

**CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.**

**FINANCIAL STATEMENTS**

**WITH INDEPENDENT AUDITOR'S REPORT**

For the Years Ended June 30, 2012 and 2011

**CONTENTS**

	<b><u>PAGE</u></b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4 - 5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 12
<b>SUPPLEMENTAL INFORMATION</b>	
Comparative Schedule of Functional Expenses	13



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## 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, 2012 and 2011, 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 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 Catholic Charities of the Diocese of Pueblo, Inc. as of June 30, 2012 and 2011, 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 financial statements as a whole. The comparative schedule of functional expenses 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 to the financial statements as a whole.

*McPherson, Breyfogle, Daveline & Goodrich, PC*

December 28, 2012

**STATEMENTS OF FINANCIAL POSITION**  
**CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.**  
June 30, 2012 and 2011

<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 333,174	\$ 301,128
Investments	541,714	509,173
Accounts receivable, net of allowance for doubtful accounts	2,372	6,134
Grant and contract receivables	121,792	108,055
Prepaid expenses	1,179	9,892
Property and equipment, net of accumulated depreciation	<u>110,917</u>	<u>109,527</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>1,111,148</u></b>	<b>\$ <u>1,043,909</u></b>
 <b><u>LIABILITIES AND NET ASSETS</u></b>  		
<b>LIABILITIES</b>		
Accounts payable	\$ 12,539	\$ 9,041
Accrued payroll taxes and withholding	2,812	1,458
Deferred revenue	127,980	115,733
Client deposits	126,440	154,355
Accrued compensated absences	<u>36,357</u>	<u>39,100</u>
<b>TOTAL LIABILITIES</b>	<b><u>306,128</u></b>	<b><u>319,687</u></b>
<b>NET ASSETS</b>		
Unrestricted	184,649	173,889
Board designated	<u>520,000</u>	<u>520,000</u>
<b>Total Unrestricted</b>	<b>704,649</b>	<b>693,889</b>
<b>Temporarily Restricted</b>	<b><u>100,371</u></b>	<b><u>30,333</u></b>
<b>TOTAL NET ASSETS</b>	<b><u>805,020</u></b>	<b><u>724,222</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>1,111,148</u></b>	<b>\$ <u>1,043,909</u></b>

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, 2012 and 2011

	2012		<u>TOTALS</u>
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	
<b>SUPPORT AND REVENUES</b>			
<b>Support</b>			
United Way allocations	\$ 54,624	\$ -	\$ 54,624
DMF support	100,000	-	100,000
Pueblo Deanery support	-	24,601	24,601
Contributions	34,586	30,203	64,789
Assistance programs	34,763	527,768	562,531
<b>Total Support</b>	<u>223,973</u>	<u>582,572</u>	<u>806,545</u>
<b>Revenues</b>			
Contract grants	283,004	-	283,004
County and private grants	614,783	-	614,783
Adoption fees	-	-	-
Counseling fees	3,635	-	3,635
Immigration service fees	39,195	-	39,195
Other fees	27,303	-	27,303
Money management fees	46,930	-	46,930
Special event, net of costs \$15,452 and \$22,383	28,352	-	28,352
Miscellaneous revenues	15,324	-	15,324
Investment income	13,745	-	13,745
Net realized and unrealized gain (loss) on investments	18,802	-	18,802
<b>Total Revenues</b>	<u>1,091,073</u>	<u>-</u>	<u>1,091,073</u>
<b>Net Assets Released from Restrictions</b>	<u>512,534</u>	<u>(512,534)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUES</b>	<u>1,827,580</u>	<u>70,038</u>	<u>1,897,618</u>
<b>EXPENSES</b>			
<b>Functional Expenses</b>			
Program services	1,093,486	-	1,093,486
Management and general	208,971	-	208,971
<b>Total Functional Expenses</b>	<u>1,302,457</u>	<u>-</u>	<u>1,302,457</u>
<b>Assistance to Individuals</b>	<u>514,363</u>	<u>-</u>	<u>514,363</u>
<b>TOTAL EXPENSES</b>	<u>1,816,820</u>	<u>-</u>	<u>1,816,820</u>
<b>CHANGE IN NET ASSETS</b>	10,760	70,038	80,798
<b>NET ASSETS, beginning</b>	<u>693,889</u>	<u>30,333</u>	<u>724,222</u>
<b>NET ASSETS, ending</b>	<u>\$ 704,649</u>	<u>\$ 100,371</u>	<u>\$ 805,020</u>

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

**2011**

<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTALS</u>
\$ 53,957	\$ -	\$ 53,957
100,000	-	100,000
-	28,463	28,463
43,066	10,258	53,324
18,992	441,583	460,575
<u>216,015</u>	<u>480,304</u>	<u>696,319</u>
430,664	-	430,664
510,506	-	510,506
240	-	240
20,460	-	20,460
45,211	-	45,211
28,010	-	28,010
43,811	-	43,811
-	-	-
2,110	-	2,110
13,809	-	13,809
79,150	-	79,150
<u>1,173,971</u>	<u>-</u>	<u>1,173,971</u>
<u>631,197</u>	<u>(631,197)</u>	<u>-</u>
<u>2,021,183</u>	<u>(150,893)</u>	<u>1,870,290</u>
1,166,935	-	1,166,935
260,869	-	260,869
1,427,804	-	1,427,804
525,865	-	525,865
<u>1,953,669</u>	<u>-</u>	<u>1,953,669</u>
67,514	(150,893)	(83,379)
<u>626,375</u>	<u>181,226</u>	<u>807,601</u>
<u>\$ 693,889</u>	<u>\$ 30,333</u>	<u>\$ 724,222</u>

**STATEMENTS OF FUNCTIONAL EXPENSES**  
**CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.**  
For the year ended June 30, 2012

	2012		
	<u>FEEP</u>	<u>CLINICAL</u>	<u>IMMIGRANT PROGRAMS</u>
<b>FUNCTIONAL EXPENSES</b>			
<b>Salaries and Related Expenses</b>	\$ 420,817	\$ 42,158	\$ 68,645
Salaries	74,605	2,441	1,948
Employee benefits	35,455	3,552	5,784
Payroll taxes			
<b>Total Salaries and Related Expenses</b>	<u>530,877</u>	<u>48,151</u>	<u>76,377</u>
<b>Other Expenses</b>			
Audit fees	4,517	293	1,430
Auto expense	14,609	1,128	2,655
Conferences, conventions, and meetings	2,540	402	2,122
Dues and subscriptions	2,768	693	1,386
Insurance	13,996	1,655	3,435
Occupancy	4,188	405	2,385
Postage and shipping	3,256	-	20
Printing and publications	31,461	366	2,196
Professional services	109,676	86	3,191
Program expenses	16,019	1,490	3,081
Repairs and equipment maintenance	3,404	170	855
Rent - equipment	8,540	468	2,130
Supplies	15,717	2,475	2,681
Telephone	9,439	20	364
Travel			
<b>Total Other Expenses</b>	<u>240,130</u>	<u>9,651</u>	<u>27,931</u>
<b>Total Expenses Before Depreciation</b>	771,007	57,802	104,308
<b>Depreciation</b>	-	-	-
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 771,007</u>	<u>\$ 57,802</u>	<u>\$ 104,308</u>

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

**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>
<b>FUNCTIONAL EXPENSES</b>			
<b>Salaries and Related Expenses</b>			
Salaries	\$ 376,346	\$ 111,965	\$ 41,100
Employee benefits	55,331	19,964	1,151
Payroll taxes	31,591	9,399	3,450
<b>Total Salaries and Related Expenses</b>	<u>463,268</u>	<u>141,328</u>	<u>45,701</u>
<b>Other Expenses</b>			
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
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	11,765	23	220
<b>Total Other Expenses</b>	<u>213,262</u>	<u>26,242</u>	<u>57,408</u>
<b>Total Expenses Before Depreciation</b>	676,530	167,570	103,109
<b>Depreciation</b>	-	-	-
<b>TOTAL FUNCTIONAL EXPENSES</b>	<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>HOUSING &amp; 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
<u>11,758</u>	<u>56,198</u>	<u>8,374</u>	<u>64,572</u>
<u>182,805</u>	<u>833,102</u>	<u>141,126</u>	<u>974,228</u>
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
<u>36,921</u>	<u>333,833</u>	<u>107,507</u>	<u>441,340</u>
219,726	1,166,935	248,633	1,415,568
-	-	12,236	12,236
<u>\$ 219,726</u>	<u>\$ 1,166,935</u>	<u>\$ 260,869</u>	<u>\$ 1,427,804</u>

**STATEMENTS OF CASH FLOWS**  
**CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.**  
For the years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 80,798	\$ (83,379)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,615	12,236
In-kind donation of fixed assets	-	(2,091)
Realized and unrealized (gain) loss on investments	(18,802)	(79,150)
<b>(Increase) decrease in assets:</b>		
Accounts receivable	3,762	(1,680)
Grant and contract receivable	(13,737)	(30,044)
Prepaid expenses	8,713	290
<b>Increase (decrease) in liabilities:</b>		
Accounts payable	3,498	(9,684)
Accrued payroll taxes and withholding	1,354	1,137
Deferred revenue	12,247	(5,070)
Client deposits	(27,915)	25,634
Accrued compensated absences	(2,743)	1,956
	61,790	(169,845)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(16,005)	(54,151)
Purchase of investments	(13,739)	(13,450)
	(29,744)	(67,601)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>		
	32,046	(237,446)
<b>NET INCREASE (DECREASE) IN CASH</b>		
<b>CASH AND CASH EQUIVALENTS, beginning</b>	301,128	538,574
<b>CASH AND CASH EQUIVALENTS, ending</b>	\$ 333,174	\$ 301,128

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, 2012 and 2011

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**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 2009, 2010, 2011 and 2012 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, 2012 and 2011, was \$0 and \$500, respectively.

**Property and Equipment**

It is the Organization's policy to capitalize property and equipment over \$500. 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, 2012 and 2011

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**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, 2012 and 2011, the Organization was holding \$126,440 and \$154,355 respectively, of client funds.

**Accrued Compensated Absences**

The Organization provides vacation leave benefits to all employees. Effective January 1, 2012, vacation benefits are earned by employees based upon their years of service and range from ten to twenty days. Part-time employees earned hours will vary based on hours worked. Employees hired prior to September 30, 2011 will continue to follow the previous policy whereas 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, 2012 and 2011 were \$36,357 and \$39,100, 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, 2012 and 2011, were \$16,875 and \$18,425, 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 October 21, 2011, the counseling program was discontinued. This program was identified under clinical services in the Statement of Functional Expenses.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.**  
 June 30, 2012 and 2011

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

The conservatorship's assets are held in separate accounts at various financial institutions. The Organization serves approximately 8 to 9 clients whose total assets at June 30, 2012 and 2011 totaled \$285,510 and \$604,848, respectively. Fees earned for conservator responsibilities for the years ended June 30, 2012 and 2011 approximated \$40,976 and \$39,972, respectively, which is recorded as money management revenue.

**Business and Credit Concentration**

The Organization's cash in financial institutions exceeded the federally insured limit of \$250,000 at June 30, 2012 and at various times throughout the year then ended.

The Organization receives funding from Federal, State and foundation grants which may be subject to regulatory or other oversight by various government or granting agencies. Such oversight may include audit or other compliance procedures. Any adjustments made by a granting agency would become a liability of the Organization. There are no such proceedings presently in progress.

**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. The investments consisted of the following at June 30:

	2012		
	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Estimated Market Value</u>
Equity mutual funds	\$ 461,405	\$ 80,309	\$ 541,714
	2011		
Equity mutual funds	\$ 447,666	\$ 61,507	\$ 509,173

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.**  
 June 30, 2012 and 2011

**NOTE B - INVESTMENTS (Continued)**

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

	<u>2012</u>	<u>2011</u>
Dividends	\$ 13,740	\$ 13,450
Interest income	5	359
<b>Total Investment Income</b>	<u>\$ 13,745</u>	<u>\$ 13,809</u>
Unrealized gain (loss)	18,802	79,150
<b>Total Investment Return</b>	<u><u>\$ 32,547</u></u>	<u><u>\$ 92,959</u></u>

**NOTE C- PROPERTY AND EQUIPMENT**

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

	<u>2012</u>	<u>2011</u>
Leasehold improvements	\$ 119,222	\$ 118,722
Office furniture and equipment	177,699	176,392
Vehicle	<u>14,198</u>	<u>-</u>
<b>Total Property and Equipment</b>	311,119	295,114
Less: accumulated depreciation	<u>200,202</u>	<u>185,587</u>
<b>Net Property and Equipment</b>	<u><u>\$ 110,917</u></u>	<u><u>\$ 109,527</u></u>

Depreciation expense for the years ended June 30, 2012 and 2011 was \$14,615 and \$12,236, respectively.

**NOTE D - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at consisted of unexpended funds from the following sources at June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Aid To The Needy Grant	\$ 2,991	\$ 3,600
Cares	6,314	1,000
Colorado Bright Beginnings	-	4,100
Colorado Trust	1,094	25
Community Problem Solving	354	-
Diocese of Pueblo Foundation	-	2,985
DSS / HB1451	407	526
Emergency Food and Shelter Program	70	20
Emergency Shelter Grant	-	4,000
Energy Outreach Colorado	77,273	8,454
HIPPY matching funds	11,273	-
Pueblo Deanery Assistance	<u>595</u>	<u>5,623</u>
<b>Total Temporarily Restricted Net Assets</b>	<u><u>\$ 100,371</u></u>	<u><u>\$ 30,333</u></u>

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.**  
June 30, 2012 and 2011

**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, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Cares	\$ 96,059	\$ 76,961
Colorado Bright Beginnings	4,100	-
Colorado Trust	1,847	5,875
Community Problem Solving	2,146	-
Community Services Funding	-	27,590
Diocese of Pueblo Foundation	2,985	4,519
DSS / HB1451	5,619	474
El Pomar Foundation	-	50,000
Energy Outreach Colorado	299,731	334,946
Emergency Food and Shelter Program	23,950	14,454
Emergency Shelter Grant	19,000	20,416
Helping Hands	-	11,126
HIPPY Marching Funds	3,556	-
Pueblo Deanery	53,541	39,639
Temple Hoyne Buell Foundation	-	45,197
<b>Total Restrictions Released</b>	<u>\$ 512,534</u>	<u>\$ 631,197</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. At the completion of the lease, the Organization purchased the vehicle. The amount of the lease expense reported as auto expense was \$2,469 and \$3,689, respectively, for the years ended June 30, 2012 and 2011.

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, 2012 and 2011.

The existing office lease initially 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 expired July 31, 2012. The lease continues on a month to month basis with no changes to the original provisions. The amount reported in occupancy expense was \$18,113 and \$27,995 for the years ended June 30, 2012 and 2011, respectively.

Future minimum lease payments are as follows as of June 30, 2012:

2013	<u>\$</u>	<u>Copier</u>	<u>955</u>
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**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.**  
 June 30, 2012 and 2011

**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>2012</u>	<u>2011</u>
Capital improvements	\$ -	\$ 25,000
Operating reserve	520,000	125,000
Diocesan Expansion of programs	<u>-</u>	<u>370,000</u>
<b>Total Board Designated Net Assets</b>	<b><u>\$ 520,000</u></b>	<b><u>\$ 520,000</u></b>

**NOTE G - FAIR VALUE MEASUREMENTS**

Fair values of assets measured on a recurring basis at June 30, 2012 are as follows:

	Quoted Prices in Active Markets for Identical Assets <u>Level 1</u>	Significant Other Observable Inputs <u>Level 2</u>	Significant Unobservable Inputs <u>Level 3</u>
Investments	<u>\$ 541,714</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 28, 2012 and the financial statements were available to be issued January 2013.



**SUPPLEMENTAL INFORMATION**

**COMPARATIVE SCHEDULE OF FUNCTIONAL EXPENSES**  
**CATHOLIC CHARITIES OF THE DIOCESE OF PUEBLO, INC.**  
For the years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>	<u>VARIANCES</u>	
			<u>DOLLAR</u> <u>AMOUNT</u>	<u>PERCENT</u>
Salaries	\$ 709,364	\$ 769,247	\$ (59,883)	(7.8)%
Payroll taxes	131,749	140,409	(8,660)	(6.2)%
Benefits	<u>59,767</u>	<u>64,572</u>	<u>(4,805)</u>	(7.4)%
<b>TOTAL SALARIES AND BENEFITS</b>	<b>900,880</b>	<b>974,228</b>	<b>(73,348)</b>	<b>(7.5)%</b>
Auto expense	6,667	9,748	(3,081)	(31.6)%
Conferences, conventions, and meetings	33,196	22,110	11,086	50.1%
Depreciation	14,615	12,236	2,379	19.4%
Dues and subscriptions	7,229	3,808	3,421	89.8%
Insurance	7,176	7,445	(269)	(3.6)%
Occupancy	25,265	46,018	(20,753)	(45.1)%
Postage and shipping	11,612	9,908	1,704	17.2%
Printing and publications	5,679	4,090	1,589	38.9%
Professional fees	78,709	136,124	(57,415)	(42.2)%
Program expenses	113,443	114,041	(598)	(0.1)%
Repairs and maintenance	33,602	22,816	10,786	47.3%
Rent-equipment	5,736	5,736	-	-
Supplies	18,970	16,762	2,208	13.2%
Telephone	27,602	30,042	(2,440)	(8.1)%
Travel	<u>12,076</u>	<u>12,692</u>	<u>(616)</u>	(4.9)%
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ <u>1,302,457</u></b>	<b>\$ <u>1,427,804</u></b>	<b>\$ <u>(125,347)</u></b>	<b>(8.8)%</b>