

Independent Auditor's Report

Board of Directors
Holy Family Institute

We have audited the accompanying combined statements of financial position of Holy Family Institute as of June 30, 2011 and 2010, and the related combined statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Holy Family Institute's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Holy Family Institute as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Maher Duessel

Pittsburgh, Pennsylvania
November 18, 2011

HOLY FAMILY INSTITUTE

COMBINED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2011 AND 2010

	2011	2010
Assets		
Cash and cash equivalents	\$ 6,766,068	\$ 4,438,226
Accounts receivable, net of allowance of \$558,844 and \$790,818	3,597,545	6,144,583
Pledges receivable, net	349,808	212,815
Grants receivable	260,750	-
Investments	8,515,102	7,088,225
Prepaid expenses	74,480	222,572
Property and equipment, net of accumulated depreciation of \$11,533,720 and \$10,820,531	8,121,702	8,674,414
Total Assets	\$ 27,685,455	\$ 26,780,835
Liabilities and Net Assets		
Liabilities:		
Accounts payable	538,469	446,775
Accrued expenses	1,745,102	1,952,335
Term note	3,666,667	4,106,667
Refundable deposits	6,110	6,110
Notes payable	-	287,019
Total Liabilities	5,956,348	6,798,906
Net Assets:		
Unrestricted:		
Undesignated	3,171,991	2,877,703
Board-designated:		
Repairs and replacements	711,242	711,225
Property and equipment	7,949,363	8,144,588
Endowment	5,398,985	3,967,928
Total unrestricted	17,231,581	15,701,444
Temporarily restricted	1,145,162	928,121
Permanently restricted	3,352,364	3,352,364
Total Net Assets	21,729,107	19,981,929
Total Liabilities and Net Assets	\$ 27,685,455	\$ 26,780,835

See accompanying notes to financial statements.

HOLY FAMILY INSTITUTE
COMBINED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains, and Other Support:				
Fees from program services:				
Governmental agencies	\$ 11,829,911	\$ 111,500	\$ -	\$ 11,941,411
Other	12,013,259	-	-	12,013,259
Contributions and grants	1,771,842	434,528	-	2,206,370
United Way	230,769	137,088	-	367,857
Third party fees	55,466	-	-	55,466
Fundraising events, net of related expenses	224,651	-	-	224,651
Miscellaneous	70,550	-	-	70,550
Rental and administrative fees	296,013	-	-	296,013
Investment income (loss)	1,552,159	570	-	1,552,729
Net assets released from restrictions	466,645	(466,645)	-	-
Total revenues, gains, and other support	<u>28,511,265</u>	<u>217,041</u>	<u>-</u>	<u>28,728,306</u>
Expenses:				
Program services:				
Holy Family Social Services	7,547,762	-	-	7,547,762
Holy Family Learning	8,338,529	-	-	8,338,529
St. Mary's Villa for Children and Families	6,300,451	-	-	6,300,451
Holy Family Institute	190,201	-	-	190,201
Total program services	<u>22,376,943</u>	<u>-</u>	<u>-</u>	<u>22,376,943</u>
Fundraising services	673,195	-	-	673,195
Administration services	3,930,990	-	-	3,930,990
Total expenses	<u>26,981,128</u>	<u>-</u>	<u>-</u>	<u>26,981,128</u>
Change in Net Assets	1,530,137	217,041	-	1,747,178
Net Assets:				
Beginning of year	15,701,444	928,121	3,352,364	19,981,929
End of year	<u>\$ 17,231,581</u>	<u>\$ 1,145,162</u>	<u>\$ 3,352,364</u>	<u>\$ 21,729,107</u>

See accompanying notes to financial statements.

HOLY FAMILY INSTITUTE
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains, and Other Support:				
Fees from program services:				
Governmental agencies	\$ 13,551,168	\$ -	\$ -	\$ 13,551,168
Other	12,730,680	-	-	12,730,680
Contributions and grants	2,518,641	809,154	36,000	3,363,795
United Way	263,706	-	-	263,706
Third party fees	41,153	-	-	41,153
Fundraising events, net of related expenses	242,969	-	-	242,969
Miscellaneous	205,559	-	-	205,559
Rental and administrative fee	293,614	-	-	293,614
Investment income (loss)	511,708	2,540	-	514,248
Net assets released from restrictions	2,639,805	(2,639,805)	-	-
Total revenues, gains, and other support	<u>32,999,003</u>	<u>(1,828,111)</u>	<u>36,000</u>	<u>31,206,892</u>
Expenses:				
Program services:				
Holy Family Social Services	7,911,221	-	-	7,911,221
Holy Family Learning	10,053,420	-	-	10,053,420
St. Mary's Villa for Children and Families	6,683,474	-	-	6,683,474
Holy Family Institute	189,976	-	-	189,976
Total program services	<u>24,838,091</u>	<u>-</u>	<u>-</u>	<u>24,838,091</u>
Fundraising services	898,263	-	-	898,263
Administration services	3,702,887	-	-	3,702,887
Total expenses	<u>29,439,241</u>	<u>-</u>	<u>-</u>	<u>29,439,241</u>
Change in Net Assets	3,559,762	(1,828,111)	36,000	1,767,651
Net Assets:				
Beginning of year	12,141,682	2,756,232	3,316,364	18,214,278
End of year	<u>\$ 15,701,444</u>	<u>\$ 928,121</u>	<u>\$ 3,352,364</u>	<u>\$ 19,981,929</u>

See accompanying notes to financial statements.