

**CATHOLIC COMMUNITY
FOUNDATION IN THE
ARCHDIOCESE OF MIAMI, INC.**
Financial Statements
June 30, 2009 and 2008

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 statements of financial position of the Catholic Community Foundation in the Archdiocese of Miami, Inc. (the "Foundation") as of June 30, 2009 and 2008 and the related statements of activities and changes in net assets and cash flows for the years 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.

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 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 Foundation'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 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 Catholic Community Foundation in the Archdiocese of Miami, Inc. at June 30, 2009 and 2008, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

KABAT, SCHERTZER, DE LA TORRE, TARABOULOS & Co.

August 21, 2009
Miami, Florida

PARTNERS:

JORGE N. DE LA TORRE, CPA • LAWRENCE KABAT, CPA • ERIC J. LEVENTHAL, CPA
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CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

Statements of Financial Position

June 30, 2009 and 2008

Assets	<u>2009</u>	<u>2008</u>
Investments, at fair value	\$ 2,939,336	\$ 3,379,205
Funds held in trust - Participating Entities	77,719,384	93,025,425
Funds held in trust - Supporting Organizations	<u>-</u>	<u>2,814,411</u>
Total investments and funds held in trust	<u>80,658,720</u>	<u>99,219,041</u>
Total Assets	<u>\$ 80,658,720</u>	<u>\$ 99,219,041</u>
 Liabilities and Net Assets		
Funds held in trust - Participating Entities	\$ 77,719,384	\$ 93,025,425
Funds held in trust - Supporting Organizations	<u>-</u>	<u>2,814,411</u>
Total liabilities	<u>\$ 77,719,384</u>	<u>\$ 95,839,836</u>
 Net Assets		
Unrestricted	\$ -	\$ -
Temporarily restricted	883,661	997,276
Permanently restricted	<u>2,055,675</u>	<u>2,381,929</u>
Total net assets	<u>2,939,336</u>	<u>3,379,205</u>
Total Liabilities and Net Assets	<u>\$ 80,658,720</u>	<u>\$ 99,219,041</u>

Read accompanying notes to financial statements.

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

Statements of Activities and Changes in Net Assets

For the Years Ended June 30, 2009 and 2008

	2009				2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:								
Contributions	\$ -	\$ 94,012	\$ 75,001	\$ 169,013	\$ -	\$ 758,720	\$ 933,638	\$ 1,692,358
Investment income	-	17,883	87,043	104,926	-	14,209	65,286	79,495
Investment management fees	-	(4,750)	(13,500)	(18,250)	-	(4,583)	(12,922)	(17,505)
Net realized and unrealized gain/(loss) on investments	-	(95,202)	(429,421)	(524,623)	-	(46,063)	(224,082)	(270,145)
Total support and revenue	-	11,943	(280,877)	(268,934)	-	722,283	761,920	1,484,203
Net assets released from restrictions:								
Net assets released from restrictions	170,935	(125,558)	(45,377)	-	349,529	(199,845)	(149,684)	-
Total support and revenue and reclassifications	170,935	(113,615)	(326,254)	(268,934)	349,529	522,438	612,236	1,484,203
Expenses:								
General and administrative	4,118	-	-	4,118	3,875	-	-	3,875
Total expenses	4,118	-	-	4,118	3,875	-	-	3,875
Changes in net assets before withdrawals by participants	166,817	(113,615)	(326,254)	(273,052)	345,654	522,438	612,236	1,480,328
Withdrawals by participants	(166,817)	-	-	(166,817)	(345,654)	-	-	(345,654)
Changes in net assets	-	(113,615)	(326,254)	(439,869)	-	522,438	612,236	1,134,674
Net assets:								
Beginning	-	997,276	2,381,929	3,379,205	-	474,838	1,769,693	2,244,531
Ending	\$ -	\$ 883,661	\$ 2,055,675	\$ 2,939,336	\$ -	\$ 997,276	\$ 2,381,929	\$ 3,379,205

Read accompanying notes to financial statements.

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

Statements of Cash Flows

For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in net assets	\$ (439,869)	\$ 1,134,674
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Investment income	104,926	79,495
Contributions by participants	(169,013)	(1,692,358)
Withdrawals by participants	166,817	345,654
Realized and unrealized (gain)/loss on investments	524,623	270,145
Changes in operating assets and liabilities:		
Decrease in accounts payable	-	-
Increase in funds held in trust assets	18,560,321	9,094,528
Increase in funds held in trust liabilities	<u>(18,560,321)</u>	<u>(9,094,528)</u>
Net cash provided by operating activities	187,484	137,610
Cash flows from investing activities:		
Purchase of investments, net	<u>(189,680)</u>	<u>(1,484,314)</u>
Net cash used in investing activities	(189,680)	(1,484,314)
Cash flows from financing activities:		
Contributions by participants	169,013	1,692,358
Withdrawals by participants	<u>(166,817)</u>	<u>(345,654)</u>
Net cash provided by financing activities	2,196	1,346,704
Decrease in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ -</u>

Read accompanying notes to financial statements.

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

Notes to the Financial Statements

June 30, 2009 and 2008

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

Nature of organization

Catholic Community Foundation in the Archdiocese of Miami Inc. (the "Foundation") was formed in March 1998 as a not-for-profit Florida corporation whose 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.

In a prior year, 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.

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

Notes to the Financial Statements

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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.

Investments

The Foundation accounts for its investments under SFAS No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Realized and unrealized gains (losses) on investments are recognized in the statement of activities and changes in net assets.

Donor advised funds

The Foundation offers funds whereby the donor has the privilege of recommending, and the Foundation has the final authority of selecting, within the mission and policies of the Foundation, the grant recipients. These funds may be established as endowments or may be provisional funds, in which instance both principal and income may be expended.

Contributions by participants

Contributions made by participants in forms other than cash are recorded at their fair value at the date of the contribution.

The Foundation has also adopted the provisions of SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

Notes to the Financial Statements

June 30, 2009 and 2008

Distributions to endowment fund participants

The Foundation's by-laws give the Board of Directors the authority to determine the total annual net earnings to be proportionately distributed to each endowment fund participant. Effective January 1, 2006, the Foundation will make available for distribution to each beneficiary the full amount of net positive income earned by each endowment fund 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 endowment fund 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, 2009 and 2008, 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.

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

Notes to the Financial Statements

June 30, 2009 and 2008

2. Investments

Investments are stated at fair value and are comprised of the following at June 30, 2009:

	<u>Cost</u>	<u>Percentage</u>	<u>Fair Value</u>	<u>Percentage</u>
Cash and cash equivalents	\$ 1,597,560	1.7%	\$ 1,597,560	2.0%
Equity investments	56,749,266	60.4%	46,202,204	57.3%
Fixed income investments	<u>35,582,737</u>	<u>37.9%</u>	<u>32,858,956</u>	<u>40.7%</u>
	\$ <u>93,929,563</u>	<u>100.0%</u>	\$ <u>80,658,720</u>	<u>100.0%</u>

Investments are stated at fair value and are comprised of the following at June 30, 2008:

	<u>Cost</u>	<u>Percentage</u>	<u>Fair Value</u>	<u>Percentage</u>
Cash and cash equivalents	\$ 1,377,311	1.4%	\$ 1,377,311	1.4%
Equity investments	61,196,056	61.3%	61,912,203	62.4%
Fixed income investments	<u>37,292,707</u>	<u>37.3%</u>	<u>35,929,527</u>	<u>36.2%</u>
	\$ <u>99,866,074</u>	<u>100.0%</u>	\$ <u>99,219,041</u>	<u>100.0%</u>

Investment income consisted of the following for the years ended June 30, 2009 and 2008:

	<u>2009</u>		<u>2008</u>	
	<u>Foundation</u>	<u>Funds Held In Trust</u>	<u>Foundation</u>	<u>Funds Held In Trust</u>
Investment income	\$ 104,926	\$ 3,460,920	\$ 79,495	\$ 3,114,905
Net realized and unrealized Gains/(losses) on investments	<u>(524,623)</u>	<u>(17,453,556)</u>	<u>(270,145)</u>	<u>(9,912,961)</u>
	\$ <u>(419,697)</u>	\$ <u>(13,992,636)</u>	\$ <u>(190,650)</u>	\$ <u>(6,798,056)</u>

Read accompanying Report of Independent Certified Public Accountants.

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

Notes to the Financial Statements

June 30, 2009 and 2008

- 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” and/or the “Bienes Foundation”), 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.

In February 2009, the Bienes Foundation and the Foundation mutually terminated and dissolved their agreements and the corresponding responsibilities as set forth therein regarding the investment and use of funds deposited by the Bienes Foundation with the Foundation which are memorialized and governed by an Investment Agreement dated on or about February 23, 2000, a Pledge and Supporting Organization Agreement dated on or about December 17, 1999, a Supplemental Agreement and Amendment dated on or about February 23, 2000 as well as the governing documents creating the Dianne and Michael Bienes Charitable Foundation, Inc. The outstanding balance of the Bienes Foundation funds held at the Foundation, approximately \$2.1 million, was withdrawn and paid to the Bienes Foundation in February 2009.

Funds Held in Trust are stated at fair value and are comprised of the following for the years ended June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
The Archdiocese of Miami Millennium Appeal, Inc. d/b/a Vision 2000	\$ 23,446,359	\$ 29,039,671
The Archdiocese of Miami Endowment Fund, Inc.	27,685,752	32,782,891
Other Participating Entities	<u>26,587,273</u>	<u>31,202,863</u>
	\$ <u>77,719,384</u>	\$ <u>93,025,425</u>

- 4. Net Assets** Unrestricted and temporarily restricted net assets, upon availability, are used to support qualified not-for-profit entities sponsored by the Archdiocese.

Permanently restricted net assets are restricted to investment in perpetuity, the income of which is expendable for support.

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

Notes to the Financial Statements

June 30, 2009 and 2008

- 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.