

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND
JEFFERSON CITY, MISSOURI**

FINANCIAL STATEMENTS

June 30, 2017 and 2016

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND
JEFFERSON CITY, MISSOURI**

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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, 2017 and 2016, 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, 2017 and 2016, 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.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
January 9, 2018

Other Locations

Belleville, IL • Carbondale, IL • Columbia, IL • Litchfield, IL • Harrisburg, IL • Springfield, IL • Cape Girardeau, MO • Milwaukee, WI

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND
JEFFERSON CITY, MISSOURI**

**STATEMENTS OF FINANCIAL POSITION
June 30,**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 1,256,622	\$ 226,424
Investments		
Depositor's fund	27,738,717	22,947,451
Pooled investments	46,073,754	37,104,605
Accrued interest and dividends	175,545	163,635
Loan program receivables	<u>4,867,529</u>	<u>5,615,424</u>
 Total assets	 <u><u>\$ 80,112,167</u></u>	 <u><u>\$ 66,057,539</u></u>
 Liabilities		
Deposits from parishes and others	\$ 31,972,894	\$ 27,237,062
Pooled investment funds held for parishes and others	46,164,910	37,187,778
Accounts payable and accrued expenses	<u>166,698</u>	<u>155,433</u>
 Total liabilities	 78,304,502	 64,580,273
 Net assets		
Unrestricted net assets	<u>1,807,665</u>	<u>1,477,266</u>
 Total liabilities and net assets	 <u><u>\$ 80,112,167</u></u>	 <u><u>\$ 66,057,539</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>2017</u>	<u>2016</u>
Revenues		
Investment income - Depositor's fund		
Dividend and interest income	\$ 658,027	\$ 663,287
Realized gain on investments	171,400	71,952
Unrealized gain (loss) on investments	376,697	(106,403)
Investment management fees	<u>(55,184)</u>	<u>(47,601)</u>
Total investment income - Depositor's fund	1,150,940	581,235
Interest income, loans	228,579	209,739
Miscellaneous income	<u>1,045</u>	<u>620</u>
Total revenues	1,380,564	791,594
Expenses		
Program services		
Interest on Depositor's fund	746,572	659,663
Payments to affiliated organizations	250,000	-
Support services		
Accounting and auditing services	52,000	56,333
Miscellaneous	<u>1,593</u>	<u>1,600</u>
Total expenses	<u>1,050,165</u>	<u>717,596</u>
Change in net assets	330,399	73,998
Net assets, beginning of year	<u>1,477,266</u>	<u>1,403,268</u>
Net assets, end of year	<u><u>\$ 1,807,665</u></u>	<u><u>\$ 1,477,266</u></u>

See notes to financial statements.

THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND
JEFFERSON CITY, MISSOURI

STATEMENTS OF CASH FLOWS
Years ended June 30,

	<u>2017</u>	<u>2016</u>
Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities		
Change in net assets	\$ 330,399	\$ 73,998
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Net realized and unrealized (gain) loss on investments	(548,097)	34,451
Increase in accrued interest and dividends	(11,910)	(336)
Increase in accounts payable and accrued expenses	<u>11,265</u>	<u>15,405</u>
Net cash provided by (used in) operating activities	(218,343)	123,518
Cash flows from investing activities		
Proceeds from sale of investments	18,017,427	6,185,590
Purchase of investments	(29,342,309)	(9,915,656)
Loans to participants	(2,079,187)	(1,565,000)
Principal collections on loans to participants	<u>2,827,082</u>	<u>775,102</u>
Net cash used in investing activities	(10,576,987)	(4,519,964)
Cash flows from financing activities		
Additions to deposits from parishes and others	14,995,276	8,197,758
Withdraws from deposits from parishes and others	(10,259,444)	(6,827,625)
Additions to funds held for others	6,204,320	1,828,671
Withdraws from funds held for others	(270,970)	(30,356)
Investment income on pooled funds held for others	<u>1,156,346</u>	<u>1,064,695</u>
Net cash provided by financing activities	<u>11,825,528</u>	<u>4,233,143</u>
Net change in cash and cash equivalents	1,030,198	(163,303)
Cash and cash equivalents, beginning of year	<u>226,424</u>	<u>389,727</u>
Cash and cash equivalents, end of year	<u>\$ 1,256,622</u>	<u>\$ 226,424</u>

See notes to financial statements.

THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND JEFFERSON CITY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

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, 2017 and 2016, 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 FINANCIAL STATEMENTS

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, 2017 and 2016.

Investments

Investments are reported at fair value. Fair value is determined using Level 1 inputs for common stocks, 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, U.S. government agency securities, and certificates of deposit 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, 2017 and 2016.

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.

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 January 9, 2017, which is the date the financial statements were available to be issued.

THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND JEFFERSON CITY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – RELATED PARTIES

The Fund is related through the Bishop of the Catholic Diocese of Jefferson City to the following entities: The Catholic Diocese of Jefferson City – Chancery Office; The 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 within the Jefferson City Diocese. 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 Catholic Diocese of Jefferson City parishes of \$166,698 and \$155,433 at June 30, 2017 and 2016, respectively.

Parish Deposits and Loans

The 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 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, 2017 and 2016 ranged from 1.5% to 3.5%, depending on the term of the deposit. The interest rate on loans as of June 30, 2017 and 2016 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 CATHOLIC DIOCESE OF JEFFERSON CITY FUND
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NOTES TO FINANCIAL STATEMENTS

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

	<u>2017</u>	<u>2016</u>
The Catholic Diocese of Jefferson City - Chancery Office	\$ 4,665,891	\$ 4,043,661
Priests' Mutual Benefit Society of the Diocese of Jefferson City	119,860	177,741
Diocesan Excellence in Education Fund, Inc.	2,910	201,801
The Diocese of Jefferson City Jubilee Retirement Trust Fund	1,023,922	767,265
Fr. Augustine Tolton Regional Catholic High School	51,291	83,132
Helias Catholic High School in Jefferson City	68	67
Catholic Charities of Central and Northern Missouri	583,903	404,678
The Diocese of Jefferson City Parish Development Corporation	459,725	269,505
The Catholic Diocese of Jefferson City Parishes and others	<u>25,065,324</u>	<u>21,289,212</u>
	<u>\$ 31,972,894</u>	<u>\$ 27,237,062</u>

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

	<u>2017</u>	<u>2016</u>
The Catholic Diocese of Jefferson City - Chancery Office	\$ 2,291,090	\$ 2,147,626
Priests' Mutual Benefit Society of the Diocese of Jefferson City	10,387,197	9,665,952
Diocesan Excellence in Education Fund, Inc.	11,557,352	10,804,796
The Diocese of Jefferson City Jubilee Retirement Trust Fund	19,056,232	11,872,948
Fr. Augustine Tolton Regional Catholic High School	35,898	-
Parish Endowment Funds	2,731,479	2,599,082
Helias Catholic High School in Jefferson City	14,500	14,199
Unallocated accrued investment income	<u>91,162</u>	<u>83,175</u>
	<u>\$ 46,164,910</u>	<u>\$ 37,187,778</u>

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

	<u>2017</u>	<u>2016</u>
The Catholic Diocese of Jefferson City Parishes	\$ 2,996,785	\$ 3,865,424
The Diocese of Jefferson City Parish Development Corporation	1,500,000	1,500,000
Fr. Augustine Tolton Regional Catholic High School	<u>370,744</u>	<u>250,000</u>
	<u>\$ 4,867,529</u>	<u>\$ 5,615,424</u>

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND
JEFFERSON CITY, MISSOURI**

NOTES TO FINANCIAL STATEMENTS

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

	<u>2017</u>	<u>2016</u>
Deposits from parishes and others; due within 1 year	\$ 17,509,535	\$ 14,343,217
Deposits from parishes and others; due 1 - 5 years	13,957,211	12,713,659
Deposits from parishes and others; due > 5 years	<u>506,148</u>	<u>180,186</u>
Total deposits from parishes and others	<u>31,972,894</u>	<u>27,237,062</u>
Loans to parishes and others; due within 1 year	(432,860)	(663,582)
Loans to parishes and others; due 1 - 5 years	(2,547,520)	(2,921,419)
Loans to parishes and others; due > 5 years	<u>(1,887,149)</u>	<u>(2,030,423)</u>
Total loans to parishes and others	<u>(4,867,529)</u>	<u>(5,615,424)</u>
Net liability to parishes and others	<u>\$ 27,105,365</u>	<u>\$ 21,621,638</u>

The Fund extended a \$350,000 line of credit to The Catholic Diocese of Jefferson City – Chancery Office. The full \$350,000 line of credit was available as of June 30, 2017 and 2016.

The Fund extended a \$250,000 line of credit to Father Augustine Tolton Regional Catholic High School that was increased to \$500,000 during the year ended June 30, 2017. There was \$370,744 and \$250,000 drawn on this line of credit as of June 30, 2017 and 2016, respectively.

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 Diocese of Jefferson City, Parish Development Corporation during the year ended June 30, 2017. There were no such contributions for the year ended June 30, 2016.

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

	<u>2017</u>	<u>2016</u>
Deposits received by the Fund	\$ 4,256,002	\$ 3,583,730
Withdrawals paid from the Fund	3,674,119	2,843,344
Interest and realized gains paid from the Fund	143,465	49,005
Payments for accounting services provided on behalf of the Fund	52,000	56,333

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND
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NOTES TO FINANCIAL STATEMENTS

The Fund had the following transactions with the Diocese of Jefferson City Jubilee Retirement Trust Fund during the years ended June 30,:

	<u>2017</u>	<u>2016</u>
Deposits received by the Fund	\$ 7,000,000	\$ 4,400,000
Withdrawals paid from the Fund	760,000	3,000,000
Interest and realized gains paid from the Fund	1,183,285	265,257

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, 2017, balances for five of the twenty-three loans receivable represent approximately 78% of the total loans receivable balance. For the year ended June 30, 2016, balances for five of the twenty-two loans receivable represent approximately 64% of the total loans receivable balance.

Deposits from Parishes and Others

For the year ended June 30, 2017, five of the 135 entities that participate in the deposit program represent approximately 35% 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, 2016, five of the 137 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 87% of the pooled investment funds held for parishes and others balance.

**THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND
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NOTES TO FINANCIAL STATEMENTS

NOTE 4 – COMMITMENTS

In 2010, the Health and Educational Facilities Authority of the State of Missouri issued Educational Facilities Revenue Bonds, Series 2010 to finance the construction of the Fr. Augustine Tolton Regional Catholic High School (School) in Columbia, Missouri. 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 bond payments to be made by the 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 was to mature June 15, 2017.

In November 2016, the Health and Educational Facilities Authority of the State of Missouri issued Educational Facilities Refunding and Improvement Revenue Bonds, Series 2016 in the principal amount of \$7,000,000 with a maturity date of December 1, 2031. The proceeds of the bond were used to refund the School's series 2010 bonds. The terms of the 2016 bond indenture requires the Fund to provide a guarantee of the outstanding principal balance of the bonds. On October 25, 2016, the Board of Trustees approved a resolution authorizing the Fund to enter into an agreement with the School related to this guarantee. On November 17, 2016, the School executed a subordinated deed of trust and security agreement with the Fund requiring the School to reimburse the Fund for any amounts paid by the Fund under the guarantee agreement. This subordinate deed of trust grants a security interest in the real and personal property of the School with the power to sell the property. The principal balance of the School bonds outstanding at June 30, 2017 was \$6,937,645.

NOTE 5 – 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 FINANCIAL STATEMENTS

Fair values of assets measured on a recurring basis at June 30, 2017 are as follows:

	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>
Depositor's fund			
Money market	\$ 5,082,330	\$ -	\$ 5,082,330
Common stocks			
Consumer discretionary	1,019,628	1,019,628	-
Consumer staples	586,082	586,082	-
Energy	131,712	131,712	-
Financials	682,967	682,967	-
Health care	687,742	687,742	-
Industrials	680,364	680,364	-
Information technology	1,424,961	1,424,961	-
Materials	176,868	176,868	-
Telecommunications services	119,518	119,518	-
Utilities	108,194	108,194	-
Certificates of deposit	1,016,465		1,016,465
Municipal bonds			
Aaa quality rating	100,188	-	100,188
Aa1 quality rating	79,859	-	79,859
Aa3 quality rating	258,494	-	258,494
A3 quality rating	205,850	-	205,850
Other	1,609,412	-	1,609,412
Corporate bonds			
Aaa quality rating	422,580	-	422,580
A1 quality rating	74,953	-	74,953
A3 quality rating	49,947	-	49,947
Baa2 quality rating	272,265	-	272,265
Other	100,007	-	100,007
U.S. government agency securities	10,028	-	10,028
Fixed income mutual funds			
Emerging market debt	2,535,866	2,535,866	-
Floating rate debt	1,219,757	1,219,757	-
International developed debt	728,161	728,161	-
Investment grade debt	5,812,116	5,812,116	-
Alternative mutual funds			
Absolute return funds	895,250	895,250	-
Fixed income arbitrage funds	1,164,219	1,164,219	-
Global macro funds	482,934	482,934	-
	<u>27,738,717</u>	<u>18,456,339</u>	<u>9,282,378</u>

THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND
JEFFERSON CITY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>
Pooled investments			
Money market	3,931,665	-	3,931,665
Common stocks			
Consumer discretionary	3,903,927	3,903,927	-
Consumer staples	2,371,059	2,371,059	-
Energy	570,012	570,012	-
Financials	2,743,416	2,743,416	-
Health care	2,798,871	2,798,871	-
Industrials	2,568,382	2,568,382	-
Information technology	5,491,423	5,491,423	-
Materials	691,889	691,889	-
Telecommunications services	527,805	527,805	-
Utilities	431,855	431,855	-
Certificates of deposit	1,016,465		1,016,465
Municipal bonds			
Aaa quality rating	692,201	-	692,201
Aa1 quality rating	878,952	-	878,952
Aa3 quality rating	366,866	-	366,866
A1 quality rating	243,959	-	243,959
Other	539,813	-	539,813
Corporate bonds			-
A1 quality rating	74,952	-	74,952
A3 quality rating	49,947	-	49,947
Baa2 quality rating	275,265	-	275,265
Other	100,007	-	100,007
U.S. government agency securities	17,959	-	17,959
Fixed income mutual funds			
Emerging market debt	2,321,492	2,321,492	-
Floating rate debt	2,220,039	2,220,039	-
International developed debt	953,206	953,206	-
Investment grade debt	7,888,073	7,888,073	-
Alternative mutual funds			
Absolute return funds	887,868	887,868	-
Fixed income arbitrage funds	1,516,386	1,516,386	-
	<u>46,073,754</u>	<u>37,885,703</u>	<u>8,188,051</u>
 Total investments	 <u>\$ 73,812,471</u>	 <u>\$ 56,342,042</u>	 <u>\$ 17,470,429</u>

THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND
JEFFERSON CITY, MISSOURI

NOTES TO FINANCIAL STATEMENTS

Fair values of assets measured on a recurring basis at June 30, 2016 are as follows:

	Fair value	Level 1	Level 2
Depositor's fund			
Money market	\$ 4,820,495	\$ -	\$ 4,820,495
Common stocks			
Consumer discretionary	436,369	436,369	-
Consumer staples	686,663	686,663	-
Energy	158,541	158,541	-
Financials	343,262	343,262	-
Health care	372,232	372,232	-
Industrials	376,370	376,370	-
Information technology	700,996	700,996	-
Materials	139,039	139,039	-
Utilities	119,547	119,547	-
Municipal bonds			
Aa1 quality rating	183,630	-	183,630
A3 quality rating	218,322	-	218,322
Other	1,687,914	-	1,687,914
Corporate bonds - Aaa quality rating	439,196	-	439,196
U.S. government agency securities	34,044	-	34,044
Fixed income mutual funds			
Emerging market debt	2,490,909	2,490,909	-
Floating rate debt	1,170,307	1,170,307	-
International developed debt	728,613	728,613	-
Investment grade debt	5,408,214	5,408,214	-
Alternative mutual funds			
Absolute return funds	850,538	850,538	-
Fixed income arbitrage funds	1,128,100	1,128,100	-
Global macro funds	454,150	454,150	-
	<u>22,947,451</u>	<u>15,563,850</u>	<u>7,383,601</u>

THE CATHOLIC DIOCESE OF JEFFERSON CITY FUND
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NOTES TO FINANCIAL STATEMENTS

	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>
Pooled investments			
Money market	8,558,338	-	8,558,338
Common stocks			
Consumer discretionary	2,302,427	2,302,427	-
Consumer staples	2,459,151	2,459,151	-
Energy	421,408	421,408	-
Financials	1,312,131	1,312,131	-
Health care	1,455,570	1,455,570	-
Industrials	1,520,321	1,520,321	-
Information technology	2,989,458	2,989,458	-
Materials	463,037	463,037	-
Utilities	411,855	411,855	-
Municipal bonds			
Aaa quality rating	722,936	-	722,936
Aa1 quality rating	696,651	-	696,651
Aa2 quality rating	333,803	-	333,803
Aa3 quality rating	219,157	-	219,157
A1 quality rating	324,974	-	324,974
Other	542,430	-	542,430
U.S. government agency securities	26,946	-	26,946
Fixed income mutual funds			
Emerging market debt	2,285,899	2,285,899	-
Floating rate debt	1,592,404	1,592,404	-
International developed debt	953,797	953,797	-
Investment grade debt	5,199,045	5,199,045	-
Alternative mutual funds			
Absolute return funds	843,525	843,525	-
Fixed income arbitrage funds	1,469,342	1,469,342	-
	<u>37,104,605</u>	<u>25,679,370</u>	<u>11,425,235</u>
 Total investments	 <u>\$ 60,052,056</u>	 <u>\$ 41,243,220</u>	 <u>\$ 18,808,836</u>

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