



Certified Public Accountants, LLP

**CONTRA COSTA INTERFAITH
TRANSITIONAL HOUSING, INC.
DBA: CONTRA COSTA INTERFAITH
HOUSING, INC.**

SINGLE AUDIT REPORTS

JUNE 30, 2017

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**Independent Auditors' 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
Contra Costa Interfaith Transitional Housing, Inc.
dba: Contra Costa Interfaith Housing, Inc.

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 Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc., which comprise the Statement of Financial Position as of June 30, 2017, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 16, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc.'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 Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc.'s internal control.

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

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

**Independent Auditors' 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***

continued

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc.'s financial statements are free of 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harrington Group

San Francisco, California
November 16, 2017

**Independent Auditors' Report on Compliance for Each Major Program;
Report on Internal Control Over Compliance; and Report on the Schedule of
Expenditures of Federal and Non-federal Awards in Accordance with the Uniform Guidance**

To the Board of Directors
Contra Costa Interfaith Transitional Housing, Inc.
dba: Contra Costa Interfaith Housing, Inc.

Report on Compliance for Each Major Federal Program

We have audited Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc.'s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc.'s major federal programs for the year ended June 30, 2017. Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc.'s major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc.'s compliance.

**Independent Auditors' Report on Compliance for Each Major Program;
Report on Internal Control Over Compliance; and Report on the Schedule of
Expenditures of Federal and Non-federal Awards in Accordance with the Uniform Guidance**
continued

Opinion on Each Major Federal Program

In our opinion, Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc.'s complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control and compliance is solely to describe the scope of our testing of internal control and 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.

**Independent Auditors' Report on Compliance for Each Major Program;
Report on Internal Control Over Compliance; and Report on the Schedule of
Expenditures of Federal and Non-federal Awards in Accordance with the Uniform Guidance**
continued

**Report on Schedule of Expenditures of Federal and Non-federal Awards Required by the Uniform
Guidance**

We have audited the financial statements of Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc.'s as of and for the year ended June 30, 2017, and have issued our report thereon dated November 16, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and non-federal awards is presented for the purpose of additional analysis as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and 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 and non-federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Harrington Group

San Francisco, California
November 16, 2017

**CONTRA COSTA INTERFAITH TRANSITIONAL HOUSING, INC.
DBA: CONTRA COSTA INTERFAITH HOUSING, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
For the year ended June 30, 2017

Federal Grantor Agency/Pass-Through Grantor/Program Title	Contract Number	Federal CFDA Number	Contract Term	Program Award	Program Expenditures	Non-federal	Total Expenditures	Pass-through to Sub-recipients
Federal Awards								
U.S. Department of Housing and Urban Development ("HUD"):								
Direct Recipient for the Scattered Site Program:								
ACCESS (Renewal Grant)	CA0180L9T051508	14.267	02/01/2016 - 01/31/2017	\$ 505,876	\$ 301,775	\$ -	\$ 301,775	\$ -
CHOICE (Renewal Grant - Combined Access Plus and Choice)	CA0893L9T051506	14.267	04/01/2016 - 03/31/2017	248,717	177,046		177,046	
CONSOLIDATED ACCESS	CA0180L9T051609	14.267	02/01/2017 - 01/31/2018	719,140	266,360		266,360	
Families in Supportive Housing (FISH Program)	CA1472L9T051500	14.267	10/1/2016 - 9/30/2017	797,694	494,463		494,463	
				<u>2,271,427</u>	<u>1,239,644</u>	<u>-</u>	<u>1,239,644</u>	<u>-</u>
Pass-through Resource for Community Development:								
RCD - Lakeside SHP		14.235	09/01/2015 - 08/30/2016	138,655	9,978		9,978	
Pass-through Contra Costa County:								
Housing Navigation	25-077	14.235	11/01/2016 - 09/30/2017	430,000	175,519		175,519	
Total HUD				<u>2,840,082</u>	<u>1,425,141</u>	<u>-</u>	<u>1,425,141</u>	<u>-</u>
U.S. Department of Health and Human Service Agency ("DHHS"):								
Pass-through Contra Costa County:								
HIV (Housing Advocacy Services - HOPWA Program)	#72-028-9	14.241	07/01/2016 - 06/30/2017	89,530	89,530		89,530	
HIV (Housing Advocacy Services - HOPWA Program)	#72-028-10	14.241	03/01/2017 - 02/28/2018	43,228	38,361		38,361	
PSSF (Promoting Safe & Stable Families)	#19-922-2	93.556	07/01/2016 - 06/30/2017	86,392	86,392		86,392	
Community Action Projects (Community Services Block Grant)	#38-778	93.569	03/01/2016 - 02/28/2017	25,000	15,936		15,936	
Community Action Projects (Community Services Block Grant)	#38-778-3	93.569	03/01/2017 - 02/28/2018	30,040	14,659		14,659	
				<u>274,190</u>	<u>244,878</u>	<u>-</u>	<u>244,878</u>	<u>-</u>
Non-federal Awards								
MHSA (Mental Health Services Act Prevention and Early Intervention Services)	#74-378-7		07/01/2016 - 06/30/2017	66,462		66,462	66,462	
MHSA Intern (Mental Health Services Act Workforce Education Training Services)	#78-482-2		07/01/2016 - 06/30/2017	20,000		20,620	20,620	
FACT (Family & Children's Trust Committee Strengthening Vulnerable Families Program)	#19-969-1		07/01/2016 - 06/30/2017	80,000		80,000	80,000	
Keller Canyon Mitigation Fund	#1582		07/01/2016 - 06/30/2017	10,000		10,000	10,000	
				<u>176,462</u>	<u>-</u>	<u>177,082</u>	<u>177,082</u>	<u>-</u>
Total DHHS				<u>450,652</u>	<u>244,878</u>	<u>177,082</u>	<u>421,960</u>	<u>-</u>
Total Federal and Non-federal Awards				<u>\$ 3,290,734</u>	<u>\$ 1,670,019</u>	<u>\$ 177,082</u>	<u>\$ 1,847,101</u>	<u>\$ -</u>

See independent auditors' report and notes to Schedule of Expenditures of Federal and Non-federal Awards.

**CONTRA COSTA INTERFAITH TRANSITIONAL HOUSING, INC.
DBA: CONTRA COSTA INTERFAITH HOUSING, INC.**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal and Non-federal Awards (“the Schedule”) includes the federal award activity of Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc. (“CCIH”) under programs of the federal government for the year ended June 30, 2017. The Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of CCIH, it is not intended to and does not present the financial position, changes in net assets, or cash flows of CCIH.

2. Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 2 CFR 200, Subpart E (Cost Principles), wherein certain types of expenditure are not allowable or are limited as to reimbursement. CCIH did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

3. Sub-recipients

CCIH did not provide any federal awards to sub-recipients.

4. Other Information

CCIH did not receive federal insurance, loans, or non-cash assistance during the year ended June 30, 2017.

CONTRA COSTA INTERFAITH TRANSITIONAL HOUSING, INC.
DBA: CONTRA COSTA INTERFAITH HOUSING, INC.
Schedule of Findings and Questioned Costs
For the year ended June 30, 2017

Section I – Summary of Auditors’ Results

Financial Statements:

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency 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 section 200.516 Audit Findings of the Uniform Guidance? No

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

Auditee qualified as low-risk auditee? Yes

Identification of Major Programs:

U.S. Department of Housing and Urban Development:
Continuum of Care Program 14.267

Section II – Financial Statements Findings

No matters reported.

Section III – Federal Award Findings and Questioned Costs

No matters reported.

Section IV – Summary Schedule of Prior Year Findings

No matters reported.



Certified Public Accountants, LLP

**CONTRA COSTA INTERFAITH
TRANSITIONAL HOUSING, INC.
DBA: CONTRA COSTA INTERFAITH
HOUSING, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Contra Costa Interfaith Transitional Housing, Inc.
dba: Contra Costa Interfaith Housing, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc. (a nonprofit organization), which comprise the Statement of Financial Position as of June 30, 2017, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT

continued

Other Matter

Report on Summarized Comparative Information

We have previously audited Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2017, on our consideration of Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc.'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 Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc.'s internal control over financial reporting and compliance.

Harrington Group

San Francisco, California
November 16, 2017

**CONTRA COSTA INTERFAITH
TRANSITIONAL HOUSING, INC.
DBA: CONTRA COSTA INTERFAITH HOUSING, INC.**

STATEMENT OF FINANCIAL POSITION

June 30, 2017

With comparative totals at June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	2017	2016
ASSETS					
Cash and cash equivalents (Note 2)	\$ 268,194	\$ 10,090	\$ -	\$ 278,284	\$ 180,547
Accounts receivable	390,737			390,737	415,514
Pledges receivable (Note 3)		50,000		50,000	100,000
Prepaid expenses	97,236			97,236	47,328
Investments (Note 4)		5,773	7,100	12,873	11,641
Investment property (Note 4)	2,728,735			2,728,735	2,728,735
Property and equipment (Note 6)	10,719			10,719	20,384
	\$ 3,495,621	\$ 65,863	\$ 7,100	\$ 3,568,584	\$ 3,504,149
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts payable	\$ 14,957	\$ -	\$ -	\$ 14,957	\$ 11,861
Accrued liabilities (Note 7)	256,797			256,797	131,832
	271,754	-	-	271,754	143,693
NET ASSETS					
Unrestricted	3,223,867			3,223,867	3,239,290
Temporarily restricted (Note 9)		65,863		65,863	114,066
Permanently restricted (Note 10)			7,100	7,100	7,100
	3,223,867	65,863	7,100	3,296,830	3,360,456
TOTAL NET ASSETS	3,223,867	65,863	7,100	3,296,830	3,360,456
TOTAL LIABILITIES AND NET ASSETS	\$ 3,495,621	\$ 65,863	\$ 7,100	\$ 3,568,584	\$ 3,504,149

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

**CONTRA COSTA INTERFAITH
TRANSITIONAL HOUSING, INC.
DBA: CONTRA COSTA INTERFAITH HOUSING, INC.**

STATEMENT OF ACTIVITIES
For the year ended June 30, 2017
With comparative totals for the year ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2017</u>	<u>2016</u>
REVENUE AND SUPPORT					
Government contract revenue (Note 11)	\$ 1,847,101	\$ -	\$ -	\$ 1,847,101	\$ 1,231,810
Service fees	322,904			322,904	191,263
Contributions	290,638	14,328		304,966	332,028
Special events - net of expenses of \$51,659	220,598			220,598	178,154
Scattered site adult rent income	126,448			126,448	104,465
Donated goods and services	28,072			28,072	33,431
Gain on investment	342	1,005		1,347	159
Dividend income	632	227		859	1,062
Interest income	113			113	222
Net asset released from purpose restrictions	63,763	(63,763)		-	-
TOTAL REVENUE AND SUPPORT	<u>2,900,611</u>	<u>(48,203)</u>	<u>-</u>	<u>2,852,408</u>	<u>2,072,594</u>
EXPENSES					
Program services	2,614,449			2,614,449	1,874,360
Management and general	156,310			156,310	105,716
Fundraising	145,275			145,275	109,694
TOTAL EXPENSES	<u>2,916,034</u>	<u>-</u>	<u>-</u>	<u>2,916,034</u>	<u>2,089,770</u>
CHANGE IN NET ASSETS	(15,423)	(48,203)	-	(63,626)	(17,176)
NET ASSETS, BEGINNING OF YEAR	<u>3,239,290</u>	<u>114,066</u>	<u>7,100</u>	<u>3,360,456</u>	<u>3,377,632</u>
NET ASSETS, END OF YEAR	<u>\$ 3,223,867</u>	<u>\$ 65,863</u>	<u>\$ 7,100</u>	<u>\$ 3,296,830</u>	<u>\$ 3,360,456</u>

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

**CONTRA COSTA INTERFAITH
TRANSITIONAL HOUSING, INC.
DBA: CONTRA COSTA INTERFAITH HOUSING, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2017

With comparative totals for the year ended June 30, 2016

	Program Services	Management and General	Fundraising	Total Expenses	
				2017	2016
Salaries	\$ 1,246,474	\$ 116,072	\$ 108,058	\$ 1,470,604	\$ 1,137,588
Payroll taxes and employee benefits	215,211	20,040	18,657	253,908	190,811
Total personnel costs	<u>1,461,685</u>	<u>136,112</u>	<u>126,715</u>	1,724,512	1,328,399
Scattered site adult master leasing	744,958			744,958	451,109
Direct program - other	169,173			169,173	81,736
Professional fees	95,362	4,300	4,003	103,665	55,124
Rent	48,873	4,551	4,237	57,661	52,756
Computer maintenance	17,673	1,646	1,532	20,851	15,378
Office expense	13,263	1,234	2,860	17,357	17,161
Accounting	12,290	1,145	1,065	14,500	10,000
Telephone	12,172	1,133	1,055	14,360	12,240
Supplies	10,800	1,006	936	12,742	9,820
Insurance	7,858	2,860	681	11,399	8,116
Depreciation	8,192	763	710	9,665	12,012
Printing and production	8,178	762	709	9,649	10,486
Postage	3,972	370	344	4,686	5,666
Travel and meetings		428	428	856	946
In-kind Mental Health Services				-	13,622
Marketing				-	5,199
TOTAL 2017 FUNCTIONAL EXPENSES	<u>\$ 2,614,449</u>	<u>\$ 156,310</u>	<u>\$ 145,275</u>	<u>\$ 2,916,034</u>	
TOTAL 2016 FUNCTIONAL EXPENSES	<u>\$ 1,874,360</u>	<u>\$ 105,716</u>	<u>\$ 109,694</u>		<u>\$ 2,089,770</u>

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

**CONTRA COSTA INTERFAITH
TRANSITIONAL HOUSING, INC.
DBA: CONTRA COSTA INTERFAITH HOUSING, INC.**

STATEMENT OF CASH FLOWS

For the year ended June 30, 2017

With comparative totals for the year ended June 30, 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (63,626)	\$ (17,176)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	9,665	12,012
Loss on fixed assets disposal	-	673
Dividends reinvested	(227)	(291)
(Gain) on investment	(1,347)	(159)
(Increase) decrease operating assets:		
Accounts receivable	24,777	(283,957)
Pledge receivable	50,000	50,000
Prepaid expenses	(49,908)	(23,921)
Increase (decrease) operating liabilities:		
Accounts payable	3,096	(2,457)
Accrued liabilities	124,965	64,833
	97,395	(200,443)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital improvements on Garden Park Apartments Community	-	(30,373)
Purchase of property and equipment	-	(6,973)
Sale of investments	342	-
	342	(37,346)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	97,737	(237,789)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	180,547	418,336
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 278,284	\$ 180,547

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

**CONTRA COSTA INTERFAITH
TRANSITIONAL HOUSING, INC.
DBA: CONTRA COSTA INTERFAITH HOUSING, INC.**

NOTES TO FINANCIAL STATEMENTS

1. Organization

Contra Costa Interfaith Transitional Housing, Inc. dba: Contra Costa Interfaith Housing, Inc. (“CCIH”) was organized under the laws of the State of California and incorporated in 1997 as a nonprofit corporation. The mission of Contra Costa Interfaith Housing (CCIH) is to provide permanent, affordable housing and vital support services to homeless and at-risk families and individuals in Contra Costa County. To accomplish this, CCIH collaborates with affordable housing developers, private landlords, and an array of community-based providers in order to prevent homelessness, help people who are homeless acquire and keep permanent housing, offer support services that assist highly vulnerable people to regain health, stability, and the dignity of self-reliance. Adult services focus on mental and physical health, life skills, employment, parenting, and eviction prevention. Youth services focus on emotional health, education, social and life skill building, good citizenship and preparation of adulthood. All services are accessible in that way that they are provided on-site at apartment complexes or in consumer homes. Support services include eviction prevention, counseling, case management, mental health services for children and their families, afterschool academic homework clubs, parenting classes, employment workshops, community strengthening activities, preschool readiness, and brokerage of mainstream and community based services and public benefits. CCIH partners with dozens of agencies to avoid redundancy of care and meet the unique needs of the residents.

CCIH also partners with Contra Costa County’s homeless and health services to provide Housing Advocacy for people living with HIV/AIDS and Housing Navigation services for those who are homeless and seeking permanent housing. CCIH is one of the leading agencies in the Contra Costa continuum of homeless services and coordinated entry system. CCIH offers an internship program for masters prepared social workers and marriage and family therapists seeking clinical hours in order to qualify for licensure. CCIH’s service team includes licensed mental health providers, case managers, educators, volunteers, property managers, and advocates who are highly skilled, culturally diverse and competent.

CCIH opened its first program in December of 2004, serving 72 homeless people at one program. Since then, CCIH has grown to serving more than 1,000 residents across multiple programs and locations throughout Contra Costa County.

2. Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

**CONTRA COSTA INTERFAITH
TRANSITIONAL HOUSING, INC.
DBA: CONTRA COSTA INTERFAITH HOUSING, INC.**

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Accounting

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of CCIH are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

Unrestricted. These generally result from revenue generated by receiving unrestricted contributions, providing services, and receiving interest from investments less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Temporarily Restricted. CCIH reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from program or capital restrictions. Temporarily restricted net assets consist of \$65,636 at June 30, 2017.

Permanently Restricted. These net assets are restricted by donors who stipulate that resources are to be maintained permanently, but permit CCIH to expend all of the income (or other economic benefits) derived from the donated assets. CCIH has permanently restricted net assets of \$7,100 at June 30, 2017.

Cash and Cash Equivalents

CCIH has defined cash and cash equivalents as cash in banks and certificates of deposits with an original maturity of three months or less.

Accounts Receivable

Accounts receivable are receivables from governmental agencies. Therefore, no allowance for doubtful accounts has been provided.

Contributions and Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is deemed immaterial and accordingly not recorded as of June 30, 2017. Conditional promises to give are not included as support until the conditions are substantially met.

continued

**CONTRA COSTA INTERFAITH
TRANSITIONAL HOUSING, INC.
DBA: CONTRA COSTA INTERFAITH HOUSING, INC.**

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Investments

CCIH values its investments at fair value. Unrealized gains or (losses) (including investments bought, sold, and held during the year) are reflected in the Statement of Activities as gain or (loss) on investments. Short term highly liquid money market deposits that are not used for operations are treated as investments.

Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices in active markets for identical assets

Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets

Level 3 inputs - estimates using the best information available when there is little or no market

CCIH is required to measure non-cash contributions and investments at fair value. The specific techniques used to measure fair value for these financial statement elements are described in the notes below that relate to each element.

Concentration of Credit Risks

CCIH places its temporary cash investments with high credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. CCIH has not incurred losses related to these investments.

The primary receivable balance outstanding at June 30, 2016 consists of government contract receivables due from county granting agencies. Concentration of credit risks with respect to trade receivables are limited, as the majority of CCIH's receivables consist of earned fees from contract programs granted by governmental agencies.

Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to five hundred dollars and the useful life is greater than one year.

**CONTRA COSTA INTERFAITH
TRANSITIONAL HOUSING, INC.
DBA: CONTRA COSTA INTERFAITH HOUSING, INC.**

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Donated Materials and Services

Contributions of donated non-cash assets are measured on a non-recurring basis and recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. For the year ended June 30, 2017, CCIH recorded in-kind contributions of \$28,072 for donated materials and services, \$6,654 of which is included in Special Events on the Statement of Activities. The remainder includes donated supplies for the after school program and in-kind mental health services provided by the county for CCIH consumers.

Income Taxes

CCIH is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d).

Generally accepted accounting principles provide accounting and disclosure 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 of the positions taken by CCIH in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. CCIH's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

Functional Allocation of Expenses

Costs of providing CCIH's programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. CCIH uses salary to allocate indirect cost.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CCIH's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

continued

**CONTRA COSTA INTERFAITH
TRANSITIONAL HOUSING, INC.
DBA: CONTRA COSTA INTERFAITH HOUSING, INC.**

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Subsequent Events

Management has evaluated subsequent events through November 16, 2017, the date which the financial statements were available for issue. No events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.

3. Pledges Receivable

Pledges receivable are recorded as support when pledged unless designated otherwise. Management deemed pledges collectible; accordingly no allowance for doubtful accounts has been established for uncollectible pledges. Additionally, all pledges are valued at their estimated fair value at June 30, 2017. Discount on pledges receivables is immaterial, accordingly unamortized discount on pledges receivable is not recorded. Total amount of pledges receivable at June 30, 2017, of \$50,000 is expected to be collected within one year.

4. Investments

Investments at June 30, 2017 consist of the following:

Mutual Funds	<u>\$12,873</u>
Garden Park Apartments	<u>\$2,728,735</u>

On September 30, 2003, Mercy Housing California and CCIH formed a collaborative named the Garden Park Apartments Community ("GPAC") to operate the Garden Park Apartments. On September 30, 2003, CCIH transferred title of Garden Park Apartments to GPAC and GPAC paid the corresponding mortgage on the apartment complex. The mission of GPAC is to provide permanent housing and on-site support services. Upon transfer of the apartments to GPAC, CCIH was given an interest in the apartments equal to CCIH's original down payment on the property and principal payments made on the mortgage less monies received by CCIH for the transfer of the apartments and the liability on the property management statement on September 30, 2003. CCIH's investment in the Garden Park Apartments at June 30, 2017 is \$2,728,735.

**CONTRA COSTA INTERFAITH
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NOTES TO FINANCIAL STATEMENTS

5. Fair Value Measurements

The table below presents the balances of assets measures at fair value at June 30, 2017 on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Balanced index fund	\$12,873	\$ -	\$ -	\$ 12,873
Garden Park Apartments			<u>2,728,735</u>	<u>2,728,735</u>
	<u>\$12,873</u>	<u>\$ -</u>	<u>\$2,728,735</u>	<u>\$2,741,608</u>

The fair values of mutual funds have been measured on a recurring basis using quoted prices for identical assets in active markets (Level 1 inputs).

The fair values of Garden Park Apartments have been measured on estimates using the best information available when there is little or no market (Level 3 inputs).

The following table provides further details of the Level 3 fair value measurements:

Beginning balance	\$2,728,735
Additional contributed equity	<u>-</u>
Ending balance	<u>\$2,728,735</u>

The table below presents transactions measured at fair value on a non-recurring basis during the year ended June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Contributed materials and services	<u>\$ -</u>	<u>\$28,072</u>	<u>\$ -</u>	<u>\$28,072</u>

The fair values of contributed materials and services have been measured on a recurring basis using quoted prices in active or inactive markets for the same or similar assets (Level 2 inputs).

6. Property and Equipment

Property and equipment at June 30, 2017 consist of the following:

Equipment	\$ 60,723
Less: accumulated depreciation	<u>(50,004)</u>
	<u>\$ 10,719</u>

Depreciation expense for the year ended June 30, 2017 was \$9,665.

**CONTRA COSTA INTERFAITH
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NOTES TO FINANCIAL STATEMENTS

7. Accrued Liabilities

Accrued liabilities at June 30, 2017 consist of the following:

HUD deposits	\$ 73,585
Accrued payroll	71,053
Accrued vacation	53,820
Accrued liabilities	27,300
Deposits	25,917
Pension payable	<u>5,122</u>
	<u>\$256,797</u>

8. Commitments and Contingencies

Obligation Under Operating Lease

CCIH's leases its Pleasant Hill office under an operating lease that expires in July 2019. Additional technology and telephone leases expire in July 2017 and May 2018, respectively. Future minimum payments, by year and in the aggregate, under these leases, consist of the following:

<u>Year ended June 30,</u>	
2018	\$ 85,896
2019	<u>48,982</u>
	<u>\$134,878</u>

Rent expense under operating leases for the year ended June 30, 2017 was \$54,061.

Contracts

CCIH's grants and contracts are subject to inspection and audit by the appropriate governmental funding agency. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, CCIH has no provisions for the possible disallowance of program costs on its financial statements.

9. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2017 consist of the following:

Dean and Margaret Leshar Foundation Grant	\$50,000
After School Program Supplies	7,590
Donor Restricted Endowment (Note 9)	5,773
Scholarship Funds	<u>2,500</u>
	<u>\$65,863</u>

continued

**CONTRA COSTA INTERFAITH
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NOTES TO FINANCIAL STATEMENTS

10. Permanently Restricted Net Assets

Permanently restricted net assets at June 30, 2017 consist of the corpus amount from various donors in the amount of \$7,100. The general purpose of the endowment fund is to provide a reserve, the interest and dividends from which may be expended to “support CCIH's mission”.

Generally accepted accounting principles provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”). It also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and Board-designated endowment funds) whether or not the organization is subject to UPMIFA.

CCIH classifies as permanently restricted net assets, (a) the original value of the gifts to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by CCIH.

Investment Objectives, Asset Allocation, and the Disbursement Policy

The fund will be invested by the Finance Committee in accordance with overall investment policy of CCIH. The Board of Directors of CCIH will control the Endowment Fund. Recommendation for expenditures will originate with the Program Committee and will require approval of the Board.

Endowment net assets composition by type of fund as of June 30, 2017:

	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Donor-restricted endowment funds	<u>\$5,773</u>	<u>\$7,100</u>	<u>\$12,873</u>

Changes in endowment net assets for the year ended June 30, 2017:

	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Endowment net assets, beginning of year	\$4,541	\$7,100	\$11,641
Net appreciation	1,005		1,005
Dividends income	<u>227</u>		<u>227</u>
Endowment net assets, end of year	<u>\$5,773</u>	<u>\$7,100</u>	<u>\$12,873</u>

continued

**CONTRA COSTA INTERFAITH
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NOTES TO FINANCIAL STATEMENTS

11. Government Contracts

Government contracts for the year ended June 30, 2017 consist of the following:

U.S. Housing and Urban Development – FISH	\$ 494,463
U.S. Housing and Urban Development – Access	301,775
U.S. Housing and Urban Development – Consolidated Access	266,360
U.S. Housing and Urban Development – Choice	177,046
Housing Navigation Coordinated Entry	175,519
HIV/AIDS Case Management	127,891
Promoting Safe and Stable Families	86,392
Family & Children’s Trust Committee Strengthening Vulnerable Families Program	80,000
MHSA: Mental Health Services Act Prevention & Early Intervention Services	66,462
Community Action Projects (Community Services Block Grant)	30,595
Mental Health Services Act Workforce Education Training Services	20,620
Keller Canyon Mitigation Fund	10,000
Lakeside - Housing Navigation	<u>9,978</u>
	<u>\$1,847,101</u>