



**AUDITED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
JUNE 30, 2021 AND 2020**

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
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**JUNE 30, 2021 AND 2020**

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**Jones and Kolb**  
Certified Public Accountants  
Atlanta, Georgia

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Catholic Charities of the Archdiocese of Atlanta, Inc.  
Smyrna, Georgia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Catholic Charities of the Archdiocese of Atlanta, Inc. (the "Organization" or "CCA") which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities of the Archdiocese of Atlanta, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

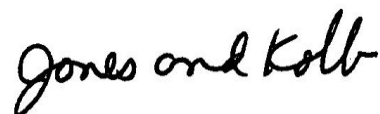
### ***Other Matters***

#### ***Other Information***

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, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. 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 April 20, 2022, on our consideration of Catholic Charities of the Archdiocese of Atlanta, Inc.'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 of the Archdiocese of Atlanta, Inc.'s internal control over financial reporting and compliance.



April 20, 2022

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b><u>ASSETS</u></b>		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,548,816	\$ 3,413,185
Investments	2,464,870	1,889,120
Accounts and government grants receivable, net	275,376	254,396
Contributions receivable	736,677	852,636
Prepaid expenses	106,810	295,196
Beneficial interest in assets held by others	20,604	16,808
Beneficial interest in remainder trust	299,739	252,049
Property and equipment, net	89,371	96,829
Total assets	\$ 7,542,263	\$ 7,070,219
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 164,441	\$ 131,459
Accrued liabilities	365,700	447,843
Refundable advances	83,545	193,119
Due to Archdiocese of Atlanta	39,607	37,663
Line of credit	-	43,108
Deferred rent	46,492	70,220
PPP loan	740,000	740,000
Total liabilities	1,439,785	1,663,412
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	4,791,433	4,255,182
Board designated for contingencies	213,440	211,848
Total without donor restrictions	5,004,873	4,467,030
With donor restrictions	1,097,605	939,777
Total net assets	6,102,478	5,406,807
Total liabilities and net assets	\$ 7,542,263	\$ 7,070,219

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

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**STATEMENT OF ACTIVITIES AND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUES</b>			
Public support			
Contributions	\$ 2,393,342	\$ 511,403	\$ 2,904,745
Archdiocese of Atlanta			
Cash contributions	649,163	-	649,163
In-kind contributions	168,475	-	168,475
Private grants	1,076,850	-	1,076,850
Government grants	2,069,660	-	2,069,660
Special events, net of \$38,091 of direct cost	317,963	-	317,963
Other in-kind revenues	375,386	-	375,386
Total public support	<u>7,050,839</u>	<u>511,403</u>	<u>7,562,242</u>
Revenues			
Program revenues	159,181	-	159,181
Investment income	676,803	-	676,803
Other	74,881	-	74,881
Total revenues	<u>910,865</u>	<u>-</u>	<u>910,865</u>
Net assets released from donor restrictions	<u>353,575</u>	<u>(353,575)</u>	<u>-</u>
Total public support and revenues	<u>8,315,279</u>	<u>157,828</u>	<u>8,473,107</u>
<b>EXPENSES</b>			
Program services	5,808,402	-	5,808,402
Management and general	697,364	-	697,364
Fundraising	1,271,670	-	1,271,670
Total expenses	<u>7,777,436</u>	<u>-</u>	<u>7,777,436</u>
<b>CHANGE IN NET ASSETS</b>	537,843	157,828	695,671
<b>NET ASSETS</b>			
Beginning of year	<u>4,467,030</u>	<u>939,777</u>	<u>5,406,807</u>
<b>NET ASSETS</b>			
End of year	<u>\$ 5,004,873</u>	<u>\$ 1,097,605</u>	<u>\$ 6,102,478</u>

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

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**STATEMENT OF ACTIVITIES AND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>PUBLIC SUPPORT AND REVENUES</b>			
Public support			
Contributions	\$ 2,972,780	\$ 464,427	\$ 3,437,207
Archdiocese of Atlanta			
Cash contributions	707,092	-	707,092
In-kind contributions	121,302	-	121,302
Private grants	1,336,085	-	1,336,085
Government grants	1,751,583	-	1,751,583
Special events, net of \$99,966 of direct cost	163,903	-	163,903
Other in-kind revenues	256,164	-	256,164
Total public support	7,308,909	464,427	7,773,336
Revenues			
Program revenues	226,413	-	226,413
Investment income	98,759	-	98,759
Other	57,339	-	57,339
Total revenues	382,511	-	382,511
Net assets released from donor restrictions	288,590	(288,590)	-
Total public support and revenues	7,980,010	175,837	8,155,847
<b>EXPENSES</b>			
Program services	5,478,692	-	5,478,692
Management and general	709,546	-	709,546
Fundraising	1,192,053	-	1,192,053
Total expenses	7,380,291	-	7,380,291
<b>CHANGE IN NET ASSETS</b>	599,719	175,837	775,556
<b>NET ASSETS</b>			
Beginning of year	3,867,311	763,940	4,631,251
<b>NET ASSETS</b>			
End of year	\$ 4,467,030	\$ 939,777	\$ 5,406,807

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

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Refugee Settlement</u>	<u>Immigration</u>	<u>Family Stabilization</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related expenses	\$ 1,097,941	\$ 1,269,236	\$ 1,395,491	\$ 3,762,668	\$ 364,763	\$ 387,489	\$ 4,514,920
Direct assistance	179,432	-	662,092	841,524	-	-	841,524
Fundraising and outreach	-	-	-	-	5,741	707,824	713,565
Occupancy	79,464	58,145	98,211	235,820	129,917	44,336	410,073
Other in-kind cost	129,080	25,833	186,297	341,210	33,264	913	375,387
Professional fees	55,166	91,737	55,011	201,914	29,838	27,695	259,447
Miscellaneous	12,276	16,019	49,679	77,974	40,752	27,111	145,837
Insurance	36,516	31,223	31,158	98,897	17,762	6,813	123,472
Supplies	11,909	10,983	52,033	74,925	9,950	13,625	98,500
Telephone	18,103	14,180	19,181	51,464	8,047	2,837	62,348
Conference and training	1,464	9,028	4,356	14,848	7,134	27,205	49,187
Printing and postage	1,325	12,671	1,339	15,335	8,330	20,017	43,682
Local transportation	16,974	892	241	18,107	993	3,437	22,537
Subscriptions and dues	100	3,281	1,423	4,804	13,961	248	19,013
Archdiocese administrative fee	3,720	4,353	4,703	12,776	4,440	785	18,001
Bad debt expense	-	-	-	-	13,453	-	13,453
Maintenance and repairs	2,346	637	5,071	8,054	2,379	1,282	11,715
Total before depreciation and amortization	1,645,816	1,548,218	2,566,286	5,760,320	690,724	1,271,617	7,722,661
Depreciation and amortization	18,736	6,126	23,220	48,082	6,640	53	54,775
Total	<u>\$ 1,664,552</u>	<u>\$ 1,554,344</u>	<u>\$ 2,589,506</u>	<u>\$ 5,808,402</u>	<u>\$ 697,364</u>	<u>\$ 1,271,670</u>	<u>\$ 7,777,436</u>

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



**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Refugee Settlement</u>	<u>Immigration</u>	<u>Family Stabilization</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related expenses	\$ 1,182,859	\$ 1,205,414	\$ 1,348,919	\$ 3,737,192	\$ 295,906	\$ 355,158	\$ 4,388,256
Direct assistance	183,228	352	344,045	527,625	-	-	527,625
Fundraising and outreach	-	-	-	-	18,172	669,870	688,042
Occupancy	78,265	59,931	100,505	238,701	95,546	31,922	366,169
Other in-kind cost	123,285	4,876	113,954	242,115	9,366	4,683	256,164
Professional fees	40,394	99,342	20,248	159,984	54,994	3,357	218,335
Miscellaneous	14,537	24,068	35,822	74,427	20,760	33,604	128,791
Insurance	57,383	30,346	35,248	122,977	15,456	6,309	144,742
Supplies	8,986	11,574	35,425	55,985	12,003	15,088	83,076
Telephone	15,402	12,197	18,217	45,816	6,746	3,296	55,858
Conference and training	6,231	3,746	20,340	30,317	16,362	33,329	80,008
Printing and postage	1,314	7,901	9,709	18,924	7,734	29,202	55,860
Local transportation	18,826	90,131	8,886	117,843	2,915	3,349	124,107
Subscriptions and dues	6,392	8,152	8,155	22,699	10,445	1,462	34,606
Archdiocese administrative fee	3,987	4,397	4,550	12,934	4,294	773	18,001
Bad debt expense	-	-	-	-	133,106	-	133,106
Maintenance and repairs	4,900	7,493	13,151	25,544	2,053	-	27,597
Total before depreciation and amortization	1,745,989	1,569,920	2,117,174	5,433,083	705,858	1,191,402	7,330,343
Depreciation and amortization	20,567	8,132	16,910	45,609	3,688	651	49,948
Total	<u>\$ 1,766,556</u>	<u>\$ 1,578,052</u>	<u>\$ 2,134,084</u>	<u>\$ 5,478,692</u>	<u>\$ 709,546</u>	<u>\$ 1,192,053</u>	<u>\$ 7,380,291</u>

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

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 695,671	\$ 775,556
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES:</b>		
Depreciation and amortization	54,775	49,948
Bad debt expense	13,453	133,106
Realized and unrealized (gain) loss on investments	(481,470)	34,574
Net (appreciation) depreciation in beneficial interest in assets held by others	(3,796)	51
Net (appreciation) depreciation in beneficial interest in remainder trust	(47,690)	19,519
Change in accounts and government grants receivable	(20,980)	203,216
Change in contributions receivable	102,506	(482,936)
Change in prepaid expenses	188,386	(103,127)
Change in accounts payable and accrued liabilities	(49,161)	243,687
Change in refundable advances	(109,574)	(120,086)
Change in due to Archdiocese of Atlanta	1,944	(63,192)
Change in deferred rent	(23,728)	(15,868)
Total adjustments	(375,335)	(101,108)
Net cash and cash equivalents provided by operating activities	320,336	674,448
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(47,317)	(40,249)
Proceeds from sale/maturity of investments	733,394	955,926
Purchases of investments	(827,674)	(990,460)
Net cash and cash equivalents used in investing activities	(141,597)	(74,783)

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

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in line of credit	(43,108)	(43,118)
Proceeds from PPP loan	-	740,000
Net cash and cash equivalents (used in) provided by financing activities	(43,108)	696,882
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	135,631	1,296,547
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	3,413,185	2,116,638
<b>CASH AND CASH EQUIVALENTS</b>		
End of year	\$ 3,548,816	\$ 3,413,185

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

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Catholic Charities of the Archdiocese of Atlanta, Inc. (the "Organization" or "CCA") is a voluntary health and welfare organization established by the Catholic Archdiocese of Atlanta (the "Archdiocese") as an independent juridical entity pursuant to the Code of Canon Law of the Roman Catholic Church. The Archbishop of the Archdiocese is the sole member of the corporation. The Organization qualifies as a non-profit organization within the meaning of Section 501(c)(3) of the Internal Revenue Code.

Since 1953, CCA has been providing help and creating hope for those in need through professional services that help eliminate barriers to self-sufficiency, stabilize families and transform lives. CCA serves those in need regardless of their religion and tailors services to the unique circumstances of the people served. CCA's strategic intent is to build bridges of hope, mercy and understanding. The Organization is supported through grants, contributions and in-kind donations from public and private donors and the Archdiocese.

B. In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects consideration to which entities expect to be entitled in exchange for those goods or services. The update also requires additional disclosure to enable readers of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. CCA has adopted this update, along with all subsequent amendments (collectively, "ASC 606") for the year ended June 30, 2021, as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way CCA recognizes revenue and, therefore, no changes to the previously issued financial statements were required on a retrospective basis. The presentation and disclosure of revenue have been enhanced in accordance with the standard.

C. The accompanying financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

D. The Organization classifies net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. The Organization records contributions of cash and other assets as income without donor restrictions unless specifically restricted by the donor. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operation of the Organization. The

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

governing Board has designated an amount, from net assets without donor restrictions, for contingencies.

Net assets with donor restrictions - Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature; for example, restrictions that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature; for example, stipulating that those resources be maintained in perpetuity. The donors of these assets permit the Organization to use all of the income earned on related investments for general or specific purposes. More specifically, items included in net assets with donor restrictions are gifts for which restrictions have not been met.

When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Net Assets as "net assets released from donor restrictions."

E. Contributions and private grants are recognized as revenue when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts, if any, is included in contributions in the accompanying Statements of Activities and Net Assets. Conditional pledges, that is, those with a measurable performance obligation or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to the Organization meeting the required conditions are recorded as refundable advances in the Statements of Financial Position. On June 30, 2021 and 2020, the Organization had refundable advances related to conditional grants of \$83,545 and \$193,119, respectively.

The Organization records non-cash contributions at their estimated fair market value at the date of the contribution. The Organization records contributed services as contribution revenue and as an expense if the services create or enhance a nonfinancial asset, or the services would (1) need to be purchased by the Organization if not provided by contribution, (2) require specialized skills, and (3) are provided by individuals with those skills.

Government grants are in the form of cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures, if any, are reported as refundable advances in the Statements of Financial Position.

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

CCA recognizes revenues from special events and programs in the period the event occurs. Amounts received prior to the event are reported as deferred revenue in the Statements of Financial Position. The Center did not have any deferred revenues related to special events or programs as of June 30, 2021 and 2020.

F. The Organization considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

G. Investments, beneficial interest in assets held by others and beneficial interest in remainder trust are recorded at fair value. Unrealized gains and losses are included with investment income in the Statements of Activities and Net Assets. Interest, dividends and gains and losses on investments are recorded as changes in net assets without donor restrictions or net assets with donor restrictions depending on any donor stipulations on the use of the income.

H. Accounts and government grants receivable consist of government grants, program service fees and other receivables. Accounts receivable are recorded at the amount of cash estimated as realizable. The Organization provides an allowance for doubtful accounts based on the estimated collectability. When an account is determined uncollectible, it is written off to bad debt expense. Receivables are considered delinquent based on the contractual terms of the account. The allowance for doubtful accounts was \$170,000 and \$180,000 on June 30, 2021 and 2020, respectively.

I. Purchased property and equipment are recorded at cost, and donated assets are recorded at their estimated fair market value at the date of donation. Repairs and maintenance are expensed as incurred. Property and equipment are depreciated over the estimated useful lives of the related assets using the straight-line method. Estimated useful lives of the assets range from three to ten years. Leasehold improvements are amortized over their estimated useful lives or their lease term, whichever is shorter.

J. The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Certain prior year amounts have been reclassified to conform to the current year financial statements presentation.

L. Subsequent events have been evaluated by management through April 20, 2022, the date these financial statements were available to be issued.

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**2. LIQUIDITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following on June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,537,510	\$ 2,261,561
Investments	2,464,870	1,889,120
Accounts and government grants receivable	275,376	254,396
Contributions receivable	603,972	678,312
Distribution from beneficial interest in assets held by others	99,933	98,207
Distribution from endowment	3,159	3,099
	<u>\$ 5,984,820</u>	<u>\$ 5,184,695</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. On June 30, 2021 and 2020, current assets include \$1,097,605 and \$927,527, respectively, of cash received from donors with purpose restrictions. While the Organization does not intend to fully utilize these funds in the general course of business, they are available for the donor-restricted purpose when necessary.

**3. FAIR VALUE MEASUREMENTS**

Accounting principles generally accepted in the United States of America establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Level 1 within the hierarchy states that valuations are based on unadjusted quoted market prices for identical assets or liabilities in active markets. Level 2 within the hierarchy states that valuations are based on quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets or other observable inputs other than quoted market prices. Level 3 within the hierarchy states that valuations are derived from valuation techniques in which one or more significant inputs are unobservable. At June 30, 2021 and 2020, the only assets or liabilities that are measured at fair value on a recurring basis in periods subsequent to initial recognition are investments.

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

Following are valuation methodology descriptions used for assets measured at fair value:

*Cash and money market:* Valued at the amount payable on demand at the measurement date.

*Equities, exchange-traded funds and REIT funds:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

*U.S. Treasuries and corporate bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

*Beneficial interest in assets held by others:* Valued based upon the Organization's share of the Foundation's pooled investment portfolio (see Note 5).

*Beneficial interest in remainder trust:* Valued using the fair value of the assets held in the trust as reported by the trustee. Management considers the measurement of its beneficial interest in the trust to be Level 3 within the fair value hierarchy because, although the measurement is based on the unadjusted fair value of the trust assets as reported by the trustee, the Organization does not have the ability to direct the trustee to redeem them.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.



**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2021:

	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Cash and money market	\$ 79,059	\$ -	\$ -	\$ 79,059
Equities and exchange traded funds	1,454,627	-	-	1,454,627
Mutual funds	272,869	-	-	272,869
REIT funds	34,303	-	-	34,303
U.S. Treasuries	-	95,343	-	95,343
Corporate bonds	-	528,669	-	528,669
Beneficial interest in assets held by others	-	-	20,604	20,604
Beneficial interest in remainder trust	-	-	299,739	299,739
<b>Total</b>	<b><u>\$ 1,840,858</u></b>	<b><u>\$ 624,012</u></b>	<b><u>\$ 320,343</u></b>	<b><u>\$ 2,785,213</u></b>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2020:

	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Cash and money market	\$ 49,344	\$ -	\$ -	\$ 49,344
Equities and exchange traded funds	845,940	-	-	845,940
Mutual funds	257,129	-	-	257,129
REIT funds	21,911	-	-	21,911
U.S. Treasuries	-	60,025	-	60,025
Corporate bonds	-	654,771	-	654,771
Beneficial interest in assets held by others	-	-	16,808	16,808
Beneficial interest in remainder trust	-	-	252,049	252,049
<b>Total</b>	<b><u>\$ 1,174,324</u></b>	<b><u>\$ 714,796</u></b>	<b><u>\$ 268,857</u></b>	<b><u>\$ 2,157,977</u></b>

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

The table below sets forth a summary of changes in the fair value of the Organization's Level 3 investments for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 268,857	\$ 288,987
Interest	320	315
Administrative expenses	(271)	(205)
Distributions	(628)	(670)
Net appreciation (depreciation)	<u>52,065</u>	<u>(19,570)</u>
Balance, end of year	<u>\$ 320,343</u>	<u>\$ 268,857</u>

Investment income is summarized as follows for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 161,183	\$ 168,824
Investment management fees	(17,915)	(15,921)
Net appreciation (depreciation) of beneficial interest in assets held by others	4,374	(51)
Net appreciation (depreciation) of beneficial interest in reminder trust	47,691	(19,519)
Net realized and unrealized gain (loss)	<u>481,470</u>	<u>(34,574)</u>
Total investment income	<u>\$ 676,803</u>	<u>\$ 98,759</u>

#### 4. CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of unconditional promises to give recognized as revenue and as assets in the period received. Contributions receivable consist of the following on June 30:

	<u>2021</u>	<u>2020</u>
Contributions expected to be collected in:		
Less than one year	\$ 603,972	\$ 678,312
One year to five years	<u>132,705</u>	<u>174,324</u>
Contributions receivable	<u>\$ 736,677</u>	<u>\$ 852,636</u>

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**5. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

During 2011, the Organization established an endowment agreement with the Catholic Foundation of North Georgia (the "Foundation"). The Organization is entitled to receive distributions of income, subject to the Foundation's spending policy. This fund has been recognized as a beneficial interest in assets held by others in the accompanying Statements of Financial Position. The Organization received income distributions of \$3,159 and \$3,099 from this fund during the years ended June 30, 2021 and 2020, respectively.

The Foundation also has endowment funds established by donors for the benefit of the Organization. The Organization is entitled to receive distributions of income, subject to the Foundation's spending policy; however, the Foundation has ultimate authority and control over the endowment funds. Accordingly, these endowment funds have not been recognized by the Organization in the accompanying Statements of Financial Position. The Organization received income distributions of \$97,189 and \$98,207 from these funds during the years ended June 30, 2021 and 2020, respectively.

**6. BENEFICIAL INTEREST IN REMAINDER TRUST**

Net assets with donor restrictions include the Organization's beneficial interest in a remainder trust. This trust was established upon the death of a donor and is held and managed by a bank. Under the terms of the trust, the Organization will receive a lump-sum distribution upon the death of the lead beneficiary based on a percentage of the fair value of the trust assets. On June 30, 2021 and 2020, the Organization's interest in the trust was \$299,739 and \$252,049, respectively.

**7. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following on June 30:

	<b><u>2021</u></b>	<b><u>2020</u></b>
Equipment	\$ 219,506	\$ 203,921
Transportation equipment	188,366	188,366
Computer software	115,588	115,588
Furniture and fixtures	64,962	64,962
Leasehold improvements	<u>68,954</u>	<u>42,871</u>
Total	657,376	615,708
Less accumulated depreciation and amortization	<u>568,005</u>	<u>518,879</u>
Property and equipment, net	<u><u>\$ 89,371</u></u>	<u><u>\$ 96,829</u></u>

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**8. COMMITMENTS**

The Organization has entered into operating leases for office space and equipment expiring at various dates through June 30, 2024. Management anticipates that expired leases will be renewed or replaced in the normal course of business.

Future minimum lease payments under non-cancelable operating leases with remaining terms in excess of one year are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 246,331
2023	125,794
2024	<u>41,925</u>
Total	<u>\$ 414,050</u>

For the years ended June 30, 2021 and 2020, rent expense, excluding in-kind use of facilities and equipment, totaled \$258,544 and \$259,738, respectively.

**9. NET ASSETS**

Net assets with donor restrictions were available for the following purposes on June 30:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Restoring dignity	\$ 296,152	\$ 314,167
Beneficial interest in remainder trust	261,399	252,049
Family Stabilization program	160,585	-
Transforming lives	131,361	141,667
Disaster relief	73,622	103,468
Other program purposes	<u>162,236</u>	<u>116,176</u>
	1,085,355	927,527
Endowment subject to the Organization's spending policy and appropriation:	<u>12,250</u>	<u>12,250</u>
Total	<u>\$ 1,097,605</u>	<u>\$ 939,777</u>

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

Net assets with donor restrictions were released for the following specified program services for the years ending June 30:

	<b>2021</b>	<b>2020</b>
Disaster relief	\$ 79,536	\$ 92,652
Other program purposes	274,039	195,938
Total	\$ 353,575	\$ 288,590

Board designated net assets consist of funds designated to meet its annual insurance deductible should claims arise.

**10. FUNCTIONAL EXPENSES**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation for personnel services and facilities. Compensation for personnel services is documented with timesheets and allocated based on time spent on each program or grant. Facilities are allocated based on square footage. All other expenses are charged directly to the program benefitting from those costs.

**11. PPP LOAN**

In May 2020, the Organization received loan proceeds in the amount of \$740,000 under the Paycheck Protection Program ("PPP") created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration ("SBA"). The Organization is eligible for loan forgiveness up to 100% of the loan and accrued interest, upon meeting certain requirements. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1.00%, with deferral of payments for the first ten months. The Organization has chosen to recognize the proceeds as a financial liability in accordance with generally accepted accounting principles until such time as the loan is legally forgiven. Subsequent to June 30, 2021, the Organization applied for and received forgiveness of the entire loan and accrued interest from the SBA.

**12. CONCENTRATIONS**

The Organization maintains cash balances with a bank and a brokerage firm. Occasionally, these balances may exceed the insurance limits provided for by the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation. Based on the financial strength of the institutions, management believes the risk of loss is minimal.

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**13. SIGNIFICANT SOURCE OF REVENUE**

The Organization receives a significant portion of its revenue from federal, state and other pass-through government agencies in the form of grants. These grants are either renewable on an annual basis or are one-time grants that may be dependent on current and future economic and social conditions. Federally funded grants received either directly or indirectly accounted for approximately 25% and 21% of total revenue for the years ended June 30, 2021 and 2020, respectively. In 2021 and 2020, approximately 32% and 44%, respectively, of the federal grants came either directly or indirectly from the U.S. Department of Health and Human Services.

**14. RELATED PARTY TRANSACTIONS**

The Organization participates in a defined contribution retirement plan (the "Plan") which is administered by RCAA Administrative Services, Inc. ("RCAA") and covers substantially all lay employees who are over 21 years old and have completed one year of service. Upon entering the Plan, the Organization funds 6% of an eligible participant's salary if the participant was employed for at least 1,000 hours during each Plan year. The Plan is totally employer funded and employees are not permitted to make contributions to the Plan. The Organization contributed \$124,203 and \$126,856 to the Plan during the years ended June 30, 2021 and 2020, respectively. The Organization has amounts payable to RCAA related to these retirement contributions totaling \$12,031 and \$5,709 at June 30, 2021 and 2020, respectively.

The Organization's health, life and workers' compensation insurance are provided under the RCAA's insurance plan and are billed to the Organization. Expenses billed in the years ended June 30, 2021 and 2020 related to these insurance premiums were \$938,289 and \$837,084, respectively. The Organization has amounts payable to the RCAA related to these insurance premiums totaling \$25,566 and \$27,271 at June 30, 2021 and 2020, respectively.

The Organization invests excess funds with the AoA Deposit and Loan Fund Trust (the "Trust"), which earns interest at a rate determined by the Trust (currently 0.75%). The Trust receives funds from various schools, parishes and other related agencies and in turn loans funds to other schools, parishes and related agencies. The Organization's funds invested in the Trust at June 30, 2021 and 2020 totaled \$1,095,512 and \$1,087,339, respectively.

During the years ended June 30, 2021 and 2020, the Organization received contributions totaling \$649,163 and \$707,092, respectively, from the Archdiocese to support operations.

The Archdiocese provides both the facility and utilities for the Organization's corporate office location. The total value of the facility and utilities was determined by the Archdiocese to be \$168,475 and \$121,302 during the years ended June 30, 2021 and 2020, respectively, and has been recognized as in-kind contributions in the accompanying Statements of Activities and Net Assets.

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

The Organization has a line of credit agreement with the Archdiocese that allows for borrowings up to \$500,000 to fund operations. The borrowings accrue interest at a rate of 4%. The outstanding balance and interest are to be repaid in monthly installments at the stated interest rate. There was no outstanding balance on the line on June 30, 2021 and 2020. The line was set to mature in August 2021; however, subsequent to year-end, the line was extended through October 2023.

**15. CONTINGENCIES**

The Organization is, from time to time, subject to legal proceedings and claims that arise in the ordinary course of business. The Organization carries insurance coverage, subject to a deductible, for risk of loss. Management is not aware of any material claims that could have a material impact on its financial statements.

In March 2020, the World Health Organization declared a novel strain of coronavirus (COVID-19) as a pandemic, with the outbreak widespread in the U.S. CCA's operations are dependent on government and private grants as well as other contributions. The outbreak may have a material adverse impact on economic and market conditions, triggering a period of economic slowdown. This potential slowdown could lead to a decline in future grants and contributions received by the Organization. However, CCA has not seen an adverse financial effect of the outbreak as of June 30, 2021.



**Jones and Kolb**  
Certified Public Accountants  
Atlanta, Georgia

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

To the Board of Directors  
Catholic Charities of the Archdiocese of Atlanta, Inc.  
Smyrna, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Catholic Charities of the Archdiocese of Atlanta, Inc., which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and net assets, 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 April 20, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Catholic Charities of the Archdiocese of Atlanta, Inc.'s internal control over financial reporting ("internal control") as a basis for designing 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 of the Archdiocese of Atlanta, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Catholic Charities of the Archdiocese of Atlanta, Inc.'s internal control.

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



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Catholic Charities of the Archdiocese of Atlanta, Inc.'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 financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

### **Catholic Charities of the Archdiocese of Atlanta, Inc.'s Response to the Finding**

Catholic Charities of the Archdiocese of Atlanta, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Catholic Charities of the Archdiocese of Atlanta, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

### **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 of the Archdiocese of Atlanta, Inc.'s 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 of the Archdiocese of Atlanta, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



April 20, 2022



**Jones and Kolb**  
Certified Public Accountants  
Atlanta, Georgia

**INDEPENDENT AUDITOR'S REPORT**  
**ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL**  
**CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Catholic Charities of the Archdiocese of Atlanta, Inc.  
Smyrna, Georgia

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

We have audited Catholic Charities of the Archdiocese of Atlanta, Inc.'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 of the Archdiocese of Atlanta, Inc.'s major federal programs for the year ended June 30, 2021. Catholic Charities of the Archdiocese of Atlanta, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Catholic Charities of the Archdiocese of Atlanta Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("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 of the Archdiocese of Atlanta, Inc.'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 of the Archdiocese of Atlanta, Inc.'s compliance.

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

In our opinion, Catholic Charities of the Archdiocese of Atlanta, Inc. 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, 2021.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to these matters.

Catholic Charities of the Archdiocese of Atlanta, Inc.'s response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Catholic Charities of the Archdiocese of Atlanta, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Management of Catholic Charities of the Archdiocese of Atlanta, Inc. 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 of the Archdiocese of Atlanta, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Catholic Charities of the Archdiocese of Atlanta, Inc.'s internal control over compliance.

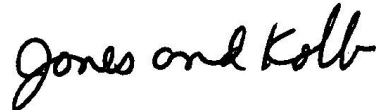
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

Catholic Charities of the Archdiocese of Atlanta, Inc.'s response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Catholic Charities of the Archdiocese of Atlanta, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

A handwritten signature in black ink that reads "Jones and Kolb". The signature is written in a cursive, flowing style.

April 20, 2022

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2021**

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**Section I – Summary of Auditor's Results**

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**Financial Statements**

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

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

Noncompliance material to financial  
statements noted?       yes     no

*Federal Awards*

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are  
required to be reported in accordance  
with 2 CFR 200.516(a)       yes     no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
21.019	Coronavirus Relief Funds

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

Auditee qualified as low-risk auditee?       yes     no

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2021**

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**Section II – Financial Statement Findings**

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No matters were reported.

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**Section III – Federal Award Findings and Questioned Costs**

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**U.S. DEPARTMENT OF THE TREASURY**

**2021-001:**                      **Coronavirus Relief Funds – CFDA No. 21.019; Pass-through from City of Atlanta, Gwinnett County, Dekalb County and City of Tucker; Grant Period: Year Ended June 30, 2021**

*Condition:*                      Auditors reviewed 25 direct assistance payments noting that CCA did not maintain proper supporting documentation for one of the payments.

*Criteria:*                        Under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), allowable costs are costs related to necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 ("COVID-19").

*Cause:*                            CCA did not obtain adequate documentation to support that \$2,000 of direct assistance paid was for costs related to necessary expenditures incurred due to COVID-19.

*Effect:*                            CCA could have provided direct assistance for unallowable costs.

*Questioned Cost:*              \$0

*Recommendation:*            We recommend maintaining required supporting documentation for amounts provided for direct assistance.

*Management Response and planned corrective action:*    The federal government provided unprecedented direct assistance funding to assist individuals and families with rent and utilities due to the Coronavirus pandemic. Social services agencies like CCA assisted in the distribution of these funds. The distribution timeline was very short, and guidelines were constantly changing. To help meet the deadline for distribution, CCA temporarily expanded staffing with the help of a local staffing agency. This case was handled by a temporary staff member and unfortunately

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2021**

was not reviewed in time by our own staff resulting in an incomplete document trail.

CCA updated our guidelines for provided financial assistance to clients and documenting their proof of need. We retrained all of our staff on the updated guidelines and processes. CCA also created new procedures for onboarding new staff including training and follow up for temporary staff. The managers and directors continue to review grant guidelines with the finance team to ensure proper implementation. CCA Program Managers/Directors review all disbursement requests prior to submitting to Finance for processing.

**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

<b>Grantor/Program Title</b>	<b>Assistance Listing Number</b>	<b>Agency Number</b>	<b>Expenditures</b>
<b>U.S. Department of State</b>			
Pass-through from U.S. Conference of Catholic Bishops			
Refugee Admissions Program			
Direct Assistance Program	19.510		\$ 56,634
COVID-19 Direct Assistance Program	19.510		12,537
Reception and Placement Program	19.510		47,452
Total for program			<u>116,623</u>
<b>Total U.S. Department of State</b>			<b><u>116,623</u></b>
<b>U.S. Department of Health and Human Services</b>			
Pass-through from Georgia Dept. of Human Services			
Promoting Safe and Stable Families Program			
	93.556		<u>9,470</u>
Total for program			<u>9,470</u>
Pass-through from Georgia Dept. of Human Services			
Refugee and Entrant Assistance - State Administered Programs			
Social Adjustment	93.566	42700-040-0000085187	40,949
Refugee Social Services	93.566	42700-040-0000094273	168,781
Refugee Youth Mentoring	93.566	42700-040-0000094320	22,398
Pass-through from Georgia Dept. of Human Services			
Refugee and Entrant Assistance - Discretionary Grants			
Refugee School Impact Program	93.566		<u>3,660</u>
Total for program			<u>235,788</u>
Pass-through from U.S. Conference of Catholic Bishops			
Refugee and Entrant Assistance - Voluntary Agency Programs			
Match Grant program	93.567		<u>147,230</u>
Total for program			<u>147,230</u>
Pass-through from Committee for Refugees and Immigrants			
Trafficking Victim Assistance Program			
	16.320		<u>24,896</u>
Total for program			<u>24,896</u>
Pass-through from U.S. Conference of Catholic Bishops			
Unaccompanied Alien Children Program - Safe Passages II			
	93.676		<u>254,930</u>
Total for program			<u>254,930</u>
<b>Total U.S. Department of Health and Human Services</b>			<b><u>672,314</u></b>

See Independent Auditor's Report.



**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Grantor/Program Title	Assistance Listing Number	Agency Number	Expenditures
<b>U.S. Department of Education</b>			
Pass-through from Georgia Dept. of Education Citizenship Education and Training	84.002		339,933
Total for program			339,933
<b>Total U.S. Department of Education</b>			<b>339,933</b>
<b>U.S. Department of Justice</b>			
Pass-through from State of Georgia Office of the Governor Criminal Justice Coordinating Council Violence Against Women Formula Grant Program	16.588	W19-8-014	36,470
Total for program			36,470
Victims of Crime Act Grant Program	16.575	C18-8-223	31,381
Victims of Crime Act Grant Program	16.575	C18-8-463	100,374
Victims of Crime Act Grant Program	16.575	C18-8-533	42,400
Total for program			174,155
Pass-through from Catholic Charities USA National Mentoring Program	16.726		63,231
Total for program			63,231
<b>Total U.S. Department of Justice</b>			<b>273,856</b>
<b>U.S. Department of Housing and Urban Development</b>			
Pass-through from Catholic Charities USA Housing Counseling Assistance Program	14.169		28,665
Total for program			28,665
Pass-through from Gwinnett County Community Development Block Grant	14.218		30,106
Pass-through from Cobb County Community Development Block Grant	14.218		204
Total for program			30,310
<b>Total U.S. Department of Housing and Urban Development</b>			<b>58,975</b>

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**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

<b>Grantor/Program Title</b>	<b>Assistance Listing Number</b>	<b>Agency Number</b>	<b>Expenditures</b>
<b>U.S. Department of Homeland Security</b>			
Pass-through from United Way of Metro Atlanta			
Emergency Food and Shelter National Board Program	97.024		23,390
COVID-19 Emergency Food and Shelter National Board Program	97.024		8,475
Total for program			<u>31,865</u>
<b>Total U.S. Department of Homeland Security</b>			<u><b>31,865</b></u>
<b>U.S. Department of Agriculture, Food and Nutrition</b>			
Pass-through from Structured Employment Economic Development Corporation State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			
Atlanta Food Stamp Outreach Initiative (SNAP)	10.561	42700-040-0000087652	15,216
Atlanta Food Stamp Outreach Initiative (SNAP)	10.561	42700-040-0000098085	46,806
Total for program			<u>62,022</u>
<b>Total U.S. Department of Agriculture, Food and Nutrition</b>			<u><b>62,022</b></u>
<b>U.S. Department of the Treasury</b>			
Pass-through from City of Atlanta			
COVID-19 Coronavirus Relief Funds	21.019		219,870
Pass-through from Gwinnett County			
COVID-19 Coronavirus Relief Funds	21.019		200,000
Pass-through from DeKalb County			
COVID-19 Coronavirus Relief Funds	21.019		75,000
Pass-through from City of Tucker			
COVID-19 Coronavirus Relief Funds	21.019		7,963
Total for program			<u>502,833</u>
<b>Total U.S. Department of the Treasury</b>			<u><b>502,833</b></u>
<b>Corporation for National and Community Service</b>			
Pass-through from Catholic Charities USA			
Americorps National Direct Program - Veterans	94.006		13,365
Americorps National Direct Program - Financial Literacy	94.006		3,158
Total for program			<u>16,523</u>
<b>Total Corporation for National and Community Service</b>			<u><b>16,523</b></u>
<b>TOTAL FEDERAL AWARDS</b>			<u><u><b>\$ 2,074,944</b></u></u>

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**CATHOLIC CHARITIES OF THE ARCHDIOCESE OF ATLANTA, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**NOTES TO SCHEDULE**

This schedule includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because this schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Expenditures reported on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Organization has elected to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

See Independent Auditor's Report.