

CATHOLIC CHARITIES, INC.
Jackson, Mississippi

Audited Financial Statements
Years Ended June 30, 2011 and 2010

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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, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years ended June 30, 2011 and 2010. 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 2010 financial statements, and in our report dated October 18, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 audits provide 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, 2011 and 2010, and the changes in its net assets and its cash flows for the years ended June 30, 2011 and 2010, 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 November 8, 2011, 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 16 through 31 is presented for purposes of additional analysis and is not a required part of the basic financial statements. In addition, the accompanying schedule of expenditures of federal awards on pages 39 through 41 is presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, 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.

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

Ridgeland, Mississippi
November 8, 2011

CATHOLIC CHARITIES, INC.
 Statements of Financial Position
 June 30, 2011 and 2010

	2011	2010
ASSETS		
Current assets		
Cash	\$ 3,200	\$ 3,000
Grants receivable (Note 5)	783,669	888,407
Pledges receivable, current portion (Note 2)	45,616	63,007
Savings deposit in Catholic Diocese of Jackson Deposit and Loan Fund (Note 7)	23,867	23,395
Restricted funds on deposit in Catholic Diocese of Jackson Deposit and Loan Fund (Note 7)	816,377	728,886
Prepaid expenses	32,788	80,803
Total current assets	1,705,517	1,787,498
Noncurrent assets		
Property, plant and equipment, at cost less accumulated depreciation of \$404,872 in 2011 and \$377,154 in 2010 (Note 3)	42,274	56,461
Pledges receivable, net of discount, allowance and current portion (Note 2)	31,452	51,248
Endowment deposits in the Catholic Diocese of Jackson Foundation	52,983	52,868
Total noncurrent assets	126,709	160,577
Total assets	\$ 1,832,226	\$ 1,948,075
LIABILITIES AND NET ASSETS		
Current liabilities		
Excess of outstanding checks over bank balance	\$ 71,904	\$ 49,251
Accounts payable and accrued expenses	202,329	295,973
Accrued salaries	58,258	45,884
Total current liabilities	332,491	391,108
Net assets		
Unrestricted		
Unrestricted - undesignated	295,830	151,101
Board designated (Note 9)	164,226	50,400
Total unrestricted	460,056	201,501
Temporarily restricted (Note 9)	973,116	1,285,088
Permanently restricted (Note 9)	66,563	70,378
Total net assets	1,499,735	1,556,967
Total liabilities and net assets	\$ 1,832,226	\$ 1,948,075

See accompanying notes.

CATHOLIC CHARITIES, INC.
 Statements of Activities
 Year Ended June 30, 2011
 (With Comparative Totals for the Year Ended June 30, 2010)

	Unrestricted Funds	Temporarily Restricted Funds	Permanently Restricted Funds	Total All Funds	
				2011	2010
Public support and revenue					
Public support					
Received directly					
Contributions	\$ 520,572	\$ 425,633	\$ -	\$ 946,205	\$ 938,704
Bequest and memorials	204,494	-	-	204,494	59,185
Donated services	189,311	-	-	189,311	237,051
	914,377	425,633	-	1,340,010	1,234,940
Grants from governmental and private agencies	3,567,378	2,632,345	-	6,199,723	6,760,552
Total public support	4,481,755	3,057,978	-	7,539,733	7,995,492
Revenue					
Program service fees	1,173,142	-	-	1,173,142	1,395,747
Interest income	18,454	-	115	18,569	21,876
Total revenue	1,191,596	-	115	1,191,711	1,417,623
Net assets released from restrictions – satisfaction of program restrictions	3,369,950	(3,369,950)	-	-	-
Total public support and revenue	9,043,301	(311,972)	115	8,731,444	9,413,115
Expenses					
Program services					
Parish-Based Ministries	324,710	-	-	324,710	367,105
Adoptions/Maternity/Foster Care	124,343	-	-	124,343	126,400
Solomon Counseling Center/Family Ministries	248,171	-	-	248,171	258,491
Unaccompanied Refugee Minor	955,776	-	-	955,776	833,189
Domestic Violence Services	1,020,493	-	-	1,020,493	1,060,033
Rape Crisis Center	198,761	-	-	198,761	269,352
Guardian Shelter/RCC/Oak Towers	877,867	-	-	877,867	900,198
Natchez Services	859,813	-	-	859,813	932,727
Host Homes	65,616	-	-	65,616	310,041
Children's Mental Health Services	2,224,735	-	-	2,224,735	2,290,461
Alcohol/Drug Abuse/Born Free/New Beginnings	594,515	-	-	594,515	612,919
Disaster Preparedness	140,105	-	-	140,105	136,675
Northeast Services	57,237	-	-	57,237	81,699
Total program services	7,692,142	-	-	7,692,142	8,179,290
Supporting services					
Management and general	842,886	-	-	842,886	967,099
Fundraising	253,648	-	-	253,648	194,899
Total supporting services	1,096,534	-	-	1,096,534	1,161,998
Total expenses	8,788,676	-	-	8,788,676	9,341,288
Change in net assets	254,625	(311,972)	115	(57,232)	71,827
Net assets at beginning of year	201,501	1,285,088	70,378	1,556,967	1,485,140
Reclassification (Note 9)	3,930	-	(3,930)	-	-
Net assets at end of year	\$ 460,056	\$ 973,116	\$ 66,563	\$ 1,499,735	\$ 1,556,967

See accompanying notes.

CATHOLIC CHARITIES, INC.
 Statements of Functional Expenses
 Year Ended June 30, 2011
 (With Comparative Totals for the Year Ended June 30, 2010)

	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	\$ 138,308	\$ 76,076	\$ 143,621	\$ 471,363	\$ 420,755	\$ 88,599	\$ 445,484	\$ 336,729	\$ 31,846
Payroll taxes	12,683	6,647	11,248	43,425	39,317	8,187	40,447	29,540	2,520
Employee benefits	31,276	17,921	29,814	104,016	84,290	15,846	107,963	91,841	12,399
Supplies and literature	12,080	2,757	5,909	6,401	30,926	15,514	35,408	6,074	425
Telephone	7,417	1,054	2,963	9,256	10,413	1,166	7,616	4,460	2,510
Conferences, conventions and meetings	11,682	488	4,779	10,439	3,861	271	10,831	1,450	217
Subsistence, housing, medical and related subsidies	65,983	-	-	205,713	160,690	30	16,467	264,562	833
Equipment purchases	534	-	-	990	763	-	-	-	-
Occupancy	15,737	8,687	17,760	50,295	124,786	2,874	60,328	106,202	12,982
Professional fees	7,389	2,507	17,938	23,490	55,773	146	1,692	4,723	243
Transportation and travel	12,505	4,278	11,021	18,543	15,609	1,648	14,893	4,706	1,102
Insurance	130	100	240	108	4,166	186	1,329	134	30
Repairs and maintenance	777	-	13	1,422	47,611	-	19,043	1,450	366
Printing	4,777	498	2,785	7,395	4,908	10	2,275	6,331	143
Promotion and public relations	3,054	3,169	80	2,920	-	-	-	235	-
Administrative costs	-	-	-	-	516	-	-	1,063	-
Donated goods and services	-	-	-	-	12,150	64,157	113,004	-	-
Interest	-	-	-	-	-	-	-	-	-
Total expenses before depreciation	324,332	124,182	248,171	955,776	1,016,534	198,634	876,780	859,500	65,616
Depreciation of property, plant and equipment	378	161	-	-	3,959	127	1,087	313	-
Totals	\$ 324,710	\$ 124,343	\$ 248,171	\$ 955,776	\$ 1,020,493	\$ 198,761	\$ 877,867	\$ 859,813	\$ 65,616

See accompanying notes.

CATHOLIC CHARITIES, INC.
 Statements of Functional Expenses
 Year Ended June 30, 2011
 (With Comparative Totals for the Year Ended June 30, 2010)

	<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	2011	2010	
Salaries	\$ 1,130,568	\$ 292,916	\$ 80,093	\$ 25,747	\$ 3,682,105	\$ 489,372	\$ 88,176	\$ 4,259,653	\$ 4,787,599	
Payroll taxes	101,204	26,751	7,422	2,147	331,538	41,318	7,788	380,644	402,996	
Employee benefits	283,770	62,359	20,932	9,487	871,914	95,176	26,040	993,130	1,112,807	
Supplies and literature	25,378	15,223	1,196	1,616	158,907	10,129	7,439	176,475	198,652	
Telephone	18,659	11,577	1,452	2,212	80,755	3,879	610	85,244	96,853	
Conferences, conventions and meetings	45,121	2,044	1,366	1,309	93,858	12,065	84,166	190,089	139,017	
Subsistence, housing, medical and related subsidies	212,072	16,804	2,536	3,742	949,432	-	-	949,432	800,221	
Equipment purchases	2,257	-	194	146	4,884	4,160	1,042	10,086	13,104	
Occupancy	110,215	78,008	8,417	2,871	599,162	69,264	13,089	681,515	785,178	
Professional fees	124,020	5,883	153	182	244,139	71,824	4,507	320,470	283,996	
Transportation and travel	68,111	19,765	6,124	7,182	185,487	11,553	892	197,932	211,890	
Insurance	2,744	471	445	181	10,264	1,279	175	11,718	13,251	
Repairs and maintenance	11,550	61,628	179	291	144,330	6,786	1,283	152,399	90,766	
Printing	2,210	35	986	-	32,353	8,178	17,890	58,421	70,112	
Promotion and public relations	78,371	-	1,426	50	89,305	3,680	-	92,985	46,596	
Administrative costs	-	-	-	-	1,579	6,289	-	7,868	7,761	
Donated goods and services	-	-	-	-	189,311	-	-	189,311	237,051	
Interest	-	-	-	-	-	-	-	-	-	
Total expenses before depreciation	2,216,250	593,464	132,921	57,163	7,669,323	834,952	253,097	8,757,372	9,297,850	
Depreciation of property, plant and equipment	8,485	1,051	7,184	74	22,819	7,934	551	31,304	43,438	
Totals	\$ 2,224,735	\$ 594,515	\$ 140,105	\$ 57,237	\$ 7,692,142	\$ 842,886	\$ 253,648	\$ 8,788,676	\$ 9,341,288	

CATHOLIC CHARITIES, INC.
Statements of Cash Flows
Years Ended June 30, 2011 and 2010

	2011	2010
Cash flows from operating activities		
Change in net assets	\$ (57,232)	\$ 71,827
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	31,304	43,438
Changes in assets and liabilities		
Grants receivable	104,738	(160,843)
Pledge receivable	37,187	(15,231)
Deposits and other assets	(115)	(1,500)
Prepaid expenses	48,015	(45,932)
Accounts payable and accrued expenses	(93,644)	33,101
Accrued salaries	12,374	(26,083)
Net cash provided by (used in) operating activities	82,627	(101,223)
Cash flows from investing activities		
Deposit to Catholic Diocese of Jackson		
Deposit and Loan Fund	(472)	(463)
Restricted Fund deposit to Catholic		
Diocese of Jackson Deposit and Loan Fund	(87,491)	137,841
Purchase of property, plant and equipment	(17,117)	(15,837)
Net cash (used in) provided by investing activities	(105,080)	121,541
Cash flows from financing activities		
Excess of outstanding checks over bank balance	22,653	(20,118)
Net cash provided by (used in) financing activities	22,653	(20,118)
Net increase in cash	200	200
Cash at beginning of year	3,000	2,800
Cash at end of year	\$ 3,200	\$ 3,000

See accompanying notes.

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2011 and 2010

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 ("FASB") Accounting Standards Codification ("ASC") Topic 958-205, *Presentation of Financial Statements*. Under ASC Topic 958-205, 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, 2011 and 2010

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, 2011 and 2010

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.

The Organization had no significant uncertain tax positions at adoption at June 30, 2011 and 2010. If interest and penalties are incurred related to uncertain tax positions, such amounts are recognize din income tax expense. Tax periods for all fiscal years after 2006 remain open to examination by the taxing jurisdictions to which the Organization is subject.

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, 2010, from which the summarized information was derived.

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 2. Pledges Receivable

As a result of the Journey of Hope, the Organization had pledges receivable at June 30, 2011 as follows:

Receivable in less than one year	\$	45,616
Receivable in one to five years		61,055
Receivable in six to ten years		550
Total pledges receivable		107,221
Less discounts to net present value at 5.5 percent and allowance for doubtful accounts of \$6,564 and \$23,589, respectively		
		30,153
Net pledges receivable	\$	77,068

Note 3. Property, Plant and Equipment

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

	2011	2010
Building improvements	\$ 37,215	\$ 37,215
Furniture and equipment	409,931	396,400
	447,146	433,615
Less accumulated depreciation	404,872	377,154
Total	\$ 42,274	\$ 56,461

Note 4. Donated Services

During each of the years ended June 30, 2011 and 2010, 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 \$76,307 in 2011 and \$124,047 in 2010. The total of these amounts is reflected in the accompanying statements of activities as donated services revenue and in-kind expenses.

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 5. Grants from Governmental and Private Agencies

During the years ended June 30, 2011 and 2010, the Organization was the recipient of governmental and private grants totaling approximately \$6,200,000 and \$6,800,000, respectively, to fund sixteen of its program services.

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

	2011	2010
HIV Early Intervention Services	\$ 6,465	\$ 5,794
Adoption	3,554	3,823
Born Free/New Beginnings	64,194	54,633
Day Treatment Services	28,180	33,993
Disaster Assistance	29,426	-
Domestic Violence Services	193,584	155,641
Guardian Shelter and Rape Crisis Center	103,147	141,467
Homeless Prevention and Rapid Re-housing	81,917	170,731
Hope Haven Inpatient	18,679	35,867
Hope Haven Outpatient	64,655	23,952
Immigration Clinic	1,213	10,870
MAP Team	7,228	4,281
Natchez services	1,662	2,025
Parish Social Ministry	2,827	-
Host Homes	-	33,901
Solomon Counseling Center	5,949	7,959
Therapeutic Foster Care	36,667	79,258
Trauma Recovery for Youth	20,845	40,639
Unaccompanied Refugee Minors	92,376	83,573
Miscellaneous receivables	21,101	-
	<u>\$ 783,669</u>	<u>\$ 888,407</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 \$564,736 in 2011 and \$568,121 in 2010.

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 6. Continued

At June 30, 2011, the aggregate annual rental payments under noncancelable operating leases, with initial or remaining terms of one year or more, were as follows:

2012	\$	317,378
2013		256,409
2014		254,702
2015		<u>130,151</u>
	\$	<u>958,640</u>

Note 7. Catholic Diocese of Jackson Deposit and Loan Fund

At June 30, 2011 and 2010, the Organization was not indebted to the Catholic Diocese of Jackson and the Deposit and Loan Fund. Instead the Organization was in a deposit position of \$840,244 and \$752,281 earning 3 percent at June 30, 2011 and 2010, respectively. These funds represent money invested with the Catholic Diocese of Jackson. These funds are classified as restricted funds on the statement of financial position.

The amounts invested in the Catholic Diocese of Jackson at June 30, 2011 and 2010 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 ASC Topic 715, *Compensation of Retirement Benefits*.

The annual contributions by the Organization for the year ended June 30, 2011 totaled \$300,253.

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 8. Continued

Saint Peter's Cathedral had no employees participating in the plan in 2010 and 2011.

Note 9. Restrictions on Net Assets

For the years ended June 30, 2011 and 2010 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:

Board Designation	2011	2010	Increase (Decrease)
Domestic Violence	\$ 113,826	\$ -	\$ 113,826
Hope Haven Home Based	1,350	1,350	-
Trauma Recovery for Youth	980	980	-
Natchez Day Treatment	48,070	48,070	-
Grand total	<u>\$ 164,226</u>	<u>\$ 50,400</u>	<u>\$ 113,826</u>

Temporarily restricted net assets are available for the following purposes:

Classification	2011	2010	Increase (Decrease)
Alcohol and Drug Services	\$ 250	\$ 28,943	\$ (28,693)
Community Services	5,174	7,560	(2,386)
D'Evereaux Hall and St. Mary's Orphan Asylum	23,867	23,395	472
Emergency Assistance	5,665	2,843	2,822
Disaster Assistance	100,771	44,759	56,012
Disaster Preparedness	261,945	409,446	(147,501)
Immigration and Refugee Services	24,026	-	24,026
Journey of Hope	67,798	120,490	(52,692)
North East Office	19,982	12,921	7,061
Parish Health Ministry	43,926	8,517	35,409
Parish Social Ministry	5,817	-	5,817
Services to Children	342,209	515,237	(173,028)
Services to Families	4,057	4,057	-
Domestic Violence Services	61,567	40,153	21,414
Unaccompanied Refugee Minor Program	6,062	28,660	(22,598)
Volunteer Services	-	38,107	(38,107)
Grand total	<u>\$ 973,116</u>	<u>\$ 1,285,088</u>	<u>\$ (311,972)</u>

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2011 and 2010

NOTES TO FINANCIAL STATEMENTS

Note 9. Continued

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

Permanently restricted net assets were restricted for the following purposes as of June 30, 2011:

	2010	Contributions	Interest Reinvested	Reclassification	2011
General endowment	\$ 70,378	\$ -	\$ 115	\$ (3,930)	\$ 66,563

During 2011, management deemed specific promises to give as uncollectible which included \$3,930 of pledges classified as permanently restricted net assets. The write-off of these amounts resulted in a reclassification from permanently restricted net assets to unrestricted 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

Note 10. Subsequent Events

The Organization did not have any subsequent events through November 8, 2011, which is the date the financial statements were available to be issued, requiring recognition or disclosure in the financial statements for the year ended June 30, 2011.

CATHOLIC CHARITIES, INC.
 Parish-Based Ministries
 Schedule of Functional Expenses by Program Services
 Year Ended June 30, 2011

	Parish Social Ministry	Parish Health Ministry	Clinic	Disaster Assistance	Community Services	Total
Salaries	\$ 39,383	\$ 19,968	\$ 78,957	\$ -	\$ -	\$ 138,308
Payroll taxes	3,544	1,856	7,283	-	-	12,683
Employee benefits	10,291	1,787	19,198	-	-	31,276
Supplies and literature	1,352	808	9,920	-	-	12,080
Telephone	3,996	222	3,199	-	-	7,417
Conferences, conventions and meetings	3,874	5,331	2,451	-	26	11,682
Subsistence, housing, medical and related subsidies	1,648	2,422	-	59,913	2,000	65,983
Equipment purchases	194	194	146	-	-	534
Occupancy	4,224	2,628	8,885	-	-	15,737
Professional fees	336	300	6,753	-	-	7,389
Transportation and travel	4,448	884	5,481	1,519	173	12,505
Insurance	55	28	47	-	-	130
Repairs and maintenance	193	43	541	-	-	777
Printing	2,349	496	1,932	-	-	4,777
Promotion and public relations	-	-	184	-	2,870	3,054
Total expenses before depreciation	75,887	36,967	144,977	61,432	5,069	324,332
Depreciation of property, plant and equipment	18	124	236	-	-	378
Totals	<u>\$ 75,905</u>	<u>\$ 37,091</u>	<u>\$ 145,213</u>	<u>\$ 61,432</u>	<u>\$ 5,069</u>	<u>\$ 324,710</u>

CATHOLIC CHARITIES, INC.
Domestic Violence Services
Schedule of Functional Expenses by Program Services
Year Ended June 30, 2011

	Shelter for Battered Families	Karitas Day Care	Second Stage Housing	Legal Clinic	Total
Salaries	\$ 122,544	\$ 102,623	\$ 180,647	\$ 14,941	\$ 420,755
Payroll taxes	12,031	9,660	16,296	1,330	39,317
Employee benefits	17,193	18,958	45,515	2,624	84,290
Supplies and literature	6,126	10,058	14,742	-	30,926
Telephone	6,348	2,079	1,986	-	10,413
Conferences, conventions and meetings	3,535	81	245	-	3,861
Subsistence, housing, medical and related subsidies	32,277	114	128,299	-	160,690
Equipment purchases	-	763	-	-	763
Occupancy	38,419	55,875	30,492	-	124,786
Professional fees	5,070	704	45	49,954	55,773
Transportation and travel	1,241	6,818	4,067	3,483	15,609
Insurance	429	-	97	3,640	4,166
Repairs and maintenance	9,778	25,859	11,974	-	47,611
Printing	4,574	156	149	29	4,908
Promotion and public relations	-	-	-	-	-
Administrative costs	-	-	-	516	516
Donated goods and services	12,150	-	-	-	12,150
Total expenses before depreciation	271,715	233,748	434,554	76,517	1,016,534
Depreciation of property, plant and equipment	2,039	1,412	311	197	3,959
Totals	\$ 273,754	\$ 235,160	\$ 434,865	\$ 76,714	\$ 1,020,493

CATHOLIC CHARITIES, INC.
Domestic Violence Services
Shelter For Battered Families
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2011

	Mississippi Department of Education	United Way	City of Jackson/ CDBG	Federal Emergency Management Agency	Dept. of Public Safety VOCA	Dept. of Public Safety VAWA	Dept. of Public Safety Direct Care Services	Mississippi State Board of Health	Other	Total
Salaries	\$ -	\$ 14,892	\$ -	\$ -	\$ 59,568	\$ 14,039	\$ -	\$ 26,980	\$ 7,065	\$ 122,544
Payroll taxes	-	1,105	-	-	4,420	1,299	-	3,036	2,171	12,031
Employee benefits	-	2,282	-	-	9,129	3,908	-	283	1,591	17,193
Supplies and literature	1,089	-	2,627	-	2,410	-	-	-	-	6,126
Telephone	-	-	-	-	-	-	-	-	6,348	6,348
Conferences, conventions and meetings	-	-	-	-	-	-	-	-	3,535	3,535
Subsistence, housing, medical and related subsidies	17,340	266	-	9,000	2,659	-	-	-	3,012	32,277
Occupancy	-	1,469	13,079	-	18,000	-	-	-	5,871	38,419
Professional fees	-	-	-	-	-	-	-	-	5,070	5,070
Transportation and travel	-	307	-	-	-	-	378	-	556	1,241
Insurance	-	-	-	-	-	-	-	-	429	429
Repairs and maintenance	660	-	5,880	-	-	-	-	-	3,238	9,778
Printing	-	-	-	-	-	-	3,227	-	1,347	4,574
Donated goods and services	-	-	-	-	-	-	-	-	12,150	12,150
Total expenses before depreciation	19,089	20,321	21,586	9,000	96,186	19,246	3,605	30,299	52,383	271,715
Depreciation of property, plant and equipment	-	-	-	-	-	-	-	-	2,039	2,039
Totals	\$ 19,089	\$ 20,321	\$ 21,586	\$ 9,000	\$ 96,186	\$ 19,246	\$ 3,605	\$ 30,299	\$ 54,422	\$ 273,754

CATHOLIC CHARITIES, INC.
Domestic Violence Services
Karitas Day Care
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2011

	Mississippi State Board of Health	United Way	United Way/ Slots	City of Jackson/ CDBG	Other	Total
Salaries	\$ 41,137	\$ 22,177	\$ 38,511	\$ -	\$ 798	\$ 102,623
Payroll taxes	3,769	2,244	3,409	-	238	9,660
Employee benefits	9,813	144	8,511	-	490	18,958
Supplies and literature	1,050	-	6,077	2,931	-	10,058
Telephone	-	-	1,194	-	885	2,079
Conferences, conventions and meetings	-	-	81	-	-	81
Subsistence, housing, medical and related subsidies	-	-	114	-	-	114
Equipment purchases	-	-	763	-	-	763
Occupancy	4,541	3,355	15,167	16,684	16,128	55,875
Professional fees	-	300	372	-	32	704
Transportation and travel	1,728	-	2,420	-	2,670	6,818
Repairs and maintenance	-	-	6,581	1,425	17,853	25,859
Printing	-	-	127	-	29	156
Total expenses before depreciation	62,038	28,220	83,327	21,040	39,123	233,748
Depreciation of property, plant and equipment	-	-	-	-	1,412	1,412
Totals	\$ 62,038	\$ 28,220	\$ 83,327	\$ 21,040	\$ 40,535	\$ 235,160

CATHOLIC CHARITIES, INC.
Domestic Violence Services
Second Stage Housing
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2011

	Federal Emergency Management Agency	HUD Supportive Housing Program	City of Jackson/ CDBG	Office of Justice	Other	Total
Salaries	\$ -	\$ 101,484	\$ -	\$ 78,719	\$ 444	\$ 180,647
Payroll taxes	-	9,218	-	7,044	34	16,296
Employee benefits	-	26,218	-	19,297	-	45,515
Supplies and literature	3,500	4,278	5,101	1,863	-	14,742
Telephone	-	1,832	-	-	154	1,986
Conferences, conventions and meetings	-	-	-	-	245	245
Subsistence, housing, medical and related subsidies	3,500	2,964	-	121,725	110	128,299
Equipment purchases	-	-	-	-	-	-
Occupancy	-	18,243	11,009	-	1,240	30,492
Professional fees	-	-	-	-	45	45
Transportation and travel	-	-	-	4,067	-	4,067
Insurance	-	-	-	-	97	97
Repairs and maintenance	-	8,065	3,898	-	11	11,974
Printing	-	-	-	110	39	149
Total expenses before depreciation	7,000	172,302	20,008	232,825	2,419	434,554
Depreciation of property, plant and equipment	-	-	-	-	311	311
Totals	\$ 7,000	\$ 172,302	\$ 20,008	\$ 232,825	\$ 2,730	\$ 434,865

CATHOLIC CHARITIES, INC.
Domestic Violence Services
Legal Clinic
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2011

	Office of Justice	Other	Total
Salaries	\$ 6,074	\$ 8,867	\$ 14,941
Payroll taxes	579	751	1,330
Employee benefits	2,475	149	2,624
Professional fees	49,260	694	49,954
Transportation and travel	2,664	819	3,483
Insurance	-	3,640	3,640
Printing	4	25	29
Administrative costs	-	516	516
Total expenses before depreciation	61,056	15,461	76,517
Depreciation of property, plant and equipment	-	197	197
Totals	\$ 61,056	\$ 15,658	\$ 76,714

CATHOLIC CHARITIES, INC.
Rape Crisis Center
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2011

	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	\$ 28,004	\$ 34,459	\$ 8,043	\$ 7,768	\$ 8,946	\$ -	\$ 1,379	\$ 88,599
Payroll taxes	2,353	2,521	835	802	1,535	-	141	8,187
Employee benefits	3,200	4,359	1,002	1,249	5,790	-	246	15,846
Supplies and literature	2,396	6,210	-	-	1,150	3,341	2,417	15,514
Telephone	-	-	-	-	1,002	135	29	1,166
Conferences, conventions and meetings	-	-	-	-	271	-	-	271
Subsistence, housing, medical and related subsidies	-	30	-	-	-	-	-	30
Occupancy	-	2,415	-	-	459	-	-	2,874
Professional fees	-	-	-	-	143	-	3	146
Transportation and travel	-	-	-	-	416	1,107	125	1,648
Insurance	-	-	-	-	186	-	-	186
Printing	-	-	-	-	10	-	-	10
Donated services	-	-	-	-	-	-	64,157	64,157
Total expenses before depreciation	35,953	49,994	9,880	9,819	19,908	4,583	68,497	198,634
Depreciation of property, plant and equipment	-	-	-	-	-	-	127	127
Totals	\$ 35,953	\$ 49,994	\$ 9,880	\$ 9,819	\$ 19,908	\$ 4,583	\$ 68,624	\$ 198,761

CATHOLIC CHARITIES, INC.
Guardian Shelter for Battered Families/Rape Crisis/Oak Towers
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2011

	Emergency Shelter Grant	Mississippi State Board of Health	Dept. of Public Safety VAWA	Dept. of Public Safety VOCA	Dept. of Public Safety STOP	Dept. of Public Safety SASP	Housing and Urban Development	United Way	Guardian Collections and Other Donations	Total
Salaries	\$ -	\$ 76,815	\$ 22,320	\$ 59,357	\$ 20,923	\$ 23,467	\$ 200,210	\$ 14,839	\$ 27,553	\$ 445,484
Payroll taxes	-	7,018	2,054	4,445	2,243	2,017	19,211	1,102	2,357	40,447
Employee benefits	-	19,100	5,839	13,441	-	4,141	53,686	3,462	8,294	107,963
Supplies and literature	4,379	23,257	-	-	54	-	5,479	748	1,491	35,408
Telephone	-	6,079	-	52	-	-	-	617	868	7,616
Conferences, conventions and meetings	-	-	-	-	-	-	1,011	3,030	6,790	10,831
Subsistence, housing, medical and related subsidies	1,941	-	-	-	-	-	7,794	3,048	3,684	16,467
Occupancy	1,412	10,741	3,652	5,046	-	-	30,228	2,628	6,621	60,328
Professional fees	-	-	-	-	-	-	-	1,241	451	1,692
Transportation and travel	459	8,130	-	-	-	-	3,611	584	2,109	14,893
Insurance	-	665	-	-	-	-	603	-	61	1,329
Repairs and maintenance	27	3,796	-	-	-	-	-	-	15,220	19,043
Printing	-	1,031	-	-	-	-	-	675	569	2,275
Donated goods and services	-	-	-	-	-	-	-	-	113,004	113,004
Total expenses before depreciation	8,218	156,632	33,865	82,341	23,220	29,625	321,833	31,974	189,072	876,780
Depreciation of property, plant and equipment	-	-	-	-	-	-	-	-	1,087	1,087
Totals	\$ 8,218	\$ 156,632	\$ 33,865	\$ 82,341	\$ 23,220	\$ 29,625	\$ 321,833	\$ 31,974	\$ 190,159	\$ 877,867

CATHOLIC CHARITIES, INC.
Natchez Services
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2011

	Federal Emergency Management Agency	Mississippi Department of Mental Health	Day Treatment	Homeless Prevention and Rapid Rehousing	CCI Counseling/ Emergency Assistance	Total
Salaries	\$ -	\$ 6,560	\$ 231,730	\$ 50,711	\$ 47,728	\$ 336,729
Payroll taxes	-	551	20,445	4,358	4,186	29,540
Employee benefits	-	837	67,779	15,308	7,917	91,841
Supplies and literature	-	-	1,369	1,484	3,221	6,074
Telephone	-	-	1,371	-	3,089	4,460
Conferences, conventions and meetings	-	309	610	-	531	1,450
Subsistence, housing, medical and related subsidies	28	50	2	223,360	41,122	264,562
Occupancy	-	-	97,589	5,921	2,692	106,202
Professional fees	-	-	3,236	-	1,487	4,723
Transportation and travel	-	-	1,783	1,217	1,706	4,706
Insurance	-	-	31	-	103	134
Repairs and maintenance	-	-	-	-	1,450	1,450
Printing	-	-	3,090	323	2,918	6,331
Promotion and publicrelations	-	-	-	-	235	235
Administrative costs	-	-	-	-	1,063	1,063
Total expenses before depreciation	28	8,307	429,035	302,682	119,448	859,500
Depreciation of property, plant and equipment	-	-	-	-	313	313
Totals	\$ 28	\$ 8,307	\$ 429,035	\$ 302,682	\$ 119,761	\$ 859,813

CATHOLIC CHARITIES, INC.
Host Homes Program
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2011

	Department of Health & Human Services	State Department of Human Services	City of Jackson/ CDBG	Other	Total
Salaries	\$ 31,846	\$ -	\$ -	\$ -	\$ 31,846
Payroll taxes	2,520	-	-	-	2,520
Employee benefits	12,195	-	-	204	12,399
Supplies and literature	311	-	-	114	425
Telephone	627	971	66	846	2,510
Conferences, conventions and meetings	217	-	-	-	217
Subsistence, housing, medical and related subsidies	-	833	-	-	833
Occupancy	-	731	9,625	2,626	12,982
Professional fees	19	-	-	224	243
Transportation and travel	464	-	638	-	1,102
Insurance	-	-	-	30	30
Repairs and maintenance	331	35	-	-	366
Printing	121	22	-	-	143
Promotion and public relations	-	-	-	-	-
Donated services	-	-	-	-	-
Total expenses before depreciation	48,651	2,592	10,329	4,044	65,616
Depreciation of property, plant and equipment	-	-	-	-	-
Totals	\$ 48,651	\$ 2,592	\$ 10,329	\$ 4,044	\$ 65,616

CATHOLIC CHARITIES, INC.
Children's Mental Health Services
Schedule of Functional Expenses by Program Services
Year Ended June 30, 2011

	Therapeutic Foster Care	Crisis Response and Trauma Services	Hope Haven/ Inpatient	Hope Haven/ Outpatient	Total
Salaries	\$ 273,352	\$ 183,097	\$ 345,232	\$ 328,887	\$ 1,130,568
Payroll taxes	24,235	16,431	31,496	29,042	101,204
Employee benefits	65,897	48,593	85,527	83,753	283,770
Supplies and literature	4,067	2,296	6,288	12,727	25,378
Telephone	3,137	3,517	6,186	5,819	18,659
Conferences, conventions and meetings	14,134	7,964	4,639	18,384	45,121
Subsistence, housing, medical and related subsidies	188,554	-	14,812	8,706	212,072
Equipment purchases	990	1,267	-	-	2,257
Occupancy	25,481	22,833	31,250	30,651	110,215
Professional fees	37,534	61,740	4,920	19,826	124,020
Transportation and travel	25,913	2,989	8,547	30,662	68,111
Insurance	426	307	1,639	372	2,744
Repairs and maintenance	564	-	9,878	1,108	11,550
Printing	703	466	11	1,030	2,210
Promotion and public relations	74,988	-	400	2,983	78,371
Total expenses before depreciation	739,975	351,500	550,825	573,950	2,216,250
Depreciation of property, plant and equipment	4,833	573	2,279	800	8,485
Totals	\$ 744,808	\$ 352,073	\$ 553,104	\$ 574,750	\$ 2,224,735

CATHOLIC CHARITIES, INC.
 Children's Mental Health Services
 Therapeutic Foster Care
 Schedule of Functional Expenses by Funding Sources
 Year Ended June 30, 2011

	Extended Foster Care/ Department of Mental Health	Therapeutic Foster Care/ Department of Mental Health	Department of Human Services	Other	Total
Salaries	\$ 17,041	\$ 118,682	\$ 101,328	\$ 36,301	\$ 273,352
Payroll taxes	2,200	10,582	7,310	4,143	24,235
Employee benefits	14,274	26,508	12,740	12,375	65,897
Supplies and literature	-	3,614	341	112	4,067
Telephone	-	465	1,473	1,199	3,137
Conferences, conventions and meetings	1,516	7,352	5,116	150	14,134
Subsistence, housing, medical and related subsidies	-	-	188,554	-	188,554
Equipment purchases	-	990	-	-	990
Occupancy	-	20,973	4,508	-	25,481
Professional fees	10,425	842	16,596	9,671	37,534
Transportation and travel	-	11,073	14,840	-	25,913
Insurance	-	426	-	-	426
Repairs and maintenance	-	432	132	-	564
Printing	-	647	56	-	703
Promotion and public relations	24,916	-	50,072	-	74,988
Total expenses before depreciation	70,372	202,586	403,066	63,951	739,975
Depreciation of property, plant and equipment	-	-	-	4,833	4,833
Totals	\$ 70,372	\$ 202,586	\$ 403,066	\$ 68,784	\$ 744,808

CATHOLIC CHARITIES, INC.
 Children's Mental Health Services
 Crisis Response and Trauma Services
 Schedule of Functional Expenses by Funding Sources
 Year Ended June 30, 2011

	Department of Health & Human Services	Mississippi Department of Mental Health	Other	Total
Salaries	\$ 149,122	\$ 33,975	\$ -	\$ 183,097
Payroll taxes	13,394	3,037	-	16,431
Employee benefits	40,357	8,236	-	48,593
Supplies and literature	2,296	-	-	2,296
Telephone	3,517	-	-	3,517
Conferences, conventions and meetings	1,293	6,671	-	7,964
Equipment purchases	1,267	-	-	1,267
Occupancy	22,833	-	-	22,833
Professional fees	46,635	15,105	-	61,740
Transportation and travel	2,845	144	-	2,989
Insurance	307	-	-	307
Printing	466	-	-	466
Total expenses before depreciation	284,332	67,168	-	351,500
Depreciation of property, plant and equipment	-	-	573	573
Totals	\$ 284,332	\$ 67,168	\$ 573	\$ 352,073

CATHOLIC CHARITIES, INC.
Children's Mental Health Services
Hope Haven/Inpatient
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2011

	Department of Mental Health	Department of Human Services	Federal Emergency Management Agency	Other	Total
Salaries	\$ 270,055	\$ 22,333	\$ -	\$ 52,844	\$ 345,232
Payroll taxes	24,992	2,737	-	3,767	31,496
Employee benefits	76,258	165	-	9,104	85,527
Supplies and literature	5,747	-	-	541	6,288
Telephone	3,718	-	-	2,468	6,186
Conferences, conventions and meetings	942	88	-	3,609	4,639
Subsistence, housing, medical and related subsidies	7,781	-	3,722	3,309	14,812
Occupancy	30,176	-	-	1,074	31,250
Professional fees	3,122	-	-	1,798	4,920
Transportation and travel	5,673	-	-	2,874	8,547
Insurance	1,639	-	-	-	1,639
Repairs and maintenance	7,466	-	-	2,412	9,878
Printing	11	-	-	-	11
Promotion and public relations	-	-	-	400	400
Total expenses before depreciation	437,580	25,323	3,722	84,200	550,825
Depreciation of property, plant and equipment	-	-	-	2,279	2,279
Totals	\$ 437,580	\$ 25,323	\$ 3,722	\$ 86,479	\$ 553,104

CATHOLIC CHARITIES, INC.
 Children's Mental Health Service
 Hope Haven/Outpatient
 Schedule of Functional Expenses by Funding Sources
 Year Ended June 30, 2011

	Mississippi Department of Mental Health	St. Dominic's	Other	Total
Salaries	\$ 180,052	\$ 44,208	\$ 104,627	\$ 328,887
Payroll taxes	12,778	3,272	12,992	29,042
Employee benefits	44,023	10,018	29,712	83,753
Supplies and literature	5,837	1,013	5,877	12,727
Telephone	1,855	-	3,964	5,819
Conferences, conventions and meetings	10,874	447	7,063	18,384
Subsistence, housing, medical and related subsidies	8,101	193	412	8,706
Occupancy	30,651	-	-	30,651
Professional fees	12,770	298	6,758	19,826
Transportation and travel	4,373	13,896	12,393	30,662
Insurance	372	-	-	372
Repairs and maintenance	908	-	200	1,108
Printing	929	-	101	1,030
Promotion and public relations	-	-	2,983	2,983
Total expenses before depreciation	313,523	73,345	187,082	573,950
Depreciation of property, plant and equipment	-	-	800	800
Totals	\$ 313,523	\$ 73,345	\$ 187,882	\$ 574,750

CATHOLIC CHARITIES, INC.
Disaster Preparedness
Schedule of Functional Expenses by Program Services
Year Ended June 30, 2011

	Catholic Charities		
	USA	Other	Total
Salaries	\$ 79,380	\$ 713	\$ 80,093
Payroll taxes	7,422	-	7,422
Employee benefits	20,932	-	20,932
Supplies and literature	1,196	-	1,196
Telephone	1,452	-	1,452
Conferences, conventions and meetings	1,366	-	1,366
Subsistence, housing, medical and related subsidies	2,536	-	2,536
Equipment purchases	194	-	194
Occupancy	8,417	-	8,417
Professional fees	153	-	153
Transportation and travel	6,124	-	6,124
Insurance	445	-	445
Repairs and maintenance	179	-	179
Printing	986	-	986
Promotion and public relations	1,426	-	1,426
 Total expenses before depreciation	 132,208	 713	 132,921
 Depreciation of property, plant and equipment	 -	 7,184	 7,184
 Totals	 \$ 132,208	 \$ 7,897	 \$ 140,105



**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, 2011, and have issued our report thereon dated November 8, 2011. 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

Management of the Organization is responsible for establishing and maintaining effective 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 "Home LLP".

Ridgeland, Mississippi
November 8, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Catholic Charities, Inc.
Jackson, Mississippi

Compliance

We have audited the compliance of Catholic Charities, Inc. (the "Organization") with the types of compliance requirements described in the U. S. Office of Management and Budget ("OMB") Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Organization's management. Our responsibility is to express an opinion on Organization's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the 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, 2011.

Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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.



Ridgeland, Mississippi
November 8, 2011

CATHOLIC CHARITIES, INC.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	None
Noncompliance material to financial statements noted	None

Federal Awards:

Internal control over major programs:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	None
Type of auditor's report issued on compliance for major program	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133	No
Identification of major programs:	
CFDA 14.257 Mississippi United To End Homelessness (ARRA)	
CFDA 16.805 Office of Justice Programs (ARRA)	
CFDA 93.243 Mississippi Department of Health and Human Services	
CFDA 93.958 Mississippi Department of Mental Health	
CFDA 16.588 Mississippi Department of Public Safety (ARRA)	
Dollar threshold used to distinguish between Type A and Type B programs	\$300,000
Auditee qualified as low-risk auditee	Yes

Section II - Financial Statement Findings
No matters were reported.

Section III - Federal Award Findings and Questioned Costs
No matters were reported.

CATHOLIC CHARITIES, INC.
Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2011

There were no findings noted.

CATHOLIC CHARITIES, INC.

Corrective Action Plan

Year Ended June 30, 2011

The current year organization-wide audit disclosed no significant findings, and no significant findings exist from prior year organization-wide audits. Accordingly, no corrective action plan is required.

CATHOLIC CHARITIES, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

Federal Granting Agency/ Grant Program/Grant - Contract Number	Federal CFDA Number	Grant/Contract Period	Grant/ Contract Award as of June 30, 2011	Federal Expenditures
Direct Programs				
Department of Health and Human Services				
90CY2306/02	93.623	9/30/09 - 9/29/10	\$ 111,111	\$ 24,161
90CY2254/02	93.623	10/01/09 - 9/30/10	222,222	29,351
5U79SM056091-07	93.243	9/30/09 - 9/29/10	400,000	86,868
5U79SM056091-08	93.243	9/30/10 - 9/29/11	400,000	241,464
				<u>381,844</u>
Department of Housing and Urban Development				
MS0005B4G000802	14.235	2/01/10 - 1/31/11	207,716	116,815
MS0005B4G001003	14.235	2/01/11 - 1/31/12	207,632	62,986
MS0027B4G010901	14.235	7/01/10 - 6/30/11	337,923	337,923
				<u>517,724</u>
Office of Justice Programs				
2009-EH-S6-0028 (ARRA)	16.805*	7/01/09 - 6/30/12	536,734	113,182
2005WH-AX-0036	16.736	9/01/05 - 8/31/12	458,177	145,018
2010-WL-AX-0022	16.524	10/01/10 - 9/30/12	488,000	77,868
				<u>336,068</u>
Federal Emergency Management Agency				
LRO 026	97.024	1/01/10 - 12/31/10	10,000	3,722
508902-011	97.024	1/01/10 - 12/31/10	7,000	7,000
508902-011	97.024	1/01/10 - 12/31/10	12,000	9,000
				<u>19,722</u>
Total direct programs				<u>1,255,358</u>
Pass-Through Programs				
Mississippi United To End Homelessness				
0232CCGS (ARRA)	14.257*	9/01/09 - 8/31/11	321,780	302,681
				<u>302,681</u>
Mississippi Department of Education				
V0000717810	10.558	10/01/09 - 9/30/10	26,800	7,042
V0000717810	10.558	10/01/10 - 9/30/11	26,800	12,048
				<u>19,090</u>
City of Jackson				
B-08-MC-280003	14.218	10/01/09 - 9/30/10	20,000	8,585
B-08-MC-280003	14.218	10/01/10 - 9/30/11	19,000	13,000
B-08-MC-280003	14.218	10/01/09 - 9/30/10	20,000	3,539
B-08-MC-280003	14.218	10/01/10 - 9/30/11	17,500	17,500
B-08-MC-280003	14.218	10/01/09 - 9/30/10	20,000	1,860
B-08-MC-280003	14.218	10/01/10 - 9/30/11	17,500	7,557
B-08-MC-280003	14.218	10/01/09 - 9/30/10	20,000	5,253
B-08-MC-280003	14.218	10/01/10 - 9/30/11	17,500	5,339
B-02-MC-280003	14.218	10/01/09 - 9/30/10	22,500	10,329
B-08-MC-280003	14.218	10/01/10 - 9/30/11	10,150	4,584
				<u>77,546</u>
Mississippi Coalition Against Sexual Assault				
2009-WR-AX-0015	16.589	11/01/09 - 6/30/11	22,222	4,167
2009-WR-AX-0015	16.589	1/01/10 - 12/31/11	22,222	2,175
				<u>6,342</u>

CATHOLIC CHARITIES, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

Federal Granting Agency/ Grant Program/Grant - Contract Number	Federal CFDA Number	Grant/Contract Period	Grant/ Contract Award as of June 30, 2011	Federal Expenditures
Mississippi Development Authority 1716-ESG-604-09	14.231	8/05/09 - 8/05/10	\$ 75,000	\$ 8,566
				<u>8,566</u>
Mississippi Department of Public Safety 08VA5131	16.575	7/01/09 - 9/30/10	316,085	1,685
09VA5131	16.575	7/01/10 - 6/30/11	182,759	144,494
08VA5132	16.575	10/01/10 - 6/30/11	4,506	3,605
				<u>149,784</u>
Mississippi Department of Public Safety 08VA6021	16.573	7/01/09 - 9/30/10	120,847	307
09VA6021	16.573	7/01/10 - 6/30/11	100,766	76,935
08VA6022	16.573	1/01/11 - 6/30/11	3,000	3,000
08VA6022	16.573	1/01/11 - 6/30/11	750	750
				<u>80,992</u>
Mississippi Department of Public Safety 09WV6021 (ARRA)	16.588*	3/01/10 - 4/30/11	44,842	29,624
09SX6021	16.588	4/01/10 - 5/31/11	27,009	23,220
09SX5131	16.588	4/01/10 - 5/31/11	27,009	8,180
09SV5131	16.588	7/01/10 - 5/31/11	44,467	29,125
09SV6021	16.588	4/01/10 - 6/30/11	33,944	33,865
08SV6022	16.588	1/01/11 - 4/30/11	2,024	689
07SV6022	16.588	1/01/11 - 2/28/11	659	659
10SX5131	16.588	6/01/11 - 7/31/12	17,343	1,638
				<u>127,000</u>
Mississippi Department of Mental Health 8E23-CI06-CYS-23-TR-11	93.104	9/30/10 - 9/29/11	4,000	2,339
				<u>2,339</u>
Mississippi Department of Health 40000DVO	93.136	11/01/09 - 10/31/10	27,457	10,800
VF1/CE-001149-04	93.136	11/01/10 - 10/31/11	24,768	16,042
				<u>26,842</u>
Mississippi Department of Human Services Therapeutic Foster Home	93.556	7/01/05 - 6/30/11	N/A	557,053
128G101A	93.566	10/01/09 - 9/30/10	1,316,746	225,648
128G111A	93.566	10/01/10 - 9/30/11	1,332,733	822,314
				<u>1,605,015</u>
Mississippi Department of Mental Health 8183-SSBG-CYS-23-10	93.667	10/01/09 - 9/30/10	38,705	8,790
				<u>8,790</u>
Mississippi Department of Health G1101MSFVPS	93.671	10/01/09 - 9/30/10	80,800	19,953
G1101MSFVPS	93.671	10/01/10 - 9/30/11	85,765	42,085
40000DVO	93.671	10/01/09 - 9/30/10	80,800	39,444
40000DVO	93.671	11/01/09 - 10/31/10	27,457	13,115
40000DVO	93.671	7/01/10 - 6/30/11	30,300	30,260
40000DVO	93.671	10/01/10 - 9/30/11	92,900	51,816
40000DVO	93.671	11/01/10 - 10/31/11	24,768	14,669
				<u>211,342</u>

CATHOLIC CHARITIES, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

Federal Granting Agency/ Grant Program/Grant - Contract Number	Federal CFDA Number	Grant/Contract Period	Grant/ Contract Award as of June 30, 2011	Federal Expenditures
Mississippi Department of Mental Health				
8409-CMHS-CYS-23-09	93.958	4/01/09 - 9/30/10	\$ 376,536	\$ 6,776
8409-CMHS-CYS-23-10	93.958	4/01/10 - 9/30/11	349,775	337,037
8409-CMHS-CYS-23-11	93.958	4/01/11 - 9/30/12	349,775	35,043
8410-CMHS-CYS-23XX-10	93.958	4/01/09 - 9/30/10	30,000	22,781
8410-CMHS-CYS-23XX-11	93.958	4/01/10 - 9/30/11	30,000	7,123
8423-CMHS-CYS-23-11-MAP-09	93.958	4/01/09 - 9/30/10	13,000	1,984
8423-CMHS-CYS-23-11-MAP-10	93.958	4/01/10 - 9/30/11	13,000	6,323
8424-CMHS-CYS-23-09-MAP-10	93.958	4/01/10 - 9/30/11	35,357	23,889
8424-CMHS-CYS-23-09-MAP-11	93.958	4/01/11 - 9/30/12	27,857	6,893
8506-CMHS-CYS-23-TR-10	93.958	4/01/10 - 9/30/11	52,511	47,192
8506-CMHS-CYS-23-TR-11	93.958	4/01/11 - 9/30/12	52,511	4,428
				499,469
Mississippi Department of Mental Health				
7569-09SAPT-SWPHH-PG-59-16	93.959	4/01/09 - 9/30/10	353,651	41,000
756910-SAPT-SWPHH-PG-59-17	93.959	4/01/10 - 6/30/11	353,651	287,538
756910-SAPT-SWPHH-PG-59-18	93.959	4/01/11 - 6/30/12	363,943	38,557
7568-09SAPT-SWP3QTR-PG-59-16	93.959	4/01/09 - 9/30/10	201,976	26,990
7568-10SAPT-SWP9QTR-PG-59-17	93.959	4/01/10 - 6/30/11	201,976	155,899
7568-10SAPT-SWP9QTR-PG-59-18	93.959	4/01/11 - 6/30/12	202,774	10,040
767110SAPT-HIV-EIS-59-10	93.959	4/01/10 - 6/30/11	76,768	61,023
767110SAPT-HIV-EIS-59-11	93.959	4/01/11 - 6/30/12	77,832	17,008
				638,055
Mississippi Department of Health				
40000DVO	93.991	7/01/09 - 9/30/10	9,125	2,198
40000DVO	93.991	10/01/10 - 6/30/11	9,125	5,396
40000DVO	93.991	7/01/09 - 9/30/10	9,125	2,281
40000DVO	93.991	10/01/10 - 9/30/11	9,125	6,829
				16,704
United Way				
LRO-003	97.024	1/01/10 - 12/31/10	5,813	28
525600-011 LRO ID#	97.024	1/01/10 - 12/31/10	3,000	2,285
				2,313
Total pass-through programs				3,782,870
Total all programs				\$ 5,038,228

*CFDA represents American Recovery and Reinvestment Act ("ARRA") Funds.

N/A - The expenditures are based on a per diem rate per foster child. Accordingly, a specified contract award balance is not applicable. The accompanying Schedule of Federal Awards is prepared on the accrual basis.