

CARITAS OF AUSTIN
(A Nonprofit Corporation)
FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITORS' REPORT

September 30, 2010 and 2009

CARITAS OF AUSTIN
(A Nonprofit Corporation)

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Directors
Caritas of Austin

We have audited the accompanying statements of financial position of Caritas of Austin (a nonprofit corporation) as of September 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 Caritas of Austin's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 Caritas of Austin's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caritas of Austin as of September 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.

In accordance with *Government Auditing Standards* , we have also issued our report dated February 16, 2011, on our consideration of Caritas of Austin's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Achley + Associates, LLP

Austin, Texas

February 16, 2011

CARITAS OF AUSTIN
 STATEMENTS OF FINANCIAL POSITION
 September 30, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	\$ 253,286	\$ 663,556
Restricted cash	184,958	75,236
Certificates of deposit	240,284	250,048
Due from grantor agencies	929,043	652,163
Prepaid expenses and other assets	31,314	9,761
Property and equipment, net of accumulated depreciation	1,362,928	1,432,498
Total assets	\$ 3,001,813	\$ 3,083,262
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 66,516	\$ 46,335
Grants payable	35,975	11,807
Accrued expenses	146,877	124,793
Deferred revenues	222,417	287,677
Total liabilities	471,785	470,612
Net assets		
Unrestricted	2,042,561	2,197,664
Temporarily restricted	487,467	414,986
Total net assets	2,530,028	2,612,650
Total liabilities and net assets	\$ 3,001,813	\$ 3,083,262

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

CARITAS OF AUSTIN
STATEMENT OF ACTIVITIES
Year ended September 30, 2010

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Support and revenue			
Grants	\$ -	\$ 6,313,747	6,313,747
Donations and other income	1,264,208	691,789	1,955,997
Special events income	443,479	-	443,479
In-kind revenues	304,179	-	304,179
Unrealized gain on investments	-	-	-
Interest income	4,789	-	4,789
Other revenue	23,207	-	23,207
Net assets released from restrictions	6,933,055	(6,933,055)	-
Total support and revenue	8,972,917	72,481	9,045,398
Expenses			
Direct client services	4,271,590	-	4,271,590
Fundraising	596,409	-	596,409
Supporting services	3,946,588	-	3,946,588
In-kind expenses	304,179	-	304,179
Total expenses	9,118,766	-	9,118,766
Change in net assets before transfer to Austin Community Foundation	(145,849)	72,481	(73,368)
Transfer to Austin Community Foundation	(9,254)	-	(9,254)
Change in net assets	(155,103)	72,481	(82,622)
Net assets at beginning of year	2,197,664	414,986	2,612,650
Net assets at end of year	\$ 2,042,561	\$ 487,467	\$ 2,530,028

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

CARITAS OF AUSTIN
STATEMENT OF ACTIVITIES
Year ended September 30, 2009

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Support and revenue			
Grants	\$ -	\$ 4,203,844	\$ 4,203,844
Donations and other income	1,749,596	100,000	1,849,596
Special events income	78,416	-	78,416
In-kind revenues	298,304	-	298,304
Realized loss on investments	(339,400)	-	(339,400)
Unrealized gain on investments	133,643	-	133,643
Dividend income	21,871	-	21,871
Interest income	1,620	-	1,620
Other revenue	1,365	-	1,365
Deli revenue	109,345	-	109,345
Net assets released from restrictions	4,227,342	(4,227,342)	-
Total support and revenue	6,282,102	76,502	6,358,604
Expenses			
Direct client services	2,690,202	-	2,690,202
Fundraising	470,380	-	470,380
Supporting services	2,790,288	-	2,790,288
Deli expenses	152,663	-	152,663
In-kind expenses	298,304	-	298,304
Total expenses	6,401,837	-	6,401,837
Change in net assets before transfer to Austin Community Foundation	(119,735)	76,502	(43,233)
Transfer to Austin Community Foundation	(6,788)	-	(6,788)
Change in net assets	(126,523)	76,502	(50,021)
Net assets at beginning of year	2,324,187	338,484	2,662,671
Net assets at end of year	\$ 2,197,664	\$ 414,986	\$ 2,612,650

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

CARITAS OF AUSTIN
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended September 30, 2010

	Unrestricted Net Assets	Temporarily Restricted		
		City of Austin/Travis County Grants	FEMA Food and Shelter Grant	HUD Grants
Direct client assistance				
Food	\$ 4,554	\$ 9,535	\$ 22,985	\$ 2,749
Clothing	-	-	-	-
Rental assistance	58,422	864,506	183,772	710,403
Utilities	72,376	262,825	-	75,031
Translation	27,152	-	-	1,812
Household & furniture	8,781	18,752	-	8,631
Medical	7	1,367	-	588
Transportation	18,866	2,667	-	478
Employment related	2,121	24	-	11
Education	636	-	-	-
Childcare	-	-	-	-
Identification	22	159	-	44
Personal care	901	104	-	357
Substance abuse counseling	30	62,240	-	-
Miscellaneous	1,652	47	-	309
	<u>195,520</u>	<u>1,222,226</u>	<u>206,757</u>	<u>800,413</u>
Program supporting services				
Salaries & benefits	622,237	445,316	-	642,277
Postage & shipping	2,199	1,051	-	435
Printing & publications	822	701	-	815
Communications	12,017	5,322	-	3,907
Rental & maintenance	198,703	7,421	-	1,653
Professional fees	49,953	17,566	-	333,519
Supplies	39,457	23,814	1,006	21,422
Depreciation	21,360	-	-	-
Occupancy	92,140	35,673	-	17,033
Travel & vehicle expense	17,259	3,494	-	6,616
Insurance	6,114	4,107	-	2,855
Other	26,776	53	-	25
	<u>1,089,037</u>	<u>544,518</u>	<u>1,006</u>	<u>1,030,557</u>
Fundraising	596,409	-	-	-
In-kind	304,179	-	-	-
	<u>900,588</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenses	<u><u>\$ 2,185,145</u></u>	<u><u>\$ 1,766,744</u></u>	<u><u>\$ 207,763</u></u>	<u><u>\$ 1,830,970</u></u>

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

Funds					
USCCB Refugee Resettlement Grants	TDHS/ OIRA/TDHCA Grants	Other Temporarily Restricted Funds	Total Temporarily Restricted Funds	In-Kind Donations	2010 Total
\$ 7,421	\$ -	\$ 36,165	\$ 78,855	\$ 183,016	\$ 266,425
-	2,350	-	2,350	20,060	22,410
248,563	-	218,788	2,226,032	975	2,285,429
50,135	-	72,014	460,005	-	532,381
29,298	28,653	1,421	61,184	-	88,336
104,599	-	1,187	133,169	7,148	149,098
62	-	10	2,027	205	2,239
4,515	19,925	5,240	32,825	21,440	73,131
2,255	12,434	511	15,235	837	18,193
595	2,182	2,866	5,643	-	6,279
-	-	-	-	-	-
-	-	19	222	-	244
235,722	757,151	8	993,342	581	994,824
-	-	-	62,240	-	62,270
2,585	-	-	2,941	7,899	12,492
685,750	822,695	338,229	4,076,070	242,161	4,513,751
302,951	391,205	213,593	1,995,342	61,558	2,679,137
967	872	2	3,327	-	5,526
315	419	-	2,250	-	3,072
5,558	2,494	1,049	18,330	-	30,347
3,057	2,247	-	14,378	-	213,081
14,026	115,998	18,905	500,014	-	549,967
21,128	12,844	18,776	98,990	460	138,907
-	-	56,378	56,378	-	77,738
27,961	24,224	12,537	117,428	-	209,568
10,294	11,155	7,079	38,638	-	55,897
2,542	2,532	-	12,036	-	18,150
108	253	-	440	-	27,216
388,907	564,243	328,319	2,857,551	62,018	4,008,606
-	-	-	-	-	596,409
-	-	-	-	(304,179)	-
<u>\$ 1,074,657</u>	<u>\$ 1,386,938</u>	<u>\$ 666,548</u>	<u>\$ 6,933,621</u>	<u>\$ -</u>	<u>\$ 9,118,766</u>

CARITAS OF AUSTIN
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended September 30, 2009

	Unrestricted Net Assets	Temporarily Restricted		
		City of Austin/Travis County Grants	FEMA Shelter and Food Grant	HUD Grants
Direct client assistance				
Food	\$ 18,179	\$ 2,143	\$ 16,254	\$ 530
Clothing	60	-	-	342
Rental assistance	66,023	589,885	188,482	306,619
Utilities	44,876	290,254	-	34,087
Translation	16,309	34	-	423
Household & furniture	4,466	2,255	-	4,198
Medical	79	1,323	-	788
Transportation	6,465	816	-	520
Employment related	695	916	-	3,759
Education	8,762	-	-	17
Childcare	440	-	-	1,659
Identification	(94)	138	-	3,203
Personal care	131	-	-	1,221
Substance abuse counseling	-	66,285	-	515
Miscellaneous	3	433	-	-
	<u>166,394</u>	<u>954,482</u>	<u>204,736</u>	<u>357,881</u>
Program supporting services				
Salaries & benefits	871,400	504,323	-	228,764
Postage & shipping	1,374	1,548	-	550
Printing & publications	532	1,015	-	55
Communications	8,185	6,242	-	2,220
Rental & maintenance	4,775	14,297	-	1,467
Professional fees	39,249	11,917	-	6,497
Supplies	31,755	14,030	8,213	5,256
Depreciation	11,718	-	-	-
Occupancy	86,435	56,365	-	11,626
Travel & vehicle expense	8,181	3,660	608	3,416
Insurance	5,594	6,134	-	2,452
Other	17,556	-	-	47
	<u>1,086,754</u>	<u>619,531</u>	<u>8,821</u>	<u>262,350</u>
Fundraising	470,380	-	-	-
Do Good Deli	152,663	-	-	-
In-kind	298,304	-	-	-
	<u>821,347</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 2,174,495</u>	<u>\$ 1,574,013</u>	<u>\$ 213,557</u>	<u>\$ 620,231</u>

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

Funds					
USCCB Refugee Resettlement Grants	TDHS/ OIRA Grants	Other Temporarily Restricted Funds	Total Temporarily Restricted Funds	In-Kind Donations	2009 Total
\$ 7,253	\$ -	\$ -	\$ 26,180	\$ 116,381	\$ 160,740
69	469	-	880	22,425	23,365
256,608	-	-	1,341,594	3,239	1,410,856
48,350	-	-	372,691	-	417,567
15,862	18,746	-	35,065	-	51,374
67,147	-	-	73,600	12,357	90,423
290	-	-	2,401	-	2,480
4,678	4,698	-	10,712	8,094	25,271
6,269	7,813	-	18,757	4,200	23,652
400	7,853	-	8,270	-	17,032
2,673	-	-	4,332	-	4,772
-	-	-	3,341	-	3,247
123,554	433,777	-	558,552	-	558,683
-	-	-	66,800	-	66,800
125	75	-	633	67,762	68,398
533,278	473,431	-	2,523,808	234,458	2,924,660
271,198	284,127	-	1,288,412	63,846	2,223,658
771	379	-	3,248	-	4,622
86	137	-	1,293	-	1,825
5,542	1,788	-	15,792	-	23,977
968	1,529	-	18,261	-	23,036
6,311	106,868	-	131,593	-	170,842
5,289	4,755	-	37,543	-	69,298
-	-	62,738	62,738	-	74,456
22,999	11,884	-	102,874	-	189,309
15,643	2,760	-	26,087	-	34,268
3,113	2,472	-	14,171	-	19,765
878	-	597	1,522	-	19,078
332,798	416,699	63,335	1,703,534	63,846	2,854,134
-	-	-	-	-	470,380
-	-	-	-	-	152,663
-	-	-	-	(298,304)	-
<u>\$ 866,076</u>	<u>\$ 890,130</u>	<u>\$ 63,335</u>	<u>\$ 4,227,342</u>	<u>\$ -</u>	<u>\$ 6,401,837</u>

CARITAS OF AUSTIN
 STATEMENTS OF CASH FLOWS
 For the years ended September 30, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Change in net assets	\$ (82,622)	\$ (50,021)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation expense	77,738	80,941
Net decrease (increase) in fair value of investments	-	(133,643)
Net loss on sale of investments	-	339,400
Increase in amount due from grantors	(276,880)	(20,386)
Decrease (increase) in prepaid expenses	(21,553)	1,304
Decrease (increase) in inventory	-	3,728
Increase (decrease) in accounts payable	20,181	(49,001)
Increase (decrease) in grants payable	24,168	(6,410)
Increase (decrease) in accrued expenses	22,084	45,131
Increase (decrease) in deferred revenues	(65,260)	246,965
Net cash (used) provided by operating activities	(302,144)	458,008
Cash flows from investing activities:		
(Purchases) proceeds from liquidation of certificates of deposit	9,764	(250,048)
Proceeds from sales of investments	-	449,951
Purchase of property and equipment	(8,168)	(23,376)
Net cash provided by investing activities	1,596	176,527
Cash flows from financing activities:		
Decrease (increase) in collections restricted for specific programs	(109,722)	(16,307)
Net cash used by financing activities	(109,722)	(16,307)
Net increase (decrease) in cash and cash equivalents	(410,270)	618,228
Beginning cash and cash equivalents	663,556	45,328
Ending cash and cash equivalents	\$ 253,286	\$ 663,556
Cash paid for interest and taxes:		
Interest	\$ -	\$ 181
Taxes	\$ -	\$ -

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

CARITAS OF AUSTIN
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

Caritas of Austin (Caritas), a nonprofit organization incorporated in 1977, was founded in 1964 for the purpose of providing basic needs in time of crisis to low-income individuals and families residing in the Austin and Travis County area. Types of assistance are primarily provided in the form of food, rent, utilities, transportation and clothing. Caritas also offers employment assistance and resettlement services for documented refugees. This assistance is provided to encourage self-sufficiency. The main source of revenues for this operation is through donor contributions and grants.

2. FASB ASC 958

Caritas follows the requirements of Accounting Standards Codification (FASB ASC) 958-205-05 (Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*) and FASB ASC 958-605-25 (SFAS No. 116, *Accounting for Contributions Received and Contributions Made*) issued by the Financial Accounting Standards Board, for presentation of its financial statements. FASB ASC 958-205-05 requires that an organization report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, or permanently restricted net assets. In addition, all nonprofit organizations are required to present a statement of cash flows.

FASB ASC 958-605-25 requires that unconditional pledges to give, received from a donor, be recognized as revenues when the pledge is received. Contributions that are restricted by the donor are reported as increases in temporarily restricted net assets. When the restrictions are met, the temporarily restricted net assets are reclassified to unrestricted net assets.

3. Accounts Receivable

The majority of Caritas' accounts receivable is due from federal, state and local grant agencies and is estimated to be collectible, therefore, no estimate for allowance for doubtful accounts is considered necessary.

4. Investments

Caritas accounts for its investments in accordance with FASB ASC 958-320-30 (Statement of Financial Accounting Standards (SFAS) No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*). Under Accounting Standards Codification (ASC) 958, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Debt securities without readily determinable fair values are recorded at amortized cost.

CARITAS OF AUSTIN
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009

NOTE A-NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

5. Equipment, Vehicles and Leasehold Improvements

Some equipment, vehicles and leasehold improvements used by Caritas are either acquired with Federal assistance or are donated to Caritas and subsequently used to fulfill the matching requirements of the various Federal awards. If the Federal award is not renewed in a subsequent year, Caritas may be required to return the related fixed assets to the granting agency or dispose of the fixed assets in a manner allowable under Office of Management and Budget (OMB) Circular A-110, *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Nonprofit Organizations*.

Equipment purchased by Caritas is recorded at cost. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis.

6. Donated Services and Materials

FASB ASC 958-605-25-16 (SFAS No. 116) defines the type of donated services that can be recognized as services that:

- (a) create or enhance non-financial assets, or
- (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Contributed services that do not meet the above criteria shall not be recognized.

Certain contributed services meeting these criteria have been recorded in the accompanying financial statements as contributions and expenditures. A number of other individuals donate a significant amount of time to the organization. However, the value of these services has not been recorded because they do not meet the FASB ASC 958-605-25-16 (SFAS No. 116) criteria.

7. Revenue Recognition

Grants from federal, state and local agencies are considered exchange transactions and are recorded when measurable and available from the funding agencies. Normally this occurs when Caritas has expended the funds in accordance with the terms of the grant. Grant revenues with grantor restrictions are reported as temporarily restricted revenues in the accompanying financial statements.

CARITAS OF AUSTIN
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009

NOTE A-NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

8. Federal Income Tax

Caritas is a nonprofit corporation, not considered to be a private corporation, under Section 501(c)(3) of the Internal Revenue Code and is exempt from Federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code.

Effective October 1, 2009, Caritas adopted FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in financial statements. It also provides guidance for de-recognition, classification, interest, and penalties, accounting in interim periods, disclosure, and transition. The cumulative effect of this change in accounting principle was immaterial.

9. Use of Estimates

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

10. Functional Expenses

For purposes of the Statement of Functional Expenses, Caritas considers its activities to be in three major functions: providing direct services to clients, supporting services, and fundraising. Caritas further accounts for its activities by funding source and program. Most of the funding agencies support both the provision of direct services and supporting services. The funding sources identified in the Statement of Functional Expenses are as follows:

City of Austin/Travis County Grants - Expenditures incurred under the City of Austin and Travis County Health and Human Services Departments grants to provide for food, rent/mortgage, and utility assistance to low income residents.

FEMA Food and Shelter Grants - Expenditures incurred under the Emergency Food and Shelter National Board grant from the U.S. Department of Homeland Security to provide food and rental assistance.

CARITAS OF AUSTIN
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009

NOTE A-NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

10. Functional Expenses (continued)

HUD Grants:

HUD Passages - Expenditures incurred as a sub recipient under The Salvation Army grant from the U.S. Department of Housing and Urban Development Supportive Housing Program to provide case management and other services to homeless persons in Travis County.

HUD ReEntry Grant - Expenditures incurred under a grant from the U.S. Department of Housing and Urban Development to provide case management and other services to homeless persons in Travis County.

HUD My Home Grant - Expenditures incurred under a grant from the U.S. Department of Housing and Urban Development to provide case management and permanent supportive housing to homeless individuals in Travis County.

HUD My Home Too Grant - Expenditures incurred under a grant from the U.S. Department of Housing and Urban Development to provide case management and permanent supportive housing to homeless individuals in Travis County.

HUD Permanent Supportive Housing (PSH) - Expenditures incurred under a grant from the U.S. Department of Housing and Urban Development to provide case management and permanent supportive housing to homeless individuals in Travis County.

HUD Other - Expenditures incurred under a grant from the U.S. Department of Housing and Urban Development to provide housing stabilization to residents experiencing financial difficulty that impacts their ability to remain housed in Travis County.

Refugee Resettlement Grants - Expenditures incurred as a subrecipient under the U.S. Conference of Catholic Bishops grants from the Department of State, Department of Homeland Security and Department of Health and Human Services to resettle documented refugees.

Texas Department of Health and Human Services - Expenditures incurred under Texas Department of Health and Human Services Office of Immigration and Refugee Affairs grants to provide employment related assistance to refugees.

Other Restricted Funds - Expenditures resulting from donations which are restricted in nature, but are not part of a government grant.

Unrestricted funds - Expenditures resulting from donations and grants that do not specify or restrict the usage of monies for specific purposes.

CARITAS OF AUSTIN
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009

NOTE A-NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

11. Concentration of Credit Risk

Caritas receives substantial donations and grants from individuals, organizations, and government entities located in Austin, Texas. Any significant changes in the economic conditions in this area could significantly affect both the funds that would be available to Caritas and the need for its services.

Cash and certificates of deposit are maintained in local banks which may, at times, exceed FDIC insurance limits. At September 30, 2010 and 2009, there was \$0 and \$48, respectively, that exceeded FDIC coverage.

12. Cash Equivalents

For purposes of the statement of cash flows, Caritas considers all cash, certificates of deposit with original maturities of three months or less, and overnight repurchase agreements to be cash equivalents. Overnight repurchase agreements are collateralized by U.S. Government Agency securities.

NOTE B - RESTRICTED CASH

At September 30, 2010 and 2009, restricted cash consists of the following:

	2010	2009
Contributions not yet expended	\$ 92,616	\$ -
Foundation grants not yet expended (b)	56,367	8,301
Grants payable (a)	35,975	11,807
FEMA grant funds not expended (b)	-	55,128
	\$ 184,958	\$ 75,236

(a) - These amounts are offset by grants payable recorded in liabilities.

(b) - These amounts are offset by deferred revenue recorded in liabilities.

CARITAS OF AUSTIN
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009

NOTE C - FAIR VALUE MEASUREMENTS

During the year ended September 30, 2009, Caritas implemented FASB Accounting Standards Codification 820, Fair Value Measurements and Disclosures (FAS-157, Fair Value Measurements), which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2 Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2010.

Certificates of deposit with original maturities exceeding three months are shown at cost, which approximates fair market value.

CARITAS OF AUSTIN
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009

NOTE C - FAIR VALUE MEASUREMENTS-CONTINUED

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Caritas believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, Caritas' assets at fair value as of September 30, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	<u>\$ -</u>	<u>\$ 240,284</u>	<u>\$ -</u>	<u>\$ 240,284</u>

The following table sets forth by level, within the fair value hierarchy, Caritas' assets at fair value as of September 30, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	<u>\$ -</u>	<u>\$ 250,048</u>	<u>\$ -</u>	<u>\$ 250,048</u>

NOTE D - PROPERTY AND EQUIPMENT

At September 30, 2010 and 2009, property and equipment consists of the following:

	<u>2010</u>	<u>2009</u>
Equipment	\$ 372,823	\$ 389,039
Building	<u>1,807,034</u>	<u>1,807,034</u>
	2,179,857	2,196,073
Less accumulated depreciation	<u>(816,929)</u>	<u>(763,575)</u>
	<u>\$ 1,362,928</u>	<u>\$ 1,432,498</u>

Depreciation expense for fiscal year 2010 and 2009 were as follows:

	<u>2010</u>	<u>2009</u>
Caritas	\$ 77,738	\$ 74,456
Do Good Deli	<u>-</u>	<u>6,485</u>
Total depreciation expense	<u>\$ 77,738</u>	<u>\$ 80,941</u>

CARITAS OF AUSTIN
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009

NOTE E - LINE OF CREDIT

In August 2010, Caritas obtained an operating line of credit with a maximum of \$200,000 and an interest rate of 4.75% (prime plus 1.5%). The line of credit matures on August 25, 2011. No draws were made on this line of credit during the year ended September 30, 2010.

NOTE F - TEMPORARILY RESTRICTED ASSETS

At September 30, 2010 and 2009, temporarily restricted net assets consist of the following:

	2010	2009
Program materials	\$ 487,467	\$ 230,064
Building	-	184,922
	\$ 487,467	\$ 414,986

During the years ended September 2010 and 2009, net assets were released from donor restrictions when expenses satisfying the restricted purposes were incurred, or by occurrence of other events specified by donors as follows:

	2010	2009
Program restrictions accomplished	\$ 6,748,133	\$ 4,164,007
Building costs incurred	184,922	63,335
	\$ 6,933,055	\$ 4,227,342

NOTE G - ENDOWMENT FUND

During the 2006 fiscal year, Caritas established the Caritas of Austin Endowment Fund (Fund), a permanent endowment fund, at Austin Community Foundation (ACF). The assets are irrevocably held by ACF and are managed to accomplish the designated charitable purpose. The balance in the Fund as of September 30, 2010 and 2009, was \$109,517 and \$76,328, respectively, which includes transfers from unrestricted and restricted funds during the years ended September 30, 2010 and 2009 of \$9,254 and \$6,788, respectively. Annually, five percent of the Fund's value shall be available for grant pursuant to a letter of instruction from Caritas, but subject to ACF board approval. If the amount available to grant is not distributed in a single year, any remaining balance available to grant will carryover to subsequent years.

NOTE H - COMPENSATED ABSENCES

Employees of Caritas are entitled to paid vacation, depending on the length of service. Employees may carryover up to forty hours of unused vacation time. The liability for accrued vacation was \$39,000 and \$39,000, as of September 30, 2010 and 2009, respectively.

CARITAS OF AUSTIN
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009

NOTE I - DONATED SERVICES AND MATERIALS

Donated services and materials have been recognized and are included in donations in the financial statements for the following components at September 30, 2010 and 2009:

	2010	2009
Donated materials	\$ 242,161	\$ 234,458
Donated services	62,018	63,846
	\$ 304,179	\$ 298,304

Additional donated services have also been given to Caritas, but do not meet the criteria for recognition in the financial statements. The amounts of these donations have an estimated value of \$485,895 and \$448,924, for the years ended September 30, 2010 and 2009, respectively.

NOTE J - DO GOOD DELI

A wholly owned subsidiary of Caritas, Do Good Deli, LLC (Do Good Deli), was a sandwich preparation and delivery business for the downtown Austin area, which began operations in October 2007. The Do Good Deli Board of Directors decided to discontinue the operations of Do Good Deli effective July 31, 2009. As of September 30, 2009, all known expenses of discontinuing the business had been incurred or accrued. For the year ended September 30, 2009, the following revenues and expenses were included in the statement of activities. There were no revenues or expenses during the year ended September 30, 2010.

	2009
Revenues	\$ 109,345
Expenses	
Cost of sales	87,500
Personnel	35,368
Program expenses	5,317
Professional fees	92
Supplies	835
Telephone	2,355
Occupancy	6,188
Vehicle maintenance and operation	1,224
Equipment	627
Printing	162
Dues and subscriptions	373
Bad debt expense	1,630
Shut down expenses	4,507
Depreciation and amortization	6,485
Total expenses	152,663
Do Good Deli net loss	\$ (43,318)

CARITAS OF AUSTIN
NOTES TO FINANCIAL STATEMENTS
September 30, 2010 and 2009

NOTE K - MAJOR FUNDING EVENTS

Due to the scheduling of events and the timing of the fiscal years, Caritas had different major fundraising events in the years ended September 30, 2010 and 2009. In the year ended September 30, 2010, Caritas hosted the Speaker Series and the Penick event. In the year ended September 30, 2009, Caritas hosted only the Speaker Series.

NOTE L - OPERATING LEASES

Caritas leases copiers under long-term, non-cancelable operating lease agreements. Lease expense for the years ended September 30, 2010 and 2009, was \$13,550 and \$9,652, respectively.

The following is a schedule by year of future minimum rental payments required under operating lease agreements:

<u>Year Ending September 30,</u>	<u>Amount</u>
2011	13,550
2012	12,338
2013	6,278
2014	2,616
	<u>\$ 34,782</u>

NOTE M - COMMITMENTS AND CONTINGENCIES

Caritas receives federal and local grants that are subject to reviews and audits by the grantor services. Such audits could lead to requests for reimbursement by the grantor agency for any expenditures disallowed under terms of the grant. Caritas' management believes such disallowances, if any, will be immaterial.

NOTE N - SUBSEQUENT EVENTS

Caritas' management has evaluated subsequent events for disclosure through the date of the Independent Auditors' Report, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

CARITAS OF AUSTIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2010

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Grant/ Contract Number	Contract Period		Federal Expenditures
			From	To	
U.S. Department of Homeland Security:					
Direct programs:					
Emergency Food and Shelter National Board program	97.024	Phase 27	01/01/09	12/31/09	\$ 44,547
	97.024	Phase 28	01/01/10	12/31/10	152,857
					197,404
Emergency Food and Shelter National Board program - ARRA	97.114	N/A	04/01/09	12/31/09	10,359
Pass-through programs from:					
United States Conference of Catholic Bishops:					
Cuban and Haitian Entrant Resettlement Program	97.009	N/A	10/01/09	09/30/10	109,279
Total U.S. Department of Homeland Security					317,042
U.S. Department of State:					
Pass-through programs from:					
United States Conference of Catholic Bishops:					
Reception and Placement Program	19.510	N/A	10/01/09	09/30/10	685,506
Total U.S. Department of State					685,506
U.S. Department of Health and Human Services:					
Pass-through programs from:					
United States Conference of Catholic Bishops:					
Match Grant Program	93.567	N/A	02/01/09	01/31/10	113,121
Match Grant Program	93.567	N/A	02/01/10	01/31/11	166,751
					279,872
Texas Health and Human Services Commission					
Office of Immigration and Refugee Affairs:					
Employment Program	93.566	529-08-0181-00001B	10/01/09	09/30/10	162,725
Refugee Cash Assistance Program	93.566	529-10-0026-00002	10/01/09	09/30/10	948,265
Cuban Discretionary	93.566	529-10-0061-00001	10/01/09	09/30/10	155,987
Targeted Assistance	93.566	529-07-0048-00001R2	01/01/09	12/31/09	13,768
Targeted Assistance	93.566	529-07-0048-00001R3	01/01/10	12/31/10	82,289
					1,363,034
Texas Department of Housing & Community Affairs					
Community Services Block Grant - ARRA	93.710	NG100000001	10/01/09	09/30/10	23,904
Total U.S. Department of Health and Human Services					1,666,810
U.S. Department of Housing and Urban Development:					
Direct programs:					
My Home	14.235	TX0030B6J030801	07/01/09	06/30/10	227,547
My Home	14.235	TX0030B6J030802	07/01/10	06/30/11	93,497
					321,044
Permanent Supportive Housing	14.235	TX0040B6J030801	11/01/08	10/31/09	12,320
Permanent Supportive Housing	14.235	TX0040B6J030802	11/01/09	10/31/10	190,889
					203,209
My Home Too	14.251	TX0031B6J030800	11/01/09	10/31/11	83,842
Pass-through programs from:					
The Salvation Army:					
HUD Passage Program	14.235	Passages	06/01/09	05/31/10	11,026
HUD Passage Program	14.235	Passages	06/01/10	05/31/11	4,637
					15,663

CARITAS OF AUSTIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended September 30, 2010

<u>Federal Grantor/Pass-through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant/ Contract Number</u>	<u>Contract Period</u>		<u>Federal Expenditures</u>
			<u>From</u>	<u>To</u>	
Pass-through programs from:					
Texas Department of Housing & Community Affairs					
HPRP - Housing Locators - ARRA	14.257	NG090000076	09/30/09	09/30/11	74,478
HPRP - Outreach/Intake Specialists - ARRA	14.257	NG090000073	09/30/09	09/30/11	263,762
HPRP - Austin/Travis County Housing					
Stability Collaborative - ARRA	14.257	12090000730	09/01/09	08/31/11	616,093
HPRP - Right at Home - ARRA	14.257	12090000694	09/01/09	08/31/11	252,879
					<u>1,207,212</u>
Total U.S. Department of Housing and Urban Development					<u>1,830,970</u>
Total Expenditures of Federal Awards					<u><u>\$4,500,328</u></u>

See accompanying notes to schedule of expenditures of federal awards.

CARITAS OF AUSTIN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE A - BASIS OF PRESENTATION

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



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

Board of Directors
Caritas of Austin

We have audited the financial statements of Caritas of Austin as of and for the year ended September 30, 2010, and have issued our report thereon dated February 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Caritas of Austin'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 Caritas of Austin's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Caritas of Austin's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

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

Atchley + Associates, LLP

Austin, Texas
February 16, 2011



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Caritas of Austin

Compliance

We have audited the compliance of Caritas of Austin with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010. Caritas of Austin's major federal programs are identified in the summary of auditors' results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Caritas of Austin's management. Our responsibility is to express an opinion on Caritas of Austin's compliance based on our audit.

We conducted our audit of compliance in accordance with accounting standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Caritas of Austin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Caritas of Austin's compliance with those requirements.

In our opinion, Caritas of Austin complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

Internal Control Over Compliance

Management of Caritas of Austin is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Caritas of Austin's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Caritas of Austin's internal control over compliance.

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

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

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

Archley + Associates, LLP

Austin, Texas
February 16, 2011

CARITAS OF AUSTIN
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended September 30, 2010

I. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X No

Identification of major programs:

<u>CFDA No.</u>	<u>Name of Federal Program</u>
14.257	HPRP - Housing Locators - ARRA
14.257	HPRP - Outreach/Intake Specialists - ARRA
14.257	HPRP - Austin/Travis County Housing Stability Collaborative - ARRA
14.257	HPRP - Right at Home - ARRA
19.510	Reception and Placement Program

Dollar threshold used to distinguish between Type A and Type B programs \$ 300,000

Auditee qualified as low-risk auditee? X Yes No

II. Financial Statement Findings

No matters were reported

III. Findings and Questioned Costs for Federal Awards

No matters were reported

CARITAS OF AUSTIN
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended September 30, 2010

Significant Deficiency

2009-1 Participant documentation was not properly maintained or tracked in electronic database to support entries into and exits from the program.

CFDA 14.235 - U.S. Department of Housing and Urban Development ReEntry Program, contract no. TX59B503001R for the grant period July 1, 2008 through June 30, 2009.

Criteria: Internal controls over program compliance should be in place to provide reasonable assurance that (1) documentation is maintained for all participants receiving services under the grant, (2) that the integrity of the data within the Service Point database, which is used to report exit information to HUD, is maintained to ensure that participants are not deleted or if they are deleted that management is aware of the data loss in a timely manner to ensure data recovery, and (3) that clients who exit the program are properly reflected as exit status and not shown as currently on service.

Condition: During our testwork we noted that, in the sample size of 38 participants, 4 participant files were not in compliance with documentation and reporting requirements under the terms of the grant, 5 clients were receiving services as documented eligible participants of grant but were not listed as Re-Entry clients in the Service Point database, 2 clients were listed in Service Point during the grant year, but were not participating in the program, and 2 client files showed that they were receiving services under the Re-Entry program, but their electronic records had been deleted from the Service Point database by the Service Point coordinator for the Austin HUD HMIS, prior to our testwork.

Questioned Costs: \$524 of expenses paid by Caritas were charged to the Re-Entry grant program for clients that were eligible for the Re-Entry program, but were not listed in the Service Point database as participating in the Re-Entry program.

Context: Participant files do not contain documentation to support services provided during the grant year. The Service Point database does not contain all clients served during the year due to data deleted by the Service Point coordinator for the Austin HUD HMIS; therefore the report submitted to HUD did not accurately reflect the participant activity during the grant year.

Cause and Effect: Lack of review of client files during the year to ensure that proper documentation is on file to support services provided under the program. Lack of reconciliation between paper client files and Service Point database to ensure that only clients that are on service are shown in the reports used by management, and that exits from the program are reported to HUD in the proper grant year.

Recommendation: Management should implement controls to ensure that information maintained by the different reporting databases and sources (paper files and Service Point) are reconciled on a regular basis to ensure that any participant data loss is identified in a timely manner to allow for recovery of the data. Management should review the participants listed as participating in the program during the grant year prior to filing reports to HUD to ensure that the numbers in the report accurately reflect the grant year participation and exits. Management should implement a process to perform reviews of the participant files to ensure that documentation supports proper entry to the program, services provided during the grant year, and exit date, if applicable.

CARITAS OF AUSTIN
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended September 30, 2010

Management Response and Corrective Action: This finding relates to inconsistencies in the documentation of client's participation in the Re-Entry program. It is important to note that this relates only to the number of participants reported to HUD and that all payments made from the Re-Entry program were to eligible participants. Additionally, many of the conditions noted resulted from changes made by the Austin HUD HMIS coordinator who is not employed at Caritas. As a part of the community HUD funding, Caritas is required to use this coordinator and give him access to our database.

To correct this problem, management implemented procedures whereby the files (both the paper files and the Service Point files) were reviewed in a peer review process and by the program manager on a regular basis. A reconciliation between the clients listed on Service Point, the paper files and the known participants was conducted on a monthly basis in applicable program meetings.

Status: Resolved