



# THE CATHOLIC FOUNDATION OF CENTRAL FLORIDA, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019





## 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, 2020 and 2019, the related statements of activities, cash flows, and functional expenses for the years then ended, 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, 2020 and 2019, 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 14, 2020

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

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

<b>ASSETS</b>		June 30,	
		2020	2019
<b>ASSETS</b>			
Cash and cash equivalents	\$	1,090,427	\$ 884,696
Investments		5,889,679	6,183,085
Investments restricted for long-term purposes		12,972,705	12,366,079
Agency funds held		40,042,438	38,284,744
Other assets		1,025,005	757,813
<b>Total assets</b>		<b>\$ 61,020,254</b>	<b>\$ 58,476,417</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$	19,029	\$ 10,060
Agency obligations		40,042,438	38,284,744
Other liabilities		700,574	717,776
Deferred revenue		84,993	150,293
<b>Total liabilities</b>		<b>40,847,034</b>	<b>39,162,873</b>
<b>NET ASSETS</b>			
Without donor restrictions			
Undesignated		1,289,956	1,046,870
Designated for donor-advised funds		178,492	—
Total without donor restrictions		1,468,448	1,046,870
With donor restrictions		18,704,772	18,266,674
<b>Total net assets</b>		<b>20,173,220</b>	<b>19,313,544</b>
<b>Total liabilities and net assets</b>		<b>\$ 61,020,254</b>	<b>\$ 58,476,417</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, 2020			For The Year Ended June 30, 2019
	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	\$ 2,084,239	\$ —	\$ 2,084,239	\$ 2,005,094
Investment management service fees	240,902	—	240,902	250,257
Campaign service fees	191,456	—	191,456	217,090
Contributions with donor restrictions	—	1,121,316	1,121,316	841,966
Contributions without donor restrictions	269,383	—	269,383	23,752
Investment income, net - with donor restrictions	—	171,736	171,736	828,922
Investment income, net - without donor restrictions	6,742	—	6,742	315
Net assets released from time and use restrictions	<u>854,954</u>	<u>(854,954)</u>	<u>—</u>	<u>—</u>
 <b>Total public support and revenue and net assets released from time and use restrictions</b>	 <b><u>3,647,676</u></b>	 <b><u>438,098</u></b>	 <b><u>4,085,774</u></b>	 <b><u>4,167,396</u></b>
 <b>EXPENSES</b>				
Program activities				
Distributions to other Diocesan and Catholic entities	834,309	—	834,309	554,913
Our Catholic Appeal	754,724	—	754,724	873,997
Major and planned giving	343,362	—	343,362	290,422
Parish campaigns	230,248	—	230,248	331,832
Offertory enhancements	167,764	—	167,764	100,246
Investment management services	160,919	—	160,919	126,039
General advancement services	151,105	—	151,105	50,867
Educational campaigns	<u>6,390</u>	<u>—</u>	<u>6,390</u>	<u>124,170</u>
 Total program activities	 <u>2,648,821</u>	 <u>—</u>	 <u>2,648,821</u>	 <u>2,452,486</u>
Supporting activities				
Management and general	<u>577,277</u>	<u>—</u>	<u>577,277</u>	<u>597,147</u>
 Total supporting activities	 <u>577,277</u>	 <u>—</u>	 <u>577,277</u>	 <u>597,147</u>
 <b>Total expenses</b>	 <b><u>3,226,098</u></b>	 <b><u>—</u></b>	 <b><u>3,226,098</u></b>	 <b><u>3,049,633</u></b>
 <b>Change in net assets without donor restrictions</b>	 <b>421,578</b>	 <b>—</b>	 <b>421,578</b>	 <b>102,911</b>
 <b>Change in net assets with donor restrictions</b>	 <b><u>—</u></b>	 <b><u>438,098</u></b>	 <b><u>438,098</u></b>	 <b><u>1,014,852</u></b>
 <b>CHANGE IN NET ASSETS</b>	 <b>421,578</b>	 <b>438,098</b>	 <b>859,676</b>	 <b>1,117,763</b>
 <b>NET ASSETS - Beginning 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>
 <b>NET ASSETS - End of year</b>	 <b><u>\$ 1,468,448</u></b>	 <b><u>\$ 18,704,772</u></b>	 <b><u>\$ 20,173,220</u></b>	 <b><u>\$ 19,313,544</u></b>

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

	For The Years Ended	
	June 30,	
	2020	2019
<b>OPERATING CASH FLOWS</b>		
Cash received from fees	\$ 2,451,297	\$ 2,479,634
Cash received from contributors	784,073	294,206
Investment income received	249,773	323,909
Cash paid for operating activities and costs	(3,501,523)	(2,907,464)
<b>Net operating cash flows</b>	<b>(16,380)</b>	<b>190,285</b>
<b>INVESTING CASH FLOWS</b>		
Reinvested interest and dividends	(249,773)	(300,157)
Net sales of investments	471,884	156,360
Net investment in assets restricted for long-term purposes	(606,626)	(547,760)
<b>Net investing cash flows</b>	<b>(384,515)</b>	<b>(691,557)</b>
<b>FINANCING CASH FLOWS</b>		
Contributions restricted for long-term purposes	606,626	547,760
<b>Net financing cash flows</b>	<b>606,626</b>	<b>547,760</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>205,731</b>	<b>46,488</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>884,696</b>	<b>838,208</b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 1,090,427</b>	<b>\$ 884,696</b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS</b>		
Change in net assets	\$ 859,676	\$ 1,117,763
Adjustments to reconcile change in net assets to net operating cash flows		
Contributions restricted for long-term purposes	(606,626)	(547,760)
Loss (gain) on investments, net	71,295	(529,080)
Change in other assets	(267,192)	(74,720)
Change in accounts payable and accrued expenses	8,969	1,093
Change in other liabilities	(17,202)	215,796
Change in deferred revenue	(65,300)	7,193
<b>Net operating cash flows</b>	<b>\$ (16,380)</b>	<b>\$ 190,285</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, 2020

	<u>Program Activities</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries and benefits	\$ 1,053,816	\$ 331,479	\$ 1,385,295
Grants	812,553	—	812,553
Communications and office	435,944	22,471	458,415
Contracted services	205,401	34,459	239,860
Other	98,149	61,155	159,304
Information and technology	36,495	104,420	140,915
Conferences and meetings	6,463	20,708	27,171
Depreciation	—	2,585	2,585
<b>Total expenses</b>	<b><u>\$ 2,648,821</u></b>	<b><u>\$ 577,277</u></b>	<b><u>\$ 3,226,098</u></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	\$ 1,216,537	\$ 441,854	\$ 1,658,391
Grants	554,913	—	554,913
Communications and office	417,836	15,359	433,195
Other	91,072	56,268	147,340
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
Depreciation	—	6,566	6,566
<b>Total expenses</b>	<b><u>\$ 2,452,486</u></b>	<b><u>\$ 597,147</u></b>	<b><u>\$ 3,049,633</u></b>

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

**NOTE A – NATURE OF ACTIVITIES**

**Mission**

The Catholic Foundation of Central Florida, Inc.'s mission is to inspire and increase giving, to prudently invest the resources entrusted to us, and to capably steward those charitable gifts to support the spiritual and corporal needs of the community of the Diocese of Orlando.

**Nature of Organization**

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 inspire giving and prudently invest, manage, and distribute charitable funds to address community needs and to provide long-term, sustainable support for the parishes, schools, and agencies in the Catholic Diocese of Orlando ("the Diocese") and community organizations in alignment with Catholic social teaching.

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.

The Foundation provides services to the Diocese and its entities for development activities through its stewardship and donor services, including *Our Catholic Appeal*, the parish-based annual collection to support the operations of Chancery services and diocesan ministries. In addition, the Foundation provides support to the Diocese and diocesan entities in the areas of advancement, planned giving, offertory enhancement, and management of capital campaigns. The Foundation also assists donors in achieving their charitable goals with gift planning and other philanthropic advisory services.

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

**Basis of Presentation**

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

**Revenue recognition**

The Foundation recognizes cash contributions as revenue when the contributions are received by the Foundation. Contributions received are recorded as with or without 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 receives 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.



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

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

**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. Deposits and withdrawals are made at the direction of the respective organization. Management believes that all such transactions are in compliance with the Foundation's investment policy.

**Donor-advised funds**

The Foundation administers various donor-advised funds. Donor gifts to such funds are made irrevocably with the understanding that while the donor retains an advisory role in the distribution of funds, the Foundation retains ultimate control over the use of the funds. Accordingly, such gifts are reflected as contributions without donor restrictions and designated net assets in the accompanying financial statements.

**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. From time to time, the Board of Directors may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. The Board of Directors has designated a portion of net assets without donor restrictions for donor-advised funds. Net assets with donor restrictions consist of amounts with uses limited by donor-imposed time and/or purpose restrictions.

**Functional allocation of expenses**

The statements of functional expenses present 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 in accordance with GAAP. 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.

**Economic uncertainties**

In January 2020, the World Health Organization ("WHO") announced a global health emergency related to the outbreak of a virus originating in China. In March 2020, WHO elevated the classification of the outbreak to a pandemic ("the pandemic"). Management is closely monitoring the potential impact of the pandemic on the Foundation's financial condition and has implemented measures to mitigate its impact. Such measures include reducing expenses and decreasing overall operations. Because of the unknown impact on global commerce, management is not able to estimate the effects of the pandemic on its operating results, financial condition, or liquidity for the year ending June 30, 2021.

**Reclassifications**

Certain amounts included in the June 30, 2019 financial statements have been reclassified to conform to classifications adopted during the year ended June 30, 2020. The reclassifications had no material effect on the accompanying financial statements.

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

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

**Subsequent events**

The Foundation has evaluated for possible financial statement reporting and disclosure subsequent events through October 14, 2020, the date as of which the financial statements were available to be issued.

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

Financial assets available for general expenditure within one year of the statements of financial position are as follows:

	June 30,	
	2020	2019
Financial assets available:		
Cash and cash equivalents	\$ 1,090,427	\$ 884,696
Investments	5,889,679	6,183,085
Investments restricted for long-term purposes	12,972,705	12,366,079
Agency funds held	40,042,438	38,284,744
Total financial assets available	59,995,249	57,718,604
Less amounts unavailable for general expenditure within one year due to:		
Amounts held for others as agent	(40,042,438)	(38,284,744)
Donor-imposed restrictions	(16,435,448)	(15,928,209)
Board-designations	(178,492)	—
Amounts held to satisfy charitable gift annuity obligations	(700,574)	(717,776)
Net financial assets available within one year	\$ 2,638,297	\$ 2,787,875

The Foundation is supported by development and stewardship service fees, investment management fees, and charitable donations. 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 Board of Directors has designated certain amounts for donor-advised funds. Because of the designations, those amounts are not available for general expenditure within one year; however, the Board of Directors could make them available, if necessary. 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 expenditure within one year of June 30, 2020 and 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 exceed federally insured limits. 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, 2020 and 2019, all of the Foundation's development and stewardship service fees were received from the Diocese.

As of June 30, 2020 and 2019, approximately 49% and 48% of the Foundation's investments were held by one custodian, respectively.

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

**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,	
	2020	2019
<u>Investments held as trustee or in a similar capacity</u>		
• Investments held as agency funds	\$ 36,117,832	\$ 34,656,862
• Investments held to satisfy charitable gift annuity obligations	700,574	717,776
<u>Investments subject to donor restrictions</u>		
• Restricted investments held for endowment corpus	12,972,705	12,366,079
• Net appreciation	3,899,782	4,452,540
• Investments held for other donor restricted purposes	1,066,468	1,002,095
<u>Investments held for other purposes</u>		
• Investments held as donor advised funds	178,492	—
• Investments held for general operations	44,363	10,674
Total investments	\$ 54,980,216	\$ 53,206,026

	June 30,	
	2020	2019
Investments consisted of the following:		
Mutual funds	\$ 25,465,910	\$ 24,227,981
Corporate bonds	911,294	638,886
US government securities	818,177	636,198
Nonpublicly traded investments	27,784,835	27,702,961
Total investments	\$ 54,980,216	\$ 53,206,026

The above investments are reported in the accompanying statements of financial position as follows:

	June 30,	
	2020	2019
Investments	\$ 5,889,679	\$ 6,183,085
Investments restricted for long-term purposes	12,972,705	12,366,079
Investments included within “agency funds held”	36,117,832	34,656,862
Total investments	\$ 54,980,216	\$ 53,206,026

**NOTE F – AGENCY FUNDS HELD**

Agency funds held consisted of the following:

	June 30,	
	2020	2019
Money market and similar funds	\$ 3,924,606	\$ 3,627,882
Investments (See Note E)	36,117,832	34,656,862
Total agency funds held	\$ 40,042,438	\$ 38,284,744

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

**NOTE F – AGENCY FUNDS HELD (Continued)**

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**

GAAP defines 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

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, 2020, is as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 25,465,910	\$ 25,465,910	\$ —	\$ —
Corporate bonds	911,294	911,294	—	—
US government securities	818,177	818,177	—	—
Nonpublicly traded investments	<u>1,060,931</u>	<u>—</u>	<u>—</u>	<u>1,060,931</u>
Subtotal	28,256,312	<u>\$ 27,195,381</u>	<u>\$ —</u>	<u>\$ 1,060,931</u>
Fair value measured at net asset value – other nonpublicly traded investments	<u>26,723,904</u>			
Total	<u>\$ 54,980,216</u>			

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

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

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	—	—
US government securities	636,198	636,198	—	—
Nonpublicly traded investments	<u>823,380</u>	<u>—</u>	<u>—</u>	<u>823,380</u>
Subtotal	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 following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

Balance, July 1, 2018	\$ 1,610,142
Net sales	(819,516)
Net gain	<u>32,754</u>
Balance, June 30, 2019	823,380
Net purchases	226,192
Net gain	<u>11,359</u>
Balance, June 30, 2020	<u>\$ 1,060,931</u>

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

Net assets were donor restricted for the following purposes during the year ended June 30, 2020:

	<u>Balance July 1, 2019</u>	<u>Contributions</u>	<u>Investment Activity</u>	<u>Releases</u>	<u>Balance June 30, 2020</u>
Endowment corpus Available for general use from appreciation of endowments	\$ 12,366,079	\$ 606,626	\$ —	\$ —	\$ 12,972,705
Diocesan	2,338,465	698	50,155	(119,994)	2,269,324
Parishes	1,085,155	451,023	60,765	(361,442)	1,235,501
Catholic Charities	903,924	—	30,368	(120,285)	814,007
Schools	523,859	32,969	12,159	(137,040)	431,947
Catholic Campus ministry	462,308	—	13,005	(81,812)	393,501
Other	356,165	30,000	5,284	(34,381)	357,068
	<u>230,719</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>230,719</u>
Total	<u>\$ 18,266,674</u>	<u>\$ 1,121,316</u>	<u>\$ 171,736</u>	<u>\$ (854,954)</u>	<u>\$ 18,704,772</u>

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

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

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
Endowment 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	230,719	—	—	—	230,719
<b>Total</b>	<b><u>\$ 17,251,822</u></b>	<b><u>\$ 841,966</u></b>	<b><u>\$ 828,922</u></b>	<b><u>\$ (656,036)</u></b>	<b><u>\$ 18,266,674</u></b>

Endowments corpus was restricted for the following purposes:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
General use	\$ 5,296,864	\$ 5,296,860
Priest retirements	2,660,206	2,149,038
Schools and Education	1,588,288	1,567,834
Community Needs through Catholic Charities	1,395,048	1,395,048
Support for Needy in Polk County	1,024,539	1,024,539
Other	542,760	467,760
Catholic Campus Ministry	465,000	465,000
<b>Total endowment corpus</b>	<b><u>\$ 12,972,705</u></b>	<b><u>\$ 12,366,079</u></b>

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, 2020 and 2019, the Foundation recognized expenses totaling approximately \$1,680,000 and \$1,855,000 for the aforementioned services, of which approximately \$78,000 and \$72,000 related to overhead costs charged by the Diocese, respectively.

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

**NOTE I – RELATED PARTY TRANSACTIONS (Continued)**

Under the same written service agreement, the Foundation provides various programs and services to the Diocese and its entities, including annual appeals, planned giving, offertory enhancement, and advancement services. The Foundation recognized approximately \$2,084,000 and \$2,005,000, respectively, of revenue from the Diocese during the years ended June 30, 2020 and 2019 related to these services, which is included within “development and stewardship service fees” in the accompanying statements of activities. As of June 30, 2020, and 2019, the Foundation held a receivable due from the Diocese of approximately \$452,000 and \$195,000, respectively, which is included within “other assets” in the statements of financial position.

Additionally, the Foundation collected and distributed approximately \$2,398,000 and \$3,010,000 during the years ended June 30, 2020 and 2019, respectively, to the Diocese related to various other campaigns.