

# **Catholic Charities of the Diocese of Fresno | CA**

## **Financial Statements**

**For the Years Ended June 30, 2024 and 2023**



**PRICE PAIGE & COMPANY**  
*Certified Public Accountants*

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Catholic Charities of the Diocese of Fresno  
Fresno, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Catholic Charities of the Diocese of Fresno (the Organization), a nonprofit organization, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities of the Diocese of Fresno as of June 30, 2024 and 2023, 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.

#### ***Basis for Opinion***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will

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always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### ***Supplementary 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 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, 2025 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Price Pange & Company*

Clovis, California  
May 21, 2025

## **FINANCIAL STATEMENTS**

**CATHOLIC CHARITIES OF THE DIOCESE OF FRESNO | JUNE 30, 2024 AND 2023**  
Statements of Financial Position

|                                       | 2024                | 2023                |
|---------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                         |                     |                     |
| Current assets:                       |                     |                     |
| Cash and cash equivalents             | \$ 3,142,980        | \$ 3,174,298        |
| Investments                           | 1,614,511           | 1,483,083           |
| Grants receivable                     | 1,724,987           | 1,727,202           |
| Inventory                             | 223,661             | 200,582             |
| Prepaid expenses                      | 17,354              | 6,988               |
| Total current assets                  | 6,723,493           | 6,592,153           |
| <br>Cash - trust funds                | 430,883             | 423,429             |
| Deposits                              | 3,666               | 3,250               |
| Property and equipment, net           | 2,367,106           | 2,399,675           |
| <br>Total assets                      | <u>\$ 9,525,148</u> | <u>\$ 9,418,507</u> |
| <br><b>LIABILITIES AND NET ASSETS</b> |                     |                     |
| Current liabilities:                  |                     |                     |
| Accounts payable                      | \$ 112,814          | \$ 156,017          |
| Accrued expenses                      | 98,093              | 144,971             |
| Unearned revenue                      | 73,731              | 122,311             |
| Total current liabilities             | 284,638             | 423,299             |
| <br>Trust funds payable               | 430,883             | 423,429             |
| <br>Total liabilities                 | <u>715,521</u>      | <u>846,728</u>      |
| <br>Net assets:                       |                     |                     |
| With donor restrictions               | 127,286             | 319,741             |
| Without donor restrictions            | 8,682,341           | 8,252,038           |
| <br>Total net assets                  | <u>8,809,627</u>    | <u>8,571,779</u>    |
| <br>Total liabilities and net assets  | <u>\$ 9,525,148</u> | <u>\$ 9,418,507</u> |

See Independent Auditor's Report and Notes to the Financial Statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF FRESNO | FOR THE YEAR ENDED JUNE 30, 2024**

## Statement of Activities

|                                                                                                   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total            |
|---------------------------------------------------------------------------------------------------|-------------------------------|----------------------------|------------------|
| Revenues and support:                                                                             |                               |                            |                  |
| Contributions:                                                                                    |                               |                            |                  |
| Cash and other financial assets                                                                   | \$ 1,536,427                  | \$ 101,000                 | \$ 1,637,427     |
| Nonfinancial assets                                                                               | 5,296,009                     | -                          | 5,296,009        |
| Grant revenue                                                                                     | 4,031,340                     | -                          | 4,031,340        |
| Thrift shop sales                                                                                 | 216,460                       | -                          | 216,460          |
| Program service fees                                                                              | 97,682                        | -                          | 97,682           |
| Special events, net of direct expenses of \$200,832                                               | 761,395                       | -                          | 761,395          |
| Other income                                                                                      | 83,579                        | -                          | 83,579           |
| Investment gains (losses), net                                                                    | 143,558                       | -                          | 143,558          |
| <br>Total revenues and support before net assets<br>released from restrictions                    | <br>12,166,450                | <br>101,000                | <br>12,267,450   |
| <br>Net assets released from restrictions                                                         | <br>293,455                   | <br>(293,455)              | <br>-            |
| <br>Total revenues and support after reclassification<br>of net assets released from restrictions | <br>12,459,905                | <br>(192,455)              | <br>12,267,450   |
| Expenses:                                                                                         |                               |                            |                  |
| Program services:                                                                                 |                               |                            |                  |
| Social services                                                                                   | 9,400,865                     | -                          | 9,400,865        |
| Senior companion services                                                                         | 470,398                       | -                          | 470,398          |
| Disaster management                                                                               | 1,092,006                     | -                          | 1,092,006        |
| Total program services                                                                            | 10,963,269                    | -                          | 10,963,269       |
| Supporting services:                                                                              |                               |                            |                  |
| Thrift shop                                                                                       | 137,574                       | -                          | 137,574          |
| Management and general                                                                            | 651,832                       | -                          | 651,832          |
| Fundraising                                                                                       | 276,927                       | -                          | 276,927          |
| Total supporting services                                                                         | 1,066,333                     | -                          | 1,066,333        |
| <br>Total expenses                                                                                | <br>12,029,602                | <br>-                      | <br>12,029,602   |
| <br>Changes in net assets                                                                         | <br>430,303                   | <br>(192,455)              | <br>237,848      |
| <br>Net assets, beginning of year                                                                 | <br>8,252,038                 | <br>319,741                | <br>8,571,779    |
| <br>Net assets, end of year                                                                       | <br>\$ 8,682,341              | <br>\$ 127,286             | <br>\$ 8,809,627 |

See Independent Auditor's Report and Notes to the Financial Statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF FRESNO | FOR THE YEAR ENDED JUNE 30, 2023**

## Statement of Activities

|                                                                                               | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total        |
|-----------------------------------------------------------------------------------------------|-------------------------------|----------------------------|--------------|
| Revenues and support:                                                                         |                               |                            |              |
| Contributions:                                                                                |                               |                            |              |
| Cash and other financial assets                                                               | \$ 1,301,594                  | \$ 180,000                 | \$ 1,481,594 |
| Nonfinancial assets                                                                           | 4,357,607                     | -                          | 4,357,607    |
| Grant revenue                                                                                 | 4,460,097                     | -                          | 4,460,097    |
| Thrift shop sales                                                                             | 196,413                       | -                          | 196,413      |
| Program service fees                                                                          | 150,624                       | -                          | 150,624      |
| Special events, net of direct expense of \$134,500                                            | 1,037,390                     | -                          | 1,037,390    |
| Other income                                                                                  | 46,137                        | -                          | 46,137       |
| Investment gains (losses), net                                                                | 134,265                       | -                          | 134,265      |
|                                                                                               |                               |                            |              |
| Total revenues and support before<br>net assets released from restrictions                    | 11,684,127                    | 180,000                    | 11,864,127   |
|                                                                                               |                               |                            |              |
| Net assets released from restrictions                                                         | 234,071                       | (234,071)                  | -            |
|                                                                                               |                               |                            |              |
| Total revenues and support after reclassification<br>of net assets released from restrictions | 11,918,198                    | (54,071)                   | 11,864,127   |
|                                                                                               |                               |                            |              |
| Expenses:                                                                                     |                               |                            |              |
| Program services:                                                                             |                               |                            |              |
| Social services                                                                               | 8,782,237                     | -                          | 8,782,237    |
| Senior companion services                                                                     | 526,443                       | -                          | 526,443      |
| Disaster management                                                                           | 777,598                       | -                          | 777,598      |
| Total program services                                                                        | 10,086,278                    | -                          | 10,086,278   |
|                                                                                               |                               |                            |              |
| Supporting services:                                                                          |                               |                            |              |
| Thrift shop                                                                                   | 154,299                       | -                          | 154,299      |
| Management and general                                                                        | 554,016                       | -                          | 554,016      |
| Fundraising                                                                                   | 264,516                       | -                          | 264,516      |
| Total supporting services                                                                     | 972,831                       | -                          | 972,831      |
|                                                                                               |                               |                            |              |
| Total expenses                                                                                | 11,059,109                    | -                          | 11,059,109   |
|                                                                                               |                               |                            |              |
| Changes in net assets                                                                         | 859,089                       | (54,071)                   | 805,018      |
|                                                                                               |                               |                            |              |
| Net assets, beginning of year                                                                 | 7,392,949                     | 373,812                    | 7,766,761    |
|                                                                                               |                               |                            |              |
| Net assets, end of year                                                                       | \$ 8,252,038                  | \$ 319,741                 | \$ 8,571,779 |

See Independent Auditor's Report and Notes to the Financial Statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF FRESNO | FOR THE YEAR ENDED JUNE 30, 2024**
**Statement of Functional Expenses**

|                            | Program Services    |                                 |                        | Supporting Services |                              |                   |                      |
|----------------------------|---------------------|---------------------------------|------------------------|---------------------|------------------------------|-------------------|----------------------|
|                            | Social<br>Services  | Senior<br>Companion<br>Services | Disaster<br>Management | Thrift<br>Shop      | Management<br>and<br>General | Fundraising       | Total                |
| Expenses:                  |                     |                                 |                        |                     |                              |                   |                      |
| Personnel expenses:        |                     |                                 |                        |                     |                              |                   |                      |
| Salaries                   | \$ 1,872,387        | \$ 98,084                       | \$ 751,145             | \$ 77,850           | \$ 339,585                   | \$ 173,266        | \$ 3,312,317         |
| Payroll taxes and benefits | 520,562             | 30,189                          | 167,438                | 26,424              | 67,852                       | 24,926            | 837,391              |
| Total personnel expenses   | 2,392,949           | 128,273                         | 918,583                | 104,274             | 407,437                      | 198,192           | 4,149,708            |
| Depreciation               | 134,075             | -                               | -                      | 8,733               | 24,665                       | -                 | 167,473              |
| Equipment rent             | 13,848              | 949                             | 2,011                  | 628                 | 1,268                        | 269               | 18,973               |
| Food and other assistance  | 6,164,754           | 47,223                          | -                      | -                   | -                            | -                 | 6,211,977            |
| Loss on disposal of assets | 11,692              | -                               | -                      | -                   | 67,029                       | -                 | 78,721               |
| Maintenance and repairs    | 33,030              | 1,790                           | 2,170                  | 2,426               | 5,131                        | 456               | 45,003               |
| Materials and supplies     | 196,705             | 18,421                          | 36,260                 | 8,407               | 15,421                       | 7,554             | 282,768              |
| Meals                      | 3,296               | 333                             | 694                    | 17                  | 8,858                        | 401               | 13,599               |
| Occupancy and telephone    | 133,649             | 5,333                           | 54,086                 | 3,638               | 2,394                        | 2,375             | 201,475              |
| Other expenses             | 26,096              | 10,777                          | 2,256                  | 3,776               | 51,986                       | 12,879            | 107,770              |
| Postage                    | 3,832               | 480                             | 115                    | -                   | 2,211                        | 6,726             | 13,364               |
| Printing                   | 3,109               | 379                             | 807                    | 356                 | -                            | -                 | 4,651                |
| Professional services      | 89,055              | 2,161                           | 8,305                  | 1,495               | 53,812                       | 38,409            | 193,237              |
| Scholarships               | 8,000               | -                               | -                      | -                   | -                            | -                 | 8,000                |
| Security                   | 121,453             | 5,352                           | 25,807                 | 3,760               | 7,832                        | 2,844             | 167,048              |
| Stipends                   | -                   | 195,992                         | -                      | -                   | -                            | -                 | 195,992              |
| Travel and conferences     | 65,322              | 52,935                          | 40,912                 | 64                  | 3,788                        | 6,822             | 169,843              |
| Total expenses             | <u>\$ 9,400,865</u> | <u>\$ 470,398</u>               | <u>\$ 1,092,006</u>    | <u>\$ 137,574</u>   | <u>\$ 651,832</u>            | <u>\$ 276,927</u> | <u>\$ 12,029,602</u> |

See Independent Auditor's Report and Notes to the Financial Statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF FRESNO | FOR THE YEAR ENDED JUNE 30, 2023**

## Statement of Functional Expenses

|                            | Program Services    |                                 |                        | Supporting Services |                              |                   |                      |
|----------------------------|---------------------|---------------------------------|------------------------|---------------------|------------------------------|-------------------|----------------------|
|                            | Social<br>Services  | Senior<br>Companion<br>Services | Disaster<br>Management | Thrift<br>Shop      | Management<br>and<br>General | Fundraising       | Total                |
| Expenses:                  |                     |                                 |                        |                     |                              |                   |                      |
| Personnel expenses:        |                     |                                 |                        |                     |                              |                   |                      |
| Salaries                   | \$ 1,748,888        | \$ 104,116                      | \$ 511,736             | \$ 81,868           | \$ 309,155                   | \$ 128,399        | \$ 2,884,162         |
| Payroll taxes and benefits | 480,169             | 30,780                          | 120,615                | 31,287              | 64,612                       | 40,264            | 767,727              |
| Total personnel expenses   | 2,229,057           | 134,896                         | 632,351                | 113,155             | 373,767                      | 168,663           | 3,651,889            |
| Depreciation               | 102,993             | -                               | -                      | 8,733               | 26,028                       | -                 | 137,754              |
| Equipment rent             | 12,485              | 857                             | 2,705                  | 580                 | 3,402                        | -                 | 20,029               |
| Food and other assistance  | 5,705,515           | 49,133                          | -                      | -                   | -                            | 15                | 5,754,663            |
| Maintenance and repairs    | 36,366              | 2,574                           | 5,823                  | 3,420               | 7,400                        | 178               | 55,761               |
| Materials and supplies     | 240,080             | 21,581                          | 35,558                 | 11,670              | 22,644                       | 3,031             | 334,564              |
| Meals                      | 1,198               | 320                             | 23                     | -                   | 6,974                        | 1,873             | 10,388               |
| Occupancy and telephone    | 162,454             | 5,718                           | 38,394                 | 3,964               | 1,138                        | 1,625             | 213,293              |
| Other expenses             | 31,750              | 4,817                           | 1,430                  | 6,779               | 39,785                       | 14,891            | 99,452               |
| Postage                    | 1,265               | 1,210                           | 58                     | -                   | 1,537                        | 7,062             | 11,132               |
| Printing                   | 31,905              | -                               | 3,405                  | -                   | -                            | 11,713            | 47,023               |
| Professional services      | 49,932              | 3,331                           | 6,087                  | 1,868               | 62,443                       | 46,169            | 169,830              |
| Scholarships               | 8,000               | -                               | -                      | -                   | -                            | -                 | 8,000                |
| Security                   | 121,602             | 5,689                           | 20,928                 | 3,908               | 8,286                        | 3,076             | 163,489              |
| Stipends                   | -                   | 272,537                         | -                      | -                   | -                            | -                 | 272,537              |
| Travel and conferences     | 47,635              | 23,780                          | 30,836                 | 222                 | 612                          | 6,220             | 109,305              |
| Total expenses             | <u>\$ 8,782,237</u> | <u>\$ 526,443</u>               | <u>\$ 777,598</u>      | <u>\$ 154,299</u>   | <u>\$ 554,016</u>            | <u>\$ 264,516</u> | <u>\$ 11,059,109</u> |

See Independent Auditor's Report and Notes to the Financial Statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF FRESNO | FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

## Statements of Cash Flows

|                                                                                             | 2024                       | 2023                       |
|---------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                                |                            |                            |
| Changes in net assets                                                                       | \$ 237,848                 | \$ 805,018                 |
| Adjustments to reconcile change in net assets to net cash provided in operating activities: |                            |                            |
| Depreciation                                                                                | 167,473                    | 137,754                    |
| (Gain)/loss on disposal of assets                                                           | 78,721                     |                            |
| Unrealized (gain)/loss on investments                                                       | -                          | 13,442                     |
| Change in operating assets and liabilities:                                                 |                            |                            |
| Decrease (increase) in:                                                                     |                            |                            |
| Grants receivable                                                                           | 2,215                      | (513,811)                  |
| Inventory                                                                                   | (23,079)                   | (48,776)                   |
| Prepaid expenses                                                                            | (10,366)                   | 3,630                      |
| Deposits                                                                                    | (416)                      | (3,250)                    |
| Increase (decrease) in:                                                                     |                            |                            |
| Accounts payable                                                                            | (43,203)                   | (159,295)                  |
| Accrued expenses                                                                            | (46,878)                   | 47,539                     |
| Unearned revenue                                                                            | (48,580)                   | 91,127                     |
| Net cash provided by (used in) operating activities                                         | <u>313,735</u>             | <u>373,378</u>             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                                |                            |                            |
| Purchase of property and equipment                                                          | (213,625)                  | (711,369)                  |
| Purchase of marketable securities                                                           | (406,554)                  | (1,096,353)                |
| Sales of marketable securities                                                              | <u>275,126</u>             | <u>955,085</u>             |
| Net cash provided by (used in) investing activities                                         | <u>(345,053)</u>           | <u>(852,637)</u>           |
| Net increase (decrease) in cash                                                             | (31,318)                   | (479,259)                  |
| Cash and cash equivalents, beginning of year                                                | <u>3,174,298</u>           | <u>3,653,557</u>           |
| Cash and cash equivalents, end of year                                                      | <u><u>\$ 3,142,980</u></u> | <u><u>\$ 3,174,298</u></u> |

See Independent Auditor's Report and Notes to the Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 1 – ORGANIZATION AND OPERATIONS**

Catholic Charities of the Diocese of Fresno (the Organization) is a not-for-profit organization established to provide various programs to help individuals in need. The programs operate in the San Joaquin Valley of California in Fresno, Kern, and Merced counties.

The following summary provides an overview of program services:

*Social Services* – The Social Services Programs provide for the poor and vulnerable individuals that are in need. The help provided to these individuals is far-reaching and diverse. The various social service departments provide for needs not covered by other programs. Some of the services include emergency assistance such as food baskets to individuals living at or below the federal poverty level, clothing and shelter, rent and utility assistance. Funds for emergency travel, help with certain prescriptions, ID's, burial assistance, and referral services are also provided.

*Senior Companion Program* – The Senior Companion Program provides senior companions (volunteers aged 60 and over) who provide assistance and friendship to other seniors who have difficulty with their daily living tasks. The services these companions provide help the weak and frail elderly live independently in their own homes instead of moving to institutional care. Eligible senior companions earn a small tax-free stipend to cover the cost of serving. They also receive reimbursement for transportation, an annual physical examination and supplemental accident and liability coverage while they are serving.

*Disaster Management* – The Disaster Relief Center at the Organization is currently serving survivors of the January 2023 flooding in Merced County and the September 2020 Creek Fire in Fresno County. This program is focused on disaster case management that works alongside survivors of natural disasters to create a recovery plan while connecting them with available resources for an achievable and successful long-term recovery.

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

**New Accounting Pronouncement**

In June 2016, the FASB issued guidance (FASB ASU 2016-13) which significantly changed how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through change in net assets or net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing the Organization's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASU 2016-13 were grants receivable.

The Organization adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Basis of Presentation**

The financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Board of Directors.

*Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Cash and Cash Equivalents**

Cash consists of various demand and interest-bearing accounts on deposit with an insured financial institution. The Organization considers cash equivalents to include all investments available for current use with an original maturity of three months or less. All cash and cash equivalents are deemed available for operations and classified as current assets.

**Concentration of Credit Risk**

The Organization maintains cash balances with various financial institutions insured by the Federal Deposit Insurance Corporation. The uninsured portions of these balances were \$3,122,208 and \$1,543,760 as of June 30, 2024 and 2023, respectively.

**Grants Receivable**

Grants receivable primarily represent amounts due under government contracts and grants. Grants receivable are stated at the amount management expects to collect. Balances that are still outstanding after management has used reasonable collection efforts are deemed uncollectible. The Organization had no credit losses for the years ended June 30, 2024 and 2023.

**Inventory**

Inventory consists of donated and purchased food. Purchased inventory is valued at cost on the FIFO (first-in, first-out) method.

**Property and Equipment**

Property and equipment are stated at cost or, if donated and placed into service, at their estimated fair value at the date donated. All assets acquired by the Organization whose individual initial value or cost exceeds \$1,500 are capitalized and depreciated. Routine repairs and maintenance are expensed when incurred. Depreciation is computed using straight-line method over the following estimated useful lives:

| <u>Type of Asset</u>       | <u>Estimated Useful Lives</u> |
|----------------------------|-------------------------------|
| Buildings and improvements | 7-39 years                    |
| Furniture and equipment    | 3-7 years                     |
| Vehicles                   | 5 years                       |

See Independent Auditor’s Report.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Fair Value of Financial Instruments**

The Organization considers its cash, grants receivable, prepaid expenses, accounts payable and accrued expenses to be short-term in nature, and therefore their fair values approximate their carrying values.

**Investment Securities**

Investment securities are stated at their estimated fair value based on quoted closing prices. Investment income, including unrealized gains and losses, interest, dividends, and related items are recognized in the Statements of Activities as they are incurred.

**Revenue Recognition**

The Organization recognizes revenue when services are rendered. A receivable is recorded to the extent the amount earned exceeds cash advances. Conversely, a liability is recorded when cash advances exceed amounts earned.

Funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Organization with the terms of the grants or contracts. Additionally, if the Organization terminates its activities, all unearned amounts are to be returned to the funding sources.

A portion of the Organization's revenue is obtained through the fees received from administering the payee services program. Administrative fees from payee services are recognized at a point in time.

The Organization also operates a thrift store. Revenue is recognized from the thrift store at a point in time.

**Contributions**

Contributions are generally recorded when received. All contributions are available for unrestricted use unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities. Restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions.

**Thrift Store**

Contributions of clothing, household goods and other items to the Organization's thrift store are recognized as thrift store revenues, when, and if, sold. Inventories of such items in the thrift store are not included as assets in the Statements of Financial Position.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Contributed Nonfinancial Assets**

The Organization recognizes contributed nonfinancial assets within revenue, including donated materials, assets, land, space, and professional services. A substantial number of volunteers have made significant contributions of their time to the Organization’s programs and supporting services. The value of this contributed time is not reflected in these financial statements since it does not require a specialized skill.

Donated materials were used in various programs within the Organization. The Organization estimates the value based on the fair value that would be paid for similar items in the Central Valley.

Land and assets can be contributed to the Organization. The Organization will determine whether to sell or utilize the contributed land and assets based on the current needs of the organization. The Organization assigns values based on fair market value of the land or asset.

Contributed services recognized comprise of professional services varying from media design, video production, marketing collateral, and website design. Contributed services are valued and reported at their estimated fair value based on current rates for similar services.

Donated food is valued as the approximate average wholesale value of one pound of donated product at the national level, which was determined to be \$1.97 and \$1.93 during 2024 and 2023, respectively. The average wholesale value was based upon a study performed by Feeding America.

**Functional Allocation of Expenses**

The costs of providing the Organization’s programs and supporting services have been summarized on a functional basis in the accompanying Statements of Activities. Certain overhead and indirect costs have been allocated to program services and fundraising based on management’s estimate of the actual personnel and facilities used in such activities. Management and general include those expenses that are not directly identifiable with any specific program but provide for the overall support and direction of the Organization.

The expenses allocated consist of the following:

| <u>Expenses</u>            | <u>Method of Allocation</u> |
|----------------------------|-----------------------------|
| Salaries                   | Time and effort             |
| Payroll taxes and benefits | Time and effort             |
| Equipment rent             | Time and effort             |
| Maintenance and repairs    | Time and effort             |
| Materials and supplies     | Time and effort             |
| Meals                      | Time and effort             |
| Occupancy and telephone    | Time and effort             |
| Other expenses             | Time and effort             |
| Postage                    | Time and effort             |
| Printing                   | Time and effort             |
| Professional services      | Time and effort             |
| Security                   | Time and effort             |
| Travel and conferences     | Time and effort             |

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Accrued Compensated Absences**

The Organization provides its employees with vacation, sick and other leave benefits in accordance with its policies. The Organization's costs for these benefits are expensed as they are vested in the employee. Sick leave is not vested and therefore, not paid or accrued.

**Advertising**

The Organization expenses all advertising costs as incurred. Total advertising expenses were \$509 and \$360 for the years ended June 30, 2024 and 2023, respectively.

**Leases**

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the Statements of Financial Position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term if material. Operating expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as equipment rent expense on a straight-line basis over the lease term in the Statements of Functional Expenses.

**Income Tax Status**

The Organization has qualified as a not-for-profit organization and has been granted tax-exempt status pursuant to Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d) and is exempt from Federal and State of California income taxes.

Generally accepted accounting principles provide accounting and disclosures guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

**Use of Estimates**

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

**Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no impact on previously reported net assets at June 30, 2023.

**NOTE 3 – CASH: TRUST FUNDS**

The Organization holds cash in trust for participants in various programs. The use of these funds is limited to the uses defined by the Social Security Administration and Veteran's Administration.

**NOTE 4 – AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets as of June 30:

|                                                                                            | 2024                    | 2023                    |
|--------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Cash and cash equivalents                                                                  | \$ 3,142,980            | \$ 3,174,298            |
| Investments                                                                                | 1,614,511               | 1,483,083               |
| Grants receivable                                                                          | 1,724,987               | 1,727,202               |
| <br>Total financial assets                                                                 | <br>6,482,478           | <br>6,384,583           |
| <br>Less amounts not available to be used within one year:                                 |                         |                         |
| Donor-restricted with liquidity horizons greater than one year                             | 127,286                 | 319,741                 |
| <br>Financial assets available to meet general expenditures<br>over the next twelve months | <br><u>\$ 6,355,192</u> | <br><u>\$ 6,064,842</u> |

As part of the Organization's liquidity management, the Organization consistently identifies financial assets and assesses the availability of each financial asset to meet cash needs for general expenditures and to identify liquidity risks and strategies and actions taken to manage liquidity needs, including certain board-designated funds, donor restricted funds, donor-advised funds, cash restrictions for capital projects and investments held. The Organization's goal is to maintain enough cash and cash equivalents and marketable securities to cover 180 days of operational expenses.

**NOTE 5 – INVESTMENTS**

Investments consist of the following at June 30:

|                            | Fair Value              |                         |
|----------------------------|-------------------------|-------------------------|
|                            | 2024                    | 2023                    |
| Domestic equity funds      | \$ 726,751              | \$ 591,314              |
| International equity funds | 231,490                 | 310,956                 |
| Fixed income               | 656,270                 | 580,813                 |
| <br>Total investments      | <br><u>\$ 1,614,511</u> | <br><u>\$ 1,483,083</u> |

The following schedule summarizes the investment gains and losses, net, as reflected in the Statements of Activities at June 30:

|                                    | 2024                  | 2023                  |
|------------------------------------|-----------------------|-----------------------|
| Investment earnings                | \$ 161,037            | \$ 173,086            |
| Unrealized gain/(loss)             | -                     | (13,442)              |
| Investment expense                 | (17,479)              | (25,379)              |
| <br>Investment gains (losses), net | <br><u>\$ 143,558</u> | <br><u>\$ 134,265</u> |

**NOTE 6 – FAIR VALUE MEASUREMENTS**

In accordance with generally accepted accounting principles, fair value is defined as the price that the Organization would receive upon selling an asset or pay to transfer a liability at the reporting date. Generally accepted accounting principles established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are those that reflect the Organization's own assumptions about the factors market participants would use in pricing the asset or liability, developed based on the best information available.

The three-tier hierarchy of inputs are as follows:

*Level 1* – Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Valuations are for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

*Level 2* – Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly. Valuations are for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities. The Organization has no financial assets or liabilities of this category.

*Level 3* – Inputs are unobservable. Valuations are for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discount cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining fair value assigned to such assets or liabilities. The Organization has no financial assets or liabilities in this category.

The table below presents the level within the fair value hierarchy at which investments are measured at June 30, 2024:

| Description                | Level 1             | Level 2     | Level 3     |
|----------------------------|---------------------|-------------|-------------|
| Domestic equity funds      | \$ 726,751          | \$ -        | \$ -        |
| International equity funds | 231,490             | -           | -           |
| Fixed income               | 656,270             | -           | -           |
| Total                      | <u>\$ 1,614,511</u> | <u>\$ -</u> | <u>\$ -</u> |

The table below presents the level within the fair value hierarchy at which investments are measured at June 30, 2023:

| Description                | Level 1             | Level 2     | Level 3     |
|----------------------------|---------------------|-------------|-------------|
| Domestic equity funds      | \$ 591,314          | \$ -        | \$ -        |
| International equity funds | 310,956             | -           | -           |
| Fixed income               | 580,813             | -           | -           |
| Total                      | <u>\$ 1,483,083</u> | <u>\$ -</u> | <u>\$ -</u> |

**NOTE 7 – PROPERTY AND EQUIPMENT, NET**

Property and equipment consist of the following at June 30:

|                                    | 2024                | 2023                |
|------------------------------------|---------------------|---------------------|
| Land                               | \$ 781,444          | \$ 781,444          |
| Construction in progress           | 6,562               | -                   |
| Buildings and improvements         | 2,722,865           | 2,911,592           |
| Vehicles                           | 382,554             | 315,687             |
| Equipment, furniture and computers | 213,710             | 358,792             |
|                                    | <u>4,107,135</u>    | <u>4,367,515</u>    |
| Accumulated depreciation           | <u>(1,740,029)</u>  | <u>(1,967,840)</u>  |
| Property and equipment, net        | <u>\$ 2,367,106</u> | <u>\$ 2,399,675</u> |

Total depreciation expense for the years ended June 30, 2024 and 2023 was \$167,473 and \$137,754, respectively.

**NOTE 8 – NET ASSETS**

The detail of the Organization's net asset categories is as follows at June 30:

|                                             | 2024                | 2023                |
|---------------------------------------------|---------------------|---------------------|
| With donor restrictions:                    |                     |                     |
| Purpose restricted                          | \$ 127,286          | \$ 319,741          |
| Total net assets with donor restrictions    | <u>127,286</u>      | <u>319,741</u>      |
| Without donor restrictions:                 |                     |                     |
| Undesignated                                | 8,682,341           | 8,252,038           |
| Total net assets without donor restrictions | <u>8,682,341</u>    | <u>8,252,038</u>    |
| Total net assets                            | <u>\$ 8,809,627</u> | <u>\$ 8,571,779</u> |

**NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at June 30:

|                                                 | 2024              | 2023              |
|-------------------------------------------------|-------------------|-------------------|
| Pusateri - Bakersfield                          | \$ 86,549         | \$ 294,158        |
| Career and Ed Center - Fresno                   | 16,610            | 16,610            |
| Rental Assistance for Victims of Domestic Abuse | 294               | 8,973             |
| Turkey Drive                                    | <u>23,833</u>     | <u>-</u>          |
| Total net assets with donor restrictions        | <u>\$ 127,286</u> | <u>\$ 319,741</u> |

**NOTE 10 – FOOD AND OTHER ASSISTANCE**

Food and other assistance included in the Statements of Functional Expenses consists of the following at June 30:

|                                                        | 2024                | 2023                |
|--------------------------------------------------------|---------------------|---------------------|
| Food                                                   | \$ 6,030,447        | \$ 5,200,366        |
| Lodging and rent                                       | 140,401             | 414,982             |
| Utilities                                              | 32,523              | 118,767             |
| Transportation                                         | 530                 | 10,751              |
| Miscellaneous (gas, vouchers, ID cards, prescriptions) | 8,076               | 9,797               |
|                                                        | <u>6,211,977</u>    | <u>5,754,663</u>    |
| Total food and other assistance                        | <u>\$ 6,211,977</u> | <u>\$ 5,754,663</u> |

**NOTE 11 – CONTRACTS WITH CUSTOMERS**

Revenue from performance obligations satisfied at a point in time consists of fees assessed for administering the immigration services program and sales of merchandise from the thrift store. The total amount of revenue recognized from the assessment of these fees and sales from the thrift store was \$314,142 and \$347,037 for the years ended June 30, 2024 and 2023, respectively.

**NOTE 12 – CONTRIBUTED NONFINANCIAL ASSETS**

Contributed nonfinancial assets recognized within the Statements of Activities included the following at June 30:

|                           | 2024                | 2023                |
|---------------------------|---------------------|---------------------|
| Materials                 | \$ 47,223           | \$ 49,133           |
| Professional services     | 37,278              | 45,095              |
| Food                      | 5,211,508           | 4,263,379           |
|                           | <u>5,296,009</u>    | <u>4,357,607</u>    |
| Total nonfinancial assets | <u>\$ 5,296,009</u> | <u>\$ 4,357,607</u> |

**NOTE 13 – RELATED PARTY TRANSACTIONS**

Related parties include members of management, the Board of Directors and their immediate families; substantial contributors; entities controlled by the Organization; and entities controlled by members of the Board of Directors, management and their immediate families.

Included in the expenses of the Organization for the years ended June 30, 2024 and 2023, were amounts paid to the Diocese of Fresno of \$647,575 and \$687,321, respectively, for workers compensation, general liability and property insurance, auto insurance, and health benefits.

**NOTE 14 – SUBSEQUENT EVENTS**

Management has evaluated and concluded that there are no subsequent events that have occurred from June 30, 2024 through the date the financial statements were available to be issued at May 21, 2025 that would require additional disclosure or adjustment.

## **SUPPLEMENTARY INFORMATION**

**CATHOLIC CHARITIES OF THE DIOCESE OF FRESNO | FOR THE YEAR ENDED JUNE 30, 2024**  
Schedule of Expenditures of Federal Awards

| <b>Federal Grantor/Program or Cluster Title</b>                                           | <b>Assistance<br/>Listing<br/>Number</b> | <b>Pass-Through Entity<br/>Identifying Number</b> | <b>Federal<br/>Expenditures</b> |
|-------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------|---------------------------------|
| <b>Corporation for National and Community Service:</b>                                    |                                          |                                                   |                                 |
| Direct Program:                                                                           |                                          |                                                   |                                 |
| Foster Grandparents/Senior Companion Cluster:                                             |                                          |                                                   |                                 |
| Senior Companion Program                                                                  | 94.016                                   | N/A                                               | \$ 329,350                      |
| <b>Total Corporation for National and Community Service</b>                               |                                          |                                                   | <u>329,350</u>                  |
| <b>U.S. Department of Health and Human Services:</b>                                      |                                          |                                                   |                                 |
| Pass Through Program:                                                                     |                                          |                                                   |                                 |
| California Department Social Services:                                                    |                                          |                                                   |                                 |
| Medical Assistance Program                                                                | 93.778                                   | N/A                                               | 514,772                         |
| <b>Total U.S. Department of Health and Human Services</b>                                 |                                          |                                                   | <u>514,772</u>                  |
| <b>U.S. Department of Agriculture:</b>                                                    |                                          |                                                   |                                 |
| Pass Through Program:                                                                     |                                          |                                                   |                                 |
| California Department Social Services:                                                    |                                          |                                                   |                                 |
| State Administrative Matching Grants for the<br>Supplemental Nutrition Assistance Program | 10.561 *                                 | N/A                                               | 776,982                         |
| <b>Total U.S. Department of Agriculture</b>                                               |                                          |                                                   | <u>776,982</u>                  |
| <b>U.S. Department of Homeland Security:</b>                                              |                                          |                                                   |                                 |
| Direct Program:                                                                           |                                          |                                                   |                                 |
| Emergency Food and Shelter National Board Program                                         | 97.024                                   | N/A                                               | 257,902                         |
| Disaster Assistance Projects                                                              | 97.088                                   |                                                   | 441,360                         |
| Pass Through Program:                                                                     |                                          |                                                   |                                 |
| California Department Social Services:                                                    |                                          |                                                   |                                 |
| Disaster Grant - Public Assistance                                                        | 97.036 *                                 | N/A                                               | 488,430                         |
| <b>Total U.S. Department of Homeland Security</b>                                         |                                          |                                                   | <u>1,187,692</u>                |
| <b>Total Expenditures of Federal Awards</b>                                               |                                          |                                                   | <u>\$ 2,808,796</u>             |

\*Denotes a major program per Uniform Guidance.

**NOTE 1 – GENERAL**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the Catholic Charities of the Diocese of Fresno (the Organization). Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included in the schedule. The information in this SEFA 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).

**NOTE 2 – BASIS OF ACCOUNTING**

The accompanying SEFA is presented using the accrual basis of accounting, which is described in Note 2 of the Organization's financial statements.

**NOTE 3 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

Federal award expenditures agree or can be reconciled with the amounts reported in the Organization's financial statements.

**NOTE 4 – INDIRECT COST RATE**

The Organization has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**NOTE 5 – PASS-THROUGH ENTITY IDENTIFYING NUMBER**

The SEFA will reflect an identifying number for federal awards received from a pass-through entity. An identifying number will not be reflected when the Organization determines no identifying number has been assigned for the program or the Organization was unable to obtain from the pass-through entity.

## **OTHER INDEPENDENT AUDITOR'S REPORTS**



**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 of  
Catholic Charities of the Diocese of Fresno  
Fresno, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of Catholic Charities of the Diocese of Fresno, (the Organization), a nonprofit organization, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 21, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) 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 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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on 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 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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**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.

*Price Page & Company*

Clovis, California

May 21, 2025



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

To the Board of Directors of  
Catholic Charities of the Diocese of Fresno  
Fresno, California

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

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

We have audited Catholic Charities of the Diocese of Fresno's (the Organization) compliance with the types of compliance requirements identified as subject to audit 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 June 30, 2024. 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.

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 June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and

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therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*Price Pange & Company*

Clovis, California  
May 21, 2025

## **FINDINGS AND QUESTIONED COSTS**

**CATHOLIC CHARITIES OF THE DIOCESE OF FRESNO | FOR THE YEAR ENDED JUNE 30, 2024**  
Schedule of Findings and Questioned Costs

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

|                                                                                    |                                 |                                            |  |
|------------------------------------------------------------------------------------|---------------------------------|--------------------------------------------|--|
| Type of auditor's report issued:                                                   | <u>Unmodified</u>               |                                            |  |
| Internal control over financial reporting:                                         |                                 |                                            |  |
| Material weaknesses identified?                                                    | <u>                    </u> Yes | <u>          X          </u> No            |  |
| Significant deficiencies identified -<br>not considered to be material weaknesses? | <u>                    </u> Yes | <u>          X          </u> None reported |  |
| Noncompliance material to financial statements noted?                              | <u>                    </u> Yes | <u>          X          </u> No            |  |

**Federal Awards**

|                                                                                    |                                 |                                            |  |
|------------------------------------------------------------------------------------|---------------------------------|--------------------------------------------|--|
| Internal control over major programs:                                              |                                 |                                            |  |
| Material weaknesses identified?                                                    | <u>                    </u> Yes | <u>          X          </u> No            |  |
| Significant deficiencies identified -<br>not considered to be material weaknesses? | <u>                    </u> Yes | <u>          X          </u> None reported |  |

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

|                                 |                                 |  |
|---------------------------------|---------------------------------|--|
| <u>Unmodified</u>               |                                 |  |
| <u>                    </u> Yes | <u>          X          </u> No |  |

Any audit findings disclosed that are required  
to be reported in accordance with 2CFR  
Section 200.516(a)?

**Identification of Major Programs**

|                                  |                                           |
|----------------------------------|-------------------------------------------|
| <u>Assistance Listing Number</u> | <u>Name of Federal Program or Cluster</u> |
| 10.561                           | Supplemental Nutrition Assistance Program |
| 97.036                           | Disaster Grant - Public Assistance        |

Dollar threshold used to distinguish  
between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

|                                 |                                 |
|---------------------------------|---------------------------------|
| <u>                    </u> Yes | <u>          X          </u> No |
|---------------------------------|---------------------------------|

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported.

**SECTION III – FEDERAL AWARD FINDINGS**

None reported.

**CATHOLIC CHARITIES OF THE DIOCESE OF FRESNO | FOR THE YEAR ENDED JUNE 30, 2024**

Summary Schedule of Prior Audit Findings

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**FINANCIAL STATEMENT FINDINGS**

None reported.

**FEDERAL AWARD FINDINGS**

None reported.