

**Catholic Charities of Los Angeles, Inc.**

Financial Statements  
and Single Audit Reports and Schedules  
and State Childcare Development Reports

June 30, 2017



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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Catholic Charities of Los Angeles, Inc.  
Los Angeles, California

We have audited the accompanying financial statements of Catholic Charities of Los Angeles, Inc. ("Catholic Charities"), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities of Los Angeles, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information on pages 21 - 25 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2017, on our consideration of Catholic Charities's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Catholic Charities's internal control over financial reporting and compliance.



Armanino<sup>LLP</sup>  
Los Angeles, California

November 8, 2017

Catholic Charities of Los Angeles, Inc.  
Statement of Financial Position  
June 30, 2017

ASSETS

Cash and cash equivalents	\$ 924,492
Investments	21,421,088
Accounts and note receivable, net	3,810,791
Prepaid expenses	276,490
Investments restricted for long-term purposes	801,113
Property and equipment, net	15,216,827
Beneficial interest in separate organization	<u>28,717,342</u>
 Total assets	 <u><u>\$ 71,168,143</u></u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	\$ 2,227,089
Accrued salaries and wages	1,976,384
Advances and refundable reimbursements	653,339
Obligation under capital lease	27,240
Forgivable construction loans	2,447,091
Note payable	<u>2,821,500</u>
Total liabilities	<u><u>10,152,643</u></u>
 Commitments and contingencies (Notes 11 and 12)	
Net assets	
Unrestricted	23,230,775
Temporarily restricted	36,983,612
Permanently restricted	<u>801,113</u>
Total net assets	<u><u>61,015,500</u></u>
 Total liabilities and net assets	 <u><u>\$ 71,168,143</u></u>

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

Catholic Charities of Los Angeles, Inc.  
Statement of Activities  
For the Year Ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and operating revenues				
Support				
Contributions	\$ 10,693,328	\$ 136,648	\$ 50,000	\$ 10,879,976
Bequests	1,056,716	-	-	1,056,716
Foundation - distributions from Opus Caritatis	2,054,836	345,164	-	2,400,000
Foundations - others	1,993,461	259,964	-	2,253,425
Fundraising events less donor benefits of \$341,434	<u>1,602,354</u>	<u>70,530</u>	<u>-</u>	<u>1,672,884</u>
Total support	<u>17,400,695</u>	<u>812,306</u>	<u>50,000</u>	<u>18,263,001</u>
Operating revenues				
Government agencies	14,350,354	-	-	14,350,354
Program service revenues	5,398,445	-	-	5,398,445
Investment gains, net	1,486,622	318,554	-	1,805,176
Sales to public	<u>484,454</u>	<u>-</u>	<u>-</u>	<u>484,454</u>
Total operating revenues	<u>21,719,875</u>	<u>318,554</u>	<u>-</u>	<u>22,038,429</u>
Net assets released from restrictions	<u>746,189</u>	<u>(746,189)</u>	<u>-</u>	<u>-</u>
Total support and operating revenues	<u>39,866,759</u>	<u>384,671</u>	<u>50,000</u>	<u>40,301,430</u>
Total expenses	<u>38,801,903</u>	<u>-</u>	<u>-</u>	<u>38,801,903</u>
Change in net assets from operations	<u>1,064,856</u>	<u>384,671</u>	<u>50,000</u>	<u>1,499,527</u>
Nonoperating support				
Beneficial interest in separate organization	-	1,632,941	-	1,632,941
Gains on disposal of assets	5,595	-	-	5,595
Miscellaneous	<u>335,401</u>	<u>-</u>	<u>-</u>	<u>335,401</u>
Total nonoperating support	<u>340,996</u>	<u>1,632,941</u>	<u>-</u>	<u>1,973,937</u>
Change in net assets	1,405,852	2,017,612	50,000	3,473,464
Net assets, beginning of year	<u>21,824,923</u>	<u>34,966,000</u>	<u>751,113</u>	<u>57,542,036</u>
Net assets, end of year	<u>\$ 23,230,775</u>	<u>\$ 36,983,612</u>	<u>\$ 801,113</u>	<u>\$ 61,015,500</u>

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

Catholic Charities of Los Angeles, Inc.  
Statement of Functional Expenses  
For the Year Ended June 30, 2017

	Program Services							Support Services				Total
	Good Shepherd Centers			Regional Shelters	Other Regional Services	Youth Employment Services	Other Special Programs	Total Programs Catholic Charities	Development & Communication and Fundraising	General and Administrative Services	Eliminations	
Angel's Flight Youth	Women's Village	Other Programs										
Compensation and related expenses												
Salaries and wages	\$ 1,339,910	\$ 643,186	\$ 590,600	\$ 759,657	\$ 2,347,921	\$ 1,577,686	\$ 2,849,624	\$ 10,108,584	\$ 211,203	\$ 1,879,889	\$ -	\$12,199,676
Pension plan contributions	62,390	19,821	21,177	22,077	86,177	71,386	102,261	385,289	12,672	94,806	-	492,767
Employee benefits	140,030	73,592	77,729	69,154	328,223	206,432	329,718	1,224,878	25,602	289,660	-	1,540,140
Payroll taxes	272,956	97,892	89,428	116,926	243,321	139,832	253,842	1,214,197	16,566	165,783	-	1,396,546
Total compensation and related expenses	<u>1,815,286</u>	<u>834,491</u>	<u>778,934</u>	<u>967,814</u>	<u>3,005,642</u>	<u>1,995,336</u>	<u>3,535,445</u>	<u>12,932,948</u>	<u>266,043</u>	<u>2,430,138</u>	<u>-</u>	<u>15,629,129</u>
Emergency food, shelter and other	44,421	198,539	399,334	175,763	9,540,488	2,011	38,807	10,399,363	-	-	-	10,399,363
Participant payroll and related	-	-	-	-	-	2,657,039	-	2,657,039	-	-	-	2,657,039
Financial assistance	-	3,000	-	360	12,710	1,000	366,700	383,770	-	-	-	383,770
Professional fees	37,408	6,864	3,083	2,053	35,781	71,675	65,717	222,581	300	50,570	-	273,451
Program subcontractors	-	-	-	-	2,438,550	232,917	780,498	3,451,965	-	-	-	3,451,965
Audit and accounting fees	12,434	6,799	6,769	18,466	25,933	70,593	47,607	188,601	1,980	12,782	-	203,363
Professional fundraising services	-	-	-	-	-	-	-	-	22,906	-	-	22,906
Advertising and public relations	-	-	-	-	-	-	-	-	19,546	-	-	19,546
Office expenses	70,304	45,876	30,794	26,621	224,647	120,550	147,149	665,941	99,888	200,649	-	966,478
Operating expenses	9,688	40,487	435	51	16,282	86,609	2,409	155,961	5,083	10,987	-	172,031
Donated thrift store goods sold	-	-	-	-	391,152	-	-	391,152	-	-	-	391,152
Information technology	23,291	18,526	11,832	7,625	56,606	28,907	109,237	256,024	9,373	355,543	-	620,940
Occupancy	173,549	241,841	58,774	312,846	486,184	251,713	11,700	1,536,607	21,195	516,595	(190,206)	1,884,191
Travel	-	1,663	-	-	556	5,602	6,382	14,203	-	3,089	-	17,292
Staff training, conferences and meetings	1,567	441	1,551	151	9,825	23,524	16,383	53,442	-	68,702	-	122,144
Interest expense	-	102,200	-	30,000	-	-	-	132,200	-	2,078	-	134,278
Payments to affiliates	-	-	-	-	-	-	-	-	-	34,299	-	34,299
Depreciation	3,052	354,828	11,216	44,999	114,382	1,650	7,533	537,660	-	54,009	-	591,669
Professional and other liability insurance	46,468	27,065	19,211	28,724	96,358	115,990	127,129	460,945	696	474	-	462,115
Vehicles and mileage	25,640	3,705	8,724	23,106	77,775	42,866	67,777	249,593	-	17,873	-	267,466
Other expenses	-	-	-	-	-	-	-	-	-	(89,010)	-	(89,010)
Fundraising expenses	-	-	-	-	-	-	-	-	186,326	-	-	186,326
Total expenses before administrative support allocation	<u>2,263,108</u>	<u>1,886,325</u>	<u>1,330,657</u>	<u>1,638,579</u>	<u>16,532,871</u>	<u>5,707,982</u>	<u>5,330,473</u>	<u>34,689,995</u>	<u>633,336</u>	<u>3,668,778</u>	<u>(190,206)</u>	<u>38,801,903</u>
Administrative support allocation	<u>324,582</u>	<u>179,441</u>	<u>127,630</u>	<u>191,929</u>	<u>639,669</u>	<u>614,514</u>	<u>728,993</u>	<u>2,806,758</u>	<u>-</u>	<u>-</u>	<u>(2,806,758)</u>	<u>-</u>
	<u>\$ 2,587,690</u>	<u>\$ 2,065,766</u>	<u>\$ 1,458,287</u>	<u>\$ 1,830,508</u>	<u>\$17,172,540</u>	<u>\$ 6,322,496</u>	<u>\$ 6,059,466</u>	<u>\$ 37,496,753</u>	<u>\$ 633,336</u>	<u>\$ 3,668,778</u>	<u>\$ (2,996,964)</u>	<u>\$38,801,903</u>

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



Catholic Charities of Los Angeles, Inc.  
Statement of Cash Flows  
For the Year Ended June 30, 2017

Cash flows from operating activities	
Change in net assets	\$ 3,473,464
Adjustments to reconcile change in net assets to net cash used in operating activities	
Allowance for bad debts	(89,010)
Donated investments	(14,179)
Gain on sale of property and equipment	(5,595)
Depreciation	591,669
Investment gains, net	(1,805,176)
Increase in beneficial interest in separate organization	(1,632,941)
Accrued interest on loans and notes payable	132,200
Changes in operating assets and liabilities	
Accounts and notes receivable	(922,602)
Prepaid expenses and other assets	21,259
Accounts payable	(282,723)
Accrued salaries and wages	(2,572)
Advances and refundable reimbursements	255,504
Net cash used in operating activities	<u>(280,702)</u>
Cash flows from investing activities	
Additions to property and equipment	(112,421)
Proceeds from sale of property and equipment	4,423
Proceeds from sales of investments	2,310,000
Additions to investments	<u>(2,868,357)</u>
Net cash used in investing activities	<u>(666,355)</u>
Cash flows from financing activities	
Payment of capital lease obligation	<u>(14,332)</u>
Net cash used in financing activities	<u>(14,332)</u>
Net decrease in cash and cash equivalents	(961,389)
Cash and cash equivalents, beginning of year	<u>1,885,881</u>
Cash and cash equivalents, end of year	<u>\$ 924,492</u>

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

Catholic Charities of Los Angeles, Inc.  
Notes to Financial Statements  
June 30, 2017

1. NATURE OF OPERATIONS

Catholic Charities of Los Angeles, Inc. ("Catholic Charities") is a California 501(c)(3) nonprofit public benefit corporation that was founded in 1919 and incorporated in 1937. Catholic Charities is a separate legal entity from The Roman Catholic Archdiocese of Los Angeles (the "Archdiocese"). For ninety-eight years, Catholic Charities has provided family and individual counseling, community and employment services, child care and youth athletics, services for the elderly, poverty programs, shelters and residential care, immigration and naturalization services and resettlement of refugees. Funding for services is provided through government-funded programs, contributions from the public, foundations, users of the services, and through fundraising.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income tax status

Catholic Charities operates as a not-for-profit organization and has been recognized by the Internal Revenue Service as an organization exempt from income taxation pursuant to Internal Revenue Code Section 501(c)(3) on its income other than unrelated business income and has also been recognized by the Franchise Tax Board as exempt from state franchise or income tax pursuant to California Revenue and Taxation Code Section 23701(d) on its income other than unrelated business income.

Tax years for the years ended June 30, 2014 through June 30, 2017 are subject to audit for federal tax purposes and the years ended June 30, 2013 through June 30, 2017 are subject for audit for California tax purposes. There have been no related tax penalties or interest, which would be classified as a tax expense in the statement of activities.

Basis of accounting

The financial statements of Catholic Charities have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

Basis of presentation

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Catholic Charities and changes therein are classified and reported as follows:

- *Unrestricted net assets* - Net assets that are not subject to donor-imposed restrictions.
- *Temporarily restricted net assets* - Includes gifts and pledges receivable for which donor-imposed restrictions or passage of time restrictions have not yet been met and for which the ultimate purpose of the proceeds is not permanently restricted (see Note 8).

Catholic Charities of Los Angeles, Inc.  
Notes to Financial Statements  
June 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation (continued)

- *Permanently restricted net assets* - Includes gifts which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions (see Note 9).

Use of estimates

The preparation of the financial statements in conformity with U.S. 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. While management believes that these estimates are adequate as of June 30, 2017, it is possible that actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of cash accounts, and all other highly-liquid investments with original maturity dates of three months or less. Catholic Charities maintains its cash balances at several institutions located in Southern California which are insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). Cash balances held, at times, exceed the federally insured limit. Catholic Charities has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts and note receivable

Accounts receivable consist mainly of requests for reimbursement from government contracts. Catholic Charities determines the allowance for uncollectable accounts by considering a number of factors including the length of time receivables are past due. Accounts and notes receivable at June 30, 2017 was \$3,810,790, which is net of an allowance of \$591,322.

Investments

All investments in marketable securities with a readily determinable fair value are reported at fair value with gains and losses included in the statement of activities, net of expenses. Gains and losses on these investments are reported in the statement of activities as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations.

Catholic Charities of Los Angeles, Inc.  
Notes to Financial Statements  
June 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Beneficial interest in separate organization

The beneficial interest in separate organization within the statement of financial position consists of assets held by Opus Caritatis, Inc. ("Opus Caritatis"), a supporting organization for Catholic Charities (see Note 4). The assets primarily consist of an investment fund managed by State Street Corporation ("State Street"), an investment fund managed by Catholic Charities Foundation of Los Angeles ("CCFLA"), and an investment in the common stock of a privately held REIT ("REIT"), a real estate investment trust whose stock is not traded on any stock exchange. The investment funds managed by CCFLA and State Street are carried at fair value and the investment in REIT is carried at cost because Opus Caritatis controls less than 20% of the voting rights.

Fair value measurements

Catholic Charities accounts for certain of its financial assets at fair value. In determining and disclosing fair value, Catholic Charities uses a fair value hierarchy established by GAAP. This guidance also applies under other accounting pronouncements that require or permit fair value measurements. The guidance clarifies that fair value is an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and requires that fair value measurements be classified and disclosed in one of the following three categories:

- Level 1 - Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 - Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.
- Level 3 - Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

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.

Property and equipment

Purchased land, buildings and improvements, and equipment are recorded at cost. Donated assets are recorded at fair value at date received.

Catholic Charities of Los Angeles, Inc.  
Notes to Financial Statements  
June 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment (continued)

Buildings, improvements, and equipment are depreciated over their estimated useful lives on a straight-line basis ranging from 5 to 40 years. Depreciation expense for separately identified assets is included in program expenses, which are presented in the statement of functional expenses. For all other assets shared by Catholic Charities' programs and administration, depreciation is included in general and administrative services in the statements of functional expenses. Certain land and buildings utilized by Catholic Charities are owned by and reflected in the financial statements of the Archdiocese of Los Angeles Education and Welfare Corporation.

Asset retirement obligations

Accounting Standards Codification ("ASC") 410, *Asset Retirement and Environmental Obligations*, requires entities to recognize any material expenses associated with legally required or contractually obligated clean up costs when an asset is no longer used. Catholic Charities owns several older buildings that might have hidden asset retirement obligations due to the building age but has no knowledge of any specific or likely liability. Therefore, no allowance has been made in the financial statements.

Advances and refundable reimbursements

Advances and refundable reimbursements represent advanced funds provided by funding agencies for program expenses. Such advances, if not fully expended, are repaid at the termination of the program unless other arrangements are made with the funding agency.

Contributions

Contributions are reported as unrestricted or as restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted contributions for which the donor imposed restrictions have been met in the same reporting period are recorded as unrestricted support. Unconditional promises to give (pledges) are recorded as receivables and revenues. Conditional promises to give or intentions to give are not recorded in the financial statements.

Donated goods and services

There is \$9,827,629 of donated goods and services included in contributions support and government agencies revenues within the statement of activities. These amounts were also recorded as program services expenses.

Catholic Charities of Los Angeles, Inc.  
Notes to Financial Statements  
June 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated goods and services (continued)

A number of volunteers have donated significant amounts of their time to support the activities of Catholic Charities. Donated services are recognized as revenue if they (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The financial statements include \$360,000 for volunteer hours that meet these criteria. Many hours of additional donated time have not been reflected in the accompanying statements of activities and changes in net assets as these donated services do not meet either of the two recognition criteria described above.

Catholic Charities receives donated goods including food, clothing, household goods and a variety of other items. These are valued at fair value when received. The accompanying financial statements include \$7,724,913 of donated items for the year ended June 30, 2017, and \$1,742,716 of food commodities in 2017, received through government programs and valued using U.S. Department of Agriculture and Feeding America prices.

Government agencies revenue

Government agencies revenue is derived from contracts with various governmental agencies. Most of the contracts are on a cost reimbursement basis. Contract revenues are recognized for allowable expenditures as costs are incurred in accordance with the contract terms.

Functional allocation of expenses

The costs of providing the various programs, fundraising and other activities have been presented on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and fundraising activities benefited based on estimates developed by management.

Operating activities and nonoperating activities

Operating revenues and gains include contributions, grants from government agencies, program service revenues, investment income, and sales to public of donated goods. Operating expenses include program and support services and interest on indebtedness.

Nonoperating revenues and gains (losses) include gifts designated for endowment or equipment and increase (decrease) in beneficial interest in separate organization (see Note 4), gain (loss) on property and equipment sale or donation and miscellaneous.

Catholic Charities of Los Angeles, Inc.  
Notes to Financial Statements  
June 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent events

Catholic Charities has evaluated events subsequent to June 30, 2017, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through November 8, 2017, the date the financial statements were available to be issued. Based upon this evaluation it was determined no subsequent events occurred, other than as disclosed in Note 10, that require recognition or additional disclosure in the financial statements.

3. INVESTMENTS

Catholic Charities is invested as follows at June 30, 2017:

CCFLA	\$ 1,120,486
State Street	21,085,036
Other Investments	<u>16,679</u>
	<u>\$ 22,222,201</u>

Of these investments, \$801,113 is restricted for long-term purposes (see Note 9) and is reflected separately in the accompanying statement of financial position. Other investments consists of stock in two privately held companies.

Investments at Fair Value

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

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 5,286,373	\$ -	\$ -	\$ 5,286,373
Domestic equity	562,036	-	-	562,036
Domestic fixed income	-	337,939	-	337,939
Index funds	10,344,007	-	-	10,344,007
International equity	216,814	-	-	216,814
U.S. bond index fund	5,454,656	-	-	5,454,656
U.S. Treasuries	<u>3,697</u>	<u>-</u>	<u>-</u>	<u>3,697</u>
	<u>\$ 21,867,583</u>	<u>\$ 337,939</u>	<u>\$ -</u>	<u>\$ 22,205,522</u>

Other investments of \$16,679, are measured at lower of cost or fair value and are not included in the above fair value presentation.

Catholic Charities of Los Angeles, Inc.  
Notes to Financial Statements  
June 30, 2017

3. INVESTMENTS (continued)

The following table sets forth a summary of changes in investments for the year ended June 30, 2017:

Balance, beginning of year	<u>\$ 19,844,489</u>
Investment gains, net	
Reinvested interest and dividends	50,394
Realized gains from sales of investments	270,778
Unrealized gains on investments	1,530,041
Investment fees	<u>(46,037)</u>
Total investment gains, net	<u>1,805,176</u>
Donated investments	14,179
Purchases of investments	2,868,357
Proceeds from sales of investments	<u>(2,310,000)</u>
	<u>2,377,712</u>
Balance, end of year	<u><u>\$ 22,222,201</u></u>

4. BENEFICIAL INTEREST IN SEPARATE ORGANIZATION - OPUS CARITATIS

In 2004 Catholic Charities transferred funds to Opus Caritatis, Inc. ("Opus Caritatis"), a separate corporation established for charitable purposes as a supporting organization to Catholic Charities. Catholic Charities continues to hold a beneficial interest in Opus Caritatis. The mission of Opus Caritatis is to engage in the solicitation, receipt and administration of property and, from time to time, to disburse such property and the income therefrom for the charitable works of Catholic Charities, primarily in support of Angel's Flight of Catholic Charities (Angel's Flight). Additionally, Opus Caritatis may solicit funds from other corporations, foundations, businesses and individuals, including Catholic Charities. As of June 30, 2017, Catholic Charities held a beneficial interest in Opus Caritatis of \$28,717,342. Of this amount, Opus Caritatis had investments totaling \$28,708,859 that consist of the following:

REIT (at cost)	\$ 9,667,825
Investment funds (at fair value)	<u>19,041,034</u>
	<u><u>\$ 28,708,859</u></u>

Opus Caritatis owns less than 20% of the voting interest in shares of REIT. REIT is a real estate investment trust and is not traded on any stock exchange. Due to the fact that REIT is privately operated with no active market for its stock, and that Opus Caritatis owns a minority share, this investment has continued to be carried at its historical costs.



Catholic Charities of Los Angeles, Inc.  
Notes to Financial Statements  
June 30, 2017

4. BENEFICIAL INTEREST IN SEPARATE ORGANIZATION - OPUS CARITATIS (continued)

Investments at Fair Value

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 84,949	\$ -	\$ -	\$ 84,949
Equities	3,081,336	-	-	3,081,336
Mutual funds	8,739,563	-	-	8,739,563
Bond index funds	5,798,211	-	-	5,798,211
Fixed income securities	-	<u>1,336,975</u>	-	<u>1,336,975</u>
	<u>\$ 17,704,059</u>	<u>\$ 1,336,975</u>	<u>\$ -</u>	<u>\$ 19,041,034</u>

Opus Caritatis' investment funds are managed by State Street (\$14,568,731) and CCFLA (\$4,472,303)

The following shows the change in beneficial interest in separate organization for the year ended June 30:

Beginning balance, July 1, 2016	\$ 27,084,401
Dividends and interest income	2,171,547
Realized gains, net	524,018
Unrealized gains, net	1,374,765
Other expenses	(37,389)
Distribution to Catholic Charities	<u>(2,400,000)</u>
Change in beneficial interest	<u>1,632,941</u>
Ending balance, June 30, 2017	<u>\$ 28,717,342</u>

5. PROPERTY AND EQUIPMENT

Property and equipment, net, of Catholic Charities include the following:

Buildings and improvements	\$ 17,940,206
Equipment and furniture	<u>3,790,504</u>
	21,730,710
Less accumulated depreciation	(9,197,414)
Land	<u>2,683,531</u>
	<u>\$ 15,216,827</u>

Catholic Charities of Los Angeles, Inc.  
Notes to Financial Statements  
June 30, 2017

6. FORGIVABLE CONSTRUCTION LOANS

Emergency Housing and Assistance Program ("EHAP") Loans I and II

*EHAP I:* In April 2008, the State of California loaned Catholic Charities' Good Shepherd Women's Village \$1,000,000 through the Department of Housing and Community Development EHAP for the construction of a Phase III. The loan accrues simple interest at 3% per year. As long as Catholic Charities continues to operate this shelter as either a transitional or emergency housing shelter, no payment of interest or principal is due. At the end of ten years, if Phase III is still operating as a shelter, the entire principal and accrued interest will be forgiven. At June 30, 2017, accrued interest on this EHAP loan was \$274,802.

*EHAP II:* On December 30, 2010, the State of California recorded its loan to Catholic Charities of \$1,000,000 through the Department of Housing and Community Development EHAP/Capital Development for the construction of Family Shelter II at Century Villages at Cabrillo ("CVC") Project in the City of Long Beach (Elizabeth Ann Seton Family Shelter-Building 2). Simple interest at 3% per year accrued from the date of each advance. As long as Catholic Charities continues to operate this shelter as either a transitional or emergency housing shelter, no payment of interest or principal is due. Ten years from recordation, if Elizabeth Ann Seton Family Shelter-Building 2 is still operating as a shelter, the entire principal and accrued interest will be forgiven. At June 30, 2017, interest of \$172,289 of interest had accrued on this EHAP loan.

If Catholic Charities is unable to fulfill its obligation of operating Elizabeth Ann Seton Family Shelter-Building 2 as a shelter due to loss of government funding, CVC will either provide the funding to operate the shelter or assume responsibility for the EHAP loan. CVC's obligation is guaranteed by Century Housing, Inc.

The following is a summary of forgivable construction loans as of June 30, 2017:

EHAP forgivable construction loan payable I	\$ 1,000,000
EHAP forgivable construction loans deferred interest I	274,802
EHAP forgivable construction loan payable II	1,000,000
EHAP forgivable construction loan deferred interest II	<u>172,289</u>
	<u>\$ 2,447,091</u>

7. NOTE PAYABLE

The following is a summary of note payable as of June 30, 2017:

City of Los Angeles note payable	\$ 1,444,000
City of Los Angeles deferred interest	<u>1,377,500</u>
	<u>\$ 2,821,500</u>

Catholic Charities of Los Angeles, Inc.  
Notes to Financial Statements  
June 30, 2017

7. NOTE PAYABLE (continued)

Catholic Charities has a note with the City of Los Angeles related to the Good Shepherd Women's Village Project. The note balance of \$1,444,000 consists of \$1,050,000 ("Phase I") and \$394,000 ("Phase III"). The note was converted into a 40-year residual receipts note in December 1999 bearing simple interest at 5%. Payments of principal and interest on a residual receipts note are only made from residual receipts. There have been no residual receipts to date and none are expected. At June 30, 2017, Catholic Charities has accrued \$1,377,500 of interest expense related to the residual receipts note.

8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2017, which consist primarily of investments, are available for the following programs or projects:

	Balance in 000's
Beneficial interest in separate organization (Angel's Flight)	\$ 28,717
Angel's Flight	5,151
San Fernando programs	535
Other	499
Disaster relief	428
Archdiocesan Youth Employment Services	306
Fors Family Trust and related	270
Santa Barbara and Ventura programs	228
Good Shepherd	186
Immigration	184
San Gabriel programs	164
The Landing	150
Communications & General	120
Our Lady of the Angels	46
	\$ 36,984

9. ENDOWMENTS

As of June 30, 2017, Catholic Charities has two endowment funds included in net assets totaling \$1,783,176. The corpus of the endowment funds totaling \$801,113 are invested in perpetuity and are therefore classified as permanently restricted net assets as of June 30, 2017. Investment income earned on these funds is temporarily restricted for designated programs. All income earned since the donation date has been held as temporarily restricted unless specifically expended.

The Board of Trustees, through its appropriate committee - the Investment Committee, has reviewed the California Uniform Prudent Management of Institutional Funds Act, UPMIFA (SB 1262) (the Act) as it impacts Catholic Charities and its restricted funds. The committee considered the following factors in its decision:

Catholic Charities of Los Angeles, Inc.  
Notes to Financial Statements  
June 30, 2017

9. ENDOWMENTS (continued)

- (i) The duration and preservation of the endowment fund.
- (ii) The purposes of the institution and endowment fund.
- (iii) General economic conditions.
- (iv) The possible effects of inflation and deflation.
- (v) The expected total return from the income and the appreciation of investments.
- (vi) Other resources of the institution.
- (vii) The investment policy of the Organization.

Expenditures from these funds are assessed annually based on the needs of Catholic Charities and the intent of the donors. The funds and their earnings are held in a long-term investment fund whose objectives are to provide long-term capital appreciation combined with capital preservation.

The Investment Committee believes that this flexible approach, as it encompasses the total fund returns (both its original donation and earnings as required by the Act), is the best method under which to continue holding these assets. As such, the permanently restricted portion of the Fund continues to be shown as donated, \$801,113 at June 30, 2017.

	Temporarily Restricted	Permanently Restricted	Total
Balance, beginning of year	\$ 842,044	\$ 751,113	\$ 1,593,157
Contributions	-	50,000	50,000
Investment gains	155,981	-	155,981
Expenditures	(15,962)	-	(15,962)
Balance, end of year	\$ 982,063	\$ 801,113	\$ 1,783,176

10. RELATED PARTY TRANSACTIONS

The Archdiocese

Catholic Charities purchases various insurance coverages through the Archdiocese for itself and its employees and also receives related administrative services. The Archdiocese also rents some of its facilities to Catholic Charities at less than fair value.

Catholic Charities Community Development Corporation ("CCCDC")

CCCDC is a separate non-profit corporation that was formed to undertake community development activities, including promoting and providing affordable housing and community centers. In recent years, it has terminated its other commitments and focused on its remaining project, a community center in Glendale that it leases to Catholic Charities.

Catholic Charities of Los Angeles, Inc.  
Notes to Financial Statements  
June 30, 2017

10. RELATED PARTY TRANSACTIONS (continued)

Catholic Charities Community Development Corporation ("CCCDC") (continued)

In November 1992, Catholic Charities extended to CCCDC an 18-month revolving credit term loan of up to \$150,000 to fund predevelopment costs of various low-income housing projects. The loan, which is unsecured, was interest free through its maturity date, May 1994, after which interest at 8% per year on the unpaid balance is applied. At June 30, 2017, the principal balance on the loan was \$100,000 and the accrued unpaid interest balance was \$526,457 which are included within accounts and note receivable in accompanying statement of financial position. Catholic Charities has fully reserved the accrued unpaid interest balance.

In July 2017, Catholic Charities received a \$100,000 payment from CCCDC.

Catholic Community Foundation of Los Angeles ("CCFLA")

The Catholic Community Foundation is a charitable not-for-profit which, in addition to other charitable purposes, acts as a custodian and investment manager for various funds that have been donated or accumulated by foundations, trusts, churches and other tax exempt organizations. It manages investments for both Catholic Charities and Opus Caritatis in an agency capacity. At June 30, 2017, it held \$1,120,486 (see Note 3) for Catholic Charities and \$4,472,303 for Opus Caritatis (see Note 4).

11. COMMITMENTS AND CONTINGENCIES

Lease commitments

Catholic Charities has entered into various non-cancelable operating leases for office space, program facilities, and equipment through 2030. Rental expense under all leases was \$310,913 for the year ended June 30, 2017.

Minimum lease commitments for the following fiscal years in effect at June 30, 2017, are as follows:

<u>Year ending June 30,</u>	
2018	\$ 327,022
2019	285,531
2020	192,690
2021	53,819
2022	48,000
Thereafter	<u>346,500</u>
	<u><u>\$ 1,253,562</u></u>

Catholic Charities of Los Angeles, Inc.  
Notes to Financial Statements  
June 30, 2017

11. COMMITMENTS AND CONTINGENCIES (continued)

Government Grants and Contracts

In accordance with the terms of certain government grants, the records of Catholic Charities are subject to audit after the date of final payment of the contracts. Catholic Charities is liable for any disallowed costs; however, management of Catholic Charities believes that the amount of costs disallowed, if any, would not be significant.

Other

In the normal course of operations, Catholic Charities is named as defendant in lawsuits and is subject to periodic examinations by regulatory agencies. After consultation with legal counsel, management is of the opinion that liabilities if any, arising from such litigation and examinations would not have a material effect on Catholic Charities' financial position.

12. RETIREMENT PLAN

Catholic Charities sponsors a defined contribution pension plan covering substantially all qualified employees. Employees are generally eligible for participation after one year of service. Catholic Charities' makes mandatory contributions to the retirement plan are based upon 6% of eligible employees' salaries. The related expenses amounted to \$492,767 for the year ended June 30, 2017.

Catholic Charities also maintains a defined contribution 403(b) plan, covering substantially all employees immediately upon employment. Employees may contribute up to the legal limits established by the Internal Revenue Service. Catholic Charities makes no contributions to this plan.

SUPPLEMENTARY INFORMATION

Catholic Charities of Los Angeles, Inc.  
Schedule of Program Expenses  
For the Year Ended June 30, 2017

	Total
Program Services	
Community services - San Fernando	\$ 1,233,177
Community services - San Gabriel	1,406,183
Community services - San Pedro	1,230,751
Community services - OLA Metro	357,919
Community services - OLA Western	2,395,007
Community services - Ventura County	2,119,409
Community services - Santa Barbara County	5,294,392
Community services - Other	2,597,790
Archdiocesan Youth Employment Services (AYE)	5,892,813
Athletics (CYO)	429,682
Angel's Flight Shelter and Outreach	2,219,890
Angel's Flight Adeste	367,800
Good Shepherd Centers	3,524,052
McGill House	146,561
Elizabeth Ann Seton Family Shelter	804,781
Project Achieve Shelter	879,166
Psychological services	160,911
Aging programs	377,003
Immigration and citizenship services	1,273,997
Esperanza	2,259,795
Employment Support Partnership (ESP)	1,767,520
Reception and placement services	758,154
Total program services	37,496,753
Support services	
Administration	1,144,604
Finance	1,067,809
Facilities management	637,019
Human resources	441,016
Management information systems	378,330
Total support services	3,668,778
Resource Development and Fundraising	633,336
GENERAL AND ADMINISTRATIVE EXPENSES ALLOCATED TO INDIVIDUAL PROGRAMS	(2,806,758)
ELIMINATION OF OCCUPANCY COSTS ALLOCATED TO INDIVIDUAL PROGRAMS	(190,206)
 TOTAL EXPENSES	 \$ 38,801,903

See accompanying independent auditor's report.



Catholic Charities of Los Angeles, Inc.  
Statement of Activities - Santa Barbara County  
For the Year Ended June 30, 2017

	Total
Support & Operating Revenues	
Support	
Contributions & bequests	\$ 586,313
Foundations	7,457
In-kind donations	3,171,434
Fundraising	429,008
Total support	4,194,212
Operating	
Government agencies	776,325
Program service revenues	112,571
Sales to the public	359,835
Total operating	1,248,731
Total support & operating revenues	5,442,943
Expenses	
Payroll expenses	
Salaries and wages	718,517
Pension plan contributions	30,267
Employee benefits	152,948
Payroll taxes	77,497
Total payroll expenses	979,229
Emergency food, shelter and other	3,536,588
Professional fees	477
Audit and accounting fees	5,732
Advertising and public relations	1,241
Office expenses	61,168
Operating expenses	8,515
Donated thrift store goods	365,628
Information technology	8,119
Occupancy	193,451
Staff training, conference and meetings	1,440
Professional and other liability insurance	27,943
Vehicles and mileage	28,258
Fundraising expenses	40,062
Miscellaneous	185,092
Total expenses	5,442,943
Surplus (deficit)	\$ -

See accompanying independent auditor's report.

Catholic Charities of Los Angeles, Inc.  
Statement of Activities - Ventura County  
For the Year Ended June 30, 2017

	Total
Support and operating revenues	
Support	
Contributions & bequests	\$ 404,567
Foundations	33,320
In-kind donations	1,316,723
Fundraising	249,258
Total support	2,003,868
Operating revenues	
Government agencies	478,117
Program service revenues	58,978
Sales to the public	59
Total operating revenues	537,154
Total support and operating revenues	2,541,022
Expenses	
Payroll expenses	
Salaries and wages	389,589
Pension plan contributions	11,222
Employee benefits	46,621
Payroll taxes	38,816
Total payroll expenses	486,248
Emergency food, shelter and other	1,736,199
Professional fees	378
Audit and accounting fees	4,042
Advertising and public relations	75
Office expenses	40,733
Operating expenses	1,067
Information technology	9,551
Occupancy	90,061
Staff training, conference and meetings	1,685
Insurance	16,025
Vehicles and mileage	13,599
Fundraising expenses	37,518
Miscellaneous	106,247
Total expenses	2,543,428
Surplus (deficit)	\$ (2,406)

See accompanying independent auditor's report.

Catholic Charities of Los Angeles, Inc.  
 Refugee Targeted Employment and Acculturation Services REA 16-001  
 Schedule of Revenues and Expenditures  
 For the Year Ended June 30, 2017

	<u>REAS</u>	<u>FS</u>	<u>SB1041</u>	<u>SOR</u>
Revenues				
County of Los Angeles	\$ 1,179,010	\$ 80,136	\$ 91,518	\$ 19,965
Expenditures				
Salaries and wages	228,894	18,442	18,845	1,728
Payroll taxes and employee benefits	56,077	4,445	4,409	505
Subrecipients	673,888	40,392	49,718	16,500
Professional fees and services	36,503	2,460	3,183	642
Occupancy	15,096	1,384	1,382	122
Equipment and supplies	14,315	2,166	903	17
Telephone	2,014	185	371	21
Local transportation	1,717	114	120	8
Conferences and meetings	95	-	-	-
Indirect costs	<u>150,411</u>	<u>10,548</u>	<u>12,587</u>	<u>422</u>
Total expenditures	<u>\$ 1,179,010</u>	<u>\$ 80,136</u>	<u>\$ 91,518</u>	<u>\$ 19,965</u>

See accompanying independent auditor's report.

Catholic Charities of Los Angeles, Inc.  
 Refugee Employment Program REP 13-001  
 Schedule of Revenues and Expenditures  
 For the Year Ended June 30, 2017

	<u>REP</u>	<u>FS</u>	<u>SB1041</u>
Revenues			
County of Los Angeles	<u>\$ 253,248</u>	<u>\$ 15,666</u>	<u>\$ 15,330</u>
Expenditures			
Salaries and wages	153,315	9,799	9,770
Payroll taxes and employee benefits	41,872	2,487	2,352
Professional fees and services	9,269	537	367
Occupancy	12,577	745	750
Equipment and supplies	3,560	158	183
Telephone	1,818	107	114
Local transportation	990	-	-
Conferences and meetings	218	-	-
Indirect costs	<u>29,629</u>	<u>1,833</u>	<u>1,794</u>
Total expenditures	<u><u>\$ 253,248</u></u>	<u><u>\$ 15,666</u></u>	<u><u>\$ 15,330</u></u>

See accompanying independent auditor's report.

SINGLE AUDIT REPORTS AND SCHEDULES

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees  
Catholic Charities of Los Angeles, Inc.  
Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Catholic Charities of Los Angeles, Inc. ("Catholic Charities"), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 8, 2017.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Catholic Charities' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Catholic Charities' internal control. Accordingly, we do not express an opinion on the effectiveness of Catholic Charities' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Catholic Charities's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Catholic Charities' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Catholic Charities' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Armanino<sup>LLP</sup>  
Los Angeles, California

November 8, 2017



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

Board of Trustees  
Catholic Charities of Los Angeles, Inc.  
Los Angeles, California

**Report on Compliance for Each Major Federal Program**

We have audited Catholic Charities of Los Angeles, Inc. ("Catholic Charities")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Catholic Charities' major federal programs for the year ended June 30, 2017. Catholic Charities' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Catholic Charities' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (the "U.S."); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S.; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Catholic Charities'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 Catholic Charities' compliance.



## **Opinion on Each Major Federal Program**

In our opinion, Catholic Charities complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

## **Report on Internal Control Over Compliance**

Management of Catholic Charities is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Catholic Charities' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Catholic Charities' internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the Catholic Charities' financial statements as of and for the year ended June 30, 2017, and have issued our report thereon dated November 8, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the U.S. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.



Armanino<sup>LLP</sup>  
Los Angeles, California

November 8, 2017

Catholic Charities of Los Angeles, Inc.  
Schedule of Expenditures of Federal, State, County and City Awards  
For the Year Ended June 30, 2017

Federal, State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Term of Grant	Contract Number	Award	Passed Through to Subrecipients	Contract Expenditures
<b>FEDERAL</b>						
DEPARTMENT OF AGRICULTURE						
Passed through Catholic Charities of California						
San Gabriel - CalFresh Outreach Program	10.561	10/1/2015-9/30/2016	14-3032	\$ 58,467	\$ -	\$ 4,447
San Gabriel - CalFresh Outreach Program	10.561	10/1/2016-9/30/2017	16-SUB-00872	10,889	-	10,416
San Gabriel Region - SNAP-Ed Program	10.561	10/1/2015-9/30/2016	14-3032A-1	349,957	-	48,320
St. Margaret's Center - SNAP-Ed Program	10.561	10/1/2015-9/30/2016	14-3032A-1	349,957	-	38,514
San Gabriel Region - SNAP-Ed Program	10.561	10/1/2016-9/30/2017	15-SUB-01382 A-1	285,372	-	108,636
St. Margaret's Center - SNAP-Ed Program	10.561	10/1/2016-9/30/2017	15-SUB-01382 A-1	285,372	-	89,885
Passed through Food Bank of Santa Barbara County						
Santa Barbara Region - Emergency Food Assistance Program	10.569	7/1/2016-6/30/2017	Award	614,406	-	614,406
Passed through Food Bank of Southern California						
San Pedro Region - Emergency Food Assistance Program - EFAP	10.569	7/1/2016-6/30/2017	Award	322,529	-	322,529
Passed through Food Share, Inc.						
Ventura County - Emergency Food Assistance Program - EFAP	10.569	7/1/2016-6/30/2017	Award	273,111	-	273,111
Passed through Los Angeles Regional Food Bank						
OLA Metro - Emergency Food Assistance Program - EFAP	10.569	7/1/2016-6/30/2017	Award	43,478	-	43,478
OLA Western - Emergency Food Assistance Program - EFAP	10.569	7/1/2016-6/30/2017	Award	203,177	-	203,177
San Fernando Region - Emergency Food Assistance Program - EFAP	10.569	7/1/2016-6/30/2017	Award	77,446	-	77,446
San Gabriel Region - Emergency Food Assistance Program - EFAP	10.569	7/1/2016-6/30/2017	Award	208,568	-	208,568
TOTAL DEPARTMENT OF AGRICULTURE					<u>-</u>	<u>2,042,933</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Passed through City of Camarillo - Community Development Department						
Camarillo OASIS - Community Development Block Grant - CDBG	14.218	7/1/2016-6/30/2017	Award	4,500	-	4,500
Passed through City of Covina - Covina Housing Authority						
The McGill Street House - Continuum of Care - CoC	14.267	7/1/2016-6/30/2017	CA0416L9D001508	96,091	-	96,091

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Catholic Charities of Los Angeles, Inc.  
Schedule of Expenditures of Federal, State, County and City Awards  
For the Year Ended June 30, 2017

Federal, State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Term of Grant	Contract Number	Award	Passed Through to Subrecipients	Contract Expenditures
Passed through City of Glendale - Community Services & Parks Department						
Glendale Community Center - Loaves and Fishes Homeless Prevention Program - CDBG	14.218	7/1/2016-6/30/2017	106238	\$ 33,500	-	\$ 33,500
Glendale Community Center - Loaves and Fishes Homeless Prevention Program - ESG	14.231	7/1/2016-6/30/2017	106216	28,574	-	28,574
Passed through City of Lompoc - Community Development Division Lompoc - MERG-ERG CDBG	14.218	7/1/2016-6/30/2017	Agreement	35,000	-	33,490
Passed through City of Long Beach - Health and Human Services Department						
Elizabeth Ann Seton - Emergency Solutions Grant - ESG	14.231	10/1/2015-9/30/2016	34066	174,000	-	27,255
Elizabeth Ann Seton - Emergency Solutions Grant - ESG	14.231	10/1/2016-9/30/2017	34402	123,763	-	117,625
Project Achieve - Emergency Solutions Grant - ESG	14.231	10/1/2015-9/30/2016	34070	124,000	-	63,345
Project Achieve - Emergency Solutions Grant - ESG	14.231	10/1/2016-9/30/2017	34401	123,763	-	106,887
Long Beach - Community Center - Transition in Place Families 2015 Continuum of Care	14.267	7/1/2016-6/30/2017	34370	208,943	-	205,995
Passed through City of Santa Maria - Special Projects Division Santa Maria - Public Service Funding - CDBG	14.218	7/1/2016-6/30/2017	Agreement	19,935	-	19,935
Passed through County of Santa Barbara - Housing and Community Development						
Santa Barbara - Lompoc Food Distribution - CDBG	14.218	7/1/2016-6/30/2017	Agreement	11,000	-	11,000
Passed through County of Ventura - Community Development Department						
Moorpark Community Service Center - CDBG	14.218	7/1/2016-6/30/2017	CD16202	20,000	-	20,000
Passed through Los Angeles Homeless Services Authority (LAHSA) Elizabeth Ann Seton - Homeless Family Solutions Systems - HFSS	14.218	7/1/2016-6/30/2017	2016HFSS14	207,891	-	206,967
Passed through Harbor Interfaith Services Elizabeth Ann Seton - Homeless Family Solutions Systems - HFSS CDBG	14.218	7/1/2016-6/30/2017	2016HFSS02-02	114,738	-	10,133
Elizabeth Ann Seton - Homeless Family Solutions Systems - HFSS ESG	14.231	7/1/2016-6/30/2017	2016HFSS02-02	114,738	-	34,736
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					-	1,020,033

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Catholic Charities of Los Angeles, Inc.  
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Federal, State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Term of Grant	Contract Number	Award	Passed Through to Subrecipients	Contract Expenditures
DEPARTMENT OF LABOR						
Directly from Department of Labor						
Archdiocesan Youth Employment Services - WIOA Youthbuild Passed through County of Los Angeles - Community & Senior Services	17.274	10/1/2016-2/16/2020	YB-29939-17-60-A-6	\$ 1,100,000	\$ 15,754	\$ 91,802
Archdiocesan Youth Employment Services - WIOA Title I Youth Program Services SD 1	17.259	7/1/2016-6/30/2017	1314-01-WIA-01	960,000	-	937,573
Archdiocesan Youth Employment Services - WIOA Title I Youth Program Services SD 2	17.259	7/1/2016-6/30/2017	1314-01-WIA-01	960,000	-	807,072
Passed through City of Los Angeles - Economic & Workforce Development Department						
Archdiocesan Youth Employment Services - WIOA YouthSource Operators Central & South	17.259	7/1/2016-6/30/2017	C-127802	1,606,320	217,162	1,606,320
Archdiocesan Youth Employment Services - WIOA LA RISE	17.283	7/1/2016-8/31/2018	T6125	22,230	-	4,490
TOTAL DEPARTMENT OF LABOR					<u>232,916</u>	<u>3,447,257</u>
DEPARTMENT OF STATE						
Passed through United States Conference of Catholic Bishops						
Immigration - Reception and Placement Program	19.510	10/1/2015 - 9/30/2016	SPRMC016CA1003	250,200	-	80,958
Immigration - Reception and Placement Program - Financial Assistance	19.510	10/1/2015 - 9/30/2016	SPRMC016CA1003	312,750	-	104,625
Immigration - Reception and Placement Program	19.510	10/1/2016 - 9/30/2017	Agreement	192,850	-	192,850
Immigration - Reception and Placement Program - Financial Assistance	19.510	10/1/2016 - 9/30/2017	Agreement	222,750	-	222,750
TOTAL DEPARTMENT OF STATE					<u>-</u>	<u>601,183</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Directly from Department of Health and Human Services						
Employment Support Partnership - Home-Based Childcare Microenterprise Development Project	93.576	9/30/2015 - 9/29/2016	90RG0159-02	198,118	-	40,036

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Catholic Charities of Los Angeles, Inc.  
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Federal, State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Term of Grant	Contract Number	Award	Passed Through to Subrecipients	Contract Expenditures
Passed through City of Inglewood - South Bay Workforce Investment Board Employment Support Partnership - Transitional Subsidized Employment - TSE	93.558	3/1/2016 - 2/28/2019	16-WXXX	\$ 89,692	-	\$ 89,692
Passed through City of Los Angeles - Economic & Workforce Development Department Archdiocesan Youth Employment Services - LA County Youth Jobs - South and Central CW	93.558	7/1/2016 - 6/30/2017	128407	279,216	-	254,506
Passed through County of Los Angeles - Community & Senior Services Archdiocesan Youth Employment Services - LA County Youth Jobs - SD 1 - CW	93.558	7/1/2016 - 6/30/2017	1314-01 - WIA - 03	148,000	-	148,000
Archdiocesan Youth Employment Services - LA County Youth Jobs - SD 1 - OU	93.558	7/1/2016 - 6/30/2017	1314-01 - WIA - 03	333,000	-	304,035
Archdiocesan Youth Employment Services - LA County Youth Jobs - SD 1 - FY	93.558	7/1/2016 - 6/30/2017	1314-01 - WIA - 03	14,000	-	14,000
Archdiocesan Youth Employment Services - LA County Youth Jobs - SD 2 - CW	93.558	7/1/2016 - 6/30/2017	1314-01 - WIA - 03	290,000	-	252,262
Archdiocesan Youth Employment Services - LA County Youth Jobs - SD 2 - OU	93.558	7/1/2016 - 6/30/2017	1314-01 - WIA - 03	835,000	-	685,794
Archdiocesan Youth Employment Services - LA County Youth Jobs - SD 2 - FY	93.558	7/1/2016 - 6/30/2017	1314-01 - WIA - 03	28,000	-	28,000
Passed through County of Los Angeles Department of Public and Social Services Archdiocesan Youth Employment Services - Child & Family Development - School Aged Youth	93.569	7/1/2016 - 12/31/2016	5CFD1471FS	8,695	-	8,695
Archdiocesan Youth Employment Services - Child & Family Development - School Aged Youth	93.569	1/1/2017 - 12/31/2017	5CFD1471FS	20,283	-	10,121
Archdiocesan Youth Employment Services - CSBG Child and Family Development	93.569	1/1/2017 - 12/31/2017	2CFD1671FS	42,452	-	21,219
Employment Support Partnership - Emergency Services - CSBG	93.569	7/1/2016 - 12/31/2016	5EMG14713S	7,456	-	2,600
Glendale Community Center - Emergency Services - CSBG	93.569	1/1/2017 - 12/31/2017	5EMG14713S	18,035	-	8,125

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Catholic Charities of Los Angeles, Inc.  
Schedule of Expenditures of Federal, State, County and City Awards  
For the Year Ended June 30, 2017

Federal, State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Term of Grant	Contract Number	Award	Passed Through to Subrecipients	Contract Expenditures
Employment Support Partnership - Employment and Employment Services SD5 - CSBG	93.569	7/1/2016 - 12/31/2016	5EES1471FS	\$ 5,695	\$ -	\$ 5,430
Employment Support Partnership - Employment and Employment Services SD5 - CSBG	93.569	1/1/2017 - 12/31/2017	5EES1471FS	13,503	-	6,450
Employment Support Partnership - Service Area 1 - Refugee Employment Program Case Management RSS	93.566	6/1/2013 - 12/31/2016	REP13-001	1,820,333	-	127,585
Employment Support Partnership - Service Area 1 - Refugee Employment Program Case Management TA	93.584	6/1/2013 - 12/31/2016	REP13-001	1,820,333	-	125,663
Employment Support Partnership - Service Area 1 - Refugee Employment Program FS	93.558	1/1/2015 - 12/31/2016	REP13-001	62,666	-	15,666
Employment Support Partnership - Service Area 1 - Refugee Employment Program SB1041	93.558	1/1/2015 - 12/31/2016	REP13-001	61,335	-	15,330
Employment Support Partnership - Refugee Employment & Acculturation Services Case Management RSS	93.566	12/1/2016 - 6/30/2017	REA 16-001	1,179,010	365,045	638,672
Employment Support Partnership - Refugee Employment & Acculturation Services Case Management TA	93.584	12/1/2016 - 6/30/2017	REA 16-001	1,179,010	308,843	540,338
Employment Support Partnership - Refugee Employment & Acculturation Services FS	93.558	12/1/2016 - 6/30/2017	REA 16-001	80,136	40,392	80,136
Employment Support Partnership - Refugee Employment & Acculturation Services SB 1041	93.558	12/1/2016 - 6/30/2017	REA 16-001	91,518	49,718	91,518
Employment Support Partnership - Refugee Employment & Acculturation Services for Older Refugee	93.566	12/1/2016 - 6/30/2017	REA 16-001	31,590	16,500	19,965
San Gabriel Region - Emergency Services - CSBG	93.569	7/1/2016 - 12/31/2016	1EMG1471FS	18,739	-	18,727
San Gabriel Region - Emergency Services - CSBG	93.569	1/1/2017 - 12/31/2017	1EMG1471FS	40,995	-	17,950
San Pedro Region - Emergency Services - CSBG	93.569	7/1/2016 - 12/31/2016	4EMG1471FS	29,475	-	29,467
San Pedro Region - Emergency Services - CSBG	93.569	1/1/2017 - 12/31/2017	4EMG1471FS	65,996	-	34,629
Passed through County of Ventura - Area Agency on Aging Camarillo OASIS - Case Management - Social Model Title IIIB	93.044	7/1/2016 - 6/30/2017	3500FY17-04	35,000	-	35,000
Camarillo OASIS - 3-E Family Caregiver Resource Center Program	93.052	7/1/2016 - 6/30/2017	3500FY17-42	80,000	-	80,000
Passed through Los Angeles Homeless Services Authority (LAHSA) Elizabeth Ann Seton - Homeless Family Solutions System - HFSS-DPSS	93.558	7/1/2016 - 6/30/2017	2016FDPSS14	103,163	-	103,163

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Catholic Charities of Los Angeles, Inc.  
Schedule of Expenditures of Federal, State, County and City Awards  
For the Year Ended June 30, 2017

Federal, State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Term of Grant	Contract Number	Award	Passed Through to Subrecipients	Contract Expenditures
Passed through Harbor Interfaith Services						
Elizabeth Ann Seton - Homeless Family Solutions System - HFSS- DPSS	93.558	7/1/2016 - 6/30/2017	2016HFSS02-02	\$ 114,738	\$ -	\$ 44,673
Passed through Lutheran Immigration and Refugee Services						
Immigration - Foster Care and Safe Release Support	93.676	10/1/2015 - 9/30/2016	90ZU0103-03	434,600	-	205,771
Immigration - Foster Care and Safe Release Support	93.676	10/1/2016 - 1/31/2017	90ZU0103-03	210,000	-	170,790
			HHS-2017-ACF-ORR- ZU-1132			
Immigration - FY 2017 Foster Care and Safe Release Support	93.676	2/1/2017 - 1/31/2018		574,578	-	143,789
Passed through State of California Department of Education						
El Santo Niño Adeste - Child Development Program	93.575	7/1/2016 - 6/30/2017	CCTR-6069	16,028	-	16,028
El Santo Niño Adeste - Child Development Program	93.596	7/1/2016 - 6/30/2017	CCTR-6069	34,896	-	34,896
Passed through United States Conference of Catholic Bishops						
Angel's Flight - Safe Passages II - Post Release & Home Study Services	93.676	10/1/2015 - 1/31/2017	90ZU0077	507,505	-	222,684
Angel's Flight - Safe Passages II - Post Release & Home Study Services	93.676	2/1/2017 - 1/31/2018	Agreement	378,172	-	135,417
Employment Support Partnership - Trafficking Victim Assistance Program	93.598	9/30/2016 - 9/30/2017	ATS-36	13,894	-	13,894
Immigration - Match Grant	93.567	10/1/2015 - 9/30/2016	90RV0070-02	96,000	-	24,204
Immigration - Match Grant Financial Assistance	93.567	10/1/2015 - 9/30/2016	90RV0070-02	96,000	-	13,220
Immigration - Match Grant	93.567	10/1/2016 - 9/30/2017	Agreement	72,000	-	17,976
Immigration - Match Grant Financial Assistance	93.567	10/1/2016 - 9/30/2017	Agreement	72,000	-	14,023
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES					<u>780,498</u>	<u>4,910,139</u>
DEPARTMENT OF HOMELAND SECURITY						
Directly from Department of Homeland Security						
Immigration - FY2015 Citizenship & Integration Direct Services	97.010	10/1/2015 - 9/30/2017	2015-CIS-010-000016	250,000	-	105,536
Passed through United States Conference of Catholic Bishops						
			DHS-17-CIS-009- CONT			
Refugee - Cuban Haitian Entrant Program - CHEP	97.009	1/1/2014 - 12/31/2018		250	-	250

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Catholic Charities of Los Angeles, Inc.  
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For the Year Ended June 30, 2017

Federal, State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Term of Grant	Contract Number	Award	Passed Through to Subrecipients	Contract Expenditures
Passed through United Way of Los Angeles						
EFSP (FEMA) - Los Angeles	97.024	3/1/2014 - 6/30/2015	PHASE32LA	\$ 8,512	\$ -	\$ 8,512
EFSP (FEMA) - Los Angeles	97.024	7/1/2015 - 12/31/2016	PHASE32LA	361,402	-	268,523
EFSP (FEMA) - Los Angeles	97.024	10/1/2016 - 12/31/2017	PHASE32LA	296,350	-	50,814
Passed through United Way of Ventura						
EFSP (FEMA) - Ventura	97.024	12/1/2015 - 2/28/2017	PHASE33VT	84,000	-	60,756
Passed through United Way of Santa Barbara						
EFSP (FEMA) - Santa Barbara	97.024	5/1/2014 - 6/30/2015	PHASE32SB	58,732	-	14,275
EFSP (FEMA) - Santa Barbara	97.024	7/1/2015 - 3/31/2017	PHASE32SB	58,638	-	40,719
TOTAL DEPARTMENT OF HOMELAND SECURITY					-	549,385
TOTAL FEDERAL					1,013,414	12,570,930
STATE OF CALIFORNIA						
DEPARTMENT OF EDUCATION						
El Santo Nino Adeste - Child Development Program	N/A	7/1/2016 - 6/30/2017	CCTR-6069	71,813	-	71,813
TOTAL STATE OF CALIFORNIA					-	71,813
CALIFORNIA COUNTIES						
LOS ANGELES COUNTY						
Passed through City of Los Angeles - Economic and Workforce Development Department						
Archdiocesan Youth Employment Services - LA County Youth Jobs - South and Central NCC	N/A	7/1/2016-6/30/2017	128407	189,468	-	152,060
Archdiocesan Youth Employment Services - LA County Youth Jobs - South and Central FY	N/A	7/1/2016-6/30/2017	128407	27,188	-	27,188
Passed through Los Angeles Homeless Services Authority (LAHSA)						
Elizabeth Ann Seton - Homeless Family Solutions Systems - HPI	N/A	7/1/2016-6/30/2017	2016HFSS14	20,000	-	20,000
Project Achieve - Emergency Shelter	N/A	7/1/2016-6/30/2017	2016CNGF15	544,500	-	544,500
TOTAL LOS ANGELES COUNTY					-	743,748

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Catholic Charities of Los Angeles, Inc.  
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Federal, State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Term of Grant	Contract Number	Award	Passed Through to Subrecipients	Contract Expenditures
<b>SANTA BARBARA COUNTY</b>						
County of Santa Barbara - Human Services Commission Funding						
Lompoc - Community Basic Services	N/A	7/1/2016-6/30/2017	Agreement	\$ 35,000	\$ -	\$ 11,666
Santa Barbara - Community Basic Services	N/A	7/1/2016-6/30/2017	Agreement	35,000	-	11,667
Santa Maria - Community Basic Services	N/A	7/1/2016-6/30/2017	Agreement	35,000	-	11,667
<b>TOTAL SANTA BARBARA COUNTY</b>					<u>-</u>	<u>35,000</u>
<b>TOTAL CALIFORNIA COUNTIES</b>						
					<u>-</u>	<u>778,748</u>
<b>CALIFORNIA CITIES</b>						
<b>BURBANK</b>						
City of Burbank - Dept of Parks, Recreation and Community Services						
Burbank - Day Labor	N/A	12/11/2015-12/10/2016	32423	92,785	-	34,010
Burbank - Day Labor	N/A	12/11/2016-12/10/2017	32423	95,810	-	47,587
<b>TOTAL BURBANK</b>					<u>-</u>	<u>81,597</u>
<b>CARPINTERIA</b>						
City of Carpinteria - Community Services Department						
Carpinteria - Community Services	N/A	7/1/2016-6/30/2017	Agreement	7,500	-	7,500
<b>CLAREMONT</b>						
Inland Valley Hope Partners						
San Gabriel - Family Stabilization Homeless Assistance Program	N/A	7/1/2016- 6/30/2017	MOU	6,000	-	6,000
<b>COVINA</b>						
City of Covina - Successor Agency to the Covina Redevelopment Agency						
The McGill Street House - Continuum of Care - CoC	N/A	7/1/2016-6/30/2017	CA0416L9D001508	24,023	-	20,416

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Catholic Charities of Los Angeles, Inc.  
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Federal, State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Term of Grant	Contract Number	Award	Passed Through to Subrecipients	Contract Expenditures
LOS ANGELES						
City of Los Angeles - Economic & Workforce Development Department						
Archdiocesan Youth Employment Services - City Summer Youth Employment Program - South, Central, East	N/A	7/1/2016-6/30/2017	C-127982	\$ 136,620	\$ -	\$ 136,620
City of Los Angeles - Workforce Investment Board						
Archdiocesan Youth Employment Services - Summer Internships Passed through Harbor Interfaith Services	N/A	7/1/2016-9/30/2016	Agreement	22,787	-	22,787
Elizabeth Ann Seton - Homeless Family Solutions System - HFSS Passed through LAMP Community	N/A	7/1/2016-6/30/2017	2016HFSS02-02	114,738	-	16,394
Good Shepherd - Rapid Re-Housing for Single Adults and Veterans	N/A	1/1/2016-9/30/2016	2015CITYGF36-CCLA	227,250	-	51,108
Good Shepherd - CES Regional Coordination & Rapid Re-Housing for Individuals	N/A	10/1/2016-6/30/2017	2016CITYGF72-CCLA	122,361	-	103,306
Passed through Los Angeles Homeless Services Authority (LAHSA)						
Good Shepherd Hawkes - Crisis & Bridge Housing for Individuals & Youth RFP SPA4	N/A	2/1/2017-6/30/2017	2015CITYGF87	135,000	-	135,000
Good Shepherd Languille - 2015 Crisis Housing and Services	N/A	7/1/2016-6/30/2017	2016CITYGF07	328,500	-	328,499
Passed through U.S. VETS						
St. Margaret's Center - Crisis Bridge Housing Program	N/A	12/12/2016-6/30/2017	Agreement	16,000	-	14,886
TOTAL LOS ANGELES					<u>-</u>	<u>808,600</u>
OXNARD						
City of Oxnard						
Camarillo OASIS - Community Services	N/A	7/1/2016- 6/30/2017	Award	4,750	-	4,750
TOTAL CALIFORNIA CITIES						
					<u>-</u>	<u>928,863</u>
TOTAL GOVERNMENT GRANTS AND AWARDS						
					<u>\$ 1,013,414</u>	<u>\$ 14,350,354</u>

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Catholic Charities of Los Angeles, Inc.  
Schedule of Expenditures of Federal, State, County and City Awards  
All City of Los Angeles Awards - Passed Through and Direct  
For the Year Ended June 30, 2017

Summarized contract information for City of Los Angeles: Community Development Department	Federal CFDA Number	Term of Grant	Contract Number	Fiscal Contract Expenditures	Subcontractors	Fiscal Required Match	Match and Other Expenses
Direct from City of Los Angeles							
Economic and Workforce Development Department							
Archdiocesan Youth Employment Services - City Summer Youth Employment Program	N/A	7/1/2016 - 6/30/2017	C-127982	\$ 136,620	No	No	n/a
Workforce Investment Board							
Archdiocesan Yough Employment Services - Summer Internships	N/A	7/1/2016 - 9/30/2016	Agreement	22,787	No	No	n/a
From Department of Labor							
Archdiocesan Youth Employment Services - WIOA YouthSource Center Central & South	17.259	7/1/2016 - 6/30/2017	C-127802	1,606,320	Yes	No	n/a
Archdiocesan Youth Employment Services -WIOA LA RISE	17.283	7/1/2016 - 8/31/2018	T6125	4,490	No	No	n/a
From Department of Health and Human Services							
Archdiocesan Youth Employment Services - LA County Youth Jobs - South and Central CW	93.558	7/1/2016 - 6/30/2017	128407	254,506	No	No	n/a
From Department of Housing and Urban Development							
Elizabeth Ann Seton - Homeless Family Solutions System - HFSS	14.218	7/1/2016 - 6/30/2017	2016HFSS14	206,967	No	No	n/a
Elizabeth Ann Seton - Homeless Family Solutions System - HFSS CDBG	14.218	7/1/2016 - 6/30/2017	2016HFSS02-02	10,133	No	No	n/a
Elizabeth Ann Seton - Homeless Family Solutions System - HFSS ESG	14.231	7/1/2016 - 6/30/2017	2016HFSS02-02	34,736	No	No	n/a
From County of Los Angeles - Community and Senior Services							
Archdiocesan Youth Employment Services - LA County Youth Jobs - South and Central NCC	N/A	7/1/2016 - 6/30/2017	128407	152,060	No	No	n/a
Archdiocesan Youth Employment Services - LA County Youth Jobs - South and Central FY	N/A	7/1/2016 - 6/30/2017	128407	27,188	No	No	n/a
From Harbor Interfaith Services							
Elizabeth Ann Seton - Homeless Family Solutions System - HFSS	N/A	7/1/2016 - 6/30/2017	2016HFSS02-02	16,394	No	No	n/a
From LAMP Community							
Good Shepherd - Rapid Re-Housing for Single Adults and Veterans	N/A	1/1/2016 - 9/30/2016	2015CITYGF36-CCLA	51,108	No	No	n/a
Good Shepherd - CES Regional Coordination & Rapid Re-Housing for Individuals	N/A	10/1/2016 - 6/30/2017	2016CITYGF72-CCLA	103,306	No	No	n/a

The accompanying Notes to the Schedule of Expenditures of Federal, County, and City Awards  
are an integral part of this schedule.

Catholic Charities of Los Angeles, Inc.  
 Schedule of Expenditures of Federal, State, County and City Awards  
 All City of Los Angeles Awards - Passed Through and Direct  
 For the Year Ended June 30, 2017

Summarized contract information for City of Los Angeles: Community Development Department	Federal CFDA Number	Term of Grant	Contract Number	Fiscal Contract Expenditures	Subcontractors	Fiscal Required Match	Match and Other Expenses
From Los Angeles Homeless Services Authority (LAHSA)							
Good Shepherd Hawkes - Crisis & Bridge Housing for Individuals & Youth RFP SPA4	N/A	2/1/2017 - 6/30/2017	2015CITYGF87	\$ 135,000	No	No	n/a
Good Shepherd Languille - 2015 Crisis Housing and Services	N/A	7/1/2016 - 6/30/2017	2015CITYGF07	328,499	No	No	n/a
From U.S. VETS							
St. Margaret's Center - Crisis Bridge Housing Program	N/A	12/12/2016 - 6/30/2017	Agreement	<u>14,886</u>	No	No	n/a
 <b>TOTAL CITY OF LOS ANGELES AWARDS</b>				 <b><u>\$ 3,105,000</u></b>			

The accompanying Notes to the Schedule of Expenditures of Federal, County, and City Awards  
 are an integral part of this schedule.

Catholic Charities of Los Angeles, Inc.  
Schedule of Expenditures of Federal, State, County and City Awards  
Sub-Recipients of Government Grants

For the Year Ended June 30, 2017

Subrecipients of Government Grants and Sub-contracted amount	Federal CFDA Number	Contract Number	Sub-Contracted Amount
From the Department of Labor			
Directly from Department of Labor			
Archdiocesan Youth Employment Services - WIOA Youthbuild Los Angeles Unified School District	17.274	YB-29939-17-60-A-6	\$ 15,754
Passed through City of Los Angeles - Economic & Workforce Development Department			
Archdiocesan Youth Employment Services - WIOA YouthSource Center - South Los Angeles			
Coalition for Responsible Community Development	17.259	C-127802	123,003
Los Angeles Unified School District	17.259	C-127802	11,360
UAW Labor Employment & Training Corporation	17.259	C-127802	<u>29,602</u>
			<u>163,965</u>
Archdiocesan Youth Employment Services - WIOA YouthSource Center - Central Los Angeles			
Los Angeles Unified School District	17.259	C-127802	31,719
P.F. Bresee Foundation	17.259	C-127802	<u>21,478</u>
			<u>53,197</u>
			<u>232,916</u>
<b>Total Department of Labor</b>			
From the Department of Health and Human Services			
Passed through County of Los Angeles Department of Public and Social Services			
Employment Support Partnership - Refugee Employment & Acculturation Services Case Management RSS			
Armenian Relief Society Services Of Western U.S.A.	93.566	REA 16-001	122,235
Episcopal Diocese Of Los Angeles	93.566	REA 16-001	104,156
Jewish Vocational Services	93.566	REA 16-001	<u>138,654</u>
			<u>365,045</u>

The accompanying Notes to the Schedule of Expenditures of Federal, County, and City Awards  
are an integral part of this schedule.

Catholic Charities of Los Angeles, Inc.  
Schedule of Expenditures of Federal, State, County and City Awards  
Sub-Recipients of Government Grants

For the Year Ended June 30, 2017

Subrecipients of Government Grants and Sub-contracted amount	Federal CFDA Number	Contract Number	Sub-Contracted Amount
Employment Support Partnership - Refugee Employment & Acculturation Services Case Management TA			
Armenian Relief Society Services Of Western U.S.A.	93.584	REA 16-001	\$ 103,415
Episcopal Diocese Of Los Angeles	93.584	REA 16-001	88,121
Jewish Vocational Services	93.584	REA 16-001	117,307
			<u>308,843</u>
Employment Support Partnership - Refugee Employment & Acculturation Services FS			
Armenian Relief Society Services Of Western U.S.A.	93.558	REA 16-001	13,248
Episcopal Diocese Of Los Angeles	93.558	REA 16-001	16,966
Jewish Vocational Services	93.558	REA 16-001	10,178
			<u>40,392</u>
Employment Support Partnership - Refugee Employment & Acculturation Services SB 1041			
Armenian Relief Society Services Of Western U.S.A.	93.558	REA 16-001	17,364
Episcopal Diocese Of Los Angeles	93.558	REA 16-001	16,966
Jewish Vocational Services	93.558	REA 16-001	15,388
			<u>49,718</u>
Employment Support Partnership - Refugee Employment & Acculturation Services for Older Refugee			
Armenian Relief Society Services Of Western U.S.A.	93.566	REA 16-001	11,800
Episcopal Diocese Of Los Angeles	93.566	REA 16-001	4,700
			<u>16,500</u>
			<u>780,498</u>
<b>Total Department of Health and Human Services</b>			
<b>TOTAL GOVERNMENT SUB-RECIPIENTS</b>			<b>\$ <u>1,013,414</u></b>

The accompanying Notes to the Schedule of Expenditures of Federal, County, and City Awards  
are an integral part of this schedule.

Catholic Charities of Los Angeles, Inc.  
Notes to Schedule of Expenditures of Federal, State, County and City Awards  
June 30, 2017

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal, state, county and city awards (the "Schedule") includes all government grant expenditure activity of Catholic Charities of Los Angeles, Inc. ("Catholic Charities") for the year ended June 30, 2017, and is presented using the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. The federal information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance").

For the purposes of the Schedule, awards include all grants, contracts, and similar agreements entered into directly and indirectly between Catholic Charities, agencies, and departments of the federal government. This includes cash and non-cash items.

Because the Schedule presents only a selected portion of the operations of Catholic Charities, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Catholic Charities.

2. CONTRACT NUMBER

Catholic Charities received passed through grants from various municipal and other agencies. These grants do not have identifiable contract numbers and are identified as "agreement" in the accompanying Schedule.

3. INDIRECT COST RATE

Catholic Charities uses an approved federal indirect cost rate from its cognizant agency, Department of Health and Human Service, which is sometimes capped below the approved rate in certain grants. Catholic Charities has elected to not use the 10% de minimis interest cost rate as allowed under the Uniform Guidance.

4. SUBSEQUENT EVENTS

Catholic Charities has evaluated subsequent events through November 8, 2017, the date the Schedule was available to be issued. Catholic Charities is not aware of any subsequent events which would require recognition or disclosure in the Schedule.



Catholic Charities of Los Angeles, Inc.  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
WIOA Youth Activities	17.259
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

Catholic Charities of Los Angeles, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2017

SECTION II - STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.

SECTION III - CORRECTIVE ACTION PLAN

There is no corrective action plan required.

SUPPORTING SCHEDULES REQUIRED BY THE CALIFORNIA DEPARTMENT OF EDUCATION



INDEPENDENT AUDITOR'S REPORT ON SUPPORTING SCHEDULES REQUIRED  
BY THE CALIFORNIA DEPARTMENT OF EDUCATION

Board of Trustees  
Catholic Charities of Los Angeles, Inc.  
Los Angeles, California

We have audited the financial statements of Catholic Charities of Los Angeles, Inc. ("Catholic Charities") as of and for the year ended June 30, 2017, and have issued our report thereon dated November 8, 2017, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The accompanying supplemental information for the year ended June 30, 2017, is presented for the purposes of additional analysis and is in conformity with the *CDE Audit Guide* issued by the California Department of Education. These supplemental schedules are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Armanino<sup>LLP</sup>  
Los Angeles, California

November 8, 2017

APPENDIX A  
CHILD CARE SUPPLEMENTAL INFORMATION

Catholic Charities of Los Angeles, Inc.  
 General Information  
 For the Year Ended June 30, 2017

Full official name of the agency	Catholic Charities of Los Angeles, Inc.
Program names and contract numbers Child Care and Development Block Grant Center	CCTR - 6069
Type of Agency	Nonprofit Corporation
Address of agency headquarters	1531 James M. Wood Blvd. Los Angeles, California 90015-0095
Name of Executive Director	Msgr. Gregory Cox
Regional Coordinator	Ms. Lorri Perreault
Corporate Telephone Number El Santo Niño Community Center's Number	(213) 251-3400 (213) 748-9006
Period Covered by Examination	July 1, 2016 through June 30, 2017
Number of Days of Operation of Agency	251
Scheduled Hours of Operation Each Day	El Santo Niño Center July through June 7:00 a.m. - 6:00 p.m.
CDE Audit Finding	None

Catholic Charities of Los Angeles, Inc.

Adeste Child Development Program

Project Number 19-T385-00-6

Schedule of Expenditures by State Categories

Contract Number CCTR 6069

For the Year Ended June 30, 2017

		Child Care and Development Block Grant Center CCTR-6069	Non Reimbursable	Total Reimbursable	Total Not- Reimbursable
<b>1000</b>	<b>Certified Salaries</b>				
1100	Teacher's salaries	47,660	-	47,660	-
1200	Administrators salaries	-	-	-	-
1300	Supervisors salaries	47,701	-	47,701	-
1400	Other certified salaries	-	-	-	-
<b>2000</b>	<b>Classified Salaries</b>				
2100	Instructional aide's salaries	-	-	-	-
2300	Clerical and other office personnel salaries	-	-	-	-
2400	Maintenance/operations salaries	-	-	-	-
2500	Food service salaries	-	-	-	-
<b>3000</b>	<b>Employee Benefits</b>				
3300	Social Security (old age, survivor's disability)	7,000	-	7,000	-
3400	Health and welfare benefits	8,677	-	8,677	-
3500	State Unemployment Benefits	828	-	828	-
3600	Workers' compensation insurance	7,583	-	7,583	-
3900	Other benefits	1,800	-	1,800	-
<b>4000</b>	<b>Books, Supplies and Equipment</b>				
4200	Books Other than Text Books	-	-	-	-
4300	Instructional material and supplies	1,540	-	1,540	-
4600	Pupil transportation supplies	-	-	-	-
4710	Food	210	-	210	-
4720	Other food services supplies	-	-	-	-
<b>5000</b>	<b>Services/Other Operating Expenses</b>				
5100	Contracts for personnel services	-	-	-	-
5200	Travel, conferences, and other	-	-	-	-
5400	Insurance	2,942	-	2,942	-
5500	Utilities and waste collections	-	-	-	-
5600	Contracts, rents and leases	-	-	-	-
5700	Legal, election and audit	1,616	-	1,616	-
5900	Other services ad operating expenses	20,556	-	20,556	-
<b>6000</b>	<b>Capital Outlay</b>				
6200	Building and improvements of building	-	-	-	-
6400	Equipment (program-related)	-	-	-	-
	START-UP/CLOSE-DOWN EXPENSES	-	-	-	-
	DEPRECIATION OR USE ALLOWANCE	-	-	-	-
	INDIRECT COST	11,850	7,776	11,850	7,776
	<b>Total of reimbursable and non-reimbursable expenditures</b>	<u>\$ 159,963</u>	<u>\$ 7,776</u>	<u>\$ 159,963</u>	<u>\$ 7,776</u>

Catholic Charities of Los Angeles, Inc.  
Adeste Child Development Program  
Schedule of Reimbursable Administrative Costs

For the Year Ended June 30, 2017

	Child Care and Development Block Grant Center CCTR-6069	Total CDE
Reimbursable Administrative Costs		
Salaries	\$ -	\$ -
Employee benefits	-	-
Books and Supplies	-	-
Services and other operating expense	-	-
Depreciation on Non-CDE-funded assets used in program	-	-
Indirect costs	13,465	13,465
	\$ 13,465	\$ 13,465



Catholic Charities of Los Angeles, Inc.  
Adeste Child Development Program  
Combining Statement of Activities

For the Year Ended June 30, 2017

	<u>CCTR-6069</u>	Non- Reimbursable <u>CCTR-6069</u>	<u>Total CDE CD Contracts</u>	<u>Non-CDE Programs</u>	<u>Eliminating Entries</u>	<u>Total</u>
<b>Revenue and support</b>						
Government contracts	\$ 122,737	\$ -	\$ 122,737	\$ 14,227,617	\$ -	\$ 14,350,354
Unrestricted contributions and other income	28,800	7,776	36,576	27,872,204	-	27,908,780
Family fees - certified children	8,426	-	8,426	-	-	8,426
Interest income	-	-	-	7,807	-	7,807
Total revenue and support	<u>159,963</u>	<u>7,776</u>	<u>167,739</u>	<u>42,107,628</u>	<u>-</u>	<u>42,275,367</u>
<b>Expenses</b>						
Provider payments	-	-	-	-	-	-
Salaries	95,361	-	95,361	12,104,315	-	12,199,676
Employee benefits	25,888	-	25,888	3,403,565	-	3,429,453
Books and supplies	2,266	-	2,266	763,225	-	765,491
Rents and leases	-	-	-	741,790	(190,206)	551,584
Other operating expenses	24,223	-	24,223	11,249,478	-	11,273,701
Building repairs and maintenance	376	-	376	410,312	-	410,688
Equipment expense	-	-	-	119,454	-	119,454
Depreciation	-	-	-	591,669	-	591,669
In-kind contribution expense	-	-	-	9,460,187	-	9,460,187
General, administrative, and indirect	11,849	7,776	19,625	2,787,133	(2,806,758)	-
Total expenses	<u>159,963</u>	<u>7,776</u>	<u>167,739</u>	<u>41,631,128</u>	<u>2,996,964</u>	<u>38,801,903</u>
Changes in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 476,500</u>	<u>\$ 2,996,964</u>	<u>\$ 3,473,464</u>

Catholic Charities of Los Angeles, Inc.  
 Adeste Child Development Program  
 Combining Schedule of Equipment Expenditures  
 For the Year Ended June 30, 2017

	Child Development Program <u>CCTR-6069</u>
Unit cost under \$7,500	\$ -
Unit cost over \$7,500 with CDE approval	-
Unit cost over \$7,500 without CDE Approval	<u>-</u>
Total equipment expenditures	<u><u>\$ -</u></u>

Catholic Charities of Los Angeles, Inc.  
Adeste Child Development Program  
Combining Schedule of Renovation and Repair Expenditures  
For the Year Ended June 30, 2017

	Child Development Program CCTR-6069 <hr style="border: 0.5px solid black;"/>
Unit cost under \$10,000	\$ -
Unit cost over \$10,000 with CDE approval	-
Unit cost over \$10,000 without CDE approval	<hr style="border: 0.5px solid black;"/> -
Total renovation and repair expenditures	<hr style="border: 1px solid black;"/> <hr style="border: 1px solid black;"/> \$ -

APPENDIX B  
AUDITED ATTENDANCE AND FISCAL REPORT FORMS

**AUDITED ATTENDANCE AND FISCAL REPORT  
for General or Migrant Center-Based Programs**

Agency Name: Catholic Charities of Los Angeles Inc Vendor No. T385

Fiscal Year Ended: June 30, 2017 Contract No. CCTR6069

Independent Auditor's Name: Armanino, LLP

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus			-	2.006	-
Full-time			-	1.700	-
Three-quarters-time			-	1.275	-
One-half-time			-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus			-	1.652	-
Full-time			-	1.400	-
Three-quarters-time			-	1.050	-
One-half-time			-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus			-	1.652	-
Full-time			-	1.400	-
Three-quarters-time			-	1.050	-
On-half-time			-	0.770	-
<i>Three Years and Older</i>					
Full-time-plus			-	1.180	-
Full-time			-	1.000	-
Three-quarters-time			-	0.750	-
One-half-time			-	0.550	-
<i>Exceptional Needs</i>					
Full-time-plus			-	1.416	-
Full-time			-	1.200	-
Three-quarters-time			-	0.900	-
One-half-time			-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	5		5	1.298	6.490
Full-time	1,339		1,339	1.100	1,472.900
Three-quarters-time	439		439	0.825	362.175
One-half-time	3,527		3,527	0.605	2,133.835
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus			-	1.298	-
Full-time			-	1.100	-
Three-quarters-time			-	0.825	-
One-half-time			-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus			-	1.770	-
Full-time			-	1.500	-
Three-quarters-time			-	1.125	-
One-half-time			-	0.825	-
<b>TOTAL DAYS OF ENROLLMENT</b>	5,310	-	5,310		3,975.400
<b>DAYS OF OPERATION</b>	251		251		
<b>DAYS OF ATTENDANCE</b>	5,310		5,310		

NO NONCERTIFIED CHILDREN - Check box, omit page 2 & continue to Section III if no noncertified children were enrolled in the program.

Comments - If necessary, attach additional sheets to explain adjustments:

**AUDITED ATTENDANCE AND FISCAL REPORT  
for General or Migrant Center-Based Programs**

Agency Name: Catholic Charities of Los Angeles Inc Vendor No. T385

Fiscal Year End: June 30, 2017 Contract No. CCTR6069

	<b>COLUMN A</b>	<b>COLUMN B</b>	<b>COLUMN C</b>
	<b>CUMULATIVE FISCAL YEAR PER FORM CDFS 9500</b>	<b>AUDIT ADJUSTMENT INCREASE OR (DECREASE)</b>	<b>CUMULATIVE FISCAL YEAR PER AUDIT</b>
<b>SECTION III - REVENUE</b>			
RESTRICTED INCOME			
Child Nutrition Programs			
County Maintenance of Effort (EC § 8279)			
Uncashed Checks to Providers			
Other (Specify):			
<b>Subtotal</b>			
Transfer from Reserve			
Family Fees for Certified Children	8,426		8,426
Interest Earned on Apportionments			
UNRESTRICTED INCOME			
Family Fees for Noncertified Children			
Head Start Program (EC § 8235(b))			
Other (Specify):			
<b>TOTAL REVENUE</b>	<b>\$8,426</b>		<b>\$8,426</b>

**SECTION IV - REIMBURSABLE EXPENSES**

<i>Direct Payments to Providers (FCCH Only)</i>			
1000 Certificated Salaries	95,361		95,361
2000 Classified Salaries	0		
3000 Employee Benefits	25,888		25,888
4000 Books and Supplies	1,750		1,750
5000 Services and Other Operating Expenses	25,114		25,114
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Start-Up Expenses (service level exemption)			
Budget Impasse Credit	Contract #		
	Contract #		
Indirect Costs. Rate: 8.00% (Rate is Self-Calculating)	11,850		11,850
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	<b>\$159,963</b>		<b>\$159,963</b>
<b>TOTAL ADMINISTRATIVE COSTS</b> (included in section IV above)	13,465		\$13,465

FOR CDE-A&I USE ONLY:

**Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Child Development Division:**

Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO):

YES

NO - Explain any discrepancies.

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

YES

NO - Explain any discrepancies.

COMMENTS - If necessary, attach additional sheets to explain adjustments:

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit page 4 if there are no supplemental revenues or expenses to report.