

**Catholic Charities of Gallup, Inc.  
(A Nonprofit Organization)  
Financial Statements  
And Supplemental Information  
Year Ending June 30, 2010 and June 30, 2009  
With  
Report of Certified Public Accountant**

**DALE GERBER, CPA P.C.**

*Certified Public Accountant*

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## **Catholic Charities of Gallup, Inc**

In Arizona and New Mexico

503 W. Highway 66 P.O. Box 3146  
Gallup, NM 87305-3146

October, 2010

Dear Friends of Catholic Charities:

As I sit to write to you this year, the news all around us is bleak. The U.S. Census Bureau is reporting the new poverty statistics for 2009. We learn that 14.3% or one in seven Americans live in poverty. More children fell into poverty in 2009 – 20.7 percent. The Number of Hispanics in poverty increased from 23.2 percent to 25.3 percent; for African Americans it increased from 24.7 percent to 25.8 percent. The number of whites in poverty rose from 8.9 percent to 9.4 percent.

The Census Bureau reports that more New Mexican are living in poverty. Only two states have a larger share of their population in poverty. The poverty rate in New Mexico was slightly more than 19 percent, up from 15 percent in 2006-07.

Catholic Charities USA, our umbrella organization, and one of the nation's largest social service network served over 9 million people in 2009, and among other alarming statistics, witnessed a 10 percent increase in the need for basic nutritional, housing and financial services.

But we here at the six agencies of Catholic Charities in the Diocese of Gallup, New Mexico, tucked away in the northwest corner of New Mexico and the northeast corner of Arizona, do not need the Census Bureau or Catholic Charities USA to tell us of the growing poverty in our country. We experience it daily in the lives and stories of the people who enter our agencies seeking assistance, many out of options or for the first time.

We struggled through 2009-2010. One agency went to a four day work-week; there have been no cost of living increases and some have taken time off without pay.

But, we are blessed with dedicated staff who reach out with understanding and compassion and we are able to continue to minister to our brothers and sisters who are marginalized in our community because of the support of our friends and donors.

The following report shares with you the financial information of our agencies for the fiscal year July 1, 2009 through June 30, 2010. You will be happy to see that \$.82 of every dollar goes to direct service.

Blessing,

Sister Kathleen Driscoll, DC

Sister Kathleen Driscoll, DC  
Executive Director

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## OFFICIAL ROSTER

Chairperson .....Mrs. Barbara Kozeliski  
Vice Chairperson .....Nestor Griego, CPA  
Treasurer .....Forrest Buffington  
Incorporation Member .....Bishop James S. Wall  
Incorporation Member .....Rev. Matthew Keller  
Incorporation Member .....Deacon James Hoy  
Director .....Fr. Eduardo Espinosa, OFM  
Director .....Gina Nichols  
Director .....Elise Henry  
Director .....Evangeline Price  
Director .....Arlene Wise  
Director .....Rev. Jim Walker  
Executive Director .....Sr. Kathleen Driscoll DC  
Asst. Director/Board Secretary .....Sr. Mary Thurlough DC



**DALE GERBER, CPA PC**

*Certified Public Accountant*

703 W. Apache, Farmington, New Mexico 87401 (505) 327-0074

*Independent Auditor's Report*

Board of Directors,  
Catholic Charities of Gallup, Inc.

We have audited the accompanying statement of financial position of Catholic Charities of Gallup, Inc. (a not-for-profit organization) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Catholic Charities of Gallup, Inc.'s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities of Gallup, Inc. as of June 30, 2010 and 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2010 on our consideration of Catholic Charities of Gallup, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

*Wale Mether CPA PC*

Farmington, New Mexico  
September 14, 2010

## **FINANCIAL STATEMENTS**

**Catholic Charities of Gallup, Inc.**  
**Statement Of Financial Position**  
**June 30, 2010 and 2009**

	2010	2009
<b>ASSETS</b>		
Current Assets:		
Cash and Equivalents	\$ 860,032	\$ 1,083,223
Contract Receivables	110,684	35,470
Interest Receivable	17	766
Inventory	19,213	24,400
Total Current Assets	989,946	1,143,859
Property and Equipment:		
Property and Equipment, at Cost	2,843,271	2,658,884
Less Accumulated Depreciation	(925,678)	(809,545)
Net Book Value	1,917,593	1,849,339
Investment in Marketable Securities:		
Unrestricted Marketable Securities, at Market	205,707	38,744
Restricted Marketable Securities, at Market	-	78,850
Total Investments	205,707	117,594
<b>Total Assets</b>	<b>\$ 3,113,246</b>	<b>\$ 3,110,792</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts Payable	\$ 6,230	\$ -
Accrued Expenses	25,269	30,111
Deferred Revenues	9,666	23,000
Long-term Debt Due Within One Year	6,400	6,200
Total Current Liabilities	47,565	59,311
Non Current Liabilities:		
Long-term Debt	163,363	169,266
Total Liabilities	210,928	228,577
Net Assets:		
Unrestricted	2,902,318	2,796,701
Temporarily Restricted	-	85,514
Total Net Assets	2,902,318	2,882,215
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,113,246</b>	<b>\$ 3,110,792</b>

**Catholic Charities of Gallup, Inc.**  
**Statement Of Activities**  
**For the Years Ended June 30, 2010 and 2009**

	2010			2009
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
<b>Unrestricted Revenues and Support:</b>				
<b>Support:</b>				
Grants and Contracts	\$ 1,083,068	\$ -	\$ 1,083,068	\$ 1,129,401
Contributions	162,788	-	162,788	111,034
Donated Goods and Services	351,347	-	351,347	313,991
<b>Total Support</b>	<b>1,597,203</b>	<b>-</b>	<b>1,597,203</b>	<b>1,554,426</b>
<b>Revenue:</b>				
Program Income	44,980	-	44,980	42,998
Interest and Dividends	11,021	-	11,021	15,990
Rent Income	53,253	-	53,253	55,667
Native Hands Co-Op	13,910	-	13,910	27,221
Fundraising Income	2,724	-	2,724	35,865
Other Income	2,369	-	2,369	6,409
<b>Total Revenue</b>	<b>128,257</b>	<b>-</b>	<b>128,257</b>	<b>184,150</b>
<b>Total Unrestricted Revenue and Support</b>	<b>1,725,460</b>	<b>-</b>	<b>1,725,460</b>	<b>1,738,576</b>
<b>Restricted Revenues and Support:</b>				
Contributions	-	-	-	85,012
Earnings from Investments	-	-	-	502
Restricted revenues released from restrictions	85,514	(85,514)	-	-
<b>Total Restricted Revenue and Support</b>	<b>85,514</b>	<b>(85,514)</b>	<b>-</b>	<b>85,514</b>
<b>Total Unrestricted Revenue and Support</b>	<b>1,810,974</b>	<b>(85,514)</b>	<b>1,725,460</b>	<b>1,824,090</b>
<b>Expenses:</b>				
<b>Program Expenses:</b>				
Community Service	389,999	-	389,999	323,438
Emergency Assistance	396,470	-	396,470	392,675
Immigration	75,259	-	75,259	89,114
Native Hands	74,052	-	74,052	98,119
Thrift Store	36,531	-	36,531	40,263
Special Projects	33,689	-	33,689	24,236
Drexel House	72,963	-	72,963	46,440
Transitional Living	189,622	-	189,622	73,402
Teen Parent	128,278	-	128,278	356,043
<b>Total Program Expenses</b>	<b>1,396,863</b>	<b>-</b>	<b>1,396,863</b>	<b>1,443,730</b>
Fundraising Expenses	9,582	-	9,582	9,761
Management & General	297,898	-	297,898	311,176
<b>Total Expenses</b>	<b>1,704,343</b>	<b>-</b>	<b>1,704,343</b>	<b>1,764,667</b>
<b>Increase (Decrease) from Operations:</b>				
Unrestricted Net Assets	106,631	-	106,631	(26,091)
Restricted Net Assets	-	(85,514)	(85,514)	85,514
<b>Increase (Decrease) in Net Assets from Operations</b>	<b>106,631</b>	<b>(85,514)</b>	<b>21,117</b>	<b>59,423</b>
<b>Other Changes:</b>				
Gains (Losses) from Investments	(1,014)	-	(1,014)	(5,141)
<b>Change in Net Assets</b>	<b>105,617</b>	<b>(85,514)</b>	<b>20,103</b>	<b>54,282</b>
<b>Net Assets, Beginning of Year</b>	<b>2,796,701</b>	<b>85,514</b>	<b>2,882,215</b>	<b>2,827,933</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,902,318</b>	<b>\$ -</b>	<b>\$ 2,902,318</b>	<b>\$ 2,882,215</b>

See Accompanying Notes.

Catholic Charities of Gallup, Inc.  
Statement of Functional Expenses  
For Year Ended June 30, 2010  
With comparative Totals For the Year Ended 2009

**2010**

	<u>Community Service</u>	<u>Emergency Assistance</u>	<u>Immigration</u>	<u>Native Hands</u>	<u>Thrift Store</u>	<u>Special Projects</u>	<u>Drexel House</u>
Salaries	\$ 78,201	\$ 78,340	\$ 14,840	\$ 27,288	\$ 5,064	\$ 8,040	\$ 28,232
Employee benefits	6,078	6,072	4,575	2,043	388	678	2,401
Donated Services	85,255	40,535	13,425	6,712	18,795	15,000	3,000
Advertising	66	33	735	512	216	-	33
Bank Fees	-	108	-	945	-	-	8
Building Maintenance	8,063	485	984	1,201	130	182	2,222
Casual Labor	160	194	-	-	-	3,464	-
Dues & Subscriptions	42	8	993	-	-	-	8
Equipment Maintenance	107	14	-	-	-	47	-
Miscellaneous	59	32	-	648	100	-	1,345
Insurance	-	293	-	-	-	-	-
Legal & Professional	6,245	-	-	1,578	-	-	-
Office	2,079	1,575	2,138	1,621	-	42	1,545
Postage	64	429	752	124	-	-	46
Program Expense	137,214	244,360	4,602	8,509	3,295	2,198	11,810
Rent	-	-	-	-	-	1,800	-
Stipends	4,020	2,100	23,750	420	1,140	-	-
Telephone	2,272	5,913	2,375	1,804	63	-	2,649
Training	34	95	166	-	-	245	59
Travel	914	1,956	510	2,116	-	-	87
Utilities	14,878	5,096	1,047	7,839	2,504	1,993	3,753
Vehicle Expenses	1,785	227	1,860	-	15	-	33
Loss on Disposal of Assets	-	-	-	-	-	-	-
Depreciation	42,463	8,605	2,507	10,692	4,821	-	15,732
<b>Totals</b>	<b>\$ 389,999</b>	<b>\$ 396,470</b>	<b>\$ 75,259</b>	<b>\$ 74,052</b>	<b>\$ 36,531</b>	<b>\$ 33,689</b>	<b>\$ 72,963</b>

Catholic Charities of Gallup, Inc.  
Statement of Functional Expenses  
For Year Ended June 30, 2010  
With comparative Totals For the Year Ended 2009

	2010						
	<u>Transitional Living</u>	<u>Teen Parent</u>	<u>Total Program</u>	<u>Fund Raising</u>	<u>Manage- ment &amp; General</u>	<u>Total</u>	<u>2009 Total</u>
Salaries	\$ 63,940	\$ 67,499	\$ 371,444	\$ 8,856	\$ 70,039	\$ 450,339	\$ 472,545
Employee benefits	3,702	12,392	38,329	726	11,735	50,790	70,733
Donated Services	-	3,922	186,644	-	60,683	247,327	229,952
Advertising	-	-	1,595	-	984	2,579	2,053
Bank Fees	-	-	1,061	-	894	1,955	1,745
Building Maintenance	8,606	-	21,873	-	10,441	32,314	29,068
Casual Labor	1,122	-	4,940	-	1,442	6,382	16,496
Dues & Subscriptions	-	-	1,051	-	826	1,877	5,999
Equipment Maintenance	-	-	168	-	164	332	577
Miscellaneous	-	-	2,184	-	6,739	8,923	9,861
Insurance	1,824	-	2,117	-	19,061	21,178	18,510
Legal & Professional	775	-	8,598	-	34,887	43,485	25,555
Office	1,244	699	10,943	-	8,659	19,602	13,017
Postage	146	101	1,662	-	1,674	3,336	4,526
Program Expense	31,225	7,866	451,079	-	3,010	454,089	464,778
Rent	-	-	1,800	-	-	1,800	3,400
Stipends	43,721	16,183	91,334	-	17,716	109,050	126,560
Telephone	1,530	1,260	17,866	-	8,585	26,451	24,915
Training	-	-	599	-	2,098	2,697	4,609
Travel	-	-	5,583	-	3,295	8,878	8,311
Utilities	11,163	7,000	55,273	-	15,476	70,749	73,071
Vehicle Expenses	6,459	7,000	17,379	-	5,221	22,600	22,986
Loss on Disposal of Assets	-	-	-	-	-	-	10,200
Depreciation	14,165	4,356	103,341	-	14,269	117,610	125,200
<b>Totals</b>	<b>\$ 189,622</b>	<b>\$ 128,278</b>	<b>\$ 1,396,863</b>	<b>\$ 9,582</b>	<b>\$ 297,898</b>	<b>\$ 1,704,343</b>	<b>\$ 1,764,667</b>

See Accompanying Notes.

Catholic Charities of Gallup, Inc.  
Statement of Functional Expenses  
For Year Ended June 30, 2009  
With comparative Totals For the Year Ended 2008

**2009**

	<u>Community Service</u>	<u>Emergency Assistance</u>	<u>Immigration</u>	<u>Native Hands</u>	<u>Thrift Store</u>	<u>Special Projects</u>	<u>Drexel House</u>
Salaries	\$ 73,972	\$ 77,129	\$ 26,718	\$ 30,259	\$ 5,462	\$ 980	\$ 16,717
Employee benefits	5,593	10,041	5,544	2,315	405	168	1,227
Donated Services	80,357	33,950	14,550	19,400	17,192	15,400	-
Advertising	630	-	-	-	176	-	222
Bank Fees	-	33	44	1,191	-	-	-
Building Maintenance	4,242	991	44	1,913	642	282	2,329
Casual Labor	144	-	-	-	-	1,757	-
Dues & Subscriptions	30	-	600	-	-	-	-
Equipment Maintenance	-	-	-	-	-	-	-
Miscellaneous	77	1,085	458	276	52	-	1,926
Insurance	-	-	-	-	-	-	880
Legal & Professional	5,914	-	-	1,066	-	-	50
Office	734	2,412	764	354	113	15	382
Postage	-	900	354	123	-	-	-
Program Expense	84,862	241,654	2,952	19,249	8,482	937	2,104
Native Hands Co-Op	-	-	-	-	-	-	-
Rent	-	1,000	-	-	-	2,400	-
Stipends	4,755	3,850	25,700	420	385	-	1,750
Telephone	788	5,801	2,141	151	25	-	1,656
Training	-	-	4,091	-	-	-	-
Travel	1,031	1,621	586	2,299	-	-	146
Utilities	14,053	5,631	1,280	8,027	2,565	2,297	3,896
Vehicle Expenses	455	1,302	241	526	8	-	-
Loss on Disposal of Assets	-	-	-	-	-	-	-
Depreciation	45,801	5,275	3,047	10,550	4,756	-	13,155
<b>Totals</b>	<b>\$ 323,438</b>	<b>\$ 392,675</b>	<b>\$ 89,114</b>	<b>\$ 98,119</b>	<b>\$ 40,263</b>	<b>\$ 24,236</b>	<b>\$ 46,440</b>

Catholic Charities of Gallup, Inc.  
Statement of Functional Expenses  
For Year Ended June 30, 2009  
With comparative Totals For the Year Ended 2008

	2009							
	<u>Transitional Living</u>	<u>Teen Parent</u>	<u>Total Program</u>	<u>Fund Raising</u>	<u>Manage- ment &amp; General</u>	<u>Total</u>	<u>2008 Total</u>	
Salaries	\$ 30,601	\$124,031	\$ 385,869	\$ 8,974	\$ 77,702	\$ 472,545	\$ 462,286	
Employee benefits	2,234	16,711	44,238	686	25,809	70,733	93,262	
Donated Services	-	5,753	186,602	-	43,350	229,952	288,028	
Advertising	-	-	1,028	-	1,025	2,053	2,667	
Bank Fees	-	-	1,268	-	477	1,745	696	
Building Maintenance	1,419	1,303	13,165	-	15,903	29,068	30,627	
Casual Labor	1,809	6,941	10,651	-	5,845	16,496	5,079	
Dues & Subscriptions	66	139	835	-	5,164	5,999	1,797	
Equipment Maintenance	-	-	-	-	577	577	171	
Miscellaneous	-	1,302	5,176	-	4,685	9,861	8,194	
Insurance	416	1,338	2,634	-	15,876	18,510	21,557	
Legal & Professional	37	93	7,160	-	18,395	25,555	23,268	
Office	184	1,497	6,455	-	6,562	13,017	14,394	
Postage	85	87	1,549	-	2,977	4,526	3,244	
Program Expense	7,805	92,048	460,093	101	4,584	464,778	621,406	
Native Hands Co-Op	-	-	-	-	-	-	54,781	
Rent	-	-	3,400	-	-	3,400	4,050	
Stipends	19,884	39,301	96,045	-	30,515	126,560	150,057	
Telephone	276	3,006	13,844	-	11,071	24,915	22,494	
Training	194	100	4,385	-	224	4,609	3,673	
Travel	-	147	5,830	-	2,481	8,311	3,023	
Utilities	5,808	11,212	54,769	-	18,302	73,071	73,219	
Vehicle Expenses	2,584	11,355	16,471	-	6,515	22,986	26,695	
Loss on Disposal of Assets	-	9,744	9,744	-	456	10,200	-	
Depreciation	-	29,935	112,519	-	12,681	125,200	108,397	
<b>Totals</b>	<b>\$ 73,402</b>	<b>\$356,043</b>	<b>\$ 1,443,730</b>	<b>\$ 9,761</b>	<b>\$ 311,176</b>	<b>\$1,764,667</b>	<b>\$2,023,065</b>	

**Catholic Charities of Gallup, Inc.**  
**Statement Of Cash Flows**  
**For the Years Ended June 30, 2010 and 2009**

	2010	2009
<b>Cash Flow from Operating Activities:</b>		
Net Increase (Decrease) in Net Assets:	\$ 20,103	\$ 54,282
Adjustments to Reconcile Net Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	117,610	125,200
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(74,465)	124,834
Inventory	5,187	2,136
Accounts Payable and Accrued Expenses	1,388	(129,667)
Deferred Revenue	(13,334)	23,000
Net Cash Provided (Used) by Operating Activities	56,489	199,785
<b>Cash Flows from Investing Activities:</b>		
Loss (Gain) on Marketable Securities	1,014	5,141
Proceeds from Sale of Investments	77,995	53,000
Purchase of Investments	(167,109)	(159,050)
Proceeds from Sale of Fixed Assets	-	12,200
Loss on Disposal of Fixed Assets	-	10,200
Purchases of Fixed Assets	(185,877)	(21,351)
Net Cash Provided (Used) by Investing Activities	(273,977)	(99,860)
<b>Cash Flows from Financing Activities:</b>		
Proceeds from Grants and Contracts to Support Construction Activities	-	-
Proceeds from Long-term Debt	-	-
Payments on Long-term Debt	(5,703)	(29,081)
Net Cash Provided (Used) by Financing Activities	(5,703)	(29,081)
<b>Net Increase (Decrease) in Cash</b>	(223,191)	70,844
<b>Cash at the Beginning of the Year</b>	1,083,223	1,012,379
<b>Cash at the End of the Year</b>	\$ 860,032	\$ 1,083,223
<b>Other Required Disclosures:</b>		
Interest Paid	\$ 1,257	\$ 3,228

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Nature of Organization**

Catholic Charities of Gallup, Inc. (the Organization) was incorporated as a not-for-profit organization under the laws of the State of New Mexico in 1974 to provide public assistance programs and emergency services for persons in the Diocese of Gallup which includes an area in northwestern New Mexico and northeastern Arizona. These services are funded by grants and contracts from various Federal, State, and private sources, and donations from the public. The Organization is controlled by an elected Board of Directors as identified in the accompanying roster. The Organization operates the following six locations.

**Gallup Catholic Charities, Gallup, New Mexico**, provides emergency food, clothing and household goods to those in need. Catholic Indian Center provides support services to Native Americans on and off the reservation. The center also leases office space to various entities in the community. The center offers an immigration assistance service for individuals desiring to become legal citizens. The center has also established a Native Hands Co-Op Gallery of Native American art and crafts available for sale to the public.

**San Juan Catholic Charities, Farmington, New Mexico**, providing emergency financial assistance to the needy and operates a daytime assistance center for the homeless. The center offers an immigration assistance service for individuals desiring to become legal citizens. Drexel house provides transitional housing, counseling, and support services for the homeless.

**Casa San Jose, Grants, New Mexico**, is a residential program providing housing, counseling, and support services for pregnant teens and their babies.

**Talbot House, Chinle, Arizona**, provides counseling and emergency services to individuals and families from the Navajo Reservation who have alcohol and drug conditions. They also operate a shelter for victims of domestic abuse.

**Good Shepard Center, Holbrook, Arizona**, provides emergency assistance, supplemental food assistance, domestic violence shelter, assistance to transients, and counseling to residents of nearby towns and reservations

**White Mountain Catholic Charities, McNary, Arizona**, provides emergency assistance with housing, utilities, food and clothing.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Mission Statement**

We are committed to modeling our service on Gospel values. We uphold the value and dignity of all human life, from conception to natural death. We provide compassionate, respectful and just assistance and service to everyone, especially the poor and vulnerable. We uphold the social teachings of the church and advocate for social justice.

### **Financial Statement Presentation**

The accompanying financial statements have been prepared in conformity with the requirements of an Industry Audit Guide entitled Not-for-Profit Organizations issued by the American Institute of Certified Public Accountants.

The Organization reports information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

### **Contributions and Promises to Give**

Promises to give contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The organization uses the allowance method to determine uncollectible unconditional promises receivable. No allowance has been used since all receivables are considered collectible.

### **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

### **Receivables and Revenue Recognition**

Revenues are recognized when earned based on the terms of the contracts. Management considers the receivables to be fully collectible and accordingly, no allowance for doubtful accounts is required.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Property and Equipment**

Property and equipment are state at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of five to thirty years. Maintenance, repairs and renewals which neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. The Organization capitalizes property and equipment with a life expectancy of over one year and a cost of over \$500.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of six months or less to be cash equivalents. Cash and cash equivalents consist of on demand bank deposits and certificates of deposit.

**Income Taxes**

The Organization has been informed that it is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In an IRS ruling dated March 25, 1948 the agencies are entitled to an exemption from federal income tax under group ruling exemption number 0928. Contributions to the Organization qualify for a 50% deduction under the current regulations of the Internal Revenue Service.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses, and in the supplemental individual fund statement of functional expenses. Certain costs have been allocated to programs based on the estimated cost to provide their services Management and general expenses are based on costs which are not allocable to the specific programs.

**Estimates**

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

Catholic Charities of Gallup, Inc.  
Notes to Financial Statements  
June 30, 2010 and 2009

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**NOTE 2 - PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:	<u>2010</u>	<u>2009</u>
Furniture and fixtures .....	\$131,680	\$133,401
Equipment.....	242,071	200,438
Vehicles .....	137,953	137,953
Buildings and Improvements .....	<u>2,331,567</u>	<u>2,187,092</u>
Total .....	2,843,271	2,658,884
Less accumulated depreciation .....	<u>925,678</u>	<u>809,545</u>
Net Book Value.....	<u>\$1,917,593</u>	<u>\$1,849,339</u>

**NOTE 3 – CONTRACTS RECEIVABLE**

The amount receivable consists of the following:

	<u>2010</u>	<u>2009</u>
Southwest Indian Foundation (Gallup).....	\$ 72,000	\$ -
Optum Health (Casa/Grants).....	3,586	6,244
CYFD (Casa/Grants) .....	-	24,670
Arizona Dept of Housing (McNary) .....	5,143	898
Northern Arizona Council of Governments (McNary).....	-	2,603
Arizona Dept of Housing (Good Shepard) .....	3,767	-
Housing & Urban Development, HUD (San Juan).....	26,188	-
Miscellaneous (Gallup and Good Shepard).....	-	<u>1,055</u>
Total .....	<u>\$ 110,684</u>	<u>\$ 35,470</u>

**NOTE 4 – INVENTORY**

Inventory of \$19,213 and \$24,400 represents Native American art and crafts available for sale in the Gallup Indian Center Store. The inventory is valued at its estimated net realizable value on the specific identification method.

**NOTE 5 - CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of financial institution deposits. The Organization maintains several checking accounts, and certificates of deposit at various separate banking institutions, and investments held by public investment brokerage firms. All deposits are fully insured by FDIC and SIPC insurance.

Catholic Charities of Gallup, Inc.  
Notes to Financial Statements  
June 30, 2010 and 2009

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**NOTE 6 – INVESTMENTS**

Investments consist of the following:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain (Loss)</u>
<b>Gallup:</b>			
Mutual Funds .....	\$93,095	\$93,384	\$ 289
<b>Talbot House:</b>			
Mutual Funds .....	\$12,755	\$12,481	\$ ( 274)
<b>Grants (Casa):</b>			
Mutual Funds .....	<u>101,344</u>	<u>99,842</u>	<u>(1,502)</u>
<b>Totals</b> .....	<b><u>\$207,194</u></b>	<b><u>\$205,707</u></b>	<b><u>\$ (1,487)</u></b>

For the years ending June 30, 2010 and 2009 these mutual funds earned \$2,052 and \$858 in dividends which are reinvested in additional shares. The financial statements have reported these investments at market value with the current year change in unrealized gain and loss reported to other changes to net assets of \$1,014 and \$5,141 loss for the years ended.

During year ending June 30, 2009 mutual funds in Chinle Agency were sold at a realized loss of \$3,800. During year ending June 30, 2010 treasury bills in Holbrooks Agency were sold at a realized loss of \$869.

**NOTE 7 - CONTINGENCIES AND COMMITMENTS**

The Organization receives substantial financial assistance from government agencies and other organizations. The funds received are generally limited to specific compliance requirements as specified in the grant agreements. The government agencies reserve the right to review the scope of the audit and conduct a follow-up review if deemed necessary. Any disallowed claims resulting from such audits could become a liability of the Organization. The Organization, however, believes that liabilities resulting from disallowed claims, if any, will not be material.

**NOTE 8 – LONG TERM DEBT**

Long term debt consists of the following:

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Mortgage note payable to New Mexico Mortgage Finance Authority, dated 6-20-08 for construction of San Juan Agency Drexel House, \$136,662, non amortizing zero interest forgivable loan at the end of 15 years subject to mortgage covenant conditions, secured by real property, second position to real estate contract	\$136,662	\$ 136,662

Catholic Charities of Gallup, Inc.  
Notes to Financial Statements  
June 30, 2010 and 2009

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**NOTE 9 – LONG TERM DEBT (continued)**

Real estate contract payable to Jack McClain dated 6-29-06 with San Juan Agency for the purchase of Drexel House, original amount of \$62,500 plus interest at 4% at \$633 per month over 120 months beginning 7-29-2006, due 6-29-2016

	<u>33,101</u>	<u>38,804</u>
Total Debt	169,763	175,466
Current portion of long term debt	<u>6,400</u>	<u>6,200</u>
Long term debt due after one year	<u>\$163,363</u>	<u>\$169,266</u>

The future maturities of principal over the next five years beginning with year ending June 30, 2010 are \$6,400, \$6,700, \$6,900, \$7,200, and \$5,900.

**NOTE 10 – ACCUMULATED COMPENSATED ABSENCES**

Accumulated compensated absences consist of employee paid time off earned, but not used. As of June 30, 2010 and 2009 accumulated compensated absences are valued at \$7,611 and \$15,807, respectively. This liability has not been recorded in the financial statements.

**NOTE 11– DONATED GOODS AND SERVICES**

The donation of goods and services are reported in the financial statements as support and expenditures. Donated goods and services are recorded at the fair market value on the date of donation. For the years ending June 30, 2010 and 2009 donated services of \$247,327 and \$229,952, respectively, consist of volunteer and unpaid staff services which contribute significantly to the administrative and program objectives. Donated services has been reported separately as donated services expense and has been valued based on the fair market hourly rate and number of hours contributed by volunteers and staff. For years ending June 30, 2010 and 2009 donated goods of \$104,020 and \$84,039, respectively, have been included with program expenses and consist of food and materials used to provide assistance to the general public. All donated goods and services are unrestricted by the donor.

**NOTE 12– DEFERRED REVENUE**

Deferred revenue as of June 30, 2010 and 2009 consists of \$9,666 and \$23,000, respectively, and includes grant contract amounts received from Daughters of Charity Foundation (\$9,666), and Southwest Indian Foundation (\$23,000). The deferred revenue will be recognized as earned in the following year in accordance with the conditions of the contract.

**NOTE 14—RESTRICTED NET ASSETS**

In year ending June 30, 2009 restricted net assets consisting of cash donations from the general public and other organizations of \$85,012, plus interest of \$502 from investments, was temporarily restricted for the purpose of building facilities for Holbrook Good Shepard Agency. The amount of \$79,610 was invested in securities, whereby, together with the earnings, was used for construction in fiscal year 2010. The acquisition and construction of the building was completed in June, 2010, and accordingly, the restriction was satisfied thereby releasing these funds to unrestricted sources.

**COMPLIANCE SECTION**

**Catholic Charities of Gallup, Inc.  
Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2010**

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>CFDA Federal Number</u>	<u>Pass Through Agency</u>	<u>Expenses</u>
<b><u>U.S. Department of Housing and Urban Development:</u></b>			
Direct :			
Supportive Housing Program	14.235	n/a	\$ 33,188
Passed through State of Arizona Dept of Housing:			
Homelessness Prevention and Rapid Rehousing Program (McNary)	14.257	Arizona Dept Housing	94,381
Homelessness Prevention and Rapid Rehousing Program (Holbrook)	14.257	Arizona Dept Housing	83,672
 Total U.S. Department of Housing and Urban Development			<u>211,241</u>
<b><u>Federal Emergency Mangement Agency:</u></b>			
Passed through local United Way:			
Emergency Food & Shelter	97.024	United Way	<u>38,056</u>
 Total Federal Awards			<u>\$ 249,297</u>

**SEE NOTES TO THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS**

Catholic Charities of Gallup, Inc.  
Notes to Financial Statements  
June 30, 2010

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**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Catholic Charities of Gallup, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**DALE GERBER, CPA PC**

*Certified Public Accountant*

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Catholic Charities of Gallup, Inc.

We have audited the financial statements of Catholic Charities of Gallup, Inc., as of and for the year ended June 30, 2010, and have issued our report thereon dated September 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

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

We noted certain matters that we reported to management of Catholic Charities of Gallup, Inc. in a separate letter dated September 10, 2010.

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

*Walter G. Hunter CPA PC*  
Farmington, New Mexico  
September 14, 2010

Catholic Charities of Gallup, Inc.  
Summary of Audit Results and Findings  
Year ended June 30, 2010

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**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. No deficiencies in internal controls were disclosed during the audit of the financial statements.
3. No instances of noncompliance to the financial statements were disclosed during the audit.
4. No major federal award programs are reported.
5. The threshold for distinguishing Types A and B programs was \$300,000.
6. The organization was determined to be a low-risk auditee.

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

No current year findings.

No prior year findings.

## **SUPPLEMENTAL INFORMATION**

**Catholic Charities of Gallup, Inc.**  
**Combining Individual Fund Statement Of Financial Position**  
**June 30, 2010 and 2009**

	Gallup	Holbrook	Farmington	Grants	Chinle	McNary	Totals	
							2010	2009
<b>ASSETS</b>								
Current Assets:								
Cash and Equivalents	\$ 162,919	\$ 61,862	\$ 49,574	\$ 363,855	\$ 78,559	\$ 143,263	\$ 860,032	\$ 1,083,223
Contract Receivables	72,000	3,767	26,188	3,586		5,143	110,684	35,470
Interest Receivable	17	-	-	-			17	766
Inventory	19,213	-	-	-			19,213	24,400
<b>Total Current Assets</b>	<b>254,149</b>	<b>65,629</b>	<b>75,762</b>	<b>367,441</b>	<b>78,559</b>	<b>148,406</b>	<b>989,946</b>	<b>1,143,859</b>
Property and Equipment:								
Property and Equipment, at Cost	1,517,207	150,394	706,740	384,616	65,136	19,178	2,843,271	2,658,884
Less Accumulated Depreciation	(440,825)	(5,910)	(102,363)	(318,914)	(52,456)	(5,208)	(925,678)	(809,545)
<b>Net Book Value</b>	<b>1,076,382</b>	<b>144,484</b>	<b>604,377</b>	<b>65,702</b>	<b>12,678</b>	<b>13,970</b>	<b>1,917,593</b>	<b>1,849,339</b>
Marketable Securities, at Market	93,384	-	-	99,842	12,481	-	205,707	117,594
<b>Total Assets</b>	<b>\$ 1,423,915</b>	<b>\$ 210,113</b>	<b>\$ 680,139</b>	<b>\$ 532,985</b>	<b>\$ 103,718</b>	<b>\$ 162,376</b>	<b>\$ 3,113,246</b>	<b>\$ 3,110,792</b>
<b>LIABILITIES AND NET ASSETS</b>								
Current Liabilities:								
Accounts Payable	\$ 6,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,230	\$ -
Accrued Expenses	5,655	1,532	4,250	9,931	1,172	2,729	25,269	30,111
Deferred Revenues	9,666	-	-	-	-	-	9,666	23,000
Long-term Debt Due Within One Year	-	-	6,400	-	-	-	6,400	6,200
<b>Total Current Liabilities</b>	<b>21,551</b>	<b>1,532</b>	<b>10,650</b>	<b>9,931</b>	<b>1,172</b>	<b>2,729</b>	<b>47,565</b>	<b>59,311</b>
Non Current Liabilities:								
Long-term Debt	-	-	163,363	-	-	-	163,363	169,266
<b>Total Liabilities</b>	<b>21,551</b>	<b>1,532</b>	<b>174,013</b>	<b>9,931</b>	<b>1,172</b>	<b>2,729</b>	<b>210,928</b>	<b>228,577</b>
Net Assets:								
Unrestricted	1,402,364	208,581	506,126	523,054	102,546	159,647	2,902,318	2,796,701
Temporarily Restricted	-	-	-	-	-	-	-	85,514
<b>Total Net Assets</b>	<b>1,402,364</b>	<b>208,581</b>	<b>506,126</b>	<b>523,054</b>	<b>102,546</b>	<b>159,647</b>	<b>2,902,318</b>	<b>2,882,215</b>
<b>Total Liabilities and Net Assets</b>	<b>1,423,915</b>	<b>210,113</b>	<b>680,139</b>	<b>532,985</b>	<b>103,718</b>	<b>162,376</b>	<b>\$ 3,113,246</b>	<b>\$ 3,110,792</b>

**Catholic Charities of Gallup, Inc.**  
**Combining Individual Fund Statement Of Activities**  
**For the Year Ended June 30, 2010**  
**With Comparative Totals For the Year Ended 2009**

	2010						2009	
	Gallup	Holbrook	Farmington	Grants	Chinle	McNary	Total	%
<b>Unrestricted Revenues and Support:</b>								
Support:								
Grants and Contracts	\$ 183,266	\$ 169,418	\$ 148,425	\$ 326,411	\$ 64,151	\$ 191,397	\$ 1,083,068	60%
Contributions	37,307	58,507	40,227	6,953	4,081	15,713	162,788	9%
Donated Goods and Services	139,250	130,580	24,105	21,791	1,320	34,301	351,347	19%
<b>Total Support</b>	<b>359,823</b>	<b>358,505</b>	<b>212,757</b>	<b>355,155</b>	<b>69,552</b>	<b>241,411</b>	<b>1,597,203</b>	
<b>Revenue:</b>								
Program Income	22,289	-	13,014	9,227	450	-	44,980	2%
Interest and Dividends	1,792	1,307	15	6,193	1,161	553	11,021	1%
Rent Income	48,567	-	186	-	4,500	-	53,253	3%
Native Hands Co-Op	13,910	-	-	-	-	-	13,910	1%
Fundraising Income	-	1,482	-	1,242	-	-	2,724	0%
Other Income	2,350	-	0	0	19	-	2,369	0%
<b>Total Revenue</b>	<b>88,908</b>	<b>2,789</b>	<b>13,215</b>	<b>16,662</b>	<b>6,130</b>	<b>553</b>	<b>128,257</b>	
<b>Total Unrestricted Revenue and Support</b>	<b>448,731</b>	<b>361,294</b>	<b>225,972</b>	<b>371,817</b>	<b>75,682</b>	<b>241,964</b>	<b>1,725,460</b>	
<b>Restricted Revenues and Support:</b>								
Contributions	-	-	-	-	-	-	-	0%
Earnings from Investments	-	-	-	-	-	-	-	0%
Restricted revenues released from restrictions	-	85,514	-	-	-	-	85,514	5%
<b>Total Restricted Revenue and Support</b>	<b>-</b>	<b>85,514</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,514</b>	
<b>Total Revenue and Support</b>	<b>448,731</b>	<b>446,808</b>	<b>225,972</b>	<b>371,817</b>	<b>75,682</b>	<b>241,964</b>	<b>1,810,974</b>	<b>100%</b>

**Catholic Charities of Gallup, Inc.**  
**Combining Individual Fund Statement Of Activities**  
**For the Year Ended June 30, 2010**  
**With Comparative Totals For the Year Ended 2009**

	2010					2009		
	Gallup	Holbrook	Farmington	Grants	Chinle	McNary	Total	%
<b>Expenses:</b>								
Program Expenses:								
Community Service	119,760	100,130	52,970	-	80,990	36,149	389,999	23%
Emergency Assistance	79,633	132,748	21,464	-	26,972	135,653	396,470	23%
Immigration	36,365	-	38,894	-	-	-	75,259	4%
Native Hands	74,052	-	-	-	-	-	74,052	4%
Thrift Store	36,531	-	-	-	-	-	36,531	2%
Special Projects	-	33,689	-	-	-	-	33,689	2%
Drexel House	-	-	72,963	-	-	-	72,963	4%
Transitional Living	-	-	-	189,622	-	-	189,622	11%
Teen Parent	-	-	-	128,278	-	-	128,278	8%
<b>Total Program Expenses</b>	<b>346,341</b>	<b>266,567</b>	<b>186,291</b>	<b>317,900</b>	<b>107,962</b>	<b>171,802</b>	<b>1,396,863</b>	<b>1,443,730</b>
Fundraising Expenses	-	-	-	-	-	9,582	9,582	1%
Management & General	120,429	44,369	32,963	33,380	12,634	54,123	297,898	17%
<b>Total Expenses</b>	<b>466,770</b>	<b>310,936</b>	<b>219,254</b>	<b>351,280</b>	<b>120,596</b>	<b>235,507</b>	<b>1,704,343</b>	<b>100%</b>
<b>Increase (Decrease) from Operations:</b>								
Unrestricted Net Assets	(18,039)	135,872	6,718	20,537	(44,914)	6,457	106,631	(26,091)
Restricted Net Assets	-	-	-	-	-	-	-	85,514
<b>Total Increase (Decrease) from Operations</b>	<b>(18,039)</b>	<b>135,872</b>	<b>6,718</b>	<b>20,537</b>	<b>(44,914)</b>	<b>6,457</b>	<b>106,631</b>	<b>59,423</b>
<b>Other Changes:</b>								
Gains (Losses) from Investments	1,630	(869)	-	(1,502)	(273)	-	(1,014)	(5,141)
Interagency Transfers in (out)	-	-	-	-	-	-	-	-
<b>Total Other Changes after Operations</b>	<b>1,630</b>	<b>(869)</b>	<b>-</b>	<b>(1,502)</b>	<b>(273)</b>	<b>-</b>	<b>(1,014)</b>	<b>(5,141)</b>
<b>Change in Net Assets</b>	<b>(16,409)</b>	<b>135,003</b>	<b>6,718</b>	<b>19,035</b>	<b>(45,187)</b>	<b>6,457</b>	<b>105,617</b>	<b>54,282</b>
<b>Net Assets, Beginning of Year:</b>								
Unrestricted	1,418,773	73,578	499,408	504,019	147,733	153,190	2,796,701	2,827,933
Restricted	-	-	-	-	-	-	-	-
<b>Net Assets, End of Year:</b>								
Unrestricted	1,402,364	208,581	506,126	523,054	102,546	159,647	2,902,318	2,796,701
Restricted	-	-	-	-	-	-	-	85,514
<b>Total Net Assets, End of Year</b>	<b>\$ 1,402,364</b>	<b>\$ 208,581</b>	<b>\$ 506,126</b>	<b>\$ 523,054</b>	<b>\$ 102,546</b>	<b>\$ 159,647</b>	<b>\$ 2,902,318</b>	<b>\$ 2,882,215</b>

**Gallup Catholic Charities**  
**Individual Fund Statement Of Financial Position**  
**June 30, 2010 and 2009**

	2010	2009
<b>ASSETS</b>		
Current Assets:		
Cash and Equivalents	\$ 162,919	\$ 261,792
Receivables	72,000	454
Interest Receivable	17	513
Inventory	19,213	24,400
<b>Total Current Assets</b>	<b>254,149</b>	<b>287,159</b>
Property and Equipment:		
Property and Equipment, at Cost	1,517,207	1,500,981
Less Accumulated Depreciation	(440,825)	(376,968)
<b>Net Book Value</b>	<b>1,076,382</b>	<b>1,124,013</b>
Marketable Securities, at Market	93,384	38,744
<b>Total Assets</b>	<b>\$ 1,423,915</b>	<b>\$ 1,449,916</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts Payable	\$ 6,230	\$ -
Accrued Expenses	5,655	8,143
Deferred Revenues	9,666	23,000
<b>Total Current Liabilities</b>	<b>21,551</b>	<b>31,143</b>
Net Assets:		
Unrestricted	1,402,364	1,418,773
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,423,915</b>	<b>\$ 1,449,916</b>

**Holbrook (Good Shepard)**  
**Individual Fund Statement Of Financial Position**  
**June 30, 2010 and 2009**

	2010	2009
<b>ASSETS</b>		
Current Assets:		
Cash and Equivalents	\$ 61,862	\$ 78,193
Receivables	3,767	600
Interest Receivable	-	253
<b>Total Current Assets</b>	<b>65,629</b>	<b>79,046</b>
Property and Equipment:		
Property and Equipment, at Cost	150,394	7,957
Less Accumulated Depreciation	(5,910)	(4,847)
<b>Net Book Value</b>	<b>144,484</b>	<b>3,110</b>
Marketable Securities, at Market (Temporarily Restricted)	0	78,850
<b>Total Assets</b>	<b>\$ 210,113</b>	<b>\$ 161,006</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accrued Expenses	\$ 1,532	\$ 1,914
<b>Total Current Liabilities</b>	<b>1,532</b>	<b>1,914</b>
Net Assets:		
Unrestricted	208,581	73,578
Temporarily Restricted	-	85,514
<b>Total Net Assets</b>	<b>208,581</b>	<b>159,092</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 210,113</b>	<b>\$ 161,006</b>

**Farmington (San Juan)**  
**Individual Fund Statement Of Financial Position**  
**June 30, 2010 and 2009**

	2010	2009
<b>ASSETS</b>		
Current Assets:		
Cash and Equivalents	\$ 49,574	\$ 66,309
Receivables	26,188	-
<b>Total Current Assets</b>	<b>75,762</b>	<b>66,309</b>
Property and Equipment:		
Property and Equipment, at Cost	706,740	688,670
Less Accumulated Depreciation	(102,363)	(77,261)
<b>Net Book Value</b>	<b>604,377</b>	<b>611,409</b>
<b>Total Assets</b>	<b>\$ 680,139</b>	<b>\$ 677,718</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts Payable	\$ -	\$ -
Accrued Expenses	4,250	2,844
Long-term Debt Due Within One Year	6,400	6,200
<b>Total Current Liabilities</b>	<b>10,650</b>	<b>9,044</b>
Non Current Liabilities:		
Long-term Debt	163,363	169,266
<b>Total Liabilities</b>	<b>174,013</b>	<b>178,310</b>
Net Assets:		
Unrestricted	506,126	499,408
<b>Total Liabilities and Net Assets</b>	<b>\$ 680,139</b>	<b>\$ 677,718</b>

**Grants (Casa San Jose)**  
**Individual Fund Statement Of Financial Position**  
**June 30, 2010 and 2009**

	2010	2009
<b>ASSETS</b>		
Current Assets:		
Cash and Equivalents	\$ 363,855	\$ 401,465
Receivables	3,586	30,914
<b>Total Current Assets</b>	<b>367,441</b>	<b>432,379</b>
Property and Equipment:		
Property and Equipment, at Cost	384,616	381,263
Less Accumulated Depreciation	(318,914)	(297,124)
<b>Net Book Value</b>	<b>65,702</b>	<b>84,139</b>
Marketable Securities, at Market	99,842	-
<b>Total Assets</b>	<b>\$ 532,985</b>	<b>\$ 516,518</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accrued Expenses	\$ 9,931	\$ 12,499
<b>Total Current Liabilities</b>	<b>9,931</b>	<b>12,499</b>
Net Assets:		
Unrestricted	523,054	504,019
<b>Total Liabilities and Net Assets</b>	<b>\$ 532,985</b>	<b>\$ 516,518</b>

**Chinle (Talbot House)**  
**Individual Fund Statement Of Financial Position**  
**June 30, 2010 and 2009**

	2010	2009
<b>ASSETS</b>		
Current Assets:		
Cash and Equivalents	\$ 78,559	\$ 135,703
Total Current Assets	78,559	135,703
Property and Equipment:		
Property and Equipment, at Cost	65,136	62,635
Less Accumulated Depreciation	(52,458)	(49,152)
Net Book Value	12,678	13,483
Marketable Securities, at Market	12,481	-
<b>Total Assets</b>	<b>\$ 103,718</b>	<b>\$ 149,186</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accrued Expenses	\$ 1,172	\$ 1,453
Total Current Liabilities	1,172	1,453
Net Assets:		
Unrestricted	102,546	147,733
<b>Total Liabilities and Net Assets</b>	<b>\$ 103,718</b>	<b>\$ 149,186</b>

**McNary (White Mountain)**  
**Individual Fund Statement Of Financial Position**  
**June 30, 2010 and 2009**

	2010	2009
<b>ASSETS</b>		
Current Assets:		
Cash and Equivalents	\$ 143,263	\$ 139,761
Receivables	5,143	3,502
<b>Total Current Assets</b>	<b>148,406</b>	<b>143,263</b>
Property and Equipment:		
Property and Equipment, at Cost	19,178	17,378
Less Accumulated Depreciation	(5,208)	(4,193)
<b>Net Book Value</b>	<b>13,970</b>	<b>13,185</b>
<b>Total Assets</b>	<b>\$ 162,376</b>	<b>\$ 156,448</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accrued Expenses	\$ 2,729	\$ 3,258
<b>Total Current Liabilities</b>	<b>2,729</b>	<b>3,258</b>
Net Assets:		
Unrestricted	159,647	153,190
<b>Total Liabilities and Net Assets</b>	<b>\$ 162,376</b>	<b>\$ 156,448</b>

**Gallup Catholic Charities**  
**Individual Fund Statement Of Functional Expenses**  
**For the Year Ended June 30, 2010**  
**With Comparative Totals For the Year Ended 2009**

2010

	<u>Community Service</u>	<u>Emergency Assistance</u>	<u>Immigration</u>	<u>Native Hands</u>	<u>Thrift Shop</u>	<u>Management &amp; General</u>	<u>Total</u>	<u>2009 Total</u>
Salaries	\$ 10,926	\$ 18,656	\$ -	\$ 27,288	\$ 5,064	\$ 27,038	\$ 88,972	\$ 100,001
Employee benefits	882	1,427	1,750	2,043	388	2,698	9,188	19,927
Donated Services	40,275	29,535	13,425	6,712	18,795	25,508	134,250	153,898
Advertising	-	-	702	512	216	107	1,537	1,449
Bank Fees	-	96	-	945	-	54	1,095	1,251
Building Maintenance	5,275	28	984	1,201	130	4,311	11,929	9,201
Casual Labor	-	-	-	-	-	-	-	-
Dues & Subscriptions	31	-	-	-	-	327	358	5,597
Equipment Maintenance	-	-	-	-	-	-	-	-
Miscellaneous	15	29	-	648	100	4,722	5,514	4,899
Insurance	-	-	-	-	-	9,388	9,388	7,926
Legal & Professional	6,245	-	-	1,578	-	18,016	25,839	11,638
Office	150	-	450	1,621	-	2,493	4,714	2,454
Postage	-	208	197	124	-	895	1,424	1,439
Program Expense	3,516	23,345	3,976	8,509	3,295	1,491	44,132	45,330
Rent	-	-	-	-	-	-	-	-
Stipends	4,020	2,100	11,250	420	1,140	7,920	26,850	40,600
Telephone	-	1,741	1,711	1,804	63	3,752	9,071	8,487
Training	-	-	146	-	-	100	246	134
Travel	740	-	-	2,116	-	1,005	3,861	3,924
Utilities	8,192	540	167	7,839	2,504	1,670	20,912	21,414
Vehicle Expenses	-	-	-	-	15	2,828	2,843	3,810
Loss on Disposal of Assets	-	-	-	-	-	-	-	-
Depreciation	39,493	1,928	1,607	10,692	4,821	6,106	64,647	63,787
<b>Totals</b>	<b>\$ 119,760</b>	<b>\$ 79,633</b>	<b>\$ 36,365</b>	<b>\$ 74,052</b>	<b>\$ 36,531</b>	<b>\$ 120,429</b>	<b>\$ 466,770</b>	<b>\$ 507,166</b>

**Holbrook (Good Shepard)**  
**Individual Fund Statement Of Functional Expenses**  
**For the Year Ended June 30, 2010**  
**With Comparative Totals For the Year Ended 2009**

**2010**

	<u>Community Service</u>	<u>Emergency Assistance</u>	<u>Special Projects</u>	<u>Management &amp; General</u>	<u>Total</u>	<u>2009 Total</u>
Salaries	\$ 10,531	\$ 12,579	\$ 8,040	\$ 5,408	\$ 36,558	\$ 38,329
Employee benefits	842	1,006	678	477	3,003	2,903
Donated Services	26,160	9,000	15,000	25,000	75,160	15,400
Advertising	-	-	-	-	-	-
Bank Fees	-	2	-	414	416	64
Building Maintenance	83	258	182	1,165	1,688	1,099
Casual Labor	160	194	3,464	761	4,579	2,208
Dues & Subscriptions	-	-	-	-	-	-
Equipment Maintenance	107	14	47	104	272	32
Miscellaneous	-	-	-	938	938	329
Insurance	-	-	-	1,354	1,354	619
Legal & Professional	-	-	-	3,850	3,850	2,485
Office	439	969	42	296	1,746	1,880
Postage	-	71	-	184	255	272
Program Expense	57,721	102,803	2,198	35	162,757	146,155
Rent	-	-	1,800	-	1,800	2,400
Stipends	-	-	-	1,200	1,200	7,200
Telephone	-	1,195	-	809	2,004	2,341
Training	-	-	245	-	245	-
Travel	-	1,593	-	40	1,633	1,571
Utilities	2,112	2,447	1,993	2,334	8,886	8,953
Vehicle Expenses	1,475	54	-	-	1,529	1,975
Loss on Disposal of Assets	-	-	-	-	-	-
Depreciation	500	563	-	-	1,063	449
<b>Totals</b>	<b>\$ 100,130</b>	<b>\$ 132,748</b>	<b>\$ 33,689</b>	<b>\$ 44,369</b>	<b>\$ 310,936</b>	<b>\$ 236,664</b>

**Farmington (San Juan)**  
**Individual Fund Statement Of Functional Expenses**  
**For the Year Ended June 30, 2010**  
**With Comparative Totals For the Year Ended 2009**

2010

	<u>Community Services</u>	<u>Emergency Assistance</u>	<u>Immigration Program</u>	<u>Drexel House</u>	<u>Management &amp; General</u>	<u>Total</u>	<u>2009 Total</u>
Salaries	\$ 27,350	\$ 10,497	\$ 14,840	\$ 28,232	\$ 7,885	\$ 88,804	\$ 76,441
Employee benefits	2,084	802	2,825	2,401	999	9,111	15,624
Donated Services	-	2,000	-	3,000	3,175	8,175	-
Advertising	66	33	33	33	265	430	437
Bank Fees	-	-	-	8	56	64	108
Building Maintenance	2,225	199	-	2,222	162	4,808	6,248
Casual Labor	-	-	-	-	-	-	1,075
Dues & Subscriptions	11	8	993	8	318	1,338	112
Equipment Maintenance	-	-	-	-	-	-	-
Miscellaneous	-	-	-	1,345	65	1,410	3,228
Insurance	-	-	-	-	2,312	2,312	2,151
Legal & Professional	-	-	-	-	4,177	4,177	3,217
Office	1,490	364	1,688	1,545	3,195	8,282	5,106
Postage	64	27	555	46	208	900	1,186
Program Expense	15,316	1,055	626	11,810	141	28,948	66,214
Rent	-	-	-	-	-	-	-
Stipends	-	-	12,500	-	-	12,500	7,000
Telephone	1,660	113	664	2,649	2,227	7,313	6,759
Training	34	17	20	59	1,537	1,667	4,032
Travel	174	87	510	87	515	1,373	1,121
Utilities	2,326	592	880	3,753	2,813	10,364	9,633
Vehicle Expenses	170	50	1,860	33	63	2,176	1,118
Loss on Disposal of Assets	-	-	-	-	-	-	10,200
Depreciation	-	5,620	900	15,732	2,850	25,102	27,772
<b>Totals</b>	<b>\$ 52,970</b>	<b>\$ 21,464</b>	<b>\$ 38,894</b>	<b>\$ 72,963</b>	<b>\$ 32,963</b>	<b>\$ 219,254</b>	<b>\$ 248,782</b>

**Grants (Casa San Jose)**  
**Individual Fund Statement Of Functional Expenses**  
**For the Year Ended June 30, 2010**  
**With Comparative Totals For the Year Ended 2009**

	<u>2010</u>				<u>2009</u>
	<u>Transitional Living Program</u>	<u>Teen Parent Program</u>	<u>Management &amp; General</u>	<u>Total</u>	<u>Total</u>
Salaries	\$ 63,940	\$ 67,499	\$ 1,220	\$ 132,659	\$ 143,420
Employee benefits	3,702	12,392	1,405	17,499	18,254
Donated Services	-	3,922	-	3,922	7,753
Advertising	-	-	552	552	40
Bank Fees	-	-	84	84	77
Building Maintenance	8,606	-	4,425	13,031	10,555
Casual Labor	1,122	-	30	1,152	11,558
Dues & Subscriptions	-	-	101	101	235
Equipment Maintenance	-	-	-	-	-
Miscellaneous	-	-	94	94	-
Insurance	1,824	-	3,418	5,242	5,406
Legal & Professional	775	-	3,404	4,179	3,897
Office	1,244	699	717	2,660	1,255
Postage	146	101	242	489	268
Program Expense	31,225	7,866	540	39,631	46,932
Rent	-	-	-	-	-
Stipends	43,721	16,183	8,596	68,500	71,760
Telephone	1,530	1,260	250	3,040	2,863
Training	-	-	461	461	294
Travel	-	-	11	11	147
Utilities	11,163	7,000	4,200	22,363	25,028
Vehicle Expenses	6,459	7,000	361	13,820	13,540
Loss on Disposal of Assets	-	-	-	-	-
Depreciation	14,165	4,356	3,269	21,790	29,363
<b>Totals</b>	<b>\$ 189,622</b>	<b>\$ 128,278</b>	<b>\$ 33,380</b>	<b>\$ 351,280</b>	<b>\$ 392,645</b>

**Chinle (Talbot House)**  
**Individual Fund Statement Of Functional Expenses**  
**For the Year Ended June 30, 2010**  
**With Comparative Totals For the Year Ended 2009**

2010

	<u>Community Service</u>	<u>Emergency Assistance</u>	<u>Management &amp; General</u>	<u>Total</u>	<u>2009 Total</u>
Salaries	\$ 21,449	\$ 9,038	\$ 3,466	\$ 33,953	\$ 42,367
Employee benefits	1,613	838	235	2,686	3,983
Donated Services	1,320	-	-	1,320	34,051
Advertising	-	-	-	-	-
Bank Fees	-	-	175	175	116
Building Maintenance	480	-	118	598	1,170
Casual Labor	-	-	-	-	391
Dues & Subscriptions	-	-	-	-	-
Equipment Maintenance	-	-	60	60	-
Miscellaneous	44	-	226	270	656
Insurance	-	-	2,589	2,589	2,363
Legal & Professional	-	-	2,801	2,801	2,335
Office	-	-	355	355	1,026
Postage	-	11	56	67	96
Program Expense	50,614	14,857	-	65,471	23,314
Rent	-	-	-	-	-
Stipends	-	-	-	-	-
Telephone	612	337	55	1,004	1,134
Training	-	-	-	-	-
Travel	-	66	-	66	72
Utilities	2,248	1,208	205	3,661	3,812
Vehicle Expenses	140	123	1,964	2,227	2,543
Loss on Disposal of Assets	-	-	-	-	-
Depreciation	2,470	494	329	3,293	2,880
<b>Totals</b>	<b>\$ 80,990</b>	<b>\$ 26,972</b>	<b>\$ 12,634</b>	<b>\$ 120,596</b>	<b>\$ 122,309</b>

**McNary (White Mountain)**  
**Individual Fund Statement Of Functional Expenses**  
**For the Year Ended June 30, 2010**  
**With Comparative Totals For the Year Ended 2009**

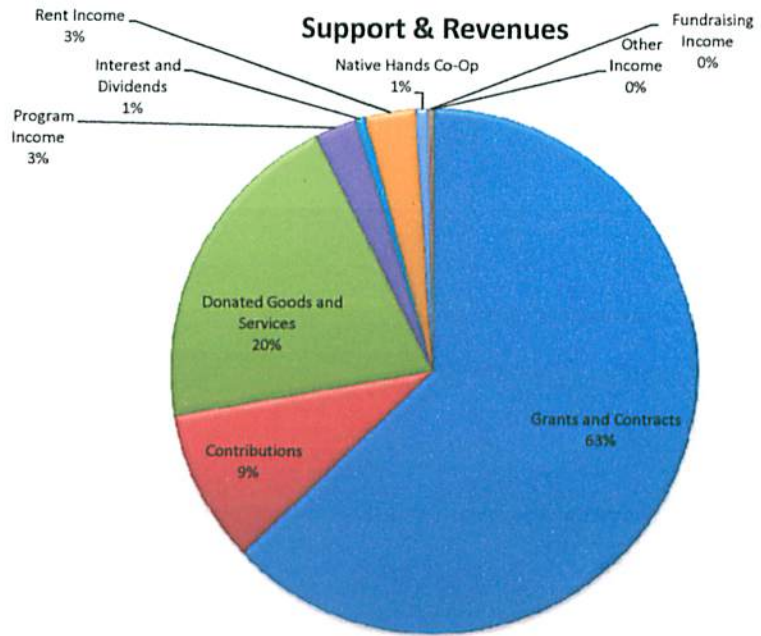
2010

	<u>Community Service</u>	<u>Emergency Assistance</u>	<u>Fund Raising</u>	<u>Management &amp; General</u>	<u>Total</u>	<u>2009 Total</u>
Salaries	\$ 7,945	\$ 27,570	\$ 8,856	\$ 25,022	\$ 69,393	\$ 71,987
Employee benefits	657	1,999	726	5,921	9,303	10,042
Donated Services	17,500	-	-	7,000	24,500	18,850
Advertising	-	-	-	60	60	127
Bank Fees	-	10	-	111	121	129
Building Maintenance	-	-	-	260	260	795
Casual Labor	-	-	-	651	651	1,264
Dues & Subscriptions	-	-	-	80	80	55
Equipment Maintenance	-	-	-	-	-	545
Miscellaneous	-	3	-	694	697	749
Insurance	-	293	-	-	293	45
Legal & Professional	-	-	-	2,639	2,639	1,983
Office	-	242	-	1,603	1,845	1,296
Postage	-	112	-	89	201	1,265
Program Expense	10,047	102,300	-	803	113,150	136,833
Rent	-	-	-	-	-	1,000
Stipends	-	-	-	-	-	-
Telephone	-	2,527	-	1,492	4,019	3,331
Training	-	78	-	-	78	149
Travel	-	210	-	1,724	1,934	1,476
Utilities	-	309	-	4,254	4,563	4,231
Vehicle Expenses	-	-	-	5	5	-
Loss on Disposal of Assets	-	-	-	-	-	-
Depreciation	-	-	-	1,715	1,715	949
<b>Totals</b>	<b>\$ 36,149</b>	<b>\$ 135,653</b>	<b>\$ 9,582</b>	<b>\$ 54,123</b>	<b>\$ 235,507</b>	<b>\$ 257,101</b>

Catholic Charities of Gallup, Inc.  
 Graphic Representations of Support & Revenues, and Expenses  
 For the Year Ended June 30, 2010

Support and Revenues:

Grants and Contracts	\$ 1,083,068
Contributions	162,788
Donated Goods and Services	351,347
Program Income	44,980
Interest and Dividends	11,021
Rent Income	53,253
Native Hands Co-Op	13,910
Fundraising Income	2,724
Other Income	2,369
<b>Total</b>	<b>\$ 1,725,460</b>



Expenses:

Program Expenses:	\$ 389,999
Community Service	128,278
Teen Parent	189,622
Transitional Living	72,963
Drexel House	396,470
Emergency Assistance	75,259
Immigration	74,052
Native Hands	33,689
Special Projects	36,531
Thrift Store	9,582
Fundraising Expenses	297,898
Management & General	1,704,343
<b>Total Expenses</b>	<b>\$ 1,704,343</b>

