

**CATHOLIC COMMUNITY
FOUNDATION IN THE
ARCHDIOCESE OF MIAMI, INC.**
Financial Statements
June 30, 2007 and 2006

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

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Report of Independent Certified Public Accountants

To the Board of Directors of the
Catholic Community Foundation in the Archdiocese of Miami, Inc.
Miami Shores, Florida

We have audited the accompanying statements of financial position of the Catholic Community Foundation in the Archdiocese of Miami, Inc. (the "Foundation") as of June 30, 2007 and 2006 and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Catholic Community Foundation in the Archdiocese of Miami, Inc. at June 30, 2007 and 2006, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

DE LA TORRE, TARABOULOS & CO.

October 12, 2007
Miami, Florida

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

Statements of Financial Position

June 30, 2007 and 2006

Assets	<u>2007</u>	<u>2006</u>
Investments, at fair value	\$ 2,244,531	\$ 1,829,322
Funds held in trust - Participating Entities	103,025,658	86,092,477
Funds held in trust - Supporting Organizations	<u>3,043,380</u>	<u>2,650,859</u>
 Total investments and funds held in trust	 <u>108,313,569</u>	 <u>90,572,658</u>
 Total Assets	 <u>\$ 108,313,569</u>	 <u>\$ 90,572,658</u>
 Liabilities and Net Assets		
 Funds held in trust - Participating Entities	 \$ 103,025,658	 \$ 86,092,477
Funds held in trust - Supporting Organizations	<u>3,043,380</u>	<u>2,650,859</u>
 Total liabilities	 <u>\$ 106,069,038</u>	 <u>\$ 88,743,336</u>
 Net Assets		
 Unrestricted	 \$ -	 \$ 309,787
Temporarily restricted	474,838	(5,465)
Permanently restricted	<u>1,769,693</u>	<u>1,525,000</u>
 Total net assets	 <u>2,244,531</u>	 <u>1,829,322</u>
 Total Liabilities and Net Assets	 <u>\$ 108,313,569</u>	 <u>\$ 90,572,658</u>

Read accompanying notes to financial statements.

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

Statements of Activities and Changes in Net Assets

For the Years Ended June 30, 2007 and 2006

	2007				2006			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:								
Contributions	\$ -	\$ 230,225	\$ 22,921	\$ 253,146	\$ -	\$ -	\$ 525,000	\$ 525,000
Investment income	-	8,962	39,142	48,104	-	27,588	-	27,588
Investment management fees	-	(5,064)	(1,116)	(6,180)	-	(2,719)	-	(2,719)
Net realized and unrealized gains on investments	-	42,627	194,950	237,577	-	27,751	-	27,751
Total support and revenue	-	276,750	255,897	532,647	-	52,620	525,000	577,620
Net assets released from restrictions:								
Net assets released from restrictions	(192,349)	203,553	(11,204)	-	101,898	2,719	(104,617)	-
Total support and revenue and reclassifications	(192,349)	480,303	244,693	532,647	101,898	55,339	420,383	577,620
Expenses:								
General and administrative	2,213	-	-	2,213	6,749	9,258	-	16,007
Total expenses	2,213	-	-	2,213	6,749	9,258	-	16,007
Changes in net assets before withdrawals by participants	(194,562)	480,303	244,693	530,434	95,149	46,081	420,383	561,613
Withdrawals by participants	(115,225)	-	-	(115,225)	(104,617)	-	-	(104,617)
Changes in net assets	(309,787)	480,303	244,693	415,209	(9,468)	46,081	420,383	456,996
Net assets:								
Beginning	309,787	(5,465)	1,525,000	1,829,322	319,255	(51,546)	1,104,617	1,372,326
Ending	\$ -	\$ 474,838	\$ 1,769,693	\$ 2,244,531	\$ 309,787	\$ (5,465)	\$ 1,525,000	\$ 1,829,322

Read accompanying notes to financial statements.

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

Statements of Cash Flows

For the Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Change in net assets	\$ 415,209	\$ 456,996
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Investment income	48,104	27,588
Contributions by participants	(253,146)	(525,000)
Withdrawals by participants	115,225	104,617
Realized and unrealized (gain) loss on investments	(237,577)	(27,751)
Changes in operating assets and liabilities:		
Decrease in accounts payable	-	(660)
Increase in funds held in trust assets	(17,740,911)	(54,748,813)
Increase in funds held in trust liabilities	17,740,911	54,748,813
Net cash provided by operating activities	87,815	35,790
Cash flows from investing activities:		
Purchase of investments, net	(535,523)	(476,147)
Net cash used in investing activities	(535,523)	(476,147)
Cash flows from financing activities:		
Contributions by participants	253,146	525,000
Withdrawals by participants	(115,225)	(104,617)
Net cash provided by financing activities	137,921	420,383
Decrease in cash and cash equivalents	(309,787)	(19,974)
Cash and cash equivalents at beginning of year	309,787	329,761
Cash and cash equivalents at end of year	\$ -	\$ 309,787

Read accompanying notes to financial statements.

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

Notes to the Financial Statements

June 30, 2007 and 2006

**1. Nature of
Organization and
Significant
Accounting Policies**

Nature of organization

Catholic Community Foundation in the Archdiocese of Miami Inc. (the "Foundation") was formed in March 1998 as a not-for-profit Florida corporation whose specific and primary purpose is to provide a single, unified means for individuals, families, corporations, private foundations and other organizations to make planned gifts for the benefit of any of the institutions of the Catholic Church, particularly those located in South Florida. With full regard for the interests of the donors and reflecting the Church's extensive and diverse efforts to carry out the work of Our Lord, the Foundation shall foster, secure, administer and invest gifts, especially endowed gifts, for any and all of the individual parishes, schools and other agencies of the Catholic Church.

On January 3, 2006, the Archdiocese of Miami Endowment Fund, Inc. (the "Fund") deposited substantially all of its assets with the Foundation in order to alleviate a portion of the general and administrative fees associated with operating the Fund.

The financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles for nonprofit organizations.

Financial statement presentation

The financial statements are prepared in accordance with Statement of Financial Accounting Standards ("SFAS") No. 117, Financial Statements of Not-for-Profit Organizations and SFAS No. 136, Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others.

SFAS No. 117 requires net assets and revenues, gains and losses be classified into three categories of net assets based on the existence or the absence of donor-imposed restrictions. The three net asset categories are as follows:

- Unrestricted – Net assets which are free of donor-imposed restrictions; all revenues, gains and losses that are not changes in permanently or temporarily restricted net assets.
- Temporarily Restricted – Net assets whose use by the Foundation is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled or removed by actions of the Foundation pursuant to those stipulations.

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

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- Permanently Restricted – Net assets whose use by the Foundation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

SFAS No. 136 establishes standards for transactions in which a donor makes a contribution to a recipient not-for-profit organization on behalf of another entity that is specified by the donor. This statement requires a recipient not-for-profit organization that accepts cash or other financial assets from a donor and agrees to use those assets on behalf of or transfer those assets, the return on investment of those assets, or both to a specified affiliated beneficiary to recognize the fair value of those assets it receives as a contribution received.

Investments

The Foundation accounts for its investments under SFAS No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Realized and unrealized gains (losses) on investments are recognized in the statement of activities and changes in net assets.

Contributions by participants

Contributions made by participants in forms other than cash are recorded at their fair value at the date of the contribution.

The Foundation has also adopted the provisions of SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Distributions to endowment fund participants

The Foundation's by-laws give the Board of Directors the authority to determine the total annual net earnings to be proportionately distributed to each endowment fund participant. Effective January 1, 2006, the Foundation will make available for distribution to each beneficiary the full amount of net positive income earned by each endowment fund participant account in a fiscal period. This distributable amount will be limited to the extent that such amount is in excess of the account's

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

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cumulative deposits. In years where there is no net positive income, no distributable income will be made available to the endowment fund participant.

Use of estimates

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

Income taxes

The Foundation is exempt from all federal and state income taxes under Internal Revenue Code Section 501(c)(3) as a qualified nonprofit organization, except for income unrelated to the purpose of the Foundation. For the years ended June 30, 2007 and 2006, no provision for income taxes is required.

Risks and uncertainties

The Foundation provides for various investment options in any combination of stocks, bonds, fixed income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the accompanying financial statements.

Reclassifications

Certain amounts in the 2006 financial statements have been reclassified to conform to the 2007 presentation.

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

Notes to the Financial Statements

June 30, 2007 and 2006

2. Investments

Investments are stated at fair value and are comprised of the following at June 30, 2007:

	Cost	Percentage	Fair Value	Percentage
Cash in money market funds	\$ 2,149,249	2.2%	\$ 2,149,249	2.0%
Mutual Funds	37,307,254	38.0%	38,453,095	35.5%
Equity Securities	53,492,117	54.5%	61,980,199	57.2%
Fixed Income Investments	5,202,298	5.3%	5,731,026	5.3%
	\$ 98,150,918	100.0%	\$ 108,313,569	100.0%

Investments are stated at fair value and are comprised of the following at June 30, 2006:

	Cost	Percentage	Fair Value	Percentage
Cash in money market funds	\$ 2,310,997	2.6%	\$ 2,310,997	2.6%
Mutual Funds	40,833,283	45.9%	40,146,149	44.3%
Equity Securities	16,253,951	18.3%	17,973,822	19.8%
Commingled Trusts	29,647,405	33.3%	30,141,690	33.3%
	\$ 89,045,636	100.0%	\$ 90,572,658	100.0%

Investment income consisted of the following for the years ended June 30, 2007 and 2006:

	2007		2006	
	Foundation	Funds Held In Trust	Foundation	Funds Held In Trust
Investment income	\$ 48,104	2,326,034	\$ 27,588	1,799,253
Net realized and unrealized gains on investments	237,577	11,545,238	27,751	3,824,274
	\$ 285,681	13,871,272	\$ 55,339	5,623,527

Read accompanying Report of Independent Certified Public Accountants.

CATHOLIC COMMUNITY FOUNDATION IN THE ARCHDIOCESE OF MIAMI, INC.

Notes to the Financial Statements

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- 3. Funds Held in Trust** The Foundation has entered into agreements with St. Mary’s Cathedral Trust, St. John Vianney College Seminary Trust, Church of the Epiphany Parish Trusts, the Archdiocese of Miami Millennium Appeal, Inc. d/b/a Vision 2000, the Archdiocese of Miami Endowment Fund, Inc. (collectively, the “Participating Entities”), the Dianne and Michael Bienes Charitable Foundation, Inc. (the “Supporting Organization”), to invest certain assets on their behalf. These assets, and the related investment earnings and expenses, are recorded as funds held in trust in the accompanying financial statements.

Funds Held in Trust are stated at fair value and are comprised of the following for the years ended June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
The Archdiocese of Miami Millennium Appeal, Inc. d/b/a Vision 2000	\$ 33,248,623	\$ 29,549,556
The Archdiocese of Miami Endowment Fund, Inc.	35,412,553	30,357,307
Other Participating Entities	34,364,483	26,185,614
	<u>\$ 103,025,658</u>	<u>\$ 86,092,477</u>

- 4. Net Assets** Unrestricted and temporarily restricted net assets, upon availability, are used to support Catholic entities sponsored by the Archdiocese.
- Permanently restricted net assets are restricted to investment in perpetuity, the income of which is expendable for support.
- 5. Related Party Transactions** The Foundation is sponsored by the Archdiocese of Miami (the “Archdiocese”) and its offices are located at the headquarters of the Archdiocese. The Foundation is not charged rent, labor costs or other administrative expenses by the Archdiocese for the use of its offices, employees or other resources, respectively.
- 6. Disclosure of Certain Concentrations** The Foundation maintains its cash balances in one financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. The Foundation believes it is not exposed to any significant credit risk on such accounts.