



**Catholic Charities CYO**  
**San Francisco, San Mateo & Marin**

**CATHOLIC CHARITIES CYO**  
**OF THE ARCHDIOCESE OF SAN FRANCISCO**

**SINGLE AUDIT REPORT**

**JUNE 30, 2012**



**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

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JUNE 30, 2012**

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## Independent Auditors' Report

The Board of Directors  
Catholic Charities CYO of the Archdiocese of San Francisco

We have audited the accompanying consolidated statement of financial position of the Catholic Charities CYO of the Archdiocese of San Francisco (a California not-for-profit corporation) as of June 30, 2012, and the related consolidated statements of activities, functional expenses, program services 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 consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from Catholic Charities CYO of the Archdiocese of San Francisco's 2011 financial statements and, in our report dated December 16, 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 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 Catholic Charities CYO of the Archdiocese of San Francisco as of June 30, 2012 and the change 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 December 9, 2012, on our consideration of Catholic Charities CYO of the Archdiocese of San Francisco's internal control over financial reporting and on 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 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 schedule of expenditures of federal awards and schedule of Federal and State Child Development Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and California Department of Education, respectively and are 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.

A handwritten signature in black ink that reads "RINA accountancy Corporation".

Certified Public Accountants  
San Francisco, California  
December 9, 2012

# CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 6,920,927	\$ 6,628,826
Contractually restricted cash	1,669,990	1,858,848
Investments	654,450	897,932
Program receivables	4,726,822	3,918,228
Contributions and bequests receivable	2,388,520	914,602
Prepaid expenses and other assets	217,046	160,305
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	16,577,755	14,378,741
Assets of pooled income fund	787,006	780,704
Interest in charitable trusts and annuities	20,880	24,285
Contributions and bequests receivable	623,124	819,927
Property and equipment, net	9,594,996	9,310,355
Other long-term assets	114,497	128,047
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 27,718,258</u>	<u>\$ 25,442,059</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 650,198	\$ 802,702
Accrued expenses	1,930,944	1,975,946
Current portion of notes payable	109,347	286,542
Deferred revenue	444,216	474,098
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	3,134,705	3,539,288
Notes payable	6,702,118	6,665,949
Contractual reserves	2,980,039	2,500,081
Conditional asset retirement obligations	1,065,712	1,064,892
Long-term deferred revenue and deferred compensation	127,330	197,692
	<hr/>	<hr/>
TOTAL LIABILITIES	14,009,904	13,967,902
<b>NET ASSETS:</b>		
Unrestricted	8,511,534	8,074,998
Temporarily restricted	4,632,796	2,835,135
Permanently restricted	564,024	564,024
	<hr/>	<hr/>
TOTAL NET ASSETS	13,708,354	11,474,157
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 27,718,258</u>	<u>\$ 25,442,059</u>

See notes to consolidated financial statements.

# CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO

## CONSOLIDATED STATEMENT OF ACTIVITIES (With summarized financial information for the year ended June 30, 2011)

	Year Ended June 30, 2012			Total	Year Ended
	Unrestricted	Temporarily Restricted	Permanently Restricted		June 30, 2011
					Comparative Totals
<b>SUPPORT AND REVENUE FROM OPERATIONS:</b>					
Public support:					
Government service contracts	\$ 24,463,508	\$ -	\$ -	\$ 24,463,508	\$ 24,316,032
Contributions	1,301,387	877,687	-	2,179,074	1,917,040
Foundation grants	35,676	1,554,317	-	1,589,993	568,959
Bequests	787,938	1,068,547	-	1,856,485	1,098,370
Special events	-	507,554	-	507,554	418,268
Other revenue:					
Program service fees	7,187,794	-	-	7,187,794	6,612,970
Rental income	1,683,658	-	-	1,683,658	1,624,066
Investment return	18,600	89,015	-	107,615	135,288
Other income	217,910	-	-	217,910	257,893
Net assets released from restrictions	2,299,459	(2,299,459)	-	-	-
<b>TOTAL SUPPORT AND REVENUE FROM OPERATIONS</b>	<b>37,995,930</b>	<b>1,797,661</b>	<b>-</b>	<b>39,793,591</b>	<b>36,948,886</b>
<b>OPERATING EXPENSES:</b>					
Program services:					
Youth residential services	10,688,712	-	-	10,688,712	10,242,132
Children and family services	7,790,579	-	-	7,790,579	7,817,816
Housing and health stabilization services	6,803,657	-	-	6,803,657	6,626,106
Transportation and outdoor programs	6,123,991	-	-	6,123,991	5,931,033
Aging services	1,313,363	-	-	1,313,363	1,324,801
Counseling services	338,678	-	-	338,678	338,549
<b>Total Program Services</b>	<b>33,058,980</b>	<b>-</b>	<b>-</b>	<b>33,058,980</b>	<b>32,280,437</b>
Supporting services:					
Administration	3,229,683	-	-	3,229,683	3,418,339
Development	1,270,730	-	-	1,270,730	1,096,487
<b>TOTAL OPERATING EXPENSES</b>	<b>37,559,393</b>	<b>-</b>	<b>-</b>	<b>37,559,393</b>	<b>36,795,263</b>
<b>CHANGE IN NET ASSETS</b>	<b>436,537</b>	<b>1,797,661</b>	<b>-</b>	<b>2,234,198</b>	<b>153,623</b>
<b>NET ASSETS, beginning of year</b>	<b>8,074,997</b>	<b>2,835,135</b>	<b>564,024</b>	<b>11,474,156</b>	<b>11,320,534</b>
<b>NET ASSETS, end of year</b>	<b>\$ 8,511,534</b>	<b>\$ 4,632,796</b>	<b>\$ 564,024</b>	<b>\$ 13,708,354</b>	<b>\$ 11,474,157</b>

See notes to consolidated financial statements.

# CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

(With summarized financial information for the year ended June 30, 2011)

	Year Ended June 30, 2012					Year Ended June 30, 2011 Comparative Totals
	Program Services	Supporting Services			Total Program and Support Services	
		Administration	Development	Total Administration and Development		
Salaries and wages	\$ 15,841,858	\$ 1,809,880	\$ 407,999	\$ 2,217,879	\$ 18,059,737	\$ 17,872,055
Employee benefits and payroll taxes	5,048,585	427,631	102,570	530,201	5,578,786	5,011,688
Total salaries and related expenses	20,890,443	2,237,511	510,569	2,748,080	23,638,523	22,883,743
Financial assistance	3,231,042	-	-	-	3,231,042	3,029,527
Occupancy costs	2,314,530	156,600	45,985	202,585	2,517,115	2,549,025
Professional fees	1,304,449	529,686	496,284	1,025,970	2,330,419	2,440,719
Travel and auto	1,306,083	17,956	10,882	28,838	1,334,921	1,118,258
Program food	884,090	-	-	-	884,090	889,654
Depreciation	707,632	16,202	-	16,202	723,834	750,263
Supplies	501,551	23,253	5,377	28,630	530,181	489,917
Insurance	523,182	16,593	4,774	21,367	544,549	543,429
Contractually required reserves	206,412	-	-	-	206,412	433,026
Child related	268,684	-	-	-	268,684	340,033
Telephone and postage	336,116	83,311	36,543	119,854	455,970	431,758
Miscellaneous	456,516	51,311	56,860	108,171	564,687	546,311
Printing and publication	45,195	54,753	90,618	145,371	190,566	193,009
Conferences and meetings	74,048	36,003	12,838	48,841	122,889	132,224
Interest	9,007	6,504	-	6,504	15,511	24,367
Total direct expenses	33,058,980	3,229,683	1,270,730	4,500,413	37,559,393	36,795,263
Indirect allocation	4,083,896	(3,229,683)	(854,218)	(4,083,901)	-	-
Total expenses	<u>\$ 37,142,876</u>	<u>\$ -</u>	<u>\$ 416,512</u>	<u>\$ 416,512</u>	<u>\$ 37,559,393</u>	<u>\$ 36,795,263</u>

See notes to consolidated financial statements.

# CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO

## CONSOLIDATED STATEMENT OF PROGRAM SERVICES

Year Ended June 30, 2012

	Youth Residential Services	Children and Family	Housing and Health Stabilization Services	Transportation and Outdoor Programs	Aging Services	Counseling Services	Total Program Services
Salaries and wages	\$ 5,998,217	\$ 2,978,724	\$ 3,199,467	\$ 2,664,869	\$ 770,078	\$ 230,503	\$ 15,841,858
Employee benefits and payroll taxes	1,861,141	985,201	1,071,130	863,761	205,344	62,008	5,048,585
<b>Total salaries and related expenses</b>	<b>7,859,358</b>	<b>3,963,925</b>	<b>4,270,597</b>	<b>3,528,630</b>	<b>975,422</b>	<b>292,511</b>	<b>20,890,443</b>
Financial assistance	378,770	1,673,636	1,178,636	-	-	-	3,231,042
Occupancy costs	399,914	790,898	461,453	492,993	151,385	17,887	2,314,530
Professional fees	174,081	532,591	211,636	365,594	18,417	2,130	1,304,449
Travel and auto	320,911	87,923	38,713	808,284	48,028	2,224	1,306,083
Program food	220,021	129,813	268,823	215,129	50,262	42	884,090
Depreciation	190,580	51,772	66,856	396,869	-	1,555	707,632
Supplies	204,078	139,284	48,689	82,101	25,472	1,927	501,551
Insurance	179,346	151,953	79,520	83,126	18,902	10,335	523,182
Contractually required reserves	-	183,245	23,167	-	-	-	206,412
Child related	267,934	-	-	-	-	750	268,684
Telephone and postage	92,014	46,490	94,213	80,834	14,776	7,789	336,116
Miscellaneous	359,604	14,450	44,333	31,351	5,737	1,041	456,516
Printing and publication	1,021	11,950	1,608	28,769	1,847	-	45,195
Conferences and meetings	41,080	11,829	10,425	7,112	3,115	487	74,048
Interest	-	820	4,988	3,199	-	-	9,007
<b>Total direct expenses</b>	<b>10,688,712</b>	<b>7,790,579</b>	<b>6,803,657</b>	<b>6,123,991</b>	<b>1,313,363</b>	<b>338,678</b>	<b>33,058,980</b>
Indirect allocation	1,309,635	963,513	813,291	789,931	164,979	42,547	4,083,896
<b>Totals</b>	<b>\$ 11,998,347</b>	<b>\$ 8,754,092</b>	<b>\$ 7,616,948</b>	<b>\$ 6,913,922</b>	<b>\$ 1,478,342</b>	<b>\$ 381,225</b>	<b>\$ 37,142,876</b>

See notes to consolidated financial statements.

# CATHOLIC CHARITIES CYO OF THE ARCHDIOCESE OF SAN FRANCISCO

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended June 30, 2012	Year Ended June 30, 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 2,234,198	\$ 153,623
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Forgiven debt	-	(40,000)
Depreciation	723,834	750,262
Loss on sale or abandonment of fixed assets	3,860	-
Net realized and unrealized (gain) loss on investments	(102,681)	(162,859)
Contribution of investments	(20,354)	(147,086)
Change in operating assets and liabilities:		
Change in contractually restricted cash	188,858	(355,970)
Receivables	(2,085,709)	568,860
Prepaid expenses and other assets	(43,190)	(171,438)
Accounts payable	(152,502)	244,556
Accrued expenses	(45,002)	99,466
Deferred revenue and deferred compensation	(29,931)	(90,462)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>671,381</b>	<b>848,952</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Contractually required reserves	\$ 479,958	\$ 717,108
Proceeds from sales and maturities of investments	297,814	142,259
Proceeds from sales of fixed assets	32,667	-
Purchases of investments	(8,806)	-
Purchases of property and equipment	(1,040,706)	(1,033,297)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(239,073)</b>	<b>(173,930)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Contractual reserves	820	1,454
Payments on notes payable	(141,027)	(130,923)
<b>NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES</b>	<b>(140,207)</b>	<b>(129,469)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>292,101</b>	<b>545,553</b>
CASH AND CASH EQUIVALENTS, beginning of year	6,628,826	6,083,273
CASH AND CASH EQUIVALENTS, end of year	\$ 6,920,927	\$ 6,628,826
 <b>SUPPLEMENTAL INFORMATION:</b>		
Cash paid for interest	\$ 15,512	\$ 24,368

See notes to consolidated financial statements.



**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - JUNE 30, 2012**

**Note 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Nature of activities:

Catholic Charities CYO of the Archdiocese of San Francisco (“Catholic Charities CYO”) is a non-profit human services and community development organization. The organization is dedicated to the growth and development of children and families in a safe environment. Its mission is to alleviate human suffering by providing direct services for the poor and disenfranchised; to address the root causes of poverty and injustice by assisting people to mobilize their own resources and become self-sufficient; to enhance society’s awareness of suffering through advocacy for changing unjust social conditions.

Guided by core values of charity, social justice and respect for human dignity, the organization reaches out to children, families, and individuals in San Francisco, San Mateo, and Marin counties, and offers over 30 programs located throughout the Archdiocese. An important dimension of the programs is concerted outreach to “at risk” youth, families and communities. The organization views their employees and those they serve as strategic partners in these efforts.

Basis of accounting:

The financial statements include the accounts of Catholic Charities CYO and the entities Catholic Charities CYO controls and has an economic interest in: 899 Guerrero Street Inc. and 1340 Golden Gate Associates, L.P. All significant intercompany accounts and transactions are eliminated. The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America specific to not-for-profit organizations.

Net asset classification:

As required by accounting principles generally accepted in the United States of America applicable to not-for-profit organizations, Catholic Charities CYO’s activities and related assets and liabilities are classified as unrestricted, temporarily restricted and permanently restricted according to the terms of the various contributions, grants, and bequests.

A summary of these classifications and the related restrictions, where applicable, are as follows:

***Unrestricted Balances***

These amounts consist of funds undesignated and currently available for program activities, support services and fundraising activities.

***Temporarily Restricted Balances***

These amounts consist of funds available for support of Catholic Charities CYO’s programs and capital improvements which are expendable only for purposes specified by the donor or grantor or within a specified period.

The net assets included in the temporarily restricted class at June 30, 2012 are those for which the restrictions have not yet been met.

**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - JUNE 30, 2012**

**Note 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued):**

***Permanently Restricted Balances***

These amounts consist of funds that are subject to donor-imposed restrictions requiring that their principal be invested in perpetuity.

The net assets included in the permanently restricted class at June 30, 2012 relate to contributions permanently restricted whose income may be used to support various Catholic Charities CYO's programs.

**Cash and cash equivalents:**

Cash and cash equivalents include all highly liquid instruments with original maturities of three months or less, excluding cash and cash equivalents restricted by contracts with the City and County of San Francisco and those held in pooled income funds. Cash and cash equivalents are primarily held with three large commercial institutions. At times, cash deposits may exceed FDIC limits.

**Contractually restricted cash:**

Contractually restricted cash represents amounts that are required to be maintained in separate cash accounts. These requirements are stipulated in several of the loan agreements.

**Receivables:**

Accounts receivable represent amounts billed and accrued but not yet collected for services. Catholic Charities CYO has determined an allowance for doubtful accounts of \$236,400 is necessary based on management's evaluation and adjustment of a current aging of the accounts.

**Investments:**

Investments are carried at fair value, based upon quoted market prices. Realized and unrealized gains and losses arising from investments are determined on a first-in, first-out basis and are reflected in the consolidated statement of activities.

Catholic Charities CYO invests in various types of investments. Investments are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

**Fair value measurements:**

Professional accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under professional accounting standards are described as follows:

**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - JUNE 30, 2012**

**Note 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued):**

Fair value measurements (continued):

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Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Catholic Charities CYO has the ability to access.

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Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data, by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Split-Interest Agreements:

Catholic Charities CYO has entered into a variety of split-interest charitable agreements as follows:

***Pooled Income Fund***

Catholic Charities CYO's pooled income fund is divided into units and contributions of its donors are pooled and invested as a group. Donors are assigned a specific number of units based on the proportion of the fair value of their contributions to the total fair value of the pooled income fund on the date of the donor's entry into the fund. Until the donor's death, the donor, or the donor's designated beneficiary, is paid the actual income earned on the donor's assigned units. The estimated liability based on donor life expectancy under pooled income agreements is reflected as long-term deferred revenue. This liability is estimated at fair market value based upon the estimated life of each participant using a discount rate of 2.365%. Upon the donor's death, the value of the assigned units reverts to Catholic Charities CYO for its unrestricted use.

***Charitable Gift Annuities***

Charitable gift annuities represent the remainder beneficiary interest of various charitable gift annuities which are held by an independent trustee. These agreements provide for annual annuity payments to donors of approximately 6% to 11%. Catholic Charities CYO recognizes its beneficial interest in these assets at the time the donations are made and remeasures the present value of future distributions to be received upon maturity of the charitable gift annuity each reporting period.

**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - JUNE 30, 2012**

**Note 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued):**

***Interest in Charitable Remainder Trust***

Catholic Charities CYO's interest in a charitable remainder trust represents the estimated fair market value of distributions to be made to Catholic Charities CYO over a fixed period of time based on a discount rate of 2.35%.

**Property and equipment:**

Property and equipment is stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which are as follows:

Buildings and improvements	27.5 years
Land improvements	10 - 20 years
Equipment and furniture	5 - 10 years
Transportation equipment	5 - 10 years
Software and website	3 years

Minor replacements, betterments, maintenance and repairs are charged to expense as incurred. Major replacements and betterments are capitalized and depreciated over the remaining useful life of the assets.

**Contributions and grants:**

Contributions and grants are recorded as revenue at the date when an unconditional promise is made. Donor-restricted contributions and grants are recorded as temporarily restricted revenues and are reclassified to unrestricted net assets when a stipulated time restriction ends or purpose restriction is accomplished. Reclassifications are reported as "Net assets released from restrictions" in the statement of activities.

Government contract revenue is recognized in accordance with the terms of the contract which is generally when the related expenditures are incurred.

**Bequests:**

Bequests are recorded as revenue when there is sufficient evidence available to determine that the revenue is probable and estimable.

**Deferred revenue:**

Revenue related to grants and contracts is recognized as the related expenses are incurred. Deposits received in advance of program services being provided are reflected as current deferred revenue. Long-term deferred revenue relates to estimated liabilities under pooled income funds.

**Income taxes:**

Catholic Charities CYO and their controlled entities are tax-exempt organizations under the provisions of the Internal Revenue Code and related California provisions. Accordingly, no provision for income taxes has been reflected in these financial statements.

**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - JUNE 30, 2012**

**Note 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued):**

Accounting for uncertain tax positions:

As of June 30, 2012, Catholic Charities CYO has had no uncertain tax positions. Catholic Charities CYO recognizes the financial statement benefit of an uncertain tax position only after considering the probability that a tax authority would sustain the position in an examination. For tax positions meeting a “more-likely-than-not” threshold, the amount recognized in the financial statements is the benefit expected to be realized upon settlement with the tax authority. For tax positions not meeting the threshold, no financial statement benefit is recognized. The Organization recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense.

Income tax returns for the year prior to 2007 are no longer subject to examination by tax authorities.

Functional allocation of expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, management and general costs have been allocated among the programs and supporting services benefited based upon a percentage of total expenses. Catholic Charities CYO considers all revenues and expenses related to its operations.

Subsequent events:

No subsequent events were disclosed. Management evaluated subsequent events through December 9, 2012, the date which the financial statements were available for issue.

**Note 2. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 3. CONCENTRATIONS OF CREDIT RISK:**

Financial instruments which are potentially subject to credit risk consist principally of cash investments, receivables and assets of the pooled income fund. Cash and cash equivalents were held in high credit quality financial institutions in the United States of America. At times, the account balances may exceed the institutions' federally insured limits. Investments are held at brokerage firms in amounts which may exceed the guaranteed amount of the Securities Investor Protection Corporation. Management believes that the risk of loss is minimal and has not experienced any losses in its accounts..

Program receivables consist primarily of amounts due from a limited number of federal, state and county agencies. Catholic Charities CYO has historically had minimal collection issues related to such receivables.

Contributions and bequests receivable are due from several estates, foundations and individuals. 53% of contributions receivable were due from two donors at June 30, 2012.

**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - JUNE 30, 2012**

**Note 4. ASSET RETIREMENT OBLIGATION:**

Professional accounting standards refer to a legal obligation to perform an asset retirement activity when the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. A liability should be established when a legal obligation is absolute, despite the uncertainty regarding the timing and/or method of settlement. In addition, the fair value of a liability of the conditional asset retirement obligation should be recognized when incurred; generally upon acquisition, construction, or development and/or through normal operation of the asset. Professional accounting standards also clarify when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation.

Catholic Charities CYO adopted the applicable standard effective July 1, 2005. CCCYO's obligations relate to eventual costs of asbestos and lead paint remediation for some of its buildings. Upon adoption, Catholic Charities CYO recorded asset retirement obligations of \$1,093,259. The balance is adjusted annually and was \$1,065,712 at June 30, 2012.

**Note 5. INVESTMENTS AND SPLIT-INTEREST AGREEMENTS:**

Investments in marketable securities, at fair value, and the value of split-interest agreements at June 30, 2012 are as follows:

Investments - equity funds	\$ 654,450
Pooled income fund - mutual funds	787,006
Interest in charitable gift annuities	3,616
Interest in charitable remainder trust	<u>17,264</u>
Total	<u>\$ 1,462,336</u>

Investment return consists of the following at June 30, 2012:

Interest and dividend income	\$ 6,927
Net realized and unrealized gains on investments	102,628
Change in market value of charitable gift annuities and charitable lead trust pooled income fund	<u>(1,940)</u>
Total	<u>\$ 107,615</u>

Investments totaling \$551,766 are held within the investment pool of the Archdiocese of San Francisco, a related party.

**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - JUNE 30, 2012**

**Note 5. INVESTMENTS AND SPLIT-INTEREST AGREEMENTS (Continued):**

The following table sets forth, by level, the fair value hierarchy of CCCYO's assets at fair value as of June 30, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments- equity funds	\$ 102,684	\$ 551,766	\$ -	\$ 654,450
Pooled income fund- mutual	787,006	-	-	787,006
Interest in charitable gift	-	3,616	-	3,616
Interest in charitable remainder trust	-	-	17,264	17,264
<b>Total Assets at Fair Value</b>	<b>\$ 889,690</b>	<b>\$ 555,382</b>	<b>\$ 17,264</b>	<b>\$ 1,462,336</b>

Level 3 Gains and Losses:

The following table sets forth a summary of changes in the fair value of CCCYO's level 3 assets for the year ended June 30, 2012:

	<u>Charitable Remainder Trust</u>	<u>Investments- Equity Funds</u>
Balance, beginning of year	\$ 18,729	\$ 248,952
Unrealized gains/losses relating to instruments still held at the reporting date	(1,465)	-
Liquidation	<u>-</u>	<u>(248,952)</u>
Balance, end of year	<u>\$ 17,264</u>	<u>\$ -</u>

**Note 6. CONTRIBUTIONS AND BEQUESTS RECEIVABLE:**

Promises to give, net of discount of present value and allowance for doubtful accounts, are due to be collected as of June 30, 2012 as follows:

Contributions and bequests receivable:	
Current	\$ 2,388,250
Due between one and five years	\$ 600,000
Due in more than five years	<u>50,000</u>
	650,000
Less: unamortized discount	<u>(26,876)</u>
Total non-current	<u>623,124</u>
Total contributions and bequests receivable	<u>\$ 3,011,374</u>

Management has determined an allowance for doubtful accounts is not necessary based on management's evaluation and adjustment of the current aging of contributions receivable.

**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - JUNE 30, 2012**

**Note 7. PROPERTY AND EQUIPMENT:**

Property and equipment consists of the following at June 30, 2012:

Land	\$ 1,054,741
Land Improvement	1,026,573
Buildings	10,880,424
Building improvements	2,397,997
Equipment and furniture	704,756
Software and website	64,893
Transportation equipment	3,711,986
Intangible	<u>7,841</u>
	19,849,210
Less: accumulated depreciation	<u>(10,254,214)</u>
	<u>\$ 9,594,996</u>

**Note 8. ACCRUED EXPENSES:**

Accrued expenses consist of the following at June 30, 2012:

Accrued salaries and wages	\$ 833,682
Accrued vacation	751,652
Accrued unemployment insurance	45,122
Accrued 401(k) costs	52,539
Other	<u>247,949</u>
Total	<u>\$ 1,930,944</u>



**CATHOLIC CHARITIES CYO  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - JUNE 30, 2012**

**Note 9. LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES:**

Long-term debt consists of the following at June 30, 2012:

**Loans with the City and County of San Francisco:**

Catholic Charities CYO's loan (for phase I to rehabilitate 30 rental units for use as affordable housing, whose tenants then participate in our Treasure Island Supportive Housing program) with the City and County of San Francisco, via the Mayor's Office of Housing, collateralized by a deed of trust, no monthly payments, bearing interest at 0% and maturing on September 23, 2049, which will be forgiven except in the case of an Event of Default. Secured by the rental Revenue stream created from the sublease held by Catholic Charities CYO and the Treasure Island Development Authority.	\$ 900,381
Catholic Charities CYO's loan (for phase II to rehabilitate 36 rental units for use as affordable housing, whose tenants then participate in our Treasure Island Supportive Housing program) with the City and County of San Francisco, via the mayor's Office of Housing, collateralized by a deed of Trust, no monthly payments, bearing interest at 0% and maturing on March 8, 2050, which will be forgiven except in the case of an Event of Default. Secured by the rental revenue stream created from the sublease held by Catholic Charities CYO and the Treasure Island Development Authority	1,121,753
899 Guerrero Street Inc.'s loan (for our St. Joseph's Family Center programs) with the City of San Francisco, collateralized by a deed of trust, no monthly payments, bearing interest at 10% and maturing on February 9, 2040. Secured by real property with a book value of \$604,672.	400,000
1340 Golden Gate Associates, L.P. loan (for our Peter Claver Community programs) with the City and County of San Francisco, collateralized by a deed of trust, no monthly payments bearing interest at 9.17% and maturing on May 10, 2019. Secured by real property with a book value of \$686,364.	109,214
1340 Golden Gate Associates, L.P. loan (for our Peter Claver Community programs) with the City and County of San Francisco, collateralized by a deed of trust, no monthly payments bearing interest at 7.63% and maturing on September 30, 2028, if not forgiven. Secured by real property with a book value of \$686,364.	<u>1,192,985</u>
<b>Total Loans with the City and County of San Francisco</b>	<b><u>3,724,333</u></b>

**Loans with the Archdiocese of San Francisco:**

Loan payable in monthly installments of \$9,065, bearing interest at 5.5%, due February 28, 2013.	69,880
Bus loan payable in monthly installments of \$1,882, bearing interest 5.5%, due October 1, 2014.	48,960
St. Vincent's Land with equity participation rights granted to lender, due December 31, 2020.	<u>2,833,240</u>
<b>Total Loans with the Archdiocese of San Francisco</b>	<b><u>2,952,080</u></b>

**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - JUNE 30, 2012**

**Note 9. LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES (Continued):**

1340 Golden Gate Associates, L.P. loan (for our Peter Claver Community programs) with Citibank collateralized by a deed of trust, monthly installments of \$2,034 bearing interest at 3.923%, due November 2018. Secured by real property with a book value of \$686,364.	<u>135,052</u>
<b>Total Loans</b>	6,811,465
Less: current portion	<u>(109,347)</u>
<b>Total Loans less current portion</b>	<b><u>\$ 6,702,118</u></b>

Certain loans payable, to the City and County of San Francisco, totaling \$2,022,134 as of June 30, 2012 included in long-term debt will be forgiven in future periods, provided certain conditions are met. The forgiveness of these loans will be accounted for as contribution income as and when the required conditions have been met. These conditions consist principally of Catholic Charities CYO's compliance with the terms and conditions of the loan agreements and include providing notification of changes in certain executive officers, breach of any representations, any material adverse change affecting the continued operation of the project, and any merger, dissolution or liquidation. In addition, the loan agreements provide for acceleration and accrual of interest in the event of any default.

The terms of certain of the loans also require the establishment of separate cash accounts of \$1,669,990 and reserve balances of \$2,980,039 to provide for future contractual expenses. Payments from such reserves are limited to amounts related to the project and subject to specific approval by the City and County.

Catholic Charities CYO has loans payable to the Archdiocese of San Francisco, a related party, which amounted to \$2,952,080 at June 30, 2012.

Future maturities of long-term debt outstanding at June 30, 2012 are as follows:

Year Ending <u>June 30,</u>	
2012	\$ 109,347
2013	42,457
2014	28,896
2015	22,726
2016	23,633
Thereafter	<u>6,584,316</u>
	<b><u>\$ 6,811,465</u></b>

**CATHOLIC CHARITIES CYO  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - JUNE 30, 2012**

**Note 10. ENDOWMENTS:**

Catholic Charities CYO holds endowments for the betterment of families and children. Net changes in endowment funds were as follows:

	Temporarily Restricted	Permanently Restricted	Total
Balance at June 30, 2011	\$ 176,897	\$ 564,024	\$ 740,922
Net investment return	11,782	-	11,782
Appropriations	(21,000)	-	(21,000)
Balance at June 30, 2012	<u>\$ 167,680</u>	<u>\$ 564,024</u>	<u>\$ 731,704</u>

Investment policy:

The Organization has adopted an investment objective of long-term growth and income. The Organization expects to earn an average annual real rate of return, after inflation and fees, of 4% over a market cycle. Actual returns in a given year may vary from this amount.

Spending policy:

The Uniform Prudent Management of Institutional Funds Act, signed into law in California in 2008, moves away from the concept of corpus with its "historical dollar value" in an endowment. Charities are encouraged to develop spending policies that are responsive to short term fluctuations in the value of the fund, preserve the value of the fund for future use, and honor the charitable purpose of the fund. Catholic Charities CYO will continue to balance the endurance of its funds and the needs of the community in its granting policy and practices.

**Note 11. TEMPORARILY RESTRICTED NET ASSETS:**

Temporarily restricted net assets at June 30, 2012 are available for the following purposes:

Aging services	\$ 313,044
Housing and health stabilization services	744,390
Children and family	2,353,725
Outdoor programs	503,074
Youth residential services	533,360
General program support	185,201
Total temporarily restricted assets - available	<u>\$ 4,632,794</u>

**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - JUNE 30, 2012**

**Note 11. TEMPORARILY RESTRICTED NET ASSETS (Continued):**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

Aging services	\$ 274,318
Housing and health stabilization services	197,580
Children and family	757,161
Outdoor programs	93,388
Youth residential services	369,132
General program support	<u>607,880</u>
Total temporarily restricted assets - released	<u>\$ 2,299,459</u>

**Note 12. EMPLOYEE BENEFIT PLANS:**

Catholic Charities CYO maintains deferred compensation plans for union and non-union employees, respectively. Catholic Charities CYO contributes a percentage of the employee's compensation as its contribution. The expense under both plans aggregated \$514,921 for the year ended June 30, 2012.

**Note 13. ALAMEDA COUNTY PROGRAMS:**

The County of Alameda requires contractors who receive funding through the County to identify all County programs in accordance with County audit requirements. The following is a list of programs in which funding was received through the County for fiscal year ended June 30, 2012.

Program Name	Contract Number	Exhibit Number	Contract Period	Contract Amount
Catholic Charities CYO dba St. Vincent's School for Boys	Procurement Contract #6823	N/A	7/1/11 - 6/30/12	\$ 291,737

**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - JUNE 30, 2012**

**Note 14. COMMITMENTS AND CONTINGENCIES:**

Commitments:

Catholic Charities CYO leases office and program space and equipment for its operations under various non-cancelable operating leases. The aggregate remaining minimum rental payments required under the terms of existing leases as of June 30, 2012 are as follows:

Year Ending <u>June 30,</u>	
2013	\$ 698,574
2014	621,293
2015	633,552
2016	<u>19,935</u>
	<u>\$ 1,973,354</u>

Rental expense, on a straight line basis, amounted to \$984,136 for the year ended June 30, 2012.

Contingencies:

Catholic Charities CYO is a recipient of federal and state awards. These awards are subject to audit and final acceptance by federal and state granting agencies. The amount of expenditures that may be disallowed by the grantors, if any, cannot be determined at this time, although Catholic Charities CYO expects such amounts, if any, to be immaterial.

Catholic Charities CYO is involved from time to time in routine claims related to its operations. Management is of the opinion that such matters would not result in any contingencies that are material to its financial position.

**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

**SUPPLEMENTAL INFORMATION**

**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2012**

<u>Federal Grantor / Program Title</u>	<u>Pass Through Grantor</u>	<u>Federal CFDA Number</u>	<u>Federally Funded Expenditures</u>
<u>Department of Housing and Urban Development</u>			
Emergency Shelter Grants Program	Mayor's office of Housing	14.231	\$ 176,276
Supportive Housing Program	N/A	14.235	135,573
Supportive Housing Program	San Francisco Human Service Agency	14.235	280,246
Shelter + Care	SFDHS/San Francisco Housing Authority	14.238	1,194,620
Housing Opportunities for Persons with Aids	San Francisco Redevelopment Agency	14.241	3,234,835
Homeless Prevention and Rapid Rehousing, ARRA	San Francisco Human Service Agency	14.257	<u>1,004,887</u>
Total Department of Housing and Urban Development			<u>6,026,440</u>
<u>Department of Veteran Affairs</u>			
Veterans State Adult Day Health Care		64.026	<u>8,645</u>
Total Department of Veteran Affairs			<u>8,645</u>
<u>Department of Health and Human Services</u>			
Special Programs for the Aging	San Mateo AAA	93.044	65,642
Child Care and Development Block Grant	California Dept of Education	93.575	43,533
Childcare Mandatory and Matching Funds of the childcare development fund	California Dept of Education	93.596	79,082
Foster Care, Title IV	N/A	93.658	2,306,709
Foster Care, Title IV	Chabot Las Positas Community College	93.658	74,292
HIV Emergency Relief Project Grants	Dept of Public Health (SFDPH)	93.914	727,409

See notes to consolidated financial statements.

**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

**YEAR ENDED JUNE 30, 2012**

<u>Federal Grantor / Program Title</u>	<u>Pass Through Grantor</u>	<u>Federal CFDA Number</u>	<u>Federally Funded Expenditures</u>
<u>Department of Health and Human Services</u>			
HIV Care Formula Grants	Dept of Public Health (SFDPH)	93.917	312,542
Block Grant for Community Mental Health Services, Formula A Grants	Dept of Public Health (SFDPH)	93.958	<u>18,036</u>
Total Department of Health and Human Services			<u>\$ 3,627,245</u>
<u>Department of Agriculture</u>			
School Breakfast Program	California Dept. of Education	10.553	\$ 40,237
National School Lunch Program	California Dept. of Education	10.555	27,211
Child and Adult Care Food Program	California Dept. of Education	10.558	59,266
Summer Food Service Program	California Dept. of Education	10.559	<u>16,773</u>
Total Department of Agriculture			<u>143,487</u>
<u>Department of Education</u>			
Adult Education State Grant Program	California Dept. of Education	84.002	<u>20,000</u>
Total Department of Education			<u>20,000</u>
<u>Department of Homeland Security</u>			
Emergency Food and Shelter National	FEMA Board	97.024	<u>19,431</u>
Total Department of Homeland Security			<u>19,431</u>
Total Expenditures of Federal Awards			<u>\$ 9,845,248</u>

**Note A - Basis of Presentation:**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Catholic Charities CYO of the Archdiocese of San Francisco and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See notes to consolidated financial statements.



**Catholic Charities CYO of the Archdiocese of San Francisco (Vendor 38 T-765-000)**

**Combining Statement of Activities**

**Year Ended June 30, 2012**

	CCTR-1260	CSPP-1486	Total CDE CDD Contracts	Non-CDE CDD Programs:	Total:
<b>Revenue and Support</b>	51%	49%			
CDE CDD Government Contracts:	\$ 188,741.00	\$ 168,450.00	\$ 357,191.00	\$ -	\$ 357,191.00
Other Government Contracts:	58,434.51	55,175.49	113,610.00	23,827,035.34	23,940,645.34
English Literacy and Civics	-	-	-	20,000.00	20,000.00
Summer Food Service Program	-	-	-	16,773.36	16,773.36
National school Lunch & Bfst Program (RCCI)	-	-	-	67,448.07	67,448.07
Child Care Food Program	20,615.36	19,465.60	40,080.96	21,369.27	61,450.23
Subtotal of Government Contracts:	<u>267,790.87</u>	<u>243,091.09</u>	<u>510,881.96</u>	<u>23,952,626.04</u>	<u>24,463,508.00</u>
Unrestricted contributions and other Income:	54,420.06	51,384.94	105,805.00	15,143,999.00	15,249,804.00
Family Fees - certified children	885.00	10,600.00	11,485.00	-	11,485.00
Family Fees - noncertified children	35,383.71	33,410.29	68,794.00	-	68,794.00
Subtotal:	<u>90,688.77</u>	<u>95,395.23</u>	<u>186,084.00</u>	<u>15,143,999.00</u>	<u>15,330,083.00</u>
<b>Total Revenue and support:</b>	<u>\$ 358,479.64</u>	<u>\$ 338,486.32</u>	<u>\$ 696,965.96</u>	<u>\$ 39,096,625.04</u>	<u>\$ 39,793,591.00</u>
<b>Expenses:</b>					
Provider payments	\$ -	\$ -	\$ -	\$ 3,231,045.00	\$ 3,231,045.00
Salaries	227,182.22	214,511.78	441,694.00	17,617,682.00	18,059,376.00
Employee Benefits	73,352.00	69,261.00	142,613.00	5,436,172.00	5,578,785.00
Books and Supplies	3,913.12	3,694.88	7,608.00	485,127.48	492,735.48
Rents and Leases	-	-	-	889,932.13	889,932.13
Other operating expenses	23,901.52	22,568.48	46,470.00	3,710,225.00	3,756,695.00
Building repairs and maintenance	-	-	-	648,885.82	648,885.82
Equipment Expense	-	-	-	94,203.73	94,203.73
Depreciation	-	-	-	723,834.00	723,834.00
General, administrative, and indirect	54,202.49	51,179.51	105,382.00	3,978,519.00	4,083,901.00
Total Expenses:	<u>382,551.35</u>	<u>361,215.65</u>	<u>743,767.00</u>	<u>36,815,626.16</u>	<u>37,559,393.16</u>
<b>Change in Next Assets:</b>	<u>\$ (24,071.71)</u>	<u>\$ (22,729.33)</u>	<u>\$ (46,801.04)</u>	<u>\$ 2,280,998.88</u>	<u>\$ 2,234,197.84</u>

\*CDE CDD Programs are wrapped together and reporting is combined. Separated out for this purpose by % based on funding amount.

Note: Catholic Charities CYO's capitalization threshold is \$5,000 or more.

See accompanying auditors' reports and notes to financial statements.

**Catholic Charities CYO of the Archdiocese of San Francisco (Vendor 38 T-765-000)**  
**Schedule of State Awards (with Federal pass thru)**  
**Year Ended June 30, 2012**

<b>Grantor</b>	<b>Federal CFDA Number</b>	<b>Grantor's Number</b>	<b>Award Amount</b>			<b>Expenditures</b>	
			<b>Federal</b>	<b>State</b>	<b>Total</b>	<b>Federal</b>	<b>State</b>
<b>U.S. Department of Agriculture</b>							
Passed through California Department of Education - Nutrition Services:							
Child and Adult Care Food Program (Center based)**	10.558	38-3046-O-A	\$ 37,896.97	\$2,183.99	\$ 40,080.96	\$ 37,896.97	\$ 2,183.99
Child and Adult Care Food Program (Shelter)*	10.558	38-3046-OH	21,369.27	-	21,369.27	21,369.27	-
School Breakfast Program(RCCI)*	10.553	38-34389-9010455-01	40,237.20	-	40,237.20	40,237.20	-
National School Lunch Program (RCCI)*	10.555	38-34389-9010455-01	27,210.87	-	27,210.87	27,210.87	-
Summer Food Service program *	10.559	389380-2S	16,773.36	-	16,773.36	16,773.36	-
			<u>143,487.67</u>	<u>2,183.99</u>	<u>145,671.66</u>	<u>143,487.67</u>	<u>2,183.99</u>
<b>U.S. Department of Education</b>							
Office of Vocational and Adult Education							
Passed through California Department of Education:							
Workforce Investment Act, Title II: Adult Education and Family Literacy Act, Section 225, Section 231, and English Literacy and Civics Education							
	84.002	38-8290	<u>20,000.00</u>	<u>-</u>	<u>20,000.00</u>	<u>20,000.00</u>	<u>-</u>
<b>U.S. Department of Health &amp; Human Services:</b>							
Passed through the California Department of Education							
Child Care and Development Fund (CCDF):							
CCDF General Child Care Center	93.596	CCTR - 1260	41,797.00	123,983.00	165,780.00	41,165.57	123,983.00
CCDF General Child Care Center	93.575	CCTR - 1260	23,007.00	-	23,007.00	22,659.38	-
CCDF State Pre-School	93.596	CSPP - 1486	37,916.00	112,466.00	150,382.00	37,916.00	112,466.00
CCDF State Pre-School	93.575	CSPP - 1486	20,874.00	-	20,874.00	20,874.00	-
			<u>123,594.00</u>	<u>236,449.00</u>	<u>360,043.00</u>	<u>122,614.95</u>	<u>236,449.00</u>
Total State Awards (including Federal Pass thru):			<u>\$ 287,081.67</u>	<u>\$ 238,632.99</u>	<u>\$ 525,714.66</u>	<u>\$ 286,102.62</u>	<u>\$ 238,632.99</u>

\* Programs that have CDE Nutrition Service Agreements but do not operate a CDE Child Development Program:  
National School Breakfast and lunch program at our Residential ChildCare Institutions  
CACFP at our St. Joseph's Family Center (a Shelter)  
Summer Food Service Program and our CYO Camp, a Residential Summer Camp  
\*\* CACFP - Center based programs, only one operates a CDE CDD Program:

See accompanying auditors' reports and notes to financial statements.

**Catholic Charities CYO of the Archdiocese of San Francisco (Vendor 38 T-765-000)**  
**Schedule of Expenditures by State Categories**  
**Year Ended June 30, 2012**

Treasure Island - CCTR, CSPP Expenditures	56%		44%		Total Wrapped Program	
	CCTR-1260 Reimbursable	Supplemental	CSPP 1486 Reimbursable	Supplemental	CCTR-1260, CSPP 1486 Reimbursable	Supplemental
1000 Certificated Salaries	94,591.03	9,590.30	75,558.97	7,660.70	170,150.00	17,251.00
1100 Teachers' Salaries	-	-	-	-	-	-
1300 Supervisors' Salaries	-	-	-	-	-	-
2000 Classified Salaries	150,958.73	-	120,585.27	-	271,544.00	-
2100 Instructional Aides	-	-	-	-	-	-
2300 Clerical and Other Office Personnel Salaries	-	-	-	-	-	-
2400 Maintenance Personnel	-	-	-	-	-	-
2500 Food Service Personnel Salaries	-	-	-	-	-	-
2600 Transportation Personnel	-	-	-	-	-	-
3000 Employee Benefits	28,113.86	832.22	22,457.25	664.78	50,571.11	1,497.00
3300 Social Security (Old Age, Survivors, Disability and Health Insurance)	44,647.21	2,832.45	35,664.02	2,262.55	80,311.23	5,095.00
3500 State Unemployment Insurance	-	-	-	-	-	-
3600 Workers' Compensation Insurance	6,521.52	312.99	5,209.37	250.01	11,730.89	563.00
3900 Other Benefits Accrued Vacation	-	-	-	-	-	-
4000 Books and Supplies	4,229.50	1,422.62	3,378.50	1,136.38	7,608.00	2,559.00
4200 Books Other than Textbooks	-	-	-	-	-	-
4300 Instructional Materials and Supplies	-	-	-	-	-	-
4600 Pupil Transportation	-	-	-	-	-	-
4700 Food Services	33,459.22	-	26,727.10	-	60,186.32	-
5000 Contracted Services and Other Operating Expenses	38,004.19	18,210.15	30,357.61	14,546.20	68,361.80	32,756.35
5100 Contracts for Personal Services	-	-	-	-	-	-
5200 Travel, Conference and Other Expenses	-	-	-	-	-	-
5400 Insurance	-	-	-	-	-	-
5500 Utilities and Housekeeping Services	12,954.65	220.51	10,348.13	176.14	23,302.78	396.65
5600 Contracts, Rents and Leases	-	-	-	-	-	-
5800 Legal, Election and Audit	-	-	-	-	-	-
6000 Sites, Buildings, Books and Media, and New Equipment	-	-	-	-	-	-
6200 Buildings and Improvements	-	-	-	-	-	-
6400 New Equipment	-	-	-	-	-	-
6500 Equipment Replacement	-	-	-	-	-	-
Expenses not otherwise classified	-	-	-	-	-	-
Capital Outlay Revolving Fund Repayment	-	-	-	-	-	-
Depreciation or Use allowance	-	-	-	-	-	-
Start-Up/Close-Down Expense	-	-	-	-	-	-
Indirect Cost	-	-	-	-	-	-
Totals of reimbursable and Nonreimbursable Expenditures:	413,479.91	33,421.24	330,286.21	26,696.76	743,766.13	60,118.00

\*Programs are wrapped together and reporting is combined. Separated out for this purpose by % based on funding amount.  
Auditors Statement

We have examined the claims filed for reimbursement and the original records supporting the transactions recorded under the contracts listed above to an extent considered necessary to assure ourselves that the amounts claimed by the contractor were eligible for reimbursement, reasonable, necessary, and adequately supported, according to governing laws, regulations, and contract provisions.

See accompanying auditors' reports and notes to financial statements.

**Catholic Charities CYO of the Archdiocese of San Francisco (Vendor 38 T-765-000)**  
**Schedule of Reimbursable Administrative Costs**  
**Year Ended June 30, 2012**

	56% CCTR-1260 Reimbursable	44% CSPP 1486 Reimbursable	Wrapped Program Total:
Administrative salaries - office	15,838.80	12,651.97	\$ 28,490.77
Supervisor salaries - office	-	-	-
Employee benefits	4,098.40	3,273.78	7,372.18
Payroll taxes (included in benefits above)	-	-	-
Books and supplies	-	-	-
Contractual services for Recruitment	-	-	-
Audit and legal *	-	-	-
Travel and conference, mileage/parking/tolls	20.54	16.41	36.95
Rentals	-	-	-
Janitorial equipment and supplies	-	-	-
Telephone and Utilities	-	-	-
Agency Indirect Operating Cost:	37,547.73	29,992.99	67,540.72
Office Supplies and Computer Related	1,079.52	862.31	1,941.83
	58,584.98	46,797.47	\$ 105,382.45

See accompanying auditor's reports and notes to financial statements

**Catholic Charities CYO of the Archdiocese of San Francisco (Vendor 38 T-765-000)**  
**Schedule of Equipment Expenditures**  
**Year Ended June 30, 2012**

	<b>CACFP Centers</b>	<b>CACFP Shelter</b>	<b>NSLP/SBP</b>	<b>SFSP</b>	<b>EL Civics</b>	<b>CCTR-0269</b>	<b>CSPP-0492</b>	<b>Total:</b>
<u>Unit Cost Under \$7,500 Per Item</u>								
Photocopier	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Workstation								
FAX Machine								
Subtotal:	-	-	-	-	-	-	-	-
<u>Unit Cost Over \$7,500 Per Item with prior written approval</u>								
Computer System	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal:	-	-	-	-	-	-	-	-
<u>Unit Cost Over \$7,500 Per Item without prior Approval</u>								
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal:	-	-	-	-	-	-	-	-
<b>Total:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Note: Catholic Charities CYO's capitalization threshold is \$5,000 or more.

See accompanying auditor's reports and notes to financial statements

**Catholic Charities CYO of the Archdiocese of San Francisco (Vendor 38 T-765-000)**  
**Schedule of Reimbursable Expenditures for Renovations and Repairs**  
**Year Ended June 30, 2012**

	<b>CACFP Centers</b>	<b>CACFP Shelter</b>	<b>NSLP/SBP</b>	<b>SFSP</b>	<b>EL Civics</b>	<b>CCTR-1260</b>	<b>CSPP-1486</b>	<b>Total:</b>
<u>Unit Cost Under \$10,000 Per Item</u>								
Roof Repair	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Remodeling Cabinets								
Other								
Subtotal:	-	-	-	-	-	-	-	-
<u>Unit Cost Over \$10,000 Per Item with prior written approval</u>								
Renovate Kitchen	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal:	-	-	-	-	-	-	-	-
<u>Unit Cost Over \$10,000 Per Item without prior Approval</u>								
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal:	-	-	-	-	-	-	-	-
<b>Total:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Note: Catholic Charities CYO's capitalization threshold is \$5,000 or more.

See accompanying auditor's reports and notes to financial statements

**AUDITED ATTENDANCE AND FISCAL REPORT  
for Child Development Programs**

Agency Name: Catholic Charities CYO of the Archdiocese of San Francisco Vendor No. T-765  
 Fiscal Year Ended: June 30, 2012 Contract No. CCTR- 1260  
 Independent Auditor's Name: RINA Accountancy Corporation

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus	-	-	-	2.006	-
Full-time	1,219	-	1,219	1.700	2,072.300
Three-quarters-time	14	-	14	1.275	17.850
One-half-time	-	-	-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	-	-	-	1.652	-
Full-time	-	-	-	1.400	-
Three-quarters-time	-	-	-	1.050	-
One-half-time	-	-	-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	-	-	-	1.652	-
Full-time	2,141	-	2,141	1.400	2,997.400
Three-quarters-time	85	-	85	1.050	89.250
On-half-time	-	-	-	0.770	-
<i>Three Years and Older</i>					
Full-time-plus	-	-	-	1.180	-
Full-time	-	-	-	1.000	-
Three-quarters-time	-	-	-	0.750	-
One-half-time	-	-	-	0.550	-
<i>Exceptional Needs</i>					
Full-time-plus	-	-	-	1.416	-
Full-time	-	-	-	1.200	-
Three-quarters-time	-	-	-	0.900	-
One-half-time	-	-	-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-	-	-	1.298	-
Full-time	-	-	-	1.100	-
Three-quarters-time	-	-	-	0.825	-
One-half-time	-	-	-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
<input type="checkbox"/> NONE	NONE				
<input type="checkbox"/> UNDEVELOPED CHILDREN - Check this box, omit page 2, and continue to Section III if no	-	-	-	1.298	-
Full-time	-	-	-	1.100	-
Three-quarters-time	-	-	-	0.825	-
One-half-time	-	-	-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus	-	-	-	1.770	-
Full-time	-	-	-	1.500	-
Three-quarters-time	-	-	-	1.125	-
One-half-time	-	-	-	0.825	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>3,459</b>	<b>-</b>	<b>3,459</b>		<b>5,176.800</b>
<b>DAYS OF OPERATION</b>	<b>247</b>	<b>-</b>	<b>247</b>		
<b>DAYS OF ATTENDANCE</b>	<b>3,445</b>	<b>-</b>	<b>3,445</b>		

Comments - If necessary, attach additional sheets to explain adjustments:

## AUDITED ATTENDANCE AND FISCAL REPORT for Child Development Programs

Agency Name: Catholic Charities CYO of the Archdiocese of San Francisco Vendor No. T-765Fiscal Year Ended: June 30, 2012 Contract No. CCTR- 1260

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children.	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
DAYS OF ENROLLMENT	CUMULATIVE FISCAL YEAR PER FORM CDFS 9500	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Infants (up to 18 months)</i>					
Full-time-plus	-	-	-	2.006	-
Full-time	146	-	146	1.700	248.200
Three-quarters-time	-	-	-	1.275	-
One-half-time	-	-	-	0.935	-
<i>FCCH Infants (up to 18 months)</i>					
Full-time plus	-	-	-	1.652	-
Full-time	-	-	-	1.400	-
Three-quarters-time	-	-	-	1.050	-
One-half-time	-	-	-	0.770	-
<i>Toddlers (18 up to 36 months)</i>					
Full-time-plus	-	-	-	1.652	-
Full-time	1,069	-	1,069	1.400	1,496.600
Three-quarters-time	63	-	63	1.050	66.150
On-half-time	-	-	-	0.770	-
<i>Three Years and Older</i>					
Full-time-plus	-	-	-	1.180	-
Full-time	-	-	-	1.000	-
Three-quarters-time	-	-	-	0.750	-
One-half-time	-	-	-	0.550	-
<i>Exceptional Needs</i>					
Full-time-plus	-	-	-	1.416	-
Full-time	-	-	-	1.200	-
Three-quarters-time	-	-	-	0.900	-
One-half-time	-	-	-	0.660	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-	-	-	1.298	-
Full-time	-	-	-	1.100	-
Three-quarters-time	-	-	-	0.825	-
One-half-time	-	-	-	0.605	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-	-	-	1.298	-
Full-time	-	-	-	1.100	-
Three-quarters-time	-	-	-	0.825	-
One-half-time	-	-	-	0.605	-
<i>Severely Disabled</i>					
Full-time-plus	-	-	-	1.770	-
Full-time	-	-	-	1.500	-
Three-quarters-time	-	-	-	1.125	-
One-half-time	-	-	-	0.825	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>1,278</b>	<b>-</b>	<b>1,278</b>	<b>-</b>	<b>1,810.950</b>

Comments - If necessary, attach additional sheets to explain adjustments:



**AUDITED ATTENDANCE AND FISCAL REPORT**  
**for California State Preschool Programs**  
**SAN FRANCISCO PILOT**

Agency Name: Catholic Charities CYO of the Archdiocese of San Francisco Vendor No. T-765

Fiscal Year Ended: June 30, 2012 Contract No. CSPP 1486

Independent Auditor's Name: RINA Accountancy Corporation

SECTION I - CERTIFIED CHILDREN DAYS OF ENROLLMENT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501-SF	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus	-	-	-	1.1800	-
Full-time	2,727	-	2,727	1.0000	2,727.000
Three-quarters-time	79	-	79	0.7500	59.250
One-half-time	-	-	-	0.6749	-
<i>Exceptional Needs</i>					
Full-time-plus	-	-	-	1.4160	-
Full-time	-	-	-	1.2000	-
Three-quarters-time	-	-	-	0.9000	-
One-half-time	-	-	-	0.6749	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-	-	-	1.2980	-
Full-time	1,796	43	1,839	1.1000	2,022.900
Three-quarters-time	153	-	153	0.8250	126.225
One-half-time	-	-	-	0.6749	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-	-	-	1.2980	-
<input type="checkbox"/> NON-CERTIFIED CHILDREN - Check this box, omit page 2, and continue to Section III if no	-	-	-	1.1000	-
Three-quarters-time	-	-	-	0.8250	-
One-half-time	-	-	-	0.6749	-
<i>Severely Disabled</i>					
Full-time-plus	-	-	-	1.7700	-
Full-time	-	-	-	1.5000	-
Three-quarters-time	-	-	-	1.1250	-
One-half-time	-	-	-	0.6749	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>4,755</b>	<b>43</b>	<b>4,798</b>		<b>4,935.375</b>
<b>DAYS OF OPERATION</b>	<b>247</b>	<b>-</b>	<b>247</b>		
<b>DAYS OF ATTENDANCE</b>	<b>4,691</b>	<b>43</b>	<b>4,734</b>		

Comments - If necessary, attach additional sheets to explain adjustments:

**AUDITED ATTENDANCE AND FISCAL REPORT  
for California State Preschool Programs  
SAN FRANCISCO PILOT**

Agency Name: Catholic Charities CYO of the Archdiocese of San Francisco Vendor No. T-765

Fiscal Year Ended: June 30, 2012 Contract No. CSPP 1486

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified, but who were served at the same sites as certified children. <b>DAYS OF ENROLLMENT</b>	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501-SF	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
<i>Three and Four Year Olds</i>					
Full-time-plus	-	-	-	1.1800	-
Full-time	298	-	298	1.0000	298.000
Three-quarters-time	-	-	-	0.7500	-
One-half-time	-	-	-	0.6749	-
<i>Exceptional Needs</i>					
Full-time-plus	-	-	-	1.4160	-
Full-time	-	-	-	1.2000	-
Three-quarters-time	-	-	-	0.9000	-
One-half-time	-	-	-	0.6749	-
<i>Limited and Non-English Proficient</i>					
Full-time-plus	-	-	-	1.2980	-
Full-time	-	-	-	1.1000	-
Three-quarters-time	-	-	-	0.8250	-
One-half-time	-	-	-	0.6749	-
<i>At Risk of Abuse or Neglect</i>					
Full-time-plus	-	-	-	1.2980	-
Full-time	-	-	-	1.1000	-
Three-quarters-time	-	-	-	0.8250	-
One-half-time	-	-	-	0.6749	-
<i>Severely Disabled</i>					
Full-time-plus	-	-	-	1.7700	-
Full-time	-	-	-	1.5000	-
Three-quarters-time	-	-	-	1.1250	-
One-half-time	-	-	-	0.6749	-
<b>TOTAL DAYS OF ENROLLMENT</b>	<b>298</b>	<b>-</b>	<b>298</b>		<b>298.000</b>

Comments - If necessary, attach additional sheets to explain adjustments:

**AUDITED ATTENDANCE AND FISCAL REPORT  
for California State Preschool Programs  
SAN FRANCISCO PILOT**

Agency Name: Catholic Charities CYO of the Archdiocese of San Francisco Vendor No. T-765

Fiscal Year End: June 30, 2012 Contract No. CSPP 1486 & CCTR 1260

	<b>COLUMN A</b>	<b>COLUMN B</b>	<b>COLUMN C</b>
	<b>CUMULATIVE FISCAL YEAR PER FORM CDFS 8501-SF</b>	<b>AUDIT ADJUSTMENT INCREASE OR (DECREASE)</b>	<b>CUMULATIVE FISCAL YEAR PER AUDIT</b>
<b>SECTION III - REVENUE</b>			
<b>RESTRICTED INCOME</b>			
Child Nutrition Programs	\$ 40,081	\$ -	\$ 40,081
County Maintenance of Effort (EC § 8279)	-	-	-
Other (Specify):	-	-	-
<b>Subtotal</b>	<b>\$ 40,081</b>	<b>\$ -</b>	<b>\$ 40,081</b>
Transfer from Reserve Contract #	-	-	-
Contract #	-	-	-
Family Fees for Certified Children Contract # CCTR 1260	885	-	885
Contract # CSPP 1486	10,600	-	10,600
Interest Earned on Apportionments Contract #	-	-	-
Contract #	-	-	-
<b>UNRESTRICTED INCOME</b>			
Family Fees for Noncertified Children	101,700	(32,906)	68,794
Head Start Program (EC § 8235(b))	-	-	-
Other (Specify):DCYF, TIHDI, Spec. Events, Contr. Agency Gen. Fund, Preschool for all, SF H S A	140,100	79,153	219,253
<b>TOTAL REVENUE</b>	<b>\$ 293,366</b>	<b>\$ 46,247</b>	<b>\$ 339,613</b>

<b>SECTION IV - REIMBURSABLE EXPENSES</b>			
1000 Certificated Salaries	\$ 187,401	\$ (17,251)	\$ 170,150
2000 Classified Salaries	271,544	-	271,544
3000 Employee Benefits	149,768	(7,155)	142,613
4000 Books and Supplies	7,607	1	7,608
5000 Services and Other Operating Expenses	130,984	20,870	151,854
6100/6200 Other Approved Capital Outlay	-	-	-
6400 New Equipment (program-related)	-	-	-
6500 Replacement Equipment (program-related)	-	-	-
Depreciation or Use Allowance	-	-	-
Start-Up Expenses (service level exemption)	-	-	-
Budget Impasse Credit	-	-	-
Indirect Costs. Rate: 0.00% (Rate is Self-Calculating)	-	-	-
<b>TOTAL EXPENSES CLAIMED FOR REIMBURSEMENT</b>	<b>\$ 747,304</b>	<b>\$ (3,535)</b>	<b>\$ 743,769</b>
<b>TOTAL ADMINISTRATIVE COSTS</b> (included in section IV above)	<b>\$ 105,775</b>	<b>\$ (393)</b>	<b>\$ 105,382</b>
<b>FOR CDE-A&amp;I USE ONLY:</b>			

**Independent Auditor's Assurances on Agency's compliance with Contract Funding Terms and Conditions and Program Requirements of the California Department of Education, Child Development Division:**

Eligibility, enrollment, and attendance records are being maintained as required (check YES or NO):

- YES  
 NO - Explain any discrepancies.

Reimbursable expenses claimed above are eligible for reimbursement, reasonable, necessary, and adequately supported (check YES or NO):

- YES  
 NO - Explain any discrepancies.

COMMENTS - If necessary, attach additional sheets to explain adjustments:

NO SUPPLEMENTAL REVENUES OR EXPENSES - Check this box and omit page 4 if there are no supplemental revenues or expenses to report.

**AUDITED ATTENDANCE AND FISCAL REPORT**  
**for California State Preschool Programs**  
**SAN FRANCISCO PILOT**

Agency Name: Catholic Charities CYO of the Archdiocese of San Francisco Vendor No. T-765  
 Fiscal Year End: June 30, 2012 Contract No. CSPP 1486 & CCTR 1260

	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER FORM CDFS 8501-SF	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
<b>SECTION V - SUPPLEMENTAL REVENUE</b>			
Enhancement Funding	\$ 36,772	\$ (647)	\$ 36,125
Other (Specify):	24,136	(143)	23,993
	-	-	-
	-	-	-
<b>TOTAL SUPPLEMENTAL REVENUE</b>	<b>\$60,908</b>	<b>(\$790)</b>	<b>\$60,118</b>

**SECTION VI - SUPPLEMENTAL EXPENSES**

<b>EXPENSES RELATED TO SUPPLEMENTAL REVENUE</b>			
1000 Certificated Salaries	\$ -	\$ 17,250	\$ 17,250
2000 Classified Salaries	-	-	-
3000 Employee Benefits	-	7,155	7,155
4000 Books and Supplies	-	-	-
5000 Services and Other Operating Expenses	60,544	(24,831)	35,713
6000 Equipment/Other Capital Outlay	-	-	-
Depreciation or Use Allowance	-	-	-
Indirect Costs	-	-	-
<b>NONREIMBURSABLE EXPENSES</b>			
6100-6500 Nonreimbursable Capital Outlay	-	-	-
Other: e.g., Entertainment Expenses	-	-	-
Other (Specify):	-	-	-
	-	-	-
<b>TOTAL SUPPLEMENTAL EXPENSES</b>	<b>\$ 60,544</b>	<b>\$(426)</b>	<b>\$ 60,118</b>

COMMENTS - If necessary, attach additional sheets to explain adjustments:

Enhancement expenses were being deducted from operating when in fact enhancement funds were for additional staff time.



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**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***

The Board of Directors  
Catholic Charities CYO of the Archdiocese of San Francisco

We have audited the financial statements of Catholic Charities CYO of the Archdiocese of San Francisco (a California not-for-profit corporation) as of and for the year ended June 30, 2012, and have issued our report thereon dated TBD. 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 Catholic Charities CYO of the Archdiocese of San Francisco is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Catholic Charities CYO of the Archdiocese of San Francisco'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 Catholic Charities CYO of the Archdiocese of San Francisco's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Catholic Charities CYO of the Archdiocese of San Francisco'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 the 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 the 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 Catholic Charities CYO of the Archdiocese of San Francisco'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 that are required to be reported under *Government Auditing Standards*.

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

*RIVA Accounting Corporate*

Certified Public Accountants

San Francisco, California

December 9, 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 ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors  
Catholic Charities CYO of the Archdiocese of San Francisco

**Compliance**

We have audited Catholic Charities CYO of the Archdiocese of San Francisco's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Catholic Charities CYO of the Archdiocese of San Francisco's major federal programs for the year ended June 30, 2012. Catholic Charities CYO of the Archdiocese of San Francisco's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Catholic Charities CYO of the Archdiocese of San Francisco's management. Our responsibility is to express an opinion on Catholic Charities CYO of the Archdiocese of San Francisco'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 Catholic Charities CYO of the Archdiocese of San Francisco'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 of Catholic Charities CYO of the Archdiocese of San Francisco's compliance with those requirements.

In our opinion, Catholic Charities CYO of the Archdiocese of San Francisco complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2012.

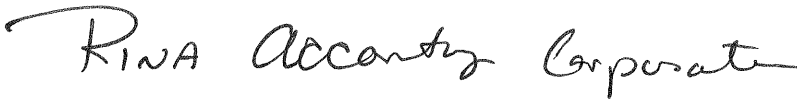
**Internal Control Over Compliance**

Management of Catholic Charities CYO of the Archdiocese of San Francisco is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Catholic Charities CYO of the Archdiocese of San Francisco's internal control over compliance with the 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 Catholic Charities CYO of the Archdiocese of San Francisco's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

A handwritten signature in cursive script that reads "RINA Accountancy Corporate".

Certified Public Accountants

San Francisco, California  
December 9, 2012



**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2012**

**SUMMARY OF AUDITORS' RESULTS:**

- 1) The auditor's report expresses an unqualified opinion on the financial statement of Catholic Charities CYO of the Archdiocese of San Francisco
- 2) No significant deficiencies relating to the audit of the financial statements were reported in the 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.
- 3) No instances of noncompliance material to the financial statements of Catholic Charities CYO of the Archdiocese of San Francisco were disclosed during the audit.
- 4) No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance with Requirements that could have a Direct and Material effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
- 5) The auditor's report on compliance for major programs expresses an unqualified opinion.
- 6) There are no audit findings relative to the major federal award programs for Catholic Charities CYO of the Archdiocese of San Francisco reported in this schedule.
- 7) The following programs were tested as major federal award programs:

Federal Agency: Department of Health and Human Services  
CFDA: 93.914  
Program title: HIV Emergency Relief Project Grants

Federal Agency: Housing and Urban Development  
CFDA: 14.238  
Program title: Shelter + Care

Federal Agency: Housing and Urban Development  
CFDA: 14.257  
Program title: Homeless Prevention and Rapid Rehousing

Federal Agency: Department of Health and Human Services  
CFDA: 93.658  
Program title: Foster Care, Title IV

Federal Agency: Department of Health and Human Services  
CFDA: 93.917  
Program title: HIV Care Formula Grants

**CATHOLIC CHARITIES CYO  
OF THE ARCHDIOCESE OF SAN FRANCISCO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2012**

**SUMMARY OF AUDITORS' RESULTS (Continued):**

- 7) The following programs were tested as major federal award programs (continued):

In addition, the following programs were identified as Type A programs however they were not audited in the current year as they were audited in one of the prior two years and are considered to be low risk.

Federal Agency: Housing and Urban Development  
CFDA: 14.235  
Program title: Supportive Housing Program

Federal Agency: Housing and Urban Development  
CFDA: 14.241  
Program title: Housing Opportunities for Persons with AIDS

- 8) The threshold for distinguishing Type A and B programs was \$300,000.
- 9) Catholic Charities CYO of the Archdiocese of San Francisco qualified as a low risk auditee.

**FINDINGS - FINANCIAL STATEMENT AUDIT:**

None

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT:**

None