

CATHOLIC CHARITIES, INC.
Jackson, Mississippi

Audited Financial Statements
Years Ended June 30, 2012 and 2011

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Catholic Charities, Inc.
Jackson, Mississippi

We have audited the accompanying statement of financial position of Catholic Charities, Inc. (the "Organization") (a nonprofit corporation) as of June 30, 2012 and the related statements of activities, functional expenses and cash flows for the year then ended. 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's summarized comparative information has been derived from the Organization's 2011 financial statements, and in our report dated November 8, 2011, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Organization's internal control over financial reporting. Accordingly, we express no such opinion. 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, 2012, and the changes in its net assets and its cash flows for the year then ended 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 30, 2012, 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 financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation the financial statements as a whole.

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

Ridgeland, Mississippi
November 30, 2012

CATHOLIC CHARITIES, INC.
 Statements of Financial Position
 June 30, 2012 and 2011

	2012	2011
ASSETS		
Current assets		
Cash	\$ 3,600	\$ 3,200
Grants receivable (Note 5)	926,627	783,669
Pledges receivable, current portion (Note 2)	75,256	45,616
Savings deposit in Catholic Diocese of Jackson Deposit and Loan Fund (Note 7)	24,513	23,867
Restricted funds on deposit in Catholic Diocese of Jackson Deposit and Loan Fund (Note 7)	576,304	816,377
Prepaid expenses	65,706	32,788
Total current assets	1,672,006	1,705,517
Noncurrent assets		
Property, plant and equipment, at cost less accumulated depreciation of \$421,620 in 2012 and \$404,872 in 2011 (Note 3)	42,883	42,274
Pledges receivable, net of discount, allowance and current portion (Note 2)	64,679	31,452
Endowment deposits in the Catholic Diocese of Jackson Foundation	66,887	52,983
Total noncurrent assets	174,449	126,709
Total assets	\$ 1,846,455	\$ 1,832,226
LIABILITIES AND NET ASSETS		
Current liabilities		
Excess of outstanding checks over bank balance	\$ 89,569	\$ 71,904
Accounts payable and accrued expenses	236,142	202,329
Accrued salaries	44,023	58,258
Total current liabilities	369,734	332,491
Net assets		
Unrestricted		
Unrestricted - undesignated	345,811	295,830
Board designated (Note 9)	142,152	164,226
Total unrestricted	487,963	460,056
Temporarily restricted (Note 9)	921,871	973,116
Permanently restricted (Note 9)	66,887	66,563
Total net assets	1,476,721	1,499,735
Total liabilities and net assets	\$ 1,846,455	\$ 1,832,226

See accompanying notes.

CATHOLIC CHARITIES, INC.
 Statements of Activities
 Year Ended June 30, 2012
 (With Comparative Totals for the Year Ended June 30, 2011)

	Unrestricted Funds	Temporarily Restricted Funds	Permanently Restricted Funds	Total All Funds	
				2012	2011
Public support and revenue					
Public support					
Received directly					
Contributions	\$ 308,692	\$ 678,346	\$ -	\$ 987,038	\$ 946,205
Bequest and memorials	84,595	-	-	84,595	204,494
Donated services	173,188	-	-	173,188	189,311
	<u>566,475</u>	<u>678,346</u>	<u>-</u>	<u>1,244,821</u>	<u>1,340,010</u>
Grants from governmental and private agencies	4,557,059	1,467,599	-	6,024,658	6,199,723
Total public support	<u>5,123,534</u>	<u>2,145,945</u>	<u>-</u>	<u>7,269,479</u>	<u>7,539,733</u>
Revenue					
Program service fees	982,222	-	-	982,222	1,173,142
Interest income	16,373	-	324	16,697	18,569
Total revenue	<u>998,595</u>	<u>-</u>	<u>324</u>	<u>998,919</u>	<u>1,191,711</u>
Net assets released from restrictions – satisfaction of program restrictions	2,197,190	(2,197,190)	-	-	-
Total public support and revenue	<u>8,319,319</u>	<u>(51,245)</u>	<u>324</u>	<u>8,268,398</u>	<u>8,731,444</u>
Expenses					
Program services					
Parish-Based Ministries	353,292	-	-	353,292	324,710
Adoptions/Maternity/Foster Care	96,927	-	-	96,927	124,343
Solomon Counseling Center/Family Ministries	285,904	-	-	285,904	248,171
Unaccompanied Refugee Minor	1,007,793	-	-	1,007,793	955,776
Domestic Violence Services	1,151,063	-	-	1,151,063	1,020,493
Rape Crisis Center	257,332	-	-	257,332	198,761
Guardian Shelter/RCC/Oak Towers	826,749	-	-	826,749	877,867
Natchez Services	272,590	-	-	272,590	859,813
Host Homes	-	-	-	-	65,616
Children's Mental Health Services	2,104,781	-	-	2,104,781	2,224,735
Alcohol/Drug Abuse/Born Free/New Beginnings	567,044	-	-	567,044	594,515
Disaster Preparedness	133,346	-	-	133,346	140,105
Northeast Services	68,553	-	-	68,553	57,237
Total program services	<u>7,125,374</u>	<u>-</u>	<u>-</u>	<u>7,125,374</u>	<u>7,692,142</u>
Supporting services					
Management and general	923,566	-	-	923,566	842,886
Fundraising	242,472	-	-	242,472	253,648
Total supporting services	<u>1,166,038</u>	<u>-</u>	<u>-</u>	<u>1,166,038</u>	<u>1,096,534</u>
Total expenses	<u>8,291,412</u>	<u>-</u>	<u>-</u>	<u>8,291,412</u>	<u>8,788,676</u>
Change in net assets	27,907	(51,245)	324	(23,014)	(57,232)
Net assets at beginning of year	460,056	973,116	66,563	1,499,735	1,556,967
Net assets at end of year	<u>\$ 487,963</u>	<u>\$ 921,871</u>	<u>\$ 66,887</u>	<u>\$ 1,476,721</u>	<u>\$ 1,499,735</u>

See accompanying notes.

CATHOLIC CHARITIES, INC.
 Statements of Functional Expenses
 Year Ended June 30, 2012
 (With Comparative Totals for the Year Ended June 30, 2011)

	Program Services													Supporting Services		Total Expenses	
	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	Children's Mental Health Services	Alcohol/Drug Abuse/Born Free/New Beginnings	Disaster Preparedness	Northeast Services	Total	Management and General	Fund Raising	2012	2011
Salaries	\$ 149,698	\$ 55,882	\$ 124,834	\$ 473,099	\$ 459,979	\$ 128,783	\$ 431,487	\$ 109,032	\$ 1,097,600	\$ 291,908	\$ 73,821	\$ 29,361	\$ 3,425,484	\$ 511,364	\$ 80,820	\$ 4,017,668	\$ 4,259,653
Payroll taxes	14,467	5,168	12,284	44,423	43,651	11,734	40,014	10,412	96,894	27,336	6,739	2,191	315,313	43,181	7,603	366,097	380,644
Employee benefits	31,778	13,803	33,309	100,002	87,889	20,852	108,428	48,717	262,137	60,578	20,700	9,351	797,544	93,669	20,672	911,885	993,130
Supplies and literature	7,396	1,485	15,521	7,166	55,331	25,531	30,663	1,615	35,019	15,002	1,545	4,264	200,538	75,469	7,101	283,108	176,475
Telephone	7,340	1,296	5,527	10,066	13,142	1,556	4,411	5,938	22,675	9,964	1,729	2,374	86,018	4,896	1,897	92,811	85,244
Conferences, conventions and meetings	4,172	188	5,353	12,144	421	139	4,516	841	26,044	2,650	1,752	905	59,125	13,363	99,320	171,808	190,089
Subsistence, housing, medical and related subsidies	90,909	90	-	250,936	197,684	633	25,485	64,919	231,176	24,899	1,081	6,405	894,217	-	-	894,217	949,432
Equipment purchases	1,122	-	-	3,255	4,364	-	-	-	522	1,985	240	826	12,314	1,482	385	14,181	10,086
Occupancy	17,282	9,090	18,017	61,890	121,222	311	52,576	16,554	112,359	77,685	9,931	4,536	501,453	62,029	10,986	574,468	681,515
Professional fees	5,751	3,065	14,848	17,006	78,283	329	3,769	523	119,459	18,373	215	80	261,701	86,431	3,790	351,922	320,470
Transportation and travel	13,394	4,231	52,020	16,141	11,360	4,297	14,750	1,333	69,471	19,839	12,840	7,616	227,292	7,951	1,983	237,226	197,932
Insurance	173	66	235	360	5,794	-	1,084	179	1,018	255	71	97	9,332	700	96	10,128	11,718
Repairs and maintenance	60	-	-	107	36,997	-	18,833	3,907	13,932	16,547	1,154	547	92,084	5,163	50	97,297	152,399
Printing	8,646	424	3,841	8,794	8,106	54	3,231	7,129	5,603	-	104	-	45,932	1,694	7,271	54,897	58,421
Promotion and public relations	195	2,139	115	2,404	-	-	395	251	6,376	-	-	-	11,875	4,704	210	16,789	92,985
Administrative costs	-	-	-	-	43	-	-	953	-	-	-	-	996	5,979	-	6,975	7,868
Donated goods and services	-	-	-	-	25,113	63,071	85,004	-	-	-	-	-	173,188	-	-	173,188	189,311
Total expenses before depreciation	352,383	96,927	285,904	1,007,793	1,149,379	257,290	824,646	272,303	2,100,285	567,021	131,922	68,553	7,114,406	918,075	242,184	8,274,665	8,757,372
Depreciation of plant and equipment	909	-	-	-	1,684	42	2,103	287	4,496	23	1,424	-	10,968	5,491	288	16,747	31,304
Totals	\$ 353,292	\$ 96,927	\$ 285,904	\$ 1,007,793	\$ 1,151,063	\$ 257,332	\$ 826,749	\$ 272,590	\$ 2,104,781	\$ 567,044	\$ 133,346	\$ 68,553	\$ 7,125,374	\$ 923,566	\$ 242,472	\$ 8,291,412	\$ 8,788,676

See accompanying notes.

CATHOLIC CHARITIES, INC.
Statements of Cash Flows
Years Ended June 30, 2012 and 2011

	2012	2011
Cash flows from operating activities		
Change in net assets	\$ (23,014)	\$ (57,232)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	16,747	31,304
Changes in assets and liabilities		
Grants receivable	(142,958)	104,738
Pledge receivable	(62,867)	37,187
Deposits and other assets	(13,904)	(115)
Prepaid expenses	(32,918)	48,015
Accounts payable and accrued expenses	33,813	(93,644)
Accrued salaries	(14,235)	12,374
Net cash provided by (used in) operating activities	(239,336)	82,627
Cash flows from investing activities		
Deposit to Catholic Diocese of Jackson Deposit and Loan Fund	(646)	(472)
Net, Restricted Fund (deposits to) withdrawals from Catholic Diocese of Jackson Deposit and Loan Fund	240,073	(87,491)
Purchase of property, plant and equipment	(17,356)	(17,117)
Net cash provided by (used in) investing activities	222,071	(105,080)
Cash flows from financing activities		
Excess of outstanding checks over bank balance	17,665	22,653
Net cash provided by financing activities	17,665	22,653
Net increase in cash	400	200
Cash at beginning of year	3,200	3,000
Cash at end of year	\$ 3,600	\$ 3,200

See accompanying notes.

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2012 and 2011

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

The 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, 2012 and 2011

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, including unconditional promises to give, are recognized as revenues in the period received. Pledges 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 uncollectible.

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, 2012 and 2011

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 June 30, 2012 and 2011. 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 2007 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, 2011, from which the summarized information was derived.

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2012 and 2011

NOTES TO FINANCIAL STATEMENTS

Note 2. Pledges Receivable

As a result of the Journey of Hope, the Organization had pledges receivable at June 30, 2012 as follows:

Receivable in less than one year	\$	75,256
Receivable in one to five years		<u>120,653</u>
Total pledges receivable		195,909
Less discounts to net present value at 5.5 percent and allowance for doubtful accounts of \$12,874 and \$43,100, respectively		<u>55,974</u>
Net pledges receivable	\$	<u>139,935</u>

Note 3. Property, Plant and Equipment

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

	2012	2011
Building improvements	\$ 40,168	\$ 37,215
Furniture and equipment	<u>424,335</u>	<u>409,931</u>
	464,503	447,146
Less accumulated depreciation	<u>421,620</u>	<u>404,872</u>
Total	<u>\$ 42,883</u>	<u>\$ 42,274</u>

Note 4. Donated Services

During the years ended June 30, 2012 and 2011, the Organization received the use of facilities for which rent would have totaled \$85,004 and \$113,004 per year, respectfully. 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 \$88,184 in 2012 and \$76,307 in 2011. The total of these amounts is reflected in the accompanying statements of activities as donated services revenue and in-kind expenses within the applicable program.

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2012 and 2011

NOTES TO FINANCIAL STATEMENTS

Note 5. Grants from Governmental and Private Agencies

During the years ended June 30, 2012 and 2011, the Organization was the recipient of governmental and private grants totaling approximately \$6,000,000 and \$6,200,000, respectively, to fund sixteen of its program services.

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

	2012	2011
HIV Early Intervention Services	\$ 2,341	\$ 6,465
Adoption	26,779	3,554
Born Free/New Beginnings	59,167	64,194
Day Treatment Services	-	28,180
Disaster Assistance	-	29,426
Domestic Violence Services	184,483	193,584
Guardian Shelter and Rape Crisis Center	101,163	103,147
Homeless Prevention and Rapid Re-housing	-	81,917
Hope Haven Inpatient	30,997	18,679
Hope Haven Outpatient	77,987	64,655
Immigration Clinic	19,977	1,213
MAP Team	10,356	7,228
Natchez services	10,525	1,662
Parish Social Ministry	42,644	2,827
Solomon Counseling Center	82,277	5,949
Therapeutic Foster Care	69,395	36,667
Trauma Recovery for Youth	47,070	20,845
Unaccompanied Refugee Minors	92,160	92,376
Miscellaneous receivables	69,306	21,101
	<u>\$ 926,627</u>	<u>\$ 783,669</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 \$535,216 in 2012 and \$564,736 in 2011.

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2012 and 2011

NOTES TO FINANCIAL STATEMENTS

Note 6. Continued

At June 30, 2012, the aggregate annual rental payments under noncancelable operating leases, with initial or remaining terms of one year or more, were as follows:

2013	\$	326,259
2014		281,938
2015		157,388
2016		27,236
2017		14,636
	\$	<u>807,457</u>

Note 7. Catholic Diocese of Jackson Deposit and Loan Fund

At June 30, 2012 and 2011, 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 \$600,817 and \$840,244 earning approximately 3 percent at June 30, 2012 and 2011. 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, 2012 and 2011 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. 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 years ended June 30, 2012 and 2011 totaled \$315,803 and \$300,253, respectively.

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2012 and 2011

NOTES TO FINANCIAL STATEMENTS

Note 8. Continued

Saint Peter's Cathedral had no employees participating in the plan in 2012 and 2011.

Note 9. Restrictions on Net Assets

For the years ended June 30, 2012 and 2011 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. Board designated net assets are as follows:

Board Designation	2012	2011	Increase (Decrease)
Adoption	\$ 17,652	\$ -	\$ 17,652
Domestic Violence	113,826	113,826	-
Hope Haven Home Based	1,350	1,350	-
Hope Haven Residential	8,344	-	8,344
Trauma Recovery for Youth	980	980	-
Natchez Day Treatment	-	48,070	(48,070)
Grand total	<u>\$ 142,152</u>	<u>\$ 164,226</u>	<u>\$ (22,074)</u>

Temporarily restricted net assets are available for the following purposes:

Classification	2012	2011	Increase (Decrease)
Alcohol and Drug Services	\$ 68	\$ 250	\$ (182)
Community Services	7,536	5,174	2,362
D'Evereaux Hall and St. Mary's Orphan Asylum	24,512	23,867	645
Emergency Assistance	3,212	5,665	(2,453)
Disaster Assistance	69,847	100,771	(30,924)
Disaster Preparedness	201,735	261,945	(60,210)
Immigration and Refugee Services	29,870	24,026	5,844
Journey of Hope	146,499	67,798	78,701
North East Office	18,721	19,982	(1,261)
Parish Health Ministry	35,980	43,926	(7,946)
Parish Social Ministry	-	5,817	(5,817)
Services to Children	323,562	342,209	(18,647)
Services to Families	4,057	4,057	-
Domestic Violence Services	53,267	61,567	(8,300)
Unaccompanied Refuge Minor Program	3,005	6,062	(3,057)
Grand total	<u>\$ 921,871</u>	<u>\$ 973,116</u>	<u>\$ (51,245)</u>

CATHOLIC CHARITIES, INC.
Years Ended June 30, 2012 and 2011

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, 2012:

	2011	Contributions	Interest Reinvested	Reclassification	2012
General endowment	\$ 66,563	\$ -	\$ 324	\$ -	\$ 66,887

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.

Effective July 1, 2012 the State of Mississippi enacted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The Organization will consider this new legislation in its interpretation of state law.

Note 10. Subsequent Events

The Organization did not have any subsequent events through November 30, 2012, 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, 2012.

CATHOLIC CHARITIES, INC.
 Parish-Based Ministries
 Schedule of Functional Expenses by Program Services
 Year Ended June 30, 2012

	Parish Social Ministry	Parish Health Ministry	Clinic	Disaster Assistance	Community Services	Total
Salaries	\$ 38,155	\$ 17,607	\$ 93,936	\$ -	\$ -	\$ 149,698
Payroll taxes	3,477	1,858	9,132	-	-	14,467
Employee benefits	10,008	1,829	19,941	-	-	31,778
Supplies and literature	1,575	283	5,533	5	-	7,396
Telephone	4,474	228	2,638	-	-	7,340
Conferences, conventions and meetings	737	608	2,568	87	172	4,172
Subsistence, housing, medical and related subsidies	5,533	4,002	626	80,748	-	90,909
Equipment purchases	-	1,122	-	-	-	1,122
Occupancy	4,567	2,889	9,685	141	-	17,282
Professional fees	575	413	4,763	-	-	5,751
Transportation and travel	3,273	338	9,630	153	-	13,394
Insurance	84	-	89	-	-	173
Repairs and maintenance	-	-	60	-	-	60
Printing	4,736	1,029	2,881	-	-	8,646
Promotion and public relations	180	15	-	-	-	195
Total expenses before depreciation	77,374	32,221	161,482	81,134	172	352,383
Depreciation of plant and equipment	217	150	542	-	-	909
Totals	\$ 77,591	\$ 32,371	\$ 162,024	\$ 81,134	\$ 172	\$ 353,292

CATHOLIC CHARITIES, INC.
Domestic Violence Services
Schedule of Functional Expenses by Program Services
Year Ended June 30, 2012

	Shelter for Battered Families	Karitas Day Care	Second Stage Housing	Legal Clinic	Total
Salaries	\$ 119,819	\$ 130,055	\$ 173,173	\$ 36,932	\$ 459,979
Payroll taxes	11,549	13,034	15,616	3,452	43,651
Employee benefits	19,256	26,645	38,810	3,178	87,889
Supplies and literature	7,217	32,247	13,963	1,904	55,331
Telephone	7,132	2,482	3,528	-	13,142
Conferences, conventions and meetings	189	204	28	-	421
Subsistence, housing, medical and related subsides	30,559	1,007	166,118	-	197,684
Equipment purchases	-	2,516	-	1,848	4,364
Occupancy	41,111	47,209	31,096	1,806	121,222
Professional fees	2,346	47	2,299	73,591	78,283
Transportation and travel	2,061	4,838	4,461	-	11,360
Insurance	1,227	1,126	154	3,287	5,794
Repairs and maintenance	10,252	14,974	11,421	350	36,997
Printing	758	177	5,336	1,835	8,106
Administrative costs	-	-	-	43	43
Donated goods and services	25,113	-	-	-	25,113
Total expenses before depreciation	278,589	276,561	466,003	128,226	1,149,379
Depreciation of plant and equipment	1,527	84	73	-	1,684
Totals	<u>\$ 280,116</u>	<u>\$ 276,645</u>	<u>\$ 466,076</u>	<u>\$ 128,226</u>	<u>\$ 1,151,063</u>

CATHOLIC CHARITIES, INC.
Domestic Violence Services
Shelter For Battered Families
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2012

	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	\$ -	\$ 16,058	\$ -	\$ -	\$ 61,337	\$ 16,684	\$ 24,157	\$ 1,583	\$ 119,819
Payroll taxes	-	1,167	-	-	4,706	1,495	2,598	1,583	11,549
Employee benefits	-	2,494	-	-	9,976	3,878	418	2,490	19,256
Supplies and literature	441	-	1,000	-	4,365	-	-	1,411	7,217
Telephone	-	-	-	-	-	-	-	7,132	7,132
Conferences, conventions and meetings	-	-	-	-	-	-	-	189	189
Subsistence, housing, medical and related subsidies	21,314	-	-	6,500	-	-	-	2,745	30,559
Occupancy	-	463	21,342	-	-	-	12,464	6,842	41,111
Professional fees	-	-	-	-	-	-	-	2,346	2,346
Transportation and travel	-	-	-	-	-	-	-	2,061	2,061
Insurance	-	-	-	-	-	-	-	1,227	1,227
Repairs and maintenance	660	-	3,658	-	-	-	-	5,934	10,252
Printing	-	-	-	-	-	-	-	758	758
Donated goods and services	-	-	-	-	-	-	-	25,113	25,113
Total expenses before depreciation	22,415	20,182	26,000	6,500	80,384	22,057	39,637	61,414	278,589
Depreciation of plant and equipment	-	-	-	-	-	-	-	1,527	1,527
Totals	\$ 22,415	\$ 20,182	\$ 26,000	\$ 6,500	\$ 80,384	\$ 22,057	\$ 39,637	\$ 62,941	\$ 280,116

CATHOLIC CHARITIES, INC.
Domestic Violence Services
Karitas Day Care
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2012

	Mississippi State Board of Health	United Way	United Way/ Slots	City of Jackson/ CDBG	Other	Total
Salaries	\$ 63,242	\$ 21,616	\$ 35,676	\$ -	\$ 9,521	\$ 130,055
Payroll taxes	6,335	2,253	3,298	-	1,148	13,034
Employee benefits	14,087	1,052	9,567	-	1,939	26,645
Supplies and literature	24,703	-	3,903	1,440	2,201	32,247
Telephone	-	-	1,570	-	912	2,482
Conferences, conventions and meetings	-	-	150	-	54	204
Subsistence, housing, medical and related subsidies	-	-	621	-	386	1,007
Equipment purchases	670	-	796	-	1,050	2,516
Occupancy	2,309	260	25,817	12,176	6,647	47,209
Professional fees	-	-	4	-	43	47
Transportation and travel	1,734	-	250	-	2,854	4,838
Insurance	-	-	1,126	-	-	1,126
Repairs and maintenance	-	1,888	8,107	3,384	1,595	14,974
Printing	-	-	63	-	114	177
Total expenses before depreciation	113,080	27,069	90,948	17,000	28,464	276,561
Depreciation of plant and equipment	-	-	-	-	84	84
Totals	<u>\$ 113,080</u>	<u>\$ 27,069</u>	<u>\$ 90,948</u>	<u>\$ 17,000</u>	<u>\$ 28,548</u>	<u>\$ 276,645</u>

CATHOLIC CHARITIES, INC.
Domestic Violence Services
Second Stage Housing
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2012

	Federal Emergency Management Agency	HUD Supportive Housing Program	City of Jackson/ CDBG	Office of Justice	Other	Total
Salaries	\$ -	\$ 98,562	\$ -	\$ 74,368	\$ 243	\$ 173,173
Payroll taxes	-	8,892	-	6,706	18	15,616
Employee benefits	-	21,803	-	16,983	24	38,810
Supplies and literature	2,781	4,240	5,015	1,693	234	13,963
Telephone	-	1,879	-	1,506	143	3,528
Conferences, conventions and meetings	-	-	-	-	28	28
Subsistence, housing, medical and related subsidies	3,719	1,281	-	160,901	217	166,118
Occupancy	-	18,514	12,552	-	30	31,096
Professional fees	-	-	-	-	2,299	2,299
Transportation and travel	-	-	-	4,420	41	4,461
Insurance	-	-	-	154	-	154
Repairs and maintenance	-	7,482	3,939	-	-	11,421
Printing	-	-	-	5,336	-	5,336
Total expenses before depreciation	6,500	162,653	21,506	272,067	3,277	466,003
Depreciation of plant and equipment	-	-	-	-	73	73
Totals	<u>\$ 6,500</u>	<u>\$ 162,653</u>	<u>\$ 21,506</u>	<u>\$ 272,067</u>	<u>\$ 3,350</u>	<u>\$ 466,076</u>

CATHOLIC CHARITIES, INC.
Domestic Violence Services
Legal Clinic
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2012

	Office of Justice	Other	Total
Salaries	\$ 36,932	\$ -	\$ 36,932
Payroll taxes	3,452	-	3,452
Employee benefits	3,150	28	3,178
Supplies and literature	1,879	25	1,904
Equipment purchases	1,848	-	1,848
Occupancy	1,806	-	1,806
Professional fees	73,190	401	73,591
Insurance	3,287	-	3,287
Repairs and maintenance	-	350	350
Printing	1,835	-	1,835
Administrative costs	-	43	43
Total expenses before depreciation	127,379	847	128,226
Depreciation of plant and equipment	-	-	-
Totals	\$ 127,379	\$ 847	\$ 128,226

CATHOLIC CHARITIES, INC.
Rape Crisis Center
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2012

	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	\$ 28,859	\$ 52,011	\$ 13,854	\$ 17,454	\$ 13,484	\$ -	\$ 3,121	\$ 128,783
Payroll taxes	2,207	3,869	1,311	1,643	1,335	-	1,369	11,734
Employee benefits	3,933	7,149	2,890	3,470	1,984	-	1,426	20,852
Supplies and literature	-	-	-	-	-	13,400	12,131	25,531
Telephone	-	-	-	-	-	717	839	1,556
Conferences, conventions and meetings	-	-	-	-	-	-	139	139
Subsistence, housing, medical and related subsidies	-	-	-	-	-	536	97	633
Occupancy	-	-	-	-	-	-	311	311
Professional fees	-	-	-	-	-	150	179	329
Transportation and travel	-	-	-	-	222	3,222	853	4,297
Printing	-	-	-	-	-	-	54	54
Donated services	-	-	-	-	-	-	63,071	63,071
Total expenses before depreciation	34,999	63,029	18,055	22,567	17,025	18,025	83,590	257,290
Depreciation of plant and equipment	-	-	-	-	-	-	42	42
Totals	\$ 34,999	\$ 63,029	\$ 18,055	\$ 22,567	\$ 17,025	\$ 18,025	\$ 83,632	\$ 257,332

CATHOLIC CHARITIES, INC.
Guardian Shelter for Battered Families/Rape Crisis/Oak Towers
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2012

	Mississippi State Board of Health	Dept. of Public Safety VAWA	Dept. of Public Safety VOCA	Housing and Urban Development	United Way	Guardian Collections and Other Donations	Total
Salaries	\$ 73,283	\$ 13,816	\$ 59,548	\$ 213,292	\$ 14,951	\$ 56,597	\$ 431,487
Payroll taxes	6,989	1,104	4,469	19,149	1,769	6,534	40,014
Employee benefits	16,713	1,917	11,048	56,855	3,333	18,562	108,428
Supplies and literature	9,952	-	-	5,338	2,046	13,327	30,663
Telephone	2,116	-	-	-	1,428	867	4,411
Conferences, conventions and meetings	520	-	-	923	2,669	404	4,516
Subsistence, housing, medical and related subsidies	10,807	-	-	9,952	4,118	608	25,485
Occupancy	21,824	-	-	14,264	11,767	4,721	52,576
Professional fees	-	-	-	-	1,037	2,732	3,769
Transportation and travel	8,903	-	-	1,379	3,567	901	14,750
Insurance	-	-	-	681	142	261	1,084
Repairs and maintenance	10,441	-	-	-	4,337	4,055	18,833
Printing	1,023	-	-	-	378	1,830	3,231
Promotion and public relations	-	-	-	-	130	265	395
Donated goods and services	-	-	-	-	-	85,004	85,004
Total expenses before depreciation	162,571	16,837	75,065	321,833	51,672	196,668	824,646
Depreciation of plant and equipment	-	-	-	-	-	2,103	2,103
Totals	\$ 162,571	\$ 16,837	\$ 75,065	\$ 321,833	\$ 51,672	\$ 198,771	\$ 826,749

CATHOLIC CHARITIES, INC.
Natchez Services
Schedule of Functional Expenses by Funding Sources
Year Ended June 30, 2012

	Federal Emergency Management Agency	Mississippi Department of Mental Health	Day Treatment	Homeless Prevention and Rapid Rehousing	CCI Counseling/ Emergency Assistance	Total
Salaries	\$ -	\$ 3,320	\$ 60,390	\$ 8,830	\$ 36,492	\$ 109,032
Payroll taxes	-	279	4,756	620	4,757	10,412
Employee benefits	-	421	33,193	1,593	13,510	48,717
Supplies and literature	-	-	367	839	409	1,615
Telephone	-	-	2,331	-	3,607	5,938
Conferences, conventions and meetings	-	-	250	-	591	841
Subsistence, housing, medical and related subsidies	4,857	840	-	29,196	30,026	64,919
Occupancy	-	-	13,052	2,000	1,502	16,554
Professional fees	-	-	211	-	312	523
Transportation and travel	-	-	145	354	834	1,333
Insurance	-	-	15	-	164	179
Repairs and maintenance	-	-	1,125	-	2,782	3,907
Printing	-	-	705	-	6,424	7,129
Promotion and public relations	-	-	-	-	251	251
Administrative costs	-	-	-	-	953	953
Total expenses before depreciation	4,857	4,860	116,540	43,432	102,614	272,303
Depreciation of plant and equipment	-	-	-	-	287	287
Totals	\$ 4,857	\$ 4,860	\$ 116,540	\$ 43,432	\$ 102,901	\$ 272,590

CATHOLIC CHARITIES, INC.
 Children's Mental Health Services
 Schedule of Functional Expenses by Program Services
 Year Ended June 30, 2012

	Therapeutic Foster Care	Crisis Response and Trauma Services	Hope Haven/ Inpatient	Hope Haven/ Outpatient	Total
Salaries	\$ 229,234	\$ 203,814	\$ 349,405	\$ 315,147	\$ 1,097,600
Payroll taxes	20,613	14,840	34,114	27,327	96,894
Employee benefits	60,975	41,818	79,684	79,660	262,137
Supplies and literature	4,747	15,796	10,377	4,099	35,019
Telephone	5,043	361	9,561	7,710	22,675
Conferences, conventions and meetings	10,125	348	2,830	12,741	26,044
Subsistence, housing, medical and related subsidies	207,933	-	17,068	6,175	231,176
Equipment purchases	522	-	-	-	522
Occupancy	28,972	23,399	30,358	29,630	112,359
Professional fees	47,313	46,438	5,125	20,583	119,459
Transportation and travel	22,055	8,723	9,658	29,035	69,471
Insurance	382	18	357	261	1,018
Repairs and maintenance	358	-	13,574	-	13,932
Printing	378	2,782	22	2,421	5,603
Promotion and public relations	6,051	-	-	325	6,376
Total expenses before depreciation	644,701	358,337	562,133	535,114	2,100,285
Depreciation of plant and equipment	2,990	526	300	680	4,496
Totals	\$ 647,691	\$ 358,863	\$ 562,433	\$ 535,794	\$ 2,104,781

CATHOLIC CHARITIES, INC.
 Children's Mental Health Services
 Therapeutic Foster Care
 Schedule of Functional Expenses by Funding Sources
 Year Ended June 30, 2012

	Extended Foster Care/ Department of Mental Health	Therapeutic Foster Care/ Department of Mental Health	Department of Human Services	Other	Total
Salaries	\$ 3,317	\$ 101,626	\$ 99,722	\$ 24,569	\$ 229,234
Payroll taxes	254	9,087	8,745	2,527	20,613
Employee benefits	406	24,443	27,402	8,724	60,975
Supplies and literature	-	4,120	627	-	4,747
Telephone	-	1,083	2,757	1,203	5,043
Conferences, conventions and meetings	-	2,470	7,655	-	10,125
Subsistence, housing, medical and related subsidies	-	-	207,877	56	207,933
Equipment purchases	-	522	-	-	522
Occupancy	-	28,972	-	-	28,972
Professional fees	-	1,860	38,096	7,357	47,313
Transportation and travel	10,910	1,737	9,408	-	22,055
Insurance	-	382	-	-	382
Repairs and maintenance	-	24	334	-	358
Printing	-	365	-	13	378
Promotion and public relations	-	-	6,051	-	6,051
Total expenses before depreciation	14,887	176,691	408,674	44,449	644,701
Depreciation of plant and equipment	-	-	-	2,990	2,990
Totals	\$ 14,887	\$ 176,691	\$ 408,674	\$ 47,439	\$ 647,691

CATHOLIC CHARITIES, INC.
 Children's Mental Health Services
 Crisis Response and Trauma Services
 Schedule of Functional Expenses by Funding Sources
 Year Ended June 30, 2012

	Department of Health & Human Services	Mississippi Department of Mental Health	Other	Total
Salaries	\$ 167,817	\$ 35,544	\$ 453	\$ 203,814
Payroll taxes	11,790	3,050	-	14,840
Employee benefits	33,523	8,295	-	41,818
Supplies and literature	15,796	-	-	15,796
Telephone	361	-	-	361
Conferences, conventions and meetings	123	225	-	348
Occupancy	23,399	-	-	23,399
Professional fees	46,438	-	-	46,438
Transportation and travel	8,418	305	-	8,723
Insurance	18	-	-	18
Printing	2,782	-	-	2,782
Total expenses before depreciation	310,465	47,419	453	358,337
Depreciation of plant and equipment	-	-	526	526
Totals	\$ 310,465	\$ 47,419	\$ 979	\$ 358,863

CATHOLIC CHARITIES, INC.
 Children's Mental Health Services
 Hope Haven/Inpatient
 Schedule of Functional Expenses by Funding Sources
 Year Ended June 30, 2012

	Department of Mental Health	Department of Human Services	Federal Emergency Management Agency	Other	Total
Salaries	\$ 272,147	\$ 10,200	\$ -	\$ 67,058	\$ 349,405
Payroll taxes	27,432	1,166	-	5,516	34,114
Employee benefits	72,341	-	-	7,343	79,684
Supplies and literature	7,859	-	-	2,518	10,377
Telephone	1,342	-	-	8,219	9,561
Conferences, conventions and meetings	1,319	-	-	1,511	2,830
Subsistence, housing, medical and related subsidies	3,826	-	6,500	6,742	17,068
Occupancy	29,503	-	-	855	30,358
Professional fees	3,552	-	-	1,573	5,125
Transportation and travel	6,817	-	-	2,841	9,658
Insurance	357	-	-	-	357
Repairs and maintenance	11,651	-	-	1,923	13,574
Printing	22	-	-	-	22
Total expenses before depreciation	438,168	11,366	6,500	106,099	562,133
Depreciation of plant and equipment	-	-	-	300	300
Totals	\$ 438,168	\$ 11,366	\$ 6,500	\$ 106,399	\$ 562,433

CATHOLIC CHARITIES, INC.
 Children's Mental Health Service
 Hope Haven/Outpatient
 Schedule of Functional Expenses by Funding Sources
 Year Ended June 30, 2012

	Mississippi Department of Mental Health	St. Dominic's	Other	Total
Salaries	\$ 188,970	\$ 55,754	\$ 70,423	\$ 315,147
Payroll taxes	16,094	4,934	6,299	27,327
Employee benefits	40,839	12,895	25,926	79,660
Supplies and literature	2,377	124	1,598	4,099
Telephone	1,218	2,340	4,152	7,710
Conferences, conventions and meetings	10,551	292	1,898	12,741
Subsistence, housing, medical and related subsidies	6,154	-	21	6,175
Occupancy	27,111	14	2,505	29,630
Professional fees	4,239	563	15,781	20,583
Transportation and travel	2,118	11,549	15,368	29,035
Insurance	261	-	-	261
Printing	2,163	-	258	2,421
Promotion and public relations	-	-	325	325
Total expenses before depreciation	302,095	88,465	144,554	535,114
Depreciation of plant and equipment	-	-	680	680
Totals	\$ 302,095	\$ 88,465	\$ 145,234	\$ 535,794

CATHOLIC CHARITIES, INC.
Disaster Preparedness
Schedule of Functional Expenses by Program Services
Year Ended June 30, 2012

	Catholic Charities USA	Donations/ Other	Total
Salaries	\$ 73,821	\$ -	\$ 73,821
Payroll taxes	6,739	-	6,739
Employee benefits	20,700	-	20,700
Supplies and literature	1,545	-	1,545
Telephone	1,729	-	1,729
Conferences, conventions and meetings	1,752	-	1,752
Subsistence, housing, medical and related subsidies	1,081	-	1,081
Equipment purchases	240	-	240
Occupancy	9,931	-	9,931
Professional fees	215	-	215
Transportation and travel	12,840	-	12,840
Insurance	71	-	71
Repairs and maintenance	1,154	-	1,154
Printing	104	-	104
Total expenses before depreciation	131,922	-	131,922
Depreciation of plant and equipment	-	1,424	1,424
Totals	\$ 131,922	\$ 1,424	\$ 133,346



**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, 2012, and have issued our report thereon dated November 30, 2012. 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 30, 2012

CATHOLIC CHARITIES, INC.

**Report on Compliance in
Accordance with OMB Circular A-133**

For the Year Ended June 30, 2012

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**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 are applicable to each of its major federal programs for the year ended June 30, 2012. 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 the Organization's management. Our responsibility is to express an opinion on the 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, 2012.

Internal Control Over Compliance

The 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 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 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.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Organization as of and for the year ended June 30, 2012, and have issued our report thereon dated November 30, 2012. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying *Schedule of Expenditures of Federal Awards* is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not 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.

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 30, 2012

CATHOLIC CHARITIES, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

Federal Granting Agency/ Grant Program/Grant-Contract Number	Federal CFDA Number	Grant/Contract Period	Grant/Grant Award as of June 30, 2012	Federal Expenditures
Direct Programs				
Department of Health and Human Services				
5U79SM056091-08	93.243	9/30/2010-9/29/2011	\$ 400,000	\$ 58,541
2U79SM056091-09	93.243	9/30/2011-9/29/2012	400,000	284,923
				343,464
Department of Housing and Urban Development				
MS0005B4G001003	14.235	02/01/2011-01/31/2012	207,632	106,705
MS0005B4G001104	14.235	02/01/2012-01/31/2013	207,632	64,501
MS0027B4G011002	14.235	07/01/2011-6/30/2012	337,923	337,923
				509,129
Office of Justice Programs				
2010-WL-AX-0022	16.524	10/01/2010-09/30/2012	488,000	165,910
2005WH-AX-0036	16.736	09/01/2005-08/31/2012	808,177	131,065
2009-EH-S6-0028 (ARRA)	*16.805	07/01/2009-06/30/2012	536,734	169,718
				466,693
Federal Emergency Management Agency				
LRO 026	97.024	01/01/2011-12/31/2012	6,500	6,500
508902-011	97.024	01/01/2011-12/31/2011	6,500	6,500
508902-010	97.024	01/01/2011-12/31/2011	6,500	6,500
525600-011	97.024	01/01/2011-12/31/2011	3,000	3,043
				22,543
Total direct programs				1,341,829
Pass-Through Programs				
Mississippi United To End Homelessness				
0232CCGS (ARRA)	*14.257	09/01/2009-08/31/2011	321,780	43,432
				43,432
Mississippi Department of Education				
V0000717810	10.558	10/01/2010-09/30/2011	26,800	10,665
V0000717810	10.558	10/01/2011-09/30/2012	26,800	11,750
				22,415
City of Jackson				
B-08-MC-280003	14.218	10/01/2011-09/30/2012	17,000	17,000
B-08-MC-280003	14.218	10/01/2010-09/30/2011	10,150	5,566
B-08-MC-280003	14.218	10/01/2011-09/30/2012	15,000	12,458
B-08-MC-280003	14.218	10/01/2010-09/30/2011	19,000	6,000
B-08-MC-280003	14.218	10/01/2011-09/30/2012	19,000	20,000
B-08-MC-280003	14.218	10/01/2010-09/30/2011	17,500	2,155
B-08-MC-280003	14.218	10/01/2011-09/30/2012	17,500	12,503
B-08-MC-280003	14.218	10/01/2010-09/30/2011	17,500	2,449
B-08-MC-280003	14.218	10/01/2011-09/30/2012	17,500	4,399
				82,530
Mississippi Coalition Against Sexual Assault				
2009-WR-AX-0015	16.589	01/01/2010-12/31/2011	22,222	18,378
2009-WR-AX-0015	16.589	11/01/2009-06/30/2011	22,222	10,584
				28,962

CATHOLIC CHARITIES, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

Federal Granting Agency/ Grant Program/Grant-Contract Number	Federal CFDA Number	Grant/Contract Period	Grant/Grant Award as of June 30, 2012	Federal Expenditures
Mississippi Department of Public Safety				
09VA6021	16.573	07/01/2010-06/30/2011	\$ 100,766	\$ 353
10VA6021	16.573	07/01/2011-06/30/2012	100,258	74,712
09VA5131	16.575	07/01/2010-06/30/2011	182,759	366
10VA5131	16.575	07/01/2011-06/30/2012	182,108	143,047
10SV6021	16.588	07/01/2011-06/30/2012	30,291	16,837
10SX5131	16.588	06/01/2011-07/31/2012	25,862	22,567
10SV5131	16.588	07/01/2011-06/30/2012	42,722	40,112
				297,994
Mississippi Department of Mental Health				
8E23-CI06-CYS-23-TR-11	93.104	9/30/2010-9/29/2011	4,000	2,140
				2,140
Mississippi Department of Health				
11000DVO	93.136	03/01/2012-10/31/2012	23,519	4,361
VF1/CE-001149-04	93.136	11/01/2010-10/31/2011	24,768	8,726
VF1/CE-001149-04	93.136	11/01/2011-10/31/2012	23,350	16,102
				29,189
Department of Human Services				
Hope Haven Residential	93.556	07/01/2011-06/30/2012	N/A	12,615
Therapeutic Foster Home	93.556	07/01/2005-06/30/2012	N/A	454,241
				466,856
Mississippi Department of Human Services				
128G111A	93.566	10/01/2010-09/30/2011	1,332,733	260,291
128G121A	93.566	10/01/2011-09/30/2012	1,443,652	839,769
				1,100,060
Mississippi Department of Health				
40000DVO	93.671	11/01/2010-10/31/2011	24768	3,958
G1101MSFVPS	93.671	10/01/2010-09/30/2011	85,765	50,815
G1101MSFVPS	93.671	10/01/2011-09/30/2012	85,765	62,265
40000DVO	93.671	10/01/2010-09/30/2011	92,900	41,084
11000DVO	93.671	10/01/2011-09/30/2012	85,497	63,888
				222,010
Department of Mental Health				
8409-CMHS-CYS-23-11	93.958	04/01/2011-09/20/2012	349,775	314,733
8409-CMHS-CYS-23-12	93.958	04/01/2012-09/20/2013	219,745	36,571
8424-CMHS-CYS-23-09-MAP-11	93.958	04/01/2011-09/30/2012	27,857	23,869
8424-CMHS-CYS-23-09-MAP-12	93.958	04/01/2012-09/30/2013	27,857	648
8423-CMHS-CYS-23-11-MAP-10	93.958	04/01/2010-09/30/2011	13,000	1,821
8423-CMHS-CYS-23-11-MAP-11	93.958	04/01/2011-09/30/2012	13,000	4,112
8410-CMHS-CYS-23XX-11	93.958	04/01/2011-09/30/2012	30,000	22,877
8410-CMHS-CYS-23-12	93.958	04/01/2012-09/30/2013	30,000	4,527
8506-CMHS-CYS-23-TR-11	93.958	04/01/2011-09/30/2012	52,511	48,083
8506-CMHS-CYS-23-TR-12	93.958	04/01/2012-09/30/2012	52,511	5,114
				462,355
Department of Mental Health				
756910-SAPT-SWPHH-PG-59-17	93.959	04/01/2010-06/01/2011	353,651	8,000
756910-SAPT-SWPHH-PG-59-18	93.959	04/01/2011-06/01/2012	363,943	325,386
756912-SAPT-SWPHH-PG-59-19	93.959	04/01/2012-06/01/2013	363,943	13,885
767110SAPT-HIV-EIS-59-11	93.959	04/01/2011-06/01/2012	77,832	60,824
767112SAPT-HIV-EIS-59-12	93.959	04/01/2012-06/30/2013	77,832	2,341
7568-10SAPT-SWP9QTR-PG-59-18	93.959	04/01/2011-06/01/2012	202,774	192,734
7568-12SAPT-SWP3QTR-PG-59-19	93.959	04/01/2012-06/01/2013	202,774	4,251
				607,421

CATHOLIC CHARITIES, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

Federal Granting Agency/ Grant Program/Grant-Contract Number	Federal CFDA Number	Grant/Contract Period	Grant/Grant Award as of June 30, 2012	Federal Expenditures
Mississippi State Department of Health				
40000DVO	93.991	10/01/2010-09/30/2011	\$ 9,125	\$ 993
11000DVO	93.991	10/01/2011-09/30/2012	9,125	6,948
4000DVO	93.991	10/01/2010-09/30/2011	9,125	2,296
4000DVO	93.991	10/01/2011-09/30/2012	9,125	7,877
				<u>18,114</u>
United Way				
LR0-003	97.024	01/01/2011-12/31/2011	4,857	4,857
				<u>4,857</u>
Total pass-through program				<u>3,388,335</u>
Total all programs				<u>\$ 4,730,164</u>

*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.

CATHOLIC CHARITIES, INC.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

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 16.524 Office of Justice Programs	
CFDA 93.243 Department of Health & Human Services	
CFDA 16.575 Mississippi Department of Public Safety	
CFDA 93.671 Mississippi Department of Health	
CFDA 93.959 Mississippi Department of Mental Health	
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, 2012

There were no findings noted.

CATHOLIC CHARITIES, INC.

Corrective Action Plan

Year Ended June 30, 2012

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.