



**CATHOLIC CHARITIES OF FAIRFIELD  
COUNTY, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2013 and 2012**

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Catholic Charities of Fairfield County, Inc.  
New York, New York

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Catholic Charities of Fairfield County, Inc. ("Catholic Charities"), which comprise the consolidated statements of financial position as of June 30, 2013 and 2012, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

Catholic Charities' management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities of Fairfield County, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.



New York, New York  
January 14, 2014

Catholic Charities of Fairfield County, Inc.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

<u>ASSETS</u>	June 30,	
	2013	2012
Cash and cash equivalents	\$ 650,249	\$ 1,114,545
Accounts receivable, net	283,465	104,749
Annual Bishop's Appeal pledges receivable	228,502	139,521
Grants receivable	495,415	509,621
Diocese of Bridgeport receivable	1,022,680	705,169
Prepaid expenses	148,172	71,100
Property and equipment, net	1,188,529	923,849
Total assets	<b>\$ 4,017,012</b>	<b>\$ 3,568,554</b>
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable	\$ 286,624	\$ 174,298
Accrued expenses	411,955	435,287
Diocese of Bridgeport payable	525,205	238,745
Refundable advances	127,537	151,442
Conditional asset retirement obligation	49,099	46,990
Total liabilities	<b>1,400,420</b>	<b>1,046,762</b>
Net assets:		
Unrestricted	2,308,415	2,311,077
Temporarily restricted	308,177	210,715
Total net assets	<b>2,616,592</b>	<b>2,521,792</b>
Total liabilities and net assets	<b>\$ 4,017,012</b>	<b>\$ 3,568,554</b>

*The accompanying notes are an integral part of these statements.*

Catholic Charities of Fairfield County, Inc.

**CONSOLIDATED STATEMENTS OF ACTIVITIES**

	Years ended June 30,	
	2013	2012
<b>Changes in Unrestricted Net Assets:</b>		
Public support and related revenue:		
Contributions, Annual Bishop's Appeal, fundraising, parish special collections, in-kind and United Way	\$ 4,138,757	\$ 3,225,348
Net assets released from restrictions	168,721	416,264
Total public support and related revenue	4,307,478	3,641,612
Revenue and grants from governmental agencies	5,174,915	5,153,623
Program revenue:		
Food services	257,269	268,231
Behavioral health services	836,550	891,796
Family services	245,048	292,997
Community services	9,902	9,149
Housing	15,868	16,190
Total program revenue	1,364,637	1,478,363
Other revenue	2,501	28,996
Total revenue	10,849,531	10,302,594
Program expenses:		
Food services	3,547,249	3,152,496
Behavioral health services	1,689,591	1,768,564
Family services	1,623,745	1,680,914
Community services	1,363,476	1,414,041
Housing	1,384,642	1,192,496
Total program expenses	9,608,703	9,208,511
Administration and general	1,109,125	1,442,828
Fundraising	134,365	153,668
Total expenses	10,852,193	10,805,007
Decrease in unrestricted net assets	(2,662)	(502,413)
<b>Changes in Temporarily Restricted Net Assets:</b>		
Annual Bishop's Appeal, United Way and other contributions	266,183	165,011
Net assets released from restrictions	(168,721)	(416,264)
Increase(decrease) in temporarily restricted net assets	97,462	(251,253)
Increase (decrease) in net assets	94,800	(753,666)
Net assets, beginning of year	2,521,792	3,275,458
Net assets, end of year	\$ 2,616,592	\$ 2,521,792

*The accompanying notes are an integral part of these statements.*

**Catholic Charities of Fairfield County, Inc.**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**For the year ended June 30, 2013**

	Compensation and benefits	Professional services	Food, rent and other client assistance	Office, occupancy, communications and equipment	Travel, vehicles, events, conferences and training	Depreciation, amortization and accretion	Other	Total
Food services	\$ 1,359,752	\$ 82,736	\$ 1,460,459	\$ 514,094	\$ 59,664	\$ 69,505	\$ 1,039	\$ 3,547,249
Behavioral health services	1,146,747	183,314	3,216	324,250	19,187	10,718	2,159	1,689,591
Family services	1,330,931	6,527	50,266	206,095	16,683	11,915	1,328	1,623,745
Community services	1,033,925	7,830	61,546	213,275	30,206	15,936	758	1,363,476
Housing	772,629	63,563	401,821	107,790	7,659	30,800	380	1,384,642
Total program services	<u>5,643,984</u>	<u>343,970</u>	<u>1,977,308</u>	<u>1,365,504</u>	<u>133,399</u>	<u>138,874</u>	<u>5,664</u>	<u>9,608,703</u>
Administration and general	796,441	150,117	11,974	112,373	15,153	17,559	5,508	1,109,125
Fundraising	-	-	-	-	-	-	134,365	134,365
Total operating services	<u>\$ 6,440,425</u>	<u>\$ 494,087</u>	<u>\$ 1,989,282</u>	<u>\$ 1,477,877</u>	<u>\$ 148,552</u>	<u>\$ 156,433</u>	<u>\$ 145,537</u>	<u>\$ 10,852,193</u>

In-kind expenses included above are as follows:

Food services	\$ 335,456	\$ 272,972	\$ -	\$ 608,428
Family services	34,610	30,630	-	65,240
Community services	27,465	-	-	27,465
Administration and general	-	169	-	169
Fundraising	-	-	12,705	12,705
	<u>\$ 397,531</u>	<u>\$ 303,771</u>	<u>\$ 12,705</u>	<u>\$ 714,007</u>

*The accompanying notes are an integral part of this statement.*

**Catholic Charities of Fairfield County, Inc.**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**For the year ended June 30, 2012**

	Compensation and benefits	Professional services	Food, rent and other client assistance	Office, occupancy, communications and equipment	Travel, vehicles, events, conferences and training	Depreciation, amortization and accretion	Other	Total
Food services	\$ 1,313,798	\$ 64,597	\$ 1,412,425	\$ 229,390	\$ 62,708	\$ 66,840	\$ 2,738	\$ 3,152,496
Behavioral health services	1,314,075	135,220	3,967	294,183	13,698	6,635	786	1,768,564
Family services	1,340,129	24,913	74,457	198,435	26,571	14,027	2,382	1,680,914
Community services	1,093,384	694	55,785	213,060	33,089	17,278	751	1,414,041
Housing	628,770	49,313	402,279	89,252	6,901	15,981	-	1,192,496
Total program services	<u>5,690,156</u>	<u>274,737</u>	<u>1,948,913</u>	<u>1,024,320</u>	<u>142,967</u>	<u>120,761</u>	<u>6,657</u>	<u>9,208,511</u>
Administration and general	1,075,537	188,300	9,965	124,346	15,780	23,301	5,599	1,442,828
Fundraising	-	50,428	-	24,933	76,091	-	2,216	153,668
Total operating services	<u>\$ 6,765,693</u>	<u>\$ 513,465</u>	<u>\$ 1,958,878</u>	<u>\$ 1,173,599</u>	<u>\$ 234,838</u>	<u>\$ 144,062</u>	<u>\$ 14,472</u>	<u>\$ 10,805,007</u>
In-kind expenses included above are as follows:								
Food services			\$ 307,624	\$ -	\$ -			\$ 307,624
Family services			37,529	30,630	-			68,159
Administration and general			-	190	4,588			4,778
			<u>\$ 345,153</u>	<u>\$ 30,820</u>	<u>\$ 4,588</u>			<u>\$ 380,561</u>

The accompanying notes are an integral part of this statement.

**Catholic Charities of Fairfield County, Inc.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Years ended June 30	
	2013	2012
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 94,800	\$ (753,666)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
In-kind contribution of property	(372,377)	-
Loss from disposal	6,583	-
Depreciation, amortization and accretion	156,433	144,062
Changes in operating assets and liabilities:		
Increase in accounts receivable	(159,502)	(9,496)
(Increase) decrease in Annual Bishop's Appeal pledges receivable	(88,981)	104,442
Decrease (increase) in grants receivable	14,206	(183,699)
(Increase) decrease in receivable/payable from the Diocese of Bridgeport	(31,051)	408,366
Decrease in United Way receivable	-	86,491
(Increase) decrease in prepaid expense	(77,072)	60,991
Increase (decrease) in accounts payable	112,326	(79,339)
(Decrease) increase in accrued expenses	(23,332)	2,741
(Decrease) increase in refundable advances	(23,905)	17,256
Net cash used in operating activities	(391,872)	(201,851)
Cash flows from investing activities:		
Purchase of property and equipment	(72,424)	(166,165)
Net cash used in investing activities	(72,424)	(166,165)
Decrease in cash and cash equivalents	(464,296)	(368,016)
Cash and cash equivalents, beginning of year	1,114,545	1,482,561
Cash and cash equivalents, end of year	\$ 650,249	\$ 1,114,545

*The accompanying notes are an integral part of these statements.*



**Catholic Charities of Fairfield County, Inc.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**NOTE A - ORGANIZATION AND PROGRAMS**

**Organization**

Catholic Charities of Fairfield County, Inc. (the "Organization") is a not-for-profit, non-stock corporation organized under the laws of the State of Connecticut by the Bridgeport Roman Catholic Diocesan Corporation (the "Diocese"). The members of the Organization are the Administrator, the Chancellor of the Diocese and the President of the Organization. Prior to May 16, 2012, when he was installed as the Archbishop of the Archdiocese of Baltimore, the Bishop of the Diocese and the three Vicars General of the Diocese were also members of the Organization. Subsequent to June 30, 2013, a new Bishop of the Diocese was installed and a new Vicar General appointed by the Bishop. The Organization has a Board of Directors consisting of the members and up to nineteen lay people.

The Organization is a Section 501(c)(3) not-for-profit organization exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (the "IRC") and has been classified as an organization that is not a private foundation under Section 509(a) of the IRC.

Catholic Charities of Fairfield County Holdings LLC ("CCFCH") was organized as a limited liability company in the State of Connecticut in September 2012 to hold and operate property formally held by the Stratford Coalition for the Homeless, Inc. ("The Stratford Coalition") as more fully described in Note J. The Organization is the sole member of CCFCH.

The accompanying consolidated financial statements include the consolidated financial position, changes in net assets and cash flows of the Organization and CCFCH (collective referred to herein as "Catholic Charities"). All intercompany accounts and transactions have been eliminated in consolidation.

**Programs**

Catholic Charities is composed of five major service groups:

*Food Services*

Food services include the State of Connecticut's two largest soup kitchens, a mobile breakfast program, food pantries, and a congregate and home-delivered meal program for the elderly. Food delivery programs are funded through a combination of government and private grants, voluntary individual and corporate contributions, fund-raising activities, support from the Diocese, and local United Way contributions.

**Catholic Charities of Fairfield County, Inc.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**NOTE A (continued)**

*Behavioral Health Services*

Behavioral health services programs provide family and individual counseling throughout Fairfield County, Connecticut. Behavioral health services have district offices in Bridgeport, Danbury, Norwalk and Stamford, Connecticut. These offices are funded primarily through support from the Diocese, third-party insurance payments, individual user fees, local United Way contributions, fundraising activities and voluntary individual contributions.

*Family Services*

Family services programs provide school-readiness for children who would otherwise not receive pre-school preparation through the Room to Grow Early Childhood Education Center, as well as a full array of Family Directions services including adoption and pregnancy outreach activities. In addition, family services includes immigration outreach services that have been accredited by the U.S. Department of Justice to meet a broad spectrum of challenges normally faced by families new to the United States. Outreach to the Hispanic and senior citizen populations is another service offered through the Catholic Charities family services programs. These programs are funded through a combination of government and private grants, family tuition and fees, support from the Diocese, individual and corporate contributions, fundraising activities, and local United Way contributions.

*Community Services*

Community services programs provide assistance, training, and counseling to the chronically homeless and individuals dealing with substance abuse and mental health issues, as well as family support services. Community services programs are funded with grants awarded through the Connecticut Department of Mental Health and Addiction Services, other government grants, support from the Diocese, and corporate and individual contributions.

*Housing Services*

Housing services programs provide rental assistance and support services to formerly homeless families and individuals who have documented disabilities. The support services assist these families and individuals with life skills as they move towards self-sufficiency. Housing programs consist of a network of both transitional and permanent housing and are funded with grants awarded through the U.S. Department of Housing and Urban Development, the Connecticut Department of Mental Health and Addiction Services, the Connecticut Department of Social Services, support from the Diocese and client rental payments.

Catholic Charities of Fairfield County, Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Presentation*

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under these principles, the preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net assets are classified as unrestricted, temporarily restricted, and permanently restricted, based upon the absence or existence of donor-imposed restrictions limiting the use of the contributed assets as follows:

Unrestricted – Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted – Net assets that are subject to donor-imposed restrictions that either expire with the passage of time or can be fulfilled by the actions of Catholic Charities.

Permanently restricted – Net assets that are subject to donor-imposed restrictions that neither expire with the passage of time nor can be fulfilled by the actions of Catholic Charities. As of June 30, 2013 and 2012, Catholic Charities had no permanently restricted net assets.

Contributions are reported as increases in unrestricted net assets unless use of the related assets are limited by donor-imposed temporary or permanent restrictions. When temporary restrictions either expire with the passage of time or are fulfilled through the actions of Catholic Charities, the related net assets are reclassified to unrestricted net assets and any related expenses are reported as a decrease in unrestricted net assets. Contributions restricted by donors for the acquisition of property and equipment are released from their restrictions when the assets are acquired or constructed. When contribution restrictions expire or are fulfilled in the fiscal year in which the contribution is received, the contribution is reported as an increase in unrestricted net assets.

2. *Cash and Cash Equivalents*

Catholic Charities considers funds in money-market accounts and all highly liquid investments with original maturities of three months or less to be cash equivalents.

Catholic Charities of Fairfield County, Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2013 and 2012

NOTE B (continued)

3. *Property and Equipment*

All capital expenditures in excess of \$2,000 are capitalized. Donated property and equipment are capitalized at their fair market value when received. Property and equipment are depreciated on the straight-line basis over their estimated useful lives as follows:

Buildings	30-40 years
Furniture and fixtures	3-5 years
Automobiles	3-5 years
Computer equipment and software licenses	3-5 years
Leasehold improvements	5-30 years

4. *Refundable Advances*

Refundable advances represent funds received in advance of related program services and expenditures. Both the Family Directions and pre-school programs receive deposits in advance of services provided. Additionally, refundable advances include prepayments for grant funded programs and fundraising events (e.g., golf outings and breakfasts) when the event is scheduled to take place in the following fiscal year.

5. *Conditional Asset Retirement Obligation*

Catholic Charities has a conditional asset retirement obligation for asbestos material associated with property it owns. This obligation is defined as a legal obligation associated with the future retirement of a tangible long-lived asset in which the timing and/or method of settlement is conditional on a future event that may or may not be within the control of Catholic Charities. The present value of this obligation and resulting accretion expense, together with the related asset-retirement cost capitalized, accumulated depreciation, and resulting depreciation expense, are recognized in these consolidated financial statements (Note F).

6. *Government Contract and Client Service Revenue*

Catholic Charities operates under various contracts with government agencies that generally cover a one-year period, subject to annual renewals. The terms of these contracts allow the grantors the right to audit the costs incurred thereunder and to adjust contract funding based upon, among other things, the amount of program income received. Any costs disallowed by the grantor would need to be absorbed by Catholic Charities, and any such adjustments would be recorded when amounts are both probable and estimable. It is the opinion of management that disallowances and adjustments, if any, would not have a material adverse effect on the consolidated financial position, changes in net assets, or cash flows of Catholic Charities.

Client and third-party revenue (including Medicare and Medicaid) is generally recognized as earned when services are provided.

**Catholic Charities of Fairfield County, Inc.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**NOTE B (continued)**

*7. In-Kind Revenue and Expense*

Catholic Charities recognizes the estimated value of donated food and supplies, certain volunteer services, as well as the estimated value of donated space provided at various locations to conduct program activities as in-kind revenue and in-kind expenses. For fiscal-years 2013 and 2012, Catholic Charities received in-kind contributions in the amounts of \$714,007 and \$380,561, respectively.

*8. Functional Expenses*

The costs of providing the various programs and other activities of Catholic Charities are presented on a functional basis in the accompanying consolidated statements of activities. Certain costs have been allocated among the programs and supporting services benefited based on the nature of such costs. Allocations frequently require the judgment of management.

*9. Subsequent Events*

Management of Catholic Charities considers all accounting treatments, and the related disclosures in the current fiscal-year's consolidated financial statements, that may be required as the result of all events or transactions that occur after the fiscal year-end through the date of the independent auditor's report.

**NOTE C - ACCOUNTS RECEIVABLE**

Catholic Charities has not experienced, and does not expect to experience, significant losses from uncollectibility of the Annual Bishop's Appeal pledges receivable, grants receivable or United Way receivables, or accounts receivable from clients for program services.

**Catholic Charities of Fairfield County, Inc.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**NOTE D - PROPERTY AND EQUIPMENT**

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

	<b>2013</b>	<b>2012</b>
Buildings	\$ 671,451	\$ 482,302
Furniture and fixtures	91,830	68,187
Automobiles	374,025	374,025
Leasehold improvements	1,626,416	1,463,547
Computer equipment and software licenses	72,146	70,055
Land	157,250	57,250
	<b>2,993,118</b>	2,515,366
Less: accumulated depreciation and amortization	<b>(1,822,721)</b>	(1,671,688)
	<b>1,170,397</b>	843,678
Construction in progress	18,132	80,171
	<b>\$ 1,188,529</b>	\$ 923,849

During fiscal-year 2013, Catholic Charities disposed of property and equipment resulting in a loss of disposal of \$6,583. During fiscal-year 2012, Catholic Charities wrote off fully depreciated property and equipment of \$214,589. For fiscal-years ended 2013 and 2012, depreciation and amortization expense totaled \$154,324 and \$141,953, respectively.

**NOTE E - RETIREMENT PLANS**

Effective August 1, 2010, Catholic Charities elected to participate in the Bridgeport Diocesan Defined Contribution Retirement Plan ("BDDCRP"), a multi-employer, non-contributory, defined-contribution retirement plan sponsored by the Diocese. The BDDCRP covers all lay employees of participating Diocesan employers, working at least 20 hours per week, who meet the eligibility requirements of one year of service and 21 years of age. Contributions are for service on and after, August 1, 2010 and range from 3% to 7% of employee's compensation. Catholic Charities obligation is limited to the contribution amount. Contributions by Catholic Charities for the years ended June 30, 2013 and 2012 were \$219,239 and \$249,641, respectively. Termination of Catholic Charities' predecessor defined-contribution retirement plan was completed effective January 1, 2012. Contributions to that plan were frozen in March of 2009, and total assets at December 31, 2012 were \$0.

Catholic Charities also provides a tax-deferred annuity program to all employees. Employees may contribute a specific percentage of their salary up to a maximum allowed by current Internal Revenue Service limits. Catholic Charities does not contribute to this plan. Total employee contributions into this plan for the years ended June 30, 2013 and 2012 were \$86,793 and \$96,767, respectively.

**Catholic Charities of Fairfield County, Inc.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**NOTE F - CONDITIONAL ASSET RETIREMENT OBLIGATION**

The conditional asset retirement obligation related to property owned by Catholic Charities consisted of the following at June 30:

	<u>2013</u>	<u>2012</u>
Balance beginning of the year	\$ 46,990	\$ 44,881
Accretion	2,109	2,109
Balance end of the year	<u>\$ 49,099</u>	<u>\$ 46,990</u>

**NOTE G - LEASE COMMITMENTS - OPERATING**

Catholic Charities rents office space, vehicles and equipment under various operating leases. Aggregated rental expense for fiscal-years ended 2013 and 2012 totaled \$498,773 and \$486,650, respectively, net of sublease rental income of \$15,763 and \$21,434, respectively. Rent commitments expire at various dates through 2024.

Future minimum lease commitments through the next five fiscal years and thereafter are as follows at June 30, 2013:

2014	\$ 491,737
2015	327,448
2016	308,591
2017	236,730
Thereafter	806,837
	<u>\$ 2,171,343</u>

Sublease agreements through June 2015 will reduce occupancy expense by \$5,750.

**Catholic Charities of Fairfield County, Inc.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**NOTE H - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets were as follows at June 30:

	<b>2013</b>	<b>2012</b>
Time restrictions:		
Annual Bishops' Appeal pledges receivable	<b>\$ 228,502</b>	\$ 139,521
	<b>228,502</b>	139,521
Purpose restrictions:		
Maryann Furlong Education Assistance Fund	<b>72,221</b>	47,436
Adnor Capital Management for Merton freezer	-	10,000
Suzanski Foundation for Merton House van	-	5,375
Malta House contribution for Room to Grow	<b>4,367</b>	5,296
Merton Homes furnishings contribution	<b>2,500</b>	2,500
United Way Neighbor-to-Neighbor grants	<b>437</b>	437
Housing	<b>150</b>	150
	<b>79,675</b>	71,194
	<b>\$ 308,177</b>	\$ 210,715

During fiscal-years 2013 and 2012, net assets totaling \$168,721 and \$416,264, respectively, were released from donor restrictions by expenditures satisfying the restricted purpose or expiration of time restrictions.



**Catholic Charities of Fairfield County, Inc.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**NOTE I - PUBLIC SUPPORT AND REVENUE AND GRANTS FROM GOVERNMENTAL AGENCIES**

Public support and revenue and grants from governmental agencies included the following for fiscal-years 2013 and 2012:

	2013	2012
Unrestricted net assets		
Public Support:		
Annual Bishops' Appeal	\$ 1,021,502	\$ 1,110,484
Contributions directly from the public	914,205	843,927
Fundraising events	733,518	608,712
In-kind contributions	714,007	380,561
Diocesan Loaves and Fishes	152,326	147,920
United Way	201,023	103,767
Campaign for Human Development and other parish special collections	29,799	29,977
Stratford Coalition	372,377	-
	4,138,757	3,225,348
Revenue and grants from governmental agencies:		
Southwestern Connecticut Area Agency on Aging	1,404,667	1,381,132
Connecticut Department of Mental Health and Addiction Services	1,753,090	1,730,880
Other State of Connecticut	529,411	613,027
City and local agency pass-through from state and federal government	732,770	875,592
U.S. Department of Housing and Urban Development	754,977	552,992
	5,174,915	5,153,623
Temporarily restricted net assets:		
Public Support:		
Annual Bishop's Appeal	228,502	139,521
Contributions directly from the public	37,681	25,490
	266,183	165,011
Total public support and revenue and grants from governmental agencies	\$ 9,579,855	\$ 8,543,982

**NOTE J - RELATED PARTY TRANSACTIONS**

Catholic Charities receives contributions from the Diocese to fund its operations, as well as proceeds from special collections conducted by parishes of the Diocese (Note I). Additionally, Catholic Charities provides services to Diocesan entities consisting primarily of social services to clergy and to its Catholic schools.

**Catholic Charities of Fairfield County, Inc.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**NOTE J (continued)**

During fiscal-years 2013 and 2012, revenue earned from social services provided to the Roman Catholic Diocese of Bridgeport included in the behavioral health services program revenue was \$27,000 for both years.

Catholic Charities participates in employee-benefit and insurance programs sponsored by the Diocese for all Diocesan entities, and the Diocese provides various services and office space to Catholic Charities. Expenses for these programs and services are as follows for fiscal years 2013 and 2012:

	<b>2013</b>	<b>2012</b>
Employee benefit and insurance programs	<b>\$ 952,762</b>	\$ 1,087,886
Accounting and human resource services	<b>101,519</b>	128,599
Office space and related services	<b>112,268</b>	102,516
Total	<b>\$ 1,166,549</b>	\$ 1,319,001

During fiscal-years 2013 and 2012, employees made contributions to health-care programs of \$145,913 and \$139,871, respectively.

See Note E for discussion of the Bridgeport Diocesan Defined Contribution Retirement Plan.

In October of 2007, Catholic Charities entered into an understanding with The Stratford Coalition for the Homeless, Inc. (“The Stratford Coalition”), a not-for-profit, non-stock corporation formed under the laws of the State of Connecticut to study and meet the needs of the homeless and hungry in Stratford, Connecticut. The understanding included Catholic Charities providing programmatic, facilities, financial, and other management services to The Stratford Coalition. The members of Catholic Charities had become members of The Stratford Coalition, but Catholic Charities had no financial interest in The Stratford Coalition. Direct expenses incurred in fiscal-year 2012 of \$148,023 were reimbursed to Catholic Charities by The Stratford Coalition. In addition, Catholic Charities received a fee from The Stratford Coalition of \$25,000 in fiscal-year 2012, for such management services. In September 2012, the assets (excluding the real property and equipment) and liabilities of The Stratford Coalition were transferred to Catholic Charities. As of the same date, the Stratford Coalition’s real property and equipment were conveyed to a newly formed entity, CCFCH, of which Catholic Charities is the sole member, and The Stratford Coalition subsequently dissolved. As a result, Catholic Charities reported the fair value of the property and equipment of \$353,163 and other assets and liabilities of \$19,214 as public support revenue in the consolidated statement of activities for fiscal 2013. The operations of The Stratford Coalition have been consolidated with the operations of Catholic Charities effective as of such date.

**Catholic Charities of Fairfield County, Inc.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013 and 2012

**NOTE K - CONCENTRATIONS**

Catholic Charities maintains its cash and cash equivalents in bank deposit accounts in amounts which, at times, may exceed federally insured limits. Catholic Charities believes it is not exposed to any significant risk of loss due to the possible failure of the financial institutions who maintain Catholic Charities' assets.

Catholic Charities receives substantial amounts of revenue from the Diocese, the State of Connecticut, and direct and pass-through grants from the federal government and the United Way.

**NOTE L - CONTINGENCIES**

Catholic Charities is a defendant with respect to various claims involving issues arising in the normal course of business. In the opinion of management and its legal counsel, the resolution of these complaints will not have a material impact on the financial position and changes in net assets of Catholic Charities.