

JUBILEE RETIREMENT TRUST FUND
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020



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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Jubilee Retirement Trust Fund
Jefferson City, Missouri

We have audited the accompanying financial statements of Jubilee Retirement Trust Fund (a Missouri nonprofit corporation), which comprise the statements of financial position as of June 30, 2021 and 2020, 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 audit 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.

Board of Trustees
Jubilee Retirement Trust Fund

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jubilee Retirement Trust Fund as of June 30, 2021 and 2020, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
January 27, 2022

**JUBILEE RETIREMENT TRUST FUND
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 86,846	\$ 17,512
Investments:		
Funds Held on Deposit with The Catholic Diocese of Jefferson		
City Fund:		
Depositor's Fund	100,632	39,406
Pooled Investments	26,124,534	22,106,009
Total Assets	\$ 26,312,012	\$ 22,162,927
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ -	\$ 750
Total Liabilities	-	750
NET ASSETS		
Without Donor Restrictions	7,345,684	6,709,939
With Donor Restrictions	18,966,328	15,452,238
Total Net Assets	26,312,012	22,162,177
Total Liabilities and Net Assets	\$ 26,312,012	\$ 22,162,927

See accompanying Notes to Financial Statements.

**JUBILEE RETIREMENT TRUST FUND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Net Investment Income	\$ 1,265,663	\$ 3,514,090	\$ 4,779,753
Total Revenue, Support, and Gains	1,265,663	3,514,090	4,779,753
EXPENSES			
Program Services	617,917	-	617,917
Supporting Services:			
Management and General:	12,001	-	12,001
Total Expenses	629,918	-	629,918
CHANGE IN NET ASSETS	635,745	3,514,090	4,149,835
Net Assets - Beginning of Year	6,709,939	15,452,238	22,162,177
NET ASSETS - END OF YEAR	\$ 7,345,684	\$ 18,966,328	\$ 26,312,012

See accompanying Notes to Financial Statements.

**JUBILEE RETIREMENT TRUST FUND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Net Investment Income	\$ 452,404	\$ 1,103,481	\$ 1,555,885
Total Revenue, Support, and Gains	452,404	1,103,481	1,555,885
EXPENSES			
Program Services	902,942	-	902,942
Supporting Services:			
Management and General:	9,000	-	9,000
Total Expenses	911,942	-	911,942
CHANGE IN NET ASSETS	(459,538)	1,103,481	643,943
Net Assets - Beginning of Year	7,169,477	14,348,757	21,518,234
NET ASSETS - END OF YEAR	\$ 6,709,939	\$ 15,452,238	\$ 22,162,177

See accompanying Notes to Financial Statements.

**JUBILEE RETIREMENT TRUST FUND
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 4,149,835	\$ 643,943
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Net Realized and Unrealized Gain on Investments	(4,401,270)	(1,087,128)
Change in Accounts Payable	(750)	(70,892)
Net Cash Used by Operating Activities	(252,185)	(514,077)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	575,836	1,031,245
Purchase of Investments	(254,317)	(500,000)
Net Cash Provided by Investing Activities	321,519	531,245
CHANGE IN CASH AND CASH EQUIVALENTS	69,334	17,168
Cash and Cash Equivalents - Beginning of Year	17,512	344
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 86,846	\$ 17,512

See accompanying Notes to Financial Statements.

**JUBILEE RETIREMENT TRUST FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Jubilee Retirement Trust Fund (the Trust Fund) is a nonprofit corporation established June 26, 2008, to provide support to the Bishop, the Catholic Diocese of Jefferson City, and the contributing entities to assist them in providing for the retirement needs of lay employees and Deacons covered under the Catholic Diocese of Jefferson City's Tax Deferred Annuity Plan.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be satisfied by actions of the Trust Fund or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

Cash and cash equivalents include 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.

The Trust Fund also maintains some deposits with The Catholic Diocese of Jefferson City Fund (DJC Fund). The Trust Fund consider funds on deposit with DJC Fund to be other investments.

Investments

Investments are reported at fair value. Pooled investment fund interest and dividends, realized and unrealized gains and losses, and investment fees are allocated based on the proportionate share of each entity's fair value at the time of allocation. The financial statements of each entity reflect only that entity's share of the pooled fund.

Revenue

Revenue consists of net investment income.

**JUBILEE RETIREMENT TRUST FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

**NOTE 1 NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Functional Expenses

All expenses are charged directly to program and supporting services based on specific identification. Administrative and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Trust Fund.

Income Taxes

The Trust 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 the religious activities, the Trust Fund is not required to file an Internal Revenue Service Form 990. However, income from certain activities not directly related to the Trust Fund's exempt purpose is subject to taxation as unrelated business income. The Trust Fund had no unrelated business income for the years ended June 30, 2021 and 2020.

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 and those differences could be material.

Subsequent Events

We have evaluated subsequent events through January 27, 2022, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The following represents financial assets as of the financial position date, reduced by amounts not available for general use within one year of the financial position date because of contractual or donor-imposed restrictions or internal designations.

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 86,846	\$ 17,512
Investments:		
Funds Held on Deposit with The Catholic Diocese of Jefferson City Fund:		
Depositors Fund	100,632	39,406
Pooled Investments	<u>26,124,534</u>	<u>22,106,009</u>
Total Financial Assets	26,312,012	22,162,927
Donor-Restricted Endowment Funds	<u>(18,966,328)</u>	<u>(15,452,238)</u>
Total	<u>\$ 7,345,684</u>	<u>\$ 6,710,689</u>

**JUBILEE RETIREMENT TRUST FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 ENDOWMENT

The Trust Fund has donor-restricted endowment funds established through the Grateful Memories Faithful Future Capital campaign. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of trustees of the Trust Fund has interpreted Missouri's enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Trust Fund classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts donated to the perpetual endowment and (c) accumulations of the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity is appropriated for expenditure by the Trust Fund in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Trust Fund considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund,
- The purposes of the Trust Fund and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Trust Fund
- The investment policies of the Trust Fund.

Changes in endowment net assets as of June 30 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Balance - June 30, 2019	\$ -	\$ 14,348,757	\$ 14,348,757
Net Investment Income	-	1,103,481	1,103,481
Balance - June 30, 2020	-	15,452,238	15,452,238
Net Investment Income	-	3,514,090	3,514,090
Balance - June 30, 2021	<u>\$ -</u>	<u>\$ 18,966,328</u>	<u>\$ 18,966,328</u>

**JUBILEE RETIREMENT TRUST FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 ENDOWMENT (CONTINUED)

All of the endowment net assets are donor-restricted and subject to the Trust Fund's spending policy and appropriation by the board of trustees for the following purposes at June 30:

	2021	2020
Donor-Restricted Endowment Funds		
Original-Restricted Gifts Maintained in Perpetuity	\$ 10,279,237	\$ 10,279,237
Accumulated Earnings	8,687,091	5,173,001
Total	\$ 18,966,328	\$ 15,452,238

Investment Return Objectives, Risk Parameters and Strategies

The Trust Fund has adopted investment policies, approved by the board of trustees, for assets that attempt to provide a predictable stream of funding to the Trust Fund's programs while also maintaining the purchasing power of those assets over the long-term.

Accordingly, the investment process seeks to achieve an average total annual rate of return of 6% which consists of the Consumer Price Index (CPI) plus 4%. Actual returns in any given year may vary from this amount. Assets are invested in a diversified asset mix, which includes equity and fixed income securities.

Spending Policy

The Trust Fund sets its spending policy at a rate to ensure the assets grow at a nominal average rate of the CPI annually. This is consistent with the Trust Fund's objective to maintain the purchasing power of the assets as well as to provide additional real growth through new gifts and investment return.

NOTE 4 CONCENTRATIONS OF CREDIT RISK

The Trust Fund places its cash and cash equivalents with a credit-worthy, high quality financial institution. Balances at this institution 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 Trust Fund has not experienced any loss in its account with this financial institution and believes it is not exposed to any significant credit risk.

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.

Funds on deposit with the DJC Fund comprised approximately 99% of Trust Fund's total assets at June 30, 2021 and 2020.

**JUBILEE RETIREMENT TRUST FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 5 RELATED PARTY TRANSACTIONS

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

As of June 30, 2021 and 2020, the DJC Fund held pooled investments for the Trust Fund in the amount of \$26,124,534 and \$22,106,009, respectively. As of June 30, 2021 and 2020, funds held on deposit with the DJC Fund totaled \$100,632 and \$39,406, respectively.

The Trust Fund makes payments to The Catholic Diocese of Jefferson City – Chancery Office for accounting and professional services and for the purpose of providing a 100% match of elective deferrals by participants of the Catholic Diocese of Jefferson City 403(b) Plan, up to 2% of the gross salary of the participants. In addition, the Trust Fund makes payments to The Catholic Diocese of Jefferson City – Chancery Office for the purpose of providing a 1% employer contribution for participants of the Catholic Diocese of Jefferson City 403(b) Plan. As of June 30, 2021 and 2020 the outstanding balance owed to the Chancery Office was \$0 and \$750, respectively.

The Trust Fund had the following transactions with related parties for the years ended June 30:

	2021	2020
The Catholic Diocese of Jefferson City Fund:		
Investment Income from the Fund:		
Pooled Investments	\$ 4,775,161	\$ 1,554,419
Depositors Fund	4,592	1,466
The Catholic Diocese of Jefferson - Chancery Office:		
Payments for Accounting Services Provided by the Diocese	12,001	9,000
Contributions to the Chancery to Fund Pension Benefit Amounts for Chancery and Diocesan Employees	617,917	902,942

**JUBILEE RETIREMENT TRUST FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Trust Fund deposits funds in excess of three months of operating needs in the DJC Fund. The Depositor's fund program operates similar to a money market account and pays interest on the deposited funds competitive with current market rates. Interest rates on deposits varied from 1.50% to 3.75% at June 30, 2021, and 1.25% to 3.25% at 2020, respectively.

The majority of the Trust Fund's investments are held in a pooled investment account with the DJC Fund. The Trust Fund's investments at June 30, 2021 and 2020 were allocated 1% to cash and cash equivalents, 54% to equity securities and 45% to fixed income securities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal and most advantageous market for the asset or liability. Fair value of investments is determined using Level 1 inputs for common stocks, and equity, fixed income and alternative mutual funds, which are quoted market prices for identical securities in active markets and Level 2 inputs for money market accounts, municipal bonds, U.S. government agency securities and certificates of deposit, which are quoted prices for similar securities in active markets. Level 2 inputs are 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. A majority of investments are managed along with investments of affiliates in the DJC Fund. These investments held at the DJC Fund are valued using Level 2 inputs.

The fair value of investments at June 30 are as follows:

	2021			
	Level 1	Level 2	Level 3	Fair Value
Depositor's Fund - Held at DJC Fund	\$ -	\$ 100,632	\$ -	\$ 100,632
Pooled Investments - Held at DJC Fund:				
Equity Securities	-	16,734,279	-	16,734,279
Fixed Income Securities	-	9,390,255	-	9,390,255
Total Pooled Investments	-	26,124,534	-	26,124,534
Total Investments at Fair Value	\$ -	\$ 26,225,166	\$ -	\$ 26,225,166
	2020			
	Level 1	Level 2	Level 3	Fair Value
Depositor's Fund - Held at DJC Fund	\$ -	\$ 39,406	\$ -	\$ 39,406
Pooled Investments - Held at DJC Fund:				
Cash and Cash Equivalents	-	2,318	-	2,318
Equity Securities	-	12,491,421	-	12,491,421
Fixed Income Securities	-	9,612,270	-	9,612,270
Total Pooled Investments	-	22,106,009	-	22,106,009
Total Investments at Fair Value	\$ -	\$ 22,145,415	\$ -	\$ 22,145,415

**JUBILEE RETIREMENT TRUST FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 FUNCTIONAL EXPENSES

The expenses are charged directly to program and supporting services based on specific identification. The following is the detail of expenses by functional classification for the years June 30:

<u>June 30, 2021</u>	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
Distributions Paid	\$ 617,917	\$ -	\$ 617,917
Accounting and Auditing Expense	-	12,001	12,001
Total	<u>\$ 617,917</u>	<u>\$ 12,001</u>	<u>\$ 629,918</u>
<u>June 30, 2020</u>			
Distributions Paid	\$ 902,942	\$ -	\$ 902,942
Accounting and Auditing Expense	-	9,000	9,000
Total	<u>\$ 902,942</u>	<u>\$ 9,000</u>	<u>\$ 911,942</u>

NOTE 8 RISK AND UNCERTAINTIES

In March of 2020, The World Health Organization declared the outbreak of the Coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Project for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.