CATHOLIC CHARITIES HAWAII

APPLICATION
FOR GRANTS AND SUBSIDIES

FISCAL YEAR 2012-2013 BUDGET
(JULY 1, 2012 TO JUNE 30, 2013)

House District _____

Senate District _____

THE TWENTY-SIXTH LEGISLATURE
HAWAII STATE LEGISLATURE
APPLICATION FOR GRANTS & SUBSIDIES
CHAPTER 42F, HAWAII REVISED STATUTES

Log No: 9 - 0

For Legislature's Use Only

Type of Grant or Subsidy Request:

☒ GRANT REQUEST – OPERATING ☐ GRANT REQUEST – CAPITAL ☐ SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

"Recipient" means any organization or person receiving a grant or subsidy.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN): _____JUDICIARY_____

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): _____

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:

Dba: Catholic Charities Hawaii

Street Address: 1822 Keeaumoku Street
Honolulu, HI 96822

Mailing Address: : 1822 Keeaumoku Street
Honolulu, HI 96822

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name DARLENE BEATTY

Title Division Administrator

Phone # 808-527-4601

Fax # 808-527-4609

e-mail dbeatty@catholiccharitieshawaii.org

3. TYPE OF BUSINESS ENTITY:

☒ NON PROFIT CORPORATION
☐ FOR PROFIT CORPORATION
☐ LIMITED LIABILITY COMPANY
☐ SOLE PROPRIETORSHIP/INDIVIDUAL

4. FEDERAL TAX ID #: [redacted]
5. STATE TAX ID # [redacted]

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

TO PROVIDE CRISIS INTERVETION, CASE MANAGEMENT, LONG-TERM TREATMENT AND SERVICES TO CHILD VICTIMS OF INTRA-FAMILIA SEXUAL ABUSE AND THEIR FAMILIES AND SEXUALLY REACTIVE CHILDREN ALL IDENTIFIED AS **A GAP GROUP FOR WHICH SERVICES ARE WHICH OTHERWISE UNAVAILABLE** ON OAHU AND THE BIG ISLAND.

7. AMOUNT OF STATE FUNDS REQUESTED:

FY 2012-2013: $ 150,000.00

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

☐ NEW SERVICE (PRESENTLY DOES NOT EXIST)
☒ EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE $_250,000_________
FEDERAL $_____________
COUNTY $_____________
PRIVATE/OTHER $_________

[redacted]

Stella M.Q. Wong, VP of Programs
NAME & TITLE

01-31-12
DATE SIGNED

Table of Contents

Application for Grants and Subsidies

I. Background and Summary

1. A brief description of the applicant's background;

Catholic Social Services was incorporated in Hawai'i in 1947 to assist the Diocese of Honolulu in providing mental health and social services to those in need, regardless of religion, ethnicity, handicap, sex or age. In 1980, the Child Sexual Abuse Treatment Program (CSATP) was created to focus services specifically towards treatment of incest victims and their families using the most current clinical methodology available. In 2004, the organization reorganized as Catholic Charities Hawai'i (CCH) with three divisions; Community and Senior Services, Youth Enrichment Services, and Family & Therapeutic Services. CSATP is now a unit of Family & Therapeutic Services and includes the Safe and Sound program (SAS).

The three program divisions offer a comprehensive array of services throughout the State of Hawai'i for the following:

Division	**Target Population**
Community & Senior Services	Elders, immigrants, unsheltered families, individuals with developmental disabilities
Family and Therapeutic Services	Families and youth, domestic violence victims and offenders
Youth Enrichment Services	Youth with emotional and behavioral problems

CCH provides these services with over 250 employees who have a wide range of job skills and professional training. In addition, its programs use hundreds of volunteers to assist in providing services to some of Hawai'i's most needy families, adults, children, immigrants and refugees.

The agency has a reputation for delivering a continuum of supportive services for Hawai'i's families from infancy to senior status that are responsive, effective and culturally sensitive in all aspects

2. The goals and objectives related to the request;

The goal of this project is to ensure that funding is continued in order to benefit children and their families in need through the Safe and Sound Program (SAS). As of June 30, 2012, $150,000 of the current $250,000 budget is being eliminated due to the expiration of the Rainy Day Funds. This would result in termination of services to the Big Island and reduction of staffing and services on Oahu. This necessary program (SAS) will provide crisis intervention, case management, and long-term treatment and concomitant services to child victims of intrafamilial sexual abuse and their families who are not being served by the Department of Human

Services. It will also provide assessment and treatment for sexually reactive children and for families in which there is child to child sexual abuse. Concomitant services may include trauma assessments, transportation, childcare, and psycho-educational training. All services will be in accordance with best practice tenets in the field of intrafamilial child sexual abuse and sexually reactive children.

3. State the public purpose and need to be served;

The Catholic Charities Hawai'i (CCH) program, Safe and Sound (SAS), provides services and treatment that benefit children and their families that fall within a "gap" group that are not covered under the Child Protective Services system (CPS) of the Department of Human Services (DHS). SAS provides the following:

- Crisis intervention, case management, and long-term treatment and concomitant services, such as trauma assessments, transportation, childcare, and psycho-educational training
- Treatment services for sexually reactive children under the age of 12
- Treatment and case management for families in which there is adolescent (over 12 years) child to child sexual abuse
- Other services such as housing placement and, in collaboration with The Children's Alliance, birthday and Christmas gifts, financial aid for sports, proms, school pictures, field trips, and self-defense classes for the children

4. Describe the target population to be served; and

Children and families within the identified "gap" group on Oahu and the Big Island in which there is CPS and/or Honolulu Police Department (HPD) confirmed intrafamilial child sexual abuse.

5. Describe the geographic coverage.

The Safe and Sound program (SAS) has provided individual and group treatment and concomitant services to approximately 350 families (over 700 individuals) for the past three and one-half years on O'ahu. Services have also been provided to 21 sexually reactive children and their families on the Island of Hawai'i by contractors under the O'ahu SAS program.

II. Service Summary and Outcomes

1. Describe the scope of work, tasks and responsibilities;

1.1 Crisis Outreach and Intervention Services

Crisis outreach and intervention services will be provided on multi-levels by the Safe and Sound Program (SAS). SAS therapists will be notified by DHS, CJC, or HPD, as soon as possible, preferably while the family is still at the CJC that a child/family is being interviewed for child sexual abuse and will most probably be appropriate for the SAS program. Immediately upon notification (by cell phone or beeper, at any time of the day or night), SAS therapists will attempt to meet the family at the CJC or the Outreach Worker may ensure that transportation for the clients to the SAS offices will be available.

Crisis intervention will begin immediately following the referral. Intervention services will be designed to meet the clients' special emotional and case management needs, i.e., safety, legal, law enforcement. This preliminary intervention will be provided at the CJC facility if possible. As individuals and families are processed through this first phase of intervention, they will be prepared through education and guidance to begin participation in the clinical component of their intervention and treatment. Clinical services will be provided by a Master's level therapist who will have responsibilities for individual, group, and family therapy and oversight of the coordination of intervention and treatment services for each individual and family.

After the initial crisis period has passed, efforts will be continued to assure engagement of the family in therapeutic services. SAS realizes that creative attempts to engage the family in services must be employed on a continuing basis in cases where the family's participation is wholly voluntary. Techniques developed by Catholic Charities Hawai'i (CCH) programs providing Early Intervention services to non-CPS families will be adapted to use with clients referred for sexual abuse treatment services. Outreach services could include home visits to "talk story" and bring items the family may need, transportation to other services in which the family may be engaged, and other effective ways of building trust with the family. SAS realizes that the therapeutic process involved in sexual abuse treatment may be painful at times and that families often need special encouragement to persevere. Outreach efforts will assure that no barriers prevent family members from receiving such services.

1.2 Intensive Services to Non-Offending Parent/Caretaker (NOP)

For many parents, finding out that their child has been sexually molested by a family member or spouse is extremely traumatic. It is not unusual for the immediate response to be one of denial and minimization. This natural process allows the parent's psyche time to fully understand and accept the depth and breadth of what has happened in her or his family. Assisting parents in moving out of denial and minimization is a critical step in developing protectiveness and support for the child victim, allowing the child to remain in a safe and supportive home. It also begins the process of assisting the non-offending parent (NOP) in making important decisions about the entire family. Accomplishing this requires immediate and intensive services provided in a discreet and sensitive manner to ensure that neither the victim, NOP, nor siblings experience re-victimization through guilt, blame, or insensitivities from the professional team.

The NOP will be met at the CJC or provided transportation to SAS offices or have a telephone consultation where she or he will be immediately provided counseling, education, and support about the current situation, the dynamics of sexual abuse, and the overall intervention and treatment protocols. If necessary or appropriate during the initial meeting, the Outreach Worker and/or therapist will remain with the NOP for whatever time is necessary to accomplish the goals of reducing or eliminating the aforementioned denial and minimization, while at the same time preparing the individual and family for the clinical component of the intervention and treatment.

To best maximize support, NOP need the opportunity to work with other parents that have endured similar experiences and are in a position to provide tremendously important and relevant support to the new NOP. They need help to negotiate the many problems that follow a disclosure of intrafamilial sexual abuse, not the least of which is to feel that the abuse was not necessarily about them or their abilities as parents. To facilitate this, a peer-mentor program will be available to the client. Since the Child Sexual Abuse Treatment Program (CSATP) has ongoing NOP groups, mentors can be immediately available to SAS parents. CSATP has identified those parents who are in advanced stages of their own treatment and who have volunteered to be peer mentors to new non-offending parents in the SAS program. These mentors are specially trained to maximize the support to new clients.

It is not uncommon for parents of sexually abused children to have been victimized as children themselves. Because so many past victims of child sexual abuse go without treatment, many must deal with their victimization on their own, without the benefit of support groups, therapy or just someone to talk to about their feelings. In many cases, adults molested as children (AMAC) either suppress or remain in denial about their own abuse and the issues it generates. When forced to deal with the molestation of their own children, these suppressed feelings and traumas tend to re-surface and can re-traumatize the NOP. All NOP referred to the SAS program will be assessed for previous abuse and AMAC status. The referral to an AMAC group can be made at any time during the NOP's treatment. Depending on the strength and emotional condition of the NOP, this assessment and referral to an AMAC group can happen immediately upon referral or, as in most cases, after they have begun clinical treatment when their past issues tend to come to the forefront. CSATP has ongoing AMAC groups at all times that are co-facilitated by a SAS therapist.

1.3 Trauma Assessments

Sexual abuse is a traumatizing event regardless of the age or circumstances of the victim and family members. Families experience multiple and complex issues prior to, during, and following a report of child sexual abuse that must be immediately identified so that appropriate intervention plans and methodologies can be developed and implemented.

Upon referral, all victims will be seen for three to five individual sessions in order to do a trauma assessment based on Jan Hindman's model. Issues such as the mother's response to the abuse report, duration of the abuse, amount of coercion and threats used by offender, sensory triggers, victim's ability to identify the offender as being totally responsible for the abuse, and whether a "trauma bond" has been formed will be among those examined in the assessment.

1.4 Individual, Group and Family Treatment

Individual sessions will be provided for all family members in order to assist children and family members in identifying critical trauma issues associated the experiences, to help them explore and express their feelings about the events in their families, and to help them learn about the dynamics of sexual abuse, and that it is never the fault of the victims.

Much of the core therapeutic work with victims and non-offending parents is accomplished in a group setting where they discover that they are not alone, that the abuse was not about them, and where they can experience bonding and find support from others with similar experiences. Dyad and family therapy occurs for clarifications, safety, and prevention planning.

As stated earlier, all primary phase outreach and intervention services will be provided at the CJC, SAS offices, or, as needed and safe, in the home of the victim and family members. In most cases, therapy sessions (group and individual) will be held at the SAS clinical offices. When needed, family members will be provided transportation to SAS in order to provide easy and convenient access to these services. Catholic Charities Hawaiʻi has offices throughout the island of Oʻahu (North Shore, Windward, Honolulu), that could be utilized if necessary. On the Big Island, private contractors offices will be used. Should the need arise, all efforts will be made to provide individual services at these locations, or in the home should the family decide that they will not or cannot receive services at the SAS offices. For group sessions, which are an effective modality of treatment for victims and families, it would not be practical to have a few members in one location and a few in another location. In order for group sessions to be efficacious, members must be willing to meet together. Transportation will be arranged for those who cannot access it. Child care will also be provided. For individuals and families who decide that they will not or cannot attend group sessions, the therapist will provide individual services at places and times most accessible to the individual and family, as well as available to the therapist.

1.5 Treatment for Sexually Reactive Children

Sexually reactive youth must be assessed for both victim and abusive issues, for research indicates that while young children who are sexually acting out with other children are often victims of abuse themselves, not all of them have been victims, and this population needs service providers who are both trained in the treatment of victims *and* young perpetrator dynamics. To our knowledge, only SAS has treatment providers trained and experienced across the broad spectrum of these dynamics. CSATP has been treating juvenile offenders in Hawai'i since 1988. It is critical to meet the special needs of this population as quickly as possible so that these children and adolescents can ameliorate their abuse/perpetrator issues early on in their development, thus creating safety in our communities and families and providing the sexually reactive youth the greatest opportunity not to offend in their later adolescent or adult lives. Services will be provided through individual, group, and family therapy sessions and case management services will be provided for sexually reactive children and their families as needed.

1.6 Treatment and Case Management for Families in which there is Adolescent (over 12 years) Child to Child Sexual Abuse

In SAS, the most immediate treatment focus will be on a safety and prevention plan for the entire family, which may include extended family members being involved for supervision and placement issues. All members of the family will receive individual, and, where appropriate, group therapy for support and for education in the dynamics of sexual abuse. The victim will receive age-appropriate therapy, including group for survivors and will be helped to prepare a scrapbook based on a trauma assessment. The abusive youth will receive individual and group treatment to address abusive issues, will be helped to accept responsibility, learn about thinking errors and boundaries, relapse prevention, and will be helped to prepare clarification for her or his victim and her or his family. Family therapy will begin when clarification is possible, the victim is supported by the family, and family and treating therapists agree that it is appropriate. Such work may begin as dyad therapy (marital therapy, mother/child, child/child). When the family is ready and able to maintain safety, appropriate boundaries, and can discuss healthy sexuality and safety plans, family therapy will ensue. Often, members of the family, for the victim's perception of safety, may have had separate therapists in these cases and at this point family therapy will take place with the victim's therapist as facilitator. Case Management services will be provided to this often conflicted and high risk population. Intensive support, home visits, meeting with extended family, Children's Alliance support for victims, and other needed concomitant services will be provided.

1.7 Case Management Services

Case management services are critical for individuals and families in the early stages of discovery of child sex abuse. The intake worker and therapist will provide assistance in accessing resources such as housing, financial assistance, employment, child care, medical, legal, and other services needed to establish stability within the family. These services will be provided directly or through referrals to community service providers. Thus far, SAS mothers have been offered an array of treatment services that address concurrent issues of domestic violence, adults molested as children issues, economic losses resulting from the offender's removal from the home, and the impact of the abuse on themselves and all their children. Case management services have included assistance with rental deposits, searching for housing, and help with obtaining and moving furniture and other household items. SAS mothers can be referred within the Catholic Charities Hawai'i network of services, which includes immigrant services, elderly services, and emergency funding services. Additionally, SAS therapists make every attempt to support victims and their families through the court process, including accompanying victims to court.

1.8 Referrals

Catholic Charities Hawai'i has developed a wide network of collaborative support and service providers throughout O'ahu. These corollaries and collaborations are key in receiving a wide-range of referrals for sexually abused children and their families. The SAS program will accept referrals from the CJC, SATC, DHS/CPS, HPD, Family Advocacy (of the branches of the military), and other community social services providers, including, on the Big Island, the YWCA.

2. Projected annual timeline for accomplishing the results or outcomes of the service

Output Measurements. The number of unduplicated clients served will be recorded in quarterly reports and will be totaled annually. Most SAS clients successfully complete treatment within one year. (Average treatment duration is 10 months for victims and families of child sexual abuse when the caretaker is protective and believing.)

Outcome Measurements. The effectiveness of services will be measured by percentage of clients attending sessions, percentage of goals achieved (quarterly service plans), standardized pre- and post-program testing, clinical judgment, and client satisfaction.

Annual goals include:

- 90% of clients referred will attend 85% of scheduled sessions
- 90% of clients will complete 85% of service plan goals each quarter
- 90% of clients will benefit from treatment
- 85% of clients will achieve all service plan goals within one year

Reporting. The Program Director will submit written quarterly reports within 30 days after the end of each quarter and year-end reports summarizing output and outcome data, performance accomplishments, challenges, and actual expenditures 45 days after the end of each fiscal year and/or at the end of the contract period.

The Program Director will detail accomplishments, identify persons served during the reporting period, identify any immediate problems, and will identify plans for the next reporting period. In addition to written reports, the Program Director and SAS therapists will meet with representatives of the Judiciary to discuss the progress of the work required.

The Program Director will submit a final written report to the Judiciary at the end of the contract period. The report will include documentation of the overall effort toward meeting the program's goals and objectives. The Program Director will provide, from time to time, any reporting data requested by the Judiciary.

3. Quality assurance and evaluation plans

Outcomes. The outcomes of treatment will be evaluated quarterly by therapist report. The primary goal of treatment will be no re-abuse. The Program Director will make quarterly reports to the Purchase of Service program monitor regarding the numbers of clients who are attending a percentage of sessions and the number of clients who are making satisfactory progress. Progress will be measured by clinical judgment, client self-report, and a standardized measurement (The Outcome Questionnaire, an inventory of life satisfaction factors).

Process. The process of service delivery is evaluated on an on-going basis during weekly supervision by the Program Director and on a quarterly basis by the Quality Assurance committee. The following methods are used to determine effectiveness of Program services:

- **Accreditation Review**. Catholic Charities Hawai'i (CCH) is accredited by the Council on Accreditation for Children and Family Services (COA), a national organization. Every 90 days, the CCH Quality Assurance Committee (the Committee) meets and reviews a percentage of cases randomly selected from each Program. In addition, the Committee meets annually to review the progress of all agency programs towards the goals established by the Committee. All agency programs are evaluated at four-year intervals by a team of three external reviewers from COA.
- **Client Satisfaction Questionnaire**. This instrument is given to clients upon termination from the program and is filled out anonymously. In addition, direct-mail questionnaires are used to follow-up on client situations several months after termination.
- **Worker Satisfaction Questionnaire**. This instrument is sent to stakeholder workers every six months in order to evaluate the effectiveness of service delivery from the perspective of the contracting agencies.
- **Liaison With Contractors**. Regular meetings are scheduled between the SAS staff and the staff of referring agencies to get input on program effectiveness.

- **Regular Supervision of Program Therapists**. Therapists receive regular one-on-one supervision on a weekly basis. In addition, they receive weekly group supervision, with each therapist presenting a case to Program staff on a monthly basis

4. Measurements of effectiveness of services

Output Measurements. The number of unduplicated clients served will be recorded in quarterly reports and will be totaled annually. Most SAS clients successfully complete treatment within one year. (Average treatment duration is 10 months for victims and families of child sexual abuse when the caretaker is protective and believing.)

Outcome Measurements. The effectiveness of services will be measured by percentage of clients attending sessions, percentage of goals achieved (quarterly service plans), standardized pre- and post-program testing, clinical judgment, and client satisfaction.

Annual goals include:

- 90% of clients referred will attend 85% of scheduled sessions
- 90% of clients will complete 85% of service plan goals each quarter
- 90% of clients will benefit from treatment
- 85% of clients will achieve all service plan goals within one year

Reporting. The Program Director will submit written quarterly reports within 30 days after the end of each quarter and year-end reports summarizing output and outcome data, performance accomplishments, challenges, and actual expenditures 45 days after the end of each fiscal year and/or at the end of the contract period.

The Program Director will detail accomplishments, identify persons served during the reporting period, identify any immediate problems, and will identify plans for the next reporting period. In addition to written reports, the Program Director and SAS therapists will meet with representatives of the Judiciary to discuss the progress of the work required.

The Program Director will submit a final written report to the Judiciary at the end of the contract period. The report will include documentation of the overall effort toward meeting the program's goals and objectives. The Program Director will provide, from time to time, any reporting data requested by the Judiciary.

III. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
See Attachment A

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2012-2013.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
$37,500	$37,500	$37,500	$37,500	$150,000

3. The applicant shall provide a listing of all other sources of funding that they are trying to obtain for fiscal year 2012-2013.
N/A

4. The applicant shall provide a listing of all state and federal tax credits that have been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.
N/A

IV. Experience and Capability

A. Necessary Skills and Experience

The Child Sexual Abuse Treatment Program (CSATP) has an extensive history within Catholic Charities Hawai'i. A special Child Protective Service Treatment Unit was first formed through a Department of Social Services and Housing purchase of service contract in 1974. This purchase of service contract with the Department of Human Services (DHS) has been renewed yearly, with timely modifications to re-focus service needs every few years since that time. In 1977, group work services were added to utilize self-help groups for victims, non-offending spouses and perpetrators of sexual abuse, including perpetrators of sibling incest. In 1980, CSATP was created to focus services specifically towards treatment of family members using the most current clinical methodology available.

Since 1990, CSATP has provided quarterly training on the dynamics of child sexual abuse to the Volunteer Guardian Ad Litem Program (VGAL) through a contract with the Judiciary. In addition, CSATP staff regularly provides training to various state and community groups, including local media.

In 1997, CSATP became a part of Therapeutic Services, which also includes the Domestic Violence and Family Counseling components, which are funded by Catholic Charities Hawaiʻi. This has enabled CSATP to offer a continuum of services to all families involved with sexual abuse.

In September, 2003, CSATP was awarded the contract to treat the "gap" group. The "gap" group includes children and families in which there is CPS and/or HPD confirmed intrafamilial child sexual abuse but which are not covered under CPS because CPS deems caretakers to be protective. This program, Safe and Sound (SAS), also provides treatment services for sexually reactive children under the age of 12.

There are two Master's level therapists and one Outreach Worker on Oʻahu and contractors under the Oʻahu SAS program that provide services on Hawaiʻi island. Because of the unique continuum of services available within CSATP and because SAS therapists are trained in the treatment of sexually abusive youth, SAS provides additional services for families in which there is intrafamilial child to child sexual abuse.

The two SAS therapists have a combined 20 years of clinical experience and provide SAS families with individual, group, dyad, and family therapy resulting in over 80% successful clinical discharges of clients and client satisfaction ratings at a very high level.

The Program Director is a clinical member of AAMFT (Association of Marriage and Family Therapists), and ATSA (Association for the treatment of Sexual Abusers), which requires adherence to the Sex Offender Treatment Team (SOTT) guidelines and best practices for treatment of all family members involved with child sexual abuse including the perpetrators.

B. Facilities

Direct clinical treatment services will be provided at the Catholic Charities Hawaiʻi offices at 1822 Keeaumoku Street, Honolulu, and at facilities in Kapolei (Grace Bible Church) and Nanakuli (St. Rita's Church). Program offices include private interview rooms for individual therapy, a family therapy room, a playroom that includes sand tray materials, as well as larger rooms for group therapy sessions. All offices are wheelchair accessible and there is a bathroom that meets ADA requirements. Big Island facilities include the offices of private contractors for both individual and group treatment.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

Proposed Staffing. If GIA is awarded, staffing will continue to be composed of two FTE therapists; one FTE Outreach Worker; one 0.10 FTE Program Director. All referred clients will receive services. Each therapist will carry a case load of approximately 20 clients.

Staff Qualifications. All therapists are required to have at least a Master's degree in Social Work or Clinical Psychology. In addition, a minimum of three years experience in sexual abuse treatment is required. Experience in domestic violence and substance abuse treatment is additionally preferred. The Outreach Worker must have a High School diploma and experience working with children who have been abused or neglected. A Bachelor's degree in Social Work or Psychology is preferred. The Program Director is required to have at least a Master's Degree and at least five years experience and training in specialized sexual abuse treatment. In addition, two years of clinical supervisory experience is required.

Supervision and Training. On a weekly basis, ongoing individual supervisory contacts and group supervision enable the staff to gain new clinical knowledge at frequent intervals. On a daily basis, the Program Director maintains an "open door" policy with therapists to encourage timely giving and receiving of feedback regarding clinical issues with clients.

The performance of each staff member is evaluated by his/her supervisor on an annual basis. This process involves mutual discussion of the employee's needs in terms of both review of acquired skills and identification of additional skills to be developed during the coming year. To address both of these needs, each staff member is encouraged to take advantage of special opportunities which exist in the community for skill development and review. In addition, several training opportunities are made available to all professional staff, within budget limitations, to assure that a common pool of knowledge is shared by all.

As a clinical member of the Association for the Treatment of Sexual Abuses, the Program Director has international access via electronic mail to service providers and trainers in the field. This enables the program staff to remain current with evaluative tools, new modalities of treatment, and best practice tenets.

B. Organization Chart

See attached Catholic Charities Hawai'i Family and Therapeutic Services organization chart (Attachment C).

VI. Other

A. Litigation

Catholic Charities Hawai'i is not involved as a party in any pending litigation and there are no outstanding judgments against it.

B. Licensure or Accreditation

1. Council on Accreditation for Families and Children (Catholic Charities Hawai'i received this national accreditation in 2011)
2. The Program Director of Child Sexual Abuse Treatment Program is a licensed Marriage and Family Therapist (in California and Hawai'i)
3. Hawaii State licensed Child Placing Organization
4. Hawai'i State General Excise License

Attachment A

Cost Proposal – Budget

BUDGET REQUEST BY SOURCE OF FUNDS

(Period: July 1, 2012 to June 30, 2013)

Applicant: Catholic Charities Hawaii - Safe & Sound Program

BUDGET CATEGORIES	Total State Funds Requested (a)	(b)	(c)	(d)
A. PERSONNEL COST				
1. Salaries	74,575			
2. Payroll Taxes & Assessments	11,509			
3. Fringe Benefits	17,439			
TOTAL PERSONNEL COST	**103,523**			
B. OTHER CURRENT EXPENSES				
1 Airfare, Inter-Island	800			
2 Airfare, Out-of-State				
3 Audit Services				
4 Contractual Services - Administrative	12,000			
5 Contractual Services - Subcontracts				
6 Insurance				
7 Lease/Rental of Equipment	397			
8 Lease/Rental of Motor Vehicle				
9 Lease/Office Rent				
10 Mileage				
11 Postage, Freight & Delivery				
12 Publication & Printing				
13 Repair & Maintenance				
14 Staff Training/Development				
15 Substance/Per Diem	104			
16 Supplies				
17 Telecommunication	2,480			
18 Transportation	300			
19 Utilities				
20 Depreciation (Office)	7,877			
21 Occupancy	2,902			
22 Indirect Cost	19,617			
TOTAL OTHER CURRENT EXPENSES	**46,477**			
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	**150,000**			

SOURCES OF FUNDING		Budget Prepared By:
(a) Total State Funds Requested	150,000	[redacted] Phone
(b)		
(c)		Date
(d)		
TOTAL BUDGET	**150,000**	Stella M.Q. Wong, VP Programs Name and Title (Please type or print) [redacted]

Applicant: Catholic Charities Hawaii - Safe & Sound Program

Period: July 1, 2012 to June 30, 2013

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
1 Program Director II	1	$65,248.00	3.00%	$ 1,957.00
2 Therapist	1	$51,562.00	100.00%	$ 51,562.00
3 Intake Coordinator	1	$44,688.00	3.00%	$ 1,341.00
4 Outreach Worker	1	$31,799.00	62.00%	$ 19,715.00
TOTAL:				74,575.00

JUSTIFICATION/COMMENTS:

Applicant: Catholic Charities Hawaii - Safe & Sound Period: July 1, 2012 to June 30, 2013

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			$ -	
			$ -	
			$ -	
			$ -	
			$ -	
TOTAL:				

JUSTIFICATION/COMMENTS:

NOT APPLICABLE

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			$ -	
			$ -	
			$ -	
			$ -	
			$ -	
TOTAL:				

JUSTIFICATION/COMMENTS:

Applicant: Catholic Charities Hawaii - Safe & Sc

Period: July 1, 2012 to June 30, 2013

FUNDING AMOUNT REQUESTED

TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2010-2011	FY: 2011-2012	FY:2012-2013	FY:2012-2013	FY:2013-2014	FY:2014-2015
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:						

JUSTIFICATION/COMMENTS:

NOT APPLICABLE

Attachment B

Other Financial Related Materials

Financial Audit

Year Ended August 31, 2011

CATHOLIC CHARITIES HAWAII AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS, INDEPENDENT AUDITORS' REPORTS, AND SUPPLEMENTARY SCHEDULES

For the Year Ended August 31, 2011

CW Associates

A Hawaii Certified Public Accounting Corporation

**CATHOLIC CHARITIES HAWAII
AND AFFILIATE**

INTRODUCTION

For the Year Ended August 31, 2011

Catholic Charities Hawaii (CCH) is a nonprofit corporation organized on July 29, 1947 in the State of Hawaii. Its members are the Bishop of the Roman Catholic Church in the State of Hawaii and other members as specified in the by-laws or as appointed by the Bishop. Catholic Charities Housing Development Corporation (Affiliate) is a nonprofit corporation organized on June 2, 1999 in the State of Hawaii. CCH is its sole member. CCH conducts a wide range of social services serving the people of Hawaii, particularly those with the greatest need, regardless of culture or faith. The Affiliate provides housing for elderly and socially or economically disadvantaged persons in Hawaii, and assists CCH in the fulfillment of its agency mission. CCH is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code through a Group Ruling as "agencies and instrumentalities and educational, charitable, and religious institutions operated, supervised or controlled by or in connection with the Roman Catholic Church in the United States." The Affiliate is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and is not a private foundation.

CCH and Affiliate receive federal awards directly and indirectly from the U.S. Department of Health and Human Services. Federal awards are received directly from the U.S. Department of Homeland Security. Federal awards are also received indirectly from the U.S. Department of Housing and Urban Development, the U.S. Department of Agriculture, the U.S. Department of Labor, and the U.S. Department of State. Substantial additional services are provided under contracts with the State of Hawaii and other non-federal agencies.

This report is the result of the single audit of CCH and Affiliate conducted in accordance with auditing standards generally accepted in the United States of America; the *Government Auditing Standards* issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.*

This report includes the consolidated financial statements of CCH and Affiliate as of and for the year ended August 31, 2011 (with prior year comparative information), and the accompanying independent auditors' report, and notes to consolidated financial statements. It also includes the independent auditors' reports required by the Government Accountability Office's *Government Auditing Standards,* and the schedule of expenditures of federal awards and independent auditors' reports required by OMB Circular A-133, for the year ended August 31, 2011. Findings and questioned costs (if any), and a corrective action plan (if applicable), are reported by the auditors under those captions in the final sections of this report.

CATHOLIC CHARITIES HAWAII
AND AFFILIATE

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For the Year Ended August 31, 2011

CATHOLIC CHARITIES HAWAII
AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

For the Year Ended August 31, 2011
With Prior Year Comparative Information

CW Associates
A Hawaii Certified Public Accounting Corporation

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Catholic Charities Hawaii and Affiliate:

We have audited the accompanying consolidated statement of financial position of Catholic Charities Hawaii (CCH) and Affiliate, nonprofit Hawaii corporations, as of August 31, 2011, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the management of CCH and Affiliate. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The accompanying prior year comparative information has been derived from the consolidated financial statements of CCH and Affiliate as of and for the year ended August 31, 2010, which were audited by other auditors, whose report dated December 14, 2010, expressed an unqualified opinion on those consolidated financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of CCH and Affiliate as of August 31, 2011, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued our report dated December 16, 2011, on our consideration of the internal control of CCH and Affiliate over financial reporting and on our tests of their 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.

[redacted]

December 16, 2011

Topa Financial Center
700 Bishop Street, Suite 1040
Honolulu, Hawaii 96813
Telephone (808) 531-1040
Facsimile (808) 531-1041
www.cwassociatescpas.com

CATHOLIC CHARITIES HAWAII
AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of August 31, 2011
(With Prior Year Comparative Information)

	2011	2010
ASSETS		
Cash (including interest-bearing accounts)	$ 3,448,846	$ 1,087,582
Restricted cash	1,000,000	1,000,000
Investments	10,416,488	9,164,370
Pledges receivable – net	7,755,064	6,790,057
Government grants and contracts receivable – net	3,797,765	5,883,680
Program service fee and other receivables – net	40,384	42,672
Prepaid expenses and other assets	147,807	194,419
Property and equipment – net	21,627,732	22,291,837
TOTAL ASSETS	$48,234,086	$46,454,617
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 346,889	$ 139,449
Accrued liabilities	1,629,976	2,011,871
Deferred revenue	150,326	558,097
Maintenance, self-insurance, and other liabilities	422,708	352,843
Obligations under capital leases	97,245	33,744
Notes payable	14,135,000	16,114,632
Total liabilities	16,782,144	19,210,636
NET ASSETS		
Unrestricted – undesignated	11,400,661	4,056,089
Unrestricted – net investment in property and equipment	7,395,487	6,143,461
Total unrestricted net assets	18,796,148	10,199,550
Temporarily restricted	5,243,864	9,632,501
Permanently restricted	7,411,930	7,411,930
Total net assets	31,451,942	27,243,981
TOTAL LIABILITIES AND NET ASSETS	$48,234,086	$46,454,617

See accompanying notes to consolidated financial statements.

CATHOLIC CHARITIES HAWAII
AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended August 31, 2011
(With Prior Year Comparative Information)

	2011	2010
CHANGES IN UNRESTRICTED NET ASSETS		
Revenue and support		
Government and foundation contracts	$20,270,410	$19,916,965
Net assets released from program restrictions	1,618,362	390,758
Unrestricted contributions	684,040	754,288
Program service fees and project income	593,869	850,373
Other revenue and support	476,711	287,243
Aloha United Way contributions	296,460	315,826
Roman Catholic Church in the State of Hawaii contributions	200,004	251,772
Investment income	40	57,818
Total revenue and support	24,139,896	22,825,043
Expenses		
Program services		
Family and therapeutic services	8,728,147	8,104,563
Youth enrichment services	6,496,866	6,732,443
Community and senior services	4,819,534	5,117,623
Intake, information, and referral	1,805,904	1,597,406
Total program services	21,850,451	21,552,035
Supporting services		
Management and general	826,181	1,128,933
Fundraising	290,258	264,092
Capital campaign	378,071	753,621
Total supporting services	1,494,510	2,146,646
Total expenses	23,344,961	23,698,681
Revenue and support less expenses	794,935	(873,638)
Net assets released for capital campaign	7,801,663	4,264,947
Increase in unrestricted net assets	8,596,598	3,391,309
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Temporarily restricted contributions	3,816,098	788,674
Restricted investment income	1,141,690	515,165
Restricted government and foundation contracts	71,000	275,055
Other restricted revenue and support	2,600	4,223
Net assets released from restrictions	(9,420,025)	(4,655,705)
Decrease in temporarily restricted net assets	(4,388,637)	(3,072,588)
INCREASE IN NET ASSETS	4,207,961	318,721
NET ASSETS – Beginning of year	27,243,981	26,925,260
NET ASSETS – End of year	$31,451,942	$27,243,981

See accompanying notes to consolidated financial statements.

CATHOLIC CHARITIES HAWAII
AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended August 31, 2011
(With Prior Year Comparative Information)

	Program Services				Supporting Services				
	Family and Therapeutic Services	Youth Enrichment Services	Community and Senior Services	Intake, Information, and Referral	Management and General	Fund-Raising	Capital Campaign	2011 Total	2010 Total
Personnel	$4,238,339	$3,931,038	$2,580,668	$ 771,346	$1,812,547	$188,618	$ 81,690	$13,604,246	$13,745,185
Contract services	2,629,359	95,411	1,003,033	60,331	305,191	24,704	87,476	4,205,505	3,759,127
Specific assistance	99,826	706,751	11,690	698,995	20,464	-	-	1,537,726	1,722,816
Depreciation	336,560	202,780	110,303	70,196	457,956	-	4,593	1,182,388	1,077,929
Occupancy	228,233	373,601	360,954	35,768	125,617	-	2,316	1,126,489	1,305,013
Travel and transportation	141,316	142,344	169,468	7,776	39,519	26	-	500,449	543,442
Telecommunications	91,592	103,940	50,889	16,755	63,654	2,054	1,129	330,013	376,668
Supplies	51,502	84,108	36,017	6,870	69,465	2,809	175	250,946	328,990
Interest	5,204	-	-	-	499	-	198,023	203,726	223,448
Equipment rental and repairs	27,799	39,515	29,700	4,705	35,133	1,086	192	138,130	198,037
Conferences and meetings	6,028	12,803	4,446	3,517	44,940	3,942	2,025	77,701	75,927
Printing and publication	1,273	2,356	2,615	743	3,863	39,398	-	50,248	60,670
Postage and shipping	4,659	5,518	4,681	1,462	6,435	20,737	44	43,536	45,995
Miscellaneous	7,371	3,520	6	166	75,503	6,884	408	93,858	235,434
Total	7,869,061	5,703,685	4,364,470	1,678,630	3,060,786	290,258	378,071	23,344,961	23,698,681
Allocated costs	859,086	793,181	455,064	127,274	(2,234,605)	-	-	-	-
Total expenses	$8,728,147	$6,496,866	$4,819,534	$1,805,904	$ 826,181	$290,258	$378,071	$23,344,961	$23,698,681

See accompanying notes to consolidated financial statements.

CATHOLIC CHARITIES HAWAII
AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended August 31, 2011
(With Prior Year Comparative Information)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	$4,207,961	$ 318,721
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Loss on disposal of property and equipment	-	56,916
Depreciation	1,182,388	1,077,929
Gains on investments	(972,903)	(422,038)
Contributions of pledges receivable	(1,941,363)	(595,373)
(Increase) decrease in:		
Government grants and contracts receivable	2,085,915	(917,469)
Program service fee and other receivables	2,288	205,780
Prepaid expenses and other assets	46,612	418,233
Increase (decrease) in:		
Accounts payable	207,440	21,132
Accrued liabilities	(381,895)	429,517
Deferred revenue	(407,771)	(486,554)
Maintenance, self-insurance, and other liabilities	69,865	66,980
Net cash provided by operating activities	4,098,537	173,774
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of investments	7,478,115	7,257,184
Purchases of investments	(7,757,330)	(7,627,558)
Purchases of property and equipment	(396,522)	(4,036,342)
Net cash used by investing activities	(675,737)	(4,406,716)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	94,635	3,813,612
Payments on notes payable	(2,074,267)	(984,124)
Principal payments on capital lease obligations	(58,260)	(45,356)
Contributions restricted for property and equipment	-	438,479
Collections of pledges receivable	976,356	950,280
Net cash provided (used) by financing activities	(1,061,536)	4,172,891
NET INCREASE (DECREASE) IN CASH	2,361,264	(60,051)
CASH – Beginning of year	1,087,582	1,147,633
CASH – End of year	$3,448,846	$1,087,582

See accompanying notes to consolidated financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Activity

Catholic Charities Hawaii (CCH) is a nonprofit corporation organized on July 29, 1947 under the laws of the State of Hawaii. Its members are the Bishop of the Roman Catholic Church in the State of Hawaii and other members as specified in the by-laws or as appointed by the Bishop. The mission of CCH, rooted in the gospel of Jesus, is to carry out the social mission of the Roman Catholic Church in the State of Hawaii (Church) by serving the people of Hawaii, without regard to culture or faith. CCH is a community of hope that promotes the dignity of each person by helping people empower themselves and provides a wide range of social services with compassion and commitment to excellence. Through its programs and advocacy for social justice, CCH serves all people, particularly those with the greatest need. In the spirit of Hawaiian *'ohana*, it works with parishes, agencies, and community groups and welcomes all people of good will to share its mission. See *www.catholiccharitieshawaii.org* for additional information. Catholic Charities Housing Development Corporation (Affiliate) is a nonprofit corporation organized on June 2, 1999 under the laws of the State of Hawaii. Its sole member is CCH. The Affiliate provides housing for elderly and socially or economically disadvantaged persons in Hawaii, and assists CCH in the fulfillment of its agency mission. The accompanying consolidated financial statements include the accounts of CCH and Affiliate, except that significant intercompany transactions and balances have been eliminated in consolidation.

Basis of Accounting

CCH and Affiliate report information regarding their consolidated financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Contributions are unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support is reported when pledged and is considered to be available for unrestricted use unless restricted by the donor. Donor restricted support is reported when pledged as an increase in temporarily restricted or permanently restricted net assets, depending on the nature of the restriction. When a temporary restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets. Grants and contracts are recognized to the extent of expenditures made in accordance with the related agreements. Program service fees and project income are recognized when the required services are performed. Expenses are recorded when the related liability is incurred. CCH and Affiliate allocate their expenses on a functional basis among various programs and supporting services based on estimates by management. Expenses that can be identified with a specific program or supporting service are charged directly using natural expense classifications. Other expenses that are common to several functions are allocated by various bases.

Donated services are recognized as contributions if the services create or enhance nonfinancial assets, or require specialized skills, are performed by people with those skills, and would otherwise be purchased by CCH and Affiliate. A substantial number of unpaid volunteers have made contributions of their time to CCH and Affiliate. The value of certain of this time is not reflected in these consolidated financial statements because it did not meet the criteria for recognition.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of consolidated financial statements in accordance with such generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates, and it is reasonably possible that such estimates may change within the near term.

Concentrations of Credit Risk

Financial instruments that potentially subject CCH and Affiliate to credit risk include cash, investments, and receivables. Cash on deposit with financial institutions (including restricted cash) exceeded the related federal deposit insurance by approximately $1,130,400 and $1,626,000 at August 31, 2011 and 2010, respectively. Investments are stated at fair value using quoted market prices. Net realized and unrealized gains and losses, determined using the average cost method, are included in unrestricted and restricted investment income. Generally, investments are fully insured by federal and by private insurance, as represented by the custodians. Future changes in market prices may make such investments less valuable. Pledges receivable, government grants and contracts receivable, and program service fee and other receivables are unsecured. Such receivables have been adjusted for all known doubtful accounts based on assessments by management of the facts and circumstances related to the individual receivable amounts.

Property and Equipment

Property and equipment is stated at cost or, if contributed, at estimated fair market value at the date of contribution. Depreciation is provided using the straight-line method over estimated useful lives of 15 to 35 years for buildings and improvements, 3 to 5 years for furniture, fixtures, and equipment, and 5 years for vehicles. Property and equipment and other long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Expenditures for property and equipment in excess of $5,000 are capitalized. Repairs and maintenance are expensed. Equipment under capital leases is stated at the lower of the present value of minimum lease payments or fair value at the inception of the lease and amortized over the lesser of the lease term or the estimated useful life of the asset.

Leases

Leases that transfer substantially all of the risks and benefits of ownership are capital leases. Other leases are operating leases. Capital leases are included in property and equipment at cost and depreciated over the shorter of the lease terms or their estimated economic useful lives using the straight-line method. The related capital lease obligation is recognized at its net present value. Operating leases are expensed when the lease payments are due.

Maintenance, Self-Insurance, and Other Liabilities

The reserve for maintenance and self-insurance consists of estimated liabilities for maintenance costs required by contracts and grant agreements for housing units owned and managed by CCH and Affiliate. It also includes estimated liabilities for self-insured unemployment costs, based on an assessment of historical claims and current unemployment tax rates and experience.

NOTE B – INVESTMENTS

At August 31, 2011 and 2010, investments consisted of the following:

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
Equity securities	$3,827,122	$ 4,348,905	$3,374,196	$3,697,861
Mutual funds	1,904,808	2,058,980	1,815,498	1,729,176
Corporate and foreign bonds	1,702,495	1,778,408	1,576,067	1,689,541
Debt securities	1,325,904	1,378,003	1,522,609	1,564,684
Money market funds	623,250	623,250	483,108	483,108
Certificates of deposit	229,681	228,942	-	-
Total investments	$9,613,260	$10,416,488	$8,771,478	$9,164,370

Fair value exceeded cost by $803,228 at August 31, 2011, and by $392,892 at August 31, 2010. Interest and investment income for the year ended August 31, 2011, included realized gains of $561,817 from sales of investment and unrealized gains of $411,086 from holding investments. Interest and investment income for the year ended August 31, 2010, included realized gains of $125,442 from sales of investments and unrealized gains of $296,596 from holding investments. Interest and dividends included in investment income amounted to $265,833 and $236,840 for the years ended August 31, 2011 and 2010, respectively. Investment fees included in investment income amounted to $97,006 for the year ended August 31, 2011 and $85,895 for the year ended August 31, 2010.

NOTE C – FAIR VALUE MEASUREMENTS

The established framework for measuring fair value provides a hierarchy that prioritizes the inputs to valuation methodologies used to measure fair value. There are three levels of the fair value hierarchy. Level 1 inputs to the valuation methodologies consist of unadjusted quoted prices for identical assets or liabilities in active markets that CCH and Affiliate has the ability to access. Level 2 inputs 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, and 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 are unobservable and significant to the fair value measurement. The fair value measurement level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation methodologies used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

At August 31, 2011 and 2010, the fair value measurements reportable by CCH and Affiliate (see Note B) consisted of investments in money market funds, certificates of deposit, mutual funds and equity securities valued using quoted market prices (Level 1 measurements), and investments in debt securities and corporate and foreign bonds valued by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer (Level 2 measurements). During the years ended August 31, 2011 and 2010, there were no investments for which Level 3 valuation inputs were required.

NOTE C – FAIR VALUE MEASUREMENTS (Continued)

The following sets forth by level, within the fair value hierarchy, investments at fair value as of August 31, 2011:

	Level 1	Level 2	Level 3	Total
Equity securities				
Large cap	$2,808,024	$ -	$ -	$ 2,808,024
Small/Mid cap	1,540,881	-	-	1,540,881
Total equity securities	4,348,905	-	-	4,348,905
Mutual funds				
Large cap	1,140,668	-	-	1,140,668
Small/Mid cap	460,142	-	-	460,142
Other mutual funds	458,170	-	-	458,170
Total mutual funds	2,058,980	-	-	2,058,980
Corporate and foreign bonds	-	1,778,408	-	1,778,408
Debt securities				
Intermediate term	-	585,000	-	585,000
Long term	-	531,967	-	531,967
Short term	-	261,036	-	261,036
Total debt securities	-	1,378,003	-	1,378,003
Money market funds	623,250	-	-	623,250
Certificates of deposit	228,942	-	-	228,942
Total investments at fair value	$7,260,077	$3,156,411	$ -	$10,416,488

The following sets forth by level, within the fair value hierarchy, investments at fair value as of August 31, 2010:

	Level 1	Level 2	Level 3	Total
Equity securities				
Large cap	$2,423,380	$ -	$ -	$ 2,423,380
Small/Mid cap	1,274,481	-	-	1,274,481
Total equity securities	3,697,861	-	-	3,697,861
Mutual funds				
Large cap	959,702	-	-	959,702
Small/Mid cap	385,038	-	-	385,038
Other mutual funds	384,436	-	-	384,436
Total mutual funds	1,729,176	-	-	1,729,176
Corporate and foreign bonds	-	1,689,541	-	1,689,541
Debt securities				
Intermediate term	-	706,029	-	706,029
Long term	-	560,126	-	560,126
Short term	-	298,529	-	298,529
Total debt securities	-	1,564,684	-	1,564,684
Money market funds	483,108	-	-	483,108
Total investments at fair value	$5,910,145	$3,254,225	$ -	$ 9,164,370

The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. 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.

NOTE D – PLEDGES RECEIVABLE

At August 31, 2011 and 2010, pledges receivable consisted of the following:

	2011	2010
Receivables due in:		
Less than one year	$4,099,992	$1,395,443
One to five years	2,207,000	4,519,629
More than five years	2,000,000	1,500,000
Total	8,306,992	7,415,072
Discount to present value at 2.23% to 2.47%	(551,928)	(625,015)
Pledges receivable – net	$7,755,064	$6,790,057

NOTE E – PROPERTY AND EQUIPMENT

At August 31, 2011 and 2010, property and equipment consisted of the following:

	2011	2010
Land	$ 6,168,878	$ 6,168,878
Buildings and improvements	14,886,280	14,717,861
Furniture, fixtures, and equipment	3,908,351	3,869,842
Vehicles	589,216	541,765
Construction in progress	189,594	-
Total	25,742,319	25,298,346
Accumulated depreciation	(4,114,587)	(3,006,509)
Property and equipment – net	$21,627,732	$22,291,837

NOTE F – LINES-OF-CREDIT

CCH has revolving lines-of-credit at Bank of Hawaii and First Hawaiian Bank totaling $650,000 and $350,000, respectively, for working capital purposes. The Bank of Hawaii line-of-credit is available to August 2012 and bears interest at 0.375% above the Bank's base rate. The First Hawaiian Bank line-of-credit is available to August 2013 and bears interest at 0.5% above the Bank's prime rate. Advances on the revolving lines-of-credit are secured by accounts receivable, inventory, furniture, fixtures, and equipment. The revolving lines-of-credit agreements require CCH to maintain a specified debt to net worth ratio, furnish periodic financial statements, and maintain insurance coverage. In addition, the terms provide for restrictions on additional borrowings, on fixed asset additions, and on making of loans or advances. There were no advances outstanding on the revolving line-of-credits at August 31, 2011 and 2010.

NOTE G – NOTES PAYABLE

CCH and the Church are co-borrowers under a joint credit agreement with Bank of Hawaii, First Hawaiian Bank, and Central Pacific Bank for lines-of-credit for the purchase by CCH of real property and improvements at 1822 Keeaumoku Street, which expires on August 1, 2012. Outstanding borrowings under this agreement amounted to $14,135,000 and $16,114,632 at August 31, 2011 and 2010, respectively. Monthly payments of interest-only bear interest at 1.05% above the Banks' base rates (4.5% at August 31, 2011 and 2010) or at 1.10% above the London Inter-Bank Offered Rate (one-month rates of 0.222% and 0.258% at August 31, 2011 and 2010, respectively), as determined by the borrower, but no less than 2.25%. Borrowings are collateralized by investments, rents and pledges, sales agreements and other contracts between the Church and CCH. Effective August 1, 2011, there were no new borrowings allowed on the credit line and all undisbursed amounts were cancelled. Under the terms of the lines-of-credit, CCH may convert up to $3,777,500 of borrowings for the property to a term loan not to exceed ten years, and $1,200,000 of borrowings for purchases of furniture, fixtures, and equipment to a term loan not to exceed seven years. The credit agreement requires CCH to furnish periodic financial statements, maintain specified liquid assets to funded debt ratios, and maintain specified minimum tangible net asset levels.

NOTE H – TEMPORARILY RESTRICTED NET ASSETS

At August 31, 2011 and 2010, temporarily restricted net assets consisted of the following:

	2011	2010
Temporarily restricted for:		
Capital campaign	$ -	$5,684,767
Elderly services	2,017,004	1,854,997
Earnings on Virgil and Carmela Blank endowments	1,321,406	478,761
Friends of Catholic Charities	749,380	635,612
Harry and Jeanette Weinberg Foundation	390,840	62,360
Restricted gifts from General Atlantic Corporation	200,000	320,900
Restricted gifts from Walter Chang	121,294	121,294
Other temporarily restricted net assets	443,940	473,810
Total temporarily restricted net assets	$5,243,864	$9,632,501

NOTE I – PERMANENTLY RESTRICTED NET ASSETS

At August 31, 2011 and 2010, permanently restricted net assets consisted of the following:

	2011	2010
Permanently restricted for:		
Virgil and Carmela Blank Catholic Charities Hawaii endowment	$3,255,477	$3,255,477
Virgil and Carmela Blank Mary Jane Program endowment	3,081,453	3,081,453
Harry and Jeanette Weinberg Kokua endowment	1,000,000	1,000,000
Harry and Jeanette Weinberg Mary Jane Program endowment	75,000	75,000
Total permanently restricted net assets	$7,411,930	$7,411,930

NOTE I – PERMANENTLY RESTRICTED NET ASSETS (Continued)

The Virgil and Carmela Blank Catholic Charities Hawaii endowment was created to provide general assistance to CCH. The Virgil and Carmela Blank Mary Jane Program endowment was created to provide for the program's general purposes and for scholarships to program participants. For women who find themselves unexpectedly pregnant, the Mary Jane Program provides a safe haven during their pregnancy and for a short time after the delivery of their baby. The endowment funds are required to be invested using an investment manager at a reputable investment company.

The Harry and Jeanette Weinberg Foundation Kokua endowment was created to provide assistance to the poor and needy through support to existing networks with CCH. The related agreement requires the endowment to be deposited in a federally insured institution in Hawaii. Earnings from The Harry and Jeanette Weinberg Foundation Kokua endowment are temporarily restricted. The Harry and Jeanette Weinberg Foundation Mary Jane Program endowment was created to provide assistance to the Mary Jane program.

CCH is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). It is the policy of the CCH to preserve the original gift of donor-restricted endowment funds as permanently restricted net assets, absent explicit donor stipulations to the contrary. Unless otherwise stated, other donor-restricted gifts are classified as temporarily restricted net assets. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires CCH to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in unrestricted net assets (none for the years ended August 31, 2011 and 2010).

Changes in permanently restricted net assets for the years ended August 31, 2011 and 2010, were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at August 31, 2009	$(57,209)	$ 15,048	$7,411,930	$7,369,769
Realized and unrealized gains	57,209	420,015	-	477,224
Interest and dividends	-	109,890	-	109,890
Released from restrictions	-	(35,479)	-	(35,479)
Balance at August 31, 2010	-	509,474	7,411,930	7,921,404
Realized and unrealized gains	-	724,100	-	724,100
Interest and dividends	-	133,291	-	133,291
Released from restrictions	-	(8,941)	-	(8,941)
Balance at August 31, 2011	$ -	$1,357,924	$7,411,930	$8,769,854

CCH adopted an investment policy that clearly defines its investment objectives, guidelines, standards, and procedures for the investment funds it holds, including endowment. CCH's investment objective is to create additional funding through investments for the exclusive purpose of fulfilling its mission. Asset allocations fall within the following guidelines: equities 40% to 70%, fixed income 30% to 50%, and cash and cash equivalents 0% to 10%. Investment performance is based on achieving a return in excess of a balanced market index net of fees. Included in the policy are the roles and responsibilities of the Investment Subcommittee, Finance and Audit Committee, and Board of Directors.

NOTE J – LEASES

CCH leases office and residential space used in its programs under operating leases expiring at various dates through 2017, some of which provide for renewals subject to renegotiation. Lease rent expense included in occupancy expense in the statement of functional expenses amounted to $346,259 and $606,087 for the years ended August 31, 2011 and 2010, respectively. CCH also leases equipment under capital leases that expire at various dates through 2015.

At August 31, 2011 and 2010, property and equipment included the following amounts related to capital leases:

	2011	2010
Furniture and equipment	$310,992	$310,992
Automobiles	302,133	180,372
Telephone	114,396	114,396
Total	727,521	605,760
Accumulated amortization	(628,081)	(581,531)
Property under capital leases – net	$ 99,440	$ 24,229

At August 31, 2011, future minimum lease rent payments under capital and operating leases, and the present value of the obligation under capital leases, approximated the following:

	Capital Leases	Operating Leases
Years ending August 31		
2012	$ 27,074	$281,900
2013	27,074	213,900
2014	27,074	102,200
2015	24,820	21,000
2016	-	21,000
Thereafter	-	3,500
Total minimum lease payments	106,042	$643,500
Amounts representing interest imputed at 4.4% to 7.6%	(8,797)	
Present value of obligation under capital leases	$ 97,245	

NOTE K – RETIREMENT SAVINGS PLAN

CCH and Affiliate sponsor a retirement savings plan for the benefit of their eligible employees and their beneficiaries. Participating employees may make voluntary contributions to the plan. CCH and Affiliate may make contributions to the plan in amounts determined by their Boards of Directors up to the maximum allowed under Internal Revenue Code Section 401(k). For the years ended August 31, 2011 and 2010, CCH and Affiliate contributions under this plan amounted to $470,000 and $370,000, respectively.

NOTE L – SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information consisted of the following for the years ended August 31, 2011 and 2010:

	2011	2010
Cash paid during the year for interest	$203,726	$223,448
Noncash financing and investing activities – property and equipment acquired in exchange for capital lease obligations	$121,761	$ -

NOTE M – RELATED PARTY TRANSACTIONS

Certain land and buildings used by CCH for program and supporting services are owned by the Church and were provided at no cost until CCH moved to its new location in December 2009. The fair value of such rent, which approximated $0 and $52,000 for the years ended August 31, 2011 and 2010, respectively, is reflected in the consolidated financial statements as a contribution from the Church and as occupancy expense in the same amount. CCH obtains automobile, workers' compensation, and property and general liability insurance through the Church. The expense related to this coverage amounted to approximately $301,000 and $295,000 for the years ended August 31, 2011 and 2010, respectively.

NOTE N – TAXES

CCH is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code through a Group Ruling for "agencies and instrumentalities and educational, charitable, and religious institutions operated, supervised or controlled by or in connection with the Roman Catholic Church in the United States." The Affiliate is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and is not a private foundation. Accordingly, qualifying contributions to CCH and Affiliate are tax deductible.

Accounting principles generally accepted in the United States of America require uncertain tax positions to be recognized in the consolidated financial statements if they are more likely than not to fail upon regulatory examination. Management has evaluated the tax positions of CCH and Affiliate as of August 31, 2011 and 2010 and for the years then ended by reviewing their tax filings and conferring with their tax advisors, and determined that they had no uncertain tax positions required to be reported in accordance with such generally accepted accounting principles. Such filings are open for examination until the statute of limitations expires.

The State of Hawaii imposes a general excise tax of 4% on the gross receipts of CCH and Affiliate from certain project income, plus an additional 0.5% on such gross receipts within the City and County of Honolulu. Hawaii general excise tax included in project income and management and general expense amounted to $7,511 and $10,035 for the years ended August 31, 2011 and 2010, respectively.

NOTE O – CONTINGENCIES

Amounts received for government grants and contracts are subject to audit and adjustment by various government agencies. Any disallowed claim, including amounts already collected, may constitute a liability. Management expects such amounts, if any, to be immaterial to the consolidated financial statements. Certain revenue and support is derived from government grants and contracts, the loss of which could have a material adverse effect on CCH.

NOTE P – FINANCIAL STATEMENT PRESENTATION

The consolidated financial statements include certain prior year comparative information. Such information does not include sufficient detail to constitute a complete presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the consolidated financial statements of CCH and Affiliate as of and for the year ended August 31, 2010, from which the information was derived.

Certain amounts in the prior year comparative information have been reclassified to conform to the current year presentation. Management has evaluated subsequent events through the date of the independent auditors' report, which is the date the consolidated financial statements were available to be issued. CCH and Affiliate operate in the State of Hawaii. National and international events can have severe, adverse effects on economic conditions in Hawaii. The effects on the consolidated financial statements of CCH and Affiliate, if any, from such changes in economic conditions are not presently determinable.

**CATHOLIC CHARITIES HAWAII
AND AFFILIATE**

**REPORTS REQUIRED BY
GAO *GOVERNMENT AUDITING STANDARDS***

For the Year Ended August 31, 2011

CW Associates
A Hawaii Certified Public Accounting Corporation

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

Catholic Charities Hawaii and Affiliate:

We have audited the consolidated financial statements of Catholic Charities Hawaii (CCH) and Affiliate as of and for the year ended August 31, 2011, and have issued our report thereon dated December 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 the internal control of CCH and Affiliate over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control of CCH and Affiliate over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control of CCH and Affiliate 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis.

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

Topa Financial Center
700 Bishop Street, Suite 1040
Honolulu, Hawaii 96813
Telephone (808) 531-1040
Facsimile (808) 531-1041
www.cwassociatescpas.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the consolidated financial statements of CCH and Affiliate are free of material misstatement, we performed tests of the compliance of CCH and Affiliate with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated 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 the Board of Directors, management, and others within CCH and Affiliate, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

[redacted]

December 16, 2011

CATHOLIC CHARITIES HAWAII
AND AFFILIATE

REPORTS REQUIRED BY OMB CIRCULAR A-133

For the Year Ended August 31, 2011

CW Associates
A Hawaii Certified Public Accounting Corporation

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

Catholic Charities Hawaii and Affiliate:

Compliance

We have audited the compliance of Catholic Charities Hawaii (CCH) and Affiliate, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to their major federal programs for the year ended August 31, 2011. The major federal programs of CCH and Affiliate are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to their major federal program is the responsibility of the management of the CCH and Affiliate. Our responsibility is to express an opinion on the compliance of the CCH and Affiliate based on our audit.

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

In our opinion, CCH and Affiliate complied, in all material respects, with the requirements referred to above that are applicable to their major federal programs for the year ended August 31, 2011.

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Telephone (808) 531-1040
Facsimile (808) 531-1041
www.cwassociatescpas.com

Internal Control over Compliance

The management of CCH and Affiliate 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 the internal control of CCH and Affiliate 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.

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

Schedule of Expenditures of Federal Awards

We have audited the basic consolidated financial statements of CCH and Affiliate as of and for the year ended August 31, 2011, and have issued our report thereon dated December 16, 2011. Our audit was performed for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards for the year ended August 31, 2011 is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

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

[redacted]

December 16, 2011

CATHOLIC CHARITIES HAWAII
AND AFFILIATE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2011

Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Health and Human Services			
Direct programs:			
Substance Abuse and Mental Health Services			
Projects of Regional and National Significance		5U79SM059620-02	$ 432,694
" " "		1U79SM059620-01	40,446
Total	93.243		473,140
Special Programs for the Aging - Title IV			
and Title II Discretionary Projects	93.048	90MA0044/01	84,138
Community-Based Abstinence Education		90AE0158/04	44,510
" " "		90AE0158/03	(1,095)
Total	93.010		43,415
Total direct programs			600,693
Passed through the State of Hawaii,			
Department of Human Services			
Social Services Block Grant		DHS-11-POS-279	2,438,162
" " "		DHS-11-POS-322	215,951
" " "		DHS-06-POS-3110	147,365
" " "		DHS-06-POS-3109	88,300
" " "		DHS-08-OYS-51	76,702
" " "		DHS-12-POS-576	58,065
" " "		DHS-08-OYS-62	57,978
" " "		DHS-08-OYS-57	25,900
Total	93.667 *		3,108,423 *
Temporary Assistance for Needy Families		HPS 08-10	814,020
" " "		DHS-09-POS-9033	404,089
" " "		DHS-08-BESSD-5153	46,653
" " "		DHS-11-ETPO-399	43,633
Total	93.558		1,308,395
Promoting Safe and Stable Families	93.556	DHS-11-POS-322	28,243
Total passed through the State of Hawaii, Department of Human Services			4,445,061

(Continued)

CATHOLIC CHARITIES HAWAII
AND AFFILIATE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended August 31, 2011

Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Health and Human Services (Continued)			
Passed through City and County of Honolulu,			
Department of Community Services			
Special Programs for the Aging - Title III, Part B			
Grants for Supportive Services and Senior Centers		CT-DCS-1000051-2	$ 224,227
" " "		CT-DCS-1000052-2	220,440
" " "		CT-DCS-1000047-2	79,057
" " "		CT-DCS-1000045-2	45,246
" " "		CT-DCS-1200033	34,782
" " "		CT-DCS-1200032	21,278
" " "		CT-DCS-1200030	14,376
" " "		CT-DCS-1200029	9,612
Total	93.044		649,018
Total passed through the City and County of Honolulu, Department of Community Services			649,018
Passed through the State of Hawaii,			
Department of Health			
Block Grants for Community Mental Health Services	93.958	CAMHD LOG NO. 09-003	89,674
Block Grants for the Prevention and		ASO LOG NO. 08-156	42,967
Treatment of Substance Abuse		ASO LOG NO. 12-038	576
Total	93.959		43,543
Total passed through the State of Hawaii, Department of Health			133,217
Passed through Honolulu Community			
Action Program, Inc.			
Community Services Block Grant – American Recovery and Reinvestment Act	93.710	Memorandum of Agreement	60,074
Total passed through Honolulu Community Action Program, Inc.			60,074
Total U.S. Department of Health and Human Services			5,888,063

(Continued)

CATHOLIC CHARITIES HAWAII
AND AFFILIATE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended August 31, 2011

Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Passed through City and County of Honolulu			
Department of Community Services			
Homeless Prevention and			
Rapid Re-Housing Program - ARRA	14.262	CT-DCS-1000070	$ 489,195
Supportive Housing Program		CT-DCS-1000286	112,325
" " "		CT-DCS-1100301	46,333
Total	14.235 *		158,658 *
Emergency Shelter Grants Program		CT-DCS-1100017	53,781
" " "		CT-DCS-0900052	8,900
Total	14.231		62,681
Total passed through City and County of Honolulu Department of Community Services			710,534
Passed through Catholic Charities USA			
Housing Counseling Assistance Program		HC-100011-006	26,232
" " "		HC-090011-001	1,131
Total	14.169		27,363
Total passed through Catholic Charities USA			27,363
Passed through State of Hawaii,			
Department of Human Services			
Supportive Housing Program	14.235 *	DHS-11-HL-335	19,941 *
Total U.S. Department of Housing and Urban Development			757,838

(Continued)

CATHOLIC CHARITIES HAWAII
AND AFFILIATE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended August 31, 2011

Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Labor			
Passed through State of Hawaii,			
Department of Labor and Industrial Relations			
Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors - ARRA	17.275	WDC-ARRA-2010-02	$ 83,016
Total U.S. Department of Labor			83,016
U.S. Department of Homeland Security			
Direct programs:			
Emergency Food and Shelter National Board Program	97.024	Phase 28	42,535
Total U.S. Department of Homeland Security			42,535
U.S. Department of Agriculture			
Passed through State of Hawaii,			
Department of Education			
School Breakfast Program	10.553	DOE 1419-2	2,080
National School Lunch Program	10.555	DOE 1419-2	3,225
Total passed through State of Hawaii, Department of Education			5,305
Total U.S. Department of Agriculture			5,305

(Continued)

**CATHOLIC CHARITIES HAWAII
AND AFFILIATE**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended August 31, 2011

Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of State			
Passed through United States Conference of Catholic Bishops			
U.S. Refugee Admissions Program	19.510	None	$ 15
Total U.S. Department of State			15
Total Expenditures of Federal Awards			$ 6,776,772

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards was prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(*) Denotes major programs, comprising 49% of total expenditures of federal awards of a low-risk auditee.

CATHOLIC CHARITIES HAWAII
AND AFFILIATE

FINDINGS AND QUESTIONED COSTS

For the Year Ended August 31, 2011

CATHOLIC CHARITIES HAWAII
AND AFFILIATE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended August 31, 2011

SUMMARY OF AUDIT RESULTS

The auditors expressed an unqualified opinion on the consolidated financial statements of Catholic Charities Hawaii (CCH) and Affiliate.

No deficiencies or combinations of deficiencies material to internal control over financial reporting were reported by the auditors.

No instances of noncompliance material to the consolidated financial statements were reported by the auditors.

The auditors expressed an unqualified opinion on compliance for the major federal award programs.

No deficiencies or combinations of deficiencies material to internal control over compliance were reported by the auditors.

No audit findings related to major federal award programs were reported by the auditors.

Programs tested as major programs were the Social Services Block Grant (federal CFDA #93.667), and the Supporting Housing Program (federal CFDA #14.235), comprising 49% of total expenditures of federal awards of a low-risk auditee.

The threshold for distinguishing Types A and B programs was $300,000.

CCH and Affiliate were determined to be a low-risk auditee because there were no material deficiencies or combinations of deficiencies, and no material findings or questioned costs reported in either of their two preceding annual audits.

FINDINGS – CONSOLIDATED FINANCIAL STATEMENTS AUDIT

In the current year, no deficiencies or combinations of deficiencies material to the internal control of CCH and Affiliate over financial reporting and no instances of noncompliance material to the consolidated financial statements of CCH and Affiliate were reported by the auditors.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

In the current year, the auditors expressed an unqualified opinion on compliance for the major federal award programs of CCH and Affiliate. No deficiencies or combinations of deficiencies material to the internal control over compliance of CCH and Affiliate were reported by the auditors in the current year.

CATHOLIC CHARITIES HAWAII
AND AFFILIATE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended August 31, 2011

FINDINGS – CONSOLIDATED FINANCIAL STATEMENTS AUDIT

The prior auditors reported no deficiencies or combinations of deficiencies material to the internal control of Catholic Charities Hawaii (CCH) and Affiliate over financial reporting in the prior year, and reported no instances of noncompliance material to the consolidated financial statements of CCH and Affiliate in the prior year.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

The prior auditors expressed an unqualified opinion on compliance for the major federal award programs of CCH and Affiliate in the prior year, and reported no deficiencies or combinations of deficiencies material to the internal control over compliance of CCH and Affiliate in the prior year. However, the prior auditors did report the following significant deficiency in internal control over compliance in the prior year.

Finding No. 10-01

Prior Condition

OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations,* requires that for contracts expected to equal or exceed $25,000, the organization should:

- Obtain a certification that the contractor is not suspended or debarred by the General Services Administration (GSA);
- Include a clause to that effect in the agreement with the contractor; or
- Check the Excluded Parties List System (EPLS) maintained by the GSA.

Although we (the prior auditors) did not note any contracts that meet the $25,000 requirement during our testing, based on our inquiries, program and accounting personnel were not aware of OMB A-110 requirements related to contracts expected to equal or exceed $25,000.

Prior Recommendation

In connection with federal grant awards, management should establish internal control procedures for compliance with applicable suspension and debarment requirements.

Current Status

Management has educated appropriate staff as to the OMB A-110 requirements related to contracts expected to equal or exceed $25,000. Management is also in the process of developing and implementing policies and procedures relating to screening, contracting and monitoring contractors.

CATHOLIC CHARITIES HAWAII
AND AFFILIATE

CORRECTIVE ACTION PLAN

For the Year Ended August 31, 2011

**CATHOLIC CHARITIES HAWAII
AND AFFILIATE**

CORRECTIVE ACTION PLAN

For the Year Ended August 31, 2011

CORRECTIVE ACTION PLAN

A corrective action plan for the year ended August 31, 2011 for Catholic Charities Hawaii and Affiliate was not required because there were no current year findings or questioned costs.

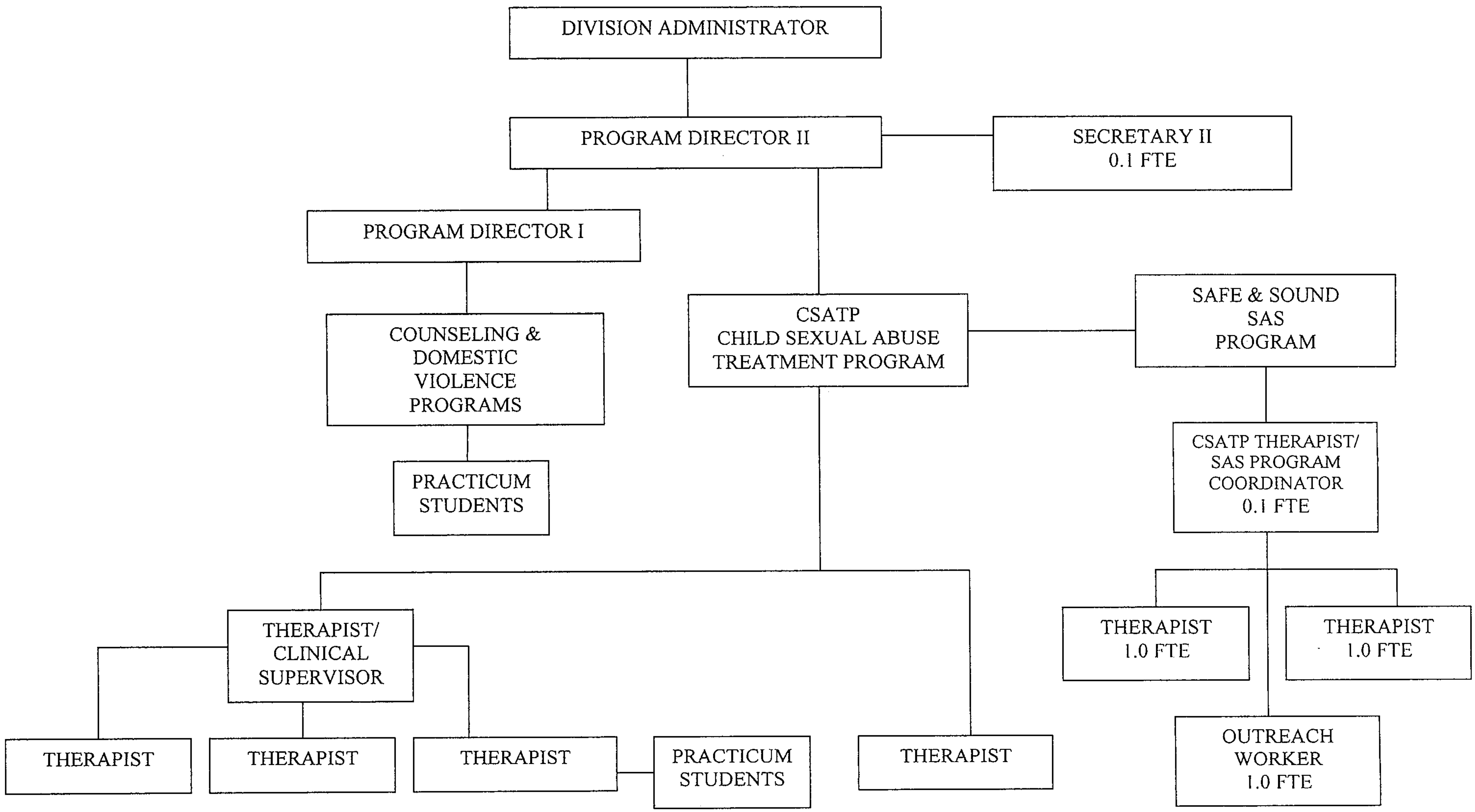
Attachment C

Organization Chart

CATHOLIC CHARITIES HAWAI`I

Family & Therapeutic Services

Therapeutic Services Program



Revised 01-09

Attachment D

Declaration Statement

DECLARATION STATEMENT
APPLICANTS FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAI'I REVISED STATUTES

The undersigned authorized representative of the applicant acknowledges that said applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to section 42F-103, Hawai'i Revised Statutes:

(1) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;

(2) Comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;

(3) Agree not to use state funds for entertainment or lobbying activities; and

(4) Allow the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant or subsidy.

In addition, a grant or subsidy may be made to an organization only if the organization:

(1) Is incorporated under the laws of the State; and

(2) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.

Further, a grant or subsidy may be awarded to a non-profit organization only if the organization:

(1) Has been determined and designated to be a non-profit organization by the Internal Revenue Service; and

(2) Has a governing board whose members have no material conflict of interest and serve without compensation.

For a grant or subsidy used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

CATHOLIC CHARITIES HAWAII

[redacted]

(Signature) (Date)

Stella M. Q. Wong [redacted] Vice President of Programs

(Typed Name) (Title)