

**CENTRAL WASHINGTON  
CATHOLIC FOUNDATION**

**Accountants' Compilation Report and  
Financial Statements**

**June 30, 2010 and 2009**

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**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, 2010 and 2009, 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.

*Durrett & Associates, PLLC*

Yakima, Washington  
September 28, 2010

# Central Washington Catholic Foundation

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## Balance Sheets

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	<b>June 30, 2010</b>		
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 229,404	\$ 62,290	\$ 291,694
Investment securities		2,879,275	2,879,275
Prepaid expenses			
Office equipment	27,815		27,815
Computer software	4,632		4,632
Less accumulated depreciation	(19,639)		(19,639)
 Total assets	 <u>\$ 242,212</u>	 <u>\$ 2,941,565</u>	 <u>\$ 3,183,777</u>
 <b>Liabilities</b>			
Accounts payable	\$ 5,994		\$ 5,994
Payroll liabilities	186		186
Deferred contributions			
 <b>Net Assets</b>	 <u>236,032</u>	 <u>2,941,565</u>	 <u>3,177,597</u>
 Total liabilities and net assets	 <u>\$ 242,212</u>	 <u>\$ 2,941,565</u>	 <u>\$ 3,183,777</u>

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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>
\$ 139,506	\$ 73,007	\$ 212,513
	2,604,622	2,604,622
1,140		1,140
26,598		26,598
3,118		3,118
(13,260)		(13,260)
<u>\$ 157,102</u>	<u>\$ 2,677,629</u>	<u>\$ 2,834,731</u>
\$ 1,461		\$ 1,461
84		84
	10,250	10,250
<u>155,557</u>	<u>2,667,379</u>	<u>2,822,936</u>
<u>\$ 157,102</u>	<u>\$ 2,677,629</u>	<u>\$ 2,834,731</u>

# Central Washington Catholic Foundation

## Statements of Activities and Changes in Net Assets

	Year Ended June 30, 2010		
	Unrestricted	Temporarily Restricted	Total
<i>REVENUE</i>			
Contributions and pledges	\$ 213,834	\$ 78,248	\$ 292,082
Dividends and interest income	158	71,961	72,119
Capital gain (loss) on investments		(52,544)	(52,544)
Unrealized gain (loss) on investments		330,560	330,560
In-kind contributions		1,488	1,488
Other income	22,000		22,000
Net assets released from restrictions	155,527	(155,527)	
Total revenue	391,519	274,186	665,705
<i>EXPENSES</i>			
Donations	105,218		105,218
General and administrative	82,373		82,373
Director	48,231		48,231
Special event	18,171		18,171
In-kind expenses	1,488		1,488
Investment management fees	22,875		22,875
Total expenses	278,356		278,356
<i>OTHER EXPENSE</i>			
Loss on sale of donated property	32,688		32,688
Total other expense	32,688		32,688
<i>CHANGES IN NET ASSETS</i>	80,475	274,186	354,661
<i>NET ASSETS, BEGINNING OF YEAR</i>	155,557	2,667,379	2,822,936
<i>NET ASSETS, END OF YEAR</i>	\$ 236,032	\$ 2,941,565	\$ 3,177,597

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## Statements of Activities and Changes in Net Assets

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**Year Ended June 30, 2009**

<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
\$ 103,964	\$ 135,557	\$ 239,521
	100,057	100,057
	(399,734)	(399,734)
14,841		14,841
22,000		22,000
171,404	(171,404)	
312,209	(335,524)	(23,315)
139,463		139,463
91,405		91,405
28,742		28,742
14,737		14,737
21,954		21,954
296,301		296,301
15,908	(335,524)	(319,616)
139,649	3,002,903	3,142,552
\$ 155,557	\$ 2,667,379	\$ 2,822,936

# Central Washington Catholic Foundation

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## Statements of Cash Flows

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	Years Ended	
	June 30,	
	2010	2009
<i><b>Increase (Decrease) in Cash and Cash Equivalents</b></i>		
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Cash received from contributors and others	\$ 154,832	\$ 286,612
Cash paid for programs, administration, and management fees	(264,714)	(291,984)
Investment earnings received	72,120	100,057
Net cash (used in) provided by operating activities	(37,762)	94,685
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>		
Capital expenditures	(2,731)	(988)
Net increase (decrease) in investments	57,385	(72,344)
Net cash provided by (used in) investing activities	54,654	(73,332)
<i>NET INCREASE IN CASH AND CASH EQUIVALENTS</i>	16,892	21,353
<i>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</i>	212,513	191,160
<i>CASH AND CASH EQUIVALENTS, END OF YEAR</i>	\$ 229,405	\$ 212,513

# Central Washington Catholic Foundation

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## Statements of Cash Flows

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	Years Ended	
	June 30,	
	2010	2009
<b><i>Reconciliation of Changes in Net Assets to Net Cash Provided by Operating Activities</i></b>		
Changes in net assets	\$ 354,661	\$ (319,616)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Unrealized (gain), realized and unrealized loss on investments	(297,871)	399,734
Realized loss on sale of securities	52,544	
Donated property received	(149,000)	
Depreciation	6,379	6,232
 (Increase) decrease in current assets		
Prepaid expenses	1,140	(1,140)
 Increase (decrease) in current liabilities		
Accounts payable	4,533	(834)
Payroll liabilities	102	59
Deferred contributions	(10,250)	10,250
 Total adjustments	(392,423)	414,301
 Net cash (used in) provided by operating activities	\$ (37,762)	\$ 94,685

# 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, 2010 and 2009.

**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.

**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.

**Reclassifications** – Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

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

Temporarily restricted net assets are available for the following purposes:

<u>June 30,</u>	
<u>2010</u>	<u>2009</u>

**Confidential**

Total Temporarily Restricted Net Assets

\$ 2,941,565	\$ 2,667,379
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***NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS, continued***

# Central Washington Catholic Foundation

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## Notes to Financial Statements

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	June 30,	
	2010	2009
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.	\$ 155,527	\$ 171,404

### **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,	
	2010	2009
Bond securities	\$ 301,288	\$ 75,242
Mutual funds	299,940	291,430
Equity securities	1,061,908	1,036,653
Fixed income securities	1,216,139	1,201,297
Total investment securities	\$ 2,879,275	\$ 2,604,622

### **NOTE 5 – 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, technology assistance, nonprofit management and fundraising software, office furnishings, equipment and utilities. Lease expense for the years ended June 30, 2010 and 2009 was \$1,944 and \$1,944, respectively.

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

Year Ending June 30,	Amount
2011	\$ 1,944
2012	1,944
Total future minimum lease commitments	\$ 5,832