



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

Financial Statements

June 30, 2012 and 2011

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report

Board of Directors

Catholic Education Foundation of the Archdiocese of Washington, Inc.:

We have audited the accompanying statements of financial position of Catholic Education Foundation of the Archdiocese of Washington, Inc. (Catholic Education Foundation) as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years ended June 30, 2012 and 2011. These financial statements are the responsibility of Catholic Education Foundation's management. 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 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 Catholic Education Foundation's internal control over financial reporting. Accordingly, we express no such opinion. 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 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 Catholic Education Foundation of the Archdiocese of Washington, Inc. as of June 30, 2012 and 2011 and changes in its net assets and its cash flows for the years ended June 30, 2012 and 2011 in conformity with U.S. generally accepted accounting principles.

KPMG LLP

February 1, 2013

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

Statements of Financial Position

June 30, 2012 and 2011

Assets	2012	2011
Accounts receivable	\$ —	23,782
Contributions receivable, net (note 3)	8,557,764	679,860
Investments (note 2)	12,061,243	12,280,114
Investments restricted for long-term purposes (note 2)	3,537,726	3,535,572
Total assets	\$ 24,156,733	16,519,328
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 426,207	57,479
Payable due to affiliate (note 6)	86,192	1,313,088
Total liabilities	512,399	1,370,567
Net assets:		
Unrestricted	6,475,356	7,218,188
Temporarily restricted (note 4)	13,631,252	4,395,001
Permanently restricted (note 4)	3,537,726	3,535,572
Total net assets	23,644,334	15,148,761
Total liabilities and net assets	\$ 24,156,733	16,519,328

See accompanying notes to financial statements.

**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
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Statement of Activities

Year ended June 30, 2012

	2012			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Change in net assets:				
Contributions, donations, and gifts	\$ —	13,779,702	2,154	13,781,856
Investment income/(loss) (note 2)	(268,540)	(14,144)	—	(282,684)
Net assets released from restrictions	4,529,307	(4,529,307)	—	—
Total support	4,260,767	9,236,251	2,154	13,499,172
Expenses:				
Program services:				
Tuition assistance	4,757,679	—	—	4,757,679
Seminarian education	10,000	—	—	10,000
Religious education	—	—	—	—
Total program services	4,767,679	—	—	4,767,679
Management and general	235,920	—	—	235,920
Total expenses	5,003,599	—	—	5,003,599
Increase (decrease) in net assets	(742,832)	9,236,251	2,154	8,495,573
Net assets at beginning of year	7,218,188	4,395,001	3,535,572	15,148,761
Net assets at end of year	\$ 6,475,356	13,631,252	3,537,726	23,644,334

See accompanying notes to financial statements.

**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
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Statement of Activities

Year ended June 30, 2011

	2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Change in net assets:				
Contributions, donations, and gifts	\$ —	3,424,731	81,000	3,505,731
Investment income/(loss) (note 2)	1,724,802	616,366	70,245	2,411,413
Net assets released from restrictions	4,174,167	(4,174,167)	—	—
Total support	5,898,969	(133,070)	151,245	5,917,144
Expenses:				
Program services:				
Tuition assistance	4,331,468	—	—	4,331,468
Seminarian education	66,875	—	—	66,875
Religious education	32,750	—	—	32,750
Total program services	4,431,093	—	—	4,431,093
Management and general	32,500	—	—	32,500
Total expenses	4,463,593	—	—	4,463,593
Increase (decrease) in net assets	1,435,376	(133,070)	151,245	1,453,551
Net assets at beginning of year	5,782,812	4,528,071	3,384,327	13,695,210
Net assets at end of year	\$ 7,218,188	4,395,001	3,535,572	15,148,761

See accompanying notes to financial statements.

**CATHOLIC EDUCATION FOUNDATION OF THE ARCHDIOCESE OF
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Statements of Cash Flows

Years ended June 30, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Change in net assets	\$ 8,495,573	1,453,551
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized and realized investment (gains)/losses	319,630	(2,590,771)
Decrease (increase) in assets:		
Accounts receivable	23,782	(4,171)
Contributions receivable	(7,877,904)	389,380
Increase (decrease) in liabilities:		
Accounts payable	368,728	26,979
Payable due to affiliate	(1,226,896)	867,132
Contributions collected and revenues restricted for long term investments	(2,154)	(151,245)
Net cash provided by operating activities	100,759	(9,145)
Cash flows from investing activities:		
Purchases of investments	(14,447,204)	(18,148,765)
Proceeds from the sale of investments	14,344,291	18,006,665
Net cash used in investing activities	(102,913)	(142,100)
Cash flows from financing activities:		
Proceeds from contributions restricted for:		
Investment in endowment	2,154	151,245
Net cash provided by financing activities	2,154	151,245
Net change in cash and cash equivalents	—	—
Cash and cash equivalents at beginning of year	—	—
Cash and cash equivalents at end of year	\$ —	—

See accompanying notes to financial statements.

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Notes to Financial Statements

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(1) Summary of Significant Accounting Policies

(a) Organization

Effective June 20, 2011, the Articles of Incorporation of Cornerstone for Tomorrow, Inc. were amended changing the name of the corporation to Catholic Education Foundation of the Archdiocese of Washington, Inc. (Catholic Education Foundation). The formerly named Cornerstone for Tomorrow, Inc. was incorporated as a 501(c)(3) corporation on April 22, 1988, to further the educational, charitable and religious works of the Archdiocese of Washington. Funds for this corporation were received as a result of the Cornerstone for Tomorrow capital campaign.

(b) Basis of Presentation

The accompanying financial statements include the financial position, changes in net assets, and cash flows of Catholic Education Foundation on the accrual basis of accounting.

(c) Cash and Cash Equivalents

Catholic Education Foundation's cash is held in a pooled bank account by the Central Pastoral Administration of the Archdiocese of Washington. Expenses of Catholic Education Foundation are paid from this pooled account and the net cash inflows/outflows for the period are recorded as Payable due to/from affiliate in the statement 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. There were no cash equivalents as of June 30, 2012 and 2011.

(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 agrees with the valuation methods and assumptions used in determining their estimated fair value.

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

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All investments are exposed to various risks, such as interest rates, market and credit risks. Due to the level of risk associated with certain investments, it is at least possible that changes in the value of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

(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 is 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 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. 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-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 unrelated business income.

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

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(h) Concentration of Credit Risk

Catholic Education Foundation invests in various investment securities. Investment securities 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.

(2) Investments and 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 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 net asset value 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 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 net asset values of the investments in the Trust as of June 30, 2012. Catholic Education Foundation owns only its interest in the Trust and has no claim on the interest held by

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other participants in the Trust and no other participants have a claim on Catholic Education Foundation's interest in the Trust. The Trust is invested in a diversified portfolio consisting of cash equivalents, domestic and foreign equity and fixed income securities, bonds, money market funds, private equity, and U.S. government and agency securities. As of June 30, 2012, approximately 68.7% of investments in the Trust are classified in Level 1, 27.6% are classified in Level 2 and 3.7% are classified in Level 3 of the fair value hierarchy.

Catholic Education Foundation also held investments outside of the Trust as of June 30, 2012. These investments included foreign equity and money market funds and are both included in Level 2 of the fair value hierarchy.

As of June 30, 2011, the majority of Catholic Education Foundation's equity securities traded on a major exchange. Accordingly, such equity securities were disclosed in Level 1. The remaining equity securities were disclosed in Level 2. Securities with fixed maturities (Corporate Bonds, Mutual Funds and Government Sponsored Enterprises) other than U.S. Treasury securities generally do not trade on a daily basis. The fair value estimates of such fixed maturity investments are based on observable market information rather than market quotes. Accordingly, the estimates of fair value for such fixed maturity investments as provided by the pricing service were disclosed in Level 2 of the hierarchy. The estimated values of U.S. Treasury securities were disclosed in Level 1 as the values are based on unadjusted market prices.

As of June 30, 2011, Catholic Education Foundation invested in several institutional money market funds whose underlying assets are fixed income instruments. These funds do not usually have daily purchases and redemptions. The fair value estimates of such institutional mutual funds are based on observable market information rather than market quotes. Accordingly, the estimates of fair value for such funds as provided by the pricing service were included in the amount disclosed in Level 2.

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, 2012 and 2011:

	2012	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Unobservable inputs (Level 3)
Assets:				
Investment in CITW	\$ 15,596,465	—	15,017,392	579,073
Equity securities:				
International	2,486	—	2,486	—
Money market funds – domestic	18	—	18	—
	<u>\$ 15,598,969</u>	<u>—</u>	<u>15,019,896</u>	<u>579,073</u>

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	2011	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
Assets:			
U.S. government/agencies	\$ 1,695,701	929,473	766,228
Corporate bonds:			
Domestic	2,727,700	—	2,727,700
International	11,315	—	11,315
Equity securities:			
Domestic	6,804,028	6,804,028	—
International	3,668,462	2,038,838	1,629,624
Money market funds – domestic	908,480	—	908,480
	\$ 15,815,686	9,772,339	6,043,347

Investments are reported in the statements of financial position as follows:

	2012	2011
Investments	\$ 12,061,243	12,280,114
Investment restricted for long-term purposes	3,537,726	3,535,572
Total investments	\$ 15,598,969	15,815,686

The fair value of other financial instruments, principally accounts receivable, accounts payable, and due to affiliate approximates their carrying value at June 30, 2012 and 2011 because of the short maturity of these items.

Catholic Education Foundation used the Net Asset Value (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 \$15,596,465 is estimated using the net asset value at June 30, 2012. There are no unfunded commitments for this investment.

The investments of CITW are comprised of 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 quarterly and at the valuation date. The Semi-Liquid portfolio is valued at the beginning of each quarter and can be redeemed with 30 days notice. The Illiquid portfolio is valued at the beginning of each quarter and does not have redemption frequency.

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Investment income for the years ended June 30, 2012 and 2011 were as follows:

	2012	2011
Interest and dividends	\$ 241,682	313,526
Realized gains and losses, net	112,480	878,740
Unrealized gains and losses, net	(432,110)	1,712,031
Less administrative investment fees	(204,736)	(492,884)
Investment income	\$ (282,684)	2,411,413

(3) Contributions Receivable

Contributions receivable are summarized as follows at June 30, 2012 and 2011:

	2012	2011
Unconditional promises before unamortized discount expected to be collected in:		
Less than one year	\$ 2,695,000	635,000
One year to five years	6,040,000	40,000
More than five years	4,877	14,877
	8,739,877	689,877
Less unamortized discounts of 4.5% and 0.89% in 2012 and 4.5% in 2011	(182,113)	(10,017)
	\$ 8,557,764	679,860

(4) Temporarily and Permanently Restricted Net Assets

The following summarizes the nature of the temporarily restricted net assets at June 30, 2012 and 2011 and the purposes for which such net assets may be used:

	2012	2011
Tuition assistance (High school/elementary)	\$ 13,465,290	4,125,813
Seminarian education	165,962	269,188
	\$ 13,631,252	4,395,001

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The following summarizes the nature of the permanently restricted net assets at June 30, 2012 and 2011 and the purposes for which the income or a portion of income on such net assets may be used:

	2012	2011
Tuition assistance (High School/elementary)	\$ 3,297,317	3,245,163
Seminarian education	240,409	290,409
	\$ 3,537,726	3,535,572

(5) Uniform Prudent Management of Institutional Funds Act (UPMIFA)

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 has interpreted the Act as requiring, for accounting and reporting purposes, the preservation of the fair market value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, 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 organization.

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.

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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'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, 2012 and 2011 was as follows:

		2012			
		Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	\$	(55,590)	549,359	3,537,726	4,031,495
Board designated endowment funds		5,963,985	—	—	5,963,985
		\$ 5,908,395	549,359	3,537,726	9,995,480
		2011			
		Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	\$	(38,284)	654,904	3,535,572	4,152,192
Board designated endowment funds		6,212,723	—	—	6,212,723
		\$ 6,174,439	654,904	3,535,572	10,364,915

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Changes in endowment net assets for the fiscal year ended June 30, 2012:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 6,174,439	654,904	3,535,572	10,364,915
Investment return:				
Investment income	76,864	52,140	—	129,004
Gains/(realized and unrealized)	<u>(101,654)</u>	<u>(68,956)</u>	<u>—</u>	<u>(170,610)</u>
Total investment return (loss)	(24,790)	(16,816)	—	(41,606)
Contributions	—	—	2,154	2,154
Replenish net assets	(17,306)	17,306	—	—
Appropriation of endowment assets for expenditure	<u>(223,948)</u>	<u>(106,035)</u>	<u>—</u>	<u>(329,983)</u>
Endowment net assets, end of year	<u>\$ 5,908,395</u>	<u>549,359</u>	<u>3,537,726</u>	<u>9,995,480</u>

Changes in endowment net assets for the fiscal year ended June 30, 2011:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 5,347,399	204,246	3,384,327	8,935,972
Investment return:				
Investment income	113,809	65,384	7,583	186,776
Gains/(realized and unrealized)	<u>940,439</u>	<u>540,291</u>	<u>62,662</u>	<u>1,543,392</u>
Total investment return	1,054,248	605,675	70,245	1,730,168
Contributions	—	—	81,000	81,000
Replenish net assets	27,617	(27,617)	—	—
Appropriation of endowment assets for expenditure	<u>(254,825)</u>	<u>(127,400)</u>	<u>—</u>	<u>(382,225)</u>
Endowment net assets, end of year	<u>\$ 6,174,439</u>	<u>654,904</u>	<u>3,535,572</u>	<u>10,364,915</u>

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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 \$55,590 and \$38,284 as of June 30, 2012 and 2011, 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.

(6) Related-Party Transactions

Catholic Education Foundation has significant transactions with related corporations of the Archdiocese of Washington, of which it is also an affiliate. At June 30, 2012 and 2011, Catholic Education Foundation owed \$86,192 and \$1,313,088, respectively, to the Central Pastoral Administration, and below is a summary of the impact of significant transactions with the same related party on the statements of activities:

	2012	2011
Expenses:		
Tuition assistance	\$ 4,757,679	4,331,468
Seminarian education	10,000	66,875
Religious education	—	32,750
Management and general	221,320	—
	\$ 4,988,999	4,431,093

In addition, at June 30, 2012 and 2011, Catholic Education Foundation has recorded a contributions receivable of \$685,000 and \$625,000, respectively from Forward in Faith, Inc.

A member of the board of Catholic Education Foundation is also a member of the board of Trustees of CITW.

(7) Subsequent Events

In preparing these financial statements, Catholic Education Foundation has evaluated events and transactions for potential recognition or disclosure through February 1, 2013, 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.