



# THE CATHOLIC FOUNDATION OF CENTRAL FLORIDA, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018





## REPORT OF INDEPENDENT AUDITOR

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

We have audited the financial statements of The Catholic Foundation of Central Florida, Inc. ("the Foundation"), which consist of the statements of financial position as of June 30, 2019 and 2018, the related statements of activities and cash flows for the years then ended, and the related statement of functional expenses for the year ended June 30, 2019, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***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, 2019 and 2018, the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Battis Morrison Wales & Lee, P.A.*

BATTIS MORRISON WALES & LEE, P.A.

Orlando, Florida  
October 2, 2019

BATTIS MORRISON WALES & LEE, P.A. • CERTIFIED PUBLIC ACCOUNTANTS

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**THE CATHOLIC FOUNDATION OF CENTRAL FLORIDA, INC.**  
STATEMENTS OF FINANCIAL POSITION

**ASSETS**

	June 30,	
	2019	2018
<b>ASSETS</b>		
Cash and cash equivalents	\$ 884,696	\$ 838,208
Investments	6,183,085	5,510,208
Investments restricted for long-term purposes	12,366,079	11,818,319
Agency funds held	38,284,744	40,221,162
Other assets	757,813	683,093
<b>Total assets</b>	<b>\$ 58,476,417</b>	<b>\$ 59,070,990</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 10,060	\$ 8,967
Agency obligations	38,284,744	40,221,162
Other liabilities	717,776	501,980
Deferred revenue	150,293	143,100
<b>Total liabilities</b>	<b>39,162,873</b>	<b>40,875,209</b>
<b>NET ASSETS</b>		
Without donor restrictions	1,046,870	943,959
With donor restrictions	18,266,674	17,251,822
<b>Total net assets</b>	<b>19,313,544</b>	<b>18,195,781</b>
<b>Total liabilities and net assets</b>	<b>\$ 58,476,417</b>	<b>\$ 59,070,990</b>

The Accompanying Notes are an Integral  
Part of These Financial Statements

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

	For The Year Ended June 30, 2019			For The Year Ended June 30, 2018
	Without donor restrictions	With donor restrictions	Total	
<b>PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM TIME AND USE RESTRICTIONS</b>				
Development and stewardship service fees	\$ 2,005,094	\$ —	\$ 2,005,094	\$ 2,101,060
Investment management service fees	250,257	—	250,257	251,308
Campaign service fees	217,090	—	217,090	202,898
Contributions with donor restrictions	—	841,966	841,966	824,464
Investment income, net - with donor restrictions	—	828,922	828,922	1,004,981
Investment income, net - without donor restrictions	24,067	—	24,067	16,172
Net assets released from time and use restrictions	<u>656,036</u>	<u>(656,036)</u>	<u>—</u>	<u>—</u>
 <b>Total public support and revenue and net assets released from time and use restrictions</b>	 <b><u>3,152,544</u></b>	 <b><u>1,014,852</u></b>	 <b><u>4,167,396</u></b>	 <b><u>4,400,883</u></b>
 <b>EXPENSES</b>				
Program activities				
Our Catholic Appeal	873,997	—	873,997	747,886
Distributions to other Diocesan and Catholic entities	554,913	—	554,913	509,645
Parish campaigns	354,785	—	354,785	257,172
Major and planned giving	290,422	—	290,422	184,128
Investment management services	126,039	—	126,039	118,837
Educational campaigns	124,170	—	124,170	41,713
Offertory enhancements	100,246	—	100,246	135,146
Alive in Christ	<u>7,116</u>	<u>—</u>	<u>7,116</u>	<u>101,571</u>
 Total program activities	 <u>2,431,688</u>	 <u>—</u>	 <u>2,431,688</u>	 <u>2,096,098</u>
Supporting activities				
Management and general	<u>617,945</u>	<u>—</u>	<u>617,945</u>	<u>597,028</u>
 Total supporting activities	 <u>617,945</u>	 <u>—</u>	 <u>617,945</u>	 <u>597,028</u>
 <b>Total expenses</b>	 <b><u>3,049,633</u></b>	 <b><u>—</u></b>	 <b><u>3,049,633</u></b>	 <b><u>2,693,126</u></b>
 <b>Change in net assets without donor restrictions</b>	 <b>102,911</b>	 <b>—</b>	 <b>102,911</b>	 <b>413,532</b>
 <b>Change in net assets with donor restrictions</b>	 <b><u>—</u></b>	 <b><u>1,014,852</u></b>	 <b><u>1,014,852</u></b>	 <b><u>1,294,225</u></b>
 <b>CHANGE IN NET ASSETS</b>	 <b>102,911</b>	 <b>1,014,852</b>	 <b>1,117,763</b>	 <b>1,707,757</b>
 <b>NET ASSETS - Beginning of year</b>	 <b><u>943,959</u></b>	 <b><u>17,251,822</u></b>	 <b><u>18,195,781</u></b>	 <b><u>16,488,024</u></b>
 <b>NET ASSETS - End of year</b>	 <b><u>\$ 1,046,870</u></b>	 <b><u>\$ 18,266,674</u></b>	 <b><u>\$ 19,313,544</u></b>	 <b><u>\$ 18,195,781</u></b>

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**THE CATHOLIC FOUNDATION OF CENTRAL FLORIDA, INC.**  
STATEMENTS OF CASH FLOWS

	For The Years Ended June 30,	
	2019	2018
<b>OPERATING CASH FLOWS</b>		
Cash received from fees	\$ 2,479,634	\$ 2,365,973
Cash received from contributors	294,206	307,897
Investment income received	323,909	209,998
Cash paid for operating activities and costs	(2,907,464)	(2,721,951)
<b>Net operating cash flows</b>	<b>190,285</b>	<b>161,917</b>
<b>INVESTING CASH FLOWS</b>		
Reinvested interest and dividends	(300,157)	(192,561)
Net sales of investments	156,360	243,677
Net investment in assets restricted for long-term purposes	(547,760)	(524,871)
<b>Net investing cash flows</b>	<b>(691,557)</b>	<b>(473,755)</b>
<b>FINANCING CASH FLOWS</b>		
Contributions restricted for long-term purposes	547,760	524,871
<b>Net financing cash flows</b>	<b>547,760</b>	<b>524,871</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>46,488</b>	<b>213,033</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>838,208</b>	<b>625,175</b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 884,696</b>	<b>\$ 838,208</b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS</b>		
Change in net assets	\$ 1,117,763	\$ 1,707,757
Adjustments to reconcile change in net assets to net operating cash flows		
Contributions restricted for long-term purposes	(547,760)	(524,871)
Gain on investments, net	(529,080)	(811,155)
Change in other assets	(74,720)	(166,578)
Change in accounts payable and accrued expenses	1,093	2,854
Change in other liabilities	215,796	(34,395)
Change in deferred revenue	7,193	(11,695)
<b>Net operating cash flows</b>	<b>\$ 190,285</b>	<b>\$ 161,917</b>

The Accompanying Notes are an Integral  
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**THE CATHOLIC FOUNDATION OF CENTRAL FLORIDA, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended June 30, 2019

	<u>Program activities</u>	<u>Management and general</u>	<u>Total expenses</u>
Salaries and benefits	\$ 1,195,739	\$ 462,652	\$ 1,658,391
Grants	554,913	—	554,913
Communications and office	417,836	15,359	433,195
Other	77,731	52,194	129,925
Information and technology	100,843	17,186	118,029
Contracted services	43,726	39,091	82,817
Conferences and meetings	27,559	20,823	48,382
Occupancy	13,341	4,074	17,415
Depreciation	<u>—</u>	<u>6,566</u>	<u>6,566</u>
<b>Total expenses</b>	<b><u>\$ 2,431,688</u></b>	<b><u>\$ 617,945</u></b>	<b><u>\$ 3,049,633</u></b>

The Accompanying Notes are an Integral  
Part of These Financial Statements

**THE CATHOLIC FOUNDATION OF CENTRAL FLORIDA, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE A – NATURE OF ACTIVITIES**

The Catholic Foundation of Central Florida, Inc. (“the Foundation”) is a not-for profit corporation organized under the laws of the state of Florida. The Foundation was established in August 2007 to raise, manage, and distribute funds to provide long-term, sustainable support for the parishes, schools, agencies in the Catholic Diocese of Orlando (“the Diocese”), and community services in alignment with Catholic social teaching.

The Foundation provides assistance to the Diocese and other diocesan entities for development activities through its stewardship and donor services, including *Our Catholic Appeal*, the parish-based annual collection to support the operations of the Chancery and its programs and ministries. In addition, the Foundation provides support to the Diocese and diocesan entities in the areas of planned giving and offertory enhancement. The Foundation also assists parishes, schools, and other Diocesan entities with management of capital campaigns.

The Foundation administers and invests charitable and endowment gifts for the benefit of diocesan parishes, schools, and entities, and also administers and invests donor-advised funds. The Foundation provides investment opportunities which include short and intermediate term funds as well as long term endowments. The Foundation’s investments are screened for compliance with the United States Conference of Catholic Bishops’ socially-responsible investment guidelines.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Revenue recognition**

The Foundation recognizes cash contributions as revenue when the contributions are received by the Foundation. Contributions received are recorded as without or with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as “net assets released from time and use restrictions.”

The Foundation assesses fees for the administration of its fundraising campaigns, appeals, and programs. The Foundation recognizes fee revenue when earned.

**Cash and cash equivalents**

The Foundation considers investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

**Investments**

Investments are carried at estimated fair value.

**Investments restricted for long-term purposes**

Investments restricted for long-term purposes include mutual funds, corporate bonds, government obligations, and nonpublicly traded investments carried at estimated fair value. These assets are restricted pursuant to the endowment agreements to which they relate.

**Agency funds held**

Agency funds held consist of cash and cash equivalents and investments which are carried at estimated fair value. The Foundation holds and manages the funds primarily for the benefit of other Catholic organizations within the Diocese.

**Net assets**

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net assets with donor restrictions consist of amounts with uses limited by donor-imposed time and/or purpose restrictions.

**THE CATHOLIC FOUNDATION OF CENTRAL FLORIDA, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Functional allocation of expenses**

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas are allocated among the various functional areas based primarily on employee time.

**Income taxes**

The Foundation is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to Florida law. The Foundation is further classified as a public charity and not a private foundation for federal tax purposes. The Foundation has not incurred unrelated business income taxes. As a result, no income tax provision or liability has been provided for in the accompanying financial statements.

**Use of estimates**

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those related to the estimated fair value of investments. Actual results could differ from the estimates.

**New accounting pronouncement**

Financial Accounting Standards Board Accounting Standards Update (“ASU”) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities is effective for the Foundation’s financial statements for the year ended June 30, 2019. The ASU requires various changes to the presentation of financial statements of not-for-profit entities, the most significant of which relate to the classifications of net assets, a requirement to report expenses by natural classification as well as by functional classification, and new required disclosures related to an entity’s liquidity and availability of resources. The adoption of the ASU had no effect on the Foundation’s net assets as of July 1, 2017 or the change in net assets for the year ended June 30, 2018. As allowed by applicable guidance, the Foundation has chosen not to retrospectively apply provisions not required to be applied to the financial statements as of and for the year ended June 30, 2018.

**Reclassifications**

Certain amounts included in the June 30, 2018 financial statements have been reclassified to conform to classifications adopted during the year ended June 30, 2019. The reclassifications had no material effect on the accompanying financial statements.

**Subsequent events**

The Foundation has evaluated for possible financial statement reporting and disclosure subsequent events through October 2, 2019, the date as of which the financial statements were available to be issued.

**NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available within one year of the June 30, 2019 statement of financial position for general expenditure are as follows:

Financial assets available:	
Cash and cash equivalents	\$ 884,696
Investments	6,183,085
Investments restricted for long-term purposes	12,366,079
Agency funds held (see Note F)	<u>38,284,744</u>
Total financial assets available	57,718,604



**THE CATHOLIC FOUNDATION OF CENTRAL FLORIDA, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)**

Less amounts unavailable for general expenditure within one year due to:	
Amounts held for others as agent	\$(38,284,744)
Amounts held for donor-imposed restrictions	(15,928,209)
Amounts held to satisfy charitable gift annuity obligations	<u>(717,776)</u>
Net financial assets available within one year	<u>\$ 2,787,875</u>

The Foundation is primarily supported by development and stewardship service fees and contributions. As part of the Foundation’s liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation has certain assets limited to use for donor-restricted purposes. Because a donor’s restriction requires resources to be used in a specific manner or in a future period, the Foundation must maintain sufficient resources to meet its responsibilities to its donors. Thus, those financial assets may not be available for general expenditures within one year of June 30, 2019, and are excluded from net financial assets available to meet general expenditures within one year.

**NOTE D – CONCENTRATIONS**

The Foundation maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

During each of the years ended June 30, 2019 and 2018, all of the Foundation’s development and stewardship service fees were received from the Diocese.

As of June 30, 2019 and 2018, approximately 51% and 49% of the Foundation’s investments were held by one custodian, respectively.

**NOTE E – INVESTMENTS**

The Foundation holds investments of various types both in its capacity as trustee or custodian and in its capacity as owner. Investments are carried at estimated fair value. Investments were held for the following purposes or activities:

	June 30,	
	2019	2018
<u>Investments held as trustee or in a similar capacity</u>		
• Investments held as agency funds	\$ 37,977,857	\$ 39,834,338
• Investments held to satisfy charitable gift annuity obligations	717,776	501,980
<u>Investments subject to donor restrictions</u>		
• Restricted investments held for endowment corpus	12,366,079	11,818,319
• Net appreciation	4,452,540	4,147,063
• Investments held for other donor restricted purposes	1,002,095	850,966
<u>Investments held for other purposes</u>		
• Investments held for general operations	<u>10,674</u>	<u>10,199</u>
Total investments	<u>\$ 56,527,021</u>	<u>\$ 57,162,865</u>

**THE CATHOLIC FOUNDATION OF CENTRAL FLORIDA, INC.**  
 NOTES TO FINANCIAL STATEMENTS

**NOTE E – INVESTMENTS (Continued)**

	June 30.	
	2019	2018
Investments consisted of the following:		
Money market and similar funds	\$ 3,320,995	\$ 3,524,984
Mutual funds	24,227,981	22,481,392
Corporate bonds	638,886	1,226,617
Government obligations	636,198	884,122
Nonpublicly traded investments	27,702,961	29,045,750
Total investments	\$ 56,527,021	\$ 57,162,865

**NOTE F – AGENCY FUNDS HELD**

Agency funds held consisted of the following:

	June 30.	
	2019	2018
Cash and cash equivalents	\$ 306,887	\$ 386,824
Investments (See Note E)	37,977,857	39,834,338
Total agency funds held	\$ 38,284,744	\$ 40,221,162

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 various fundraising programs. The Foundation also manages the investments of certain funds for other Catholic organizations within the Diocese. The Foundation recognizes a liability to the beneficiary in an amount equal to the asset’s carrying value. These assets are included in the accompanying statements of financial position as “agency funds held” and the associated liabilities are included in the accompanying statements of financial position as “agency obligations.”

**NOTE G – FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles (“GAAP”) define fair value for an investment as the price an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Accordingly, GAAP recognizes a hierarchy of “inputs” an organization may use in determining or estimating fair value. The inputs are categorized into “levels” that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of each of the three levels of input within the fair value hierarchy:

- Level 1 – unadjusted quoted market prices in active markets for identical items
- Level 2 – other significant observable inputs (such as quoted prices for similar items)
- Level 3 – significant unobservable inputs

**THE CATHOLIC FOUNDATION OF CENTRAL FLORIDA, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE G – FAIR VALUE MEASUREMENTS (Continued)**

Investments in nonpublicly traded investments consist of pooled funds that pursue various strategies to diversify risks and reduce volatility. There are no lock-up periods associated with these investments, and such investments can generally be liquidated at an amount approximating net asset value in the near-term with proper notice. The financial statements of the pooled funds in which such investments have been made are generally subject to annual external audits which are ordinarily conducted by nationally-recognized certified public accounting firms. The reported estimated fair values of nonpublicly traded investments are based on amounts provided by the investee.

The estimated fair value of items measured on a recurring basis at June 30, 2019, is as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 24,227,981	\$ 24,227,981	\$ —	\$ —
Corporate bonds	638,886	638,886	—	—
Government obligations	636,198	636,198	—	—
Nonpublicly traded investments	<u>823,380</u>	<u>—</u>	<u>—</u>	<u>823,380</u>
Total	26,326,445	<u>\$ 25,503,065</u>	<u>\$ —</u>	<u>\$ 823,380</u>
Fair value measured at net asset value – other nonpublicly traded investments	<u>26,879,581</u>			
Total	<u>\$ 53,206,026</u>			

The estimated fair value of items measured on a recurring basis at June 30, 2018, is as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 22,481,392	\$ 22,481,392	\$ —	\$ —
Corporate bonds	1,226,617	1,226,617	—	—
Government obligations	884,122	884,122	—	—
Nonpublicly traded investments	<u>1,610,142</u>	<u>—</u>	<u>—</u>	<u>1,610,142</u>
Total	26,202,273	<u>\$ 24,592,131</u>	<u>\$ —</u>	<u>\$ 1,610,142</u>
Fair value measured at net asset value – other nonpublicly traded investments	<u>27,435,608</u>			
Total	<u>\$ 53,637,881</u>			

**THE CATHOLIC FOUNDATION OF CENTRAL FLORIDA, INC.**  
NOTES TO FINANCIAL STATEMENTS

**NOTE G – FAIR VALUE MEASUREMENTS (Continued)**

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

Balance, July 1, 2017	\$ 1,355,171
Net purchases	277,257
Net loss	<u>(22,286)</u>
Balance, June 30, 2018	1,610,142
Net sales	(819,516)
Net gain	<u>32,754</u>
Balance, June 30, 2019	<u>\$ 823,380</u>

**NOTE H – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets were donor restricted for the following purposes during the year ended June 30, 2019:

	Balance July 1, 2018	Contributions	Investment Activity	Releases	Balance June 30, 2019
Endowments corpus	\$ 11,818,319	\$ 547,760	\$ —	\$ —	\$ 12,366,079
Available for general use from appreciation of endowments	2,146,967	50	312,551	(121,103)	2,338,465
Diocesan	860,999	294,156	169,655	(239,655)	1,085,155
Parishes	893,981	—	126,660	(116,717)	903,924
Catholic Charities	515,142	—	90,265	(81,548)	523,859
Schools	463,631	—	91,856	(93,179)	462,308
Catholic Campus ministry	322,064	—	37,935	(3,834)	356,165
Other	<u>230,719</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>230,719</u>
Total	<u>\$ 17,251,822</u>	<u>\$ 841,966</u>	<u>\$ 828,922</u>	<u>\$ (656,036)</u>	<u>\$ 18,266,674</u>

Net assets were donor restricted for the following purposes during the year ended June 30, 2018:

	Balance July 1, 2017	Contributions	Investment Activity	Releases	Balance June 30, 2018
Endowments corpus	\$ 11,293,448	\$ 524,871	\$ —	\$ —	\$ 11,818,319
Available for general use from appreciation of endowments	1,773,101	—	404,517	(30,651)	2,146,967
Parishes	844,967	—	156,772	(107,758)	893,981
Diocesan	532,280	294,593	145,493	(111,367)	860,999
Catholic Charities	507,070	—	123,368	(115,296)	515,142
Schools	412,425	5,000	120,513	(74,307)	463,631
Catholic Campus ministry	354,959	—	54,318	(87,213)	322,064
Other	<u>239,347</u>	<u>—</u>	<u>—</u>	<u>(8,628)</u>	<u>230,719</u>
Total	<u>\$ 15,957,597</u>	<u>\$ 824,464</u>	<u>\$ 1,004,981</u>	<u>\$ (535,220)</u>	<u>\$ 17,251,822</u>

**THE CATHOLIC FOUNDATION OF CENTRAL FLORIDA, INC.**  
 NOTES TO FINANCIAL STATEMENTS

**NOTE H – NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Endowments corpus was restricted for the following purposes:

	June 30,	
	2019	2018
General use	\$ 5,296,860	\$ 5,295,646
Priest retirements	2,149,038	1,607,142
Schools	1,567,834	1,563,232
Support of Catholic Charities	1,395,048	1,395,000
Support for Needy in Polk County	1,024,539	1,024,539
Other	467,760	467,760
Support of Catholic Campus ministry	465,000	465,000
Total endowment corpus	\$ 12,366,079	\$ 11,818,319

The Foundation preserves the estimated fair value of all original endowment gifts as of the gift date, which management deems is in compliance with state law. Accordingly, the Foundation classifies as “endowment corpus” (a) the original value of gifts donated to the endowments and (b) the original value of subsequent gifts to the endowments. The Foundation has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to supported programs while seeking to maintain the purchasing power of the endowment assets and to preserve the invested capital. The Foundation seeks the advice of investment counsel, as well as management and certain committees of the Board, when determining amounts to be spent on supported programs. The Foundation’s current spending policy stipulates that between 3% and 5% of the estimated average fair value of the funds over a 36 month period ending June 30 each year may be distributed annually.

**NOTE I – RELATED PARTY TRANSACTIONS**

Under a written service agreement, the Diocese provides facilities, personnel, and other resources to the Foundation. Personnel and other resources include back-office support services, including human resources, pension administration, payroll and accounts payable processing, building and mailroom services, and information technology. During the years ended June 30, 2019 and 2018, the Foundation recognized expenses totaling approximately \$1,855,000 and \$1,641,000 for the aforementioned services, of which approximately \$72,000 and \$71,000 related to overhead costs charged by the Diocese, respectively.

Under the same written service agreement, the Foundation provides various programs and services to the Diocese, including developing and administering capital campaigns, annual appeals, and other programs. The Foundation recognized approximately \$2,005,000 and \$2,101,000, respectively, of revenue from the Diocese during the years ended June 30, 2019 and 2018 related to these services, which is included within “development and stewardship service fees” in the accompanying statements of activities.

Additionally, the Foundation collected and distributed approximately \$19,000 and \$129,000 during the years ended June 30, 2019 and 2018, respectively, to the Diocese related to funds raised for the *Alive in Christ* campaign. Further, the Foundation collected and distributed approximately \$3,010,000 and \$3,174,000 during the years ended June 30, 2019 and 2018, respectively, to the Diocese related to various other campaigns.