



**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
WASHINGTON, INC.**

Financial Statements

June 30, 2014 and 2013

(With Independent Auditors' Report Thereon)



KPMG LLP
1676 International Drive
McLean, VA 22102

Independent Auditors' Report

The Board of Directors
Catholic Education Foundation of the Archdiocese of Washington, Inc.:

We have audited the accompanying financial statements of Catholic Education Foundation of the Archdiocese of Washington, Inc. (Catholic Education Foundation), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Education Foundation of the Archdiocese of Washington, Inc. as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

November 25, 2014

**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
WASHINGTON, INC.**

Statements of Financial Position

June 30, 2014 and 2013

Assets	2014	2013
Cash and cash equivalents	\$ —	342,500
Contributions receivable, net (note 3 and 6)	5,272,270	7,027,052
Prepaid expense	49,565	311,000
Receivable due from affiliate (note 6)	301,479	—
Investments (note 2)	20,533,477	17,589,401
Total assets	\$ 26,156,791	25,269,953
Liabilities and Net Assets		
Liabilities:		
Cash overdraft with bank	\$ 256,605	—
Accounts payable	21,050	21,050
Payable due to affiliate (note 6)	512,373	1,119,945
Total liabilities	790,028	1,140,995
Net assets:		
Unrestricted	9,842,846	7,443,436
Temporarily restricted (notes 4 and 5)	11,899,941	13,121,222
Permanently restricted (notes 4 and 5)	3,623,976	3,564,300
Total net assets	25,366,763	24,128,958
Total liabilities and net assets	\$ 26,156,791	25,269,953

See accompanying notes to financial statements.

**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
WASHINGTON, INC.**

Statement of Activities

Year ended June 30, 2014

	2014			
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Change in net assets:				
Contributions, donations, and gifts	\$ 243,700	3,458,367	—	3,702,067
Investment income (note 2)	2,407,684	476,716	59,676	2,944,076
Net assets released from restrictions	5,156,364	(5,156,364)	—	—
Total support	<u>7,807,748</u>	<u>(1,221,281)</u>	<u>59,676</u>	<u>6,646,143</u>
Expenses:				
Program services:				
Tuition assistance	5,068,695	—	—	5,068,695
Seminarian education	32,633	—	—	32,633
Total program services	<u>5,101,328</u>	<u>—</u>	<u>—</u>	<u>5,101,328</u>
Management and general	307,010	—	—	307,010
Total expenses	<u>5,408,338</u>	<u>—</u>	<u>—</u>	<u>5,408,338</u>
Increase (decrease) in net assets	2,399,410	(1,221,281)	59,676	1,237,805
Net assets at beginning of year	<u>7,443,436</u>	<u>13,121,222</u>	<u>3,564,300</u>	<u>24,128,958</u>
Net assets at end of year	<u>\$ 9,842,846</u>	<u>11,899,941</u>	<u>3,623,976</u>	<u>25,366,763</u>

See accompanying notes to financial statements.

**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
WASHINGTON, INC.**

Statement of Activities

Year ended June 30, 2013

	2013			
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Change in net assets:				
Contributions, donations, and gifts	\$ —	3,262,582	—	3,262,582
Investment income (note 2)	1,718,445	246,335	26,574	1,991,354
Net assets released from restrictions	4,018,947	(4,018,947)	—	—
Total support	<u>5,737,392</u>	<u>(510,030)</u>	<u>26,574</u>	<u>5,253,936</u>
Expenses:				
Program services:				
Tuition assistance	4,503,849	—	—	4,503,849
Seminarian education	21,091	—	—	21,091
Total program services	<u>4,524,940</u>	<u>—</u>	<u>—</u>	<u>4,524,940</u>
Management and general	244,372	—	—	244,372
Total expenses	<u>4,769,312</u>	<u>—</u>	<u>—</u>	<u>4,769,312</u>
Increase (decrease) in net assets	968,080	(510,030)	26,574	484,624
Net assets at beginning of year	<u>6,475,356</u>	<u>13,631,252</u>	<u>3,537,726</u>	<u>23,644,334</u>
Net assets at end of year	<u>\$ 7,443,436</u>	<u>13,121,222</u>	<u>3,564,300</u>	<u>24,128,958</u>

See accompanying notes to financial statements.

**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
WASHINGTON, INC.**

Statements of Cash Flows

Years ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,237,805	484,624
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Unrealized and realized investment gains, net	(2,944,076)	(1,990,432)
Decrease (increase) in assets:		
Contributions receivable	1,754,782	1,530,712
Prepaid expense	261,435	(311,000)
Receivable due from affiliate	(301,479)	—
Increase (decrease) in liabilities:		
Accounts payable	—	139,597
Payable due to affiliate	(607,572)	488,999
Contributions collected and revenues restricted for long-term investments	<u>(59,676)</u>	<u>(26,574)</u>
Net cash (used in) provided by operating activities	<u>(658,781)</u>	<u>315,926</u>
Cash flows from financing activities:		
Cash overdraft with bank	256,605	—
Proceeds from revenues restricted for:		
Investment in endowment	<u>59,676</u>	<u>26,574</u>
Net cash provided by financing activities	<u>316,281</u>	<u>26,574</u>
Net (decrease) increase in cash and cash equivalents	(342,500)	342,500
Cash and cash equivalents at beginning of year	<u>342,500</u>	—
Cash and cash equivalents at end of year	<u><u>\$ —</u></u>	<u><u>342,500</u></u>

See accompanying notes to financial statements.

**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
WASHINGTON, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

(1) Summary of Significant Accounting Policies

(a) Organization

Catholic Education Foundation of the Archdiocese of Washington, Inc. (Catholic Education Foundation) (formerly named Cornerstone for Tomorrow, Inc.) was incorporated as a 501(c)(3) corporation on April 22, 1988. The purpose of Catholic Education Foundation is to support Catholic education in the Archdiocese of Washington.

(b) Basis of Presentation

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles on the accrual basis of accounting.

(c) Cash and Cash Equivalents

In April 2014, Catholic Education Foundation started using its own checking account for all disbursements. Prior to April 2014, Catholic Education Foundation's cash was held in a pooled bank account by the Central Pastoral Administration of the Archdiocese of Washington (CPA). Expenses of Catholic Education Foundation were paid from this pooled account and the net cash inflows/outflows for the period were recorded as payable due to/from affiliate in the statements of financial position. Funds in money markets and overnight investments are considered to be cash equivalents, except for money market funds held by investment managers, which are classified as investments.

(d) Investments

Investments are recorded at fair value, which is determined using quoted market prices or, with respect to investments without quoted market prices, at estimated fair values provided by external investment managers. Management reviews and evaluates the fair values provided by the external investment managers and believes that the valuation methods and assumptions used in determining their estimated fair value are reasonable.

Catholic Education Foundation entered into a Trust Agreement with the Catholic Investment Trust of Washington (CITW) on March 29, 2012. Pursuant to this agreement, Catholic Education Foundation transferred its long-term investments to CITW effective April 2, 2012. The pooled investments of CITW are managed by independent investment managers, and the securities are held by bank custodians. CITW is invested in a diversified portfolio consisting primarily of cash equivalents, domestic and foreign equity and fixed income securities, bonds, money market funds, private equity, balanced and closed end mutual funds, hedge funds, and U.S. government and agency securities. The investment in CITW is reported at estimated fair values utilizing net asset value (NAV). Catholic Education Foundation reviews and evaluates the NAVs provided by the general partner and fund managers and believes that the valuation methods and assumptions used in determining the NAVs are reasonable.

**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
WASHINGTON, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

(e) Contributions Receivable

Contributions are recognized as revenues in the period received or pledged by the donor. Contributions receivable are initially recorded net of a discount for the time value of money for payments to be received in future years and net of an allowance for uncollectible amounts. The contributions receivable are subsequently adjusted for accretion of discount and changes in estimates of collectability.

(f) Revenue Recognition and Net Assets

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions; accordingly, the net assets of Catholic Education Foundation and changes therein are classified and reported as follows:

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

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that may or will be met either by actions of Catholic Education Foundation and/or by the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed restrictions that they be maintained permanently by Catholic Education Foundation. Generally, the donors of these assets permit Catholic Education Foundation to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Investment income, as well as gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Investment income is reported as increases in unrestricted net assets unless its use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor's stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

(g) Income Taxes

Catholic Education Foundation is exempt from federal income tax, except on unrelated activities, under the provisions of Section 501(c)(3) of the Internal Revenue Code. No provision has been made for income taxes since Catholic Education Foundation had no significant unrelated business income.

Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
WASHINGTON, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

(h) Concentration of Credit Risk

Catholic Education Foundation invests in various investment securities. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

(i) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Catholic Education Foundation to make certain estimates 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

(j) Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation.

(2) Investments and Fair Value Measurements

Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. FASB ASC 820, *Fair Value Measurement*, establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The three-level fair value hierarchy that describes the inputs that are used to measure assets is as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Other observable inputs, either directly or indirectly, including: quoted prices for similar assets/liabilities in active markets; quoted prices for identical or similar assets in nonactive markets; inputs other than quoted prices that are observable for the asset/liability; and inputs that are derived principally from or corroborated by other observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity.

Investments measured using NAV are considered Level 2 if they are redeemable at or near fiscal year-end, otherwise they are considered Level 3.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of an input that is significant to the fair value measurement.

**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
WASHINGTON, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

Catholic Education Foundation transferred its investments, effective April 2, 2012, to the CITW. Pursuant to this agreement, legal title of the assets was transferred to CITW and Catholic Education Foundation, as grantor, holds an interest in the NAVs of the investments in CITW. Catholic Education Foundation owns only its interest in CITW and has no claim on the interest held by other participants in CITW and no other participants have a claim on Catholic Education Foundation's interest in CITW. The following table shows classification of investments by level of the fair value hierarchy in CITW as of June 30:

	2014	2013
Level 1	67.7%	69.1%
Level 2	16.9	27.4
Level 3	15.4	3.5

The following is a summary of the fair value measurements of Catholic Education Foundation's investments within the fair value hierarchy as of June 30:

	2014	Level 1	Level 2	Level 3
Assets:				
Investment in CITW	\$ 20,533,477	—	17,427,878	3,105,599
	2013	Level 1	Level 2	Level 3
Assets:				
Investment in CITW	\$ 17,589,401	—	16,973,772	615,629

The fair value of other financial instruments, principally accounts receivable, accounts payable, and due to/from affiliate approximates their carrying value at June 30, 2014 and 2013 because of the short maturity of these items.

Catholic Education Foundation used the NAV or its equivalent to determine the fair value of its underlying investments, which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The fair value of the investment in CITW of \$20,533,477 and \$17,589,401 is estimated using the NAV at June 30, 2014 and 2013, respectively. There are no unfunded commitments for this investment.

The investments of CITW comprise three portfolios: Traditional, Semi-liquid, and Illiquid. The investment objective of each portfolio, consistent with the Investment Policy Statement approved by CITW's board of trustees, is long-term total return that net of fees exceeds the aggregate portfolio benchmark's total return with less risk. The Traditional portfolio is valued monthly and redemption by the grantors is permitted at the valuation date. The Semi-liquid portfolio is valued at the beginning of each quarter and can be redeemed with 30 days' notice after quarter-end. The Illiquid portfolio is valued at the beginning of each quarter and does not have redemption frequency.

**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
WASHINGTON, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

Investment income for the years ended June 30, 2014 and 2013 consisted of net unrealized gains in the amount of \$2,944,076 and \$1,991,354, respectively.

(3) Contributions Receivable

Contributions receivable are summarized as follows at June 30:

	2014	2013
Unconditional promises before unamortized discount expected to be collected in:		
Less than one year	\$ 3,303,464	3,102,500
One year to five years	2,024,877	4,034,877
	5,328,341	7,137,377
Less unamortized discounts (discount rates ranging from 0.89% to 4.50%)	(56,071)	(110,325)
	\$ 5,272,270	7,027,052

This amount includes a receivable due from a related party of \$1,050,000 as discussed in note 6.

(4) Temporarily and Permanently Restricted Net Assets

The following table summarizes the nature of the temporarily restricted net assets at June 30 and the purposes for which such net assets may be used:

	2014	2013
Tuition assistance (high school/elementary)	\$ 11,618,006	12,847,400
Seminarian education	281,935	273,822
	\$ 11,899,941	13,121,222

The following table summarizes the nature of the permanently restricted net assets at June 30 and the purposes for which the income or a portion of income on such net assets may be used:

	2014	2013
Tuition assistance (high school/elementary)	\$ 3,383,567	3,323,891
Seminarian education	240,409	240,409
	\$ 3,623,976	3,564,300

**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
WASHINGTON, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

(5) Endowments

Effective January 23, 2008, the District of Columbia enacted the Uniform Prudent Management of Institutional Funds Act (the Act), the provisions of which apply to funds existing on or established after that date. The State of Maryland enacted the Act effective April 14, 2009.

The board of directors of Catholic Education Foundation (the Board) has interpreted the Act as allowing Catholic Education Foundation to spend or accumulate the amount of an endowment fund that Catholic Education Foundation determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. For accounting and reporting purposes, Catholic Education Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by the Act. If the disbursements under the spending rate policy exceed accumulated earnings, the deficiency is classified as an offset to unrestricted net assets until such time as it is recovered by future earnings. In accordance with the Act, Catholic Education Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of Catholic Education Foundation and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of Catholic Education Foundation, and (7) the investment policies of the Catholic Education Foundation.

Catholic Education Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Catholic Education Foundation must hold in perpetuity or for a donor-specified period(s) as well as designated funds. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that meet or exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. Catholic Education Foundation expects its endowment funds, over time, to provide an average rate of return that, net of fees, exceeds the aggregate benchmark's total return with less risk. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, Catholic Education Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Catholic Education Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
WASHINGTON, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

Catholic Education Foundation's policy includes the following: the classification of restricted gifts, the investment of restricted gifts, the definition of income earned, and the calculation of annual distributions. Gifts are pooled and invested to ensure assets increase over time thereby enhancing the funds' long-term health and fiscal viability. Income earned includes interest, dividends, and realized/unrealized gains and losses unless otherwise specified by the donor. Distributions can be made annually at a rate not to exceed 4% of the sum of the fair market value of the permanently restricted net assets and the income earned (which are classified as temporarily restricted net assets) using a three-year rolling average.

Endowment net assets composition by type of fund as of June 30 were as follows:

	2014			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	\$ (23,747)	1,075,347	3,623,976	4,675,576
Board-designated endowment funds	6,810,551	—	—	6,810,551
	<u>\$ 6,786,804</u>	<u>1,075,347</u>	<u>3,623,976</u>	<u>11,486,127</u>

	2013			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	\$ (46,673)	667,229	3,564,300	4,184,856
Board-designated endowment funds	6,168,777	—	—	6,168,777
	<u>\$ 6,122,104</u>	<u>667,229</u>	<u>3,564,300</u>	<u>10,353,633</u>

Changes in endowment net assets for the fiscal year ended June 30, 2014 are as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, beginning of year	\$ 6,122,104	667,229	3,564,300	10,353,633
Net unrealized gains	836,104	485,244	59,676	1,381,024
Replenish net assets	22,926	(22,926)	—	—
Appropriation of endowment assets for expenditure	(194,330)	(54,200)	—	(248,530)
Endowment net assets, end of year	<u>\$ 6,786,804</u>	<u>1,075,347</u>	<u>3,623,976</u>	<u>11,486,127</u>

**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
WASHINGTON, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

Changes in endowment net assets for the fiscal year ended June 30, 2013 are as follows:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 5,908,395	549,359	3,537,726	9,995,480
Net unrealized gains	431,532	255,180	26,574	713,286
Replenish net assets	8,916	(8,916)	—	—
Appropriation of endowment assets for expenditure	<u>(226,739)</u>	<u>(128,394)</u>	<u>—</u>	<u>(355,133)</u>
Endowment net assets, end of year	<u>\$ 6,122,104</u>	<u>667,229</u>	<u>3,564,300</u>	<u>10,353,633</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the states' enacted legislation requires Catholic Education Foundation to retain as a fund for perpetual duration. In accordance with generally accepted accounting principles, the deficiencies of this nature that are reported in unrestricted net assets totaled \$23,747 and \$46,673 as of June 30, 2014 and 2013, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of the new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board.

**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
WASHINGTON, INC.**

Notes to Financial Statements

June 30, 2014 and 2013

(6) Related-Party Transactions

Catholic Education Foundation has significant transactions with related entities of the Archdiocese of Washington. Below is a summary of the impact of these transactions with related parties on the statements of financial position and the statements of activities as of and for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Receivable due from CPA	\$ 301,479	—
Contribution receivable due from Forward in Faith	1,050,000	1,092,500
Payable due to CPA	—	575,191
Payable due to Consortium of Catholic Academies	512,373	544,753
Tuition assistance revenue from CPA	2,313,313	2,344,043
Tuition assistance revenue from Forward in Faith	1,050,000	1,092,500
Tuition assistance expense paid to Catholic Schools	4,474,555	3,880,336
Expenses incurred with CPA:		
Seminar education	32,633	21,091
Management and general	285,000	221,320

A member of the board of Catholic Education Foundation is also a member of the board of trustees of CITW and a member of the Archdiocesan finance council.

(7) Subsequent Events

In preparing these financial statements, Catholic Education Foundation has evaluated events and transactions for potential recognition or disclosure through November 25, 2014, the date that the financial statements were available to be issued. There were no events or transactions that were discovered during the evaluation that required accrual or further disclosure.