

**CENTRAL WASHINGTON  
CATHOLIC FOUNDATION**

**Accountants' Compilation Report and  
Financial Statements**

**June 30, 2009 and 2008**

**DURRETT & ASSOCIATES, PLLC**  
402 E Yakima Avenue, Suite 750  
Yakima, Washington 98901

**ACCOUNTANTS' COMPILATION REPORT**

Board of Trustees  
Central Washington Catholic Foundation  
Yakima, Washington

We have compiled the accompanying balance sheets of Central Washington Catholic Foundation as of June 30, 2009 and 2008, and the related statements of activities and changes in net assets and cash flows for the years then ended, 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.

The 2007 financial statements of Central Washington Catholic Foundation were compiled by other accountants whose report dated October 16, 2008 stated they did not express an opinion or any other form of assurance on those statements.

*Durrett & Associates, PLLC*

Yakima, Washington  
August 10, 2009

# Central Washington Catholic Foundation

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## Balance Sheets

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	<b>June 30, 2009</b>		
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 139,506	\$ 73,007	\$ 212,513
Investment securities		2,604,622	2,604,622
Prepaid expenses	1,140		1,140
Office equipment	26,598		26,598
Computer software	3,118		3,118
Less accumulated depreciation	(13,260)		(13,260)
 Total assets	 <u>\$ 157,102</u>	 <u>\$ 2,677,629</u>	 <u>\$ 2,834,731</u>
 <b>Liabilities</b>			
Accounts payable	\$ 1,461		\$ 1,461
Payroll liabilities	84		84
Deferred contributions		10,250	10,250
 <b>Net Assets</b>	 <u>155,557</u>	 <u>2,667,379</u>	 <u>2,822,936</u>
 Total liabilities and net assets	 <u>\$ 157,102</u>	 <u>\$ 2,677,629</u>	 <u>\$ 2,834,731</u>

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**Balance Sheets**

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<b>June 30, 2008</b>		
<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
\$ 120,269	\$ 70,891	\$ 191,160
	2,932,012	2,932,012
25,610		25,610
3,118		3,118
(7,028)		(7,028)
<u>\$ 141,969</u>	<u>\$ 3,002,903</u>	<u>\$ 3,144,872</u>
\$ 2,295		\$ 2,295
25		25
<u>139,649</u>	<u>3,002,903</u>	<u>3,142,552</u>
<u>\$ 141,969</u>	<u>\$ 3,002,903</u>	<u>\$ 3,144,872</u>

# Central Washington Catholic Foundation

## Statements of Activities and Changes in Net Assets

	Year Ended June 30, 2009		
	Unrestricted	Temporarily Restricted	Total
<i>REVENUE</i>			
Contributions and pledges	\$ 103,964	\$ 135,557	\$ 239,521
Dividends and interest income		100,057	100,057
Realized and unrealized gain (loss) on investments		(399,734)	(399,734)
In-kind contributions	14,841		14,841
Other income	22,000		22,000
Net assets released from restrictions	171,404	(171,404)	
Total revenue	312,209	(335,524)	(23,315)
<i>EXPENSES</i>			
Donations	139,463		139,463
General and administrative	120,147		120,147
In-kind expenses	14,737		14,737
Investment management fees	21,954		21,954
Total expenses	296,301		296,301
<i>CHANGES IN NET ASSETS</i>	15,908	(335,524)	(319,616)
<i>NET ASSETS, BEGINNING OF YEAR</i>	139,649	3,002,903	3,142,552
<i>NET ASSETS, END OF YEAR</i>	\$ 155,557	\$ 2,667,379	\$ 2,822,936

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## Statements of Activities and Changes in Net Assets

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**Year Ended June 30, 2008**

<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
\$ 84,525	\$ 100,144	\$ 184,669
	178,683	178,683
	(385,588)	(385,588)
23,428		23,428
18,000		18,000
201,726	(201,726)	
327,679	(308,487)	19,192
145,539		145,539
99,401		99,401
23,428		23,428
24,559		24,559
292,927		292,927
34,752	(308,487)	(273,735)
104,897	3,311,390	3,416,287
\$ 139,649	\$ 3,002,903	\$ 3,142,552

# Central Washington Catholic Foundation

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## Statements of Cash Flows

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	Years Ended	
	June 30,	
	2009	2008
<i><b>Increase (Decrease) in Cash and Cash Equivalents</b></i>		
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Cash received from contributors and others	\$ 286,612	\$ 204,857
Cash paid for programs, administration, and management fees	(291,984)	(264,354)
Investment earnings received	100,057	178,683
Net cash provided by operating activities	94,685	119,186
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>		
Capital expenditures	(988)	(21,337)
Net decrease in investments	(72,344)	(155,495)
Net cash used in investing activities	(73,332)	(176,832)
<i>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</i>	21,353	(57,646)
<i>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</i>	191,160	248,806
<i>CASH AND CASH EQUIVALENTS, END OF YEAR</i>	\$ 212,513	\$ 191,160

# Central Washington Catholic Foundation

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## Statements of Cash Flows

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	Years Ended	
	December 31,	
	2009	2008
<i>Reconciliation of Net Income to Net Cash Provided by Operating Activities</i>		
Changes in net assets	\$ (319,616)	\$ (273,735)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Realized and unrealized loss on investments	399,734	385,588
Depreciation	6,232	5,145
 (Increase) decrease in current assets		
Prepaid expenses	(1,140)	
 Increase (decrease) in current liabilities		
Accounts payable	(834)	2,163
Payroll liabilities	59	25
Deferred contributions	10,250	
 Total adjustments	414,301	392,921
 Net cash provided by operating activities	\$ 94,685	\$ 119,186

# Central Washington Catholic Foundation

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## Notes to Financial Statements

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### ***NOTE 1 – DESCRIPTION OF OPERATIONS***

Central Washington Catholic Foundation (the Organization) is a not-for-profit organization under the laws of the State of Washington and is a tax-exempt organization under the provisions of the Internal Revenue Code. In accordance with its bylaws, the Organization 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***

**Financial statement presentation** – The Organization presents its financial statements in accordance with the provisions of Statement of Financial Accounting Standards No. 117 (SFAS 117), “Financial Statements of Not-for-Profit Organizations.” Under SFAS 117, the Organization is required to report information regarding its financial position and activities according to the three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted net assets – Net assets 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 Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. The Organization has no permanently restricted net assets at June 30, 2009 and 2008.

**Federal income tax** – As a charitable organization, Central Washington Catholic Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation.

**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.

**Cash and cash equivalents** – The Organization maintains its cash and cash equivalent accounts at financial institutions which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash deposits. Cash and cash equivalents includes cash held in checking and money market accounts and investments in highly liquid debt instruments with an original maturity of three months or less.

# Central Washington Catholic Foundation

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## Notes to Financial Statements

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### ***NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)***

**Equipment** – Equipment is recorded at cost and is depreciated using the straight-line method based over estimated useful lives ranging from 3 to 7 years. Expenditures for maintenance, repairs, and renewals are charged to expense as incurred.

**Use of 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.

**Investments** – The Organization 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 statements of activities.

**Donated services** – A number of volunteers donate their time for the Organization’s program activities. These donated hours are a necessary part of the Organization’s activities since its services could not be sustained without such support. No dollar amounts have been reflected in the accompanying statements for these services. The position of the Executive Director is a partially compensated, full-time position. Certain health and other benefits are paid by the Corporation of the Catholic Bishop of Yakima. The value of these benefits has been recorded as In-kind contribution and expense in 2009, based on comparable wages for the position.

**Functional allocation of expenses** – In order to provide information in regard to service efforts, the costs of providing the Organization’s programs have been presented in the statement of activities and changes in net assets. The cost of general and administrative expenses is presented separately in that statement and includes costs of fundraising.

### ***NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS***

**Temporarily restricted net assets are available for the following purposes:**

<b>Confidential</b>	<b>June 30,</b>	
	<b>2009</b>	<b>2008</b>

# Central Washington Catholic Foundation

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## Notes to Financial Statements

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Confidential

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Total Temporarily Restricted Net Assets	\$ 2,667,379	\$ 3,002,903
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Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by allocations to specified Catholic organizations and funds released for administrative costs.

Satisfaction of purpose restrictions which consist of allocations to specified Catholic organizations and funds released for administrative costs.

June 30,	
2009	2008
\$ 171,404	\$ 201,726

### ***NOTE 4 – INVESTMENT SECURITIES***

The Organization presents its investments at fair value based on quoted market prices. The aggregate carrying amount of the major types of investments consisted of the following:

	June 30,	
	2009	2008
Equity securities	\$ 1,342,385	\$ 1,407,733
Fixed income securities	1,324,994	1,524,279
Total investment securities	\$ 2,667,379	\$ 2,932,012

### ***NOTE 5 – DEFERRED CONTRIBUTIONS***

The Organization received contributions totaling \$10,250 relating to a fundraising event to be held in September of 2009. These contributions will be recognized at the time of the event. The Organization prepaid expenses totaling \$1,140 relating to the event.

# Central Washington Catholic Foundation

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## Notes to Financial Statements

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### **NOTE 6 – LEASE COMMITMENTS**

The Organization leases office space under a renewable lease agreement expiring June 30, 2012. The lease provides that the lessee pay for public liability insurance in respect to the property and the business operated by the lessee. Also included in the lease agreement are the use of the Internet, the Diocese IT person, Razor's Edge, current office furnishings and equipment and utilities. Lease expense for the year ended June 30, 2009 was \$1,944.

**Future minimum lease commitments are as follows:**

<u>Year Ending June 30,</u>	<u>Amount</u>
2010	\$ 1,944
2011	1,944
2012	<u>1,944</u>
Total future minimum lease commitments	<u><u>\$ 5,832</u></u>