

# **CARITAS OF AUSTIN**

## **(A Nonprofit Corporation)**

Report of Independent Auditor and Financial  
Statements with Reports on Federal Award  
Programs in Accordance with the *Uniform  
Guidance*

September 30, 2019 and 2018



**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**  
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## REPORT OF INDEPENDENT AUDITOR

To the Board of Directors  
Caritas of Austin

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

We have audited the accompanying financial statements of Caritas of Austin (the “Organization”), which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities, 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 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 the Organization as of September 30, 2019 and 2018, and the changes in its net assets, functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 14 to the financial statements, in March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. As a result of the declared outbreak, an economic downturn has had a significant negative impact on local and global economies. While the Organization expects this matter to negatively impact its results of operations, cash flows and financial position, the related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.



## **Other Matters**

### ***Supplementary Information Required by Uniform Guidance***

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 and State Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2020 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal controls over financial reporting and compliance.

**PMB HELIN DONOVAN, LLP**

*PMB Helin Donovan, LLP*

May 21, 2020  
Austin, Texas

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Statements of Financial Position

September 30, 2019 and 2018

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
Cash and cash equivalents	\$ 1,359,354	\$ 1,296,878
Investments	26,077	25,139
Pledges receivable, net	487,171	68,094
Grants and other receivables, net	854,595	749,590
Prepaid expenses and other current assets	71,286	121,955
Property and equipment, net	<u>1,135,254</u>	<u>1,259,360</u>
 Total assets	 <u><u>\$ 3,933,737</u></u>	 <u><u>\$ 3,521,016</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 311,259	\$ 451,059
Accrued expenses and other current liabilities	254,264	284,026
Line of credit	<u>150,000</u>	<u>-</u>
Total liabilities	<u>715,523</u>	<u>735,085</u>
 Net assets:		
Without donor restrictions	2,622,830	2,598,537
With donor restrictions	<u>595,384</u>	<u>187,394</u>
Total net assets	<u>3,218,214</u>	<u>2,785,931</u>
 Total liabilities and net assets	 <u><u>\$ 3,933,737</u></u>	 <u><u>\$ 3,521,016</u></u>

See report of independent auditor and accompanying notes.

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Statement of Activities  
Year Ended September 30, 2019

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Support:			
Governmental grant revenue	\$ 7,154,981	\$ -	\$ 7,154,981
Contribution revenue	1,910,143	1,088,085	2,998,228
In-kind revenue	347,654	-	347,654
Revenue:			
Special events income	593,610	-	593,610
Clients' rent	191,180	-	191,180
Interest income	5,509	-	5,509
Other revenue	39,206	-	39,206
Net assets released from restrictions	680,095	(680,095)	-
Total support and revenue	10,922,378	407,990	11,330,368
<b>EXPENSES</b>			
Program services:			
Best Single Source Plus collaboration	3,784,963	-	3,784,963
Refugee resettlement	97,947	-	97,947
Supportive housing	3,127,284	-	3,127,284
Employment services	307,516	-	307,516
Food services	660,407	-	660,407
Veterans services	685,698	-	685,698
Education	174,598	-	174,598
Other program support	288,694	-	288,694
Total program services	9,127,107	-	9,127,107
Support services:			
Fundraising	1,086,121	-	1,086,121
General and administrative	684,857	-	684,857
Total support services	1,770,978	-	1,770,978
Total expenses	10,898,085	-	10,898,085
<b>CHANGE IN NET ASSETS</b>	24,293	407,990	432,283
<b>NET ASSETS, beginning of year</b>	2,598,537	187,394	2,785,931
<b>NET ASSETS, end of year</b>	\$ 2,622,830	\$ 595,384	\$ 3,218,214

See report of independent auditor and accompanying notes.

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Statement of Activities  
Year Ended September 30, 2018

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Support:			
Governmental grant revenue	\$ 7,474,968	\$ -	\$ 7,474,968
Contribution revenue	2,111,134	233,051	2,344,185
In-kind revenue	285,916	-	285,916
Revenue:			
Special events income	460,529	-	460,529
Clients' rent	198,880	-	198,880
Interest income	2,148	-	2,148
Other revenue	78,782	-	78,782
Net assets released from restrictions	721,918	(721,918)	-
Total support and revenue	11,334,275	(488,867)	10,845,408
<b>EXPENSES</b>			
Program services:			
Best Single Source Plus collaboration	3,925,178	-	3,925,178
Refugee resettlement	816,553	-	816,553
Supportive housing	2,364,604	-	2,364,604
Employment services	644,587	-	644,587
Food services	444,810	-	444,810
Veterans services	639,390	-	639,390
Education	160,693	-	160,693
Other program support	564,692	-	564,692
Total program services	9,560,507	-	9,560,507
Support services:			
Fundraising	1,099,602	-	1,099,602
General and administrative	757,148	-	757,148
Total support services	1,856,750	-	1,856,750
Total expenses	11,417,257	-	11,417,257
<b>CHANGE IN NET ASSETS</b>	(82,982)	(488,867)	(571,849)
<b>NET ASSETS, beginning of year</b>	2,681,519	676,261	3,357,780
<b>NET ASSETS, end of year</b>	\$ 2,598,537	\$ 187,394	\$ 2,785,931

See report of independent auditor and accompanying notes.

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**  
Statement of Functional Expenses  
For the Year Ended September 30, 2019

**Program Services**

	<b>Best Single Source Collaboration</b>	<b>Refugee Resettlement</b>	<b>Supportive Housing Programs</b>	<b>Employment Services</b>	<b>Food Services</b>	<b>Veterans Services</b>	<b>Education</b>	<b>Other Program Support</b>	<b>Total Program Services</b>	<b>Fundraising</b>	<b>General and Administrative</b>	<b>Total Support</b>	<b>Total</b>
Expenses:													
Direct Client Assistance													
Rent	\$ 1,704,933	\$ -	\$ 1,507,938	\$ 4,050	\$ -	\$ 231,738	\$ -	\$ 1,699	\$ 3,450,358	\$ 2,731	\$ -	\$ 2,731	\$ 3,453,089
Utility	155,723	-	97,405	-	-	20,473	-	156	273,757	483	-	483	274,240
Food	-	-	938	-	51,660	-	-	-	52,598	-	-	-	52,598
Financial assistance	-	44,573	599	-	39	-	-	-	45,211	7	-	7	45,218
Other	190,861	773	104,719	27,158	58	20,281	12,666	201,914	558,430	3,881	1,268	5,149	563,579
Total direct client assistance	<u>2,051,517</u>	<u>45,346</u>	<u>1,711,599</u>	<u>31,208</u>	<u>51,757</u>	<u>272,492</u>	<u>12,666</u>	<u>203,769</u>	<u>4,380,354</u>	<u>7,102</u>	<u>1,268</u>	<u>8,370</u>	<u>4,388,724</u>
Salaries	511,898	42,905	744,830	189,029	155,241	248,035	79,484	214,037	2,185,459	373,162	298,252	671,414	2,856,873
Payroll taxes and benefits	112,980	7,801	155,187	37,284	33,238	48,934	17,475	45,924	458,823	65,388	49,107	114,495	573,318
Total personnel	<u>624,878</u>	<u>50,706</u>	<u>900,017</u>	<u>226,313</u>	<u>188,479</u>	<u>296,969</u>	<u>96,959</u>	<u>259,961</u>	<u>2,644,282</u>	<u>438,550</u>	<u>347,359</u>	<u>785,909</u>	<u>3,430,191</u>
Printing, postage and supplies	9,926	2	17,375	1,918	19,032	3,718	1,630	4,688	58,289	48,596	11,227	59,823	118,112
Communication	13,137	179	22,285	2,860	4,005	5,721	1,890	5,514	55,591	7,757	4,455	12,212	67,803
Professional and contract service	976,110	(535)	190,408	14,749	22,420	28,785	31,501	32,299	1,295,737	104,034	215,196	319,230	1,614,967
Occupancy costs	45,214	138	97,502	8,742	23,505	18,365	6,651	97,136	297,253	26,671	11,418	38,089	335,342
Travel and vehicle expenses	14,645	69	37,901	2,328	2,276	12,403	458	1,341	71,421	9,531	6,975	16,506	87,927
Promotional and development	-	-	259	-	-	(1)	-	-	258	246,683	2,733	249,416	249,674
Insurance	5,604	-	8,049	1,074	1,939	2,283	771	2,539	22,259	3,384	1,722	5,106	27,365
Depreciation	27,603	-	39,646	5,291	9,548	11,243	3,800	12,508	109,639	16,665	8,484	25,149	134,788
In-kind	12,842	2,042	99,111	12,900	337,334	31,113	18,249	(331,498)	182,093	140,999	24,562	165,561	347,654
Other expenses	3,487	-	3,132	133	112	2,607	23	437	9,931	36,149	49,458	85,607	95,538
	<u>1,108,568</u>	<u>1,895</u>	<u>515,668</u>	<u>49,995</u>	<u>420,171</u>	<u>116,237</u>	<u>64,973</u>	<u>(175,036)</u>	<u>2,102,471</u>	<u>640,469</u>	<u>336,230</u>	<u>976,699</u>	<u>3,079,170</u>
Total expenses	<u>\$ 3,784,963</u>	<u>\$ 97,947</u>	<u>\$ 3,127,284</u>	<u>\$ 307,516</u>	<u>\$ 660,407</u>	<u>\$ 685,698</u>	<u>\$ 174,598</u>	<u>\$ 288,694</u>	<u>\$ 9,127,107</u>	<u>\$ 1,086,121</u>	<u>\$ 684,857</u>	<u>\$ 1,770,978</u>	<u>\$ 10,898,085</u>

See report of independent auditor and accompanying notes.



**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**  
Statement of Functional Expenses  
For the Year Ended September 30, 2018

**Program Services**

	<b>Best Single Source Collaboration</b>	<b>Refugee Resettlement</b>	<b>Supportive Housing Programs</b>	<b>Employment Services</b>	<b>Food Services</b>	<b>Veterans Services</b>	<b>Education</b>	<b>Other Program Support</b>	<b>Total Program Services</b>	<b>Fundraising</b>	<b>General and Administrative</b>	<b>Total Support</b>	<b>Total</b>
Expenses:													
Direct Client Assistance													
Rent	\$ 1,702,506	\$ 146,564	\$ 1,220,320	\$ 1,050	\$ -	\$ 221,055	\$ -	\$ 33,527	\$ 3,325,022	\$ -	\$ -	\$ -	\$ 3,325,022
Utility	208,445	12,758	79,589	-	-	24,323	-	3,299	328,414	354	-	354	328,768
Food	-	377	567	-	40,447	-	19	33	41,443	883	-	883	42,326
Financial assistance	-	84,037	253	185,663	249	-	-	999	271,201	7	10	17	271,218
Other	244,182	30,306	91,067	43,329	-	47,147	-	208,304	664,335	9,984	9,673	19,657	683,992
Total direct client assistance	2,155,133	274,042	1,391,796	230,042	40,696	292,525	19	246,162	4,630,415	11,228	9,683	20,911	4,651,326
Salaries	582,677	274,921	575,700	212,204	178,090	238,050	91,800	177,335	2,330,777	358,141	483,530	841,671	3,172,448
Payroll taxes and benefits	126,103	59,467	116,486	45,118	44,917	49,856	20,312	38,985	501,244	73,514	92,032	165,546	666,790
Total personnel	708,780	334,388	692,186	257,322	223,007	287,906	112,112	216,320	2,832,021	431,655	575,562	1,007,217	3,839,238
Printing, postage and supplies	12,219	8,022	14,223	7,923	17,212	1,867	2,341	8,137	71,944	78,806	15,522	94,328	166,272
Communication	14,018	9,241	12,370	9,136	4,155	2,552	1,655	4,705	57,832	7,572	4,316	11,888	69,720
Professional and contract service	903,871	78,579	60,077	54,841	4,928	6,772	19,655	7,536	1,136,259	225,410	72,596	298,006	1,434,265
Occupancy costs	64,224	43,850	64,657	45,951	26,341	16,397	10,036	65,923	337,379	36,884	23,548	60,432	397,811
Travel and vehicle expenses	18,555	8,195	31,023	4,597	3,453	13,539	2,043	3,548	84,953	9,741	29,738	39,479	124,432
Promotional and development	-	-	1,237	-	-	363	-	-	1,600	249,970	3,138	253,108	254,708
Insurance	5,883	4,880	3,137	4,699	1,874	483	812	2,129	23,897	3,169	1,381	4,550	28,447
Depreciation	24,699	18,031	20,653	22,566	7,540	10,149	4,754	9,903	118,295	13,985	4,316	18,301	136,596
In-kind	17,123	37,238	69,338	6,243	115,601	6,825	6,240	-	258,608	20,555	6,754	27,309	285,917
Other expenses	673	87	3,907	1,267	3	12	1,026	329	7,304	10,627	10,594	21,221	28,525
	1,061,265	208,123	280,622	157,223	181,107	58,959	48,562	102,210	2,098,071	656,719	171,903	828,622	2,926,693
Total expenses	\$ 3,925,178	\$ 816,553	\$ 2,364,604	\$ 644,587	\$ 444,810	\$ 639,390	\$ 160,693	\$ 564,692	\$ 9,560,507	\$ 1,099,602	\$ 757,148	\$ 1,856,750	\$ 11,417,257

See report of independent auditor and accompanying notes.

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**  
Statements of Cash Flows  
Years Ended September 30, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 432,283	\$ (571,849)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	134,788	136,596
Changes in operating assets and liabilities:		
Pledges receivable, net	(419,077)	83,859
Grants and other receivables	(105,005)	256,267
Prepaid expenses and other assets	50,669	(3,725)
Accounts payable	(139,800)	155,883
Accrued expenses and other current liabilities	(29,762)	(24,111)
Net cash (used in) provided by operating activities	(75,904)	32,920
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(938)	(25,139)
Purchases of property and equipment	(10,682)	(7,792)
Net cash used in investing activities	(11,620)	(32,931)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Draw on line of credit	150,000	-
Net cash provided by financing activities	150,000	-
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	62,476	(11)
 <b>CASH AND CASH EQUIVALENTS, beginning of year</b>	1,296,878	1,296,889
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 1,359,354	\$ 1,296,878

See report of independent auditor and accompanying notes.

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Notes to the Financial Statements  
September 30, 2019 and 2018

**NOTE 1. ORGANIZATION**

Caritas of Austin (“Caritas” or the “Organization”), a nonprofit organization incorporated in 1977, was founded in 1964 with the vision that all people deserve to have their basic needs met. Today the Organization of Austin intersects with thousands of people who are experiencing poverty and homelessness. Services focused on housing, food, education, and employment enable people to move toward stability and self-sufficiency. The following is an overview of Caritas's programs:

**Best Single Source Plus (“BSS Plus”) Collaboration** program is a collaboration among thirteen of the Austin and Travis County area’s leading nonprofit service providers, trading competition for collaboration to benefit those most in need. Participating agencies include: Aids Services of Austin, Any Baby Can, The Arc of the Capital Area, Caritas of Austin, Catholic Charities of Central Texas, Family Eldercare, Foundation for the Homeless, Front Steps, Goodwill Industries of Central Texas, Meals on Wheels and More, Safeplace, and Salvation Army. The BSS Plus program provides comprehensive case management and basic needs such as rent, mortgage, utility assistance and housing support; and services to eligible individuals and families in the Travis County and Austin area. The program’s primary purpose is establishing housing stability, preventing, and ending homelessness. Caritas is the fiscal and administrative agent for BSS Plus and houses a dedicated Program Coordinator for the project.

**Refugee Resettlement Services** for documented refugees begins with their arrival in Austin and includes housing, cultural orientation, employment assistance, and connection to other community resources. The goal of these services is to help refugees’ transition to life in the United States and achieve self-sufficiency within their first six months of arrival. Refugees served are approved for resettlement by the United States government.

**Supportive Housing** programs provide permanent housing and onsite supportive services for individuals who have experienced long-term homelessness and who are recovering from the trauma they have experienced while being homeless.

**Employment Services** program provides clients opportunities to find and keep jobs in order to support themselves and their families. Clients receive assistance with short-term job placement as well as long-term career development. Services include: pre-employment preparation such as job readiness training, vocational certification, ESL classes, and assistance with professional recertification; referral and placement; work authorization; logistical support; new hire paperwork assistance; and post-hire support.

**Food Services** consist of the Caritas Community Kitchen and food pantries. Each weekday the Caritas Community Kitchen serves a hot, nutritious lunch to over 200 people, no questions asked. The food pantries provide groceries and hygiene items to individuals and families already receiving services from Caritas of Austin.

**The Supportive Services for Veteran Families** program is designed to increase housing stability for veteran families that are at-risk of homelessness or experiencing homelessness. Supportive services include outreach, case management, help in obtaining VA benefits, emergency financial assistance, and assistance obtaining and coordinating other public benefits.

**Education** classes provide clients with opportunities to enrich their lives and help them reach their full potential. The program takes a holistic approach by teaching the participants the tools they will need to achieve their personal and financial goals. The Organization’s education classes focus on three areas: life skills, money management, and workforce development.

**Other Program Support** includes classes for highly trained volunteers that partner with clients to rebuild well-being in their lives. It includes program eligibility screening, scheduling appointments with program staff, and referring individuals to community resources.

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**  
Notes to the Financial Statements  
September 30, 2019 and 2018  
(continued)

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation*** - The accompanying financial statements 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) as defined by the Financial Accounting Standards Board.

***Classification of Net Assets*** - The financial statements report information regarding the Organization's financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

*Net assets without donor restrictions* - Net assets that are not subject to stipulations. Net assets without donor stipulations may be used for any purpose or designated for specific purposes by action of the Board of Directors of the Organization.

*Net assets with donor restrictions* - Net assets the use of which is subject to stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations.

***Use of Estimates*** - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include allowances for doubtful accounts, useful lives of depreciable property and equipment and the allocation of functional expenses. Actual results could differ from these estimates.

***Concentration of Credit Risk*** - The Organization maintains cash balances at federally insured financial institutions. At various times during the years ended September 30, 2019 and 2018, balances in these accounts may have exceeded Federal Deposit Insurance Corporation (FDIC) insured limits, however, the Organization has not experienced and does not anticipate any credit losses on these deposits.

***Cash and Cash Equivalents*** - Cash equivalents are considered to be investments purchased with original maturities of three months or less.

***Property and Equipment*** - Property and equipment valued at \$1,000 or greater are recorded at cost when purchased. Donated property and equipment is recorded at the fair market value as of the date of the gift. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets, generally 5 years for furniture and fixtures and 39 years for buildings. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in operations for the current period. The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized.

The Organization reviews the carrying value of fixed assets for possible impairment whenever circumstances indicate the carrying amount of an asset may not be recoverable. An impairment loss is recognized to the extent the sum of undiscounted estimated cash flows expected from the use of the asset is less than the carrying amount. There were no events that occurred during the years ended September 30, 2019 or 2018 that would indicate an impairment of the Organization's fixed assets.

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Notes to the Financial Statements  
September 30, 2019 and 2018  
(continued)

**Government Grant Revenue** - The Organization considers all government grants and contracts to be exchange contracts and not contributions. The Organization recognizes revenue from these transactions as services are rendered and expenses are incurred. The Organization uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of accounts. There is no allowance for uncollectible grant receivables at September 30, 2019 and 2018, respectively.

**Contribution Revenue** - Contributions received including unconditional promises to give are recorded as support with donor restrictions, or support without donor restrictions in the period pledged depending on the existence and nature of any donor restrictions. Contributions received with donor-imposed restrictions that are satisfied in the same reporting period are reported as temporarily restricted revenue and released from restrictions. Conditional promises to give are recognized when the conditions on which they are dependent are substantially met. The Organization uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Allowances for uncollectible pledges as of September 30, 2019 and 2018 were \$872.

**Donated Services and Materials** - Donated services and materials are reflected in the statement of activities as in-kind revenue at their fair value on the date of receipt. Donated services are recognized by the Organization if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**Functional Allocation of Expenses** - The costs of providing the Organization's various programs and supporting services have been reported on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs benefited and supporting services based on estimates provided by management. Expenses that are specifically identifiable to a function are allocated entirely to that function. Expenses that are not specifically identifiable to a function are allocated based upon management's estimate of time and resources devoted to the function. The significant expenses that are allocated on the basis of time and effort include personnel, office and administration expenses, depreciation and amortization, travel and meeting, insurance, and rent.

**Income Taxes** - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Unrelated business income, of which the Organization had no significant amounts for the years ended September 30, 2019 and 2018, is subject to federal income taxes. Accordingly, there is no provision or liability for federal income taxes in the accompanying financial statements.

The Organization regularly assesses uncertain tax positions in each of the tax jurisdictions in which it has operations and accounts for the related consolidated financial statement implications. Unrecognized tax benefits are reported using the two-step approach under which tax effects of a position are recognized only if it is "more-likely-than-not" to be sustained and the amount of the tax benefit recognized is equal to the largest tax benefit that is greater than fifty percent likely of being realized upon ultimate settlement of the tax position. Determining the appropriate level of unrecognized tax benefits requires the Organization to exercise judgment regarding the uncertain application of tax law. The amount of unrecognized tax benefits is adjusted when information becomes available or when an event occurs indicating a change is appropriate. Future changes in unrecognized tax benefits requirements could have a material impact on the results of operations. Management has analyzed the tax positions taken by the Organization and has concluded that, as of September 30, 2019 and 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Notes to the Financial Statements  
September 30, 2019 and 2018  
(continued)

The Organization is generally no longer subject to tax examinations relating to US federal tax returns for the prior three years.

**Recent Accounting Pronouncements** - In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (ASU) 2014-09, *Revenue Recognition (Topic 606)*. This ASU provides a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. The revenue standard contains principles that an entity will apply to determine the measurement of revenue and the timing of revenue recognition. The new standard is effective for fiscal years and interim periods beginning after December 15, 2018 and allowing entities to adopt one year earlier if they so elect. The new standard allows for two alternative implementation methods: the use of either (1) full retrospective application to each prior reporting period presented or (2) modified retrospective application in which the cumulative effect of initially applying the revenue standard is recognized as an adjustment to the opening balance of retained earnings in the period of adoption. The Organization is currently evaluating the impact of the standard on its financial statements.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The update is intended to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The amendments in this update are effective for fiscal years beginning after December 15, 2020. Early application of the amendments in this update is permitted. The Organization is currently evaluating the impact of FASB ASU 2016-02 but does not expect the adoption to have a material effect on the Organization’s financial position or results of activities.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve the scope and the accounting guidance for contributions received and made, primarily by not-for-profit organizations. The amendments in this ASU provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. ASU 2018-18 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Organization is currently evaluating the impact of the standard on its financial statements.

**Date of Management’s Review** - The Organization evaluates events that occur subsequent to the statement of financial position date of periodic reports, but before the financial statements are issued for periods ending on such dates, for possible adjustment to such financial statements or other disclosure. This evaluation generally occurs through the date at which the Organization’s financial statements are available for issue. For the financial statements, as of and for the year ending September 30, 2019, this date was May 21, 2020.

**NOTE 3. LIQUIDITY**

The Organization has a goal to maintain financial assets, which consist of cash and receivables, on hand to meet normal operating expenses. Total net assets without donor restrictions as of September 30, 2019 were approximately \$2.6 million. Management believes this to be sufficient capital to fund the anticipated growth of the Organization in the subsequent year as well as any unanticipated contingencies or losses. Additionally, \$7.5 million of grants have been renewed which will assist in funding operations during the following twelve months.

**CARITAS OF AUSTIN**  
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Notes to the Financial Statements  
September 30, 2019 and 2018  
(continued)

Although it is difficult to ascertain the continuing impact of COVID-19, management assumed that several scenarios could occur or combination thereof which are as follows: decrease in unrestricted dollars, decrease or increase in government dollars, and decrease in resources (manpower, supplies, etc.). As of December 31, 2019, Caritas paid off the \$150,000 balance they had outstanding with Frost Bank making \$750,000 available of undrawn credit if needed. Additionally, Caritas of Austin obtained an SBA 7a PPP Loan in the amount of \$758,500 on April 20, 2020.

**NOTE 4. PLEDGES RECEIVABLE**

Pledges receivable consisted of the following as of September 30, 2019 and 2018:

	<b>2019</b>	<b>2018</b>
Less than one year	\$ 488,043	\$ 67,466
One to five years	-	1,500
Total	488,043	68,966
Less: Allowance for doubtful accounts	(872)	(872)
Pledges receivable, net	\$ 487,171	\$ 68,094

**NOTE 5. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of September 30, 2019 and 2018:

	<b>2019</b>	<b>2018</b>
Land	\$ 220,800	\$ 220,800
Buildings	2,050,671	2,041,187
Furniture and fixtures	235,364	234,166
Total	2,506,835	2,496,153
Less: accumulated depreciation	(1,371,581)	(1,236,793)
Property and equipment, net	\$ 1,135,254	\$ 1,259,360

Depreciation expense for the years ended September 30, 2019 and 2018 was \$134,788 and \$136,596, respectively.

**NOTE 6. ENDOWMENT FUNDS**

During the 2006 fiscal year, the Organization established the Caritas of Austin Endowment Fund (the "Fund"), a permanent endowment fund, at Austin Community Foundation (the "Foundation"). The assets are irrevocably held by the Foundation and are managed to accomplish Caritas's designated charitable purpose. The Fund's assets are not recorded in the statement of financial position of Caritas as the Foundation reserves the power to modify any condition or restriction on the distributions from the Fund. The balance in the Fund as of September 30, 2019 and 2018, was \$123,405 and \$121,387, respectively. There were no transfers from Caritas to the Fund during the years ended September 30, 2019 and 2018.

Annually the Foundation's Board of Governors makes a determination of the amount to grant to Caritas, based on the Foundation's spending policy. The Foundation's current spending policy is that five percent of the Fund's value as of December 31 each year shall be the available for distribution in the following year. Such distribution will be available to Caritas pursuant to a letter of instruction from Caritas, but subject to the Foundation's Board of Governors approval. If the amount available to grant is not distributed in a single year, any remaining balance available to grant will carry over to subsequent years. During the years ended September 30, 2019 and 2018, the Fund provided \$2,000, and \$5,200 each year, respectively, in grant revenue to Caritas.

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Notes to the Financial Statements  
September 30, 2019 and 2018  
(continued)

**NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were restricted for the following purposes at September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Supportive housing	\$ 18,132	\$ 3,189
Housing stability	-	4,124
Education	5,269	25,521
Infrastructure	-	15,395
Resettlement	9,462	33,860
Employment	53,741	31,789
Veterans	-	11,468
Capital expansion	508,780	62,048
Total	<u>\$ 595,384</u>	<u>\$ 187,394</u>

Net assets with donor restrictions released from restriction during the years ended December 31, 2019 and 2018, were as follows:

	<u>2019</u>	<u>2018</u>
Supportive housing	\$ 48,195	\$ 35,406
Housing stability	52,635	55,137
Education	105,252	89,639
Food services	40,360	12,500
Infrastructure	700	19,605
Resettlement	33,860	91,059
Employment	75,048	66,731
Veterans	34,257	81,082
Fund raising	69,477	-
Other program support	8,622	-
Capital expansion	211,689	270,759
Total	<u>\$ 680,095</u>	<u>\$ 721,918</u>

**Board Designated Net Assets** - As of September 30, 2019 and 2018, the Organization's Board of Directors designated a total of \$508,780 and \$62,048, respectively, of net assets without donor restriction, to acquire, expand, equip, maintain, repair, or enhance the physical property or building systems located at 611 Neches and for the purchase reserve of the Organization's North Austin facility.

**NOTE 8. DONATED SERVICES AND MATERIALS**

Donated services and materials that have been recognized and reported as in-kind revenue in the financial statements consisted of the following at September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Donated materials	\$ 250,559	\$ 140,911
Donated services	97,095	145,005
Total	<u>\$ 347,654</u>	<u>\$ 285,916</u>



**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Notes to the Financial Statements  
September 30, 2019 and 2018  
(continued)

Donated services include office rent, bus passes, and instructional services provided to various programs. Additional donated services to various programs were received by Caritas but did not meet the criteria for recognition in the financial statements.

**NOTE 9. COMMITMENTS AND CONTINGENCIES**

*Government Grants* - The Organization receives government grants for specific purposes that are subject to review and audit by government agencies. Such audits could result in a request for reimbursement for expenditures disallowed under terms and conditions of the appropriate agency. In the opinion of the Organization's management, such disallowances, if any, would not be significant.

The Organization also has rental agreements with area apartment complexes for placement of those in need of housing assistance. As of September 30, 2019, the Organization is contingently liable for rental payments of approximately \$204,000, which will be covered through the use of future grant funds for housing assistance.

*Operating Leases* - The Organization has entered into several non-cancelable operating leases for office equipment and office space. Total rent expense was \$122,663 and \$106,868 during the years ended September 30, 2019 and 2018, respectively. Future minimum lease payments as of September 30, 2019, are as follows:

<u>Year ending</u>	
2020	\$ 64,196
2021	56,148
2022	58,394
2023	60,730
2024	63,159
Thereafter	<u>15,943</u>
	<u>\$ 318,570</u>

**NOTE 10. CONCENTRATIONS**

For the year ended September 30, 2019, Caritas received grant funding from two government entities which accounted for 81% of total grant revenue and 68% of grants receivable. For the year ended September 30, 2018, Caritas received grant funding from one government entity which accounted for 34% of total grant revenue and 48% of grants receivable.

**NOTE 11. RELATED PARTIES**

Certain members of the Board of Directors of the Organization contributed \$760,245 and \$128,370 to the Organization during the years ended September 30, 2019 and 2018, respectively.

**NOTE 12. RETIREMENT PLAN**

The Organization participates in a 403b plan through One Voice Central Texas that allows employee elective deferrals up to the maximum amount allowed by law. Participants may make a separate election to defer up to 90% of any bonus compensation. The Organization makes matching contributions equal to 50% of the participant's elective deferrals up to 6% of a participant's compensation. The Organization made matching contributions of \$27,341 and \$35,814 for the years ended September 30, 2019 and 2018, respectively.

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Notes to the Financial Statements  
September 30, 2019 and 2018  
(continued)

**NOTE 13. LINE OF CREDIT**

At September 30, 2019 and 2018, the Organization had available a line of credit with a financial institution. Maximum borrowings available under this line of credit were \$750,000 as of September 30, 2019 and 2018. Interest on the line is based on the prime rate published in the Wall Street Journal in the "Money Rates" section plus 0.750% . The interest rate in effect as of September 30, 2019 was 5.5%. The line matures on September 2, 2020. The balances on the line of credit were \$150,000 and \$0 as of September 30, 2019 and 2018, respectively.

**NOTE 14. SUBSEQUENT EVENTS**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. As a result of the declared outbreak, an economic downturn has had a significant negative impact on local and global economies. While the Organization expects this matter to negatively impact its results of operations, cash flows and financial position, the related financial impact cannot be reasonably estimated at this time.



**REPORT OF INDEPENDENT AUDITOR 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 of  
Caritas of Austin

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 Caritas of Austin (the “Organization”), which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated May 21, 2020.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**Purpose of this Report**

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

**PMB HELIN DONOVAN, LLP**

*PMB Helin Donovan, LLP*

May 21, 2020  
Austin, Texas



## **REPORT OF INDEPENDENT AUDITOR ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Directors of  
Caritas of Austin

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

We have audited Caritas of Austin's (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2019. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

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

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative 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 the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

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

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

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

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



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

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

**PMB HELIN DONOVAN, LLP**

*PMB Helin Donovan, LLP*

May 21, 2020  
Austin, Texas

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2019

<u>Grantor/Pass-through Agency</u>	<u>Federal CFDA Number</u>	<u>Grant/ Contract Number</u>	<u>Subrecipient</u>	<u>Federal Expenditures</u>
Veteran's Administrations				
Supportive Services for Veteran Families	64.033	12-TX-072	\$ -	\$ 544,835
<b>Total Veteran's Administration</b>			<u>-</u>	<u>544,835</u>
U.S. Department of Homeland Security:				
Direct programs:				
Emergency Food and Shelter National Board	97.024	Phase 36	-	9,675
<b>Total U.S. Department of Homeland Security</b>			<u>-</u>	<u>9,675</u>
U.S. Department of Health and Human Services:				
Pass-through programs from:				
Central Texas Office for Refugees Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	CTOR2019COARSS	-	217,143
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	CTOR2019COACMA	-	84,111
<b>Total U.S. Department of Health and Human Services</b>			<u>-</u>	<u>301,254</u>
U.S. Department of Housing and Urban Development:				
Direct programs:				
Continuum of Care Program	14.267	TX0030L6J031709	-	268,995
Continuum of Care Program	14.267	TX0030L6J031810	-	114,793
Continuum of Care Program	14.267	TX0031L6J031708	-	194,809
Continuum of Care Program	14.267	TX0031L6J031607	-	14,842
Continuum of Care Program	14.267	TX0040I6J031609	-	9,512
Continuum of Care Program	14.267	TX0040L6J031710	-	232,628
Continuum of Care Program	14.267	TX0317L6J031706	-	719,893
			<u>-</u>	<u>1,555,472</u>
Pass-through programs from:				
LifeWorks				
Youth Homelessness Demonstration Program	14.276	TX04416J031600	-	333,617
<b>Total U.S. Department of Housing and Urban Development</b>			<u>-</u>	<u>1,889,089</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ -</u>	<u>\$ 2,744,853</u>

See accompanying notes to the Schedule of Federal Awards

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Notes to Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2019

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity** - The Schedule of Expenditures of Federal Awards (the “Schedule”) includes the activity of all federal grant programs administered by Caritas of Austin (“Caritas”). Caritas’s organization is defined in Note 1 of Caritas’s basic financial statements.

**Basis of Presentation** - The Schedule presents total federal awards expended for each individual program in accordance with the Uniform Guidance.

**Basis of Accounting** - The expenditures for the federal financial assistance programs are presented on the accrual basis of accounting, which is defined in Note 2 of Caritas’s basic financial statements.

**NOTE 2. RELATIONSHIP TO FINANCIAL REPORT**

The amounts reported in the financial reports agree with the amounts reported in the accompanying Schedule which is prepared on the basis explained in Note 1 of Caritas of Austin.

Total federal awards per schedule of federal expenditures	\$ 2,744,853
Plus: non-federal funding sources	<u>4,410,128</u>
Total revenue per statement of activities	<u><u>\$ 7,154,981</u></u>

**NOTE 3. INDIRECT COST RATE**

Caritas of Austin does not have a negotiated indirect cost rate and; therefore, was eligible to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance, section 414.

**NOTE 4. SUBSEQUENT EVENTS**

The Organizations’ management has evaluated and disclosed subsequent events through May 21, 2020, the date the financial statements were available to be issued.



**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**  
 Schedule of Findings and Questioned Costs  
 Year Ended September 30, 2019

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

**A Financial Statements**

Type of auditor's report issued: **Unmodified opinion**

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**

**B. Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? **No**
- Significant deficiency(ies) identified? **None reported**

Type of auditors' 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 federal programs:

CFDA Number	Name of Federal Program or Cluster
14.267	U.S. Department of Urban Housing - Continuum of Care Program

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

Auditee qualified as low-risk auditee? **Yes**

**Section II - Financial Statement Findings**

None reported

**Section III – Federal Award Findings**

None reported

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 2019

**Section IV – Summary Schedule of Prior Audit Findings**

None reported