

CATHOLIC CHARITIES, INC.
Jackson, Mississippi

Audited Financial Statements
Years Ended June 30, 2010 and 2009

CONTENTS

Independent Auditor's Report	1 – 2
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Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 – 6
Statements of Cash Flows	7
Notes to Financial Statements	8 – 16
Supplementary Information	
Parish-Based Ministries Schedule of Functional Expenses by Program Services	17
Domestic Violence Services Schedule of Functional Expenses by Program Services	18
Domestic Violence Services Schedule of Functional Expenses by Funding Sources	
Shelter for Battered Families Schedule of Functional Expenses by Funding Sources	19
Karitas Day Care Schedule of Functional Expenses by Funding Sources	20
Second Stage Housing Schedule of Functional Expenses by Funding Sources	21
Legal Clinic Schedule of Functional Expenses by Funding Sources	22
Rape Crisis Center Schedule of Functional Expenses by Funding Sources	23
Guardian Shelter for Battered Families/Rape Crisis/Oak Towers Schedule of Functional Expenses by Funding Sources	24
Natchez Services Schedule of Functional Expenses by Funding Sources	25

CONTENTS
(Continued)

Host Homes Program Schedule of Functional Expenses by Funding Sources	26
Children's Mental Health Services Schedule of Functional Expenses by Program Services	27
Children's Mental Health Services Schedule of Functional Expenses by Funding Sources	
Therapeutic Foster Care Schedule of Functional Expenses by Funding Sources	28
Crisis Response and Trauma Services Schedule of Functional Expenses by Funding Sources	29
Hope Haven/Inpatient Schedule of Functional Expenses by Funding Sources	30
Hope Haven/Outpatient Schedule of Functional Expenses by Funding Sources	31
Disaster Preparedness Schedule of Functional Expenses by Program Services	32
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 <i>Government Auditing Standards</i>	33 – 34



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Catholic Charities, Inc.
Jackson, Mississippi

We have audited the accompanying statements of financial position of Catholic Charities, Inc. (the "Organization") (a nonprofit corporation) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years ended June 30, 2010 and 2009. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information has been derived from the Organization's 2009 financial statements, and in our report dated October 28, 2009, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years ended June 30, 2010 and 2009, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2010 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on pages 17 through 32 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Horne LLP

Ridgeland, Mississippi
October 18, 2010

CATHOLIC CHARITIES, INC.
 Statements of Financial Position
 June 30, 2010 and 2009

	2010	2009
ASSETS		
Current assets		
Cash	\$ 3,000	\$ 2,800
Grants receivable (Note 5)	888,407	727,564
Pledges receivable, current portion (Note 2)	63,007	49,907
Savings deposit in Catholic Diocese of Jackson Deposit and Loan Fund (Note 7)	23,395	22,932
Restricted funds on deposit in Catholic Diocese of Jackson Deposit and Loan Fund (Note 7)	728,886	866,727
Prepaid expenses	80,803	34,871
Total current assets	1,787,498	1,704,801
Noncurrent assets		
Property, plant and equipment, at cost less accumulated depreciation of \$377,154 in 2010 and \$336,212 in 2009 (Note 3)	56,461	84,062
Pledges receivable, net of discount, allowance and current portion (Note 2)	51,248	49,117
Endowment deposits in the Catholic Diocese of Jackson Foundation	52,868	51,368
Total noncurrent assets	160,577	184,547
Total assets	\$ 1,948,075	\$ 1,889,348
LIABILITIES AND NET ASSETS		
Current liabilities		
Excess of outstanding checks over bank balance	\$ 49,251	\$ 69,369
Accounts payable and accrued expenses	295,973	262,872
Accrued salaries	45,884	71,967
Total current liabilities	391,108	404,208
Net assets		
Unrestricted		
Unrestricted - undesignated	151,101	244,251
Board designated (Note 9)	50,400	123,098
Total unrestricted	201,501	367,349
Temporarily restricted (Note 9)	1,285,088	1,048,913
Permanently restricted (Note 9)	70,378	68,878
Total net assets	1,556,967	1,485,140
Total liabilities and net assets	\$ 1,948,075	\$ 1,889,348

See accompanying notes.

CATHOLIC CHARITIES, INC.
 Statements of Activities
 Year Ended June 30, 2010
 (With Comparative Totals for the Year Ended June 30, 2009)

	Unrestricted Funds	Temporarily Restricted Funds	Permanently Restricted Funds	Total All Funds	
				2010	2009
Public support and revenue					
Public support					
Received directly					
Contributions	\$ 624,913	\$ 312,291	\$ 1,500	\$ 938,704	\$ 911,778
Bequest and memorials	59,185	-	-	59,185	201,811
Donated services	237,051	-	-	237,051	231,186
	921,149	312,291	1,500	1,234,940	1,344,775
Grants from governmental and private agencies	5,610,870	1,149,682	-	6,760,552	7,508,349
Total public support	6,532,019	1,461,973	1,500	7,995,492	8,853,124
Revenue					
Program service fees	1,395,747	-	-	1,395,747	1,302,292
Interest income	21,876	-	-	21,876	9,951
Total revenue	1,417,623	-	-	1,417,623	1,312,243
Net assets released from restrictions – satisfaction of program restrictions	1,225,798	(1,225,798)	-	-	-
Total public support and revenue	9,175,440	236,175	1,500	9,413,115	10,165,367
Expenses					
Program services					
Parish-Based Ministries	367,105	-	-	367,105	454,290
Adoptions/Maternity/Foster Care	126,400	-	-	126,400	130,838
Solomon Counseling Center/Family Ministries	258,491	-	-	258,491	281,612
Unaccompanied Refugee Minor	833,189	-	-	833,189	635,223
Domestic Violence Services	1,060,033	-	-	1,060,033	1,099,280
Rape Crisis Center	269,352	-	-	269,352	272,069
Guardian Shelter/RCC/Oak Towers	900,198	-	-	900,198	912,723
Natchez Services	932,727	-	-	932,727	657,640
Host Homes	310,041	-	-	310,041	468,666
Children's Mental Health Services	2,290,461	-	-	2,290,461	2,439,176
Alcohol/Drug Abuse/Born Free/New Beginnings	612,919	-	-	612,919	646,359
Disaster Preparedness	136,675	-	-	136,675	587,099
Northeast Services	81,699	-	-	81,699	72,655
Total program services	8,179,290	-	-	8,179,290	8,657,630
Supporting services					
Management and general	967,099	-	-	967,099	980,906
Fundraising	194,899	-	-	194,899	184,074
Total supporting services	1,161,998	-	-	1,161,998	1,164,980
Total expenses	9,341,288	-	-	9,341,288	9,822,610
Change in net assets	(165,848)	236,175	1,500	71,827	342,757
Net assets at beginning of year	367,349	1,048,913	68,878	1,485,140	1,142,383
Net assets at end of year	\$ 201,501	\$ 1,285,088	\$ 70,378	\$ 1,556,967	\$ 1,485,140

See accompanying notes.

CATHOLIC CHARITIES, INC.
 Statements of Functional Expenses
 Year Ended June 30, 2010
 (With Comparative Totals for the Year Ended June 30, 2009)

	Program Services									
	Parish Based Ministries	Adoption/ Maternity/ Foster Care	Solomon Counseling Center/ Family Ministries	Unaccompanied Refugee Minor	Domestic Violence Services	Rape Crisis Center	Guardian Shelter/ RCC/ Oak Towers	Natchez Services	Host Homes	
Salaries	\$ 200,329	\$ 74,710	\$ 154,646	\$ 429,286	\$ 545,801	\$ 129,575	\$ 416,527	\$ 391,790	\$ 163,187	
Payroll taxes	16,497	6,017	11,897	37,769	47,552	10,790	37,405	31,939	13,640	
Employee benefits	51,211	17,327	33,352	88,475	132,181	23,282	124,521	97,019	39,127	
Supplies and literature	9,456	1,819	6,337	9,109	25,627	8,708	47,134	11,816	6,806	
Telephone	8,206	1,201	1,819	12,712	12,450	1,529	7,797	10,026	5,156	
Conferences, conventions and meetings	3,948	1,275	3,980	10,086	2,984	60	12,877	2,744	1,445	
Subsistence, housing, medical and related subsidies	22,871	1,274	25	166,859	90,219	181	43,046	166,602	11,096	
Equipment purchases	91	-	(25)	792	1,159	-	1,922	-	-	
Occupancy	18,297	9,265	23,579	39,345	125,077	13,713	48,837	198,819	34,860	
Professional fees	4,620	3,293	14,577	11,605	7,681	1,041	7,503	2,909	3,887	
Transportation and travel	21,801	4,703	2,953	12,900	15,784	2,314	13,494	4,817	10,162	
Insurance	267	133	315	112	5,239	198	1,073	504	442	
Repairs and maintenance	323	-	-	5,139	23,679	-	21,503	5,166	1,605	
Printing	6,809	566	2,686	7,861	1,094	109	2,347	6,777	4,368	
Promotion and public relations	1,811	4,465	1,788	1,117	705	-	-	234	1,484	
Administrative costs	-	-	-	-	519	-	-	1,008	-	
Donated goods and services	-	-	-	-	18,420	77,725	113,004	-	10,292	
Interest	-	-	-	-	-	-	-	-	-	
Total expenses before depreciation	366,537	126,048	257,929	833,167	1,056,171	269,225	898,990	932,170	307,557	
Depreciation of property, plant and equipment	568	352	562	22	3,862	127	1,208	557	2,484	
Totals	\$ 367,105	\$ 126,400	\$ 258,491	\$ 833,189	\$ 1,060,033	\$ 269,352	\$ 900,198	\$ 932,727	\$ 310,041	

See accompanying notes.

CATHOLIC CHARITIES, INC.
 Statements of Functional Expenses
 Year Ended June 30, 2010
 (With Comparative Totals for the Year Ended June 30, 2009)

	<u>Program Services</u>					<u>Supporting Services</u>			<u>Total Expenses</u>	
	Children's Mental Health Services	Alcohol/ Drug Abuse/ Born Free/ New Beginnings	Disaster Preparedness	Northeast Services	Total	Management and General	Fundraising	2010	2009	
Salaries	\$ 1,202,287	\$ 332,088	\$ 66,902	\$ 14,405	\$ 4,121,533	\$ 588,558	\$ 77,508	\$ 4,787,599	\$ 5,202,787	
Payroll taxes	99,241	29,421	5,506	1,185	348,859	47,452	6,685	402,996	436,666	
Employee benefits	290,193	61,330	19,318	7,886	985,222	112,147	15,438	1,112,807	1,117,901	
Supplies and literature	30,629	11,477	1,317	1,151	171,386	17,879	9,387	198,652	207,487	
Telephone	19,253	7,380	2,062	1,673	91,264	5,217	372	96,853	97,845	
Conferences, conventions and meetings	37,360	2,479	1,773	423	81,434	9,967	47,616	139,017	148,793	
Subsistence, housing, medical and related subsidies	226,579	25,395	15,088	30,986	800,221	-	-	800,221	673,392	
Equipment purchases	180	2,941	914	91	8,065	5,039	-	13,104	40,268	
Occupancy	107,317	87,267	6,427	1,796	714,599	63,666	6,913	785,178	813,673	
Professional fees	129,493	14,139	330	140	201,218	78,720	4,058	283,996	295,532	
Transportation and travel	82,818	23,603	4,263	3,668	203,280	4,636	3,974	211,890	280,954	
Insurance	2,951	471	461	185	12,351	819	81	13,251	15,346	
Repairs and maintenance	13,924	12,373	-	311	84,023	5,499	1,244	90,766	97,034	
Printing	11,141	122	593	-	44,473	4,778	20,861	70,112	68,225	
Promotion and public relations	31,047	-	156	-	42,807	3,764	25	46,596	34,502	
Administrative costs	-	-	-	-	1,527	6,234	-	7,761	7,945	
Donated goods and services	-	-	-	17,610	237,051	-	-	237,051	231,236	
Interest	-	-	-	-	-	-	-	-	114	
Total expenses before depreciation	2,284,413	610,486	125,110	81,510	8,149,313	954,375	194,162	9,297,850	9,769,700	
Depreciation of property, plant and equipment	6,048	2,433	11,565	189	29,977	12,724	737	43,438	52,910	
Totals	\$ 2,290,461	\$ 612,919	\$ 136,675	\$ 81,699	\$ 8,179,290	\$ 967,099	\$ 194,899	\$ 9,341,288	\$ 9,822,610	

CATHOLIC CHARITIES, INC.
 Statements of Cash Flows
 Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Change in net assets	\$ 71,827	\$ 342,757
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation	43,438	52,910
Changes in assets and liabilities		
Grants receivable	(160,843)	284,455
Pledge receivable	(15,231)	10,726
Deposits and other assets	(1,500)	(1,992)
Prepaid expenses	(45,932)	14,527
Accounts payable and accrued expenses	33,101	(67,561)
Accrued salaries	(26,083)	(45,945)
Net cash (used in) provided by operating activities	<u>(101,223)</u>	<u>589,877</u>
Cash flows from investing activities		
Deposit to Catholic Diocese of Jackson		
Deposit and Loan Fund	(463)	(453)
Restricted Fund deposit to Catholic Diocese of Jackson Deposit and Loan Fund	137,841	(579,584)
Purchase of property, plant and equipment	(15,837)	(3,331)
Net cash provided by (used in) investing activities	<u>121,541</u>	<u>(583,368)</u>
Cash flows from financing activities		
Excess of outstanding checks over bank balance	(20,118)	(10,009)
Net cash used in financing activities	<u>(20,118)</u>	<u>(10,009)</u>
Net increase (decrease) in cash	200	(3,500)
Cash at beginning of year	<u>2,800</u>	<u>6,300</u>
Cash at end of year	<u>\$ 3,000</u>	<u>\$ 2,800</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ 114</u>

See accompanying notes.

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2010 and 2009

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Catholic Charities, Inc. (the "Organization") is a Mississippi not-for-profit corporation established in 1963 as the social service agency of the Catholic Diocese of Jackson. The mission of the Organization is multi-faceted and includes direct service, advocacy and public consciousness raising. Services are provided for all people regardless of religious affiliation, race, color or country of origin.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards ("SFAS") No. 117, *Financial Statements of Not-for-Profit Organizations*, codified ASC Subtopic 205-10. Under ASC Subtopic 205-10, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Receivables

The Organization reports receivables, most of which are grants from public or private agencies, at net realizable value. Due to the nature of grants receivable and because historical losses related to grants receivables have been insignificant, the direct write-off method is used to account for uncollectible amounts. Due to the nature of the pledges receivable and management's experience on the collection of pledges receivable, an allowance for doubtful accounts has been established. On a continuing basis, receivables are analyzed and, when determined to be uncollectible, they are written off through charge against revenue.

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2010 and 2009

NOTES TO FINANCIAL STATEMENTS

Note 1. Continued

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Maintenance and repairs are expensed in the period incurred; major renewals and betterments are capitalized. When items of property are sold or retired, the related costs are removed from the accounts and any gain or loss is included in income. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Asset Impairments

The Organization periodically evaluates whether current facts or circumstance indicate that the carrying amount of its depreciable assets to be held and used may not be recoverable. If such circumstances are determined to exist, an estimate of undiscounted future cash flows produced by the long-lived asset, or the appropriate grouping of assets, is compared to the carrying value to determine whether an impairment exists. If an asset is determined to be impaired, the loss is measured based on the difference between the asset's fair value and its carrying value. An estimate of the asset's fair value is based on quoted market prices in active markets, if available.

Net Assets

Restricted net assets are those which have been restricted by individuals or entities outside of the Organization. The restriction may be temporary or permanent, depending upon the terms of the funding source. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restriction. The unrestricted net asset category contains assets and contributions or grants that are not restricted by donors or grantors or for which restrictions have expired. Board designated net assets are certain unrestricted net assets designated by the Board for future use by specific programs.

Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged. Those that are expected to be collected in future years are recorded at the present value of their estimated future cash flows using the Organization's risk-free interest rate in the year promises are received. Amortization of the discount is included in contribution revenue. The Organization establishes a valuation allowance against future pledges receivable to provide for amounts estimated to be non-collectible.

The Organization reports gifts of cash and other assets as 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 purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2010 and 2009

NOTES TO FINANCIAL STATEMENTS

Note 1. Continued

The Organization reports gifts of long-lived assets as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Certain federal and state grants are considered to be for the purchase of goods and services, and therefore are deemed to be exchange transactions rather than contributions. Accordingly, such grant revenue is recognized as goods are provided or services are rendered.

Program service fees represent fees charged to clients and are recognized as services are rendered.

Functional Allocation of Expenses

The costs of providing the various programs and other activities are summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is a not-for-profit corporation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Summarized Financial Information

The financial statements include prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a complete presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2009, from which the summarized information was derived.

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2010 and 2009

NOTES TO FINANCIAL STATEMENTS

Note 1. Continued

New Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board ("FASB") issued FASB ASC Topic 105, *Generally Accepted Accounting Principles*, which establishes the FASB Accounting Standards Codification as the sole source of authoritative accounting principles generally accepted in the United States of America. Pursuant to the provisions of FASB ASC Topic 105, the Organization has updated references to GAAP in its financial statements issued for the year ended December 31, 2009. The adoption of FASB ASC Topic 105 did not impact the Organization's financial position or results of operations.

In July 2006, the FASB issued interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*, codified in ASC Topic 740. This standard clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements and prescribes a recognition threshold and measurement attribute for tax positions taken or expected to be taken on a tax return including the entity's status as a tax-exempt not-for-profit entity. Additionally, ASC Topic 740 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Organization adopted this standard effective July 1, 2009. The Organization had no significant uncertain tax positions at the date of adoption or at June 30, 2010. Accordingly, the adoption did not have a material effect on the Organization's financial position or change in net assets. If interest and penalties are incurred related to uncertain tax positions, such amounts are recognized in income tax expense. Tax periods for all fiscal years after 2006 remain open to examination by the federal and state taxing jurisdictions to which the organization is subject.

Note 2. Pledges Receivable

As a result of the Journey of Hope, the Organization had pledges receivable at June 30, 2010 as follows:

Receivable in less than one year	\$ 63,007
Receivable in one to five years	95,936
Receivable in six to ten years	<u>970</u>
Total pledges receivable	159,913
Less discounts to net present value at 5.5 percent and allowance for doubtful accounts of \$9,762 and \$35,896, respectively	<u>45,658</u>
Net pledges receivable	<u><u>\$ 114,255</u></u>

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2010 and 2009

NOTES TO FINANCIAL STATEMENTS

Note 3. Property, Plant and Equipment

A summary of property, plant and equipment at June 30 follows:

	2010	2009
Building improvements	\$ 37,215	\$ 37,215
Furniture and equipment	396,400	383,059
	433,615	420,274
Less accumulated depreciation	377,154	336,212
	\$ 56,461	\$ 84,062

Note 4. Donated Services

During each of the years ended June 30, 2010 and 2009, the Organization received the use of facilities for which rent would have totaled \$113,004 per year. The Organization also received the services of social work interns who volunteered time along with individuals who donated miscellaneous goods to Host Homes, Domestic Violence Services, Northeast Services and the Rape Crises Center totaling \$124,047 in 2010 and \$118,182 in 2009. The total of these amounts is reflected in the accompanying statements of activities as donated services revenue and in-kind expenses.

Note 5. Grants from Governmental and Private Agencies

During the years ended June 30, 2010 and 2009, the Organization was the recipient of governmental and private grants totaling approximately \$6,800,000 and \$7,500,000, respectively, to fund sixteen of its program services.

The receivables from the grants related to the program services were as follows at June 30:

	2010	2009
HIV Early Intervention Services	\$ 5,794	\$ 11,610
Adoption	3,823	-
Born Free/New Beginnings	54,633	59,776
Day Treatment Services	33,993	3,134
Domestic Violence Services	155,641	169,011
Guardian Shelter and Rape Crisis Center	141,467	121,149
Homeless Prevention and Rapid Re-housing	170,731	-
Hope Haven Inpatient	35,867	22,041
Hope Haven Outpatient	23,952	57,150
Immigration Clinic	10,870	4,135

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2010 and 2009

NOTES TO FINANCIAL STATEMENTS

Note 5. Continued

	2010	2009
Long-Term Recovery	\$ -	\$ 37,246
MAP Team	4,281	4,433
Natchez services	2,025	-
Host Homes	33,901	30,315
Solomon Counseling Center	7,959	724
Therapeutic Foster Care	79,258	51,696
Trauma Recovery for Youth	40,639	76,604
Unaccompanied Refugee Minors	83,573	78,540
	<u>\$ 888,407</u>	<u>\$ 727,564</u>

Because the above grants offer valuable program services, it is the intention of the management of the Organization, subject to the availability of governmental and private funds, to participate in similar grants in the future.

Note 6. Leases

The Organization leases buildings and equipment under operating leases that expire at various dates through 2015. The leases require the Organization to pay maintenance, insurance, taxes and other expenses in addition to the minimum rental. Rent expense under both cancelable and noncancelable operating leases totaled \$568,121 in 2010 and \$603,308 in 2009.

At June 30, 2010, the aggregate annual rental payments under noncancelable operating leases, with initial or remaining terms of one year or more, were as follows:

2011	\$ 334,317
2012	291,751
2013	247,634
2014	254,702
2015	<u>130,152</u>
	<u>\$ 1,258,556</u>

Note 7. Catholic Diocese of Jackson Deposit and Loan Fund

At June 30, 2010 and 2009, the Organization was not indebted to the Catholic Diocese of Jackson and the Deposit and Loan Fund, which represents money invested with the Catholic Diocese of Jackson, was in a deposit position of \$752,281 and \$889,659 earning 3 percent at June 30, 2010 and 2009, respectively. These funds are classified as restricted funds on the statement of financial position.

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2010 and 2009

NOTES TO FINANCIAL STATEMENTS

Note 7. Continued

The amounts invested in the Catholic Diocese of Jackson at June 30, 2010 and 2009 were not insured by the FDIC. The Organization has not experienced any losses on these deposits in the past, and management does not believe that it is exposed to any significant credit risk on savings deposits.

Note 8. Pension Plan

The Organization participates in a multi-employer defined benefit Plan with the Catholic Diocese of Jackson and Saint Peter's Cathedral of Jackson, Mississippi. The Plan is an insured non-contributory plan that covers lay employees who have attained the age of 21 and completed one year of service.

Employees are fully vested after seven years of service based on a graduated vesting schedule and the normal retirement age is defined as the employee's 65th birthday, but the Plan also provides for early retirement, disability and death benefits. Benefits are provided through an insurance contract and are based on years of service and average monthly earnings. Funding is accomplished through annual actuarially determined employer contributions based on the anticipated funding of employees' pension benefits spread over the period from their dates of employment to their dates of retirement. Because the Plan is a multi-employer plan, it is exempt from the accounting and disclosures required by SFAS No. 87, *Employers Accounting for Pensions*, codified as ASC Subtopic 715-30.

The annual contributions for the year ended June 30, 2010 were allocated as follows:

Catholic Diocese of Jackson	\$ 67,235
Catholic Charities, Inc.	<u>335,003</u>
Total contributions	<u>\$ 402,238</u>

Saint Peter's Cathedral had no employees participating in the plan in 2009 and 2010.

Note 9. Restrictions on Net Assets

For the years ended June 30, 2010 and 2009 the Board approved the designation of certain unrestricted net assets related to specific programs to ensure that each of these programs would be allowed to earmark these net assets for future use. The designation can be lifted at any time by the Board and thus do not indicate any temporarily restricted amounts. The below have been Board designated:

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2010 and 2009

NOTES TO FINANCIAL STATEMENTS

Note 9. Continued

Board Designation	2010	2009	Increase (Decrease)
Therapeutic Foster Care	\$ -	\$ 10,623	\$ (10,623)
Hope Haven Residential	-	8,297	(8,297)
Hope Haven Home Based	1,350	55,128	(53,778)
Trauma Recovery for Youth	980	980	-
Natchez Day Treatment	48,070	48,070	-
Grand total	<u>\$ 50,400</u>	<u>\$ 123,098</u>	<u>\$ (72,698)</u>

Temporarily restricted net assets are available for the following purposes:

Classification	2010	2009	Increase (Decrease)
Alcohol and Drug Services	\$ 28,943	\$ 11,176	\$ 17,767
Community Services	7,560	5,169	2,391
D'Evereaux Hall and St. Mary's Orphan Asylum	23,395	22,933	462
Elder Justice	-	12,221	(12,221)
Emergency Assistance	2,843	4,059	(1,216)
Disaster Assistance	44,759	174,356	(129,597)
Disaster Preparedness	409,446	-	409,446
Immigration and Refugee Services	-	3,815	(3,815)
Journey of Hope	120,490	89,940	30,550
North East Office	12,921	12,439	482
Parish Health Ministry	8,517	32,989	(24,472)
Parish Social Ministry	-	2,905	(2,905)
Services to Children	515,237	540,442	(25,205)
Services to Families	4,057	10,472	(6,415)
Domestic Violence Services	40,153	96,368	(56,215)
Unaccompanied Refuge Minor Program	28,660	29,629	(969)
Volunteer Services	38,107	-	38,107
Grand total	<u>\$ 1,285,088</u>	<u>\$ 1,048,913</u>	<u>\$ 236,175</u>

Permanently restricted net assets consist of an endowment fund established for the purpose of assisting the Organization with general operations. The permanently restricted net assets are comprised of donor restricted funds. Permanently restricted net assets are classified and reported based on the existence or absence of donor restricted funds. The invested funds associated with permanently restricted net assets are on deposit with the Catholic Diocese of Jackson Foundation and the Foundation allocates the interest based on its investment policy. The Foundation's investment policy is to allocate the total interest earned to each trust based on the balance in that trust. The Organization has not experienced any losses on these deposits in the past and management does not believe that it is exposed to any significant credit risk. As allowed by donor restriction, interest income is allocated between corpus and general operations as directed

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2010 and 2009

NOTES TO FINANCIAL STATEMENTS

Note 9. Continued

by the Organization. The Organization interprets the current state law regarding the treatment of endowment funds as the preservation and prevalent expenditure of the appreciation of the permanently restricted net assets.

Permanently restricted net assets were restricted for the following purposes as of June 30, 2010:

	2009	Contributions	Interest Reinvested	2010
General endowment	\$ 68,878	\$ 1,500	\$ -	\$ 70,378

Permanently restricted net assets were restricted for the following purposes as of June 30, 2009:

	2008	Contributions	Interest Reinvested	2009
General endowment	\$ 66,886	\$ 1,750	\$ 242	\$ 68,878

Note 10. Subsequent Events

The Organization did not have any subsequent events through October 18, 2010, which is the date the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements for the year ended June 30, 2010.

CATHOLIC CHARITIES, INC.
 Parish-Based Ministries
 Schedule of Functional Expenses by Program Services
 Year Ended June 30, 2010

	Parish Social Ministry	Parish Health Ministry	Clinic	Disaster Assistance	Community Services	Total
Salaries	\$ 38,263	\$ 16,381	\$ 145,685	\$ -	\$ -	\$ 200,329
Payroll taxes	3,182	1,615	11,700	-	-	16,497
Employee benefits	8,495	1,388	41,328	-	-	51,211
Supplies and literature	1,127	185	8,027	-	117	9,456
Telephone	2,155	172	5,879	-	-	8,206
Conferences, conventions and meetings	2,232	382	1,334	-	-	3,948
Subsistence, housing, medical and related subsidies	2,891	611	15	-	19,354	22,871
Equipment purchases	-	91	-	-	-	91
Occupancy	3,968	2,016	12,313	-	-	18,297
Professional fees	554	79	3,987	-	-	4,620
Transportation and travel	5,252	66	12,007	273	4,203	21,801
Insurance	58	30	179	-	-	267
Repairs and maintenance	-	-	323	-	-	323
Printing	2,846	351	3,612	-	-	6,809
Promotion and public relations	-	-	1,811	-	-	1,811
Total expenses before depreciation	71,023	23,367	248,200	273	23,674	366,537
Depreciation of property, plant and equipment	-	148	420	-	-	568
Totals	\$ 71,023	\$ 23,515	\$ 248,620	\$ 273	\$ 23,674	\$ 367,105

CATHOLIC CHARITIES, INC.
Domestic Violence Services
Schedule of Functional Expenses by Program Services
Year Ended June 30, 2010

	Shelter for Battered Families	Karitas Day Care	Second Stage Housing	Legal Clinic	Total
Salaries	\$ 184,193	\$ 151,688	\$ 146,462	\$ 63,458	\$ 545,801
Payroll taxes	16,610	13,203	12,534	5,205	47,552
Employee benefits	42,224	39,734	37,201	13,022	132,181
Supplies and literature	12,847	4,416	6,833	1,531	25,627
Telephone	8,069	1,599	1,695	1,087	12,450
Conferences, conventions and meetings	2,984	-	-	-	2,984
Subsistence, housing, medical and related subsidies	29,496	-	60,723	-	90,219
Equipment purchases	-	-	1,159	-	1,159
Occupancy	41,579	34,584	40,381	8,533	125,077
Professional fees	2,682	398	83	4,518	7,681
Transportation and travel	488	3,606	8,578	3,112	15,784
Insurance	415	-	97	4,727	5,239
Repairs and maintenance	6,806	11,663	5,210	-	23,679
Printing	718	99	-	277	1,094
Promotion and public relations	585	-	-	120	705
Administrative costs	-	-	-	519	519
Donated goods and services	18,420	-	-	-	18,420
Total expenses before depreciation	368,116	260,990	320,956	106,109	1,056,171
Depreciation of property, plant and equipment	2,339	857	319	347	3,862
Totals	\$ 370,455	\$ 261,847	\$ 321,275	\$ 106,456	\$ 1,060,033

CATHOLIC CHARITIES, INC.
Domestic Violence Services
Shelter For Battered Families
Schedule of Functional Expenses by Funding Source:
Year Ended June 30, 2010

	Mississippi Department of Education	United Way	City of Jackson/ CDBG	Federal Emergency Management Agency	Dept. of Public Safety VOCA	Dept. of Public Safety VAWA	Mississippi State Board of Health	Other	Total
Salaries	\$ -	\$ 22,363	\$ -	\$ -	\$ 109,724	\$ 16,199	\$ 25,240	\$ 10,667	\$ 184,193
Payroll taxes	-	1,962	-	-	9,666	1,239	1,931	1,812	16,610
Employee benefits	-	4,618	-	-	23,588	2,962	3,129	7,927	42,224
Supplies and literature	1,665	-	1,649	3,951	-	314	-	5,268	12,847
Telephone	-	-	-	-	-	-	-	8,069	8,069
Conferences, conventions and meetings	-	-	-	-	-	-	-	2,984	2,984
Subsistence, housing, medical and related subsidies	15,805	-	-	8,050	-	-	-	5,641	29,496
Occupancy	-	736	11,749	-	26,536	-	-	2,558	41,579
Professional fees	-	-	-	-	-	-	-	2,682	2,682
Transportation and travel	-	-	-	-	-	-	-	488	488
Insurance	-	-	-	-	-	-	-	415	415
Repairs and maintenance	660	-	4,663	-	-	-	-	1,483	6,806
Printing	-	-	-	-	-	-	-	718	718
Promotion and public relations	-	-	-	-	-	-	-	585	585
Donated goods and services	-	-	-	-	-	-	-	18,420	18,420
Total expenses before depreciation	18,130	29,679	18,061	12,001	169,514	20,714	30,300	69,717	368,116
Depreciation of property, plant and equipment	-	-	-	-	-	-	-	2,339	2,339
Totals	\$ 18,130	\$ 29,679	\$ 18,061	\$ 12,001	\$ 169,514	\$ 20,714	\$ 30,300	\$ 72,056	\$ 370,455

CATHOLIC CHARITIES, INC.
Domestic Violence Services
Karitas Day Care
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2010

	Mississippi State Board of Health	United Way	United Way/ Slots	City of Jackson/ CDBG	Other	Total
Salaries	\$ 59,666	\$ 22,930	\$ 51,237	\$ -	\$ 17,855	\$ 151,688
Payroll taxes	5,067	2,019	4,623	-	1,494	13,203
Employee benefits	14,934	7,452	13,838	-	3,510	39,734
Supplies and literature	-	-	208	1,513	2,695	4,416
Telephone	-	-	726	-	873	1,599
Occupancy	-	-	3,439	9,289	21,856	34,584
Professional fees	-	-	-	-	398	398
Transportation and travel	-	-	408	-	3,198	3,606
Repairs and maintenance	-	-	2,160	5,659	3,844	11,663
Printing	-	-	-	-	99	99
Total expenses before depreciation	79,667	32,401	76,639	16,461	55,822	260,990
Depreciation of property, plant and equipment	-	-	-	-	857	857
Totals	\$ 79,667	\$ 32,401	\$ 76,639	\$ 16,461	\$ 56,679	\$ 261,847

CATHOLIC CHARITIES, INC.
Domestic Violence Services
Second Stage Housing
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2010

	Federal Emergency Management Agency	HUD Supportive Housing Program	City of Jackson/ CDBG	Office of Justice	Other	Total
Salaries	\$ -	\$ 84,586	\$ -	\$ 61,605	\$ 271	\$ 146,462
Payroll taxes	-	7,068	-	5,441	25	12,534
Employee benefits	-	21,284	-	12,893	3,024	37,201
Supplies and literature	2,963	1,114	2,098	559	99	6,833
Telephone	-	1,349	-	-	346	1,695
Subsistence, housing, medical and related subsidies	4,949	2,881	-	52,663	230	60,723
Equipment purchases	-	-	-	1,159	-	1,159
Occupancy	-	20,587	9,880	7,180	2,734	40,381
Professional fees	-	-	-	-	83	83
Transportation and travel	-	-	-	8,578	-	8,578
Insurance	-	-	-	97	-	97
Repairs and maintenance	-	1,851	2,769	-	590	5,210
 Total expenses before depreciation	 7,912	 140,720	 14,747	 150,175	 7,402	 320,956
 Depreciation of property, plant and equipment	 -	 -	 -	 -	 319	 319
 Totals	 \$ 7,912	 \$ 140,720	 \$ 14,747	 \$ 150,175	 \$ 7,721	 \$ 321,275

CATHOLIC CHARITIES, INC.
Domestic Violence Services
Legal Clinic
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2010

	Office of Justice	Dept. of Public Safety VAWA	Other	Total
Salaries	\$ 450	\$ 19,172	\$ 43,836	\$ 63,458
Payroll taxes	51	1,434	3,720	5,205
Employee benefits	-	2,532	10,490	13,022
Supplies and literature	-	-	1,531	1,531
Telephone	-	-	1,087	1,087
Occupancy	-	3,200	5,333	8,533
Professional fees	-	-	4,518	4,518
Transportation and travel	-	-	3,112	3,112
Insurance	-	-	4,727	4,727
Printing	-	-	277	277
Promotion and public relations	-	-	120	120
Administrative costs	-	-	519	519
Total expenses before depreciation	501	26,338	79,270	106,109
Depreciation of property, plant and equipment	-	-	347	347
Totals	\$ 501	\$ 26,338	\$ 79,617	\$ 106,456

CATHOLIC CHARITIES, INC.
Rape Crisis Center
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2010

	Mississippi State Board of Health	Dept. of Public Safety VOCA	Dept. of Public Safety VAWA	Dept. of Public Safety SASP	United Way	City of Jackson/ CDBG	Other	Total
Salaries	\$ 29,056	\$ 55,856	\$ 16,000	\$ 4,000	\$ 17,006	\$ -	\$ 7,657	\$ 129,575
Payroll taxes	2,251	4,569	1,208	302	1,478	-	982	10,790
Employee benefits	2,638	10,685	2,960	743	3,172	-	3,084	23,282
Supplies and literature	521	3,584	438	-	834	2,410	921	8,708
Telephone	-	-	-	-	1,216	58	255	1,529
Conferences, conventions and meetings	-	-	-	-	60	-	-	60
Subsistence, housing, medical and related subsidies	-	-	-	-	120	-	61	181
Occupancy	-	6,724	-	-	3,627	3,362	-	13,713
Professional fees	-	-	-	-	958	-	83	1,041
Transportation and travel	-	500	-	-	468	191	1,155	2,314
Insurance	-	-	-	-	198	-	-	198
Printing	-	-	-	-	101	-	8	109
Donated services	-	-	-	-	-	-	77,725	77,725
Total expenses before depreciation	34,466	81,918	20,606	5,045	29,238	6,021	91,931	269,225
Depreciation of property, plant and equipment	-	-	-	-	-	-	127	127
Totals	\$ 34,466	\$ 81,918	\$ 20,606	\$ 5,045	\$ 29,238	\$ 6,021	\$ 92,058	\$ 269,352

CATHOLIC CHARITIES, INC.
Guardian Shelter for Battered Families/Rape Crisis/Oak Towers
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2010

	Emergency Shelter Grant	Mississippi State Board of Health	Dept. of Public Safety VAWA	Dept. of Public Safety VOCA	Dept. of Public Safety STOP	Housing and Urban Development	United Way	Guardian Collections and Other Donations	Total
Salaries	\$ 1,765	\$ 63,294	\$ 21,936	\$ 78,255	\$ 11,733	\$ 193,986	\$ 19,564	\$ 25,994	\$ 416,527
Payroll taxes	157	5,232	1,859	6,867	1,007	18,402	1,637	2,244	37,405
Employee benefits	873	16,849	6,157	23,754	1,992	59,314	6,019	9,563	124,521
Supplies and literature	13,555	6,642	-	5,651	-	15,191	3,080	3,015	47,134
Telephone	-	5,298	-	-	-	-	2,095	404	7,797
Conferences, conventions and meetings	-	204	-	-	-	1,738	447	10,488	12,877
Subsistence, housing, medical and related subsidies	15,907	-	-	3,073	-	18,763	1,491	3,812	43,046
Equipment purchases	-	-	-	-	-	-	-	1,922	1,922
Occupancy	21,905	9,633	-	-	-	10,567	116	6,616	48,837
Professional fees	-	-	-	-	-	-	1,221	6,282	7,503
Transportation and travel	2,854	3,158	-	-	-	3,227	2,210	2,045	13,494
Insurance	-	-	-	-	-	644	362	67	1,073
Repairs and maintenance	5,420	-	-	-	-	-	313	15,770	21,503
Printing	-	1,425	-	-	-	-	200	722	2,347
Donated goods and services	-	-	-	-	-	-	-	113,004	113,004
Total expenses before depreciation	62,436	111,735	29,952	117,600	14,732	321,832	38,755	201,948	898,990
Depreciation of property, plant and equipment	-	-	-	-	-	-	-	1,208	1,208
Totals	\$ 62,436	\$ 111,735	\$ 29,952	\$ 117,600	\$ 14,732	\$ 321,832	\$ 38,755	\$ 203,156	\$ 900,198

CATHOLIC CHARITIES, INC.
Natchez Services
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2010

	Federal Emergency Management Agency	Mississippi Department of Mental Health	Day Treatment	AOP Day Treatment	Food Pantry	Homeless Prevention and Rapid Rehousing	CCI Counseling/ Emergency Assistance	Total
Salaries	\$ -	\$ 8,603	\$ 264,857	\$ 41,779	\$ 12,364	\$ 33,046	\$ 31,141	\$ 391,790
Payroll taxes	-	680	23,081	2,865	853	3,003	1,457	31,939
Employee benefits	-	1,085	69,128	16,218	800	4,696	5,092	97,019
Supplies and literature	-	-	1,193	1,517	2,103	5,381	1,622	11,816
Telephone	-	-	2,698	778	870	2,946	2,734	10,026
Conferences, conventions and meetings	-	497	1,521	130	100	-	496	2,744
Subsistence, housing, medical and related subsides	5,785	1,843	347	436	3,666	118,384	36,141	166,602
Occupancy	-	-	187,886	-	7,526	1,741	1,666	198,819
Professional fees	-	-	2,289	168	144	-	308	2,909
Transportation and travel	-	455	2,186	618	-	851	707	4,817
Insurance	-	-	-	39	362	-	103	504
Repairs and maintenance	-	-	14	-	4,859	-	293	5,166
Printing	-	-	3,352	200	-	683	2,542	6,777
Promotion and public relations	-	-	-	-	-	-	234	234
Administrative costs	-	-	-	-	-	-	1,008	1,008
Total expenses before depreciation	5,785	13,163	558,552	64,748	33,647	170,731	85,544	932,170
Depreciation of property, plant and equipment	-	-	-	203	-	-	354	557
Totals	\$ 5,785	\$ 13,163	\$ 558,552	\$ 64,951	\$ 33,647	\$ 170,731	\$ 85,898	\$ 932,727

CATHOLIC CHARITIES, INC.
Host Homes Program
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2010

	Department of Health & Human Services	State Department of Human Services	City of Jackson/ CDBG	Dept. of Public Safety/ Highway Safety	Other	Total
Salaries	\$ 149,261	\$ 8,326	\$ -	\$ 5,600	\$ -	\$ 163,187
Payroll taxes	12,458	-	-	427	755	13,640
Employee benefits	32,583	1,878	-	997	3,669	39,127
Supplies and literature	3,128	-	503	-	3,175	6,806
Telephone	2,786	73	248	-	2,049	5,156
Conferences, conventions and meetings	692	170	-	-	583	1,445
Subsistence, housing, medical and related subsidies	-	8,130	-	-	2,966	11,096
Occupancy	10,794	-	9,625	-	14,441	34,860
Professional fees	2,578	-	-	-	1,309	3,887
Transportation and travel	6,086	-	1,339	-	2,737	10,162
Insurance	411	-	-	-	31	442
Repairs and maintenance	214	10	-	-	1,381	1,605
Printing	4,181	-	-	-	187	4,368
Promotion and public relations	308	-	-	-	1,176	1,484
Donated services	6,500	-	-	-	3,792	10,292
Total expenses before depreciation	231,980	18,587	11,715	7,024	38,251	307,557
Depreciation of property, plant and equipment	-	-	-	-	2,484	2,484
Totals	\$ 231,980	\$ 18,587	\$ 11,715	\$ 7,024	\$ 40,735	\$ 310,041

CATHOLIC CHARITIES, INC.
 Children's Mental Health Services
 Schedule of Functional Expenses by Program Services
 Year Ended June 30, 2010

	Therapeutic Foster Care	Crisis Response and Trauma Services	Hope Haven/ Inpatient	Hope Haven/ Outpatient	Total
Salaries	\$ 231,204	\$ 277,613	\$ 442,958	\$ 250,512	\$ 1,202,287
Payroll taxes	18,914	21,941	37,927	20,459	99,241
Employee benefits	52,998	60,874	107,614	68,707	290,193
Supplies and literature	6,503	6,767	9,374	7,985	30,629
Telephone	1,898	5,427	7,051	4,877	19,253
Conferences, conventions and meetings	16,591	10,641	1,941	8,187	37,360
Subsistence, housing, medical and related subsidies	183,631	-	22,088	20,860	226,579
Equipment purchases	35	145	-	-	180
Occupancy	22,441	23,642	33,439	27,795	107,317
Professional fees	35,560	72,585	8,290	13,058	129,493
Transportation and travel	17,566	26,978	13,349	24,925	82,818
Insurance	465	376	1,747	363	2,951
Repairs and maintenance	-	185	12,406	1,333	13,924
Printing	820	8,634	290	1,397	11,141
Promotion and public relations	26,326	-	300	4,421	31,047
Total expenses before depreciation	614,952	515,808	698,774	454,879	2,284,413
Depreciation of property, plant and equipment	2,185	573	2,693	597	6,048
Totals	\$ 617,137	\$ 516,381	\$ 701,467	\$ 455,476	\$ 2,290,461

CATHOLIC CHARITIES, INC.
 Children's Mental Health Services
 Therapeutic Foster Care
 Schedule of Functional Expenses by Funding Sources
 Year Ended June 30, 2010

	Extended Foster Care/ Department of Mental Health	Therapeutic Foster Care/ Department of Mental Health	Department of Human Services	Other	Total
Salaries	\$ 38,383	\$ 157,411	\$ 4,438	\$ 30,972	\$ 231,204
Payroll taxes	3,285	13,271	-	2,358	18,914
Employee benefits	9,259	34,812	-	8,927	52,998
Supplies and literature	2,965	3,409	-	129	6,503
Telephone	-	1,140	-	758	1,898
Conferences, conventions and meetings	4,386	10,392	1,600	213	16,591
Subsistence, housing, medical and related subsides	4,158	-	179,473	-	183,631
Equipment purchases	35	-	-	-	35
Occupancy	2,975	19,466	-	-	22,441
Professional fees	5,046	1,224	22,135	7,155	35,560
Transportation and travel	1,974	15,545	-	47	17,566
Insurance	-	465	-	-	465
Printing	223	597	-	-	820
Promotion and public relations	24,323	1,553	450	-	26,326
Total expenses before depreciation	97,012	259,285	208,096	50,559	614,952
Depreciation of property, plant and equipment	-	-	-	2,185	2,185
Totals	\$ 97,012	\$ 259,285	\$ 208,096	\$ 52,744	\$ 617,137

CATHOLIC CHARITIES, INC.
 Children's Mental Health Services
 Crisis Response and Trauma Services
 Schedule of Functional Expenses by Funding Sources
 Year Ended June 30, 2010

	Department of Health & Human Services	Mississippi Department of Mental Health	Other	Total
Salaries	\$ 228,604	\$ 49,009	\$ -	\$ 277,613
Payroll taxes	18,309	3,632	-	21,941
Employee benefits	52,077	8,797	-	60,874
Supplies and literature	3,263	3,504	-	6,767
Telephone	5,427	-	-	5,427
Conferences, conventions and meetings	7,928	2,713	-	10,641
Equipment purchases	145	-	-	145
Occupancy	23,642	-	-	23,642
Professional fees	60,085	12,500	-	72,585
Transportation and travel	22,313	4,665	-	26,978
Insurance	376	-	-	376
Repairs and maintenance	185	-	-	185
Printing	2,545	6,089	-	8,634
Total expenses before depreciation	424,899	90,909	-	515,808
Depreciation of property, plant and equipment	-	-	573	573
Totals	\$ 424,899	\$ 90,909	\$ 573	\$ 516,381

CATHOLIC CHARITIES, INC.
 Children's Mental Health Services
 Hope Haven/Inpatient
 Schedule of Functional Expenses by Funding Sources
 Year Ended June 30, 2010

	Department of Mental Health	Department of Human Services	Federal Emergency Management Agency	Other	Total
Salaries	\$ 364,576	\$ 19,716	\$ -	\$ 58,666	\$ 442,958
Payroll taxes	31,800	1,806	-	4,321	37,927
Employee benefits	91,736	-	-	15,878	107,614
Supplies and literature	4,251	-	3,426	1,697	9,374
Telephone	3,290	-	-	3,761	7,051
Conferences, conventions and meetings	1,372	-	-	569	1,941
Subsistence, housing, medical and related subsidies	1,176	-	18,599	2,313	22,088
Occupancy	32,143	-	-	1,296	33,439
Professional fees	7,094	-	-	1,196	8,290
Transportation and travel	10,548	-	-	2,801	13,349
Insurance	1,747	-	-	-	1,747
Repairs and maintenance	9,609	-	-	2,797	12,406
Printing	278	-	-	12	290
Promotion and public relations	300	-	-	-	300
Total expenses before depreciation	559,920	21,522	22,025	95,307	698,774
Depreciation of property, plant and equipment	-	-	-	2,693	2,693
Totals	\$ 559,920	\$ 21,522	\$ 22,025	\$ 98,000	\$ 701,467

CATHOLIC CHARITIES, INC.
 Children's Mental Health Service
 Hope Haven/Outpatient
 Schedule of Functional Expenses by Funding Sources
 Year Ended June 30, 2010

	Mississippi Department of Mental Health	St. Dominic's	Other	Total
Salaries	\$ 146,410	\$ 39,958	\$ 64,144	\$ 250,512
Payroll taxes	12,001	3,235	5,223	20,459
Employee benefits	36,582	11,924	20,201	68,707
Supplies and literature	5,110	1,859	1,016	7,985
Telephone	1,505	-	3,372	4,877
Conferences, conventions and meetings	6,493	795	899	8,187
Subsistence, housing, medical and related subsidies	17,996	669	2,195	20,860
Occupancy	25,527	-	2,268	27,795
Professional fees	11,701	-	1,357	13,058
Transportation and travel	1,441	22,273	1,211	24,925
Insurance	363	-	-	363
Repairs and maintenance	48	-	1,285	1,333
Printing	104	1,293	-	1,397
Promotion and public relations	793	777	2,851	4,421
Total expenses before depreciation	266,074	82,783	106,022	454,879
Depreciation of property, plant and equipment	-	-	597	597
Totals	\$ 266,074	\$ 82,783	\$ 106,619	\$ 455,476

CATHOLIC CHARITIES, INC.
Disaster Preparedness
Schedule of Functional Expenses by Program Services
Year Ended June 30, 2010

	Catholic Charities		
	USA	Other	Total
Salaries	\$ 66,033	\$ 869	\$ 66,902
Payroll taxes	5,506	-	5,506
Employee benefits	19,318	-	19,318
Supplies and literature	1,317	-	1,317
Telephone	2,062	-	2,062
Conferences, conventions and meetings	1,773	-	1,773
Subsistence, housing, medical and related subsidies	14,738	350	15,088
Equipment purchases	914	-	914
Occupancy	6,427	-	6,427
Professional fees	330	-	330
Transportation and travel	4,263	-	4,263
Insurance	461	-	461
Printing	593	-	593
Promotion and public relations	156	-	156
 Total expenses before depreciation	 123,891	 1,219	 125,110
 Depreciation of property, plant and equipment	 -	 11,565	 11,565
 Totals	 \$ 123,891	 \$ 12,784	 \$ 136,675



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

Board of Directors
Catholic Charities, Inc.
Jackson, Mississippi

We have audited the financial statements of Catholic Charities, Inc. (the "Organization") as of and for the year ended June 30, 2010, and have issued our report thereon dated October 18, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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*.

This report is intended solely for the information and use of management, the Board of Directors, others within the Organization and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than those specified parties.

A handwritten signature in cursive script that reads "Haine LLP".

Ridgeland, Mississippi
October 18, 2010