

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**June 30, 2015 and 2014**

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**CONTENTS**

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	Page
<b>INDEPENDENT AUDITORS' REPORT</b>	3 - 4
<b>FINANCIAL STATEMENTS</b>	
STATEMENTS OF FINANCIAL POSITION	5
STATEMENTS OF ACTIVITIES	6
STATEMENTS OF CASH FLOWS	7
NOTES TO THE FINANCIAL STATEMENTS	8 - 19



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## Independent Auditors' Report

Trustees  
The Catholic Diocese of Jefferson City Fund  
Jefferson City, Missouri

We have audited the accompanying financial statements of The Catholic Diocese of Jefferson City Fund (a Missouri corporation, not-for-profit), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Catholic Diocese of Jefferson City Fund as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Kuhn, Eck + Brueckel LLP*

St. Louis, Missouri  
October 30, 2015

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**STATEMENTS OF FINANCIAL POSITION**  
June 30,

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 389,727	\$ 668,428
Investments		
Depositor's fund	22,118,284	19,349,467
Pooled investments	34,488,983	35,783,930
Accrued interest and dividends	163,299	175,647
Loan program receivables	<u>4,825,526</u>	<u>5,460,738</u>
 Total Assets	 <u><u>\$ 61,985,819</u></u>	 <u><u>\$ 61,438,210</u></u>
 <b>Liabilities</b>		
Deposits from parishes and others	\$ 25,866,929	\$ 23,381,371
Pooled investment funds held for parishes and others	34,575,594	35,874,402
Accounts payable and accrued expenses	<u>140,028</u>	<u>141,169</u>
 Total Liabilities	 60,582,551	 59,396,942
 <b>Net Assets</b>		
Unrestricted net assets	<u>1,403,268</u>	<u>2,041,268</u>
 Total Liabilities and Net Assets	 <u><u>\$ 61,985,819</u></u>	 <u><u>\$ 61,438,210</u></u>

See notes to financial statements.

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**STATEMENTS OF ACTIVITIES**  
Years Ended June 30,

	<u>2015</u>	<u>2014</u>
<b>Revenues</b>		
Investment income - Depositor's fund		
Dividend and interest income	\$ 714,381	\$ 589,791
Realized gain on investments	94,722	180,417
Unrealized gain (loss) on investments	(676,854)	808,675
Investment management fees	<u>(50,605)</u>	<u>(46,403)</u>
Total Investment Income - Depositor's fund	81,644	1,532,480
Interest income, loans	219,717	186,914
Miscellaneous income	<u>982</u>	<u>3,615</u>
Total Revenues	<u>302,343</u>	<u>1,723,009</u>
<b>Expenses</b>		
Program Services		
Interest on depositors' fund	641,076	577,898
Payments to affiliated organizations	250,000	300,000
Support Services		
Accounting and auditing services	47,667	52,000
Miscellaneous	<u>1,600</u>	<u>1,600</u>
Total Expenses	<u>940,343</u>	<u>931,498</u>
Change in Net Assets	(638,000)	791,511
Net Assets, Beginning of Year	<u>2,041,268</u>	<u>1,249,757</u>
Net Assets, End of Year	<u><u>\$ 1,403,268</u></u>	<u><u>\$ 2,041,268</u></u>

See notes to financial statements.

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**STATEMENTS OF CASH FLOWS (INDIRECT METHOD)**  
Years Ended June 30,

	2015	2014
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (638,000)	\$ 791,511
Adjustments to reconcile change in net assets to net cash used in operating activities		
Net unrealized and realized (gains) loss on investments	582,132	(989,092)
(Increase) decrease in accrued interest and dividends	12,348	(4,899)
Increase (decrease) in accounts payable and accrued expenses	(1,141)	15,208
<b>Net Cash Used in Operating Activities</b>	<b>(44,661)</b>	<b>(187,272)</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments	8,206,749	6,901,488
Purchase of investments	(11,174,702)	(7,661,189)
Loans to participants	(387,500)	(2,655,000)
Principal collections on loans to participants	1,022,712	1,060,191
<b>Net Cash Used in Investing Activities</b>	<b>(2,332,741)</b>	<b>(2,354,510)</b>
<b>Cash Flows from Financing Activities</b>		
Additions to deposits from parishes and others	9,240,694	7,229,298
Withdraws from deposits from parishes and others	(6,755,136)	(4,794,368)
Additions to funds held for others	4,409,263	622,397
Withdraws from funds held for others	(5,913,663)	(1,509,397)
Investment gain on pooled funds held for others	1,117,543	1,140,883
<b>Net Cash Provided by Financing Activities</b>	<b>2,098,701</b>	<b>2,688,813</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(278,701)</b>	<b>147,031</b>
Cash and Cash Equivalents, Beginning of Year	668,428	521,397
Cash and Cash Equivalents, End of Year	<u>\$ 389,727</u>	<u>\$ 668,428</u>

See notes to financial statements.

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General Information

The Catholic Diocese of Jefferson City Fund (the Fund) is an irrevocable charitable trust established July 1, 2005 to hold and invest contributions and deposits from the grantor, the Diocese of Jefferson City, parishes of the Diocese, their affiliated organizations, and Diocese organizations, all of which are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Fund also makes loans to the participants for their charitable purposes.

Basis of Accounting

The books and records of the Fund are maintained and the financial statements are prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The Fund is required to report information regarding its net assets according to three classes: unrestricted, temporarily restricted and permanently restricted net assets, based upon the existence or absence of donor-imposed restrictions. As of June 30, 2015 and 2014, the Fund had no temporarily or permanently restricted net assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash balances held in bank accounts and short term investments with an original maturity no longer than three months. Deposit accounts designated for long-term purposes or received with donor-imposed restrictions limiting the use to long-term purposes are not considered cash and cash equivalents. Money market funds held in investment accounts are reported as investments.



**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

Income Taxes

The Fund is exempt from federal income tax as part of the Catholic Church under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, due to religious activities, the Fund is not required to file an Internal Revenue Service form 990. However, income from certain activities not directly related to The Fund's exempt purpose is subject to taxation as unrelated business income. The Fund has no unrelated business income for the years ended June 30, 2015 and 2014.

Investments

Investments are reported at fair value. Fair value is determined using Level 1 inputs for common stocks, equity mutual funds, fixed income mutual funds and alternative mutual funds, which are quoted market prices for identical securities in active markets. Fair value is determined using Level 2 inputs for cash and cash equivalents, corporate bonds, municipal bonds and U.S. government agency securities, which are quoted prices for similar securities in active markets. Level 2 inputs were derived using the market approach, which is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (that is, similar) assets, liabilities or a group of assets and liabilities. Fair values were provided by investment broker statements as of June 30, 2015 and 2014.

Loan Program Receivables

Loans receivable are deemed to be fully collectible by management; therefore no allowance for doubtful accounts has been established.

Pooled Investment Funds Held for Parishes and Others

The Fund is holding investments for others as an agent. Since the Fund has little or no discretion in determining how the investment income, unrealized gains and losses, and realized gains and losses resulting from those investments are used, they report these investment activities as agency transactions, and, therefore, as changes in assets and liabilities rather than changes in net assets.

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

Subsequent Events

The Fund evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through October 30, 2015, which is the date the financial statements were available to be issued.

**NOTE 2 – RELATED PARTIES**

The Catholic Diocese of Jefferson City Fund is related through the Bishop of the Diocese of Jefferson City to the following entities: The Catholic Diocese of Jefferson City – Chancery Office; Priests' Mutual Benefit Society; Diocesan Excellence in Education Fund, Inc.; The Jefferson City Diocesan Chancery Building Fund, Inc.; The Diocese of Jefferson City Parish Development Corporation; The Diocese of Jefferson City Jubilee Retirement Trust Fund; the Fr. Augustine Tolton Regional Catholic High School in Columbia; Helias Catholic High School in Jefferson City; Catholic Charities of Central and Northern Missouri; Diocese of Jefferson City Real Estate Corporation, Inc.; and all parishes under the Bishop. The Fund maintains separate books and records. All financial information for the above entities is presented separately and is excluded from this report.

Due to the inherent nature and purpose of the Fund, as discussed in Note 1, all transactions of the Fund, with the exception of transactions with the investment management company, are considered related party transactions.

The Fund's accounts payable consisted of interest payable to the following at June 30,:

	<u>2015</u>	<u>2014</u>
The Catholic Diocese of Jefferson City Parishes	\$ 140,028	\$ 136,836
The Catholic Diocese of Jefferson City - Chancery Office	<u>-</u>	<u>4,333</u>
	<u>\$ 140,028</u>	<u>\$ 141,169</u>

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

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**NOTE 2 – RELATED PARTIES** (Cont'd)

Parish Deposits and Loans

The Catholic Diocese of Jefferson City Fund encourages parishes and other diocesan entities to deposit any excess funds (funds in excess of three months operating needs) in the Fund. Participants in the deposit and loan program can receive their original investment plus accrued and paid earnings at maturity. The Fund also makes low interest loans to parishes and other diocesan entities for approved projects. Current interest rates for deposits as of June 30, 2015 and 2014 ranged from 1.75% to 3.75% depending on the term of the deposit. The interest rate on loans as of June 30, 2015 and 2014 was 4.25%. Both deposit and loan rates are adjusted periodically to stay competitive with market rates. Loans are not issued in excess of 15 years. There are no penalties for early repayment of loan balances.

The Fund holds the following deposits from parishes and others on account as of June 30,:

	2015	2014
The Catholic Diocese of Jefferson City - Chancery Office	\$ 3,281,642	\$ 2,307,754
Priests' Mutual Benefit Society of the Diocese of Jefferson City	374,044	941,454
Diocesan Excellence in Education Fund, Inc.	614,033	9,893
The Diocese of Jefferson City Jubilee Retirement Trust Fund	358,375	196,107
Fr. Augustine Tolton Regional Catholic High School	61,348	645,996
Helias Catholic High School in Jefferson City	66	65
Catholic Charities of Central and Northern Missouri	308,088	173,117
Diocese of Jefferson City Parish Development Corporation	328,424	395,517
The Catholic Diocese of Jefferson City Parishes and Others	20,540,909	18,711,468
	\$ 25,866,929	\$ 23,381,371

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

**NOTE 2 – RELATED PARTIES** (Cont'd)

The Fund holds the following pooled investment funds for parishes and others in its name as of June 30,:

	<u>2015</u>	<u>2014</u>
The Catholic Diocese of Jefferson City - Chancery Office	\$ 2,098,556	\$ 2,118,485
Priests' Mutual Benefit Society of the Diocese of Jefferson City	9,458,011	8,997,414
Diocesan Excellence in Education Fund, Inc.	10,572,167	11,674,256
Diocese of Jefferson City Jubilee Retirement Trust Fund	10,607,432	11,569,827
Parish Endowment Funds	1,739,008	1,410,117
Helias Catholic High School in Jefferson City	13,811	13,831
Unallocated Accrued Investment Income	86,609	90,472
	<u>\$ 34,575,594</u>	<u>\$ 35,874,402</u>

The Fund holds the following loan receivables on account as of June 30,:

	<u>2015</u>	<u>2014</u>
The Catholic Diocese of Jefferson City Parishes	\$ 3,325,526	\$ 3,960,738
The Diocese of Jefferson City Parish Development Corporation	1,500,000	1,500,000
	<u>\$ 4,825,526</u>	<u>\$ 5,460,738</u>

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

**NOTE 2 – RELATED PARTIES** (Cont'd)

The following is a summary breakdown of deposits and loans as of June 30,:

	2015	2014
Deposits from Parishes and Others; due within 1 year	\$ 16,015,189	\$ 15,652,517
Deposits from Parishes and Others; due 1 - 5 years	9,618,576	7,421,528
Deposits from Parishes and Others; due > 5 years	233,164	307,326
Total Deposits from Parishes and Others	25,866,929	23,381,371
Loans to Parishes and Others; due within 1 year	(359,154)	(368,984)
Loans to Parishes and Others; due 1 - 5 years	(2,603,351)	(3,057,942)
Loans to Parishes and Others; due > 5 years	(1,863,021)	(2,033,812)
Total Loans to Parishes and Others	(4,825,526)	(5,460,738)
Net Liability to Parishes and Others	\$ 21,041,403	\$ 17,920,633

The Fund extended a \$350,000 line of credit to The Catholic Diocese of Jefferson City – Chancery Office during the year ended June 30, 2014. The full \$350,000 line of credit was available as of June 30, 2015 and 2014.

The Fund periodically makes grants to The Catholic Diocese of Jefferson City – Chancery Office and other related parties from accumulated net assets to help fund the operations of the entities which are reported as a program expense on the *Statements of Activities*.

The Fund contributed \$250,000 to the Jubilee Retirement Trust Fund during the year ended June 30, 2015.

The Fund had the following transactions with The Catholic Diocese of Jefferson City – Chancery Office during the years ended June 30,:

	2015	2014
Interest received by the Fund on line of credit advances	\$ -	\$ 4,589
Amounts contributed by the Fund	-	300,000
Deposits received by the Fund	2,539,982	1,728,524
Withdrawals paid from the Fund	1,607,695	1,622,154
Interest and realized gains paid from the Fund	12,071	198,724
Payments for accounting services provided on behalf of the Fund	47,667	52,000

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

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**NOTE 3 – CONCENTRATION OF CREDIT RISK**

Cash and Investments

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 and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term could materially affect the amounts reported in the financial statements.

The Fund places its cash and cash equivalents with credit-worthy high quality financial institutions. Balances on accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time, cash balances may exceed FDIC insurance limits. The Fund has not experienced any losses in its accounts with the financial institutions and believes it is not exposed to any significant credit risk.

Loan Program Receivables

For the year ended June 30, 2015, balances for five of the twenty-one loans receivable represent approximately 69% of the total loans receivable balance. For the year ended June 30, 2014, balances for five of the seventeen loans receivable represent approximately 71% of the total loans receivable balance.

Deposits from Parishes and Others

For the year ended June 30, 2015, five of the 125 entities that participate in the deposit program represent approximately 34% of the total deposits payable balance. Also, three of the nine entities participating in the pooled investments represent 89% of the pooled investment funds held for parishes and others balance.

For the year ended June 30, 2014, five of the 125 entities that participate in the deposit program represent approximately 27% of the total deposits payable balance. Also, three of the eleven entities participating in the pooled investments represent 90% of the pooled investment funds held for parishes and others balance.

**NOTE 4 – FAIR VALUE MEASUREMENTS**

Fair value is the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

**NOTE 4 – FAIR VALUE MEASUREMENTS** (Cont'd)

Fair values of assets measured on a recurring basis at June 30, 2015 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Depositor's fund			
Money market	\$ 2,431,496	\$ -	\$ 2,431,496
Common stocks			
Consumer discretionary	635,538	635,538	-
Consumer staples	707,540	707,540	-
Energy	202,069	202,069	-
Financials	473,984	473,984	-
Health care	443,736	443,736	-
Industrials	547,776	547,776	-
Information technology	692,307	692,307	-
Materials	171,156	171,156	-
Utilities	124,148	124,148	-
Equity mutual funds			
Diversified emerging markets	474,570	474,570	-
Municipal bonds			
Aa1 quality rating	180,337	-	180,337
A3 quality rating	217,284	-	217,284
Other	1,738,750	-	1,738,750
Corporate bonds - Aaa quality rating	445,164	-	445,164
U.S. government agency securities	17,796	-	17,796
Fixed income mutual funds			
Emerging market debt	2,460,983	2,460,983	-
Floating rate debt	1,210,142	1,210,142	-
International developed debt	682,115	682,115	-
Investment grade debt	6,513,743	6,513,743	-
Alternative mutual funds			
Absolute return funds	912,525	912,525	-
Fixed income arbitrage funds	367,268	367,268	-
Global macro funds	467,857	467,857	-
	<u>22,118,284</u>	<u>17,087,457</u>	<u>5,030,827</u>

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

**NOTE 4 – FAIR VALUE MEASUREMENTS** (Cont'd)

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Pooled Investments			
Money market	1,435,453	-	1,435,453
Common stocks			
Consumer discretionary	2,369,765	2,369,765	-
Consumer staples	2,262,337	2,262,337	-
Energy	685,603	685,603	-
Financials	1,752,037	1,752,037	-
Health care	1,693,634	1,693,634	-
Industrials	1,921,825	1,921,825	-
Information technology	2,795,807	2,795,807	-
Materials	523,055	523,055	-
Utilities	416,781	416,781	-
Equity mutual funds			
Diversified emerging markets	1,346,759	1,346,759	-
Municipal bonds			
Aaa quality rating	714,274	-	714,274
Aa1 quality rating	552,333	-	552,333
Aa2 quality rating	702,655	-	702,655
Aa3 quality rating	102,313	-	102,313
A1 quality rating	409,637	-	409,637
Other	528,002	-	528,002
U.S. government agency securities	38,901	-	38,901
Fixed income mutual funds			
Emerging market debt	2,274,825	2,274,825	-
Floating rate debt	1,646,605	1,646,605	-
International developed debt	892,929	892,929	-
Investment grade debt	7,323,337	7,323,337	-
Alternative mutual funds			
Absolute return funds	905,000	905,000	-
Fixed income arbitrage funds	559,288	559,288	-
Global macro funds	635,828	635,828	-
	<u>34,488,983</u>	<u>30,005,415</u>	<u>4,483,568</u>
 Total investments	 <u>\$ 56,607,267</u>	 <u>\$ 47,092,872</u>	 <u>\$ 9,514,395</u>



**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

**NOTE 4 – FAIR VALUE MEASUREMENTS** (Cont'd)

Fair values of assets measured on a recurring basis at June 30, 2014 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Depositor's fund			
Money market	\$ 173,087	\$ -	\$ 173,087
Common stocks			
Consumer discretionary	539,862	539,862	-
Consumer staples	656,754	656,754	-
Energy	318,731	318,731	-
Financials	463,247	463,247	-
Health care	335,605	335,605	-
Industrials	562,095	562,095	-
Information technology	789,694	789,694	-
Materials	161,252	161,252	-
Utilities	126,042	126,042	-
Equity mutual funds			
Diversified emerging markets	517,005	517,005	-
Municipal bonds			
Aa1 quality rating	177,184	-	177,184
A3 quality rating	215,066	-	215,066
Other	1,701,259	-	1,701,259
Corporate bonds - Aaa quality rating	450,212	-	450,212
U.S. government agency securities	131,881	-	131,881
Fixed income mutual funds			
Emerging market debt	2,457,756	2,457,756	-
Floating rate debt	1,241,734	1,241,734	-
International developed debt	756,150	756,150	-
Investment grade debt	5,653,853	5,653,853	-
Alternative mutual funds			
Absolute return funds	1,054,790	1,054,790	-
Fixed income arbitrage funds	413,430	413,430	-
Global macro funds	452,778	452,778	-
	<u>19,349,467</u>	<u>16,500,778</u>	<u>2,848,689</u>

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

**NOTE 4 – FAIR VALUE MEASUREMENTS** (Cont'd)

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Pooled Investments			
Money market	2,451,386	-	2,451,386
Common stocks			
Consumer discretionary	1,662,344	1,662,344	-
Consumer staples	1,951,219	1,951,219	-
Energy	1,082,486	1,082,486	-
Financials	1,429,682	1,429,682	-
Health care	938,799	938,799	-
Industrials	1,791,821	1,791,821	-
Information technology	2,488,387	2,488,387	-
Materials	527,471	527,471	-
Utilities	398,090	398,090	-
Equity mutual funds			
Diversified emerging markets	1,467,182	1,467,182	-
Municipal bonds			
Aaa quality rating	740,487	-	740,487
Aa1 quality rating	550,918	-	550,918
Aa2 quality rating	707,113	-	707,113
Aa3 quality rating	102,373	-	102,373
A1 quality rating	409,811	-	409,811
Other	532,771	-	532,771
U.S. government agency securities	53,848	-	53,848
Fixed income mutual funds			
Emerging market debt	2,201,446	2,201,446	-
Floating rate debt	1,689,593	1,689,593	-
Inflation protected debt	502,597	502,597	-
International developed debt	989,845	989,845	-
Investment grade debt	8,977,040	8,977,040	-
Alternative mutual funds			
Absolute return funds	953,298	953,298	-
Fixed income arbitrage funds	589,183	589,183	-
Global macro funds	594,740	594,740	-
	<u>35,783,930</u>	<u>30,235,223</u>	<u>5,548,707</u>
 Total investments	 <u>\$ 55,133,397</u>	 <u>\$ 46,736,001</u>	 <u>\$ 8,397,396</u>

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND**  
Jefferson City, Missouri

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

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**NOTE 4 – FAIR VALUE MEASUREMENTS** (Cont'd)

All investments are currently being held at Central Trust Company in Jefferson City, MO.

**NOTE 5 – FUNCTIONAL ALLOCATION OF EXPENSES**

The Catholic Diocese of Jefferson City Fund categorizes its expenses as follows:

*Program expenses* relate to activities that result in interest being distributed to depositors that fulfill the purposes or mission for which the organization exists. The Fund considers all expenses, excluding support services to be program expenses.

*Support services* relate to the administrative activities that are not identifiable with a single program, but are indispensable to the conduct of those activities and to the Fund's existence.

**NOTE 6 – COMMITMENTS**

On November 23, 2010, the Board of Trustees approved a resolution authorizing the Fund to enter into an agreement in which the Fund, upon default of any required payments to be made by the Fr. Augustine Tolton Regional Catholic High School, will either purchase the property and facilities of the School at an amount not less than the balance of their bonds or lend to the School an amount not less than the balance of their bonds. The initial principal amount on the School bonds was not to exceed \$7,300,000, and would mature June 15, 2017. The principal balance of the School bonds outstanding at June 30, 2015 and 2014 was \$6,525,000 and \$6,625,000, respectively.