

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

**Financial Statements with
Supplementary Information**

June 30, 2011 and 2010
(With Independent Auditors' Report)

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

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Independent Auditors' Report

Most Reverend Joe Vásquez and Finance Council
Central Administrative Office of the Diocese of Austin

We have audited the accompanying statements of financial position of the Central Administrative Office of the Diocese of Austin (the Diocese) as of June 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Diocese'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 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 the Central Administrative Office of the Diocese of Austin as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The supplementary information included in page 24 is presented for purposes of additional analysis and is not a required part of these financial statements. Such information has not been subjected to the procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Atchley & Associates, LLP

October 31, 2011
Austin, Texas

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Statements of Financial Position
June 30, 2011 and 2010

Assets	2011	2010
Cash and cash equivalents, primarily interest-bearing	\$ 6,833,762	\$ 5,129,318
Pledges receivable	1,728,899	4,585,660
Receivables from parishes and schools	856,394	818,622
Other receivables	223,198	1,103,405
Prepaid expenses	602,017	287,577
Investments		
Unrestricted	31,747,529	32,581,761
Restricted by bond covenants	6,106,567	5,998,022
Interest in remainder trust	495,395	1,892,533
DIAL notes receivable	87,963,159	86,961,272
Land, building, and equipment, net	18,290,358	19,209,961
Bond issuance costs, net	3,377,724	3,538,846
	\$ 158,225,002	\$ 162,106,977
Total Assets	\$ 158,225,002	\$ 162,106,977
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 2,192,069	\$ 2,270,064
Collections held for transmittal	961,735	608,762
Pledges payable	604,718	874,440
Interest Payable	1,224,064	828,597
DIAL deposits	16,607,602	19,163,551
Self-insurance reserve	2,045,648	1,908,184
Line of credit payable	-	2,500,000
Notes payable	250,000	250,000
Bonds payable		
Current portion	1,095,000	1,060,000
Long term portion	82,305,000	83,400,000
Discount on bonds payable	(1,249,065)	(1,229,499)
	106,036,771	111,634,099
Total liabilities	106,036,771	111,634,099
Net assets:		
Unrestricted	36,791,340	32,800,036
Temporarily restricted	15,396,391	17,664,862
Permanently restricted	500	7,980
	52,188,231	50,472,878
Total net assets	52,188,231	50,472,878
Total Liabilities and Net Assets	\$ 158,225,002	\$ 162,106,977

See accompanying notes to financial statements.

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Statement of Activities
Year Ended June 30, 2011

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenues, gains, and other support:				
Catholic Services Appeal	\$ 4,330,933	\$ -	\$ -	\$ 4,330,933
Cathedraticum assessments	5,496,344	341,703	-	5,838,047
Contributions and bequests	228,656	2,210,070	42,659	2,481,385
Special collections	22,198	532,473	-	554,671
Interest income from DIAL notes	4,369,795	-	-	4,369,795
Investment income	3,669,262	187,575	-	3,856,837
Insurance premiums	11,117,739	-	-	11,117,739
Program service fees	1,674,981	-	-	1,674,981
Catholic Spirit	465,136	-	-	465,136
Retreat center	379,666	-	-	379,666
Other	601,221	-	-	601,221
Total revenues, gains, and other support	<u>32,355,931</u>	<u>3,271,821</u>	<u>42,659</u>	<u>35,670,411</u>
Net assets released from restrictions	<u>5,590,431</u>	<u>(5,540,292)</u>	<u>(50,139)</u>	<u>-</u>
Total revenues and release of restrictions	<u>37,946,362</u>	<u>(2,268,471)</u>	<u>(7,480)</u>	<u>35,670,411</u>
Expenses and losses:				
Program services				
Pastoral services	3,989,907	-	-	3,989,907
Formation and religious education	3,029,511	-	-	3,029,511
Catholic schools	1,148,684	-	-	1,148,684
Social services	628,393	-	-	628,393
Religious personnel care and development	1,415,670	-	-	1,415,670
Catholic Charities	544,229	-	-	544,229
Catholic Spirit	751,211	-	-	751,211
DIAL deposit interest	109,489	-	-	109,489
Supporting services				
Insurance program	9,124,826	-	-	9,124,826
Administration	1,445,816	-	-	1,445,816
Facilities and information technology	2,137,820	-	-	2,137,820
Fundraising	1,236,558	-	-	1,236,558
Distribution to Foundation	50,139	-	-	50,139
OFOL distributions	3,128,214	-	-	3,128,214
Interest on debt	5,214,591	-	-	5,214,591
Total expenses and losses	<u>33,955,058</u>	<u>-</u>	<u>-</u>	<u>33,955,058</u>
Change in net assets	3,991,304	(2,268,471)	(7,480)	1,715,353
Net assets at beginning of year	<u>32,800,036</u>	<u>17,664,862</u>	<u>7,980</u>	<u>50,472,878</u>
Net assets at end of year	<u>\$ 36,791,340</u>	<u>\$ 15,396,391</u>	<u>\$ 500</u>	<u>\$ 52,188,231</u>

See accompanying notes to financial statements.

CENTRAL ADMINISTRATIVE OFFICE OF THE DIOCESE OF AUSTIN

Statement of Activities
Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenues, gains, and other support:				
Catholic Services Appeal	\$ 3,966,828	\$ -	\$ -	\$ 3,966,828
Cathedraticum assessments	5,638,868	200	-	5,639,068
Contributions and bequests	135,753	680,408	240,901	1,057,062
Special collections	30,388	722,515	-	752,903
Interest income from DIAL notes	4,169,299	-	-	4,169,299
Investment income (loss)	1,562,306	94,259	-	1,656,565
Insurance premiums	9,847,228	-	-	9,847,228
Program service fees	1,026,033	-	-	1,026,033
Catholic Spirit	504,624	-	-	504,624
Retreat center	362,900	-	-	362,900
Gain on sale	2,974	-	-	2,974
Other	270,173	-	-	270,173
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues, gains, and other support	27,517,374	1,497,382	240,901	29,255,657
Net assets released from restrictions	<u>16,269,101</u>	<u>(15,794,196)</u>	<u>(474,905)</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues and release of restrictions	43,786,475	(14,296,814)	(234,004)	29,255,657
Expenses and losses:				
Program services				
Pastoral services	3,245,760	-	-	3,245,760
Formation and religious education	2,987,242	-	-	2,987,242
Catholic schools	669,471	-	-	669,471
Social services	685,736	-	-	685,736
Religious personnel care and development	1,172,397	-	-	1,172,397
Catholic Charities	567,432	-	-	567,432
Catholic Spirit	792,304	-	-	792,304
DIAL deposit interest	183,741	-	-	183,741
Supporting services				
Insurance program	8,502,836	-	-	8,502,836
Administration	1,316,651	-	-	1,316,651
Facilities and information technology	2,212,219	-	-	2,212,219
Fundraising	1,340,087	-	-	1,340,087
Provision for uncollectible pledges	8,074,000	-	-	8,074,000
Distribution to Foundation	14,474,905	-	-	14,474,905
Interest on debt	4,037,774	-	-	4,037,774
Conveyance of assets	7,950	-	-	7,950
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses and losses	50,270,505	-	-	50,270,505
Change in net assets	<u>(6,484,030)</u>	<u>(14,296,814)</u>	<u>(234,004)</u>	<u>(21,014,848)</u>
Net assets at beginning of year	<u>39,284,066</u>	<u>31,961,676</u>	<u>241,984</u>	<u>71,487,726</u>
Net assets at end of year	<u>\$ 32,800,036</u>	<u>\$ 17,664,862</u>	<u>\$ 7,980</u>	<u>\$ 50,472,878</u>

See accompanying notes to financial statements.

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**
Statements of Cash Flows
Years Ended June 30, 2011 and 2010

	2011	2010
Cash flows from operating activities and non-operating gains:		
Change in net assets	\$ 1,715,353	\$ (21,014,848)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	910,297	919,984
Amortization of bond issuance costs	161,121	117,420
Amortization of bond discount	(19,566)	(4,951)
Provision for uncollectible pledges	(881,847)	(5,221,902)
Discount on pledges receivable	(6,378)	(86,109)
Net realized and unrealized gains (losses) on investments	(2,832,674)	(924,344)
Net gain on disposal of property and equipment	(11,440)	(2,974)
Conveyance of assets	4,800	12,902
Donated investment securities	(141,256)	(216,763)
Donation of automobiles	-	(22,445)
Changes in assets and liabilities:		
(Increase) decrease in receivables from parishes and schools	(37,772)	877,912
(Increase) decrease in pledges receivable	3,744,986	18,483,330
(Increase) decrease in other receivables	880,207	34,144
(Increase) decrease in prepaid expenses	(314,440)	(255,060)
Increase (decrease) in collections held for transmittal	352,973	(463,169)
Increase (decrease) in accounts payable and accrued expenses	(77,995)	315,218
Increase (decrease) in pledges payable	(269,722)	(1,159,527)
Increase (decrease) in interest payable	395,467	828,597
Increase (decrease) in self-insurance reserve	137,464	142,083
	<u>3,709,578</u>	<u>(7,640,502)</u>
Net cash (used in) provided by operating activities		
Cash from investing activities:		
Proceeds from sale and maturities of investments	15,216,014	7,082,720
Redemption of restricted securities	-	2,348,617
Purchase of investments	(17,558,974)	(7,906,771)
Purchase of restricted investments	(5,812,496)	(5,998,022)
Issuance of DIAL notes	(14,998,671)	(9,887,431)
Principal payments received on DIAL notes	13,996,784	8,682,019
Net change in money market funds	13,252,212	9,138,790
Purchase of property and equipment	(70,849)	(1,146,356)
Proceeds from sale of property and equipment	86,795	326,193
	<u>4,110,815</u>	<u>2,639,759</u>
Net cash provided by (used in) investing activities		
Cash from financing activities:		
Proceeds from line of credit	11,000,000	4,900,000
Proceeds from bond issuance	-	7,135,452
Bond issuance costs	-	(1,277,359)
Principal payments on bonds	(1,060,000)	(800,000)
Principal payments on line of credit	(13,500,000)	(3,450,000)
Increase (decrease) in DIAL deposits, net	(2,555,949)	(1,877,198)
	<u>(6,115,949)</u>	<u>4,630,895</u>
Net cash provided by (used in) financing activities		
Net decrease in cash	1,704,444	(369,848)
Cash and cash equivalents at beginning of year	<u>5,129,318</u>	<u>5,499,166</u>
Cash and cash equivalents at end of year	<u>\$ 6,833,762</u>	<u>\$ 5,129,318</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 4,660,713</u>	<u>\$ 3,400,302</u>

See accompanying notes to financial statements.

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements

June 30, 2011 and 2010

Note A - Organization

The accompanying financial statements are those of the Central Administrative Office (CAO) of the Diocese of Austin (Diocese). The CAO provides programs and services to parishes, schools and other Catholic organizations in Central Texas. These statements include the assets, liabilities, net assets, and financial activities of all institutions and organizations providing services at the diocesan level of administration which are fiscally responsible to the Bishop of the Diocese of Austin.

The CAO is incorporated as a non-profit organization in the state of Texas, the Catholic Diocese of Austin. All parishes in the Diocese are also separately incorporated as non-profit organizations. The purpose of these filings establishing the non-profit organizations was to organize the CAO and parishes in the way the church views itself according to the Code of Canon Law, promulgated by the Roman Catholic Church.

A substantial portion of the Diocesan transactions are with affiliated parishes, schools and other Catholic organizations. The accompanying audited financial statements do not include the parishes, missions, schools and certain other Diocesan activities.

Note B - Summary of Significant Accounting Policies

1. Method of Accounting

The financial statements of the CAO are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America applicable to nonprofit organizations.

2. Basis of Presentation

The accompanying financial statements include the financial activities of departments and offices that comprise the CAO. All significant interoffice transactions have been eliminated.

The financial statements of the CAO are presented in accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958 Not-for-Profit Entities. The Diocese is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Accordingly, net assets and changes therein are classified and reported as follows:

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

Temporarily restricted net assets-- Temporarily restricted net assets are funds whose use by the CAO have been limited by donor stipulations that limit the use of the contributed assets to (a) later periods or after specific dates (time restrictions), (b) specific purposes (purpose restrictions) or (c) both. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. When a donor restriction expires, temporarily

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements

June 30, 2011 and 2010

Note B - Summary of Significant Accounting Policies (Continued)

restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets-- Permanently restricted net assets represent endowment funds which are subject to the restriction of donors that the principal be invested in perpetuity and only the income be utilized.

3. Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and time deposits with an initial maturity of less than 90 days. Money market funds are considered to be held for investment and are not included in cash and cash equivalents.

The Diocese maintains cash balances at several financial institutions. A portion of such cash and cash equivalents are in excess of insurance limits provided by the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation. At June 30, 2011 and 2010, the Diocese's uninsured cash balances were \$520,030 and \$415,531, respectively.

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at realizable value. The discounts on amounts beyond one year are discounted at rates approximating U.S. treasury yields applicable to the years in which the promises are received. Amortization of the discounts is included in revenue. Conditional promises to give are not recorded as revenue until the conditions are substantially met. Pledges receivable are from commitments to the Our Faith Our Legacy capital campaign and to the St. Dominic Savio Catholic High School capital campaign. (See Note D.)

Cathedraticum Assessments

Cathedraticum assessments are recorded on the accrual basis of accounting. On a calendar year basis, assessments are made by the Diocese on parishes at the rate of 10% of parish collections and other assessable revenue. The assessment on parishes who subsidize their own parish school is 9%. Management provides for probable uncollectible amounts through a provision for uncollectible accounts and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts.

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements
June 30, 2011 and 2010

Note B - Summary of Significant Accounting Policies (Continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position based on quoted market prices and fair value reports provided by fund managers. Unrealized gains and losses are included in the statements of activities. Land held for investment is valued at historical cost. (See Note E.)

Investment income includes interest and dividends on investments, as well as both (1) the realized gains and losses on investment transactions and (2) unrealized gains and losses from changes in the market value of investment.

Realized gains and losses on disposition of investment securities are determined using average cost and transactions are recorded on a trade date basis. Net realized gains and losses on disposition of investments for the years ended June 30, 2011 and 2010, were \$1,182,187 and (\$271,263), respectively.

Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash and cash equivalents, receivables, prepaid expenses and other assets, accounts payable, accrued expenses and deferred revenue approximate fair value due to the short-term nature of these instruments. The fair value of investments are estimated based on valuations provided by the third party custodians.

The deposits and loans in the DIAL program and amounts due from parishes are believed to be recorded at fair value. However, the transactions are with parishes and schools (related parties) and accordingly the fair value may differ from arms-length transactions between unrelated parties.

Land, Buildings, and Equipment

Land, buildings, and equipment in excess of \$5,000 are recorded at cost. Donated properties are recorded at fair value at date of gift. Expenditures that significantly increase values, change capacities or extend useful lives are capitalized. Depreciation is provided over the estimated useful lives (5 to 30 years) using the straight-line method. Repairs and maintenance costs are expensed as incurred. The CAO leases certain office equipment. The leases are structured and accounted for as operating leases and the related payments are expensed ratably over the rental period.

Valuation of Long-Lived Assets

The CAO reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. An impairment loss is recognized when the estimated fair value is less than the carrying amount of the asset. No impairment losses were recognized in 2011 or 2010.

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements

June 30, 2011 and 2010

Note B - Summary of Significant Accounting Policies (Continued)

Collections Held for Transmittal

Parishes within the Diocese take up collections for specific charities and organizations within and outside the Diocese. Such receipts are remitted to the CAO which classifies these funds as a liability until the funds are remitted to the appropriate organizations.

Pledges Payable

Pledges payable are pledges to the St. Dominic Savio Catholic High School capital campaign. (See Note D.)

Allowance for Claims

The Diocese establishes insurance claim liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimates of reinsurance amounts recoverable on unpaid claims are recorded as receivables. The amounts paid to ultimately settle these claims may be more or less than the amounts currently accrued.

Catholic Services Appeal Collections

Catholic Services Appeal (CSA) is an annual appeal to all Catholics in the Diocese to support various programs and ministries. CSA contributions are recorded as revenue when received.

Contributions and Bequests

Contributions and bequests are recognized as revenue when they are received or unconditionally pledged. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

The CAO reports gifts of land, buildings, and equipment at fair value at date of donation 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 temporarily restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, the CAO reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements
June 30, 2011 and 2010

Note B - Summary of Significant Accounting Policies (Continued)

Income Taxes

The Diocese is exempt from Federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. However, the Diocese is subject to tax under Section 511(a) to the extent it has unrelated business taxable income. The Diocese had no material unrelated business taxable income during fiscal years 2011 or 2010.

Effective July 1, 2010, the Diocese adopted FASB ASC 740-10, which prescribed a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. There was no impact to the Diocese's financial statements as a result of the implementation of FASB ASC 740-10.

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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

The CAO invests in various securities including U.S. Government securities, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit, foreign exchange fluctuations, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and statements of activities.

Reclassifications

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

Subsequent Events

Management of the Diocese has evaluated subsequent events for disclosure through the date of the independent auditors' report, the date the financial statements were issued.

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements
June 30, 2011 and 2010

Note C - Receivable from Parishes and Schools

The accounts receivable arise in the normal course of the operation of the CAO and are primarily due from the parishes and schools of the Diocese. Credit is generally extended on a short-term basis; thus, accounts receivable bear no interest. The CAO periodically reviews the outstanding accounts receivable for the purposes of establishing an allowance for uncollectible accounts. Aggregate accounts receivable past due 90 days or more amount to approximately \$268,821 and \$261,136 as of June 30 2011, and 2010, respectively. Delinquency status is based on normal credit terms.

	2011	2010
Cathedraticum assessments	\$ 171,441	\$ 134,481
Insurance programs	427,217	544,847
Interest from DIAL notes	257,736	139,294
Total	\$ 856,394	\$ 818,622

Note D - Capital Campaigns

Our Faith Our Legacy Capital Campaign

During 2007, the CAO completed the pledge phase of a capital and endowment campaign entitled, Our Faith Our Legacy (OFOL). The committed amounts have been and will be used to establish endowments and provide funds for clergy formation, retired priests, and catholic education. (See Note G.) The CAO retains approximately eighty percent of the contributions up to the goal and the remaining twenty percent is distributed to the parish. If the parish exceeds the set goal, the CAO retains twenty percent of the additional contributions and the remaining eighty percent is distributed to the parish. Pledges receivable do not include the parish share. The related contributions receivable are discounted at an interest rate of .05% and .15% at June 30, 2011 and 2010, respectively.

Pledges receivable at June 30 consist of the following:

	2011	2010
Pledges expected to be received in less than one year	\$ 671,028	\$ 2,970,858
Pledges expected to be received in one to five years	349,388	1,197,872
Pledges expected to be received after five years	104,497	477,198
Unamortized discount	(732)	(5,430)
Allowance for uncollectible pledges receivable	-	(929,278)
Total pledges receivable, net	\$ 1,124,181	\$ 3,711,220

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements
June 30, 2011 and 2010

Note D - Capital Campaigns (Continued)

St. Dominic Savio Catholic High School Capital Campaign

As of June 30, 2009, the CAO completed a capital and endowment campaign for a new high school in Austin, St. Dominic Savio Catholic High School. The committed amounts will be used to build Phase I of the project, establish endowments and fund operating expenses in the early years.

Pledges receivable at June 30 consist of the following:

	2011	2010
Pledges expected to be received in less than one year	\$ 266,072	\$ 137,615
Pledges expected to be received in one to five years	487,987	840,415
Unamortized discount	(238)	(1,918)
Allowance for uncollectible pledges receivable	(149,103)	(101,672)
Total pledges receivable, net	\$ 604,718	\$ 874,440

An offsetting liability (pledges payable) has been recorded as all amounts received from the capital campaign will be given to St. Dominic Savio Catholic High School for the uses stated above.

The above amounts are presented on the Statements of Financial Position as follows:

	2011	2010
Our Faith Our Legacy Capital Campaign	\$ 1,124,181	\$ 3,711,220
St. Dominic Savio Catholic High School Capital Campaign	604,718	874,440
Total pledges receivable, net	\$ 1,728,899	\$ 4,585,660

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements
June 30, 2011 and 2010

Note E - Investments

Investments at June 30, 2011 and 2010, are summarized as follows:

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
<i>Unrestricted</i>				
Marketable securities				
Money market funds	\$ 6,478,923	\$ 6,478,923	\$ 13,948,831	\$ 13,948,831
Corporate stocks	11,063,045	12,147,916	9,299,383	8,844,730
Corporate and municipal bonds	2,048,033	2,114,879	1,490,374	1,595,711
Remainder Trust	495,395	495,395	1,892,533	1,892,533
U.S. Government securities	-	-	845,445	850,749
U.S. Government agency securities	5,284,896	5,384,647	590,280	599,011
Mortgage backed securities	-	-	616,326	657,559
Municipal Bonds	51,668	50,493	-	-
Annuity contracts	20,236	75,791	950,379	1,201,459
Mutual funds - Bond	4,347,915	4,389,169	3,266,789	3,309,171
Mutual funds - Equity	127,981	116,125	702,619	678,519
Total marketable securities	29,918,092	31,253,338	33,602,959	33,578,273
Land held for investment, at cost	552,029	552,029	525,921	525,921
Investments in closely held entities	99,416	437,557	99,416	370,100
Total Unrestricted Investments	30,569,537	32,242,924	34,228,296	34,474,294
<i>Restricted</i>				
Money market fund	215,718	215,718	5,998,022	5,998,022
U.S. Government securities	5,812,496	5,890,849	-	-
Total Restricted Investments	6,028,214	6,106,567	5,998,022	5,998,022
Total Investments	\$ 36,597,751	\$ 38,349,491	\$ 40,226,318	\$ 40,472,316

Upon the conversion of the Series 2005 Bonds in April 2010, a Debt Service Reserve Fund was established in an aggregate amount of \$5,991,000 from a portion of the proceeds of the remarketing of the Series 2005 Bonds. (See Note J.)

Investment income (loss) for the years ended June 30, 2011 and 2010, is comprised of the following:

	2011	2010
Interest and dividend income	\$ 1,066,193	\$ 971,638
Realized gains (losses)	1,182,187	(271,263)
Unrealized gains (losses)	1,608,457	956,190
	\$ 3,856,837	\$ 1,656,565

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements
June 30, 2011 and 2010

Note F - DIAL Program

The Diocesan Investment and Loan Program (DIAL) was established by the Diocese to provide parishes and schools with a source of funding for capital improvements and major renovations along with market rates of return for deposits. Each parish and school is encouraged to deposit amounts in excess of those required for operations into the DIAL program. The program was established by the Bishop with the advice and counsel of the Diocesan Finance Council and is administered by the Chief Financial Officer of the Diocese.

DIAL deposits may be invested by parishes on a short-term basis (one year or less) or a long-term basis (greater than one year). The interest rate on short term deposits is changed monthly based on market conditions and the interest rate on long-term deposits is variable (prime - 2.0%). Interest rates for deposits for the years ended June 30, 2011 and 2010 ranged from:

	2011	2010
Short-term deposits	0.10% - 0.20%	0.10% - 0.40%
Long-term deposits	1.25%	1.25%

Interest rates for DIAL notes receivable are variable (generally expected to be received within 5 years) or fixed (generally expected to be received over a term longer than 5 years). The variable rate is floating at prime and fixed rates are set monthly based on the term of the note and prevailing market conditions. Notes receivable are generally established with a maximum term of fifteen years. Shown below are the interest rates for the notes receivable portfolio at June 30, 2010 and 2009:

Rate	2011	2010
2.00%	\$ 5,630,486	\$ 5,544,678
3.00%-3.25%	10,322,391	32,113,640
4.00%-4.25%	17,210,080	-
5.83%-6.03%	3,557,506	4,962,364
6.14%	14,312,817	16,100,739
6.21%	16,694,825	17,436,721
6.25%-6.44%	2,824,451	2,842,661
6.50%-6.62%	5,117,195	5,156,670
6.98%-7.21%	4,478,032	-
Other	7,815,376	2,803,799
Total	\$ 87,963,159	\$ 86,961,272

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements
June 30, 2011 and 2010

Note F - DIAL Program (Continued)

Notes receivable mature as follows:

Year Ending June 30,	
2012	\$ 5,735,356
2013	3,551,163
2014	3,626,446
2015	3,556,568
2016	3,478,236
Thereafter	68,015,390
Total	<u><u>\$ 87,963,159</u></u>

Note G - Catholic Foundation - Diocese of Austin Endowments

The Catholic Foundation - Diocese of Austin (Foundation) was created in October 2007 as a separate nonprofit corporation to promote the establishment and growth of endowment funds and planned giving to provide perpetual funding for the CAO and for participating parishes, schools and other Catholic organizations within the Diocese. The initial establishment of endowment funds in the Foundation began in December 2009 with the transfer of \$14,000,000 of funds from the OFOL campaign (See Note D).

Note H - Restricted Net Assets

Contributions that are restricted by the donor are recognized as temporarily or permanently restricted revenues. (See Note B.) Temporary donor restrictions are released when the purpose set forth by the donor has been substantially achieved, generally by incurring expenses related to the stated purpose.

Temporarily restricted net assets at June 30, 2011 and 2010, include:

	<u>2011</u>	<u>2010</u>
Our Faith Our Legacy Capital Campaign (See Note D)	\$ 13,305,287	\$ 16,062,428
Sacred Heart Catholic School Fund	1,079,466	905,307
Catholic Campaign for Human Development	186,519	144,583
Bishop's Charitable Fund	182,858	193,523
Masters of Theology program	177,335	175,620
Cedarbrake Renewal Fund	174,826	137,949
Other	290,100	45,453
	<u><u>\$ 15,396,391</u></u>	<u><u>\$ 17,664,862</u></u>

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements
June 30, 2011 and 2010

Note H - Restricted Net Assets (Continued)

Permanently restricted net assets at June 30, 2011 and 2010, include:

	2011	2010
Various endowment gifts	\$ 500	\$ 7,980
	\$ 500	\$ 7,980

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

	2011	2010
Seminarians	\$ 605,287	\$ 393,204
Retired Priests	275,650	144,602
Assistance to Parishes	219,411	-
Pro-Life programs	131,536	174,787
Catholic Charities	126,478	-
Masters of Theology program	70,453	74,564
Deacon Vásquez Endowment (moved to Foundation)	-	92,000
McCarthy Memorial Fund (moved to Foundation)	-	207,064
 Our Faith Our Legacy Capital Campaign		
Released from restriction and moved to Foundation:		
Seminarian Education	-	5,000,000
Retired Priests	-	3,000,000
Catholic Charities	-	3,000,000
Diaconate Ministry	-	1,000,000
Catholic Education and Formation	-	1,000,000
Campus Ministry	-	1,000,000
Released from restriction:		
Austin Pension Plan & Trust	2,000,000	-
St. Dominic Savio Catholic High School	1,128,214	100,000
Campus Ministry	267,421	336,058
Catholic Education and Formation	162,920	51,894
Direct Costs	132,562	168,822
Future Schools Construction	-	50,000
Others	470,499	476,106
	\$ 5,590,431	\$ 16,269,101

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements
June 30, 2011 and 2010

Note I - Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following at June 30, 2011 and 2010:

	2011	2010
Operating land, buildings, and improvements	\$ 16,716,438	\$ 16,807,140
John Paul II Residence for Priests	4,582,386	4,582,386
Retreat center land, buildings, and equipment	3,125,551	3,095,766
Equipment and furnishings	1,562,780	1,532,668
Land held for future parish and school sites	417,382	417,381
	26,404,537	26,435,342
Total land, buildings and equipment		
Less: accumulated depreciation	(8,114,179)	(7,225,381)
	\$ 18,290,358	\$ 19,209,961
Land, buildings, and equipment, net of depreciation		

Note J - Long Term Debt

In April 2005, the Capital Area Cultural Education Facilities Finance Corporation issued \$79,800,000 in aggregate principal amount of Variable Rate Revenue Bonds, Series 2005, pursuant to a Trust Indenture and Security Agreement with Well Fargo Bank, Trustee and the Bishop for the Diocese of Austin. The proceeds were used for the purpose of funding various capital projects (including capitalized interest), refinancing certain indebtedness of parishes and schools which was guaranteed by the Diocese and reimbursing the Diocese for certain qualified expenditures. On April 30, 2010, the Diocese exercised its option to convert the mode for the Variable Rate Revenue Bonds, Series 2005, from a variable rate to fixed rates. The outstanding bonds and accrued interest were tendered and \$84,460,000 of bonds were remarketed in the aggregate principal amount of \$22,810,000 (Subseries 2005A Bonds) and \$61,650,000 (Subseries 2005B Bonds). The Subseries 2005A and Subseries 2005B Bonds are collectively referred to as "Series 2005 Bonds". The Series 2005 Bonds are an unsecured general obligation and are not secured by any revenues or a mortgage on any real property. The Series 2005 Bonds mature on April 1, 2045. The proceeds of the Series 2005 Bonds were used as follows:

Tender of Variable Rate Revenue Bonds, Series 2005	\$ 76,100,000
Discount on Bonds	1,224,548
Debt Service Reserve Fund	5,991,256
Costs of Issuance	1,144,196
Par Value of Series 2005 Bonds	\$ 84,460,000

The Subseries 2005A Bonds are serial bonds bearing interest at fixed rates with an average rate of 5.023%. The Subseries 2005B Bonds are term bonds bearing interest at a fixed rate 6.125%. Interest is payable semiannually on April 1 and October 1 of each year. None of the Series 2005 Bonds may be redeemed prior to April 1, 2020. Under the terms of the Master Trust Indenture, the Diocese must maintain certain debt covenants. The Diocese was in compliance with all covenants at June 30, 2011.

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements
June 30, 2011 and 2010

Note J - Long Term Debt (Continued)

Pursuant to the bond indenture, the Diocese established a reserve fund securing the Series 2005 Bonds in the aggregate amount of \$5,991,000 (Debt Service Reserve Fund). Monies in the Debt Service Reserve Fund are required to be used to pay the principal and interest on the Series 2005 Bonds at any time that monies paid by the Diocese are insufficient for such payments.

The Diocese has a Revolving Line of Credit with Wells Fargo Bank in the amount of \$25 million. Amounts drawn under this line of credit are used to finance certain indebtedness of parishes and schools on a short-term basis. On June 30, 2011 and 2010, the amount outstanding under the line of credit was \$0 and \$2,500,000, respectively. The interest rate on the line of credit is a floating rate of LIBOR plus 1.35%. Under the terms of the Line of Credit Agreement, the Diocese must maintain certain debt covenants. The Diocese was in compliance with all covenants at June 30, 2011 and 2010.

Principal payments for the Series 2005 Bonds due over the next five years are as follows:

Year Ending June 30	
2012	\$ 1,095,000
2013	1,130,000
2014	1,175,000
2015	1,220,000
2016	1,270,000
Thereafter	77,510,000
Total	<u>\$ 83,400,000</u>

To finance the purchase of property, the Diocese entered into a Note Payable with the seller in the amount of \$250,000. The Note is due in full on December 1, 2015 and bears no interest.

Note K - Insurance

The Diocese administers a partially self-insured program for property, auto, liability and workers' compensation for parishes and schools in the Diocese. The program is funded by premiums charged by the Diocese to the parishes and schools. The Diocese pays the initial \$250,000 for all claims. Claims in excess of these limits are insured with insurance carriers. The insured values of the buildings, improvements and contents in the program totaled approximately \$525,000,000 (unaudited) and \$511,000,000 (unaudited) at June 30, 2011 and 2010, respectively.

The Diocese also administers a partially self-insured program for healthcare covering all eligible priests and lay employees at parishes, schools and the CAO. The program is funded by premiums charged by the Diocese to parishes and schools. The Diocese pays the initial \$125,000 of claims per employee per year to a maximum aggregate of 125% of expected claims, which vary based on enrollment. Amounts in excess of this aggregate are insured with a general insurance carrier. Healthcare claims totaled \$6,637,052 and \$6,005,249, net of individual stop loss reimbursements of \$493,780 and \$1,171,536, during the years ended June 30, 2011 and 2010, respectively.

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements
June 30, 2011 and 2010

Note K - Insurance (Continued)

A contingent liability exists which would become a liability of the Diocese and the participating parishes in the event that the reinsurers are unable to meet the obligations assumed under reinsurance agreements.

Note L - Leases

The CAO leases certain office equipment under operating leases which expire at various dates through 2014. Future minimum lease payments due under operating leases at June 30, 2011 are:

2012	\$ 87,246
2013	87,246
2014	<u>21,812</u>
Total minimum lease payments	<u><u>\$ 196,304</u></u>

Lease expense was \$151,986 and \$152,886 in 2011 and 2010, respectively.

Note M - Pension Plan and Post-Retirement Benefits

The Diocese contributes to a noncontributory defined benefit pension plan administered by the Diocese which covers substantially all Diocesan clergy in the CAO of the Diocese and in the various parishes. The CAO is responsible for funding the priests working in the CAO and parish priests in transition between parishes. For the purposes of the financial statements, the pension plan is considered to be a multi-employer plan as defined under FASB ASC 715-20 Defined Benefit Plans, since the financial activity of parishes and other entities at the Diocese, which contribute to these plans, are not included in these financial statements.

The Diocese also provides certain health care, life insurance and long-term care benefits for substantially all retired Diocesan clergy. The costs of providing those benefits are funded primarily by special parishioner collections and operating revenues of the CAO. Costs incurred by the Diocese for post-retirement benefits were approximately \$469,780 and \$471,258 for the years ended June 30, 2011 and 2010, respectively.

The Diocese sponsors a tax deferred defined contribution plan for all lay employees of the CAO. All lay employees are eligible to participate in the plan. Contributions by employees may be from zero to fifteen percent of annual compensation, while the Diocese contributes 6% of salary per employee per year and a dollar-for-dollar match of employee contributions up to 4% of salary. Contributions by the Diocese were \$250,739 and \$269,379, for the years ended June 30, 2011 and 2010, respectively.

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements

June 30, 2011 and 2010

Note N - Related Party Transactions

The parishes in the Diocese pay cathedraticum to provide for the operating budget of the CAO. Service fees are charged to parishes and schools for insurance and health care programs which are centrally administered by the CAO for the benefit of the entire Diocese. The CAO also administers the DIAL program for the benefit of the entire Diocese. All of these transactions are separately disclosed in the financial statements and notes thereto.

Note O - Commitments and Contingencies

The Bishop of the Diocese of Austin is cosigner or guarantor of loans to the Diocese's parishes and the other affiliated entities which aggregated are approximately \$11,300,518 (unaudited) and \$11,318,519 (unaudited) at June 30, 2011 and 2010, respectively. Additionally, the Diocese has pledged property with a book value of \$7,319,905 at June 30, 2010 (which approximates market value, management believes) to secure an outstanding loan to a bank by one of its affiliated entities.

The Diocese has open letters of credit in the amount of \$606,270 and \$456,270 for workers' compensation insurance at June 30, 2011 and 2010, respectively.

The Diocese is subject to various commitments and contingent liabilities, including general litigation arising in the ordinary course of its activities. Various lawsuits and claims are pending against the Diocese, the majority of which are subject to coverage under the Diocese's insurance programs. Where applicable, reserves have been established for those cases where the potential liability is estimable and probable. Management believes that the resolution of such matters will not have a material impact on the financial condition of the Diocese as of June 30, 2011.

Note P - Fair Value Disclosures

FASB ASC 820-10, *Fair Value Measurements*, requires disclosure of fair value information about financial instruments, whether or not recognized in the statements of financial position. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in immediate settlement of the instruments. FASB ASC 820-10 excludes certain financial instruments and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Diocese.

The following methods and assumptions were used by the Diocese in estimating its fair value disclosures for financial instruments:

Investment securities - Fair values for investment securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements
June 30, 2011 and 2010

Note P - Fair Value Disclosures (Continued)

DIAL notes receivable - For variable-rate loans that reprice frequently and with no significant change in credit risk, fair values are based on carrying amounts. The fair values for fixed rate loans are estimated using discounted cash flow analysis, based on interest rates currently being offered for loans with similar terms and credit quality. Loan fair value estimates include judgments regarding future expected loss experience and risk characteristics.

Payables - The carrying amounts reported in the statements of financial position for all payables approximate those liabilities' fair values.

The estimated fair values of the Diocese's financial instruments as of June 30, are as follows:

	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Investment securities	\$ 37,797,462	\$ 37,797,462	\$ 39,946,396	\$ 39,946,396
DIAL notes receivable	87,963,159	97,451,771	86,961,272	96,158,337
Financial liabilities:				
DIAL deposits	16,607,602	16,607,602	19,163,551	19,163,551
Line of credit payable	-	-	2,500,000	2,500,000
Bonds payable	82,150,935	82,150,935	83,230,501	83,230,501

The Diocese has implemented FASB ASC 820-10 which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB-ASC 820-10 are described below:

Level 1 - Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements
June 30, 2011 and 2010

Note P - Fair Value Disclosures (Continued)

The CAO and Foundation use appropriate valuation techniques based on available inputs to measure fair value of its investments. An asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques must maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Common stocks, corporate bonds and U.S. government securities : Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds : Valued at the net asset value (NAV) of shares held by the Diocese at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Diocese believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the fair value of assets as of June 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 6,694,641	\$ -	\$ -	\$ 6,694,641
Corporate stocks	12,147,916	-	-	12,147,916
Corporate bonds	2,114,879	-	-	2,114,879
Remainder Trust	281,755	-	213,640	495,395
U.S. Government securities	5,890,849	-	-	5,890,849
U.S. Government agency securities	5,384,647	-	-	5,384,647
Municipal bonds	50,493	-	-	50,493
Annuity contracts	-	75,791	-	75,791
Mutual funds	4,505,294	-	-	4,505,294
Investment in closely held entities	-	-	437,557	437,557
	<u>\$ 37,070,474</u>	<u>\$ 75,791</u>	<u>\$ 651,197</u>	<u>\$ 37,797,462</u>

The following table shows a summary of changes in the fair value of Level 3 assets for the year ending June 30, 2011:

Beginning balance	\$ 583,740
Unrealized gains	67,457
Realized gains	-
Ending balance	<u>\$ 651,197</u>

**CENTRAL ADMINISTRATIVE OFFICE
OF THE DIOCESE OF AUSTIN**

Notes to Financial Statements
June 30, 2011 and 2010

Note P - Fair Value Disclosures (Continued)

The following table sets forth by level, within the fair value hierarchy, the fair value of assets as of June 30, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 19,946,853	\$ -	\$ -	\$ 19,946,853
Corporate stocks	8,844,730	-	-	8,844,730
Corporate bonds	1,595,711	-	-	1,595,711
Remainder Trust	1,678,893	-	213,640	1,892,533
U.S. Government securities	850,749	-	-	850,749
U.S. Government agency securities	599,011	-	-	599,011
Mortgage backed securities	657,559	-	-	657,559
Annuity contracts	1,096,107	105,352	-	1,201,459
Mutual funds	3,987,691	-	-	3,987,691
Investment in closely held entities	-	-	370,100	370,100
	<u>\$ 39,257,304</u>	<u>\$ 105,352</u>	<u>\$ 583,740</u>	<u>\$ 39,946,396</u>

The following table shows a summary of changes in the fair value of Level 3 assets for the year ending June 30, 2010:

Beginning balance	\$ 313,056
Unrealized gains	270,636
Realized gains	48
Ending balance	<u>\$ 583,740</u>

Supplementary Information

Supplementary Information (Unaudited)
June 30, 2011 and 2010

	2011	2010
Summary Financial Information for Parishes and Missions in the Austir Diocese (exclusive of the Central Administrative Office)		
Total Number of Parishes & Missions	126	126
Cash and Cash Equivalents	\$ 9,837,220	\$ 8,274,293
DIAL Deposits	16,607,602	19,163,551
Investments (includes building funds)	15,429,659	15,145,041
Plant Assets	418,518,850	392,771,408
Other	8,773,062	9,623,666
Total Assets	469,166,393	444,977,959
Accounts Payable to Central Administrative Office	105,924	226,698
Other Accounts Payable	1,223,987	939,215
Funds Held in Trust	9,847,296	9,574,879
Notes Payable	73,916,472	67,649,727
Bonds Payable	4,850,000	4,980,000
Other Liabilities	743,593	597,998
Total Liabilities	90,687,272	83,968,517
Net Assets	\$ 378,479,121	\$ 361,009,442
Sunday and Holy Day Collections	\$ 51,448,935	\$ 50,055,812
Building Funds	7,590,128	5,443,218
Gifts, Bequests and Grants	4,633,004	2,766,324
Fundraising (net of related expenses)	4,304,200	4,473,391
Program Fees	1,700,556	1,407,602
Investment Income	1,291,932	1,470,802
Our Faith Our Legacy Collections (Parish Share)	3,488,540	2,879,494
Other Income	6,531,366	7,629,967
Total Revenues	80,988,661	76,126,610
Pastoral Services	10,380,638	10,263,518
Religious Development	5,654,282	5,541,222
Social Services	1,764,044	1,805,093
School Subsidies	3,512,096	2,930,744
Plant Operating and Maintenance	14,902,969	13,512,494
Diocesan Assessment	5,197,256	4,882,236
Interest Expense	4,116,496	3,695,104
General and Administrative	16,035,888	15,832,096
Other Expenses	4,173,945	3,956,672
Total Expenses	65,737,614	62,419,179
Revenue Over Expenses	\$ 15,251,047	\$ 13,707,431

See accompanying independent auditors' report.