



**THE CATHOLIC FOUNDATION OF  
CENTRAL FLORIDA, INC.**

Financial Statements

June 30, 2009 and 2008

(With Independent Auditors' Report Thereon)



**KPMG LLP**  
Suite 1600  
111 North Orange Avenue  
PO Box 3031  
Orlando, FL 32802-3031

## **Independent Auditors' Report**

The Board of Directors  
The Catholic Foundation of Central Florida, Inc.:

We have audited the accompanying statements of financial position of The Catholic Foundation of Central Florida, Inc. (the Foundation) as of June 30, 2009 and 2008, and the related statements of activities and changes in net assets, and statements of cash flows for the year ended June 30, 2009 and for the period from inception (August 31, 2007) to June 30, 2008. 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 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 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 Foundation of Central Florida, Inc. as of June 30, 2009 and 2008, and the results of its operations and its cash flows for the year ended June 30, 2009 and for the period from inception (August 31, 2007) to June 30, 2008 in conformity with U.S. generally accepted accounting principles.

**KPMG LLP**

July 26, 2010  
Certified Public Accountants

**The Catholic Foundation of Central Florida, Inc.**  
**Statements of Financial Position**  
**June 30, 2009 and 2008**

	<b>June 2009</b>	<b>June 2008</b>
<i>Assets</i>		
Cash and cash equivalents	\$ 11,346,726	3,491,144
Leadership gifts receivable	3,743,534	2,016,619
Fundraising fees receivable	741,028	629,371
Deposits	9,671	32,941
Property and equipment	40,773	11,747
	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 15,881,732</b>	<b>6,181,822</b>
<i>Liabilities and net assets</i>		
<i>Liabilities</i>		
Indebtedness	\$ 1,157,452	1,080,195
Assets held for others	1,433,353	2,312,438
Accrued expenses	54,292	46,025
	<hr/>	<hr/>
Total liabilities	2,645,097	3,438,658
<i>Net assets</i>		
Unrestricted	2,484,903	2,086,034
Temporarily restricted	5,078,416	439,181
Permanently restricted	5,673,316	217,949
	<hr/>	<hr/>
	13,236,635	2,743,164
	<hr/>	<hr/>
<b>Total liabilities and net assets</b>	<b>\$ 15,881,732</b>	<b>6,181,822</b>

*See accompanying notes.*

(continued)

**The Catholic Foundation of Central Florida, Inc.**  
**Statements of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2009**  
**and From Inception Through June 30, 2008**

	<b>June 2009</b>	<b>June 2008</b>
<b><i>Changes in unrestricted net assets</i></b>		
Operating revenue and support		
Fundraising fees	\$ 1,715,219	709,871
Development and stewardship fees	600,000	600,000
Leadership gifts	1,505,368	3,428,989
Interest income	22,615	43,235
Total operating revenue and support	3,843,202	4,782,095
Operating expenses		
Alive in Christ campaign	2,015,452	1,684,185
Our Catholic Appeal	725,686	583,220
Major and Planned Giving	112,008	53,724
Management	591,187	374,932
Total operating expenses	3,444,333	2,696,061
	398,869	2,086,034
<b><i>Restricted asset distributions</i></b>		
Temporary restrictions expired	205,000	-
Temporarily restricted assets distributed	(205,000)	-
	398,869	2,086,034
<b><i>Changes in unrestricted net assets</i></b>	<b>398,869</b>	<b>2,086,034</b>
<b><i>Net unrestricted assets, beginning of the period</i></b>	<b>2,086,034</b>	<b>-</b>
<b><i>Net unrestricted assets, end of the period</i></b>	<b>\$ 2,484,903</b>	<b>2,086,034</b>
<b><i>Changes in temporarily restricted net assets</i></b>		
Leadership gifts	\$ 4,828,575	439,181
Restrictions expired	(205,000)	-
Interest income	15,660	-
	4,639,235	439,181
<b><i>Changes in temporarily restricted net assets</i></b>	<b>4,639,235</b>	<b>439,181</b>
<b><i>Net temporarily restricted net assets, beginning of the period</i></b>	<b>439,181</b>	<b>-</b>
<b><i>Net temporarily restricted net assets, end of the period</i></b>	<b>\$ 5,078,416</b>	<b>439,181</b>
<b><i>Changes in permanently restricted net assets</i></b>		
Leadership gifts	\$ 4,393,792	217,949
Alive in Christ campaign distributions received	1,057,593	-
Interest income	3,982	-
	5,455,367	217,949
<b><i>Changes in permanently restricted net assets</i></b>	<b>5,455,367</b>	<b>217,949</b>
<b><i>Net permanently restricted net assets, beginning of the period</i></b>	<b>217,949</b>	<b>-</b>
<b><i>Net permanently restricted net assets, end of the period</i></b>	<b>\$ 5,673,316</b>	<b>217,949</b>
<b><i>Increase in net assets</i></b>	<b>\$ 10,493,471</b>	<b>2,743,164</b>
<b><i>Net assets, beginning of the period</i></b>	<b>2,743,164</b>	<b>-</b>
<b><i>Net assets, end of the period</i></b>	<b>\$ 13,236,635</b>	<b>2,743,164</b>

*See accompanying notes.*

(continued)

**The Catholic Foundation of Central Florida, Inc.**  
**Statements of Cash Flows**  
**For the Year Ended June 30, 2009**  
**and From Inception Through June 30, 2008**

	<b>June 2009</b>	<b>June 2008</b>
<b><i>Cash flows from operating activities</i></b>		
Cash received from		
Fees	\$ 2,203,562	680,500
Leadership gifts	1,235,320	2,023,000
Interest income	54,912	43,235
Cash used for operating expenses less non-cash items	(3,428,550)	(2,648,886)
<i>Net cash provided before fundraising transactions</i>	65,244	97,849
Alive in Christ campaign		
Campaign gifts received	6,424,949	2,312,438
Campaign gifts distributed	(7,304,034)	-
Planned giving gifts		
Planned giving gifts received	2,015,819	-
Planned gifts gifts distributed	(2,015,819)	-
Interest income distributed	(12,655)	-
<i>Net cash provided from (used for) operating activities</i>	(826,496)	2,410,287
<b><i>Cash flows from investing activities</i></b>		
Temporarily restricted gifts		
Leadership gifts received	3,534,000	-
Leadership gifts distributed	(205,000)	-
Permanently restricted gifts		
Leadership gifts received	4,231,500	46,500
Alive in Christ campaign distributions received	1,057,593	-
Purchase of property and equipment	(36,542)	(12,897)
Deposits	23,270	(32,941)
<i>Net cash provided from investing activities</i>	8,604,821	662
<b><i>Cash flows from financing activities</i></b>		
Indebtedness		
Proceeds from working capital debt	2,827,257	1,080,195
Payments on working capital debt	(2,750,000)	-
<i>Net cash provided from financing activities</i>	77,257	1,080,195
<b><i>Net increase in cash</i></b>	7,855,582	3,491,144
<b><i>Cash and cash equivalents, beginning of the period</i></b>	3,491,144	-
<b><i>Cash and cash equivalents, end of the period</i></b>	\$ 11,346,726	3,491,144

*See accompanying notes.*

**The Catholic Foundation of Central Florida, Inc.**  
**Notes to Financial Statements**  
**June 30, 2009 and 2008**

**(1) *The Foundation***

The Catholic Foundation of Central Florida, Inc. (the "Foundation") was established under the auspices of the General Synod for the Diocese of Central Florida (the "Synod") to raise, manage and distribute funds to provide long-term, sustainable support for the parishes, schools, agencies and other ministries in the Diocese of Orlando (the "Diocese"). The Synod was conceived as a response to the changing demographics of the nine-county Diocese. After more than eighteen months of deliberations, studies and discussions, the Foundation was established from the Office of Development of the Diocese for all stewardship and development functions within the Diocese and incorporated in the State of Florida on August 31, 2007. The Foundation provides a fundraising platform for diocesan-wide initiatives that will strengthen the people and parishes in the Diocese and secure the financial resources to achieve the vision of the Synod, to be fully *Alive in Christ*.

The Foundation is governed by five Members and a Board of Directors. The five members include the Bishop of the Diocese of Orlando, two members appointed by the Bishop, and the Chairman and Treasurer of the Foundation's Board of Directors. The Members have broad authority, including the authority to appoint and remove Members of the Foundation's Board of Directors, dissolve the Foundation and approve the Foundation's annual budgets as described in the Foundation's bylaws.

The Foundation's Board of Directors is responsible for the management and control of the Foundation's operations, affairs, property and funds. The Board has the authority to establish supporting committees and currently has seated executive, audit and investment committees.

**(2) *Fundraising and asset management***

The Foundation develops and administers capital campaigns, annual appeals and other programs to further its fundraising goals, and is developing an asset management function as further described in the following paragraphs.

The *Alive in Christ* campaign is a multi-wave, multi-year capital campaign with a goal to raise \$150 million, of which \$90 million will be returned to the participating parishes for capital improvements, debt reduction, parish or school endowments, and other projects. The remaining \$60 million will be used to establish capital and endowment funds totaling \$25 million capital and \$35 million endowment, respectively, to fund Diocesan wide initiatives. The campaign began in spring 2008 and the fundraising phase is projected to continue through 2010. The *Alive in Christ* campaign is the platform for numerous parish and Diocesan initiatives.

The Foundation development staff provides continuing assistance to the Diocese and individual parishes for current and future development activities through its *Diocesan Stewardship and Development* services, including *Our Catholic Appeal*, the parish based annual collection to support the operations of the Chancery and its programs and ministries. *Our Catholic Appeal* is based on a schedule of assessments prepared by the Chancery in conjunction with the pastoral leadership of the Diocese. The annual goal for *Our Catholic Appeal* was \$11 million in both 2008 and in 2009.

*Diocesan Stewardship and Development* services extend beyond the management and administration of *Our Catholic Appeal* to include increased offertory and stewardship education and planned giving fundraising programs at the parishes; annual events to build school endowments; and development efforts to support Campus Ministry programs.

*Planned giving* is one of the greatest opportunities for the Diocese to advance a strong, comprehensive giving program throughout the ninety one parishes and missions in the Diocese. This initiative is a natural outgrowth of the donor relationships that are being developed through the *Alive in Christ* campaign and *Our Catholic Appeal*. The Foundation has employed a highly qualified planned giving

**The Catholic Foundation of Central Florida, Inc.**  
**Notes to Financial Statements, continued**

officer to manage this program, and plans to launch an aggressive planned giving program in all parishes within the next two years that will continue in perpetuity.

The Foundation expects to be actively engaged in the ongoing management of about six to eight *Capital campaigns* each year at the parishes, schools and other Diocesan entities with a value of between \$12 million and \$18 million.

The Foundation is developing an *Asset Management* function that will be the investment platform for the portfolios of the Foundation and the Diocese. The Foundation expects to gain operating economies of scale for all Diocesan investment assets, by reducing operating expenses and increasing expected investment returns; providing access to “best-in-class” investment strategies and managers to all Diocesan investment portfolios, regardless of individual size; and reducing operational and oversight burden of Diocesan investment operations. An investment committee has been created to develop and monitor the investment policies of the Foundation to ensure that both its long-term and short-term investment and liquidity goals are achieved, and develop and implement the *Asset Management* function.

**(3) Summary of significant accounting policies and practices**

**a) Basis of reporting**

The basic financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with accounting principals generally accepted in the United States of America. The Foundation’s financial statements have been prepared in accordance with Statement of Financial Accounting Standards (“SFAS”) No. 117, *Financial Statements of Not-for-Profit Organizations* to focus on the Foundation as a whole and classify net assets, revenues, expenses, gains and losses based on the existence or absence of donor imposed restrictions.

**b) Campaign distributions**

Gifts collected under the *Alive in Christ* capital campaign are held in trust until distributed to the participating parishes and the Diocese quarterly on a 65:35 share allocation for dollars collected up to the individual parish goal of twice average annual parish offertory, and on a 90:10 share allocation thereafter. Distributions begin about six months after completion of the fundraising campaign for each parish.

Distributions to the Diocese are allocated to five capital priorities and eight endowment priorities (also referred to as specific endowments). Funds designated for capital and endowment priorities are held and invested by the Diocese and will be used for their designated purpose. Capital distributions designated for Catholic Charities are distributed directly to and controlled entirely by management and the Board of Directors of Catholic Charities. Funds designated for endowment priorities for the Foundation are held and invested by the Foundation with leadership gifts also designated for Foundation endowment priorities (also referred to as general endowments).

Income earned on the endowment funds will be distributed once the targeted balances have been reached, about 2013. Endowment allocation committees will be established as needed for the different priorities with membership from the interested parties.

**c) Revenue recognition**

The Foundation recognizes revenue when earned. Contributions received, including unconditional promises to give, are recognized as revenues in the period received at their fair market value in accordance with the standards specified in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. That standard also requires organizations to distinguish between contributions received that increase unrestricted net assets, temporarily restricted net assets and

**The Catholic Foundation of Central Florida, Inc.**  
**Notes to Financial Statements, continued**

permanently restricted net assets, and the recognition of expired donor imposed restrictions in the period the restrictions expire. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risk involved and discount is accreted annually as a component of contribution revenue.

Leadership gifts received under the *Alive in Christ* capital campaign are gifts of one million dollars or more and are reported as unrestricted, temporarily restricted or permanently restricted contribution revenues in the accompanying statements of activities and changes in net assets in accordance with the terms of the underlying gift award letters. Leadership gifts received from founding board members that have been designated to be used for “seed funding” the operations of the Foundation are recorded as unrestricted contributions, in the amount of the cash received plus the present value of the gift payments to be received in future periods.

As funding of the Foundation and growth permits, the Foundation may, in its discretion and with the approval of the Board of Directors of the Foundation, establish endowments in the amounts of the leadership gifts designated for use by the Foundation for its unrestricted (operating) purposes. Those endowments will reflect the interests and intentions of the donors, further the Foundation’s exempt purpose and may bear the name of the donors or remain anonymous at the wish of the donors.

The Foundation assesses fees for the administration of its fundraising campaigns, appeals and programs. The fundraising fees for the *Alive in Christ* campaign are based on the average annual offertory of the individual parishes and are payable from the quarterly distributions to the individual parishes. Leadership gifts are assessed a fee that is payable from the annual gifts collected.

**d) *Asset restrictions***

*Unrestricted net assets* are available for the Foundation to use and are not subject to donor-imposed restrictions.

*Assets held for others* represent gifts that have been received from donors that are designated for the use of specific beneficiaries and are held by the Foundation as an agent and not reported as a component of Foundation revenues.

The Foundation acts as an agent for and on behalf of donors, receiving assets from the donors and agreeing to use those assets on behalf of or transfer those assets, the return on investment of those assets or both to the beneficiaries specified in the *Alive in Christ* capital campaign, Our Catholic Appeal, and other fundraising programs as described in SFAS No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*. In that capacity the Foundation recognizes a liability to the beneficiary with the receipt of cash or other assets that is measured at fair value. These assets are included in the accompanying financial statements as *Assets held for others*, a liability.

*Temporarily restricted net assets* are subject to donor-imposed restrictions that will be met either by actions of the Foundation or the passage of time. When donor restrictions expire, the temporarily restricted net assets are reclassified and reported in the statement of activities and changes in net assets as assets released from restrictions. Temporarily restricted net assets total \$5,078,416 and \$439,181 at June 30, 2009 and 2008, respectively.

*Permanently restricted net assets* are maintained in perpetuity and subject to donor-imposed restrictions. Income earned on permanently restricted net assets may be used entirely or in part for the general or specific purpose specified by the donor. Permanently restricted net assets and are \$5,673,316 and \$217,949 at June 30, 2009 and 2008, respectively.

**The Catholic Foundation of Central Florida, Inc.**  
**Notes to Financial Statements, continued**

***e) Cash and cash equivalents***

Cash equivalents include amounts held in certificates of deposit and money market accounts with maturities of three months or less, except for such instruments within the investment portfolio. Distributions for general endowment priorities under the *Alive in Christ* capital campaign are held on deposit in the Diocesan Savings Fund that is managed by the finance office of the Diocese. Those general endowment funds, including interest, total \$819,838 at June 30, 2009. There were no general endowment funds at June 30, 2008.

Cash and cash equivalents expose the Foundation to various interest rate, market and credit risks and it is reasonably possible that changes in the values could occur and have a material affect on the balances reported in the Foundation's financial statements. The balances held at June 30, 2009 and 2008 exceed FDIC insurance coverage.

***f) Investments***

The Foundation occasionally receives gifts of investments and other property from donors. Those assets are valued at fair value at the date of receipt. It is the policy of the Foundation to convert non-cash contributions received to cash as soon as practical. There are no significant investments held at June 30, 2009 and 2008.

***g) Deposits***

Deposits are funds held on account to pay for merchant processing fees for credit and debt card transactions.

***h) Property and equipment***

Property and equipment includes furniture, computer equipment, software (website development costs) and an automobile that are carried at cost and depreciated or amortized on the straight-line method over the estimated useful lives of the assets. Depreciation and amortization expense was \$7,516 and \$1,150 in fiscal years 2009 and 2008, respectively.

***i) Legacies, bequests and beneficial interest in trusts***

The Foundation may be the beneficiary under various wills, the total realizable value of which is not presently determinable. Such amounts are recorded as contributions when clear title is established and the proceeds are clearly measurable.

The Foundation may also be the income beneficiary under various term and perpetual trusts, the corpus of which is not controlled by the management of the Foundation. In the absence of donor-imposed conditions, the Foundation recognizes its beneficial interest in a trust as a contribution in the period in which it receives notice that the trust agreement conveys an unconditional right to receive benefits.

There were no contributions recognized for legacies, bequests and beneficial trusts in fiscal years 2009 and 2008.

***j) Functional allocation of expenses***

The cost of providing capital campaigns, annual appeals and other programs has been summarized on a functional basis in footnote 13 below. Certain costs are allocated based on management's estimates.

**The Catholic Foundation of Central Florida, Inc.**  
**Notes to Financial Statements, continued**

**k) Income taxes**

The Foundation is recognized as exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and, therefore, related income is generally not subject to federal or state income taxes.

**l) Compensated absences**

Employees of the Foundation accrue vacation at varying rates ranging from 10 to 25 days per year to a maximum of 25 days per year. The maximum accrued vacation leave time payable upon separation of service may not exceed twice the number of vacation days earned annually. At June 30, 2009 and 2008 accrued expenses of \$54,292 and \$46,025, respectively, were recorded for the estimated obligation for vacation leave time and reported as accrued expenses in the statements of financial position.

**m) Use of estimates**

Management of the Foundation has made a number of estimates and assumptions in the preparation of the accompanying financial statements relating to the reporting of assets and liabilities and the disclosures, and the reporting of revenues and expenses, gains and losses during the period. Actual results could differ from the amounts reflected in the financial statements and the differences could be material.

**(4) Leadership gifts**

Leadership pledges receivable at June 30, 2009 and 2008 consist of the following:

	<b>2009</b>	<b>2008</b>
<i>Current year leadership gifts</i>		
Gifts committed	\$ 12,078,300	4,450,000
Cash received	8,678,300	2,150,000
Gifts to be received in subsequent years	3,400,000	2,300,000
Unearned discount	615,528	131,592
Present value of gifts receivable	2,784,472	2,168,408
<i>Prior year leadership gifts</i>		
Gifts receivable at the beginning of the year	2,168,408	-
Accreted discount on prior year(s) receivable	72,425	-
Less collections on prior year(s) receivable	1,000,000	-
	4,025,305	2,168,408
Less leadership gift fees receivable	281,771	151,789
<i>Leadership gifts receivable</i>	\$ 3,743,534	2,016,619

Gifts receivable in subsequent periods are discounted at the daily treasury yield curve rate as of the end of the fiscal year during which the gift was received. Discount is accreted annually as leadership gifts receivable and leadership gift income. The discount rates at June 30, 2009 and 2008 were 2.54% and 3.34%, respectively. The daily treasury yield curve rate is used in many statutorily determined loan and credit programs as well as for setting interest rates on non-marketable government securities.

Leadership gifts receivable are evaluated periodically, at least annually, for collectability of the expected installments. At June 30, 2009 and 2008 an allowance for uncollectible leadership gifts has not been established.

**The Catholic Foundation of Central Florida, Inc.**  
**Notes to Financial Statements, continued**

Leadership gifts totaling \$3,500,000 and \$4,450,000 were received from members of the board of directors and or members of the Foundation during the year ended June 30, 2009 and for the period from inception to June 30, 2008, respectively.

Leadership gifts are receivable in subsequent fiscal years at June 30, 2009 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<i>Annual installments by fiscal year</i>				
2010	\$ 674,250	232,500	69,750	976,500
2011	348,750	232,500	69,750	651,000
2012	93,000	116,250	69,750	279,000
2013	93,000	116,250	23,250	232,500
2014	46,500	209,250	23,250	279,000
thereafter	674,250	1,162,500	116,250	1,953,000
	1,929,750	2,069,250	372,000	4,371,000
Less discount	253,713	335,494	38,259	627,466
<i>Total leadership gifts receivable</i>	<u>\$ 1,676,037</u>	<u>1,733,756</u>	<u>333,741</u>	<u>3,743,534</u>

Leadership gift revenue includes the following:

	2009	2008
<i>Revenue components</i>		
Cash received	\$ 8,678,300	2,150,000
Present value of gifts receivable	2,784,474	2,168,408
Accreted discount on prior year(s) receivable	72,425	-
	11,535,199	4,318,408
Less Foundation leadership gift fees revenue	807,464	232,289
<i>Total leadership gift revenue</i>	<u>\$ 10,727,735</u>	<u>4,086,119</u>
<i>Nature of revenue</i>		
Unrestricted	\$ 1,505,368	3,428,989
Temporarily restricted	4,828,575	439,181
Permanently restricted	4,393,792	217,949
<i>Total leadership gift revenue</i>	<u>\$ 10,727,735</u>	<u>4,086,119</u>

Leadership gift fees revenue and receivable are reported as a component of fundraising fees revenue and receivable, respectively, in accompanying financial statements see footnote 5 below.

**(5) Fundraising fees**

Fundraising fees receivable at June 30, 2009 and 2008 and revenue for the periods then ended consist of the following:

	2009	2008
Alive in Christ Campaign fees	\$ 459,257	477,582
Leadership gift fees	281,771	151,789
<i>Fundraising fees to be received in subsequent years</i>	<u>\$ 741,028</u>	<u>629,371</u>

**The Catholic Foundation of Central Florida, Inc.**  
**Notes to Financial Statements, continued**

Fundraising fees are receivable in subsequent fiscal years at June 30, 2009 are as follows:

	<b>Alive in Christ Campaign</b>	<b>Leadership Gifts</b>	<b>Total</b>
<i>Annual installments by fiscal year</i>			
2010	\$ 331,365	73,500	404,865
2011	127,892	49,000	176,892
2012	-	21,000	21,000
2013	-	17,500	17,500
2014	-	21,000	21,000
thereafter		147,000	147,000
	459,257	329,000	788,257
<i>Less discount</i>	-	47,229	47,229
<i>Fundraising fees receivable</i>	\$ 459,257	281,771	741,028

Fund raising fee revenue for the year ended June 30, 2009 and for the period from inception through June 30, 2008 are as follows:

	<b>2009</b>	<b>2008</b>
Alive in Christ Campaign fees	\$ 745,925	477,582
Foundation leadership gift fees	807,464	232,289
Planned giving gift fees	161,830	-
<i>Fundraising fee revenue</i>	\$ 1,715,219	709,871

**(6) Property and equipment**

Property and equipment at June 30, 2009 and 2008 consist of the following:

	<b>2009</b>	<b>2008</b>
Furniture	\$ 6,987	-
Computer equipment	8,023	6,897
Software	21,129	6,000
Automobile	13,300	-
Cost of assets	49,439	12,897
<i>Less accumulated depreciation and amortization</i>	8,666	1,150
<i>Net book value</i>	\$ 40,773	11,747

**(7) Transactions with the Diocese of Orlando and indebtedness**

The Diocese provides facilities, personnel and other resources to the Foundation for the period that the Foundation is located in the Chancery, at rates that approximate local market prices. Personnel and other resources include back office support services that the Foundation purchases from the Diocese, including human resources, pension administration, payroll and accounts payable processing, building and mailroom services, information technology, communications, public relations and administration.

During the fiscal year ended June 30, 2009 the Foundation paid the Diocese \$80,464 for the aforementioned services. Facilities, personnel and other resources were provided without cost to the Foundation prior to July 1, 2008.

**The Catholic Foundation of Central Florida, Inc.**  
**Notes to Financial Statements, continued**

Indebtedness represents a short term working capital note between the Foundation and the Diocese that temporarily funds overhead and operating costs, as discussed in the preceding paragraphs. The note is unsecured and bears interest at the Diocese short term borrowing rate, 5.35% at June 30, 2009. The note was interest free prior to July 1, 2009. The working capital debt outstanding at June 30, 2009 and 2008 was \$1,157,452 and \$1,080,195, respectively.

**(8) Assets held for others**

Assets held for others at June 30, 2009 and 2008 consist of the following:

	<b>2009</b>	<b>2008</b>
Diocese of Orlando	\$ 511,403	717,661
Parishes	748,743	1,332,799
Others	173,207	261,978
	\$ 1,433,353	2,312,438
<i>Total Assets held for others</i>		

Assets held for others were received in connection with the Alive in Christ campaign and represent funds that the Foundation holds in trust until distribution to the ultimate recipients. Gifts collected are recorded at fair value at the date of receipt and a corresponding liability, assets held for others.

Alive in Christ capital campaign distributions through June 30, 2009 are summarized as follows:

<b>Distributions</b>	<b>Parishes</b>	<b>Capital Projects</b>	<b>Permanent Endowments</b>	<b>Foundation Fees</b>	<b>Total</b>
October 2008	\$ 1,629,684	281,684	394,358	251,228	2,256,954
January 2009	359,114	87,825	122,955	32,336	602,230
April 2009	1,109,489	158,114	219,259	215,895	1,702,757
June 2009	1,299,782	229,300	321,021	264,791	2,114,894
	\$ 4,398,069	756,923	1,057,593	764,250	6,976,835
<i>Distributions to other Diocesan ministries</i>					327,199
					7,304,034

**(9) Planned giving**

During the year ended June 30, 2009, the Foundation received planned gifts totaling \$2,015,819, net of expenses of \$6,086, that were designated for Diocesan needs. Planned gifts are assessed a 10% processing fee by the Foundation that is withheld from the distributions to the ultimate recipients. Under an agreement with the Diocese, the Foundation waived the 10% fees for certain gifts.

**(10) Temporarily restricted net assets**

Gifts designated for specific purposes by the donors over time or upon the occurrence of an event are categorized as temporarily restricted net assets in the accompanying financial statements. At June 30, 2009 and 2008 these restrictions included specific parish or other Diocesan ministry activities and Diocesan community charitable purposes.

**The Catholic Foundation of Central Florida, Inc.**  
**Notes to Financial Statements, continued**

Temporarily restricted net assets at June 30, 2009 and 2008 consist of the following:

	<b>2009</b>	<b>2008</b>
Leadership gifts, including interest earned	\$ 3,549,660	-
Leadership gifts receivable	1,733,756	439,181
	5,283,416	439,181
<i>Less</i> Restrictions expired	205,000	-
	\$ 5,078,416	439,181

**(11) Permanently restricted net assets**

Gifts designated under the Alive in Christ Capital Campaign or leadership gifts to be held in perpetuity and the income thereon to be used for designated purposes are categorized as permanently restricted net assets in the accompanying financial statements. At June 30, 2009 and 2008 these endowments include Diocesan ministries, tuition assistance, Diocesan community charities and the Foundation.

Endowment priorities at June 30, 2009 and 2008 consist of the following:

	<b>2009</b>	<b>2008</b>
<i>Specific endowments</i>		
Cash	\$	
Leadership gifts, including interest earned	4,278,000	46,500
<i>Alive in Christ</i> campaign distributions	241,737	-
	4,519,737	46,500
Leadership gifts receivable	333,741	171,449
	4,853,478	217,949
<i>General endowments</i>		
<i>Alive in Christ</i> campaign distributions	819,838	-
	\$ 5,673,316	217,949

**(12) Commitments**

The Foundation leases certain office equipment under short term operating leases and has contracted for professional fundraising services that have annual commitments as follows:

<i>Fiscal year ending June 30,</i>		
2010	\$	20,900
2011		3,600
2012		3,600
2013		3,600
2014		900
	\$	32,600

The operating lease and professional fundraising service costs under the aforementioned contracts totaled \$92,000 in the year ended June 30, 2009. There were no payments for the period from inception through June 30, 2008.

**The Catholic Foundation of Central Florida, Inc.**  
**Notes to Financial Statements, continued**

**(13) Program related expenses**

Program related costs for the year ended June 30, 2009 are as follows:

2009	Alive in Christ Campaign	Our Catholic Appeal	Major and Planned Giving	Management	Total
Labor costs	\$ 935,002	189,703	95,850	109,853	1,330,408
Contractual services	636,280	165,214	-	146,802	948,296
Program and development costs	348,387	308,511	-	43,222	700,120
Travel costs	26,947	145	-	78,998	106,090
Professional fees	665	-	16,158	50,815	67,638
Other	6,204	147	-	99,529	105,880
	<u>1,953,485</u>	<u>663,720</u>	<u>112,008</u>	<u>529,219</u>	<u>3,258,432</u>
Overhead allocation	26,821	26,821	-	26,822	80,464
Interest expense	35,146	35,145	-	35,146	105,437
Total expense	<u>\$ 2,015,452</u>	<u>725,686</u>	<u>112,008</u>	<u>591,187</u>	<u>3,444,333</u>

Program related costs for the period from inception through June 30, 2008 are as follows:

2008	Alive in Christ Campaign	Our Catholic Appeal	Major and Planned Giving	Management	Total
Labor costs	\$ 395,235	309,912	32,670	224,446	962,263
Contractual services	840,858	49,726	7,924	45,223	943,731
Program and development costs	358,920	197,986	-	8,700	565,606
Travel costs	40,041	1,640	-	29,773	71,454
Professional fees	-	-	13,130	14,182	27,312
Other	49,131	23,956	-	52,608	125,695
Total expense	<u>\$ 1,684,185</u>	<u>583,220</u>	<u>53,724</u>	<u>374,932</u>	<u>2,696,061</u>

**(14) Alive in Christ campaign gifts collected**

Alive in Christ campaign gifts collected by the Foundation included in the accompanying financial statements are as follows:

	2009	2008
Gifts from parishioners	\$ 6,424,949	2,312,438
Leadership gifts	9,678,300	2,150,000
Planned gifts collected by the Foundation	2,021,905	-
	<u>\$ 18,125,154</u>	<u>4,462,438</u>

**(15) Subsequent events**

The Foundation has evaluated the events subsequent to June 30, 2009 to assess the requirement for potential recognition in these financial statements or disclosure in these footnotes through July 26, 2010, the date these financial statements were issued.