobiles to the affiliated institutions and group homes.

Catholic Social Services is the beneficiary of a \$3,500,000 donation from an Archdiocese of Philadelphia related entity, Catholic Housing and Community Services. The funds were being held by Catholic Housing and Community Services to be distributed over ten years at a rate of \$350,000 per year per the restrictions of the donation. Catholic Social Services received the outstanding balance of the donation of \$3,150,000 during the fiscal year ended June 30, 2017. The cash received was invested in Catholic Social Services' SEI investment account. The funds will be released from restriction for eight years at \$350,000 per year. The remaining donor restricted balance was \$2,756,162 and \$2,953,687 at June 30, 2019 and June 30, 2018, respectively.

Catholic Charities Appeal donated \$3,896,047 and \$3,902,404 to Catholic Social Services for the fiscal years ended June 30, 2019 and 2018, respectively.

Included in accounts receivable – other, are certain related party amounts. These amounts are as follows for June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Archdiocese of Philadelphia	<u>\$ 31,095</u>	<u>\$ -</u>

Catholic Social Services of the Archdiocese of Philadelphia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

Included in accounts payable and accrued expenses are certain related party amounts. These amounts are as follows for June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Catholic Housing and Community Services	<u>\$ 66,810</u>	<u>\$ 76,842</u>

NOTE M - INCOME TAX STATUS

Catholic Social Services is a nonprofit corporation which has been granted exempt status from federal taxation under Section 501(c)(3) of the Internal Revenue Code.

Catholic Social Services follows the accounting guidance for uncertainties in income tax positions, which requires that a tax position be recognized or derecognized based on a “more likely than not” threshold. This applies to positions taken or expected to be taken in a tax return. Catholic Social Services has determined that there are no material uncertain tax positions requiring recognition in the financial statements at June 30, 2019 and 2018.

NOTE N - FUNCTIONAL EXPENSES

Catholic Social Services provides a variety of services. Expenses related to providing these services for the years ended June 30, 2019 and 2018 are as follows:

	<u>Program</u>	<u>Supporting Management and General</u>	<u>Total expenses year ended June 30, 2019</u>	<u>Total expenses year ended June 30, 2018</u>
Salaries, wages and other payroll costs	\$ 11,565,584	\$ 2,224,169	\$ 13,789,753	\$ 13,618,470
Administrative and general expenses	5,001,762	1,544,632	6,556,394	6,100,530
Occupancy	2,274,399	359,770	2,634,169	3,092,250
Direct expenses of care	<u>1,487,404</u>	<u>-</u>	<u>1,487,404</u>	<u>1,680,816</u>
Total expenses	<u>\$ 20,329,149</u>	<u>\$ 4,128,571</u>	<u>\$ 24,467,720</u>	<u>\$ 24,492,166</u>

Expenses are charged directly to the functions above except for key employee salaries and benefits, which are allocated based on estimated time performing activities for each respective function.

NOTE O - REVENUE EARNING EQUIPMENT

Catholic Social Services purchases automobiles and leases them at cost to institutions and group homes under its direction. For the years ended June 30, 2019 and 2018, \$129,434 and \$251,423, respectively, was received as rental income from the institutions and group homes.

There are no future lease payments due to Catholic Social Services after June 30, 2019.

Catholic Social Services of the Archdiocese of Philadelphia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019 and 2018

NOTE P - COMMITMENTS

Catholic Social Services has entered into various operating lease agreements primarily for the rental of office space, some of which are with other entities also operating under the auspices of the Archdiocese of Philadelphia. Rental expense for the fiscal years ended June 30, 2019 and 2018 was \$526,538 and \$499,770, respectively. There are no future minimum rental payments on leases with initial or remaining terms of one year or more at June 30, 2019.

NOTE Q - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Catholic Housing and Community Services donation for operations	\$ 2,678,828	\$ 2,842,103
Counseling services and charitable work	-	12,824
Trusts held by third parties	285,057	269,435
Cash held for trust	12,875	12,875
Campaign for Human Development	<u>77,334</u>	<u>111,584</u>
 Total net assets with donor restrictions	 <u>\$ 3,054,094</u>	 <u>\$ 3,248,821</u>

During the years ended June 30, 2019 and 2018, net assets were released from restrictions for the following purposes:

	<u>2019</u>	<u>2018</u>
Catholic Housing & Community Services pledge	\$ 350,000	\$ 350,000
Program operations	<u>122,376</u>	<u>117,000</u>
 Total	 <u>\$ 472,376</u>	 <u>\$ 467,000</u>

NOTE R - SUBSEQUENT EVENTS

Management has evaluated subsequent events for the year ended June 30, 2019, the date of the financial statements, through March 30, 2020, which is the date the financial statements were available to be issued. Pursuant to the requirements, there were no events or transactions occurring during the subsequent event reporting period which require recognition or disclosure in the financial statements.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. While the disruption is currently expected to be temporary, there is uncertainty around the duration. Therefore, while we expect this matter to negatively impact our business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time. As a result, Catholic Social Services is leveraging its statement of net position and seeking ways to preserve its financial flexibility and to allow the organization to resume normal operations when the crisis passes and site closures are lifted.

SUPPLEMENTARY INFORMATION

Catholic Social Services of the Archdiocese of Philadelphia

SCHEDULE OF REVENUE

Year ended June 30, 2019

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Operating revenue			
Governmental revenue			
Foster family care	\$ 1,789,230	\$ -	\$ 1,789,230
Nutritional program	12,188	-	12,188
Office of Supportive Housing (OSH)	249,461	-	249,461
Life Skills - Delaware County	6,975	-	6,975
Bucks County Post Partum Counseling	50,000	-	50,000
Office of Addictive Services	699,371	-	699,371
SWAN	25,300	-	25,300
FEMA	97,337	-	97,337
Parenting program	74,709	-	74,709
AIDS Activity Coordinating Office	102,326	-	102,326
USCCB Transitional Foster Care	396,392	-	396,392
Out of School Programs	1,831,253	-	1,831,253
Housing and Community Development - (HOPWA)	224,662	-	224,662
Office of Behavioral Health	1,504,614	-	1,504,614
Benefit Access Program	180,106	-	180,106
Supportive Housing - Visitation Homes	202,085	-	202,085
Housing resource coordinator	121,271	-	121,271
Supportive Services for Veterans	219,019	-	219,019
Project Women in Need (WIN)	539,934	-	539,934
Casa Del Carmen Day Care	631,947	-	631,947
PHLpreK - Casa preschool	620,650	-	620,650
Miscellaneous	90,726	-	90,726
	<u>9,669,556</u>	<u>-</u>	<u>9,669,556</u>
Total governmental revenue			
Fees for services revenue			
Service charges to institutions and group homes	2,808,674	-	2,808,674
Adoption board and fees	12,377	-	12,377
Private clients	479,879	-	479,879
Program fees	238,958	-	238,958
Tuition	447,997	-	447,997
Daycare	100,095	-	100,095
Summer camp fees	300,129	-	300,129
Rental income	257,893	-	257,893
Miscellaneous	666,850	-	666,850
	<u>5,312,852</u>	<u>-</u>	<u>5,312,852</u>
Total fees for services revenue			

Catholic Social Services of the Archdiocese of Philadelphia

SCHEDULE OF REVENUE - CONTINUED

Year ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Contributed services and goods			
Contributed rent	\$ 679,300	\$ -	\$ 679,300
Contributed services and goods	2,209,100	-	2,209,100
Released from restrictions	472,376	(472,376)	-
	<u>3,360,776</u>	<u>(472,376)</u>	<u>2,888,400</u>
Total contributed services and goods			
	<u>18,343,184</u>	<u>(472,376)</u>	<u>17,870,808</u>
Other revenue			
Appropriation from Catholic Charities Appeal	3,896,047	-	3,896,047
Investment return, net	873,945	208,257	1,082,202
Contributions and bequests	782,529	69,392	851,921
Segui Trust	147,750	-	147,750
Interest income	293,829	-	293,829
United Way	49,846	-	49,846
Miscellaneous	33,088	-	33,088
Baumeister Trust	190,000	-	190,000
	<u>6,267,034</u>	<u>277,649</u>	<u>6,544,683</u>
Total other revenue			
	<u>\$ 24,610,218</u>	<u>\$ (194,727)</u>	<u>\$ 24,415,491</u>
Total revenue			

Catholic Social Services of the Archdiocese of Philadelphia

SCHEDULE OF EXPENSES

Year ended June 30, 2019

Salaries, wages and other payroll costs	
Administrative	\$ 4,130,825
Professional	3,520,607
Clerical	372,189
Maintenance and services	520,969
Direct residential care	1,875,070
Employer's share of social security tax	726,426
Workers' compensation insurance	90,805
Unemployment compensation fund	189,951
Employees' health and retirement benefits	<u>2,362,911</u>
Total salaries, wages and other payroll costs	<u>13,789,753</u>
Administrative and general expenses	
Professional fees	1,328,227
Data processing	182,090
Supplies and postage	680,742
Telephone	226,218
Local transportation	282,220
Conference, conventions and meetings	28,902
Staff development	91,306
Dues and subscriptions	48,009
Outside printing	18,192
Equipment	217,078
Equipment rental	14,799
Charity and donations	2,891,894
Depreciation	<u>536,717</u>
Total administrative and general expenses	<u>6,546,394</u>
Cost of occupancy	
Share of maintenance costs of Diocesan Office Center and other rentals	1,205,839
Insurance	95,259
Interest expense	132,000
Utilities	333,267
Janitorial and maintenance, service contracts and building repairs	<u>867,804</u>
Total cost of occupancy	<u>2,634,169</u>
Direct expenses of care	
Board paid to foster families	1,045,148
Medical and dental fees and supplies	9,269
Food	257,399
Clothing	2,425
Activities, recreation, education and other	<u>173,163</u>
Total direct expenses of care	<u>1,487,404</u>
Total expenses	<u>\$ 24,457,720</u>

SUPPLEMENTARY INFORMATION

Catholic Social Services of the Archdiocese of Philadelphia

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AND OTHER AWARDS

Year ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CFDA number	Pass-through grantor's number	Grant period	Disbursements/ expenditures	Pass-through to subrecipients
Federal Assistance:					
Department of Health and Human Services/					
City of Philadelphia Department of Human Services/Foster Care Title IV-E	93.658	19-20100	7/1/18-6/30/19	\$ 298,080	\$ -
Project Women in Need Real Alternatives/Temporary Assistance for Needy Families	93.558	19-20100	7/1/18-6/30/19	65,927	-
Out of School Time /Temporary Assistance for Needy Families	93.558	19-20100	7/1/18-6/30/19	1,653,805	-
Total Temporary Assistance for Needy Families				<u>1,719,732</u>	
Transitional Foster Care Services of Unaccompanied Children	93.676	19-20100	7/1/18-6/30/19	396,392	-
Visitation Housing - Office of Supportive Housing/Block Grants for Prevention and Treatment of Substance Abuse	93.667	19-20173	7/1/18-6/30/19	217,126	-
Philadelphia Department of Public Health					
Mercy Hospice - Recovery House OAS/Family Preservation	93.667	17-20373-3	7/1/18-6/30/19	494,549	-
Total Block Grants				<u>711,675</u>	
Mercy Hospice - Recovery House OAS/Social Services Block Grants	93.959	17-20373-3	7/1/18-6/30/19	110,887	-
City of Philadelphia - AACO/HIV Emergency Relief Project Grants	93.914	RS8538/9538	7/1/18-6/30/19	<u>143,194</u>	<u>40,868</u>
Total Department of Health and Human Services				3,379,960	40,868
Department of Housing and Urban Development					
Delaware County/Housing Opportunities for Persons With AIDS	14.241	AS-24/19	7/1/18-6/30/19	88,100	
Philadelphia OHCD - Housing Opportunities for Persons With AIDS	14.241	19-20028	7/1/18-6/30/19	<u>339,826</u>	<u>203,462</u>
Total Housing Opportunities for Persons With AIDS				427,926	203,462
Delaware County (HRC)/Supportive Housing Program	14.235	PA0101L3T021710	7/1/18-6/30/19	99,131	-
Visitation Housing/Supportive Housing Program	14.235	PA0086L3T001709	7/1/18-6/30/19	<u>202,085</u>	-
Total Supportive Housing Program				301,216	
Delaware County(HUD)Emergency Solutions Grant - ESG	14.231	ESG FY14/17-03	7/1/18-6/30/19	<u>52,927</u>	-
Total Department of Housing and Urban Development				782,069	203,462
Department of Homeland Security - Federal Emergency Management Assistance/					
Emergency Food and Shelter National Board Program	97.024	Phase 35/36	7/1/18-6/30/19	143,796	46,458
Department of Veterans Affairs/VA Health Adm Center					
Supportive for Veteran Families	64.033	N/A	7/1/18-6/30/19	<u>219,018</u>	-
Total Federal Assistance				<u>\$ 4,524,843</u>	<u>\$ 290,788</u>

(Continued)

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

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AND OTHER AWARDS - CONTINUED

Year ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CFDA number	Pass-through grantor's number	Grant period	Disbursements/ expenditures	Pass-through to subrecipients
State Assistance - Commonwealth of Pennsylvania:					
Philadelphia Department of Health Services Foster Care	N/A	19-20100	7/1/18-6/30/19	\$ 1,183,504	\$ -
Project Women in Need Real Alternatives	N/A	N/A	7/1/18-6/30/19	474,007	-
Philadelphia Office of Behavioral Health Office of Behavioral Health/Intellectual Disabilities Service - Women of Hope	N/A	17-20075-02	7/1/18-6/30/19	1,431,070	-
Philadelphia Department of Human Services Out of School Time Programs PHMC	N/A	N/A	7/1/18-6/30/19	141,922	-
Pennsylvania Office of Child Development and Early Learning CCI Casa Day Care/Afterschool	N/A	N/A	7/1/18-6/30/19	<u>631,946</u>	<u>-</u>
Total State Assistance				<u>3,862,449</u>	<u>-</u>
City Assistance - City of Philadelphia:					
Philadelphia Department of Health Services Foster Care	N/A	16-20030-04	7/1/18-6/30/19	295,876	-
Pre K - Beverage Tax	N/A	NA	7/1/18-6/30/19	620,650	-
Philadelphia Office of Behavioral Health Philadelphia Office of Supportive Housing - McAuley	N/A	17-20074 1920161	7/1/18-6/30/19 7/1/18-6/30/19	- 32,335	- -
Philadelphia Office of Supportive Housing - St. John's /Good Shepherd	N/A	1920161-2	7/1/18-6/30/19	301,690	301,690
Out of School Time Programs Philadelphia Health Management Corporation Philadelphia Health Management Corporation - Parenting Collaborative	N/A N/A	N/A N/A	7/1/18-6/30/19 7/1/18-6/30/19	35,526 <u>74,709</u>	- -
Total City Assistance				<u>1,360,786</u>	<u>301,690</u>
County and Other Financial Assistance:					
Bucks County - Mother Bachman Post Partum	N/A	N/A	7/1/18-6/30/19	50,000	-
Bucks County - Life Skills	N/A	N/A	7/1/18-6/30/19	6,975	-
Delaware County - Housing and Urban Development (HRC)	N/A	AS 24/19	7/1/18-6/30/19	22,140	-
Delaware County - Alternative Solutions	N/A	AS 24/19	7/1/18-6/30/19	10,650	-
Nutritional Development Program	N/A	N/A	7/1/18-6/30/19	12,188	-
Philadelphia Department of Human Services Foster Care Benefit Access Program	N/A N/A	N/A N/A	7/1/18-6/30/19 7/1/18-6/30/19	11,770 180,105	- -
Statewide Adoption & Permanency Network (SWAN)	N/A	N/A	7/1/18-6/30/19	25,300	-
Philadelphia Activities Grant	N/A	N/A	7/1/18-6/30/19	9,500	-
Philadelphia Youth Network	N/A	N/A	7/1/18-6/30/19	14,657	-
Miscellaneous	N/A	N/A	7/1/18-6/30/19	<u>2,991</u>	<u>-</u>
Total County and Other Financial Assistance				<u>346,276</u>	<u>-</u>
Total Federal, State and City and Other Awards				<u>\$ 10,094,354</u>	<u>\$ 592,478</u>

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

CATHOLIC SOCIAL SERVICES OF THE ARCHDIOCESE OF PHILADELPHIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, CITY AND LOCAL AWARDS

June 30, 2019

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal, State, City and Other Awards includes the grant activity of Catholic Social Services of the Archdiocese of Philadelphia (the "Organization") and is presented on an accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance and the *City of Philadelphia Subrecipient Audit Guide*. The expenditures in this schedule may differ from certain financial reports submitted to funding agencies due to those reports being submitted on a cash or modified basis of accounting.

NOTE B - RELATIONSHIP TO THE FINANCIAL STATEMENTS

Federal and state awards expenditures are reported on the statement of activities and changes in net assets. In certain programs, the expenditures reported in the financial statements may differ from the expenditures reported in the Schedule of Expenditures of Federal, State, City and Other Awards due to program expenditures exceeding grant or contract budget limitations, which are not included as federal and state awards. Because the schedule presents only a selected portion of the activities of the Organization, it is not intended to, and does not, present either the financial position, changes in net assets or cash flows of the Organization.

NOTE C - INDIRECT COSTS

The Organization utilizes a direct cost rate and has not elected to use the 10% de minimis cost rate.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Catholic Social Services of *the* Archdiocese of Philadelphia

We have audited, 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, the financial statements Catholic Social Services of the Archdiocese of Philadelphia (the "Organization"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 30, 2020.

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 design 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 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 Organization'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 the Organization's 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*.

Intended purpose

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 report is not suitable for any other purpose.

Grant Thornton LLP

Philadelphia, Pennsylvania
March 27, 2020

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Catholic Social Services of the Archdiocese of Philadelphia

Report on compliance for each major federal program

We have audited the compliance of Catholic Social Services of the Archdiocese of Philadelphia (the "Organization") with the types of compliance requirements described in the U.S. Office of Management and Budget's *OMB Compliance Supplement* and the *City of Philadelphia Subrecipient Audit Guide* that could have a direct and material effect on each of its 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 the Organization's federal programs.

Auditor's responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal program 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* ("Uniform Guidance"); and the *City of Philadelphia Subrecipient Audit Guide*. 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, Catholic Social Services of the Archdiocese of Philadelphia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program 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 compliance requirements that could have a direct and material effect on the major federal program to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 a 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 weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the Organization's 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.

Grant Thornton LLP

Philadelphia, Pennsylvania
March 27, 2020

CATHOLIC SOCIAL SERVICES OF THE ARCHDIOCESE OF PHILADELPHIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes 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 the Uniform Guidance yes no

Identification of major programs:

Program or Cluster Title	Federal CFDA Number
---------------------------------	----------------------------

Federal: TANF	93.558
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Dollar threshold used to distinguish between type A and Type B programs: Federal: \$750,000

Auditee qualified as low-risk auditee? yes no

CATHOLIC SOCIAL SERVICES OF THE ARCHDIOCESE OF PHILADELPHIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended June 30, 2019

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

CATHOLIC SOCIAL SERVICES OF THE ARCHDIOCESE OF PHILADELPHIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Year ended June 30, 2019

No matters were reported.

Catholic Social Services of the Archdiocese of Philadelphia

SCHEDULE OF REVENUE

Year ended June 30, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Operating revenue			
Governmental revenue			
Foster family care	\$ 1,789,230	\$ -	\$ 1,789,230
Nutritional program	12,188	-	12,188
Office of Supportive Housing (OSH)	249,461	-	249,461
Life Skills - Delaware County	6,975	-	6,975
Bucks County Post Partum Counseling	50,000	-	50,000
Office of Addictive Services	699,371	-	699,371
SWAN	25,300	-	25,300
FEMA	97,337	-	97,337
Parenting program	74,709	-	74,709
AIDS Activity Coordinating Office	102,326	-	102,326
USCCB Transitional Foster Care	396,392	-	396,392
Out of School Programs	1,831,253	-	1,831,253
Housing and Community Development - (HOPWA)	224,662	-	224,662
Office of Behavioral Health	1,504,614	-	1,504,614
Benefit Access Program	180,106	-	180,106
Supportive Housing - Visitation Homes	202,085	-	202,085
Housing resource coordinator	121,271	-	121,271
Supportive Services for Veterans	219,019	-	219,019
Project Women in Need (WIN)	539,934	-	539,934
Casa Del Carmen Day Care	631,947	-	631,947
PHLpreK - Casa preschool	620,650	-	620,650
Miscellaneous	90,726	-	90,726
	<hr/>	<hr/>	<hr/>
Total governmental revenue	9,669,556	-	9,669,556
	<hr/>	<hr/>	<hr/>
Fees for services revenue			
Service charges to institutions and group homes	2,808,674	-	2,808,674
Adoption board and fees	12,377	-	12,377
Private clients	479,879	-	479,879
Program fees	238,958	-	238,958
Tuition	447,997	-	447,997
Daycare	100,095	-	100,095
Summer camp fees	300,129	-	300,129
Rental income	257,893	-	257,893
Miscellaneous	666,850	-	666,850
	<hr/>	<hr/>	<hr/>
Total fees for services revenue	5,312,852	-	5,312,852
	<hr/>	<hr/>	<hr/>

Catholic Social Services of the Archdiocese of Philadelphia

SCHEDULE OF REVENUE - CONTINUED

Year ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Contributed services and goods			
Contributed rent	\$ 679,300	\$ -	\$ 679,300
Contributed services and goods	2,209,100	-	2,209,100
Released from restrictions	472,376	(472,376)	-
	<u>3,360,776</u>	<u>(472,376)</u>	<u>2,888,400</u>
Total contributed services and goods			
	<u>18,343,184</u>	<u>(472,376)</u>	<u>17,870,808</u>
Total operating revenue			
Other revenue			
Appropriation from Catholic Charities Appeal	3,896,047	-	3,896,047
Investment return, net	873,945	208,257	1,082,202
Contributions and bequests	782,529	69,392	851,921
Segui Trust	147,750	-	147,750
Interest income	293,829	-	293,829
United Way	49,846	-	49,846
Miscellaneous	33,088	-	33,088
Baumeister Trust	190,000	-	190,000
	<u>6,267,034</u>	<u>277,649</u>	<u>6,544,683</u>
Total other revenue			
Total revenue	<u>\$ 24,610,218</u>	<u>\$ (194,727)</u>	<u>\$ 24,415,491</u>

Catholic Social Services of the Archdiocese of Philadelphia

SCHEDULE OF EXPENSES

Year ended June 30, 2019

Salaries, wages and other payroll costs	
Administrative	\$ 4,130,825
Professional	3,520,607
Clerical	372,189
Maintenance and services	520,969
Direct residential care	1,875,070
Employer's share of social security tax	726,426
Workers' compensation insurance	90,805
Unemployment compensation fund	189,951
Employees' health and retirement benefits	<u>2,362,911</u>
Total salaries, wages and other payroll costs	<u>13,789,753</u>
Administrative and general expenses	
Professional fees	1,328,227
Data processing	182,090
Supplies and postage	680,742
Telephone	236,218
Local transportation	282,220
Conference, conventions and meetings	28,902
Staff development	91,306
Dues and subscriptions	48,009
Outside printing	18,192
Equipment	217,078
Equipment rental	14,799
Charity and donations	2,891,894
Depreciation	<u>536,717</u>
Total administrative and general expenses	<u>6,556,394</u>
Cost of occupancy	
Share of maintenance costs of Diocesan Office Center and other rentals	1,205,839
Insurance	95,259
Interest expense	132,000
Utilities	333,267
Janitorial and maintenance, service contracts and building repairs	<u>867,804</u>
Total cost of occupancy	<u>2,634,169</u>
Direct expenses of care	
Board paid to foster families	1,045,148
Medical and dental fees and supplies	9,269
Food	257,399
Clothing	2,425
Activities, recreation, education and other	<u>173,163</u>
Total direct expenses of care	<u>1,487,404</u>
Total expenses	<u><u>\$ 24,467,720</u></u>

Catholic Social Services of the Archdiocese of Philadelphia

DISTRIBUTION OF OPERATING EXPENSES TO SERVICE DEPARTMENTS

Year ended June 30, 2019

Administration to outside facilities	\$ 2,808,163
Adoption	228,781
Out of School Time programs	3,277,752
Benefits Access Program	205,255
Bucks County Service Center	707,713
Campaign for Human Development	96,427
Casa Del Carmen	1,203,764
Casa Del Carmen - Day Care	831,888
Chester City Service Center	879,796
Delaware County - Alternative Solutions	67,811
Delaware County - HRC	116,407
Delaware County HOPWA	93,940
Delaware County Emergency Housing	63,246
Development	391,562
FEMA	123,730
Foster Family Care	1,528,400
General	1,041,972
Guiding Star	163,096
Guild for the Blind	38,115
Housing and Homeless Administration	113,645
Immigration	533,695
Cardinal Bevilacqua Community Center	202,589
McAuley House	332,082
Mercy Hospice	1,217,444
Montgomery County Service Center	2,068,013
Northeast Service Center	721,315
Southwest Service Center	604,489
Our Lady of Fatima	184,496
Project Rachel	2,121
Refugee Resettlement	278,624
St. Malachy	274,404
St. Mary's Convent	558,085
Transitional Foster	413,551
Veterans Program	214,963
Visitation - Transitional Housing	638,965
Volunteer	109,220
Women of Hope	2,132,201
	<u>\$ 24,467,720</u>

Catholic Social Services of the Archdiocese of Philadelphia

ALLOCATION OF GENERAL AND ADMINISTRATIVE COST

Year ended June 30, 2019

	<u>2019 Total cost</u>	<u>Accounting general and administrative cost</u>	<u>Percentage of accounting general and administrative cost to total payroll</u>
Accounting, general and administrative distribution			
Catholic Social Services ⁽¹⁾	\$ 20,628,928	\$ 982,057	4.76%
Dependent child care facilities	20,235,712	560,552	2.77%
Facilities for the intellectually disabled	59,903,356	1,659,391	2.77%
Delinquent institutions	<u>21,252,940</u>	<u>588,731</u>	2.77%
 Charges to outside facilities	 <u>\$ 122,020,936</u>	 <u>\$ 3,790,731</u>	

⁽¹⁾ Catholic Social Services general and administrative cost includes \$224,612 relating to information and technology support for the year ended June 30, 2019.

Catholic Social Services of the Archdiocese of Philadelphia

REPORT OF FUNCTIONAL EXPENDITURES

Year ended June 30, 2019

REPORT OF FUNCTIONAL EXPENDITURES		Agency Name and Address		Submit To:		
Year Ended June 30, 2019		Catholic Social Services 222 N. 17th Street Philadelphia, Pa. 19103		CITY OF PHILADELPHIA DEPARTMENT OF HUMAN SERVICES CHILDREN & YOUTH AGENCY PURCHASE OF SERVICES		
Objects of Expense	Total All Functions	Foster Care	Foster Care 13 +	Foster with Child	Medical Special	Other Service
1 Salaries & Wages						
1 Administration	\$ 53,839	\$ 43,548	\$ 7,830	\$ 535	\$ 1,926	\$ -
2 Professional	204,721	168,714	28,152	1,810	6,045	-
3 Clerical	32,302	26,591	4,457	288	966	-
4 Maintenance & Services	-	-	-	-	-	-
5 Child Care & Activities	-	-	-	-	-	-
6 F.I.C.A. (Employer's Share)	21,465	17,628	2,984	194	659	-
7 Unemployment Compensation	5,310	4,364	736	48	162	-
8 Worker's Compensation	1,688	1,388	234	15	51	-
9 Employee Benefits	68,187	56,054	9,449	613	2,071	-
10 Other Non-allowable	-	-	-	-	-	-
11 Total Social Services & Child Care	387,512	318,287	53,842	3,503	11,880	-
12 MH/MR Salaries	-	-	-	-	-	-
13 MH/MR F.I.C.A. (Employer's Share)	-	-	-	-	-	-
14 MH/MR Unemployment Compensation	-	-	-	-	-	-
15 MH/MR Worker's Compensation	-	-	-	-	-	-
16 MH/MR Employee Benefits	-	-	-	-	-	-
17 Total MH/MR	-	-	-	-	-	-
18 Educational Salaries	-	-	-	-	-	-
19 Educational F.I.C.A. (Employer's Share)	-	-	-	-	-	-
20 Educational Unemployment Compensation	-	-	-	-	-	-
21 Educational Worker's Compensation	-	-	-	-	-	-
22 Educational Employee Benefits	-	-	-	-	-	-
23 Total Educational	-	-	-	-	-	-
24 Medical Salaries	-	-	-	-	-	-
25 Medical F.I.C.A. (Employer's Share)	-	-	-	-	-	-
26 Medical Unemployment Compensation	-	-	-	-	-	-
27 Medical Worker's Compensation	-	-	-	-	-	-
28 Medical Employee Benefits	-	-	-	-	-	-
29 Total Medical	-	-	-	-	-	-
30 TOTAL SALARIES & WAGES	387,512	318,287	53,842	3,503	11,880	-

(Continued)

Catholic Social Services of the Archdiocese of Philadelphia

REPORT OF FUNCTIONAL EXPENDITURES - CONTINUED

Year ended June 30, 2019

REPORT OF FUNCTIONAL EXPENDITURES		Agency Name and Address		Submit To:		
Year Ended June 30, 2019		Catholic Social Services 222 N. 17th Street Philadelphia, Pa. 19103		CITY OF PHILADELPHIA DEPARTMENT OF HUMAN SERVICES CHILDREN & YOUTH AGENCY PURCHASE OF SERVICES		
Objects of Expense	Total All Functions	Foster Care	Foster Care 13 +	Foster with Child	Medical Special	Other Service
OPERATING EXPENSES AND ADMIN.						
31 Professional Fees & Contract Pymts.	\$ 40,773	\$ 32,028	\$ 6,423	\$ 474	\$ 1,848	\$ -
32 Supplies	10,952	9,007	1,516	98	331	-
33 Telephone	1,313	1,079	182	12	40	-
34 Postage & Shipping	708	576	101	7	24	-
35 Local Transportation	11,860	9,762	1,637	106	355	-
36 Outside Printing, Art Work, Etc.	-	-	-	-	-	-
37 Conferences, Conventions, Meetings	30	24	5	-	1	-
38 Subscriptions, Publications	124	97	20	1	6	-
39 Membership Dues	398	313	61	5	19	-
40 Awards and Grants	2,525	2,070	353	23	79	-
41 Equip. Furn & Mtr. Vehicle Rental	17	13	3	-	1	-
42 Equip. Furn & Mtr. Veh. Depr & Amort.	69	54	11	1	3	-
43 Client Assistance	-	-	-	-	-	-
44 Other Non-allowable	2,099	1,725	291	19	64	-
45 Total Social Services & Child Care	70,868	56,748	10,603	746	2,771	-
46 Operating Expenses - MH/MR	-	-	-	-	-	-
47 Operating Expenses - Educational	-	-	-	-	-	-
48 Operating Expenses - Medical	-	-	-	-	-	-
49 TOTAL OPER. EXPENSES AND ADMIN.	70,868	56,748	10,603	746	2,771	-
OCCUPANCY						
50 Office Rent	29,747	24,386	4,158	272	931	-
51 Bldg. & Bldg. Equip. Ins.	104	86	14	1	3	-
52 Bldg. & Grounds Maint. & Repairs	4,825	3,905	700	48	172	-
53 Utilities	-	-	-	-	-	-
54 Amortization	-	-	-	-	-	-
55 Mortgage Interest	-	-	-	-	-	-
56 Depreciation	822	653	126	9	34	-
57 Other Non-allowable	-	-	-	-	-	-
58 Total Social Services & Child Care	35,498	29,030	4,998	330	1,140	-
59 Occupancy Expense - MH/MR	-	-	-	-	-	-
60 Occupancy Expense - Educational	-	-	-	-	-	-
61 Occupancy Expense - Medical	-	-	-	-	-	-
62 TOTAL OCCUPANCY EXPENSE	35,498	29,030	4,998	330	1,140	-

(Continued)

Catholic Social Services of the Archdiocese of Philadelphia

REPORT OF FUNCTIONAL EXPENDITURES - CONTINUED

Year ended June 30, 2019

REPORT OF FUNCTIONAL EXPENDITURES		Agency Name and Address		Submit To:		
Year Ended June 30, 2019		Catholic Social Services 222 N. 17th Street Philadelphia, Pa. 19103		CITY OF PHILADELPHIA DEPARTMENT OF HUMAN SERVICES CHILDREN & YOUTH AGENCY PURCHASE OF SERVICES		
Objects of Expense	Total All Functions	Foster Care	Foster Care 13 +	Foster with Child	Medical Special	Other Service
63 CHILDREN'S DIRECT EXPENSE						
63 Food or Board Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64 Subsidy Payments to Foster Parents	1,019,144	777,913	172,318	13,473	55,440	-
65 Clothing, Cleaning & Repair	-	-	-	-	-	-
66 Activities, Recreation, Camp	-	-	-	-	-	-
67 Personal Expenses	5,004	4,125	688	44	147	-
68 Transportation	-	-	-	-	-	-
69 Med. & Dental Fees & Supplies	368	303	51	3	11	-
70 Other Non-allowable	22,949,326	-	-	-	-	22,949,326
71 Total Social Services & Child Care	23,973,842	782,341	173,057	13,520	55,598	22,949,326
72 Children's Direct Expenses - MH/MR	-	-	-	-	-	-
73 Children's Direct Expenses - Educational	-	-	-	-	-	-
74 Children's Direct Expenses - Medical	-	-	-	-	-	-
75 TOTAL CHILDREN'S DIRECT EXPENSES	23,973,842	782,341	173,057	13,520	55,598	22,949,326
GRAND TOTAL EXPENSES						
76 CHILD CARE & SOCIAL SERVICES	1,516,295	1,184,681	242,209	18,080	71,325	-
77 MH/MR	-	-	-	-	-	-
78 EDUCATIONAL	-	-	-	-	-	-
79 MEDICAL	-	-	-	-	-	-
80 NON-ALLOWABLE (EXPENSE CREDITS)	22,951,425	1,725	291	19	64	22,949,326
81 GRAND TOTAL ALL EXPENSES	\$ 24,467,720	\$ 1,186,406	\$ 242,500	\$ 18,099	\$ 71,389	\$ 22,949,326
TOTAL DAYS OF CARE ALL CHILDREN						
TOTAL DAYS OF CARE ALL CHILDREN	31,447	25,734	4,294	276	922	221
TOTAL DAYS OF CARE DHS CHILDREN						
TOTAL DAYS OF CARE DHS CHILDREN	31,226	25,734	4,294	276	922	-
CAPACITY OF ALL FACILITIES						

Catholic Social Services of the Archdiocese of Philadelphia

REPORT OF REVENUE BY FUNCTIONAL PROGRAM

Year ended June 30, 2019

REPORT OF REVENUE BY FUNCTIONAL PROGRAM		Agency Name and Address		Submit To:			
Year Ended June 30, 2019		Catholic Social Services 222 N. 17th Street Philadelphia, Pa. 19103		CITY OF PHILADELPHIA DEPARTMENT OF HUMAN SERVICES CHILDREN & YOUTH AGENCY PURCHASE OF SERVICES			
Sources of Revenue		Total All Functions	Foster Care	Foster Care 13 +	Foster with Child	Medical Special	Other Service
60	FEDERAL GOVERNMENT						
61	Title I	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62	Title II	-	-	-	-	-	-
63	Title XIX	-	-	-	-	-	-
64	Title XX	-	-	-	-	-	-
65	Other Federal (Specify): Gov't Donated Commodities	-	-	-	-	-	-
66	National School Lunch Program	-	-	-	-	-	-
67	PHMC	-	-	-	-	-	-
68							
69							
71	State Government (Specify)	-	-	-	-	-	-
72							
73	CUA placements						
74	Phila. DHS	1,777,459	1,384,791	270,823	20,778	101,067	-
75	Phila. DHS (CUA)	-	-	-	-	-	-
76	Phila. DHS SCOH	-	-	-	-	-	-
77	Other Counties: Bucks	11,771	-	-	-	-	11,771
78	Phila. DHS - Adoptions	-	-	-	-	-	-
79	Other Counties (Delaware)	-	-	-	-	-	-
80	Board of Education	-	-	-	-	-	-
81	C.O.O.D.A.P.	-	-	-	-	-	-
82	MH/MR	-	-	-	-	-	-
83	Contributed Services	-	-	-	-	-	-
84							
85	Private Fund Raising	-	-	-	-	-	-
86	Investment Income	-	-	-	-	-	-
87	Donations	-	-	-	-	-	-
88	Rental Income	-	-	-	-	-	-
89	Endowment Funds	-	-	-	-	-	-
90	Foundations	-	-	-	-	-	-
91	Catholic Charities	-	-	-	-	-	-
92	Program Income	-	-	-	-	-	-
93	Client Fees	-	-	-	-	-	-
94	Non-DHS	22,626,261	-	-	-	-	22,626,261
95	GRAND TOTAL	\$ 24,415,491	\$ 1,384,791	\$ 270,823	\$ 20,778	\$ 101,067	\$ 22,638,032

NOTE: For Multiple Year Funding, Use the Following Codes:
A=1st year; B=2nd year; C=3rd year
Y=To be continued; X=Not to be continued

ACCOUNTING METHOD USED Accrual

Catholic Social Services of the Archdiocese of Philadelphia

DEPARTMENT OF HUMAN SERVICES REPORT OF EXCESS REVENUE/EXPENSES

Period July 1, 2018 through June 30, 2019

	<u>Total DHS Services</u>	<u>Foster Care</u>	<u>Foster With baby</u>	<u>Medical Special.</u>	<u>Foster Care 13+</u>
Total DHS Revenue	\$ 1,777,459	\$ 1,384,791	\$ 20,778	\$ 101,067	\$ 270,823
Deduct: Expenditures for Phila. DHS Services					
Salaries and Wages	387,512	318,287	3,503	11,880	53,842
Operating and Administration	70,708	56,623	744	2,763	10,578
Occupancy	35,498	29,030	330	1,140	4,998
Children's Direct Expenses	<u>1,024,516</u>	<u>782,341</u>	<u>13,520</u>	<u>55,598</u>	<u>173,057</u>
Total DHS Expenses	<u>1,518,234</u>	<u>1,186,281</u>	<u>18,097</u>	<u>71,381</u>	<u>242,475</u>
Excess Revenue/Expenses	<u>\$ 259,225</u>	<u>\$ 198,510</u>	<u>\$ 2,681</u>	<u>\$ 29,686</u>	<u>\$ 28,348</u>

Catholic Social Services of the Archdiocese of Philadelphia
AACO CONTRACT NUMBER RS8538
STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUES

Period July 1, 2018 through February 28, 2019*

Expenditures by cost center	
Personnel services	
Salaries	\$ 88,694
Fringe benefits	<u>2,367</u>
Total personnel services	<u>91,061</u>
Net AACO funded expenditures	<u>\$ 91,061</u>

* Contract ended February 28, 2019

Prior to June 30, 2015, St. John's Hospice was a program operated by Catholic Social Services. Effective July 1, 2015, St. John's Hospice became a separate corporation. The schedule above includes \$24,467 in cost incurred by St. John's Hospice under contract RS8538. This activity is reflected in the financial statements of St. John's Hospice for the fiscal year ended June 30,

Catholic Social Services of the Archdiocese of Philadelphia
AACO CONTRACT NUMBER RS9538
STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUES

Period March 1, 2019 through June 30, 2019*

Expenditures by cost center	
Personnel services	
Salaries	\$ 39,399
Fringe benefits	<u>12,734</u>
Total personnel services	<u>52,133</u>
Net AACO funded expenditures	<u>\$ 52,133</u>

* Contract began March 1, 2019

Prior to June 30, 2015, St. John's Hospice was a program operated by Catholic Social Services. Effective July 1, 2015, St. John's Hospice became a separate corporation. The schedule above includes \$16,401 in cost incurred by St. John's Hospice under contract RS8538. This activity is reflected in the financial statements of St. John's Hospice for the fiscal year ended June 30,

Catholic Social Services of the Archdiocese of Philadelphia

**OFFICE OF SUPPORTIVE HOUSING
CITY OF PHILADELPHIA CONTRACT NUMBER 1920161 - MCAULEY HOUSE
RECONCILIATION OF AGENCY REPORTED EXPENDITURES/REVENUES
TO AUDITED EXPENDITURES/REVENUES**

Period July 1, 2018 through June 30, 2019

	Amount reported on fiscal report	Amount per audit	Adjustment difference
	<u> </u>	<u> </u>	<u> </u>
Expenditures by cost center			
Total personnel services	\$ 4,125	\$ 4,125	\$ -
Total operating expenses	19,545	19,545	-
Total fixed assets	7,148	7,148	-
Total client expenses	<u>1,516</u>	<u>1,516</u>	<u>-</u>
Total expenditures by cost center	32,334	32,334	-
Funding sources			
City of Philadelphia, OSH	<u>(32,334)</u>	<u>(32,334)</u>	<u>-</u>
Total funding sources	<u>(32,334)</u>	<u>(32,334)</u>	<u>-</u>
Excess of expenditures over funding sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Catholic Social Services of the Archdiocese of Philadelphia

**OFFICE OF SUPPORTIVE HOUSING
CITY OF PHILADELPHIA CONTRACT NUMBER 19-20161 - GOOD SHEPHERD/ST. JOHN
RECONCILIATION OF AGENCY REPORTED EXPENDITURES/REVENUES
TO AUDITED EXPENDITURES/REVENUES**

Period July 1, 2018 through June 30, 2019

	<u>Amount reported on fiscal report</u>	<u>Amount per audit</u>	<u>Adjustment difference</u>
Expenditures by cost center			
Total personnel services	\$ 181,027	\$ 181,027	\$ -
Total operating expenses	76,099	76,099	-
Total fixed assets	12,057	12,057	-
Total client expenses	<u>33,735</u>	<u>33,735</u>	<u>-</u>
Total expenditures by cost center	302,918	302,918	-
Funding sources			
City of Philadelphia, OSH	<u>(302,918)</u>	<u>(302,918)</u>	<u>-</u>
Total funding sources	<u>(302,918)</u>	<u>(302,918)</u>	<u>-</u>
Excess of expenditures over funding sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Prior to June 30, 2015, St. John's Hospice was a program operated by Catholic Social Services. Effective July 1, 2015, St. John's Hospice became a separate corporation. The schedule above is the cost incurred by St. John's Hospice under contract 19-20161-2. This activity is reflected in the audit of St. John's Hospice for the fiscal year ended June 30, 2019.

Catholic Social Services of the Archdiocese of Philadelphia

**OFFICE OF SUPPORTIVE HOUSING
CITY OF PHILADELPHIA CONTRACT NUMBER 1920173 - VISITATION
RECONCILIATION OF AGENCY REPORTED EXPENDITURES/REVENUES
TO AUDITED EXPENDITURES/REVENUES**

Period July 1, 2018 through June 30, 2019

	Amount reported on fiscal report	Amount per audit	Adjustment difference
	<u> </u>	<u> </u>	<u> </u>
Expenditures by cost center			
Total personnel services	\$ 172,429	\$ 172,429	\$ -
Total operating expenses	43,400	43,400	-
Total fixed assets	900	900	-
Total client expenses	<u>400</u>	<u>400</u>	<u>-</u>
 Total expenditures by cost center	 <u>217,129</u>	 <u>217,129</u>	 <u>-</u>
Funding sources			
City of Philadelphia, OSH	<u>(217,129)</u>	<u>(217,129)</u>	<u>-</u>
 Total funding sources	 <u>(217,129)</u>	 <u>(217,129)</u>	 <u>-</u>
 Excess of expenditures over funding sources	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

Catholic Social Services of the Archdiocese of Philadelphia

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - PROJECT #PA0086L3T001709
 RECONCILIATION OF AGENCY REPORTED EXPENDITURES/REVENUES
 TO AUDITED EXPENDITURES/REVENUES

Period August 1, 2018 through June 30, 2019

	Amount reported on fiscal report	Amount per audit	Adjustment difference
Expenditures supportive services			
Total personnel services	<u>\$ 125,840</u>	<u>\$ 125,840</u>	<u>\$ -</u>
Total supportive services	<u>125,840</u>	<u>125,840</u>	<u>-</u>
Expenditures by cost center			
Total personnel services	16,756	16,756	-
Total operating expenses	57,824	57,824	-
Total client expenses	<u>1,665</u>	<u>1,665</u>	<u>-</u>
Total operating services	<u>76,245</u>	<u>76,245</u>	<u>-</u>
Total expenses	<u>202,085</u>	<u>202,085</u>	<u>-</u>
Funding sources			
City of Philadelphia, SHP funding	<u>(202,085)</u>	<u>(202,085)</u>	<u>-</u>
Total funding	<u>(202,085)</u>	<u>(202,085)</u>	<u>-</u>
Excess of expenditures over funding sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Catholic Social Services of the Archdiocese of Philadelphia
COORDINATING OFFICE FOR DRUG AND ALCOHOL ABUSE PROGRAMS
CITY OF PHILADELPHIA CONTRACT NUMBER 17-20373

Period July 1, 2018 through June 30, 2019

	<u>Total units of net services per audit</u>	<u>Approved unit billing rate per audit</u>	<u>Gross cost</u>
Expenditures			
Mercy Hospice - residential housing for women	<u>8,936</u>	<u>\$ 120.00</u>	<u>\$ 1,072,320</u>
Total expenditures	<u>8,936</u>	<u>\$ 120.00</u>	1,072,320
Revenues			
Client program fees			5,346
Food Stamps			25,509
Other party			<u>436,029</u>
Total revenues			<u>466,884</u>
Excess of expenditures over funding sources			<u>\$ 605,436</u>

Catholic Social Services of the Archdiocese of Philadelphia

**OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT
CITY OF PHILADELPHIA CONTRACT NUMBER 19-20028 - MCAULEY HOUSE
RECONCILIATION OF AGENCY REPORTED EXPENDITURES/REVENUES
TO AUDITED EXPENDITURES/REVENUES**

Period July 1, 2018 through June 30, 2019

	<u>Amount reported on fiscal report</u>	<u>Amount per audit</u>	<u>Adjustment difference</u>
Expenditures by cost center			
Total personnel services	\$ 179,800	\$ 179,800	\$ -
Total administrative expenses	<u>8,280</u>	<u>8,280</u>	<u>-</u>
Total expenditures by cost center	188,080	188,080	-
Funding sources			
City of Philadelphia, OHCD	<u>(188,080)</u>	<u>(188,080)</u>	<u>-</u>
Total funding	<u>(188,080)</u>	<u>(188,080)</u>	<u>-</u>
Excess of expenditures over funding sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Catholic Social Services of the Archdiocese of Philadelphia

**OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT
CITY OF PHILADELPHIA CONTRACT NUMBER 19-20028 - GOOD SHEPHERD
RECONCILIATION OF AGENCY REPORTED EXPENDITURES/REVENUES
TO AUDITED EXPENDITURES/REVENUES**

Period July 1, 2018 through June 30, 2019

	<u>Amount reported on fiscal report</u>	<u>Amount per audit</u>	<u>Adjustment difference</u>
Expenditures by cost center			
Total personnel services	\$ 188,080	\$ 299,293	\$ 111,213
Total administrative expenses	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures by cost center	188,080	299,293	111,213
Funding sources			
City of Philadelphia, OHCD	<u>-</u>	<u>-</u>	<u>-</u>
Total funding	<u>-</u>	<u>-</u>	<u>-</u>
Excess of expenditures over funding sources	<u>\$ 188,080</u>	<u>\$ 299,293</u>	<u>\$ 111,213</u>

Prior to June 30, 2015, St. John's Hospice was a program operated by Catholic Social Services. Effective July 1, 2015, St. John's Hospice became a separate corporation. The schedule above is the cost incurred by St. John's Hospice under contract 19-20028. This activity is reflected in the financial statements of St. John's Hospice for the fiscal year ended June 30, 2019.

Catholic Social Services of the Archdiocese of Philadelphia

**OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT
CITY OF PHILADELPHIA CONTRACT NUMBER 19-20028 MCAULEY HOUSE
STATEMENT OF SOURCE AND STATUS OF FUNDS**

Period July 1, 2018 through June 30, 2019

	Amount OHCD funds	Other (1) funds	Total
	<u> </u>	<u> </u>	<u> </u>
Total contract (final authorized budget)	\$ 124,915	\$ 207,167	\$ 332,082
Less:			
Funds drawn down - current year	<u>124,915</u>	<u>\$ 207,167</u>	<u>332,082</u>
Total funds drawn down	124,915	207,167	332,082
Add:			
Program income	<u>-</u>	<u>-</u>	<u>-</u>
Total funds received	124,915	207,167	332,082
Less:			
Funds applied - current fiscal year	<u>-</u>	<u>-</u>	<u>-</u>
Total funds applied	124,915	207,167	332,082
Total funds due from funding source	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available for disposition	<u>\$ 124,915</u>	<u>\$ 207,167</u>	<u>\$ 332,082</u>

(1) Other funds include \$32,335 for OSH, \$102,326 for AACO and \$24,921 for Philly Fight. Additional \$47,585 from other revenue sources including Catholic Charities.

Catholic Social Services of the Archdiocese of Philadelphia

**OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT
CITY OF PHILADELPHIA CONTRACT NUMBER 19-20028 GOOD SHEPHERD
STATEMENT OF SOURCE AND STATUS OF FUNDS**

Period July 1, 2018 through June 30, 2019

	Amount OHCD funds	Other (1) funds	Total
	<u> </u>	<u> </u>	<u> </u>
Total contract (final authorized budget)	\$ 188,080	\$ 299,293	\$ 487,373
Less:			
Funds drawn down - current year	<u>188,080</u>	<u>299,293</u>	<u>487,373</u>
Total funds drawn down	188,080	299,293	487,373
Add:			
Program income	<u>-</u>	<u>-</u>	<u>-</u>
Total funds received	188,080	299,293	487,373
Less:			
Funds applied - current fiscal year	<u>-</u>	<u>-</u>	<u>-</u>
Total funds applied	188,080	299,293	487,373
Total funds due from funding source	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available for disposition	<u>\$ 188,080</u>	<u>\$ 299,293</u>	<u>\$ 487,373</u>

(1) Other funds include \$67,549 for OSH, \$40,868 for AACO and \$78,257 for Philly Fight. Additional \$112,709 from other revenue sources including Catholic Charities.

Catholic Social Services of the Archdiocese of Philadelphia

OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT
CITY OF PHILADELPHIA CONTRACT NUMBER 19-20028
STATEMENT OF PROGRAM EXPENDITURES

Period July 1, 2018 through June 30, 2019

Contract Categories	Project Budget				Accrued Expenditure Prior to 7/1/18				Accrued Expenditure 7/1/18 to 6/30/19				Accrued Expenditure Cumulative to 6/30/19			
	CDBG Funds	Other City Funds	Other Non-City Funds	Total Funds	CDBG Funds	Other City Funds	Other Non-City Funds	Total Funds	CDBG Funds	Other City Funds	Other Non-City Funds	Total Funds	CDBG Funds	Other City Funds	Other Non-City Funds	Total Funds
Direct personnel	\$ -	\$ 181,268	\$ -	\$ 181,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,268	\$ -	\$ 181,268	\$ -	\$ 181,268	\$ -	\$ 181,268
Direct fringe benefits	-	117,932	-	117,932	-	-	-	-	-	117,932	-	117,932	-	117,932	-	117,932
Occupancy	-	-	-	-	-	-	-	-	-	-	506,460	506,460	-	-	506,460	506,460
Other costs	-	13,800	-	13,800	-	-	-	-	-	13,800	-	13,800	-	13,800	-	13,800
Contract total	\$ -	\$ 313,000	\$ -	\$ 313,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313,000	\$ 506,460	\$ 819,460	\$ -	\$ 313,000	\$ 506,460	\$ 819,460

Catholic Social Services of the Archdiocese of Philadelphia

WOMEN OF HOPE PROGRAM
 CONTRACT NUMBER 17-20075-02
 SUMMARY OF MENTAL HEALTH/INTELLECTUAL DISABILITIES MR PROGRAM ACTIVITY

Period July 1, 2018 through June 30, 2019

	<u>PAC</u>	<u>Personnel</u>	<u>Operating</u>	<u>Administration</u>	<u>Revenue</u>	<u>Retained revenue</u>	<u>Total eligible expenses</u>
Lombard	0100-1655	\$ 774,409	\$ 287,034	\$ 50,440	\$ (181,215)	\$ -	\$ 930,668
Vine	0100-1616	763,986	210,046	46,286	(20,748)	-	\$ 999,570
Total		<u>\$ 1,538,395</u>	<u>\$ 497,080</u>	<u>\$ 96,726</u>	<u>\$ (201,963)</u>	<u>\$ -</u>	<u>\$ 1,930,238</u>

Catholic Social Services of the Archdiocese of Philadelphia

WOMEN OF HOPE PROGRAM - VINE
 CONTRACT NUMBER 17-20074
 PAC NUMBER 0100-1616
 OFFICE OF MENTAL HEALTH/INTELLECTUALLY DISABLED
 ON PROGRAM ACTIVITY INVOICE SUMMARY

Period July 1, 2018 through June 30, 2019

	<u>Total per invoice</u>	<u>Total per audit</u>	<u>Adjustment difference</u>
Expenditures by cost center			
Total personnel services	\$ 767,660	\$ 774,409	\$ 27,123
Total operating expenses	239,470	287,034	47,564
Total administration	<u>43,538</u>	<u>50,440</u>	<u>6,902</u>
Total expenditures	1,050,668	1,111,883	61,215
Revenue	<u>(181,215)</u>	<u>(181,215)</u>	<u>-</u>
Total revenue	<u>(181,215)</u>	<u>(181,215)</u>	<u>-</u>
Total expenditures by cost center	<u>\$ 869,453</u>	<u>\$ 930,668</u>	<u>\$ 61,215</u>

Adjustment differences are accruals and adjustments posted subsequent to submission of the invoice.

Catholic Social Services of the Archdiocese of Philadelphia

WOMEN OF HOPE PROGRAM - LOMBARD

CONTRACT NUMBER 17-20075-02

PAC NUMBER 0100-1655

OFFICE OF MENTAL HEALTH/INTELLECTUALLY DISABLED
ON PROGRAM ACTIVITY INVOICE SUMMARY

Period July 1, 2018 through June 30, 2019

	<u>Total per invoice</u>	<u>Total per audit</u>	<u>Adjustment difference</u>
Expenditures by cost center			
Total personnel services	\$ 758,491	\$ 763,986	\$ 5,495
Total operating expenses	210,046	210,046	-
Total administration	<u>43,538</u>	<u>46,286</u>	<u>2,748</u>
Total expenditures	1,012,075	1,020,318	8,243
Revenue	<u>(20,748)</u>	<u>(20,748)</u>	<u>-</u>
Total revenue	<u>(20,748)</u>	<u>(20,748)</u>	<u>-</u>
Total expenditures by cost center	<u>\$ 991,327</u>	<u>\$ 999,570</u>	<u>\$ 8,243</u>

Adjustment differences are accruals and adjustments posted subsequent to submission of the invoice.

Catholic Social Services of the Archdiocese of Philadelphia

**PHILADELPHIA DEPARTMENT OF HUMAN SERVICES, CONTRACT NUMBER 12-20193-08
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, CITY AND OTHER AWARDS**

Year ended June 30, 2019

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA number</u>	<u>Pass-through grantor's number</u>	<u>Grant period</u>	<u>Disbursements/ expenditures</u>
Federal Financial Assistance				
Department of Health and Human Services				
Philadelphia Department of Human Services				
Catholic Social Services	93.658	19-20100	7/1/18-6/30/19	\$ 298,080
St. Francis-St. Joseph Homes	93.658	19-20349	7/1/18-6/30/19	4,195,871
St. Gabriel's System	93.658	19-20349	7/1/18-6/30/19	1,582,325
St. Francis-St. Joseph Homes	93.558	19-20349	7/1/18-6/30/19	9,543
St. Gabriel's System	93.558	19-20349	7/1/18-6/30/19	<u>886,531</u>
Total Federal Assistance				<u>6,972,350</u>
State Assistance - Commonwealth of Pennsylvania				
Philadelphia Department of Human Services				
Catholic Social Services		19-20100	7/1/18-6/30/19	1,183,504
St. Francis-St. Joseph Homes		19-20349	7/1/18-6/30/19	2,088,405
St. Gabriel's System		19-20349	7/1/18-6/30/19	<u>7,650,060</u>
Total State Assistance				<u>10,921,969</u>
City of Philadelphia Awards				
Philadelphia Department of Human Services				
Catholic Social Services		19-20100	7/1/18-6/30/19	295,876
St. Francis-St. Joseph Homes		19-20349	7/1/18-6/30/19	789,961
St. Gabriel's System		19-20349	7/1/18-6/30/19	<u>1,998,289</u>
Total City of Philadelphia Awards				<u>3,084,126</u>
Total Federal, State, City and Other Awards				<u>\$ 20,978,445</u>

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REPORT OF INDEPENDENT AUDITORS ON COST ALLOCATION PLAN

Board of Directors
Catholic Social Services of the Archdiocese of Philadelphia

We have examined Catholic Social Services of the Archdiocese of Philadelphia's compliance with allocating indirect costs reflected in the City of Philadelphia, Department of Human Services Report of Functional Expenditures as required by the Commonwealth of Pennsylvania, Department of Public Welfare, Section 3170.60 of the Title 3170 Regulations; and the "Indirect Cost Allocations" Section of the *City of Philadelphia Subrecipient Audit Guide* during the year ended June 30, 2019. Management is responsible for Catholic Social Services of the Archdiocese of Philadelphia's compliance with those requirements. Our responsibility is to express an opinion on Catholic Social Services of the Archdiocese of Philadelphia's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Catholic Social Services of the Archdiocese of Philadelphia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Catholic Social Services of the Archdiocese of Philadelphia's compliance with the Commonwealth of Pennsylvania, Department of Public Welfare, Section 3170.60 of the Title 3170 Regulations.

In our opinion, management's assertion that Catholic Social Services of the Archdiocese of Philadelphia is in compliance with the Commonwealth of Pennsylvania, Department of Public Welfare, Section 3170.60 of the Title 3170 Regulations during the year ended June 30, 2019, is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Directors, management and the City of Philadelphia, Department of Human Services and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Philadelphia, Pennsylvania
March 27, 2020

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**AGREED-UPON PROCEDURES REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS ON COST ALLOCATION PLAN FOR UPCOMING
FISCAL YEAR**

Board of Directors
Catholic Social Services of the Archdiocese of Philadelphia

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and Management of Catholic Social Services of the Archdiocese of Philadelphia, with respect to the administrative cost distribution included in the Line Item Budget for the year ending June 30, 2019, submitted by Catholic Social Services of the Archdiocese of Philadelphia to the City of Philadelphia, Department of Public Health, solely to assist you in your filing requirements with the City of Philadelphia, Department of Public Health. Catholic Social Services of the Archdiocese of Philadelphia's management is responsible for compliance with these requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of Catholic Social Services of the Archdiocese of Philadelphia. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the related results are summarized as follows:

- a. We obtained a schedule contained within the 2019 Line Item Budget which reflected the allocation factors utilized in distributing administrative costs. We inquired of Catholic Social Services of the Archdiocese of Philadelphia management as to whether there were any significant changes to the method of allocating administrative costs. Based on inquiries of management, there were no significant changes to the method of allocating administrative costs.
- b. We compared Catholic Social Services of the Archdiocese of Philadelphia's method of allocating costs to those requirements as specified in Section 4300.94 of the Title 4300 Regulations related to methods for allocating indirect costs, in order to determine whether the cost allocation is in compliance with those regulations. Based on inquiries of management, the cost allocation was in compliance with those regulations.
- c. We compared the allocation methods used between the upcoming fiscal year and the current fiscal year to determine consistency between years. Based on inquiries with management, the allocation methods are consistent between years.

The Commonwealth of Pennsylvania, Department of Human Services, Section 4300.94 of the Title 4300 Regulations states that "the overall objective of the allocation process is to distribute the indirect costs of Catholic Social Services of the Archdiocese of Philadelphia to its various services or cost categories in reasonable proportion with the benefits provided to these services or categories."

The Regulations require that the method used “shall result in a fair and equitable distribution of costs, and shall be in direct relation to actual benefits accruing to the services to which costs are charged.” We were not engaged to and did not conduct an audit or review, the objective of which is the expression of an opinion or limited assurance. Accordingly, we do not express an opinion or limited assurance on the amount of administrative costs distributed to Catholic Social Services of the Archdiocese of Philadelphia nor on any other amounts contained within the June 30, 2019 budget submitted to the City of Philadelphia, Department of Public Health. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended for the information and use of the Board of Directors and management of Catholic Social Services of the Archdiocese of Philadelphia; applicable federal and state agencies; and the City of Philadelphia, Department of Public Health and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Philadelphia, Pennsylvania
March 27, 2020