

**CATHOLIC FOUNDATION  
FOR THE DIOCESE OF DAVENPORT**

**FINANCIAL STATEMENTS  
(WITH INDEPENDENT AUDITOR'S REPORT THEREON)**

**June 30, 2012 and 2011**

**CATHOLIC FOUNDATION  
FOR THE DIOCESE OF DAVENPORT**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Catholic Foundation for the  
Diocese of Davenport  
Davenport, Iowa

We have audited the accompanying balance sheet of the Catholic Foundation for the Diocese of Davenport as of June 30, 2012, and the related statements of activities and cash flows for the year 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. The financial statements of the Catholic Foundation for the Diocese of Davenport for the year ended June 30, 2011, were audited by other auditors whose report, dated October 13, 2011, expressed an unqualified opinion on those statements.

We conducted our audit 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2012 financial statements referred to above present fairly, in all material respects, the financial position of the Catholic Foundation for the Diocese of Davenport as of June 30, 2012, and the change in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Doyle & Keenan, P.C.*

September 20, 2012

**CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT**

**Balance Sheets**

**Years Ended June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 981,500	\$ 1,668,096
Investments (Note 2)	5,406,198	2,015,776
Contributions Receivable, Net (Note 3)	5,818,885	9,372,379
Total Assets	<u>\$ 12,206,583</u>	<u>\$ 13,056,251</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Payable to the Diocese of Davenport (Note 7)	\$ 84,634	\$ 58,696
Payable to Schools (Note 7)	19,028	11,064
Payable to Parishes (Note 7)	369,664	482,310
Total Liabilities	<u>473,326</u>	<u>552,070</u>
Net Assets:		
Unrestricted	11,659,516	12,371,618
Temporarily Restricted (Note 4)	73,741	132,563
Total Net Assets	<u>11,733,257</u>	<u>12,504,181</u>
Total Liabilities and Net Assets	<u>\$ 12,206,583</u>	<u>\$ 13,056,251</u>

See Notes to Financial Statements.

**CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT**  
**Statements of Activities**  
**Years Ended June 30, 2012 and 2011**

	2012		
	Unrestricted	Temporarily Restricted	Total
Support and Revenue:			
Revenue, Contributions (Note 6)	\$ 114,125	\$ 3,703	\$ 117,828
Investment Income:			
Interest and Dividends, Net of Fees	51,486	-	51,486
Net Realized and Unrealized Gains on Investments	139,448	-	139,448
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions (Note 5)	60,233	(60,233)	-
<b>Total Support and Revenue</b>	<b>365,292</b>	<b>(56,530)</b>	<b>308,762</b>
Expenses:			
Program Services:			
Provision for Uncollectible Contributions and Contribution Write-Offs	112,276	2,292	114,568
Contributions to Diocese (Note 7)	84,634	-	84,634
Parish Sharing Contributions (Note 7)	769,962	-	769,962
Contributions to Schools (Note 7)	19,028	-	19,028
Other	4,659	-	4,659
<b>Total Program Services Expenses</b>	<b>990,559</b>	<b>2,292</b>	<b>992,851</b>
Support Services, Management and General, Primarily Professional Fees	10,619	-	10,619
Fundraising:			
Contracted Services (Note 7)	62,000	-	62,000
Printing and Publications	14,216	-	14,216
Meetings and Travel	-	-	-
<b>Total Fundraising Expenses</b>	<b>76,216</b>	<b>-</b>	<b>76,216</b>
<b>Total Expenses</b>	<b>1,077,394</b>	<b>2,292</b>	<b>1,079,686</b>
Change in Net Assets	(712,102)	(58,822)	(770,924)
Net Assets at Beginning of Year	12,371,618	132,563	12,504,181
<b>Net Assets at End of Year</b>	<b>\$ 11,659,516</b>	<b>\$ 73,741</b>	<b>\$ 11,733,257</b>

See Notes to Financial Statements.

2011		
Unrestricted	Temporarily Restricted	Total
\$ 2,315,908	\$ 21,069	\$ 2,336,977
19,881	-	19,881
98,456	-	98,456
55,163	(55,163)	-
<u>2,489,408</u>	<u>(34,094)</u>	<u>2,455,314</u>
234,240	-	234,240
1,658,696	-	1,658,696
1,059,633	-	1,059,633
11,014	-	11,014
4,560	-	4,560
<u>2,968,143</u>	<u>-</u>	<u>2,968,143</u>
9,114	-	9,114
85,000	-	85,000
29,969	-	29,969
731	-	731
<u>115,700</u>	<u>-</u>	<u>115,700</u>
<u>3,092,957</u>	<u>-</u>	<u>3,092,957</u>
(603,549)	(34,094)	(637,643)
12,975,167	166,657	13,141,824
<u>\$ 12,371,618</u>	<u>\$ 132,563</u>	<u>\$ 12,504,181</u>

See Notes to Financial Statements.

**CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT**  
**Statements of Cash Flows**  
**Years Ended June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (770,924)	\$ (637,643)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities:		
Write-Off Contributions	596,070	333,373
Net Realized and Unrealized (Gains) Losses on Investments	(139,448)	(98,456)
Changes in Assets and Liabilities:		
(Increase) Decrease in Contributions Receivable	2,934,016	2,666,745
(Increase) Decrease in Prepaid Assets	-	590
Increase (Decrease) in Payable to the Diocese of Davenport	25,938	39,594
Increase (Decrease) in Payable to Schools and Parishes	(104,682)	(439,422)
Net Cash Provided By Operating Activities	<u>2,540,970</u>	<u>1,864,781</u>
Cash Flows Provided By (Used In) Investing Activities:		
Purchase of Investments	<u>(3,227,566)</u>	<u>(1,917,320)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(686,596)	(52,539)
Cash and Cash Equivalents, Beginning	<u>1,668,096</u>	<u>1,720,635</u>
Cash and Cash Equivalent, Ending	<u>\$ 981,500</u>	<u>\$ 1,668,096</u>

See Notes to Financial Statements.

**CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT**  
**Notes to Financial Statements**

**Note 1. Nature of the Organization and Summary of Significant Accounting Policies**

Nature of the Organization – Catholic Foundation for the Diocese of Davenport (Foundation) was incorporated on February 10, 2009, and is a not-for-profit foundation established to promote the strength and growth of the Diocese of Davenport and its affiliated entities. This financial report includes all known funds and all known major assets and liabilities of the Catholic Foundation for the Diocese of Davenport.

A summary of the Organization’s significant accounting policies follows:

The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America.

Accounting 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 amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the provision for uncollectible contributions and the discount on the contributions.

Subsequent Events – In accordance with the Subsequent Events Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, in preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 30, 2012, the date the financial statements were available to be issued.

Net Assets – 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. The three classes are based on the presence or absence of donor-imposed restrictions. Temporarily restricted net assets include net assets restricted by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. The Foundation had no permanently restricted net assets as of June 30, 2012 and 2011.

Cash and Cash Equivalents – The Foundation considers highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Investments – For alternative investments where the quoted market value of investments may not be available, fair values are based on information provided by the fund manager, which includes quoted fair values when available and estimates of fair value of investments that are not readily ascertainable.

Gains and losses on sale of investments are determined by the specific-identification method.

Contributions Receivable and Revenue – The Foundation records contributions (including promises to give) when the contributions are deemed unconditional. Unconditional promises related to the Foundation’s capital campaign are included in the financial statements as contributions receivable and contributions revenue by the appropriate net asset category. Contributions are reflected in the financial statements at the earlier of the transfer of assets or at the time the unconditional promises to give are made. Pledges, bequests, and other promises to give that are to be received within a one-year period have not been discounted to reflect the present value of the future cash flows. Contributions which are material and are to be received in excess of one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on contributions.

An allowance for uncollectible contributions receivable is provided based on management’s judgment including such factors as collection history of the Foundation and industry, type of contribution, and nature of fund raising activity. Management periodically evaluates individual contributions receivable for collectability. Contributions written off as uncollectible totaled \$596,070 and \$333,373 for the years ended June 30, 2012 and 2011, respectively.



**CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT**  
**Notes to Financial Statements**

**Note 1. Nature of the Organization and Summary of Significant Accounting Policies (Continued)**

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

The Foundation reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Conditional promises to give, where the donor has placed a condition on the gift that the ultimate transfer of assets or promises to give is contingent on a future and uncertain event, are not recorded as contributions until the condition is met. There are approximately \$136,000 and \$187,100 of conditional promises to give as of June 30, 2012 and 2011.

Contributions Payable – Contributions payable, including payable to parishes, are charged to operations and recognized as liabilities when authorized by the Board of Directors, regardless of the year in which they are paid.

Functional Expenses – The costs of providing contributions and other activities have been summarized on a functional basis in the statements of activities. Directly identifiable expenses are charged to programs and supporting services. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide overall support and direction of the Foundation. Fundraising expenses include those expenses that are directly identifiable to the solicitation of contributions.

Income Tax – The Internal Revenue Service has recognized the Foundation as exempt from income taxes under Internal Revenue Code Section 501(c)(3).

In accordance with the Income Taxes Topic of the FASB Accounting Standards Codification, management evaluated the Foundation's tax positions and concluded that the Foundation had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

**Note 2. Investments and Fair Value Measurements**

Alternative investments are investments not listed on national exchanges or over-the-counter markets, or for which quoted market prices are not available from sources such as financial publications. Alternative investments may be structured as limited partnerships, limited liability corporations, trusts or corporations.

The investments of the Foundation are exposed to various risks such as interest rate, market, and credit due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments. It is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

**CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT**  
**Notes to Financial Statements**

**Note 2. Investments and Fair Value Measurements (Continued)**

The Fair Value Measurements and Disclosure Topic of the FASB Accounting Standards Codification defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. The fair value hierarchy set forth in the topic is as follows:

- Level 1 - Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Foundation has the ability to access as of the measurement date.
- Level 2 - Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data. Investments measured using the practical expedient that do not have significant redemption restrictions, lock-up periods, gates or other characteristics that would cause report and liquidation date net asset value (NAV) to be significantly different, if redemption were requested at the report date.
- Level 3 - Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

A description of the valuation methodologies used for assets measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

If quoted market prices are not available, then fair values are estimated by the Foundation's investment manager using pricing models, quoted prices of securities with similar characteristics, audited financial statements of the funds, or discounted cash flow. The Foundation's level 2 securities are funds where the value is based on net asset value provided by the investment manager.

	Investments at Fair Value as of June 30, 2012			
	Level 1	Level 2	Level 3	Total
Assets:				
Alternative Investments:				
CUIT Intermediate Diversified Bond Fund	-	\$ 1,596,989	-	\$ 1,596,989
CUIT Growth Equity Fund	-	802,317	-	802,317
CUIT Value Equity Fund	-	1,366,927	-	1,366,927
CUIT International Equity Fund	-	821,835	-	821,835
CUIT Small Capitalization Equity Index Fund	-	818,130	-	818,130
	\$ -	\$ 5,406,198	\$ -	\$ 5,406,198

**CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT**  
**Notes to Financial Statements**

**Note 2. Investments and Fair Value Measurements (Continued)**

	Investments at Fair Value as of June 30, 2011			
	Level 1	Level 2	Level 3	Total
Assets:				
Alternative Investments:				
RCT Short Bond Fund	\$ -	\$ 195,031	\$ -	\$ 195,031
RCT Intermediate Diversified Bond Fund	-	583,963	-	583,963
CUIT Growth Equity Fund	-	305,300	-	305,300
CUIT Value Equity Fund	-	311,067	-	311,067
CUIT International Equity Fund	-	302,447	-	302,447
CUIT Small Capitalization Equity Index Fund	-	317,968	-	317,968
	\$ -	\$ 2,015,776	\$ -	\$ 2,015,776

The following table sets forth additional disclosure of the Diocese's investments whose fair value is estimated using net assets value (NAV) per share (or its equivalent) as of June 30, 2012 and 2011:

June 30, 2012				
Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Investments:				
CUIT Intermediate Diversified Bond Fund (1)	\$ 1,596,989	\$ -	Daily	Trade Date Minus 1 Day
CUIT Growth Equity Fund (2)	802,317	-	Daily	Trade Date Minus 1 Day
CUIT Value Equity Fund (2)	1,366,927	-	Daily	Trade Date Minus 1 Day
CUIT International Equity fund (3)	821,835	-	Daily	Trade Date Minus 1 Day
CUIT Small Capitalization Equity Index Fund (2)	818,130	-	Daily	Trade Date Minus 1 Day
	\$ 5,406,198	\$ -		

June 30, 2011				
Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Investments:				
RCT Short Bond Fund (4)	\$ 195,031	\$ -	Daily	Trade Date Minus 1 Day
RCT Intermediate Diversified Bond Fund (1)	583,963	-	Daily	Trade Date Minus 1 Day
CUIT Growth Equity Fund (2)	305,300	-	Daily	Trade Date Minus 1 Day
CUIT Value Equity Fund (2)	311,067	-	Daily	Trade Date Minus 1 Day
CUIT International Equity fund (3)	302,447	-	Daily	Trade Date Minus 1 Day
CUIT Small Capitalization Equity Index Fund (2)	317,968	-	Daily	Trade Date Minus 1 Day
	\$ 2,015,776	\$ -		

- (1) This fund invests primarily in U.S. Government securities, securities issued by U.S. Government agencies, fixed income obligations of corporations, asset-backed, mortgage-backed, and municipal securities. This fund can be redeemed at net asset value per share based on the fair value of the fund's securities and other assets, less liabilities at the close of business on any day the NYSE is open. The fair value of this investment has been estimated using the net asset value per share of the investments provided by the fund manager.

**CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT**  
**Notes to Financial Statements**

**Note 2. Investments and Fair Value Measurements (Continued)**

- (2) These funds invest in marketable equity securities that are all exchange traded in the USA and that are categorized as the title of each respective fund suggests (growth, value, small cap). These funds can be redeemed at net asset value per share based on the fair value of the fund's securities and other assets, less liabilities at the close of business on any day the NYSE is open. The fair value of this investment has been estimated using the net asset value per share of the investments provided by the fund manager.
- (3) This fund invests primarily in international equity securities that are all exchange traded in the USA primarily in countries in the Morgan Stanley Capital International Europe, Australia, the Far East Index (EAFE) and Canada. This fund can be redeemed at net asset value per share based on the fair value of the Fund's securities and other assets, less liabilities at the close of business any day the NYSE is open. The fair value of this investment has been estimated using the net asset value per share of the investments provided by the fund manager.
- (4) This fund invests primarily in securities issued by the U.S. Government, its agencies or instrumentalities, investment grade corporate debt obligations, mortgage-backed securities, and other asset-backed securities. This fund can be redeemed at net asset value per share based on the fair value of the Fund's securities and other assets, less liabilities at the close of business on any day the NYSE is open. The fair value of this investment has been estimated using the net asset value per share of the investments provided by the fund manager.

**Note 3. Contributions Receivable**

Contributions receivable as of June 30, 2012 and 2011 consist of the following:

	2012	2011
Amounts Due in:		
Less Than One Year	\$ 3,252,876	\$ 3,892,079
One to Two Years	1,922,851	3,170,722
Two to Three Years	1,079,430	2,116,268
Three to Four Years	121,258	1,160,875
Four to Five Years	42,329	122,373
After Five Years	53,498	93,255
	6,472,242	10,555,572
Less:		
Unamortized Discount	135,577	183,912
Provision for Uncollectible Contributions	517,780	999,281
	\$ 5,818,885	\$ 9,372,379

**CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT**  
**Notes to Financial Statements**

**Note 4. Temporarily Restricted Net Assets**

Temporarily restricted net assets as of June 30, 2012 and 2011 can be used for the following:

	<u>2012</u>	<u>2011</u>
Vocations	\$ 51,327	\$ 70,794
Faith Formation	-	3,682
Social Action	-	14,172
Schools	3,470	21,225
Deacon Formation	-	3,420
Priest Health Care	9,778	11,421
Cathedral Renovation	8,166	7,849
Youth Philanthropy	1,000	-
	<u>\$ 73,741</u>	<u>\$ 132,563</u>

**Note 5. Net Assets Released from Restrictions**

Net assets were released from donor restrictions during the years ended June 30, 2012 and 2011 by incurring expenses satisfying the restricted purposes.

	<u>2012</u>	<u>2011</u>
Purpose Restrictions Accomplished:		
Vocations	\$ 16,138	\$ 9,341
Faith Formation	4,788	5,507
Social Action	14,220	8,226
Diocesan Operations	-	6,075
Schools	19,074	11,014
Deacon Formation	3,565	2,719
Priest Health Care	2,137	10,944
Chancery Building	249	468
Parish Sharing	62	869
Total Assets Released from Restrictions	<u>\$ 60,233</u>	<u>\$ 55,163</u>

**Note 6. Capital Campaign**

The Foundation conducted the *Moving Forward in Faith and Hope* capital campaign primarily during the year ended June 30, 2010 to provide resources primarily for four essential needs: strengthening the Church of the Davenport Diocese, supporting our clergy and seminarians, reaching out to our people and assisting our parishes, plus other needs as allowed by the Foundation's mission statement. The Foundation hoped to raise approximately \$22,000,000 as part of the campaign.

**CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT**  
**Notes to Financial Statements**

**Note 6. Capital Campaign (Continued)**

The following reconciles the total contributions for the capital campaign as of June 30, 2012 to the amounts recorded in the statements of activities for the years ended June 30, 2012 and 2011 and the periods ended June 30, 2010 and 2009:

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>Total</u>
Total Contributions for the Capital Campaign	\$ 34,202	\$ 2,222,651	\$ 17,689,854	\$ 1,749,748	\$ 21,696,455
Less Pledges Received Directly by the Diocese of Davenport (1)	-	(500)	(45,695)	(194,038)	(240,233)
Less Gifts to Community Foundation of the Great River Bend for the Catholic Foundation, Endowment Funds	(3,700)	(13,576)	(46,995)	(53,000)	(117,271)
Conditional Pledges Recognized or Written Off	50,912	73,800	21,315	-	146,027
Less Conditional Pledges Not Yet Recognized	-	-	(274,715)	(7,500)	(282,215)
Less Other Adjustments	(14,000)	(40,344)	(32,064)	-	(86,408)
	<u>67,414</u>	<u>2,242,031</u>	<u>17,311,700</u>	<u>1,495,210</u>	<u>21,116,355</u>
Plus (Less) Unamortized Discount	48,335	94,946	(248,654)	(30,204)	(135,577)
	<u>115,749</u>	<u>2,336,977</u>	<u>17,063,046</u>	<u>1,465,006</u>	<u>20,980,778</u>
Other Contributions	2,079	-	-	-	2,079
Contributions Revenue on the Statement of Activities	<u>\$ 117,828</u>	<u>\$ 2,336,977</u>	<u>\$ 17,063,046</u>	<u>\$ 1,465,006</u>	<u>\$ 20,982,857</u>

- (1) These contributions were received by the Diocese of Davenport for the capital campaign. Donors have requested these contributions count toward the capital campaign goal.

**Note 7. Related Party Transactions**

The Diocese of Davenport had a professional services contract with a company to provide campaign fundraising services for the benefit of the Foundation for the time period of December 2008 through July 2010. The monthly payment amount ranged from \$16,000 to \$152,500. The Foundation agreed to assume the liability under the contract. The costs incurred with the company for the years ended June 30, 2012 and 2011 were none and \$85,000, respectively. There are no remaining fees due for professional services.

The Diocese of Davenport has an agreement with the Foundation to provide the services of the Finance Department including the processing of pledges, pledge payments, pledge reminders, preparing financial reports for board meetings and assistance with the financial audit. The Foundation pays the Diocese once a year for the percentage of the time the Finance employees spend on the Foundation work valued at salary plus estimated benefits. The costs incurred with the Diocese for the years ended June 30, 2012 and 2011 were \$62,000 and none, respectively.

The Foundation made contributions in accordance with the campaign case statement based on their investment and spending policies. Contributions to the Diocese of Davenport totaled \$84,634 and \$1,658,696 for the years ended June 30, 2012 and 2011, respectively. Contributions due to the Diocese of Davenport were \$84,634 and \$58,696 as of June 30, 2012 and 2011, respectively. Contributions to the Catholic Schools of the Diocese of Davenport totaled \$19,028 and \$ 11,014 for the years ended June 30, 2012 and 2011, respectively. Contributions due to the Catholic Schools of the Diocese of Davenport were \$19,028 and \$ 11,014 as of June 30, 2012 and 2011, respectively.

Under the campaign policies, a parish is entitled to receive 20% of the cash received from its parishioners as part of the capital campaign. If the cash received exceeds the parish's goal under the capital campaign, the parish is entitled to receive 50% of the cash received from its parishioners in excess of the parish's goal. Payments will be made to the parishes on a semiannual basis. As of June 30, 2012 and 2011, the Foundation has a payable to parishes of \$369,664 and \$482,310, respectively. Parish sharing under the campaign policies were \$769,962 and \$1,059,633 for the years ended June 30, 2012 and 2011, respectively.

**CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT**  
**Notes to Financial Statements**

**Note 7. Related Party Transactions (Continued)**

The contributions revenue from members of the Foundation board and Foundation management for the years ended June 30, 2012 and 2011 were approximately none and \$11,100, respectively. The contributions receivable from members of the Foundation board and Foundation management as of June 30, 2012 and 2011 are approximately \$56,000 and \$103,700, respectively.

**Note 8. Concentration of Credit Risk**

The Foundation routinely invests its stock gifts in money market funds with Edward Jones. Money market funds are not insured or guaranteed by the U.S. government; however, management believes that credit risk related to these funds is minimal. The balance in the money market fund was approximately \$8,500 as of June 30, 2012 and was included in cash and cash equivalents.