

CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

For the Years Ended June 30, 2011 and 2010

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McPherson,
Breyfogle,
Daveline &
Goodrich, PC
Certified Public Accountants

503 N. Main St., Suite 740

Pueblo, CO 81003-3131

Phone (719) 543-0516

Fax (719) 544-2849

INDEPENDENT AUDITORS' REPORT

Board of Directors
Catholic Charities of the Diocese of Pueblo, Inc.
Pueblo, Colorado

We have audited the accompanying statements of financial position of Catholic Charities of the Diocese of Pueblo, Inc. as of June 30, 2011 and 2010, and the related statements of activity, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of Catholic Charities of the Diocese of Pueblo, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the auditing standards generally accepted in the United States of America. 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 disclosure 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 Catholic Charities of the Diocese of Pueblo, Inc. as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The amounts reported in the comparative schedule of functional expenses are presented for purposes of additional analysis and are 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.

McPherson, Breyfogle, Daveline & Goodrich, PC

December 16, 2011

STATEMENTS OF FINANCIAL POSITION
CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.
 June 30, 2011 and 2010

<u>ASSETS</u>	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ 301,128	\$ 538,574
Investments	509,173	416,573
Accounts receivable, net of allowance for doubtful accounts	6,134	4,454
Grant and contract receivables	108,055	78,011
Prepaid expenses	9,892	10,182
Property and equipment, net of accumulated depreciation	<u>109,527</u>	<u>65,521</u>
TOTAL ASSETS	<u>\$ 1,043,909</u>	<u>\$ 1,113,315</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
LIABILITIES		
Accounts payable	\$ 9,041	\$ 18,725
Accrued payroll taxes and withholding	1,458	321
Deferred revenue	115,733	120,803
Client deposits	154,355	128,721
Accrued compensated absences	<u>39,100</u>	<u>37,144</u>
TOTAL LIABILITIES	<u>319,687</u>	<u>305,714</u>
 NET ASSETS		
Unrestricted	173,889	106,375
Board designated	<u>520,000</u>	<u>520,000</u>
Total Unrestricted	693,889	626,375
Temporarily Restricted	<u>30,333</u>	<u>181,226</u>
TOTAL NET ASSETS	<u>724,222</u>	<u>807,601</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,043,909</u>	<u>\$ 1,113,315</u>

The accompanying notes to financial statements are an integral part of this statement.

STATEMENTS OF ACTIVITIES
CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.
For the years ended June 30, 2011 and 2010

	2011		
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTALS</u>
SUPPORT AND REVENUES			
Support			
United Way allocations	\$ 53,957	\$ -	\$ 53,957
BDF support	100,000	-	100,000
Pueblo Deanery support	-	28,463	28,463
Contributions	43,066	10,258	53,324
Assistance programs	18,992	441,583	460,575
Total Support	<u>216,015</u>	<u>480,304</u>	<u>696,319</u>
Revenues			
Contract grants	430,664	-	430,664
County and private grants	510,506	-	510,506
Adoption fees	240	-	240
Counseling fees	20,460	-	20,460
Immigration service fees	45,211	-	45,211
Other fees	28,010	-	28,010
Money management fees	43,811	-	43,811
Special event, net of costs \$0 and \$22,383	-	-	-
Miscellaneous revenues	2,110	-	2,110
Investment income	13,809	-	13,809
Net realized and unrealized gain (loss) on investments	79,150	-	79,150
Total Revenues	<u>1,173,971</u>	<u>-</u>	<u>1,173,971</u>
Net Assets Released from Restrictions	<u>631,197</u>	<u>(631,197)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	<u>2,021,183</u>	<u>(150,893)</u>	<u>1,870,290</u>
EXPENSES			
Functional Expenses			
Program services	1,166,935	-	1,166,935
Management and general	260,869	-	260,869
Total Functional Expenses	<u>1,427,804</u>	<u>-</u>	<u>1,427,804</u>
Assistance to Individuals	<u>525,865</u>	<u>-</u>	<u>525,865</u>
TOTAL EXPENSES	<u>1,953,669</u>	<u>-</u>	<u>1,953,669</u>
CHANGE IN NET ASSETS	67,514	(150,893)	(83,379)
NET ASSETS, beginning	<u>626,375</u>	<u>181,226</u>	<u>807,601</u>
NET ASSETS, ending	<u>\$ 693,889</u>	<u>\$ 30,333</u>	<u>\$ 724,222</u>

The accompanying notes to financial statements are an integral part of this statement.

2010

<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTALS</u>
\$ 64,724	\$ -	\$ 64,724
100,000	-	100,000
-	28,222	28,222
53,290	129,780	183,070
24,000	337,042	361,042
<u>242,014</u>	<u>495,044</u>	<u>737,058</u>
295,726	-	295,726
470,793	-	470,793
3,227	-	3,227
16,809	-	16,809
38,011	-	38,011
72,683	-	72,683
43,715	-	43,715
18,472	-	18,472
2,378	-	2,378
13,197	-	13,197
35,144	-	35,144
<u>1,010,155</u>	<u>-</u>	<u>1,010,155</u>
409,786	(409,786)	-
<u>1,661,955</u>	<u>85,258</u>	<u>1,747,213</u>
1,204,159	-	1,204,159
<u>187,871</u>	<u>-</u>	<u>187,871</u>
1,392,030	-	1,392,030
<u>397,507</u>	<u>-</u>	<u>397,507</u>
<u>1,789,537</u>	<u>-</u>	<u>1,789,537</u>
(127,582)	85,258	(42,324)
<u>753,957</u>	<u>95,968</u>	<u>849,925</u>
<u>\$ 626,375</u>	<u>\$ 181,226</u>	<u>\$ 807,601</u>

STATEMENTS OF FUNCTIONAL EXPENSES
CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.
For the year ended June 30, 2011

	2011		
	<u>FEEP</u>	<u>CLINICAL</u>	<u>IMMIGRANT PROGRAMS</u>
FUNCTIONAL EXPENSES			
Salaries and Related Expenses			
Salaries	\$ 376,346	\$ 111,965	\$ 41,100
Employee benefits	55,331	19,964	1,151
Payroll taxes	<u>31,591</u>	<u>9,399</u>	<u>3,450</u>
Total Salaries and Related Expenses	<u>463,268</u>	<u>141,328</u>	<u>45,701</u>
Other Expenses			
Audit fees	1,300	1,300	1,300
Auto expense	7,450	134	1,665
Conferences, conventions, and meetings	4,652	972	3,796
Dues and subscriptions	530	100	800
Insurance	2,114	458	133
Miscellaneous	-	-	-
Occupancy	17,355	6,458	6,272
Postage and shipping	2,116	1,248	1,612
Printing and publications	946	415	574
Professional services	42,895	2,643	23,826
Program expenses	95,556	901	6,599
Repairs and maintenance	5,982	4,000	3,454
Rent - equipment	2,294	688	1,491
Supplies	6,087	1,648	2,096
Telephone	12,220	5,254	3,570
Travel	<u>11,765</u>	<u>23</u>	<u>220</u>
Total Other Expenses	<u>213,262</u>	<u>26,242</u>	<u>57,408</u>
Total Expenses Before Depreciation	676,530	167,570	103,109
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 676,530</u>	<u>\$ 167,570</u>	<u>\$ 103,109</u>

The accompanying notes to financial statements are an integral part of this statement.

2011				
<u>FAMILY SERVICES</u>	<u>HOUSING & HOMELESS PREVENTION</u>	<u>TOTAL PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTALS</u>
\$ -	\$ 140,073	\$ 669,484	\$ 99,763	\$ 769,247
-	30,974	107,420	32,989	140,409
-	11,758	56,198	8,374	64,572
-	182,805	833,102	141,126	974,228
-	1,300	5,200	1,300	6,500
-	-	9,249	499	9,748
-	5,581	15,001	7,109	22,110
-	-	1,430	2,378	3,808
-	3,883	6,588	857	7,445
-	-	-	-	-
-	6,383	36,468	9,550	46,018
-	3,167	8,143	1,765	9,908
-	578	2,513	1,577	4,090
-	3,473	72,837	56,787	129,624
-	-	103,056	10,985	114,041
-	5,103	18,539	4,277	22,816
-	975	5,448	288	5,736
-	3,478	13,309	3,453	16,762
-	3,000	24,044	5,998	30,042
-	-	12,008	684	12,692
-	36,921	333,833	107,507	441,340
-	219,726	1,166,935	248,633	1,415,568
-	-	-	12,236	12,236
<u>\$ -</u>	<u>\$ 219,726</u>	<u>\$ 1,166,935</u>	<u>\$ 260,869</u>	<u>\$ 1,427,804</u>

STATEMENTS OF FUNCTIONAL EXPENSES
CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.
For the year ended June 30, 2010

FUNCTIONAL EXPENSES	2010		
	<u>FEEP</u>	<u>CLINICAL</u>	<u>IMMIGRANT PROGRAMS</u>
Salaries and Related Expenses			
Salaries	\$ 305,256	\$ 127,353	\$ 63,880
Employee benefits	41,222	20,600	11,644
Payroll taxes	23,794	9,927	4,979
Total Salaries and Related Expenses	370,272	157,880	80,503
Other Expenses			
Audit fees	3,750	625	625
Auto expense	3,750	210	1,019
Conferences, conventions, and meetings	10,640	1,968	1,233
Dues and subscriptions	60	368	-
Insurance	1,196	824	974
Miscellaneous	-	10	-
Occupancy	9,449	3,481	4,821
Postage and shipping	2,697	1,476	1,662
Printing and publications	255	75	795
Professional services	80,234	11,124	18,938
Program expenses	96,424	3,132	5,111
Repairs and maintenance	3557	3,557	4,667
Rent - equipment	2,742	762	1,141
Supplies	4,435	1,826	1,753
Telephone	9,614	5,230	2,847
Travel	9,722	933	178
Total Other Expenses	242,836	35,601	45,764
Total Expenses Before Depreciation	613,108	193,481	126,267
Depreciation	-	-	-
TOTAL FUNCTIONAL EXPENSES	\$ 613,108	\$ 193,481	\$ 126,267

The accompanying notes to financial statements are an integral part of this statement.

2010				
<u>FAMILY SERVICES</u>	<u>HOUSING & HOMELESS PREVENTION</u>	<u>TOTAL PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTALS</u>
\$ 42,124	\$ 136,158	\$ 674,771	\$ 87,483	\$ 762,254
9,489	21,014	103,969	21,224	125,193
<u>3,284</u>	<u>10,613</u>	<u>52,597</u>	<u>6,816</u>	<u>59,413</u>
<u>54,897</u>	<u>167,785</u>	<u>831,337</u>	<u>115,523</u>	<u>946,860</u>
625	625	6,250	1,250	7,500
315	15	5,309	188	5,497
1,127	963	15,931	6,786	22,717
382	-	810	155	965
1,162	3,813	7,969	1,729	9,698
-	-	10	240	250
1,243	3,481	22,475	6,070	28,545
829	3,477	10,141	1,713	11,854
100	75	1,300	646	1,946
2,811	2,927	116,034	19,059	135,093
4,743	-	109,410	11,494	120,904
2,625	6,109	24,826	-	24,826
504	1,177	6,326	3,276	9,602
431	3,697	12,142	3,524	15,666
1,127	2,547	21,365	5,237	26,602
<u>1,667</u>	<u>24</u>	<u>12,524</u>	<u>1,495</u>	<u>14,019</u>
<u>19,691</u>	<u>28,930</u>	<u>372,822</u>	<u>62,862</u>	<u>435,684</u>
74,588	196,715	1,204,159	178,385	1,382,544
-	-	-	9,486	9,486
<u>\$ 74,588</u>	<u>\$ 196,715</u>	<u>\$ 1,204,159</u>	<u>\$ 187,871</u>	<u>\$ 1,392,030</u>

STATEMENTS OF CASH FLOWS
CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.
For the years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (83,379)	\$ (42,324)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	12,236	9,486
In-kind donation of fixed assets	(2,091)	-
Realized and unrealized (gain) loss on investments	(79,150)	(35,144)
(Increase) decrease in assets:		
Accounts receivable	(1,680)	11,874
Grant receivable	(30,044)	(24,384)
Prepaid expenses	290	(987)
Increase (decrease) in liabilities:		
Accounts payable	(9,684)	8,079
Accrued payroll taxes and withholding	1,137	(393)
Deferred revenue	(5,070)	25,046
Client deposits	25,634	3,254
Accrued compensated absences	1,956	2,495
	(169,845)	(42,998)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(54,151)	(45,536)
Purchase of investments	(13,450)	(13,031)
	(67,601)	(58,567)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH	(237,446)	(101,565)
CASH AND CASH EQUIVALENTS, beginning	538,574	640,139
CASH AND CASH EQUIVALENTS, ending	\$ 301,128	\$ 538,574

The accompanying notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS
CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.
June 30, 2011 and 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Catholic Charities of the Diocese of Pueblo, Inc. (the Organization) was incorporated April 6, 1944. The mission of the Organization is to enhance the dignity and self worth of individuals and families through the provision of services that respond to the physical, spiritual, emotional and economical needs of those served and to collaborate with the communities of Southern Colorado to solve social problems and to work to bring about systemic change so that justice is attained. The Organization is organized exclusively for charitable and educational purposes.

Basis of Accounting and Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time.

Income Tax Status

The Organization is organized under Section 501(c)(3) of the Internal Revenue Code as a non-profit, tax-exempt organization. The Organization does not believe there are any material uncertain tax positions and, accordingly, it has not recognize any liability for unrecognized tax benefits.

The Organization's federal Exempt Organization Business Income Tax Returns (Form 990) for 2008, 2009, 2010 and 2011 are subject to examination by the IRS, generally for three years after they were filed.

Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is based on an evaluation of outstanding accounts receivable at year end. The allowance for doubtful accounts at June 30, 2011 and 2010, was \$500 and \$500, respectively.

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated assets, at the fair market value on the date of donation. Depreciation is provided over estimated useful lives of three to thirty-nine years on a straight-line basis.

NOTES TO FINANCIAL STATEMENTS (Continued)
CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.
June 30, 2011 and 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Client Deposits

The Organization provides cash management and immigration services to clients. Cash management services include collection of client funds and payment of client expenses and debts. Immigration services include collection of client funds and payment of attorney fees on behalf of the client. At June 30, 2011 and 2010, the Organization was holding \$154,355 and \$128,721 respectively, of client funds.

Accrued Compensated Absences

The Organization provides vacation leave benefits to all employees. Full-time employees earn 12.5 hours and part-time employees earn 6.25 hours for each month of employment completed, up to 150 hours and 75 hours per year, respectively. The maximum amount of hours that can be accumulated is 150. Upon separation from service, employees are paid for unused vacation leave.

The Organization provides sick leave benefits to all employees. Full-time employees earn 7.5 hours and part-time employees earn 3.75 hours for each month of employment completed, up to 180 hours and 90 hours per year, respectively. The maximum amount of hours that can be accumulated is 180. Accumulated sick leave benefits are not paid upon separation.

Accrued compensated absences at June 30, 2011 and 2010 were \$39,100 and \$37,144, respectively.

Retirement Plan

The Organization offers a tax shelter annuity plan to employees. Plan benefits are available to employees who work 20 hours or more per week and who have worked a full six months. The Organization matches contributions at 5% of the employee's gross salary up to \$100 per month. The Organization's contributions for the years ended June 30, 2011 and 2010, were \$18,425 and \$16,500, respectively.

Public Support and Revenue

Unrestricted contributions received for the Organization's programs are recognized as support when received.

Assistance grant awards and contributions that are restricted are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other contributions are reported as an increase in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Expense Allocation

The costs of providing various programs and other activities have been 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 benefitted.

Effective July 1, 2010 the adoption program was discontinued. This program was identified under family services in the Statement of Functional Expenses.

Conservatorship

The Organization sometimes agrees to serve as a court appointed conservator. Any fees earned are recognized as income when received. The Organization has certain fiduciary responsibilities in this capacity but the conservatorship's assets are not in the possession of or controlled by the Organization.

NOTES TO FINANCIAL STATEMENTS (Continued)
CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.
 June 30, 2011 and 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Conservatorship (Continued)

The conservatorship's assets are held in separate accounts at various financial institutions. The Organization serves approximately 9 to 15 clients whose total assets at June 30, 2011 and 2010 totaled \$604,848 and \$612,413, respectively. Fees earned for conservator responsibilities for the years ended June 30, 2011 and 2010 approximated \$39,972 and \$10,715, respectively, which is recorded as money management revenue.

Concentration of Credit Risk

The Organization's cash in financial institutions exceeded the federally insured limit of \$250,000 at June 30, 2011 and at various times throughout the year then ended.

Fair Value Measurements

On July 1, 2008, the Organization adopted the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

NOTE B - INVESTMENTS

Investments are presented in the financial statement at their market value. At June 30, 2011 and 2010 investments consisted of:

	2011		
	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Estimated Market Value</u>
Equity mutual funds	\$ 447,666	\$ 61,507	\$ 509,173
	2010		
Equity mutual funds	\$ 434,215	\$ (17,642)	\$ 416,573

The following schedule summarizes investment return for the years ended June 30:

	2011	2010
Dividends	\$ 13,450	\$ 13,031
Capital gain distributions	-	-
Interest income	359	166
Total Investment Income	\$ 13,809	\$ 13,197
Realized gain (loss)	-	-
Unrealized gain (loss)	79,150	35,144
Total Realized and Unrealized Loss	79,150	35,144
Total Investment Return	\$ 92,959	\$ 48,341

NOTES TO FINANCIAL STATEMENTS (Continued)
CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.
 June 30, 2011 and 2010

NOTE C- PROPERTY AND EQUIPMENT

Property and equipment at June 30, consisted of the following:

	<u>2011</u>	<u>2010</u>
Leasehold improvements	\$ 118,722	\$ 66,631
Office furniture and equipment	<u>176,392</u>	<u>173,432</u>
Total Property and Equipment	295,114	240,063
Less: accumulated depreciation	<u>185,587</u>	<u>174,542</u>
Net Property and Equipment	<u>\$ 109,527</u>	<u>\$ 65,521</u>

Depreciation expense for the years ended June 30, 2011 and 2010 was \$12,236 and \$9,486, respectively.

NOTE D - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2011 and 2010, consisted of unexpended funds from the following sources:

	<u>2011</u>	<u>2010</u>
Aid To The Needy Grant	\$ 3,600	\$ 1,356
Cares	1,000	4,309
Colorado Bright Beginnings	4,100	-
Colorado Trust	25	-
Community Services Funding	-	72
Diocese of Pueblo Foundation	2,985	3,540
DSS / HB1451	526	-
El Pomar Foundation	-	50,000
Emergency Food and Shelter Program	20	324
Emergency Shelter Grant	4,000	4,956
Energy Outreach Colorado	8,454	46,460
Helping Hands	-	10,619
Pueblo Deanery Assistance	5,623	14,393
Temple Hoyne Buell Foundation	<u>-</u>	<u>45,197</u>
Total Temporarily Restricted Net Assets	<u>\$ 30,333</u>	<u>\$ 181,226</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.
 June 30, 2011 and 2010

NOTE D - TEMPORARILY RESTRICTED NET ASSETS (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows for the years ended June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Cares	\$ 76,961	\$ 36,986
Colorado Trust	5,875	-
Community Services Funding	27,590	26,448
Diocese of Pueblo Foundation	4,519	460
DSS / HB1451	474	-
El Pomar Foundation	50,000	-
Energy Outreach Colorado	334,946	182,019
Emergency Food and Shelter Program	14,454	66,569
Emergency Shelter Grant	20,416	11,804
Helping Hands	11,126	13,527
Pueblo Deanery	39,639	40,649
SC Ministry	-	2,824
Temple Hoyne Buell Foundation	45,197	28,500
Total Restrictions Released	<u>\$ 631,197</u>	<u>\$ 409,786</u>

NOTE E - OPERATING LEASE COMMITMENTS

The Organization leases a 2009 Subaru Forester through Chase Auto Finance Corporation. The lease term is thirty-six months starting March 31, 2009 and requires monthly payments of \$307. The amount of the lease expense reported as auto expense was \$3,689 and \$3,689, respectively, for the years ended June 30, 2011 and 2010.

The Organization leases a Sharp Copier from Lewan and Associates. The lease term is sixty months starting September 6, 2007 and requires monthly lease payments of \$477.97. The amount of the lease expense reported was \$5,736 for the years ended June 30, 2011 and 2010.

The existing office lease expired July 31, 2011 and the lease was for twelve months for \$1. As part of the agreements, the Organization agreed to provide janitorial, trash removal and general building maintenance. On August 1, 2011, the existing lease was extended with the same provisions and will expire July 31, 2012. The amount reported in occupancy expense was \$27,995 and \$19,667 for the years ended June 30, 2011 and 2010, respectively.

Future minimum lease payments are as follows as of June 30, 2011:

	<u>Vehicle</u>	<u>Copier</u>
2012	\$ 2,767	\$ 5,736
2013	-	955
	<u>\$ 2,767</u>	<u>\$ 6,691</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.
 June 30, 2011 and 2010

NOTE F - BOARD DESIGNATED NET ASSETS

Unrestricted net assets included funds which have been designated by the governing board for specific purposes. The following board designations existed as of June 30:

	<u>2011</u>	<u>2010</u>
Capital improvements	\$ 25,000	\$ 25,000
Operating reserve	125,000	125,000
Diocesan Expansion of programs	<u>370,000</u>	<u>370,000</u>
Total Board Designated Net Assets	<u>\$ 520,000</u>	<u>\$ 520,000</u>

NOTE G - FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at June 30, 2011 are as follows:

	<u>Quoted Prices in Active Markets for Identical Assets Level 1</u>	<u>Significant Other Observable Inputs Level 2</u>	<u>Significant Unobservable Inputs Level 3</u>
Investments	<u>\$ 509,173</u>	<u>\$ -</u>	<u>\$ -</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

NOTE H - SUBSEQUENT EVENTS

The Organization is subject to the provisions of ASC Topic 855, Subsequent Events, which establishes a requirement for disclosing the date through which subsequent events have been evaluated, as well as whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. The Organization has evaluated subsequent events through December 16, 2011 and the financial statements were available to be issued January 2012.

Effective October 21, 2011, the Organization discontinued providing clinical services to the community.

SUPPLEMENTAL INFORMATION

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COMPARATIVE SCHEDULE OF FUNCTIONAL EXPENSES

CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.

For the years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>	<u>VARIANCES</u>	
			<u>DOLLAR</u> <u>AMOUNT</u>	<u>PERCENT</u>
Salaries	\$ 769,247	\$ 762,254	\$ 6,993	2.8%
Payroll taxes	140,409	125,193	15,216	12.1%
Benefits	<u>64,572</u>	<u>59,413</u>	<u>5,159</u>	5.0%
TOTAL SALARIES AND BENEFITS	974,228	946,860	27,368	4.1%
Auto expense	9,748	5,497	4,251	(13.8)%
Conferences, conventions, and meetings	22,110	22,717	(607)	40.4%
Depreciation	12,236	9,486	2,750	4.6%
Dues and subscriptions	3,808	965	2,843	(71.9)%
Insurance	7,445	9,698	(2,253)	372.6%
Miscellaneous	-	250	(250)	127.3%
Occupancy	46,018	28,545	17,473	(10.6)%
Postage and shipping	9,908	11,854	(1,946)	10.5%
Printing and publications	4,090	1,946	2,144	(60.7)%
Professional fees	136,124	142,593	(6,469)	90.9%
Program expenses	114,041	120,904	(6,863)	8.7%
Repairs and maintenance	22,816	24,826	(2,010)	26.9%
Rent-building and equipment	5,736	9,602	(3,866)	(23.5)%
Supplies	16,762	15,666	1,096	(6.9)%
Telephone	30,042	26,602	3,440	20.9%
Travel	<u>12,692</u>	<u>14,019</u>	<u>(1,327)</u>	(0.1)%
TOTAL FUNCTIONAL EXPENSES	\$ <u>1,427,804</u>	\$ <u>1,392,030</u>	\$ <u>35,774</u>	10.0%