

**CATHOLIC COMMUNITY  
FOUNDATION IN THE  
ARCHDIOCESE OF MIAMI, INC.  
Financial Statements  
June 30, 2006 and 2005**

**CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.**

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## Report of Independent Certified Public Accountants

To the Board of Directors of the  
Catholic Community Foundation in the Archdiocese of Miami, Inc.  
Miami Shores, Florida

We have audited the accompanying statement of financial position of the Catholic Community Foundation in the Archdiocese of Miami, Inc. (the "Foundation") as of June 30, 2006 and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Foundation as of June 30, 2005, were audited by other auditors whose report dated September 8, 2005, expressed an unqualified opinion on those statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Catholic Community Foundation in the Archdiocese of Miami, Inc. at June 30, 2006, and the results of its activities and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*DE LA TORRE, TARABOULOS & Co.*

December 22, 2006  
Miami, Florida

**CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.**

Statements of Financial Position

June 30, 2006 and 2005

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<b>Assets</b>	<u>2006</u>	<u>2005</u>
Cash and cash equivalents	\$ 309,787	\$ 329,761
Investments, at fair value	1,519,535	1,043,225
Funds held in trust - Participating Entities	86,092,477	31,972,627
Funds held in trust - Supporting Organizations	<u>2,650,859</u>	<u>2,498,206</u>
Total investments and funds held in trust	<u>90,262,871</u>	<u>35,514,058</u>
Total Assets	<u><u>90,572,658</u></u>	<u><u>35,843,819</u></u>
 <b>Liabilities and Net Assets</b>		
Accounts payable	-	660
Funds held in trust - Participating Entities	86,092,477	31,972,627
Funds held in trust - Supporting Organizations	<u>2,650,859</u>	<u>2,498,206</u>
Total liabilities	<u><u>88,743,336</u></u>	<u><u>34,471,493</u></u>
 <b>Net Assets</b>		
Unrestricted	309,787	319,255
Temporarily restricted	(5,465)	(51,546)
Permanently restricted	<u>1,525,000</u>	<u>1,104,617</u>
Total net assets	<u>1,829,322</u>	<u>1,372,326</u>
Total Liabilities and Net Assets	<u><u>\$ 90,572,658</u></u>	<u><u>\$ 35,843,819</u></u>

See accompanying notes to financial statements.

**CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.**

Statements of Activities

For the Year Ended June 30, 2006 and 2005

	2006				2005			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:								
Contributions	\$ -	\$ -	\$ 525,000	\$ 525,000	\$ -	\$ -	\$ -	\$ -
Investment income	-	27,588	-	27,588	-	18,483	-	18,483
Administrative fees	-	-	-	-	119,763	-	-	119,763
Net realized and unrealized gains on investments	-	27,751	-	27,751	-	48,277	-	48,277
Total support and revenue	-	55,339	525,000	580,339	119,763	66,760	-	186,523
Net assets released from restrictions:								
Net assets released from restrictions	104,617	-	(104,617)	-	-	-	-	-
Total support and revenue and reclassifications	104,617	55,339	420,383	580,339	119,763	66,760	-	186,523
Expenses:								
Trustee fees	131	-	-	131	-	-	-	-
Investment management fees	2,588	-	-	2,588	-	-	-	-
Other expenses/Administrative expenses	6,749	9,258	-	16,007	18,085	-	-	18,085
Total expenses	9,468	9,258	-	18,726	18,085	-	-	18,085
Changes in net assets before participant's withdrawals and other	95,149	46,081	420,383	561,613	101,678	66,760	-	168,438
Withdrawals by participants	(104,617)	-	-	(104,617)	(1,556)	-	-	(1,556)
Changes in net assets	(9,468)	46,081	420,383	456,996	100,122	66,760	-	166,882
Net assets:								
Beginning	319,255	(51,546)	1,104,617	1,372,326	219,133	(118,306)	1,104,617	1,205,444
Ending	\$ 309,787	\$ (5,465)	\$ 1,525,000	\$ 1,829,322	\$ 319,255	\$ (51,546)	\$ 1,104,617	\$ 1,372,326

See accompanying notes to financial statements.

**CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.**

Statements of Cash Flows

For the Year Ended June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 456,996	\$ 168,438
Adjustments to reconcile change in net assets to cash (used in) provided by operating activities:		
Investment Income	27,588	(60,266)
Contributions by participants	(525,000)	-
Realized and unrealized (gain) loss on investments	(27,751)	-
Changes in operating assets and liabilities:		
Decrease in administrative fees receivable	-	39,124
Decrease (increase) in accounts payable	(660)	660
Increase in funds held in trust assets	(54,748,813)	(3,961,252)
Decrease in funds held in trust liabilities	54,748,813	3,961,252
Net cash (used in) provided by operating activities	<u>(68,827)</u>	147,956
<b>Cash flows from investing activities:</b>		
Purchase of investments	<u>(371,530)</u>	-
Net cash used in investing activities	<u>(371,530)</u>	-
<b>Cash flows from financing activities:</b>		
Contributions by participants	525,000	-
Withdrawals by participants	<u>(104,617)</u>	<u>(1,556)</u>
Net cash provided by (used in) financing activities	420,383	(1,556)
Increase (decrease) in cash	(19,974)	146,400
Cash and cash equivalents at beginning of year	<u>329,761</u>	<u>183,361</u>
Cash and cash equivalents at end of year	<u>\$ 309,787</u>	<u>\$ 329,761</u>

See accompanying notes to financial statements.

# CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

## Notes to the Financial Statements

June 30, 2006 and 2005

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**1. Nature of Business  
and Significant  
Accounting Policies**

Nature of business

Catholic Community Foundation in the Archdiocese of Miami Inc. (the "Foundation") was formed in March 1998 as a not-for-profit Florida corporation whose specific and primary purpose is to provide a single, unified means for individuals, families, corporations, private foundations and other organizations to make planned gifts for the benefit of any of the institutions of the Catholic Church, particularly those located in South Florida. With full regard for the interests of the donors and reflecting the Church's extensive and diverse efforts to carry out the work of Our Lord, the Foundation shall foster, secure, administer and invest gifts, especially endowed gifts, for any and all of the individual parishes, schools and other agencies of the Catholic Church.

On January 3, 2006, the Archdiocese of Miami Endowment Fund, Inc. (the "Fund") deposited substantially all of its assets with the Foundation in order to alleviate a portion of the general and administrative fees associated with operating the Fund.

The financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles for nonprofit organizations.

Financial statement presentation:

The financial statements are prepared in accordance with Statement of Financial Accounting Standards ("SFAS") No. 117, Financial Statements of Not-for-Profit Organizations and SFAS No. 136, Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others.

SFAS No. 117 requires net assets and revenues, gains and losses be classified into three categories of net assets based on the existence or the absence of donor-imposed restrictions. The three net asset categories are as follows:

- Unrestricted – Net assets which are free of donor-imposed restrictions; all revenues, gains and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted – Net assets whose use by the Foundation is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled or removed by actions of the Foundation pursuant to those stipulations.

See accompanying Report of Independent Certified Public Accountants.

# CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

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- Permanently Restricted – Net assets whose use by the Foundation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

SFAS No. 136 establishes standards for transactions in which a donor makes a contribution to a recipient not-for-profit organization on behalf of another entity that is specified by the donor. This statement requires a recipient not-for-profit organization that accepts cash or other financial assets from a donor and agrees to use those assets on behalf of or transfer those assets, the return on investment of those assets, or both to a specified affiliated beneficiary to recognize the fair value of those assets it receives as a contribution received.

### Cash and cash equivalents

The Foundation considers interest and non-interest bearing demand deposit accounts, money market accounts and certificates of deposit with a maturity date of 90 days or less when purchased to be cash equivalents. Such amounts are stated at cost, which approximates fair value.

### Investments

Investments are carried at fair value based on quoted market prices. Realized and unrealized gains (losses) on investments are recognized in the statement of activities and changes in net assets.

### Contributions by participants

Contributions received or made, including unconditional promises to give, are recognized as revenues or expenses in the period received or made at their estimated fair value. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

### Distributions to participants

The Fund's by-laws give the Board of Directors the authority to determine the total annual net earnings to be proportionately distributed to each participant. Effective January 1, 2006, the Fund will make available for distribution to each beneficiary the full amount of net



# CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

## Notes to the Financial Statements

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positive income earned by each participant account in a fiscal period. This distributable amount will be limited to the extent that such amount is in excess of the account's cumulative deposits. In years where there is no net positive income, no distributable income will be made available to the participant.

### Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

### Income taxes

The Foundation is exempt from all federal and state income taxes under Internal Revenue Code Section 501(c)(3) as a qualified nonprofit organization, except for income unrelated to the purpose of the Foundation. For the years ended June 30, 2006 and 2005, no provision for income taxes is required.

### Risks and uncertainties

The Foundation provides for various investment options in any combination of stocks, bonds, fixed income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the accompanying financial statements.

### Reclassifications

Certain amounts in the 2005 financial statements have been reclassified to conform to the 2006 presentation.

# CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

## Notes to the Financial Statements

June 30, 2006 and 2005

### 2. Investments

Investments are stated at fair value and are comprised of the following at June 30, 2006:

	Cost	Percentage	Fair Value	Percentage
Cash in money market funds	\$ 2,001,210	2.3%	\$ 2,001,210	2.2%
Mutual fund	40,833,283	46.0%	40,146,149	44.5%
Equity securities	16,253,951	18.3%	17,973,822	19.9%
Commingled trusts	29,647,405	33.4%	30,141,690	33.4%
	\$ 88,735,849	100.0%	\$ 90,262,871	100.0%

Investment income consisted of the following for the years ended June 30, 2006 and 2005

	2006		2005	
	Foundation	Funds Held In Trust	Foundation	Funds Held In Trust
Investment income	\$ 27,588	\$ 1,799,253	\$ 18,483	\$ 482,278
Net realized and unrealized gains on investments	27,751	3,824,274	48,277	1,467,552
	\$ 55,339	\$ 5,623,527	\$ 66,760	\$ 1,949,830

### 3. Funds Held in Trust

The Foundation has entered into agreements with St. Mary's Cathedral Trust, St. John Vianney College Seminary Trust, Church of the Epiphany Parish Trusts, the Archdiocese of Miami Millennium Appeal, Inc. d/b/a Vision 2000, the Archdiocese of Miami Endowment Fund, Inc. (collectively, the "Participating Entities"), the Dianne and Michael Bienes Charitable Foundation, Inc. (the "Supporting Organization"), to invest certain assets on their behalf. These assets, and the related investment earnings and expenses, are recorded as funds held in trust in the accompanying financial statements.

See accompanying Report of Independent Certified Public Accountants.

# CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

## Notes to the Financial Statements

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Funds Held in Trust are stated at fair value and are comprised of the following for the years ended June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
The Archdiocese of Miami Millennium Appeal, Inc. d/b/a Vision 2000	\$ 29,549,556	\$ 27,940,276
The Archdiocese of Miami Endowment Fund, Inc.	30,357,307	-
Other Participating Entities	26,185,614	4,032,351
	<u>\$ 86,092,477</u>	<u>\$ 31,972,627</u>

- 4. Net Assets** Unrestricted and temporarily restricted net assets, upon availability, are used to support Catholic entities sponsored by the Archdiocese.
- Permanently restricted net assets are restricted to investment in perpetuity, the income of which is expendable for support.
- 5. Related Party Transactions** The Foundation is sponsored by the Archdiocese of Miami (the “Archdiocese”) and its offices are located at the headquarters of the Archdiocese. The Foundation is not charged rent, labor costs or other administrative expenses by the Archdiocese for the use of its offices, employees or other resources, respectively.
- 6. Disclosure of Certain Concentrations** The Foundation maintains its cash balances in one financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. The Foundation believes it is not exposed to any significant credit risk on such accounts.