

# Secretariat for Catholic Charities Health & Human Services

Combined Financial Report  
December 31, 2009

**McGladrey & Pullen**  
Certified Public Accountants

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# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report on the Financial Statements

Secretariat for Catholic Charities Health & Human Services  
Cleveland, Ohio

We have audited the accompanying combined statements of financial position of the Secretariat for Catholic Charities Health & Human Services as of December 31, 2009 and 2008, and the related combined statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the Catholic Diocese of Cleveland Foundation, St. Augustine Manor & Affiliate, Catholic Charities Corporation, Rose-Mary Center, Catholic Youth Organization and Community Services, Inc. and Catholic Social Services of Summit County (collectively Entities) as of December 31, 2008, and for the year then ended, which statements reflect total assets and revenue constituting 44% and 52% in 2008, respectively, of the related combined totals. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion for 2008, in so far as it relates to the amounts included for the respective Entities is based solely on the reports of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Secretariat for Catholic Charities Health & Human Services as of December 31, 2009 and 2008, 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.

*McGladrey & Pullen, LLP*

Cleveland, Ohio  
August 2, 2010

Secretariat for Catholic Charities Health & Human Services

Combined Statements of Financial Position  
December 31, 2009 and 2008

Assets	2009	2008
Current Assets		
Cash and cash equivalents	\$ 13,649,591	\$ 11,195,029
Receivables:		
Trade, net	9,438,966	11,254,125
Pledges	1,690,102	1,219,675
Related party	216,814	302,100
Inventory	288,593	389,009
Other	453,142	438,654
<b>Total current assets</b>	<b>25,737,208</b>	<b>24,798,592</b>
Investments	35,964,324	38,320,533
Other Assets		
Notes and interest receivable - related party	2,486,720	2,331,164
Funds held in trust by others	9,499,110	8,442,305
Property, plant and equipment, net	50,445,486	48,665,646
Land held for future development	99,564	99,564
Bond funds	-	3,064,001
Assets in consolidated partnership and LLC	6,834,226	7,085,929
Other	34,880	321,671
<b>Total other assets</b>	<b>69,399,986</b>	<b>70,010,280</b>
<b>Total assets</b>	<b>\$ 131,101,518</b>	<b>\$ 133,129,405</b>
Liabilities and Net Assets		
Current Liabilities		
Current portion of debt	\$ 200,000	\$ 559,393
Liabilities in consolidated partnership and LLC	201,114	196,524
Accounts payable	2,645,055	2,332,793
Due to third party payors	945,825	903,132
Accrued expenses	4,198,642	4,099,216
Deferred revenue	2,069,943	1,837,960
<b>Total current liabilities</b>	<b>10,260,579</b>	<b>9,929,018</b>
Other Liabilities		
Debt	6,358,000	7,738,000
Interest rate swap	365,572	740,394
Other	473,145	474,394
Accrued employee obligations	4,034,553	4,024,938
Liabilities in consolidated partnership and LLC	2,865,091	3,037,616
<b>Total liabilities</b>	<b>24,356,940</b>	<b>25,944,360</b>
Non-controlling interest	3,129,628	3,224,926
Net Assets		
Unrestricted:		
Undesignated	54,576,081	57,366,301
Board designated	6,258,727	8,270,439
Member's equity in consolidated entities	1,199	1,232
	<b>60,836,007</b>	<b>65,637,972</b>
Temporarily restricted	22,366,471	19,102,530
Permanently restricted	20,412,472	19,219,617
<b>Total net assets</b>	<b>103,614,950</b>	<b>103,960,119</b>
<b>Total liabilities and net assets</b>	<b>\$ 131,101,518</b>	<b>\$ 133,129,405</b>

See Notes to Combined Financial Statements.

Secretariat for Catholic Charities Health & Human Services

Combined Statement of Activities  
Year Ended December 31, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Support				
Catholic Charities:				
Annual appeal contributions	\$ 9,992,805	\$ -	\$ -	\$ 9,992,805
Bequests and special gifts	1,367,756			1,367,756
United Way	1,958,384	775,682		2,734,066
Program fees	8,491,892			8,491,892
Governmental	62,162,179			62,162,179
Contributions				
Foundations, trusts and individuals	3,965,899	1,244,391	260,425	5,470,715
Donated goods, facilities, services	686,142			686,142
Rental	1,861,029			1,861,029
Operating investment income	499,359			499,359
Distributable investment income	1,393,823			1,393,823
Change in value of funds held in trust by others	-		1,056,805	1,056,805
Special events, net	177,023			177,023
Consolidated partnership and LLC	361,010			361,010
Miscellaneous	634,228			634,228
Net assets reclassified	143,600	(19,225)	(124,375)	-
Net assets released from restrictions	1,885,316	(1,885,316)	-	-
<b>Total revenues and support</b>	<b>95,580,445</b>	<b>115,532</b>	<b>1,192,855</b>	<b>96,888,832</b>
Expenses				
Older adults	32,693,862			32,693,862
Children & family services	22,888,727			22,888,727
Disabilities	9,535,192			9,535,192
Behavioral health	11,275,746			11,275,746
Emergency and transitional	4,248,699			4,248,699
Parish/pastoral	5,940,771			5,940,771
<b>Total programs</b>	<b>86,582,997</b>			<b>86,582,997</b>
Management and general	11,653,865			11,653,865
Fundraising	2,465,033			2,465,033
<b>Total expenses</b>	<b>100,701,895</b>			<b>100,701,895</b>
<b>Increase (decrease) from operating activity</b>	<b>(5,121,450)</b>	<b>115,532</b>	<b>1,192,855</b>	<b>(3,813,063)</b>
Non-Operating Activity				
(Loss) on disposal of assets	(3,416)			(3,416)
Change in value of interest rate swaps	279,615			279,615
Non-operating investment activity	-	4,542,232		4,542,232
Investment income distributed to operations	-	(1,393,823)		(1,393,823)
	276,199	3,148,409		3,424,608
<b>Increase (decrease) in net assets before effect of postretirement benefits, non-controlling interest and contributions by minority shareholders</b>	<b>(4,845,251)</b>	<b>3,263,941</b>	<b>1,192,855</b>	<b>(388,455)</b>
Postretirement related changes	(263,838)			(263,838)
Non-controlling interest	95,298			95,298
Contributions by minority shareholders	216,299			216,299
<b>Increase (decrease) in net assets</b>	<b>(4,797,492)</b>	<b>3,263,941</b>	<b>1,192,855</b>	<b>(340,696)</b>
Net assets - beginning	65,637,972	19,102,530	19,219,617	103,960,119
Transfer of net assets	(4,473)		-	(4,473)
<b>Net assets - ending</b>	<b>\$ 60,836,007</b>	<b>\$ 22,366,471</b>	<b>\$ 20,412,472</b>	<b>\$ 103,614,950</b>

See Notes to Combined Financial Statements.

Secretariat for Catholic Charities Health & Human Services

Combined Statement of Activities  
Year Ended December 31, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Support				
Catholic Charities:				
Annual appeal contributions	\$ 10,015,967	\$ 117,456	\$ -	\$ 10,133,423
Bequests and special gifts	1,467,384			1,467,384
United Way	2,156,669	888,276		3,044,945
Program fees	8,233,619			8,233,619
Governmental	64,588,877			64,588,877
Contributions				
Foundations, trusts and individuals	5,531,155	1,046,281	6,335	6,583,771
Donated goods, facilities, services	785,905			785,905
Rental	1,913,633			1,913,633
Operating investment (loss)	(177,994)			(177,994)
Distributable investment income	1,658,882			1,658,882
Change in value of funds held in trust by others	-		(3,748,282)	(3,748,282)
Special events, net	233,760			233,760
Consolidated partnership and LLC	330,978			330,978
Miscellaneous	1,024,505			1,024,505
Net assets reclassified	-	(10,817)	10,817	-
Net assets released from restrictions	3,267,498	(3,252,983)	(14,515)	-
<b>Total revenues and support</b>	<b>101,030,838</b>	<b>(1,211,787)</b>	<b>(3,745,645)</b>	<b>96,073,406</b>
Expenses				
Older adults	32,662,590			32,662,590
Children & family services	24,528,224			24,528,224
Disabilities	9,246,324			9,246,324
Behavioral health	11,466,069			11,466,069
Emergency and transitional	4,042,219			4,042,219
Parish/pastoral	5,823,135			5,823,135
<b>Total programs</b>	<b>87,768,561</b>			<b>87,768,561</b>
Management and general	11,679,005			11,679,005
Fundraising	2,365,455			2,365,455
<b>Total expenses</b>	<b>101,813,021</b>			<b>101,813,021</b>
<b>(Decrease) from operating activity</b>	<b>(782,183)</b>	<b>(1,211,787)</b>	<b>(3,745,645)</b>	<b>(5,739,615)</b>
Non-Operating Activity				
Gain on disposal of assets	290,817			290,817
Change in value of interest rate swaps	(672,617)			(672,617)
Non-operating investment activity	-	(10,380,931)		(10,380,931)
Investment income distributed to operations	-	(1,658,882)		(1,658,882)
	<b>(381,800)</b>	<b>(12,039,813)</b>		<b>(12,421,613)</b>
<b>(Decrease) in net assets before effect of postretirement benefits, non-controlling interest and contributions by minority shareholders</b>	<b>(1,163,983)</b>	<b>(13,251,600)</b>	<b>(3,745,645)</b>	<b>(18,161,228)</b>
Postretirement related changes	(371,394)			(371,394)
Non-controlling interest	(38,213)			(38,213)
Contributions by minority shareholders	397,299			397,299
<b>(Decrease) in net assets</b>	<b>(1,176,291)</b>	<b>(13,251,600)</b>	<b>(3,745,645)</b>	<b>(18,173,536)</b>
Net assets - beginning	66,809,790	32,354,130	22,985,262	122,149,182
Transfer of net assets	4,473		(20,000)	(15,527)
<b>Net assets - ending</b>	<b>\$ 65,637,972</b>	<b>\$ 19,102,530</b>	<b>\$ 19,219,617</b>	<b>\$ 103,960,119</b>

See Notes to Combined Financial Statements.

Secretariat for Catholic Charities Health & Human Services

Combined Statement of Functional Expense  
Year Ended December 31, 2009

	Total	Older Adults	Children & Family Services	Disabilities	Behavioral Health	Emergency and Transitional	Parish/Pastoral	Total Programs	Management and General	Fundraising
Salaries	\$ 50,558,132	\$ 15,573,212	\$ 12,112,113	\$ 5,634,976	\$ 6,269,470	\$ 1,703,512	\$ 2,640,714	\$ 43,933,997	\$ 6,286,198	\$ 337,937
Employee benefits	9,195,651	2,408,168	2,687,066	916,007	1,284,974	306,561	617,785	8,220,561	918,583	56,507
Payroll taxes	5,604,305	1,905,931	1,367,814	642,438	609,748	165,295	198,483	4,889,709	677,027	37,569
<b>Total salaries and related expenses</b>	<b>65,358,088</b>	<b>19,887,311</b>	<b>16,166,993</b>	<b>7,193,421</b>	<b>8,164,192</b>	<b>2,175,368</b>	<b>3,456,982</b>	<b>57,044,267</b>	<b>7,881,808</b>	<b>432,013</b>
Purchased services	5,931,107	1,532,145	752,151	612,768	849,794	354,961	722,056	4,823,875	1,032,100	75,132
Supplies	6,749,856	4,138,352	1,157,842	564,395	325,780	107,127	180,188	6,473,684	249,107	27,065
Occupancy	5,942,840	1,835,844	1,845,502	362,023	510,509	313,773	497,104	5,364,755	568,968	9,117
Special assistance	2,820,454	10,509	840,505		441,358	971,332	543,386	2,807,090	13,364	
Depreciation and amortization	4,400,485	2,500,862	633,176	263,744	440,446	73,756	7,335	3,919,319	481,166	
Appeal and fund administration fee	1,875,000									1,875,000
Repairs and maintenance	1,192,688	364,734	173,802	108,208	99,990	33,955	37,522	818,211	372,891	1,586
Travel	1,660,445	289,489	341,538	302,277	329,787	81,189	212,863	1,557,143	103,072	230
Miscellaneous	519,763	92,297	32,733	13,031	11,664	4,454	39,203	193,382	319,947	6,434
Telephone	519,377	68,159	82,358	44,624	68,908	30,555	31,273	325,877	193,198	302
Organization and membership fees	1,076,092	916,901	10,563	25,778	4,012	1,420	10,980	969,654	106,438	
Interest expense	523,956	60,716	463,121					523,837	119	
Bad debt	614,454	614,454						614,454		
Conferences and meetings	271,143	1,664	55,168	35,936	12,511	5,198	104,846	215,323	54,806	1,014
Printing and publications	150,027	531	16,211	2,764	10,710	2,253	17,688	50,157	71,276	28,594
Postage	123,965	1,703	13,231	6,223	6,085	3,178	20,398	50,818	64,601	8,546
Catholic Charities - allocation	57,841								57,841	
Other catholic distributions	175,020	6,384	3,000			90,180	17,452	117,016	58,004	
Investments in consolidated partnership and LLC	672,640	371,807	300,833					672,640	-	
Awards and grants	66,654						41,495	41,495	25,159	
<b>Total expenses</b>	<b>\$ 100,701,895</b>	<b>\$ 32,693,862</b>	<b>\$ 22,888,727</b>	<b>\$ 9,535,192</b>	<b>\$ 11,275,746</b>	<b>\$ 4,248,699</b>	<b>\$ 5,940,771</b>	<b>\$ 86,582,997</b>	<b>\$ 11,653,865</b>	<b>\$ 2,465,033</b>

See Notes to Combined Financial Statements.

Secretariat for Catholic Charities Health & Human Services

Combined Statement of Functional Expense  
Year Ended December 31, 2008

	Total	Older Adults	Children & Family Services	Disabilities	Behavioral Health	Emergency and Transitional	Parish/Pastoral	Total Programs	Management and General	Fundraising
Salaries	\$ 52,355,852	\$ 15,436,288	\$ 13,339,566	\$ 5,572,116	\$ 6,667,862	\$ 1,835,440	\$ 2,816,532	\$ 45,667,804	\$ 6,363,879	\$ 324,169
Employee benefits	9,403,805	2,428,589	2,783,952	1,002,618	1,257,359	302,764	626,346	8,401,628	944,894	57,283
Payroll taxes	5,654,533	1,950,225	1,419,119	609,079	599,683	162,346	222,307	4,962,759	653,550	38,224
<b>Total salaries and related expenses</b>	<b>67,414,190</b>	<b>19,815,102</b>	<b>17,542,637</b>	<b>7,183,813</b>	<b>8,524,904</b>	<b>2,300,550</b>	<b>3,665,185</b>	<b>59,032,191</b>	<b>7,962,323</b>	<b>419,676</b>
Purchased services	5,371,182	1,383,319	951,346	600,342	700,143	109,122	691,339	4,435,611	885,111	50,460
Supplies	7,256,377	4,524,081	1,318,730	451,512	358,534	93,009	179,499	6,925,365	305,666	25,346
Occupancy	5,937,557	1,949,661	1,803,817	371,006	473,035	369,242	329,956	5,296,717	632,199	8,641
Special assistance	2,821,888	18,370	821,100	18,654	541,161	911,074	491,378	2,801,737	20,151	
Depreciation and amortization	4,121,540	2,516,458	709,170	190,177	279,602	52,061	9,978	3,757,446	363,446	648
Appeal and fund administration fee	1,800,000							-		1,800,000
Repairs and maintenance	1,268,870	354,452	266,304	91,296	84,221	42,544	48,481	887,298	380,415	1,157
Travel	1,663,440	236,759	430,687	235,337	357,901	53,682	138,890	1,453,256	209,429	755
Miscellaneous	493,969	96,145	45,479	5,889	17,874	6,732	29,595	201,714	275,227	17,028
Telephone	514,353	68,704	94,616	47,598	70,820	21,734	31,561	335,033	178,845	475
Organization and membership fees	817,223	658,024	12,607	22,397	4,389	780	7,131	705,328	111,895	
Interest expense	180,182	101,647	78,535					180,182		
Bad debt	531,045	531,045						531,045		
Conferences and meetings	264,897	2,118	83,965	26,724	35,618	2,045	66,040	216,510	47,470	917
Printing and publications	215,217	4,137	38,857	246	10,952	2,527	50,169	106,888	76,414	31,915
Postage	139,817	1,901	20,019	1,333	6,915	3,135	26,374	59,677	71,703	8,437
Catholic Charities - allocation	66,049							-	66,049	
Other catholic distributions	172,292	20,000	1,000			73,924	20,859	115,783	56,509	
Investments in consolidated partnership and LLC	690,022	380,667	309,355					690,022		
Awards and grants	72,911					58	36,700	36,758	36,153	
<b>Total expenses</b>	<b>\$ 101,813,021</b>	<b>\$ 32,662,590</b>	<b>\$ 24,528,224</b>	<b>\$ 9,246,324</b>	<b>\$ 11,466,069</b>	<b>\$ 4,042,219</b>	<b>\$ 5,823,135</b>	<b>\$ 87,768,561</b>	<b>\$ 11,679,005</b>	<b>\$ 2,365,455</b>

See Notes to Combined Financial Statements.

Secretariat for Catholic Charities Health & Human Services

Combined Statements of Cash Flows  
Years Ended December 31, 2009 and 2008

	2009	2008
<b>Cash Flows From Operating Activities</b>		
Decrease in net assets	\$ (340,696)	\$ (18,173,536)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation and amortization	4,400,485	4,121,540
Non-controlling interest	(95,298)	38,213
Contributions by minority shareholders	(216,299)	(397,299)
Gain on disposal of property and investment	-	(290,817)
Realized loss on sale of investments	5,586,646	3,742,472
Unrealized (gain) loss on investments	(9,770,500)	8,620,758
(Decrease) increase in interest rate swap liability	(374,822)	672,617
Change in value of perpetual trusts	(1,056,805)	3,748,282
Contributions restricted for endowment	(260,245)	(6,335)
Change in:		
Accounts receivable	1,430,018	(870,051)
Inventory	100,416	84,006
Other assets	272,303	9,561
Accounts payable	312,262	(193,430)
Due to third-party payors	42,693	52,272
Accrued expenses	99,426	(704,621)
Deferred revenue	231,983	240,305
Other liabilities	(1,249)	4,164
Accrued employee obligations	9,615	196,485
<b>Net cash provided by operating activities</b>	<b>369,933</b>	<b>894,586</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(6,180,325)	(6,369,374)
Net change in investment from partnerships and LLC's	(11,530)	101,629
Change in non-controlling interest	95,298	(38,213)
Contributions by minority shareholders	216,299	397,299
Use (purchase) of bond funds	3,064,001	(3,064,001)
Net change in investments	6,540,063	2,358,936
<b>Net cash provided by (used in) investing activities</b>	<b>3,723,806</b>	<b>(6,613,724)</b>
<b>Cash Flows From Financing Activities</b>		
(Increase) decrease in notes receivable - related party	(155,556)	(145,676)
Proceeds from bonds payable	-	5,800,000
Principal payments on debt	(1,739,393)	(769,366)
Transfer of net assets	(4,473)	(15,527)
Proceeds from contributions received for endowment	260,245	6,335
<b>Net cash (used in) provided by financing activities</b>	<b>(1,639,177)</b>	<b>4,875,766</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,454,562</b>	<b>(843,372)</b>
Cash and cash equivalents		
Beginning	11,195,029	12,038,401
<b>Ending</b>	<b>\$ 13,649,591</b>	<b>\$ 11,195,029</b>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 691,115	\$ 180,182

See Notes to Combined Financial Statements.

## Secretariat for Catholic Charities Health & Human Services

### Notes to Combined Financial Statements

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#### Note 1. Nature of Activities and Summary of Significant Accounting Policies

**Purpose:** The Secretariat for Catholic Charities Health & Human Services is the unincorporated, administrative organization through which the Roman Catholic Bishop of the Diocese of Cleveland provides and oversees the delivery of health and human services to the people of the Diocese. These services are principally delivered through the nine incorporated entities presented in this report. The Organization continues the mission of Jesus by providing vision and leadership for those who respond to the health and human needs and the social concerns of the people of the Diocese of Cleveland. The Organization extends the reign of God in this time and place as the Organization works with others to build a just and compassionate society that respects the dignity of every person.

**Principles of combination:** The combined financial statements for the Secretariat for Catholic Charities Health & Human Services (collectively the Organization) include the accounts of Catholic Charities Health & Human Services (CCHHS), Catholic Charities Corporation (CCC), Catholic Charities Facilities Corporation and Subsidiaries (CCFC), Catholic Charities Services Corporation (CCSC), Catholic Charities Community Services Corporation (CCCSC), St. Augustine Manor and Affiliates (Manor), Rose-Mary Center (RMC) and CYO and Community Services, Inc. (CYO). In addition, the Catholic Diocese of Cleveland Foundation (CDCF) holds assets solely for the benefit of the Secretariat for Catholic Charities Health & Human Services of the Diocese of Cleveland. Such assets in the amount of \$29,953,050 and \$27,050,783 at December 31, 2009 and 2008, respectively, and the related financial activity have been included in these combined financial statements. The financial activity of these entities has been combined. All significant intercompany accounts and transactions have been eliminated in the combination.

Significant accounting policies consist of the following:

**Basis of presentation:** The accompanying combined financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Temporarily restricted net assets are funds whose use by the Organization have been limited by donor stipulations that limit the use of the contributed assets to (a) later periods or after specific dates (time restrictions), (b) specific purposes (purpose restrictions) or (c) both. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities as net assets released from restrictions.

Permanently restricted net assets represent endowment funds which are subject to the restriction of donors that the principal be invested in perpetuity and only the income be utilized. In addition, included in the balance is the value of perpetual trusts. The trusts are to be held in perpetuity by an outside trustee. The Organization has no control of the assets or the investment of the assets. The value of future distributions is estimated based on the fair value of the assets.

**Cash and cash equivalents:** The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

## Secretariat for Catholic Charities Health & Human Services

### Notes to Combined Financial Statements

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#### Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

**Bond funds:** Consist primarily of a money market fund and a 30-day certificate of deposit. This cash is held by the Bond Trustee and is stated at cost, which approximates fair value.

**Concentration of credit risk:** The Organization places its cash and investments with financial institutions. Deposits with financial institutions may exceed Federal Depository Insurance Corporation insurance limits. Management believes the risk associated with exceeding these limits is balanced by the stability of the financial institutions involved.

**Fair value of financial instruments:** The carrying amounts of financial instruments, including cash and cash equivalents, receivables, accounts payable, accrued expenses, deferred revenue and short-term borrowings approximates fair value due to the short-term nature of these instruments. The fair value of investments is estimated based on quoted market prices, when available, or market prices provided by recognized broker dealers using nationally known pricing service. Funds held in trust by others are reported at fair value based on the Organization's proportionate interest in the fair value of the trusts. The carrying amount of long-term debt and the interest rate swap approximates fair value because the interest rates fluctuate with market interest rates offered to the Organization for debt with similar terms and maturities.

**Receivables trade:** These receivables are due primarily from government agencies and residents. The Organization provides for uncollectible accounts receivable using the allowance method. At December 31, 2009 and 2008, the allowance for uncollectible accounts and contractual allowances totaled \$1,831,028 and \$1,387,396, respectively. Management estimates an allowance for delinquent accounts based on their review of delinquent accounts and an assessment of the Organization's historical evidence of collections.

**Pledges receivable:** Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated cash flows. The discounts on these amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

**Inventory:** Inventories are stated at the lower of cost or market derived by use of the first-in, first-out valuation method. Inventories consist primarily of medical supplies and pharmaceuticals.

**Investments:** Investments are reported at fair value with any realized and unrealized gains and losses reported in the combined statements of activities. Interest and dividends are recognized as revenue in the period it is earned and gains and losses are recognized as changes in net assets in the accounting period in which they occur.

**Property, plant and equipment:** Except as outlined below, property, plant and equipment are stated at cost or fair value at the date of donation. Expenditures that significantly increase values, change capacities or extend useful lives are capitalized. Depreciation and amortization are computed over the estimated useful life of the asset using the straight-line method. Leasehold improvements are amortized over the lease term. Repairs and maintenance costs are expensed as incurred.

## Secretariat for Catholic Charities Health & Human Services

### Notes to Combined Financial Statements

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#### Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

As it relates to CCFC, the land at the Fatima Family Center, the Father Albert House and St. Clarence is recorded at cost; all other land, the St. Augustine Manor property and the St. Augustine Towers property are recorded at fair value at the date of the gift or transfer from third party; all other buildings are recorded at estimated replacement cost less accumulated depreciation at the date of transfer to CCFC.

**Impairment:** In accordance with the accounting standards on accounting for the impairment or disposal of long-lived assets, the Organization reviews for the impairment of long-lived assets whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated future undiscounted cash flows is less than the carrying amount of the asset. No impairment losses were recognized in 2009 or 2008.

**Environmental expenditures:** Environmental expenditures are expensed or capitalized depending upon their future economic benefits. Liabilities for such expenditures are recorded when it is probable that obligations have been incurred and the costs can be reasonably estimated. There were no such expenditures during the years ended December 31, 2009 or 2008.

**Pension and postretirement plans:** The Organization recognizes the funded status of its postretirement benefit and pension plans in the statement of financial position. The funded status is the difference between the fair value of the plan assets and the benefit obligation.

**Revenue recognition:** Contributions are recognized as revenue when received or unconditionally pledged and are recorded as unrestricted, temporarily restricted or permanently restricted depending on the nature of the restrictions. Governmental and program fee revenue is recognized when the services associated with those revenue streams have been provided. The United Way allocation is recognized as revenue when received or when the promise to give has been committed. The Catholic Charities revenue is recognized ratably over the course of the year in which it is allocated.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributed services, including meals, facilities, and teachers, are recognized at estimated fair value when the service is rendered.

**Deferred revenue:** Deferred revenue includes advances from governmental agencies and program service fees. This revenue is recognized when services are performed and expenses are incurred.

**Use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## Secretariat for Catholic Charities Health & Human Services

### Notes to Combined Financial Statements

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#### Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

**Allocation of functional expenses:** Allocation of functional expenses to program services is determined by management of the Organization.

**Tax status:** The Organization is tax exempt under Section 501(c)(3) of the Internal Revenue Code. Contributions to the Organization qualify as charitable contributions.

**Reclassification:** Certain reclassifications of 2008 amounts have been made to conform to the 2009 presentation.

**Risk and uncertainties:** The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

**Subsequent events:** The Organization has evaluated subsequent events for potential recognition and/or disclosure through August 2, 2010, the date the financial statements were available to be issued.

**Recent accounting pronouncements:** On January 1, 2009, the Organization adopted the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization, the continued tax-exempt status and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. At January 1, 2009 and December 31, 2009, there were no unrecognized tax benefits identified or recorded as liabilities.

In April 2009, the Not for Profit – Business Combinations Topic of the Accounting Standards Codification (ASC) was issued which provides guidance on accounting for mergers and acquisitions by not-for-profit entities. This guidance is effective for mergers for which the merger date is on or after the beginning of an initial reporting period beginning on December 15, 2009 and for acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2009. Mergers and acquisitions also changes the subsequent accounting for goodwill and other intangible assets acquired in an acquisition by a not-for-profit entity for mergers and acquisitions completed prior to the effective date with the changes made prospectively in the first set of initial or annual financial statements for a reporting period beginning on or after December 15, 2009. Early application is prohibited. This standard will have a significant impact on the accounting for future mergers and acquisitions after the effective date and will impact financial statements both on the merger or acquisition date and subsequent periods.

Management is evaluating the impact, if any, this pronouncement will have on the financial statements.

## Secretariat for Catholic Charities Health & Human Services

### Notes to Combined Financial Statements

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#### Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

The Financial Accounting Standards Board issued an Amendment, "Fair Value Measurements and Disclosures – Improving Disclosures about Fair Value Measurements" (ASU 2010-06), which requires new disclosures and reasons for transfers of financial assets and liabilities between Level 1 and 2. This amendment also clarifies that fair value measurement disclosures are required for each class of financial assets and liabilities, and disclosures about the inputs and valuation techniques are required for both Level 2 and Level 3 measurements. It further clarifies that a reconciliation of Level 3 measurements should separately present purchases, sales, issuances, and settlements instead of netting these changes.

With respect to matters other than Level 3 measurements, the amendment is effective for periods beginning on or after December 15, 2009. The guidance related to Level 3 measurement is effective for periods beginning on or after December 15, 2010 and has not yet been adopted. The Organization is currently evaluating the impact of the guidance related to Level 3 measurements on financial statement disclosures.

#### Note 2. Reorganization

Effective April 1, 2009, Catholic Youth Organization and Catholic Social Services of Summit County merged as one organization called CYO and Community Services.

#### Note 3. Fair Value Disclosures

The Organization measures financial instruments at fair value, which is 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. Accounting principles and standards established a three level hierarchy for disclosure to show the extent and the level of judgment used to estimate fair value measurements:

Level 1 — Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 — Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 — Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

For the year ended December 31, 2009, the application of valuation techniques applied to similar assets and liabilities has been consistent. The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risks associated with investing in those instruments. The following is a description of the valuation methodologies used for instruments measured at fair value:

**Investments:** The fair value of investment securities is the fair value based on quoted market prices, when available, or market prices provided by recognized broker dealers using nationally known pricing services.

**Investments – pooled funds:** The Organization participates in a pooled fund held and managed by the Catholic Diocese of Cleveland Foundation (CDCF). CDCF provides the fair value of the Organization's proportionate interest in the CDCF's pooled fund. The underlying assets in the pooled fund investment portfolio consist of securities, whose fair value is based on quoted market prices.

Secretariat for Catholic Charities Health & Human Services

Notes to Combined Financial Statements

**Note 3. Fair Value Disclosures (Continued)**

**Funds held in trust by others:** The fair value of the funds held in trust by others represents the Organization's proportionate interest in the value of the trusts. The fair value of the beneficial interest in perpetual trust is based on the expected estimated future cash flows to be received by the Organization.

**Interest rate swap liability:** The fair value of the Organization's interest rate swap liability was provided by valuation experts. This instrument was valued using externally developed models that consider observable market parameters.

In September 2009, the accounting guidance related to fair value measurements was amended. If the Organization has the ability to redeem an investment at its net asset value or its equivalent at the measurement date, the investment should be categorized as a Level 2. If the Organization cannot redeem an investment at net asset value or its equivalent at the measurement date, but the investment may be redeemable at a future date, the Organization should consider the length of time until the investment will be redeemable in determining whether it will be categorized as a Level 2 or Level 3. This amendment is effective for periods ending after December 15, 2009. Accordingly, effective January 1, 2009, the Organization's pooled investments were categorized as Level 2. As of December 31, 2008, the Organization's pooled investments were categorized as Level 3 investments in accordance with the guidance that existed at that time.

**Fair value on a recurring basis:** The table below presents the balance of assets and liabilities measured at fair value on a recurring basis:

	December 31, 2009			
	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Investments				
Pooled funds at the CDCF	\$ 29,565,685	\$ -	\$ 29,565,685	\$ -
Brokered certificates of deposit	3,156,050		3,156,050	
Common stock	1,448,348	1,448,348		
Money market funds	1,161,546	1,161,546		
Government securities	394,024	394,024		
Mortgage backed securities	154,372	154,372		
Bonds	78,564	78,564		
Mutual funds	4,735	4,735		
Real estate partnerships	1,000			1,000
Funds held in trust by others	9,499,110	-	-	9,499,110
<b>Total assets</b>	<b>\$ 45,463,434</b>	<b>\$ 3,241,589</b>	<b>\$ 32,721,735</b>	<b>\$ 9,500,110</b>
<b>Financial Liabilities</b>				
Interest rate swap liability	\$ (365,572)	\$ -	\$ (365,572)	\$ -
<b>Total liabilities</b>	<b>\$ (365,572)</b>	<b>\$ -</b>	<b>\$ (365,572)</b>	<b>\$ -</b>

Secretariat for Catholic Charities Health & Human Services

Notes to Combined Financial Statements

**Note 3. Fair Value Disclosures (Continued)**

	December 31, 2008			
	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Investments				
Pooled funds at the CDCF	\$ 26,963,392	\$ -	\$ -	\$ 26,963,392
Brokered certificates of deposit	8,504,483		8,504,483	
Money market funds	1,035,231	1,035,231		
Government securities	982,452	982,452		
Mortgage backed securities	100,094	100,094		
Bonds	717,320	717,320		
Mutual funds	16,561	16,561		
Real estate partnerships	1,000			1,000
Funds held in trust by others	8,442,305	-	-	8,442,305
<b>Total assets</b>	<b>\$ 46,762,838</b>	<b>\$ 2,851,658</b>	<b>\$ 8,504,483</b>	<b>\$ 35,406,697</b>
<b>Financial Liabilities</b>				
Interest rate swap liability	\$ (740,394)	\$ -	\$ -	\$ (740,394)
<b>Total liabilities</b>	<b>\$ (740,394)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (740,394)</b>

The underlying investments of the pooled funds at the Catholic Diocese of Cleveland Foundation (CDCF) are measured at fair value based on quoted prices in active markets and were comprised of the following at December 31:

	2009	2008
Equities	64.93%	70.55%
Fixed income	25.46%	27.34%
Cash	9.61%	2.11%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Secretariat for Catholic Charities Health & Human Services

Notes to Combined Financial Statements

**Note 3. Fair Value Disclosures (Continued)**

The changes to fair value of the Level 3 assets are summarized as follows:

	Investments	Funds Held in Trust by Others	Interest Rate Swap Liability
Balance, January 1, 2008	\$ 39,121,891	\$ 12,190,587	\$ (67,777)
Net change in pooled funds at CDCF	(12,157,499)	-	-
Change in funds held in trust by others	-	(3,748,282)	-
Change in value of the interest rate swap liability	-	-	(672,617)
<b>Balance, December 31, 2008</b>	<b>26,964,392</b>	<b>8,442,305</b>	<b>(740,394)</b>
Reclassification of categorization of level of fair value hierarchy	(26,963,392)		740,394
Change in funds held in trust by others		1,056,805	
<b>Balance, December 31, 2009</b>	<b>\$ 1,000</b>	<b>\$ 9,499,110</b>	<b>\$ -</b>

For the year ended December 31, 2008, the net change in pooled funds at CDCF is classified within non-operating investment activity and distributable investment income on the statement of activities.

**Note 4. Bond Fund Account**

CCFC utilized the assets in the bond trust account in accordance with the terms of the Bond Indenture of the 2008 Revenue Bonds (see Note 11). These assets were used to fund construction related costs and were withdrawn subject to a construction draw process.

**Note 5. Related Party Transactions**

**Receivables – related party:** Consists of amounts due from various affiliates, and primarily relates to housing initiatives.

**Notes and interest receivable:** The Organization has entered into several housing arrangements which have resulted in related party notes receivable. These arrangements are summarized as follows and are more fully explained below:

	2009	2008
Ascension Village Limited Partnership	\$ 1,360,808	\$ 1,279,436
Annunciation Terrace Limited Partnership	1,097,412	1,023,228
Kirby Manor Housing LP	28,500	28,500
	<b>\$ 2,486,720</b>	<b>\$ 2,331,164</b>

## Secretariat for Catholic Charities Health & Human Services

### Notes to Combined Financial Statements

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#### Note 5. Related Party Transactions (Continued)

CCFC holds certain notes receivable from Ascension Village Limited Partnership. These notes accrue interest at 6.36% per annum and are due July 31, 2014. During 2009 and 2008, no principal payments were received on the notes. The interest has been recorded as deferred revenue. CCFC through its ownership in Elder Housing One Corporation coordinated all activities related to the construction of Ascension Village Limited Partnership. Elder Housing One Corporation has a .0051% interest in Ascension Village Limited Partnership and is a general partner.

CCFC loaned \$545,000 to Annunciation Terrace Limited Partnership to construct a 50 unit low-income housing project in Akron, Ohio. This amount includes a \$245,000 note bearing interest at 5.10% due December 2016. CCFC also received a grant from the State of Ohio in the amount of \$301,000, of which \$300,000 was then loaned to Annunciation Terrace Limited Partnership. The note bears interest at 7.25% and is due December 2019. Interest began to accrue on both notes during January 2000. The interest has been recorded as deferred revenue. CCFC through its ownership in Elder Housing Two Corporation coordinated all activities related to the construction of Annunciation Terrace. Elder Housing Two Corporation has a .0051% interest in Annunciation Terrace Limited Partnership and is a general partner.

During 2006, CCFC through its ownership in Elder Housing IV, earned development fees of \$135,000 related to Kirby Manor LP. During 2009 and 2008 CCFC received no development fees. The remaining \$28,500 will be received over 10 years.

#### Note 6. Investments

Under the Organization's endowment policy governing transfer of funds for operations, 5% of the weighted average fair value of the endowment for the preceding three-year period is available for current operations. This calculation equated to \$1,393,823 and \$1,658,882 in endowment funds available for operations for the years ended December 31, 2009 and 2008, respectively.

An analysis of operating and non-operating investment activity is as follows for the years ended December 31:

	2009		
	Operating Investment Income (Loss)	Non-operating Investment Income (Loss)	Total
Interest and dividends	\$ 333,163	\$ 544,830	\$ 877,993
Investment management fees	(20,256)	-	(20,256)
Realized (loss) on sale of investments	(11,766)	(5,574,880)	(5,586,646)
Unrealized gain on investments	198,218	9,572,282	9,770,500
	<u>\$ 499,359</u>	<u>\$ 4,542,232</u>	<u>\$ 5,041,591</u>

Secretariat for Catholic Charities Health & Human Services

Notes to Combined Financial Statements

**Note 6. Investments (Continued)**

	2008		
	Operating Investment Income (Loss)	Non-operating Investment Income (Loss)	Total
Interest and dividends	\$ 422,219	\$ 1,406,857	\$ 1,829,076
Investment management fees	(24,771)	-	(24,771)
Realized (loss) on sale of investments	(115,744)	(3,626,728)	(3,742,472)
Unrealized (loss) on investments	(459,698)	(8,161,060)	(8,620,758)
	<u>\$ (177,994)</u>	<u>\$ (10,380,931)</u>	<u>\$ (10,558,925)</u>

**Note 7. Pledges Receivable**

Pledges receivable at December 31 are recorded at net present value using a discount of 5% and are due in future years as follows:

	2009	2008
Less than one year	\$ 1,690,102	\$ 1,154,941
One to three years	-	83,334
	<u>1,690,102</u>	<u>1,238,275</u>
Less: present value discount	-	(18,600)
	<u>\$ 1,690,102</u>	<u>\$ 1,219,675</u>

At December 31, 2009 and 2008, an allowance for uncollectible pledges was not deemed necessary by management. The outstanding pledge balance at December 31, 2009 and 2008 has been reflected as current assets within pledges receivable on the statement of financial position.

**Note 8. Funds Held in Trust by Others**

CCC, RMC, the Manor and CCSC are the irrevocable beneficiaries and recipients of income from funds held in trust by others, which operate in perpetuity. The Organizations have no control of the fund assets, as the trustees of these funds have discretion over the investment of the fund assets. Changes in fair value of the beneficial interest in the trust assets in the amount of \$1,056,805 and (\$3,748,282) for the years ended December 31, 2009 and 2008, respectively, are included in permanently restricted revenue and support on the statement of activities. The Organization's share of the present value of the funds held by others is \$9,499,110 and \$8,442,305 at December 31, 2009 and 2008, respectively.

Secretariat for Catholic Charities Health & Human Services

Notes to Combined Financial Statements

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**Note 9. Property, Plant and Equipment**

Property, plant and equipment consist of the following at December 31:

	2009	2008
Land and improvements	\$ 8,869,292	\$ 8,853,421
Building and improvements	77,169,586	66,446,514
Furniture and equipment	17,732,975	16,881,337
Leasehold improvements	2,585,326	2,521,922
Vehicles	1,854,130	1,716,522
Construction in progress	254,138	6,096,903
	<u>108,465,447</u>	<u>102,516,619</u>
Less accumulated depreciation and amortization	(58,019,961)	(53,850,973)
	<u>\$ 50,445,486</u>	<u>\$ 48,665,646</u>

Depreciation and amortization expense for the years ended December 31, 2009 and 2008 were \$4,400,485 and \$4,121,540, respectively.

**Note 10. Investments in Consolidated Partnership and LLC**

This report includes the accounts of Catholic Charities Housing Corporation (CCHC) which is a wholly-controlled subsidiary of CCFC.

Nativity Manor L.P. (Nativity Manor) was formed in March 2001 for the purpose of constructing and operating an affordable housing project consisting of 38 units in Lorain, Ohio. Nativity Manor qualified for federal low-income housing tax credits in which Elder Housing Three Corporation, a wholly-controlled subsidiary of CCFC is a .025% managing general partner, Nativity Housing LLC is a .075% general partner, and Ohio Equity Fund For Housing Limited Partnership XII is the 99.90% limited partner. The limited partner purchased the low-income housing tax credits for the benefit of the flow-through losses and dollar for dollar tax benefits during the 15-year credit period.

Nativity Homes LLC (Nativity Homes) was formed in July 2005 for the purpose of constructing and operating an affordable housing project consisting of 18 single family homes in Lorain, Ohio. Nativity Homes qualified for federal low-income housing tax credits in which Elder Housing Six Corporation, a wholly-controlled subsidiary of CCHC is a .051% managing member and Ohio Equity Fund for Housing Limited Partnership XV is the 99.90% investor member. Wallick Asset Management LLC is the remaining .049% project member. The limited partner purchased the low-income housing tax credits for the benefit of the flow-through losses and dollar for dollar tax benefits during the 15-year credit period.

CCFC is required to consolidate Nativity Manor and Nativity Homes based on its controlling interest as managing general partner and managing member, respectively. The profits and losses are allocated between partners/members as defined in the respective Partnership and Operating Agreements.

The summary financial information shown below is presented before the effects of eliminating entries in the amount of \$655,211 and \$625,631 related to mortgage and notes payable at December 31, 2009 and 2008, respectively. The statement of financial position disclosures are presented after the effect of the eliminations.

Secretariat for Catholic Charities Health & Human Services

Notes to Combined Financial Statements

**Note 10. Investments in Consolidated Partnership and LLC (Continued)**

A summary of the financial information of Nativity Manor and Nativity Homes is as follows:

**Statement of Assets, Liabilities and Partners' Equity  
December 31, 2009**

Assets	Nativity Manor, L.P.	Nativity Homes, LLC	Total
Rental property (net of accumulated depreciation of \$798,444 and \$366,807, respectively)	\$ 3,604,673	\$ 2,879,773	\$ 6,484,446
Other	208,546	141,234	349,780
<b>Total assets</b>	<b>\$ 3,813,219</b>	<b>\$ 3,021,007</b>	<b>\$ 6,834,226</b>
<b>Liabilities and Partners' Equity</b>			
Mortgage and notes payable	\$ 1,908,865	\$ 1,350,589	\$ 3,259,454
Other	375,675	68,270	443,945
<b>Total liabilities</b>	<b>2,284,540</b>	<b>1,418,859</b>	<b>3,703,399</b>
Partners' Equity	1,528,679	1,602,148	3,130,827
<b>Total liabilities and partners' equity</b>	<b>\$ 3,813,219</b>	<b>\$ 3,021,007</b>	<b>\$ 6,834,226</b>

**Statement of Revenue and Expenses  
Year Ended December 31, 2009**

	Nativity Manor, L.P.	Nativity Homes, LLC	Total
Revenue	\$ 220,874	\$ 140,136	\$ 361,010
Expenses	371,807	300,833	672,640
<b>Net (loss)</b>	<b>\$ (150,933)</b>	<b>\$ (160,697)</b>	<b>\$ (311,630)</b>

Secretariat for Catholic Charities Health & Human Services

Notes to Combined Financial Statements

Note 10. Investments in Consolidated Partnership and LLC (Continued)

Statement of Assets, Liabilities and Partners' Equity  
December 31, 2008

Assets	Nativity Manor, L.P.	Nativity Homes, LLC	Total
Rental property (net of accumulated depreciation of \$639,503 and \$239,828, respectively)	\$ 3,763,614	\$ 3,006,752	\$ 6,770,366
Other	200,597	114,966	315,563
<b>Total assets</b>	<b>\$ 3,964,211</b>	<b>\$ 3,121,718</b>	<b>\$ 7,085,929</b>
<b>Liabilities and Partners' Equity</b>			
Mortgage and notes payable	\$ 1,987,309	\$ 1,400,904	\$ 3,388,213
Other	386,780	84,778	471,558
<b>Total liabilities</b>	<b>2,374,089</b>	<b>1,485,682</b>	<b>3,859,771</b>
Partners' Equity	1,590,122	1,636,036	3,226,158
<b>Total liabilities and partners' equity</b>	<b>\$ 3,964,211</b>	<b>\$ 3,121,718</b>	<b>\$ 7,085,929</b>

Statement of Revenue and Expenses  
Year Ended December 31, 2008

	Nativity Manor, L.P.	Nativity Homes, LLC	Total
Revenue	\$ 205,699	\$ 125,279	\$ 330,978
Expenses	380,667	309,355	690,022
<b>Net (loss)</b>	<b>\$ (174,968)</b>	<b>\$ (184,076)</b>	<b>\$ (359,044)</b>

## Secretariat for Catholic Charities Health & Human Services

### Notes to Combined Financial Statements

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#### Note 10. Investments in Consolidated Partnership and LLC (Continued)

##### Nativity Manor

At December 31, 2009 and 2008, Nativity Manor has an equity commitment from the Limited Partner in the amount of \$536,938 and \$626,428, respectively. The amount is for the subscribed capital contributions and is secured by the Limited Partner's interest in the Partnership. The balance is due and payable in non-interest bearing annual installments upon the satisfaction of certain conditions by the Managing General Partner as specified in an unconditional note assigned to the Ohio Housing Finance Agency. The equity receivable will be utilized for debt service of the bridge loan. This amount will be recorded upon the successful completion of certain conditions by the Managing Partner. In addition, the 2007 installment included \$29,970 to fund the Operating Reserve. The note is expected to be paid to the Partnership in an annual amount of \$89,490 for the years 2009 through 2015.

Nativity Manor shall pay to an affiliate of the Limited Partner a cumulative asset management fee in the amount of \$4,000, increasing annually in amounts determined by the Partnership Agreement for its services in assisting in monitoring partnership activities. Asset management fees charged by the Limited Partner totaled \$4,488 and \$4,321 in 2009 and 2008, respectively. Accrued and unpaid asset management fees totaled \$11,668 and \$12,122 at December 31, 2009 and 2008, respectively.

Nativity Manor has entered into a mortgage payable to Key Bank, N.A. totaling \$1,154,000 and bears interest at 4.0% per annum. The Partnership has received a below market interest rate, through its commitment to maintain certain affordable rent levels, as part of the Federal Home Loan Bank's Affordable Housing Program. Principal and interest are due and payable in monthly installments of \$5,532 on the first of each month, commencing on November 1, 2005. The entire unpaid principal balance and all accrued interest are due and payable on December 1, 2019. The mortgage is collateralized by the real estate and assignment of rents and security. As of December 31, 2009 and 2008 accrued and unpaid interest totaled \$3,591 and \$3,689, respectively.

Nativity Manor has entered into a note payable with the Ohio Housing Finance Agency totaling \$250,000 and bearing interest at 6.75% compounded semiannually on the last day of June and December. The \$250,000 received from the Ohio Housing Finance Agency are HOME funds granted through the State of Ohio Department of Development and Housing Development Assistance Program. The note is collateralized by the real estate and assignment of rents and security. Principal and interest shall be deferred and payable to the extent that the borrower's cash flow permits such payments as detailed in the Funding Agreement and promissory note. The entire unpaid principal balance and all accrued interest is due and payable on April 17, 2038. Accrued and unpaid interest was \$98,130 and \$75,770 at December 31, 2009 and 2008 respectively.

Nativity Manor has entered into a note payable in the amount of \$730,800 with the Ohio Housing Finance Agency bearing interest at the rate of 2% per annum. Principal and interest are due and payable in annual installments of \$89,490, commencing April 15, 2007 through April 15, 2015. The note is secured by the Limited Partner's assignment to the Partnership of the Investor notes receivable for future capital contribution installments. The total outstanding balance is \$501,247 and \$579,154 with accrued and unpaid interest of \$7,101 and \$7,947 as of December 31, 2009 and 2008, respectively.

## Secretariat for Catholic Charities Health & Human Services

### Notes to Combined Financial Statements

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#### Note 10. Investments in Consolidated Partnership and LLC (Continued)

##### Nativity Manor (Continued)

The amounts due at December 31 are as follows:

	2009	2008
KeyBank, N.A.	\$ 1,059,488	\$ 1,082,385
Ohio Housing Finance Agency	501,247	579,154
Ohio Housing Finance Agency	348,130	325,770
	<u>\$ 1,908,865</u>	<u>\$ 1,987,309</u>

Maturities of the mortgage and notes in each of the next five years are approximated as follows:

2010	\$	104,104
2011		106,698
2012		109,365
2013		112,108
2014		114,926

There has been no significant change in interest rates available to the Partnership. Therefore, the fair value of the mortgage and notes approximates the book value.

Nativity Manor shall pay to the Managing General Partner a noncumulative incentive management fee. The fee shall be payable from available cash flow and is equal to 80% of any remaining cash flow available for distribution. No incentive management fee was paid in 2009 and 2008.

##### Nativity Homes

Nativity Homes has an equity commitment from the Investor Member in the amount of \$878,608 and \$1,020,429 at December 31, 2009 and 2008, respectfully, and is for subscribed capital contributions. The note is secured by the Investor Member's interest in the Company. Upon the closing of the equity bridge loan, the balance is due and payable in non-interest bearing annual installments upon satisfaction of certain conditions by the Project Members as specified in an unconditional note assigned to the Ohio Housing Finance Agency. This amount will be recorded upon the successful completion of certain conditions by the Project Members. The note is expected to be paid to the Partnership in an annual amount of \$141,829 in 2009 and \$109,825 for the years 2010 through 2017.

Nativity Homes shall pay to an affiliate of the Project Member a cumulative asset management fee in the amount of \$4,000, increasing annually in amounts determined by the Operating Agreement for its services in assisting in monitoring company activities. Asset management fees charged totaled \$4,236 and \$4,116 in 2009 and 2008, respectively. Accrued and unpaid asset management fees as of December 31, 2009 and 2008 totaled \$7,313 and \$3,975, respectively.

Secretariat for Catholic Charities Health & Human Services

Notes to Combined Financial Statements

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**Note 10. Investments in Consolidated Partnership and LLC (Continued)**

**Nativity Homes (Continued)**

Nativity Homes entered into a mortgage payable to Charter One totaling \$250,000 and bears interest at 6% per annum. Principal and interest are due and payable in monthly installments of \$1,499 on the first of each month, commencing on November 1, 2007. The entire unpaid principal balance and all accrued interest are due and payable on November 1, 2023. The mortgage is collateralized by the real estate and assignment of rents and security. Accrued and unpaid interest totaled \$1,218 and \$1,191 as of December 31, 2009 and 2008, respectively.

Nativity Homes entered into a note payable to Ohio Equity Fund for Housing Limited Partnership XV for \$1,000,000. The non-interest bearing note was paid in full in 2008.

Nativity Homes entered into a note payable with the Ohio Housing Finance Agency totaling \$1,000,000 and bearing interest at 2% per annum. Principal and interest are due and payable in annual installments of \$109,825, commencing April 15, 2008 through April 15, 2017. The note is secured by the Investor Member's assignment to the Company of the Investor Notes receivable for future capital contribution installments. Accrued and unpaid interest as of December 31, 2009 and 2008 totaled \$11,383 and \$8,995, respectively.

The amounts due at December 31 are as follows:

	2009	2008
Charter One Bank	\$ 243,636	\$ 246,743
Ohio Housing Finance Agency	803,509	895,166
	<u>\$ 1,047,145</u>	<u>\$ 1,141,909</u>

Maturities of the mortgage and notes in each of the next five years are approximated as follows:

2010	\$ 97,010
2011	99,126
2012	101,293
2013	103,514
2014	105,788

There had been no significant change in interest rates available to the Company. Therefore, the fair value of the mortgage and notes approximate the book value.

Nativity Homes entered into a management agreement with Wallick Properties Midwest, LLC, an affiliate of one of the Project Members to manage the rental operations. Property management fees charged totaled \$8,400 in both 2009 and 2008. The amount due to the management agent related to management fees as of December 31, 2009 and 2008 totaled \$763.

As part of a recurring relationship, the management agent and one of the Project Members or one of its affiliates provides services to Nativity Homes that assist in its operations. Nativity Homes reports its payroll under a common paymaster. The management agent was reimbursed \$48,494 and \$49,960 for the costs of site employee payroll and benefits in 2009 and 2008, respectively.

Nativity Homes shall pay to the Project Members a noncumulative incentive management fee from available cash flow. No incentive management fee was paid in 2009 and 2008.

Secretariat for Catholic Charities Health & Human Services

Notes to Combined Financial Statements

**Note 11. Debt**

The Organization has entered into various debt arrangements which are summarized as follows and are more fully explained below:

	2009	2008
Bonds payable - CCFC	\$ -	\$ 1,615,000
Bonds payable - CCFC	5,700,000	5,800,000
Notes payable - CCFC	363,000	363,000
Notes payable - CCFC	245,000	245,000
Notes payable - CCFC	-	24,393
Notes payable - CCHC	250,000	250,000
	<u>\$ 6,558,000</u>	<u>\$ 8,297,393</u>

Future minimum principal payments on the debt are as follows:

2010	\$ 200,000
2011	200,000
2012	215,000
2013	220,000
2014	583,000
Thereafter	5,140,000
	<u>\$ 6,558,000</u>

**Bonds - St. Augustine Manor**

To finance certain rehabilitation costs at St. Augustine Manor, CCFC issued through Cuyahoga County, Ohio, \$4,900,000 Variable Rate Health Care Facilities Revenue Bonds, Series 1997. These bonds were payable over fifteen years and initially bore interest at 3.50% per annum. The bonds bore interest at a variable rate determined weekly and interest was payable quarterly (1.55% at December 31, 2008). The aggregate balance due relating to the bond issue was \$1,615,000 at December 31, 2008. The bonds were collateralized by a letter of credit. The outstanding bond balance of \$1,615,000 was paid in full during the year ended 2009.

Allied Irish Bank entered into an agreement with the bond trustee for an Irrevocable Transferable Letter of Credit in the amount of \$4,094,796. The letter of credit served as a security interest for CCFC's debt and interest payments related to the bond issue. The bond reimbursement agreement through Allied Irish Bank required that the debt service coverage ratio shall not be less than 1.20 to 1.00 as computed at the end of the fiscal year. The letter of credit, dated August 22, 1997, expired July 16, 2005, was subsequently extended to July 16, 2009. At December 31, 2009 and 2008, the letter of credit had no outstanding balance. During 2009, the letter of credit was not extended.

## Secretariat for Catholic Charities Health & Human Services

### Notes to Combined Financial Statements

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#### Note 11. Debt (Continued)

##### Bonds - Parmadale

On September 11, 2008, CCFC issued \$5,800,000 of City of Parma, Ohio Healthcare Facilities Revenue Bonds, Series 2008 (the bonds) to assist in financing the costs of acquiring, constructing and equipping three new residential intensive treatment healthcare facilities to adjoin two existing healthcare facilities and a multipurpose center on property owned by CCFC. In return for the issuance of these bonds, CCFC, under a base lease, agreed to lease the project facilities to the City of Parma, which in turn leases these facilities to CCFC for a charge equal to the amount required for annual interest and principal retirement. These lease payments are made in monthly installments to a trust account held by the Trustee. The trustee then makes interest and principal payments to the holder of the bonds in accordance with a redemption schedule. Amounts outstanding on the bonds was \$5,700,000 and \$5,800,000 at December 31, 2009 and 2008, respectively.

The bonds were issued pursuant to a Bond Indenture dated September 1, 2008, between the City of Parma and the Bond Trustee. In connection with the issuance of the bonds, CCFC and CCHHS, as co-borrowers, entered into a reimbursement agreement (agreement) dated September 1, 2008. Under the terms of the agreement, CCFC and CCHHS entered into an irrevocable letter of credit issued by a bank which expires on September 11, 2011. The letter of credit is secured by a mortgage on the leased premises. The agreement requires that CCFC and CCHHS comply with certain reporting and financial covenants. CCFC and CCHHS were in compliance at year end.

The bonds bear interest at the Weekly Rate which is variable and is determined weekly by Fifth Third Securities as remarketing agent unless the rate is converted to an Other Rate or to a Term Rate as defined in the bond indenture. Interest is payable monthly commencing October 1, 2008 unless the rate is converted to a Term Rate. The maximum rate for which the letter of credit facility provides coverage is 8%. The weekly rate is the interest rate necessary to enable the remarketing agent to sell the bonds at a price equal to the principal plus accrued interest based upon current transactions in comparable securities in which the remarketing agent is involved. The bonds bore interest at the Weekly Rate of 1.35% and 4.75% at December 31, 2009 and 2008, respectively. Interest expense for the years ended December 31, 2009 and 2008 was \$172,345 and \$55,104, respectively. The bonds were issued and are secured by the Bond Indenture between the City of Parma and the trustee.

The Bond Indenture provides for payments of rent under the lease to be deposited in a fund maintained by the Bond Trustee. Payments to the fund commence July 1, 2009 in amounts equal to the aggregate principal amounts as required in the Indenture until their maturity on October 1, 2029.

In the event the bonds bear interest at the Term Rate or Other Rate, the bonds are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount of the bonds redeemed plus interest accrued to the redemption date on the dates and in the principal amounts required for redemption in the reimbursement agreement. These mandatory sinking fund requirements would then apply for the remaining term for which the bonds are outstanding.

## Secretariat for Catholic Charities Health & Human Services

### Notes to Combined Financial Statements

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#### Note 11. Debt (Continued)

##### Notes Payable

CCFC has a note payable to the City of Cleveland related to Ascension Village in the amount of \$363,000. The note bears interest at 1% and is due July 31, 2014. Interest payments on the note are contingent upon receipt of interest on the Ascension Village Limited Partnership notes receivable and are, therefore, expensed when paid. No interest was received from Ascension Village or remitted to the City of Cleveland for the years ending December 31, 2009 or 2008.

To finance the loan to Annunciation Terrace Limited Partnership for construction of the low-income housing project in Akron, Ohio, CCFC entered into a note agreement with an Ohio non-profit corporation in the amount of \$245,000. The note is non-interest bearing, matures on December 31, 2016 and is collateralized by a mortgage on the Annunciation Terrace Limited Partnership property.

In order to finance the energy retrofit renovations of the Bishop Wm. Cosgrove Center and St. Augustine Towers, CCFC entered into a note agreement on August 18, 1999 with a bank in the amount of \$250,000 which matures in 2009. The note requires monthly principal and interest payments of \$3,107 and bears interest at 7.65%. All accrued and unpaid principal and interest was due and payable on August 19, 2009. The balance due relating to the note was \$0 and \$24,393 at December 31, 2009 and 2008, respectively.

CCHC entered into a note payable with the Ohio Housing Finance Agency totaling \$250,000 and bearing interest at 2.0% annually. The funds are HDAP (Housing Development Assistance Program) funds and were secured for the purpose of constructing Nativity Homes. This note is collateralized by the real estate and assignment of rents and security. Principal and interest shall be deferred and payable to the extent that Nativity Homes cash flow permits such payments as detailed in the promissory note. The entire unpaid principal balance and all accrued interest are due and payable on August 3, 2036. Accrued and unpaid interest totaled \$15,122 and \$9,456 at December 31, 2009 and 2008, respectively.

The Ohio Department of Mental Health holds an Open End Mortgage on the Parmadale intensive treatment center and multi-purpose facility. The 40-year, \$2,000,000 mortgage was entered into July, 1993. The mortgage bears no interest and requires no payments if the facility continues to be utilized for mental health services. In the event the facility is used for a purpose other than approved mental health service as determined by the mortgagee, payments would be required in an amount equal to the balance of \$1,179,167 and \$1,229,167 at December 31, 2009 and 2008.

## Secretariat for Catholic Charities Health & Human Services

### Notes to Combined Financial Statements

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#### **Note 12. Interest Rate Swap Liability**

On November 19, 2001, CCFC entered into an interest rate swap agreement on the \$4,900,000 Variable Rate Health Care Facilities Revenue Bonds, Series 1997 with KeyBank. At December 31, 2009 and 2008, the swap had a total notional amount of \$0 and \$1,615,000, respectively, which effectively changed the interest rate exposure on the variable term bonds to a fixed rate of 4.11% through July 1, 2012. Amounts receivable or payable under the swap were settled by the parties quarterly and recognized when incurred as an adjustment to interest expense. If the swap agreement would have been terminated as of December 31, 2008, CCFC would have owed the Bank \$95,207, for early termination. The net change in the swap each year was recognized in other income and expenses on the combined statements of activities. As a result of this swap agreement, the cumulative interest expense was increased by \$23,029 and \$32,837 in 2009 and 2008, respectively. The swap agreement was terminated during 2009 and CCFC was charged a termination fee of \$88,036.

On October 1, 2008, CCFC and CCHHS entered into an interest rate swap agreement on the \$5,800,000 City of Parma, Ohio Health Care Facilities Revenue Bonds, Series 2008. The notional amount at December 31, 2009 and 2008 was \$5,405,172 and \$5,500,000, respectively at December 31, 2009 and 2008. Based on the swap agreement, CCFC receives payments calculated at a variable rate equal to the prevailing USD-SIFMA (Securities Industry and Financial Markets) rate from the counterparty to the swap. In return, CCFC makes payments to the counterparty based on the fixed rate of 3.82% at December 31, 2009 and 2008, respectively. From January 1 to December 31, 2009, the variable rate ranged from 0.66% to 0.22% and from October 1 to December 31, 2008, the variable rate ranged from 4.04% to 1.01%. Only the net difference in payments is exchanged with the counterparty. The notional amount is not exchanged as it is only the basis on which the interest payments are calculated. At December 31, 2009 and 2008, the fair value of the swap agreement based on current settlement price was \$365,572 and \$645,187, respectively.

CCFC and CCHHS' objective of purchasing the interest rate swap included managing the risk of increased debt service that could result from rising market interest rates.

#### **Note 13. Accrued Employee Obligations**

##### **Defined Contribution Plans**

The Organization provides a variety of defined contribution plans which cover all employees who meet certain requirements. For the years ended December 31, 2009 and 2008, the Organization made contributions in the amount of \$1,638,607 and \$1,666,408, respectively, these plans.

Secretariat for Catholic Charities Health & Human Services

Notes to Combined Financial Statements

**Note 13. Accrued Employee Obligations (Continued)**

**Defined Benefit Plans**

Information relative to CCSC's frozen defined benefit pension plan as of and for the years ended December 31 is presented below:

	2009	2008
Projected benefit obligation	(1,305,647)	(952,473)
Fair value of plan assets	1,325,275	1,228,558
<b>Funded status</b>	<b>\$ 19,628</b>	<b>\$ 276,085</b>

Amounts recognized on the statement of financial position consists of:

<b>Noncurrent - other assets</b>	<b>\$ 19,628</b>	<b>\$ 276,085</b>
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Amounts recognized for the year:

<b>Employer contributions</b>	<b>\$ 90,000</b>	<b>\$ 135,000</b>
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Components of Net Periodic Pension Cost (Benefit):

Interest cost	\$ 67,678	\$ 55,934
Expected return on plan assets	(94,933)	(97,242)
Net loss amortization	32,846	165
<b>Net Periodic Cost (Benefit)</b>	<b>\$ 5,591</b>	<b>\$ (41,143)</b>

Amounts not yet recognized in the Net Periodic Benefit Cost:

Unrecognized net loss	<b>\$ 736,020</b>	<b>\$ 395,154</b>
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Weighted average assumptions:

Discount rate	5.25%
Expected return on plan assets	7.50%

The Organization has terminated the plan; therefore all benefit payments are expected to be made in 2010 (see Note 23).

The Organization does not expect to make employer contributions during the year ended December 31, 2010.

**Plan assets:** The fair value of the retirement plan assets of \$1,325,275 at December 31, 2009 are targeted to be invested in various asset classes. The investments in the plan are managed with the primary objective of the preservation of capital while producing competitive returns within minimum risk levels. Because it is the intention of management to terminate the plan in the near future and distribute the fund to the plan participants, management has elected to invest the plan assets in cash and fixed income securities. The fixed income securities are primarily invested in Standard & Poor's A, A+ and AAA securities.

Secretariat for Catholic Charities Health & Human Services

Notes to Combined Financial Statements

**Note 13. Accrued Employee Obligations (Continued)**

**Defined Benefit Plans (Continued)**

The fair value of the Organization's pension plan assets at December 31, 2009, by asset category, are as follows:

	2009			
	Total	Level 1	Level 2	Level 3
Retirement Plan Assets:				
Money market funds and cash	\$ 695,003	\$ 695,003	\$ -	\$ -
Corporate bonds	262,134	262,134		-
Government-backed fixed income	345,553	345,553		-
Other	22,585			22,585
<b>Total assets</b>	<b>\$ 1,325,275</b>	<b>\$ 1,302,690</b>	<b>\$ -</b>	<b>\$ 22,585</b>

The changes in the fair value of Level 3 pension plan assets are summarized as follows:

	Retirement Plan Assets - Other
Balance, December 31, 2008	\$ 32,335
Actual return on plan assets:	
Loan repayments	(9,750)
<b>Ending, December 31, 2009</b>	<b>\$ 22,585</b>

In addition, RMC participates in the Catholic Diocese of Cleveland Pension Plan which is a multi-employer plan to which RMC is required to make an annual contribution based on earnings of participants for the year. The plan is administered by the Diocese Group Life and Pension Office. RMC has no other obligations or responsibilities with respect to the plan. Expenses under the plan were \$299,102 and \$321,835 in 2009 and 2008, respectively.

Secretariat for Catholic Charities Health & Human Services

Notes to Combined Financial Statements

**Note 13. Accrued Employee Obligations (Continued)**

**Post-retirement Benefit Plans**

CCHHS, CCSC and CCCSC have postretirement benefit plans which provide medical and life insurance coverage for retirees who meet their years of service requirement. Information relative to the Organization's postretirement benefit plan as of and for the years ended December 31 is presented below:

	2009	2008
Accumulated postretirement benefit obligation	(4,034,553)	(4,024,938)
Fair value of plan assets	-	-
Unfunded status	<u>\$ (4,034,553)</u>	<u>\$ (4,024,938)</u>
Amounts recognized on the statement of financial position consist of:		
Current	\$ -	\$ -
Long-term	4,034,553	4,024,938
	<u>\$ 4,034,553</u>	<u>\$ 4,024,938</u>
Amounts recognized for the year:		
Employer contributions	\$ 90,332	\$ 92,033
Benefits paid	\$ 90,332	\$ 92,033
Components of Net Periodic Benefit Cost:		
Service cost	\$ 39,133	\$ 40,808
Interest cost	227,595	227,232
Prior service cost amortization	(141,490)	(141,490)
Net loss amortization	51,737	46,475
<b>Net Periodic Benefit Cost</b>	<u>\$ 176,975</u>	<u>\$ 173,025</u>
Amounts not yet recognized in the Net Periodic Benefit Cost:		
Unrecognized prior service credit	\$ (287,247)	\$ (428,737)
Unrecognized net loss	841,678	1,060,176
<b>Total</b>	<u>\$ 554,431</u>	<u>\$ 631,439</u>

Amounts expected to be recognized during the year ended December 31, 2010:

Amortization of net prior service credit	<u>\$ 66,747</u>
Amortization of net loss	<u>\$ 47,429</u>

Weighted average assumptions:

Discount rate	<u>5.85%</u>
Rate of increase in the per capita cost of covered health care benefits	<u>7.50%</u>

Secretariat for Catholic Charities Health & Human Services

Notes to Combined Financial Statements

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**Note 13. Accrued Employee Obligations (Continued)**

**Post-retirement Benefit Plans (Continued)**

Expected benefit payments during the year ending December 31:

2010	\$	200,986
2011		219,438
2012		234,743
2013		252,226
2014		268,342
2015-2019		1,500,046

Employer contributions expected to be paid during the year ended December 31, 2010 are approximately \$201,000.

For measurement purposes, an annual rate of increase in the per capita cost of covered health care benefits of 7.5% is assumed for 2009. This rate is assumed to decrease at 1.0% per year until reaching 5.0% in 2011 and remains level thereafter. The effect of a 1% increase or decrease in the medical cost trend rate would result in a \$221,965 increase or \$192,422 decrease in the accumulated postretirement benefit obligation, respectively.

The plans are not eligible for Medicaid Part D prescription drug subsidy.

**Note 14. Board Designated Net Assets**

A portion of unrestricted net assets for the Secretariat for Catholic Charities Health & Human Services has been designated for the following purposes at December 31:

	2009	2008
Capital replacement, acquisition and improvement	\$ 5,020,204	\$ 6,143,213
Future operational reserve	311,784	1,198,367
Special projects	335,895	305,768
Scholarships for camping	393,672	397,962
Cleveland Diocese Evaluation for Marriage program	112,594	140,551
Land held for future development	84,578	84,578
	<u>\$ 6,258,727</u>	<u>\$ 8,270,439</u>

The Organization maintains reserves for the benefit of the Catholic Charities entities within the Diocese of Cleveland. The future operational reserve is primarily intended to provide organizational stability in the event that funds raised annually by Catholic Charities Corporation fall short of a year's allocation commitments. It is funded in years of excess fundraising and drawn down when commitments exceed funds raised. The size of the fund is limited to ten percent of the annual fundraising target.

The capital replacement and/or major repair fund exists to provide funding for large capital projects or significant capital repairs. It is funded when fundraising exceeds allocation commitments and from the sale of property.

Secretariat for Catholic Charities Health & Human Services

Notes to Combined Financial Statements

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**Note 15. Temporarily Restricted Net Assets**

Temporarily restricted net assets were available for the following purposes at December 31:

	2009	2008
General health and welfare - Diocese of Cleveland	\$ 11,680,073	\$ 10,013,204
Children and family services	5,168,775	4,484,411
Older adults	1,816,852	519,091
Disabilities	1,532,154	1,147,333
Time restrictions	879,015	1,269,675
Community development/foster care	729,133	729,133
Emergency and transitional	383,698	251,235
Social action	71,031	76,843
Parish and community ministries	54,010	34,651
Capital projects	35,954	169,126
Special purposes	15,776	407,828
	<u>\$ 22,366,471</u>	<u>\$ 19,102,530</u>

**Note 16. Permanently Restricted Net Assets**

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support:

	2009	2008
General health and welfare - Diocese of Cleveland	\$ 10,356,255	\$ 9,871,717
End of life care	4,822,823	4,092,768
Children and family services	2,057,179	2,027,547
Disabilities	1,265,099	1,233,294
Older adults	1,173,999	1,169,574
Emergency and transitional	737,117	681,117
Leasehold and land improvements	-	143,600
	<u>\$ 20,412,472</u>	<u>\$ 19,219,617</u>

**Note 17. Appeal and Fund Administration Fee**

CCC contracted with The Catholic Diocese of Cleveland Foundation (CDCF) to provide operational and fundraising support. CCC was charged a net fee of \$1,875,000 and \$1,800,000 by CDCF in 2009 and 2008, respectively.

**Note 18. Donated Goods, Facilities and Services**

The Organization received in kind contributions and related expenses with a value of \$686,142 and \$785,905 for the years ended December 31, 2009 and 2008, respectively. These donated goods and services were utilized to further the charitable purpose of the Organization.

## Secretariat for Catholic Charities Health & Human Services

### Notes to Combined Financial Statements

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#### Note 19. Lease Commitments

The Organization leases various items under noncancelable long-term leases expiring over the next five years. Rental expense for these various items, including various items leased under month to month leases, for the years ended December 31, 2009 and 2008 was \$1,572,663 and \$1,564,071, respectively. The future minimum lease payments at December 31, 2009 are as follows:

2010	\$	355,624
2011		295,106
2012		175,061
2013		8,009
2014		912
	\$	<u>834,712</u>

#### Note 20. Endowment Funds

The Organization's endowment primarily consists of assets held at the CDCF which consist of donor restricted endowment funds established for a variety of purposes. As the assets are held by the CDCF for the sole benefit of the Organization, the CDCF's investment policies are described below to illustrate the strategies and return objectives for these assets. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

**Interpretation of relevant law:** The Organization has interpreted Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is considered to be temporarily restricted, and may be available to support operations, in accordance with the established distribution policy,

**Return objectives and strategies:** CDCF places great importance on risk reduction through asset allocation and style diversification. Investment results are measured using a rolling three to five year period or a market cycle. The following are the investment performance objectives, in order of importance, for the portfolio:

- To generate a real annual compound rate of return, inclusive of interest income, dividends, and net capital appreciation over the measurement period, at least equal to the sum of the annual payout percentage provided for in the distribution policy plus inflation (for example 5% distribution policy + inflation + investment management cost).
- To obtain a total return on the portfolio, net of all investment related fees, that exceeds the total return of the policy benchmark.
- Performance will be evaluated versus achievement of distribution policy and comparisons to a similar set of investments.

Secretariat for Catholic Charities Health & Human Services

Notes to Combined Financial Statements

**Note 20. Endowment Funds (Continued)**

The goals of the strategic asset allocation policy are to establish a long-term asset allocation plan for CDCF's portfolio that is consistent with objectives and guidelines contained in this policy and carried out in an efficient manner. To that end, this policy establishes an acceptable range, defined to be any percentage above minimum and below maximum percentage of the portfolio allocated to a particular asset class, and a target percentage, defined to be the percentage goal for the investment of the portfolio in that asset class.

Market value fluctuations and operational needs may cause variations from the strategic asset allocation policy ranges stated in this policy. To ensure allocations are consistent with the allocation policy, rebalancing the portfolio is done quarterly using the quarterly end portfolio values. CDCF does not deem it acceptable to time the market with tactical allocation shifts. The intention of this policy is to avoid short-term judgments that introduce significant unplanned risk.

**Distribution policy:** Distributions from the endowment funds are spent in compliance with the donor's restrictions applicable to the fund being distributed. Annual distributions from endowment funds are limited to not more than five-percent of the average weighted fair value of the investable assets for the past three years.

Endowment net asset composition by type and changes in endowment net assets for the years ended December 31, 2009 and 2008:

	Temporarily Restricted	Permanently Restricted
Endowment beginning balance, January 1, 2008	\$ 8,906,162	\$ 10,794,675
Investment Return:		
Investment income, net	704,150	-
Realized and unrealized losses	(5,866,788)	-
	<u>(5,162,638)</u>	-
Gifts and other additions	-	6,335
Expenditures and other releases	(856,986)	(3,698)
Transfer of net assets	-	(20,000)
<b>Endowment ending balance, December 31, 2008</b>	<u>2,886,538</u>	<u>10,777,312</u>
Investment Return:		
Investment income, net	274,335	-
Realized and unrealized losses	2,043,888	-
	<u>2,318,223</u>	-
Gifts and other additions	2,500	260,425
Expenditures and other releases	(655,713)	-
Transfer of net assets	(19,225)	(124,375)
<b>Endowment ending balance, December 31, 2009</b>	<u>\$ 4,532,323</u>	<u>\$ 10,913,362</u>

## Secretariat for Catholic Charities Health & Human Services

### Notes to Combined Financial Statements

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#### **Note 21. Transfer of Net Assets**

During the years ended December 31, 2009 and 2008, net assets in the amount of \$4,473 were transferred to and from Project Hope, respectively. In addition, during 2008, net assets in the amount of \$20,000 were transferred from the Funds held at the CDCF upon the direction of the original donor.

#### **Note 22. Contingencies**

The Organization operates in an environment subject to extensive federal and state laws, rules and regulations, including payment for services, conduct of operations and facility and professional licensure. Changes in law and regulatory interpretations could reduce the Organization's revenue. The Organization is from time to time subject to claims and suits for damages arising in the normal course of business. Management believes the ultimate resolution of any claims will not have a material adverse effect on the financial position, changes in net assets, or liquidity of the Organization.

CCHHS has guaranteed that any real estate taxes related to the Emerald Village housing project in North Olmsted, Ohio will be paid. The Organization is seeking to have the tax status of the property amended. The tax amount, if any, to be paid by the Organization is not known. The project was placed in service in 2007.

#### **Note 23. Subsequent Event**

In 2009, Catholic Charities Services Corporation amended the Catholic Charities Services of Cuyahoga County frozen non-qualified deferred benefit pension plan (the Plan) to terminate under a standard termination. A determination letter was requested from the Internal Revenue Service (IRS). In 2010, the IRS issued a favorable determination letter and the Organization has begun the process of terminating the Plan and settling all of the assets and liabilities related to the Plan. It is expected that the process will be completed in 2010.

Subsequent to year end, the Manor entered into an agreement to purchase substantially all of the assets of Generations Care Health Services, LLC, an Ohio limited liability company engaged in the business of furnishing home health care, facility staffing and other related services. The aggregate purchase price of this agreement was \$355,000.

# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report on the Supplementary Information

Secretariat for Catholic Charities Health & Human Services  
Cleveland, Ohio

Our audits were made for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The combining supplementary information is presented for purposes of additional analysis and is not a required part of the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic combined financial statements taken as a whole.

*McGladrey & Pullen, LLP*

Cleveland, Ohio  
August 2, 2010

Secretariat for Catholic Charities Health & Human Services

Details of Combined Statement of Financial Position  
December 31, 2009

Assets

	Catholic Charities Health & Human Services	Catholic Charities Services Corporation	Catholic Charities Community Services Corporation	Catholic Diocese of Cleveland Foundation for the Benefit of the Organization	St. Augustine Manor and Affiliate	Catholic Charities Facilities Corporation	Catholic Charities Corporation	Rose-Mary Center	CYO and Community Services, Inc.	Eliminations	Total
<b>Current Assets</b>											
Cash and cash equivalents	\$ 3,614,675	\$ 1,135,313	\$ 777,539	\$ 459,636	\$ 1,174,764	\$ 862,291	\$ 2,372,641	\$ 1,357,578	\$ 1,895,154	\$ -	\$ 13,649,591
<b>Receivables:</b>											
Trade, net	173,071	2,933,877	1,467,442	12,864	3,938,381	216,782		519,274	213,962	(36,687)	9,438,966
Pledges	218,230	430,518	318,679		642,675			80,000			1,690,102
Related party	250,000					216,814				(250,000)	216,814
Inventory	-	54,439			234,154						288,593
Other	54,845	83,503	39,681		24,531	28,226	107,395	89,706	61,209	(35,954)	453,142
<b>Total current assets</b>	<b>4,310,821</b>	<b>4,637,650</b>	<b>2,603,341</b>	<b>472,500</b>	<b>6,014,505</b>	<b>1,324,113</b>	<b>2,480,036</b>	<b>2,046,558</b>	<b>2,170,325</b>	<b>(322,641)</b>	<b>25,737,208</b>
Investments	2,891,559	-		29,480,550	2,175,116	1,000		2,148,570	85,135	(817,606)	35,964,324
<b>Other Assets</b>											
Notes and interest receivable - related party	7,315,572					3,736,720				(8,565,572)	2,486,720
Funds held in trust by others	-	220,685			4,622,823		4,385,306	270,296			9,499,110
Property, plant and equipment, net	429,963	605,616	297,892		4,896,535	43,061,873		442,732	710,875		50,445,486
Land held for future development	84,578					14,986		-			99,564
Assets in consolidated partnership and LLC	-					6,834,226					6,834,226
Other	-	19,628			14,252				1,000		34,880
<b>Total other assets</b>	<b>7,830,113</b>	<b>845,929</b>	<b>297,892</b>		<b>9,533,610</b>	<b>53,647,805</b>	<b>4,385,306</b>	<b>713,028</b>	<b>711,875</b>	<b>(8,565,572)</b>	<b>69,399,986</b>
<b>Total assets</b>	<b>\$ 15,032,493</b>	<b>\$ 5,483,579</b>	<b>\$ 2,901,233</b>	<b>\$ 29,953,050</b>	<b>\$ 17,723,231</b>	<b>\$ 54,972,918</b>	<b>\$ 6,865,342</b>	<b>\$ 4,908,156</b>	<b>\$ 2,967,335</b>	<b>\$ (9,705,819)</b>	<b>\$ 131,101,518</b>
<b>Liabilities and Net Assets</b>											
<b>Current Liabilities</b>											
Current portion of debt	\$ 200,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 700,000	\$ -	\$ -	\$ -	\$ (1,200,000)	\$ 200,000
Liabilities in consolidated partnership and LLC	-					201,114					201,114
Accounts payable	178,813	694,145	358,909	25,573	1,038,773	111,526	7,740	181,548	52,397	(4,369)	2,645,055
Due to third party payors	-				945,825						945,825
Accrued expenses	398,659	580,183	196,348		2,393,562	72,030	12,490	401,728	143,642		4,198,642
Related party	-			68,272			250,000			(318,272)	-
Deferred revenue	384,956	27,202	83,205			1,402,136			172,444		2,069,943
<b>Total current liabilities</b>	<b>1,162,428</b>	<b>1,301,530</b>	<b>638,462</b>	<b>93,845</b>	<b>4,878,160</b>	<b>2,486,806</b>	<b>270,230</b>	<b>583,276</b>	<b>368,483</b>	<b>(1,522,641)</b>	<b>10,260,579</b>
<b>Other Liabilities</b>											
Debt	5,865,572				750,000	7,108,000				(7,365,572)	6,358,000
Interest rate swap	-					365,572					365,572
Other	129,245	98,992	161,486		71,259				12,163		473,145
Accrued employee obligations	1,371,740	1,795,369	867,444								4,034,553
Capital lease obligation	-										-
Liabilities in consolidated partnership and LLC	-					2,865,091					2,865,091
<b>Total liabilities</b>	<b>8,528,985</b>	<b>3,195,891</b>	<b>1,667,392</b>	<b>93,845</b>	<b>5,699,419</b>	<b>12,825,469</b>	<b>270,230</b>	<b>583,276</b>	<b>380,646</b>	<b>(8,888,213)</b>	<b>24,356,940</b>
Non-controlling interest	-					3,129,628					3,129,628
<b>Net Assets</b>											
<b>Unrestricted:</b>											
Undesignated	1,007,191	856,179	775,728		4,674,248	39,016,622	2,209,806	3,552,737	2,483,570		54,576,081
Board designated	590,844				989,155				74,380	4,604,348	6,258,727
Member's equity in consolidated entities	-					1,199					1,199
	1,598,035	856,179	775,728		5,663,403	39,017,821	2,209,806	3,552,737	2,557,950	4,604,348	60,836,007
Temporarily restricted	4,905,473	1,210,824	458,113	19,312,023	1,161,406			334,863	13,739	(5,029,970)	22,366,471
Permanently restricted	-	220,685		10,547,182	5,199,003		4,385,306	437,280	15,000	(391,984)	20,412,472
<b>Total net assets</b>	<b>6,503,508</b>	<b>2,287,688</b>	<b>1,233,841</b>	<b>29,859,205</b>	<b>12,023,812</b>	<b>39,017,821</b>	<b>6,595,112</b>	<b>4,324,880</b>	<b>2,586,689</b>	<b>(817,606)</b>	<b>103,614,950</b>
<b>Total liabilities and net assets</b>	<b>\$ 15,032,493</b>	<b>\$ 5,483,579</b>	<b>\$ 2,901,233</b>	<b>\$ 29,953,050</b>	<b>\$ 17,723,231</b>	<b>\$ 54,972,918</b>	<b>\$ 6,865,342</b>	<b>\$ 4,908,156</b>	<b>\$ 2,967,335</b>	<b>\$ (9,705,819)</b>	<b>\$ 131,101,518</b>

Details of Combined Statement of Activities  
Year Ended December 31, 2009

	Catholic Charities Health & Human Services	Catholic Charities Services Corporation	Catholic Charities Community Services Corporation	Catholic Diocese of Cleveland Foundation for the Benefit of the Organization	St. Augustine Manor and Affiliates	Catholic Charities Facilities Corporation	Catholic Charities Corporation	Rose-Mary Center	CYO and Community Services, Inc.	Eliminations	Total
<b>Revenues and Support</b>											
Catholic Charities											
Annual appeal contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,992,805	\$ -	\$ -	\$ -	\$ 9,992,805
Bequests and special gifts	-	-	-	-	-	-	1,367,756	-	-	-	1,367,756
Catholic Charities - allocation	4,796,557	986,183	2,588,534		1,196,826	612,335		127,500	253,047	(10,560,982)	-
United Way	348,262	835,020	971,311					178,558	400,915		2,734,066
Program fees	1,381,612	229,562	217,769		4,521,171	494,749		48,919	1,598,110		8,491,892
Governmental	1,000,877	17,635,928	11,111,081		20,824,694			9,828,532	1,761,067		62,162,179
Contributions:											
Foundations, trusts and individuals	610,291	250,373	363,444	58,500	3,427,013			443,199	340,395	(22,500)	5,470,715
Donated goods, facilities, services	-	17,400	668,742						25,720	(25,720)	686,142
Rental	-	-	67,965		1,553,877	2,092,558				(1,853,371)	1,861,029
Related party	1,580,656									(1,580,656)	-
Operating investment income	249,230	(12,572)	(6,477)		94,121	135,873	8,294	293,240	15,089	(277,439)	499,359
Distributable investment income	-	-	-	1,393,823							1,393,823
Change in value of funds held in trust by others	-	29,632			530,055		465,313	31,805			1,056,805
Special events - net	63,615								113,408		177,023
Consolidated partnership and LLC	-	-	-	-	-	361,010					361,010
Miscellaneous	126,187	185,517	106,579		46,999	49,629	(332)	19,026	115,959	(15,336)	634,228
<b>Total revenues and support</b>	<b>10,157,287</b>	<b>20,157,043</b>	<b>16,088,948</b>	<b>1,452,323</b>	<b>32,194,756</b>	<b>3,746,154</b>	<b>11,833,836</b>	<b>10,970,779</b>	<b>4,623,710</b>	<b>(14,336,004)</b>	<b>96,888,832</b>
<b>Expenses</b>											
Salaries	4,518,444	12,168,884	8,281,558		16,566,360	790,764		6,073,803	2,158,319		50,558,132
Employee benefits	895,778	2,560,388	1,741,952		2,493,733	147,651		1,002,445	353,704		9,195,651
Payroll taxes	349,644	1,249,667	915,542		2,076,828	63,393		696,859	252,372		5,604,305
<b>Total salaries and related expenses</b>	<b>5,763,866</b>	<b>15,978,939</b>	<b>10,939,052</b>		<b>21,136,921</b>	<b>1,001,808</b>		<b>7,773,107</b>	<b>2,764,395</b>		<b>65,358,088</b>
Purchased services	889,408	1,843,723	1,849,936		1,893,048	102,607	6,519	623,988	351,276	(1,629,398)	5,931,107
Supplies	240,205	820,750	618,858		4,063,110	4,118		621,965	380,850		6,749,856
Occupancy	945,304	1,638,643	1,475,986		2,028,117	738,738		720,322	324,454	(1,928,724)	5,942,840
Special assistance	1,021,643	1,138,030	601,862						58,919		2,820,454
Depreciation and amortization	157,233	157,014	112,995		782,091	2,960,696		90,347	140,109		4,400,485
Appeal and fund administration fee	-	-	-				1,875,000				1,875,000
Repairs and maintenance	167,341	175,304	109,591		379,019	245,320		79,240	36,873		1,192,688
Travel	241,849	400,660	365,994		97,940	42,067		210,577	301,358		1,660,445
Miscellaneous	99,192	210,000	30,470		134,026	7,171		14,256	24,648		519,763
Telephone	82,098	131,871	159,433		58,904	14,864		51,552	20,655		519,377
Organization and membership fees	18,461	33,548	14,891		964,511	3,035		33,110	8,536		1,076,092
Interest expense	36,410				70,660	523,956				(107,070)	523,956
Bad debt	-	-	-		614,454						614,454
Conferences and meetings	111,744	54,962	37,463			4,921		43,473	18,580		271,143
Printing and publications	33,544	14,058	15,840		44,307	2,224		8,977	31,077		150,027
Postage	40,547	11,077	15,169		30,376	887		6,404	19,505		123,965
Catholic Charities - allocation	-	-	-	1,393,823						(10,560,982)	57,841
Other Catholic distributions	-	-	-	197,520						(22,500)	175,020
Consolidated partnership and LLC	-	-	-	-	-	672,640					672,640
Awards and grants	66,654										66,654
<b>Total expenses</b>	<b>9,915,499</b>	<b>22,608,579</b>	<b>16,347,540</b>	<b>1,591,343</b>	<b>32,297,484</b>	<b>6,325,052</b>	<b>11,106,519</b>	<b>10,277,318</b>	<b>4,481,235</b>	<b>(14,248,674)</b>	<b>100,701,895</b>
<b>Increase (decrease) from operating activities</b>	<b>241,788</b>	<b>(2,451,536)</b>	<b>(258,592)</b>	<b>(139,020)</b>	<b>(102,728)</b>	<b>(2,578,898)</b>	<b>727,317</b>	<b>693,461</b>	<b>142,475</b>	<b>(87,330)</b>	<b>(3,813,063)</b>
<b>Non-Operating Activity</b>											
(Loss) on disposal of assets	-	-	-		(1,983)			(1,433)			(3,416)
Change in value of interest rate swaps	-	-	-			279,615					279,615
Capital Lease write-off	-	-	-		1,729,215	(1,729,215)					-
Non-operating investment activity	-	-	-	4,542,232							4,542,232
Investment income distributed to operations	-	-	-	(1,393,823)							(1,393,823)
	-	-	-	3,148,409	1,727,232	(1,449,600)		(1,433)			3,424,608
<b>Increase (decrease) in net assets before effect of postretirement benefits, noncontrolling interest and contributions by minority shareholders</b>	<b>241,788</b>	<b>(2,451,536)</b>	<b>(258,592)</b>	<b>3,009,389</b>	<b>1,624,504</b>	<b>(4,028,498)</b>	<b>727,317</b>	<b>692,028</b>	<b>142,475</b>	<b>(87,330)</b>	<b>(388,455)</b>
Postretirement related changes	(68,024)	(192,324)	(3,490)								(263,838)
Non-controlling interest	-	-	-			95,298					95,298
Contributions by minority shareholders	-	-	-			216,299					216,299
<b>Increase (decrease) in net assets</b>	<b>173,764</b>	<b>(2,643,860)</b>	<b>(262,082)</b>	<b>3,009,389</b>	<b>1,624,504</b>	<b>(3,716,901)</b>	<b>727,317</b>	<b>692,028</b>	<b>142,475</b>	<b>(87,330)</b>	<b>(340,696)</b>
Net assets - beginning	8,410,764	3,856,678	1,495,923	26,849,816	10,399,308	41,483,045	6,117,795	3,632,852	2,444,214	(730,276)	103,960,119
Transfer of net assets	(2,081,020)	1,074,870				1,251,677	(250,000)				(4,473)
<b>Net assets - ending</b>	<b>\$ 6,503,508</b>	<b>\$ 2,287,688</b>	<b>\$ 1,233,841</b>	<b>\$ 29,859,205</b>	<b>\$ 12,023,812</b>	<b>\$ 39,017,821</b>	<b>\$ 6,595,112</b>	<b>\$ 4,324,880</b>	<b>\$ 2,586,689</b>	<b>\$ (817,606)</b>	<b>\$ 103,614,950</b>

Secretariat for Catholic Charities Health & Human Services

Details of Appropriations  
Year Ended December 31, 2009

	Annual Appeal	Foundation Investments	Total
Funds Provided	\$ 11,100,000	\$ 1,393,823	\$ 12,493,823
Cost of Contracted Fundraising	(1,875,000)	-	(1,875,000)
<b>Funds Available for Distribution</b>	<b>\$ 9,225,000</b>	<b>\$ 1,393,823</b>	<b>\$ 10,618,823</b>
<b>Catholic Charities Health &amp; Human Services</b>			
Secretary for Health & Human Services	\$ 1,138,744	\$ 9,932	\$ 1,148,676
Bishop William Cosgrove Center	175,442	25,000	200,442
Diocesan Social Action Offices	434,102	40,354	474,456
Disabilities Services	156,839	39,344	196,183
Emergency Assistance Services	322,697	58,582	381,279
Emergency Assistance Grants	699	-	699
Marriage and Family Office	308,512	2,942	311,454
Migration and Refugee Services	281,787	25,000	306,787
Ministry to Persons with Disabilities	172,812	40,000	212,812
Parish & Community Ministries	425,281	20,000	445,281
Pastoral Care/Health Affairs	215,208	236,322	451,530
Pro Life Office	61,726	15,000	76,726
St. Philip Neri	80,645	15,000	95,645
Special Ministry to the Aged	90,384	25,000	115,384
Youth and Young Adult Ministry and CYO	359,902	20,000	379,902
<b>Total Catholic Charities Health &amp; Human Services</b>	<b>4,224,780</b>	<b>572,476</b>	<b>4,797,256</b>
<b>Catholic Charities Services Corporation</b>			
Catholic Charities Services - Central	413,900	276,317	690,217
Catholic Charities Services - Cuyahoga	124,533	30,000	154,533
Catholic Charities Services - Lake	5,000	-	5,000
Emergency Assistance Grants	(3,486)	-	(3,486)
Matt Talbot Inn	1,969	-	1,969
Matt Talbot Inn for Women	15,669	-	15,669
Parmadale	92,696	26,100	118,796
<b>Total Catholic Charities Services Corporation</b>	<b>650,281</b>	<b>332,417</b>	<b>982,698</b>
<b>Catholic Charities Community Services Corporation</b>			
Catholic Charities Community Services - Central	998,349	20,000	1,018,349
Catholic Charities Community - Ashland	54,024	22,000	76,024
Catholic Charities Community - Cuyahoga	98,180	61,815	159,995
Catholic Charities Community - Geauga	40,661	22,000	62,661
Catholic Charities Community - Lake	109,502	23,135	132,637
Catholic Charities Community - Lorain	139,062	22,000	161,062
Catholic Charities Community - Medina	64,634	22,000	86,634
Catholic Charities Community - Wayne	20,901	28,084	48,985
Emergency Assistance Grants	(1,667)	-	(1,667)
Fatima Family Center	303,061	23,390	326,451
Hispanic Senior Center	112,410	22,000	134,410
St. Martin DePorres Family Center	347,573	28,572	376,145
St. Philip Neri Family Center	5,181	-	5,181
<b>Total Catholic Charities Services Corporation</b>	<b>2,291,871</b>	<b>294,996</b>	<b>2,586,867</b>
<b>Catholic Charities Facilities Corporation</b>	<b>612,335</b>	<b>-</b>	<b>612,335</b>
<b>CYO and Community Services - Summit</b>	<b>231,418</b>	<b>21,629</b>	<b>253,047</b>
<b>Rose-Mary Center</b>	<b>64,014</b>	<b>63,486</b>	<b>127,500</b>
<b>St. Augustine Manor</b>	<b>1,088,007</b>	<b>108,819</b>	<b>1,196,826</b>
<b>Other allocations</b>			
Birthcare of Medina	1,200	-	1,200
Birthright - Cuyahoga	3,600	-	3,600
Birthright - Geauga	1,200	-	1,200
Birthright - Lake	1,200	-	1,200
Birthright - Lorain	1,200	-	1,200
Pregnancy Care -Summit	1,200	-	1,200
St. Peter's - Loudonville	980	-	980
St. Vincent DePaul Society	49,314	-	49,314
Womankind, Inc.	2,400	-	2,400
<b>Total other allocations</b>	<b>62,294</b>	<b>-</b>	<b>62,294</b>
	<b>\$ 9,225,000</b>	<b>\$ 1,393,823</b>	<b>\$ 10,618,823</b>