

CENTRAL WASHINGTON CATHOLIC FOUNDATION

**ACCOUNTANT'S COMPILATION REPORT
and
FINANCIAL STATEMENTS**

JUNE 30, 2004 AND 2003

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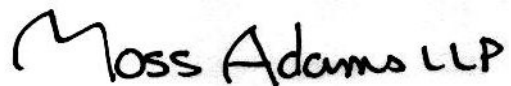
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ACCOUNTANT'S COMPILATION REPORT

Board of Trustees
Central Washington Catholic Foundation

We have compiled the accompanying balance sheets of Central Washington Catholic Foundation as of June 30, 2004 and 2003, and the related statements of activities and cash flows for the year ended June 30, 2004 and from inception (August 30, 2002) to June 30, 2003, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



Yakima, Washington
August 20, 2004

**CENTRAL WASHINGTON CATHOLIC FOUNDATION
BALANCE SHEET**

	June 30, 2004		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 44,907	\$ 124,250	\$ 169,157
Investment securities	<u>-</u>	<u>2,732,689</u>	<u>2,732,689</u>
TOTAL ASSETS	<u>\$ 44,907</u>	<u>\$ 2,856,939</u>	<u>\$ 2,901,846</u>
LIABILITIES AND NET ASSETS			
TOTAL NET ASSETS	<u>\$ 44,907</u>	<u>\$ 2,856,939</u>	<u>\$ 2,901,846</u>

**CENTRAL WASHINGTON CATHOLIC FOUNDATION
BALANCE SHEET**

June 30, 2003		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 46,171	\$ 305,899	\$ 352,070
<u>-</u>	<u>2,321,695</u>	<u>2,321,695</u>
<u>\$ 46,171</u>	<u>\$ 2,627,594</u>	<u>\$ 2,673,765</u>
 <u>\$ 46,171</u>	 <u>\$ 2,627,594</u>	 <u>\$ 2,673,765</u>

CENTRAL WASHINGTON CATHOLIC FOUNDATION
STATEMENT OF ACTIVITIES

	Year Ended June 30, 2004		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE			
Contributions	\$ 29,176	\$ 186,037	\$ 215,213
Dividends and Interest	-	79,077	79,077
Realized and unrealized gains on investments	-	84,616	84,616
Other income	8,325	-	8,325
Net assets released from restrictions	120,385	(120,385)	-
	<u>157,886</u>	<u>229,345</u>	<u>387,231</u>
EXPENSES			
Donations	81,276	-	81,276
General and administrative	58,044	-	58,044
Investment management fees	19,830	-	19,830
	<u>159,150</u>	<u>-</u>	<u>159,150</u>
INCREASE (DECREASE) IN NET ASSETS	(1,264)	229,345	228,081
NET ASSETS, beginning of period	<u>46,171</u>	<u>2,627,594</u>	<u>2,673,765</u>
NET ASSETS, end of period	<u>\$ 44,907</u>	<u>\$ 2,856,939</u>	<u>\$ 2,901,846</u>

**CENTRAL WASHINGTON CATHOLIC FOUNDATION
STATEMENT OF ACTIVITIES**

From Inception (August 30, 2002) to June 30, 2003

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 18,078	\$ 2,483,317	\$ 2,501,395
-	71,661	71,661
-	196,575	196,575
4,500	-	4,500
123,959	(123,959)	-
<u>146,537</u>	<u>2,627,594</u>	<u>2,774,131</u>
64,238	-	64,238
26,052	-	26,052
10,076	-	10,076
<u>100,366</u>	<u>-</u>	<u>100,366</u>
46,171	2,627,594	2,673,765
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 46,171</u>	<u>\$ 2,627,594</u>	<u>\$ 2,673,765</u>

CENTRAL WASHINGTON CATHOLIC FOUNDATION
STATEMENT OF CASH FLOWS

	<u>Year Ended</u> <u>June 30, 2004</u>	<u>From Inception</u> <u>(August 30,</u> <u>2002) to</u> <u>June 30, 2003</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributors and others	\$ 223,538	\$ 106,722
Cash paid for programs	(159,150)	(100,366)
Investment earnings received	79,077	71,661
Net cash from operating activities	<u>143,465</u>	<u>78,017</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net increase in investments	<u>(326,378)</u>	<u>274,053</u>
Net cash from investing activities	<u>(326,378)</u>	<u>274,053</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(182,913)	352,070
CASH AND CASH EQUIVALENTS, beginning of period	<u>352,070</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, end of period	<u><u>\$ 169,157</u></u>	<u><u>\$ 352,070</u></u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES		
Increase in net assets	<u>\$ 228,081</u>	<u>\$ 2,673,765</u>
Adjustments to reconcile increase in net assets to net cash from operating activities		
Realized and unrealized gain on investments	(84,616)	(196,575)
Donated investments	-	(2,399,173)
Net adjustments	<u>(84,616)</u>	<u>(2,595,748)</u>
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ 143,465</u></u>	<u><u>\$ 78,017</u></u>

CENTRAL WASHINGTON CATHOLIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization

Central Washington Catholic Foundation (the Foundation) is organized as a not-for-profit corporation under the laws of the state of Washington and as a tax-exempt organization under the provisions of the Internal Revenue Code. In accordance with its bylaws, the Foundation raises and distributes funds to support and enhance philanthropy and charitable activities for the needy, disadvantaged, and faith-oriented worthy causes in the counties of Benton, Chelan, Douglas, Grant, Kittitas, Klickitat, and Yakima in Central Washington.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting - The Foundation maintains its accounting records on the accrual basis. Under this method of accounting, revenue is recognized when earned and expenses are recognized when goods or services are received, whether paid or not.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Foundation maintains its cash and cash equivalent accounts at financial institutions which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash deposits.

Investments - The Foundation is required to report equity securities with readily determinable fair values and all fixed income securities at fair value with gains and losses included in the statement of activities.

Financial Statement Presentation - The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets are classified based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from donor restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes. The Foundation has no permanently restricted net assets at June 30, 2004 and 2003.

CENTRAL WASHINGTON CATHOLIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (continued)

Temporarily restricted net assets at June 30 are available for the following purpose:

	2004	2003
Education Funds		
Amos and Elsie Gamache	\$ 133,609	\$ 127,422
Jane Frances Godfrey	8,226	7,900
Jean Meyer	6,855	6,529
John Rodriguez-Kranz	17,726	16,382
Mary Ellen Chott-Mahre	37,282	27,724
Mark L. Kranz	21,283	23,143
Msgr. William J. Sweeney	827,129	841,397
Sr. Noreen O'Connor, CSJ	3,046	2,721
St. Joseph Kennewick	114,246	103,180
St. Joseph Wenatchee	120,072	112,378
St. Paul Cathedral	154,066	145,452
St. Rose of Lima	101,392	99,381
William A. and Mary M. Hambelton	27,682	26,446
William and Mary Tyrrell	176,395	-
	1,749,009	1,540,055
Parish Funds		
Holy Family	188,437	172,229
Poulin Holy Family	122,983	122,655
Rosa, Lena, Louisa Orlando	155,635	155,190
St. Joseph Kennewick Music	9,083	6,774
St. Joseph Yakima	107,084	102,138
St. Paul Cathedral	58,084	53,126
	641,306	612,112
Seminarian Funds		
Bittner Burse	119,055	129,150
Edmond and Blanche Poulin	115,364	125,152
Thomas and Nancy Mahony	125,790	119,970
Robert G. Geier	64,063	63,138
Seminarian Education	42,352	38,017
	466,624	475,427
	\$ 2,856,939	\$ 2,627,594

CENTRAL WASHINGTON CATHOLIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other specified events.

	<u>2004</u>	<u>2003</u>
Satisfaction of purpose restrictions which consist of allocations to specified Catholic organizations and funds released for administrative costs	<u>\$ 120,385</u>	<u>\$ 123,959</u>

Contributions - Contributions received are recorded as revenue in the period received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions with donor-imposed restrictions whose restrictions are met in the same reporting period are reported as unrestricted support.

Donated Services - A number of volunteers donate their time for the Foundation's program activities. These donated hours are a necessary part of the Foundation's activities since its services could not be sustained without such support and since these activities enhance the financial assets of the Foundation. No dollar amounts have been reflected in the accompanying statements for these services since the services do not require specialized skills and would typically not be purchased if not provided by donation.

Federal Income Tax - The Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Functional Allocation of Expenses - In order to provide information in regard to service efforts, the costs of providing the Foundation's programs have been presented in the statement of activities. The Foundation effectively operates as a single program and, therefore, no attempt has been made to segregate general and administrative or fund raising expenses.

Financial Statement Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CENTRAL WASHINGTON CATHOLIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS

Note 3 - Investment Securities

The Foundation maintains its investments using fair value at quoted market prices. The aggregate carrying amount of the major types of investments consisted of the following at June 30, 2004 and 2003:

	<u>2004</u>	<u>2003</u>
Cash and cash equivalents	\$ 124,250	\$ 281,824
Accrued interest	-	24,075
Equity securities	1,118,224	601,517
Fixed income securities	1,614,465	1,592,756
Mutual funds	-	127,422
	<u>\$ 2,856,939</u>	<u>\$ 2,627,594</u>