



ARCHDIOCESE FOR THE MILITARY SERVICES, USA

Financial Statements

For The Year Ended August 31, 2009

(With Summarized Financial Information for the Year Ended August 31, 2008)



**and
Report Thereon**





INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Archdiocese for the Military Services, USA

CONSULTING
ACCOUNTING
TECHNOLOGY

*Certified Public
Accountants*

We have audited the accompanying statement of financial position of the Archdiocese for the Military Services, USA (the Archdiocese) as of August 31, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Archdiocese's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Archdiocese's 2008 financial statements and, in our report dated July 14, 2009, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Archdiocese'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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Archdiocese as of August 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Raffa, P.C.

RAFFA, P.C.

Washington, DC
February 1, 2010

THE ARCHDIOCESE FOR THE MILITARY SERVICES, USA

STATEMENT OF FINANCIAL POSITION

August 31, 2009

(With Summarized Financial Information as of August 31, 2008)

	2009	2008
ASSETS		
Cash and cash equivalents	\$ 1,834,395	\$ 2,216,746
Investments	4,062,823	2,730,626
Accounts and other receivables	86,156	182,952
Pledges receivable, net	1,444,376	2,060,348
Prepaid expenses and other assets	12,357	111,498
Net property and equipment	10,842,623	11,105,449
TOTAL ASSETS	<u>\$ 18,282,730</u>	<u>\$ 18,407,619</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 218,588	\$ 178,907
Deferred revenue	15,000	19,950
Post-retirement obligations	1,098,428	1,168,232
Funds held for others	51,215	74,861
Note payable	3,009,185	3,119,518
Total Liabilities	<u>4,392,416</u>	<u>4,561,468</u>
Net Assets		
Unrestricted:		
Undesignated	8,196,095	8,069,564
Board designated	1,381,856	1,364,550
Total unrestricted	<u>9,577,951</u>	<u>9,434,114</u>
Temporarily restricted	4,263,198	4,362,872
Permanently restricted	49,165	49,165
Total Net Assets	<u>13,890,314</u>	<u>13,846,151</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 18,282,730</u>	<u>\$ 18,407,619</u>

The accompanying notes are an integral part of these financial statements.

THE ARCHDIOCESE FOR THE MILITARY SERVICES, USA

STATEMENT OF ACTIVITIES

For the Year Ended August 31, 2009

(With Summarized Financial Information for the Year Ended August 31, 2008)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2009 Total	2008 Total
OPERATING REVENUE AND SUPPORT					
Contributions	\$ 3,597,585	\$ 320,176	\$ -	\$ 3,917,761	\$ 5,121,298
Sacrament revenue	146,622	-	-	146,622	136,224
Marriage tribunal	51,261	-	-	51,261	53,284
Investment income	1,292	-	-	1,292	(23,461)
Other income	83,776	-	-	83,776	26,903
Net assets released from restrictions:					
Satisfaction of time restrictions	131,250	(131,250)	-	-	-
Satisfaction of program restrictions	288,600	(288,600)	-	-	-
	<u>4,300,386</u>	<u>(99,674)</u>	<u>-</u>	<u>4,200,712</u>	<u>5,314,248</u>
TOTAL OPERATING REVENUE AND SUPPORT					
OPERATING EXPENSES					
Program Services:					
Evangelization and pastoral	1,772,657	-	-	1,772,657	2,796,581
Sacramental records	247,764	-	-	247,764	308,017
Vocations and Co-sponsorship	243,623	-	-	243,623	69,200
Chaplain's affairs	131,317	-	-	131,317	230,317
Marriage tribunal	154,675	-	-	154,675	217,164
Veteran's affairs	67,229	-	-	67,229	88,633
	<u>2,617,265</u>	<u>-</u>	<u>-</u>	<u>2,617,265</u>	<u>3,709,912</u>
Total Program Services					
Supporting Services:					
Administrative services	566,657	-	-	566,657	375,920
Fundraising	976,348	-	-	976,348	860,509
	<u>4,160,270</u>	<u>-</u>	<u>-</u>	<u>4,160,270</u>	<u>4,946,341</u>
TOTAL OPERATING EXPENSES					
Change in Net Assets from Operations	140,116	(99,674)	-	40,442	367,907
OTHER ACTIVITIES					
Gain (loss) on disposal of asset	3,721	-	-	3,721	(36,611)
CHANGE IN NET ASSETS	143,837	(99,674)	-	44,163	331,296
NET ASSETS, BEGINNING OF YEAR	9,434,114	4,362,872	49,165	13,846,151	13,514,855
NET ASSETS, END OF YEAR	<u>\$ 9,577,951</u>	<u>\$ 4,263,198</u>	<u>\$ 49,165</u>	<u>\$ 13,890,314</u>	<u>\$ 13,846,151</u>

The accompanying notes are an integral part of these financial statements.

THE ARCHDIOCESE FOR THE MILITARY SERVICES, USA

STATEMENT OF CASH FLOWS

For the Year Ended August 31, 2009

(With Summarized Financial Information for the Year Ended August 31, 2008)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 44,163	\$ 331,296
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	320,771	318,198
Donated stock	(1,729)	-
Net realized and unrealized losses	90,224	102,537
(Gain)/loss on disposal of assets	(3,721)	36,611
Allowance for potentially uncollectible pledges	40,755	-
Changes in assets and liabilities:		
Accounts and other receivables	96,796	234,874
Pledges receivable	575,218	662,391
Prepaid expenses and other assets	99,141	(21,820)
Accounts payable and accrued expenses	39,681	(279,172)
Deferred revenue	(4,950)	(9,150)
Post-retirement obligations	(69,804)	583,063
Funds held for others	(23,646)	(20,393)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,202,899</u>	<u>1,938,435</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	2,249,317	942,283
Purchases of investments	(3,670,010)	(2,498,801)
Proceeds from disposal of fixed asset	12,721	-
Purchases of property and equipment	<u>(66,945)</u>	<u>(44,777)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,474,917)</u>	<u>(1,601,295)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable	<u>(110,333)</u>	<u>(104,235)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(110,333)</u>	<u>(104,235)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(382,351)	232,905
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,216,746</u>	<u>1,983,841</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 1,834,395</u></u>	<u><u>\$ 2,216,746</u></u>
SUPPLEMENTAL DATA		
Cash paid for interest	<u><u>\$ 174,953</u></u>	<u><u>\$ 181,052</u></u>
Noncash investing activities		
Donation of stock	<u><u>\$ 1,729</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

ARCHDIOCESE FOR THE MILITARY SERVICES, USA

NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2009

1. Organization and Summary of Significant Accounting Policies

Organization

The Archdiocese for the Military Services, United States of America (the Archdiocese), a Maryland corporation, was organized by the Catholic Church in America to be operated exclusively for spiritual and charitable purposes. The Archdiocese provides spiritual and pastoral care to over 1.5 million Catholic men and women within the US Military and Veterans' Affairs communities through its network of Catholic chaplains. The Archdiocese also maintains detailed sacramental records for millions of former and current Catholic military personnel, publicizes and advertises for priests to serve as Catholic chaplains in the military, supports candidates in the theological seminaries, and provides communications and pastoral care to those Catholic chaplains already on duty. The Archdiocese's major source of income is from donations.

Basis of Accounting

The Archdiocese prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned, and expenses are recognized when the obligation is incurred.

Cash and Cash Equivalents

The Archdiocese considers all demand deposits, money market funds and certificates of deposit purchased with original maturity dates of ninety days or less to be cash equivalents. Cash balances include funds held for others. Money market funds held in certain investment portfolios are not considered cash equivalents, as such funds are not available for the general operating purpose of the Archdiocese.

Investments

Investments are comprised of certificates of deposits, money market funds and common stocks, and are recorded in the accompanying financial statements at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability through an orderly transaction between market participants at the measurement date. The Archdiocese invests in funds in accordance with the Archdiocesan Investment Guideline.

ARCHDIOCESE FOR THE MILITARY SERVICES, USA

NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2009

1. Organization and Summary of Significant Accounting Policies (continued)

Property and Equipment and Related Depreciation

Expenditures for property and equipment in excess of \$500 are capitalized at cost and depreciated with no salvage value, using the straight-line method over the following estimated useful lives:

Buildings	40 years
Office furnishings and equipment	6 to 10 years
Rectory and chapel furnishing	6 to 10 years
Transportation equipment	6 to 10 years

Expenditures for major repairs and improvements are capitalized; conversely, expenditures for minor repairs and maintenance costs are expensed when incurred.

Revenue Recognition

Contributions, gifts and grants, including unconditional promises to give, are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support. Conditional promises to give are not included as support until such time as the conditions are substantially met. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as net assets released from restrictions.

Donated marketable securities and any noncash donations are recorded as contributions at their estimated fair value at the date of donation. Donated marketable securities are sold upon receipt.

Net Assets

Net assets of the Archdiocese consist of the following:

- Unrestricted net assets represent funds that are available for support of the Archdiocese's operations.
 - *Undesignated* – Net assets that are available for the general operating purposes of the Archdiocese.
 - *Designated* – Net assets that have been designated by the Board of Directors to be used for specific purposes, including (1) the post-retirement benefits and (2) the education of priest candidates in theological seminaries who, after graduation and ordination, plan to serve as Catholic chaplains in any of the service branches of the military.

Continued

ARCHDIOCESE FOR THE MILITARY SERVICES, USA

NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2009

1. Organization and Summary of Significant Accounting Policies (continued)

Net Assets (continued)

- Temporarily restricted net assets represent funds that are specifically restricted by donors for use in various programs or future periods.
- Permanently restricted net assets represent endowment funds requiring that the gift be held in perpetuity, and that only the investment earnings on such amounts can be used for specific restricted purposes, according to the endowment agreement.

Donated Services

In-kind contributions consist of contributed services and are recognized as revenue and expense in the accompanying statement of activities at their estimated fair value, as provided by the donor, at the date of receipt. These services were used to support veteran's affairs and evangelization and pastoral program services. For the year ended August 31, 2009, \$39,900 of contributed services are included in contributions in the accompanying statement of activities.

Definition of Operations

Operating revenue and expenses generally reflect those revenues and expenses that management can influence, and exclude unusual transactions unrelated to the Archdiocese's ordinary activities.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Expenses that are not directly charged to a program or supporting service are allocated among the programs and supporting services based upon management's estimates of the portion of the costs applicable to each function.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ARCHDIOCESE FOR THE MILITARY SERVICES, USA

NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2009

2. Investments

Investments consisted of the following as of August 31, 2009:

Certificates of deposit	\$ 3,557,813
Common stocks	465,837
Money market funds	<u>39,173</u>
Total	<u>\$ 4,062,823</u>

A summary of investment income was as follows for the year ended August 31, 2009:

Interest and dividends	\$ 91,516
Net realized and unrealized losses	<u>(90,224)</u>
Total	<u>\$ 1,292</u>

3. Fair Value Measurements

The Archdiocese adopted Financial Accounting Standards Board Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*, for financial assets (and liabilities) measured on a recurring basis, effective September 1, 2008. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles (GAAP) and expands disclosures about fair value measurements. SFAS No. 157 emphasizes that fair value is a market-based measurement, not an entity-specific measurement and, therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, SFAS No. 157 established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability. These inputs may be observable, whereby the market participant assumptions are developed based on market data obtained from independent sources, and unobservable, whereby assumptions about market participant assumptions are developed by the reporting entity based on the best information available in the circumstances. The three levels of the fair value hierarchy under SFAS No. 157 are described as follows:

Level 1 – inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.

Level 3 – unobservable inputs for the asset or liability including the reporting entity's own assumptions in determining the fair value measurement.

Continued

ARCHDIOCESE FOR THE MILITARY SERVICES, USA

NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2009

3. Fair Value Measurements (continued)

The following table summarizes the Archdiocese's assets measured at fair value on a recurring basis as of August 31, 2009:

	Total Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Investments:				
Certificates of deposit	\$ 3,557,813	\$ -	\$ 3,557,813	\$ -
Common stocks	465,837	459,339	-	6,498
Money market funds	<u>39,173</u>	<u>39,173</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 4,062,823</u>	<u>\$ 498,512</u>	<u>\$ 3,557,813</u>	<u>\$ 6,498</u>

A roll forward of the fair value measurements using unobservable inputs (Level 3) as of August 31, 2009, was as follows:

Fair Value, August 31, 2008	\$ 15,756
Change in value	<u>(9,258)</u>
Fair Value, August 31, 2009	<u>\$ 6,498</u>

The Archdiocese used the following methods and significant assumptions to estimate fair value for assets recorded at fair value:

Certificates of Deposit – are valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

Money Market Funds – are valued using the net asset value (NAV) of shares held, as reported in an active market in which the fund is traded.

Common stocks – are valued at the closing price reported in an active market in which the security is traded, except for stocks classified as Level 3, for which there is no market for the stock and restrictions on the sale of the stock. The Level 3 valuation is based on the stock book value per share, as reported on audited financial statements of the entity.

Continued

ARCHDIOCESE FOR THE MILITARY SERVICES, USA

NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2009

4. Pledges Receivable

As of August 31, 2009, the Archdiocese's pledges receivable are due as follows:

Less than one year	\$ 1,283,071
One to five years	236,090
Over five years	<u>42,490</u>
Total pledges receivable	1,561,651
Less: Allowance for doubtful accounts	(76,520)
Less: Discount to present value (3%)	<u>(40,755)</u>
Net pledges receivable	<u>\$ 1,444,376</u>

5. Property and Equipment

Property and equipment consisted of the following at August 31, 2009:

Land	\$ 1,803,314
Buildings and renovations	9,446,589
Office furnishings and equipment	460,995
Rectory and chapel furnishing	90,338
Transportation equipment	<u>26,665</u>
Total property and equipment	11,827,901
Less accumulated depreciation	<u>(985,278)</u>
Net property and equipment	<u>\$ 10,842,623</u>

Depreciation expense was \$320,771 for the year ended August 31, 2009.

6. Post-Retirement Benefits

The Archdiocese follows the guidelines of the United States Conference of Catholic Bishops (USCCB) in providing benefits for its bishops upon their retirement. Because such bishops are generally retired military chaplains with full military pensions, healthcare and other benefits, the USCCB guidelines have been modified and reduced.

Continued

ARCHDIOCESE FOR THE MILITARY SERVICES, USA

NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2009

6. Post-Retirement Benefits (continued)

The liability for future benefit payments based on the estimated remaining lives of the bishops, as well as the Plan's funded status at August 31, 2009, is calculated under SFAS No. 106, *Employers' Accounting for Post-Retirement Benefits Other than Pensions*, and recorded as follows:

Post-retirement benefit obligation:

Designated plan assets at fair market	\$ 490,954
Projected post-retirement benefit obligation	<u>(1,098,428)</u>
Excess of projected benefit obligation over plan assets	<u>\$ (607,474)</u>

The assumed discount rate in determining the post-retirement benefit obligation was 4.54%. The plan assets are included in cash and cash equivalents in the accompanying statement of financial position.

7. Funds Held for Others

A summary of the changes in funds held for others is as follows for the year ended August 31, 2009:

Funds held for others, September 1, 2008	\$ 74,861
Funds received during the year	51,913
Funds disbursed during the year	<u>(75,559)</u>
Funds held for others, August 31, 2009	<u>\$ 51,215</u>

8. Note Payable

The Archdiocese borrowed \$3,400,000 from the Knights of Columbus National Office to finance part of the renovation costs of the building purchased in March 2005. This loan is secured by a mortgage on the property. It is payable in monthly installments of principal and interest of \$23,774 for a period of 20 years with a fixed interest rate of 5.7%.

Continued

ARCHDIOCESE FOR THE MILITARY SERVICES, USA

NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2009

8. Note Payable (continued)

Minimum future principal payments are as follows:

For the Year Ending August 31,	
2010	\$ 106,801
2011	123,039
2012	130,238
2013	137,858
2014	145,925
Thereafter	<u>2,365,324</u>
Total	<u>\$ 3,009,185</u>

9. Commitments and Risk

Concentration of Cash

The Archdiocese's cash and investments in certificates of deposit are comprised of amounts in accounts at various financial institutions. While the amount at a given bank at times exceeds the amount guaranteed by federal agencies and, therefore, bears some risk, the Archdiocese has not experienced, nor does it anticipate, any losses on its funds. As of August 31, 2009, the amounts in excess of the Federal Deposit Insurance Corporation insured limit of \$250,000 totaled \$4,327,064. On October 3, 2008, the US Government temporarily increased the insured amount from \$100,000 to \$250,000.

10. Net Assets

Unrestricted – Board Designated

The balances of the board-designated reserves are as follows as of August 31, 2009:

Education of future candidates for the military priesthood and/or publicizing and advertising for military chaplains	\$ 890,902
Post-retirement benefits for its retired bishops	<u>490,954</u>
Total unrestricted – board-designated net assets	<u>\$ 1,381,856</u>

Continued

ARCHDIOCESE FOR THE MILITARY SERVICES, USA

NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2009

10. Net Assets (continued)

Temporarily Restricted Net Assets

As of August 31, 2009, net assets are restricted for use in the following programs:

Capital campaign	\$ 2,920,669
Educational costs of priest candidates	317,086
Marriage tribunal services	182,645
Pastoral, CSC, youth ministry and vocations	162,016
Vocation/discernment	124,000
Peer to Peer	123,186
Priest co-sponsorship	120,579
Millennium project	96,953
Bishop Nolan scholarship fund	57,495
Other temporarily restricted	57,300
Evangelization	31,250
Pentagon relief program	26,024
Conference of St. Mary	25,000
Anti-poverty programs	13,115
Publicizing and advertising for military chaplains	<u>5,880</u>
Total temporarily restricted net assets	<u>\$ 4,263,198</u>

The remaining capital campaign funds are to be used for various programs and purposes.

Permanently Restricted Net Assets

Permanently restricted net assets require the principal to be held in perpetuity. The earnings on these funds are restricted for the following purposes.

Education of priest candidates	\$ 30,000
Capital campaign	<u>19,165</u>
Total permanently restricted net assets	<u>\$ 49,165</u>

11. Pension Plan

The Archdiocese participates in a multiple employer non-contributory pension plan administered by the Archdiocese of Washington. This plan covers all qualified lay staff employees after one year of service. Pension expense under the plan is funded by and funded to the Archdiocese of Washington at 7.5% of all eligible employees payroll. Total pension expense for this plan was \$43,797 for the year ended August 31, 2009.

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ARCHDIOCESE FOR THE MILITARY SERVICES, USA

NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2009

12. Summarized Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Archdiocese's audited financial statements for the year ended August 31, 2008, from which the summarized information was derived.

13. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Archdiocese is exempt from the payment of taxes on income other than net unrelated business income. For the year ended August 31, 2009, no provision for income taxes was made, as the Archdiocese had no net unrelated business income.

In December 2008, the Financial Accounting Standards Board issued FASB Staff Position (FSP) FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. FSP FIN 48-3 permits an entity within its scope to defer the effective date of FASB Interpretation 48 (Interpretation 48), *Accounting for Uncertainty in Income Taxes*, to its annual financial statements for fiscal years beginning after December 15, 2008. The Archdiocese has elected to defer the application of Interpretation 48 for the year ended August 31, 2009. The Archdiocese evaluates its uncertain tax positions using the provisions of FASB Statement 5, *Accounting for Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position, or for all uncertain tax positions in the aggregate, could differ from the amount recognized. As of August 31, 2009, there are no liabilities for uncertain tax positions.

14. Subsequent Events

In preparing these financial statements, the Archdiocese has evaluated events and transactions for potential recognition or disclosure through February 1, 2010, the date the financial statements were available to be issued.