

**CATHOLIC FOUNDATION
FOR THE DIOCESE OF DAVENPORT**

FINANCIAL STATEMENTS
(WITH INDEPENDENT AUDITOR'S REPORT THEREON)

June 30, 2013 and 2012

**CATHOLIC FOUNDATION
FOR THE DIOCESE OF DAVENPORT**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Catholic Foundation for the
Diocese of Davenport
Davenport, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the Catholic Foundation for the Diocese of Davenport, which comprise the balance sheets as of June 30, 2013 and 2012, 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.

Auditor's 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 auditor's 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 Foundation for the Diocese of Davenport as of June 30, 2013 and 2012, and the change in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



October 9, 2013

CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT

Balance Sheets

June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and Cash Equivalents	\$ 733,212	\$ 981,499
Investments (Note 2)	8,081,847	5,406,198
Contributions Receivable, Net (Note 3)	2,733,317	5,818,887
Total Assets	<u>\$ 11,548,376</u>	<u>\$ 12,206,584</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Due to the Diocese of Davenport (Note 7)	\$ 177,054	\$ 84,634
Accounts Payable	33,224	19,028
Payable to Parishes (Note 7)	264,018	369,664
Total Liabilities	<u>474,296</u>	<u>473,326</u>
Net Assets:		
Unrestricted	11,055,253	11,659,516
Temporarily Restricted (Note 4)	18,827	73,742
Total Net Assets	<u>11,074,080</u>	<u>11,733,258</u>
Total Liabilities and Net Assets	<u>\$ 11,548,376</u>	<u>\$ 12,206,584</u>

CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT
Statements of Activities
Years Ended June 30, 2013 and 2012

	2013		
	Unrestricted	Temporarily Restricted	Total
Support and Revenue:			
Revenue, Contributions	\$ 213,927	\$ 4,454	\$ 218,381
Investment Income (Losses):			
Interest and Dividends, Net of Fees	53,188	-	53,188
Net Realized (Losses) Investments	(379)	-	(379)
Net Unrealized Gains Investments	875,362	-	875,362
Net Assets Released from Restrictions,			
Satisfaction of Program Restrictions (Note 5)	54,429	(54,429)	-
Total Support and Revenue	<u>1,196,527</u>	<u>(49,975)</u>	<u>1,146,552</u>
Expenses:			
Program Services:			
Provision for Uncollectible Contributions and Contributions Write-Offs	434,224	4,940	439,164
Contributions to the Diocese of Davenport (Note 7)	177,054	-	177,054
Parish Sharing Contributions (Note 7)	661,917	-	661,917
Contributions to Schools	33,224	-	33,224
Contribution for Cathedral Renovation	400,000	-	400,000
Other	3,905	-	3,905
Total Program Services Expenses	<u>1,710,324</u>	<u>4,940</u>	<u>1,715,264</u>
Support Services, Management and General, Primarily Professional Fees	<u>10,275</u>	<u>-</u>	<u>10,275</u>
Fundraising:			
Contracted Services (Note 7)	65,700	-	65,700
Printing and Publications	14,491	-	14,491
Total Fundraising Expenses	<u>80,191</u>	<u>-</u>	<u>80,191</u>
Total Expenses	<u>1,800,790</u>	<u>4,940</u>	<u>1,805,730</u>
Change in Net Assets	(604,263)	(54,915)	(659,178)
Net Assets at Beginning of Year	11,659,516	73,742	11,733,258
Net Assets at End of Year	<u>\$ 11,055,253</u>	<u>\$ 18,827</u>	<u>\$ 11,074,080</u>

2012		
Unrestricted	Temporarily Restricted	Total
\$ 114,126	\$ 3,704	\$ 117,830
51,486	-	51,486
(1,742)	-	(1,742)
141,190	-	141,190
<u>60,233</u>	<u>(60,233)</u>	<u>-</u>
<u>365,293</u>	<u>(56,529)</u>	<u>308,764</u>
112,276	2,292	114,568
84,634	-	84,634
769,962	-	769,962
19,028	-	19,028
-	-	-
4,659	-	4,659
<u>990,559</u>	<u>2,292</u>	<u>992,851</u>
<u>10,619</u>	<u>-</u>	<u>10,619</u>
62,000	-	62,000
14,215	-	14,215
<u>76,215</u>	<u>-</u>	<u>76,215</u>
<u>1,077,393</u>	<u>2,292</u>	<u>1,079,685</u>
(712,100)	(58,821)	(770,921)
12,371,616	132,563	12,504,179
<u>\$ 11,659,516</u>	<u>\$ 73,742</u>	<u>\$ 11,733,258</u>

CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT
Statements of Cash Flows
Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (659,178)	\$ (770,921)
Adjustments to Reconcile Change in Net Assets to Cash Provided By Operating Activities:		
Write-Off Contributions	614,225	596,070
Net Realized Losses Investments	379	1,742
Net Unrealized (Gains) Investments	(875,362)	(141,190)
Changes in Assets and Liabilities:		
Decrease in Contributions Receivable	2,587,116	3,076,225
Increase in Due to Diocese of Davenport	92,420	25,938
(Decrease) in Accounts Payable and Payable to Parishes	(91,450)	(104,682)
Net Cash Provided By Operating Activities	<u>1,668,150</u>	<u>2,683,182</u>
Cash Flows (Used In) Investing Activities:		
Purchase of Investments	<u>(1,916,437)</u>	<u>(3,369,779)</u>
Net (Decrease) in Cash and Cash Equivalents	(248,287)	(686,597)
Cash and Cash Equivalents, Beginning	<u>981,499</u>	<u>1,668,096</u>
Cash and Cash Equivalents, Ending	\$ <u><u>733,212</u></u>	\$ <u><u>981,499</u></u>
Supplemental Disclosure of Non-Cash Operating and Investing Activities:		
Investments Received in Payment of Contributions Receivable	\$ <u><u>115,771</u></u>	\$ <u><u>118,805</u></u>

CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT
Notes to Financial Statements

Note 1. Nature of the Organization and Summary of Significant Accounting Policies

Nature of the Organization – Catholic Foundation for the Diocese of Davenport (Foundation) was incorporated on February 10, 2009, and is a not-for-profit foundation established to promote the strength and growth of the Diocese of Davenport and its affiliated entities. This financial report includes all known funds and all known major assets and liabilities of the Catholic Foundation for the Diocese of Davenport.

A summary of the Organization’s significant accounting policies follows:

The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America.

Accounting 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 revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the provision for uncollectible contributions and the discount on the contributions.

Subsequent Events – In accordance with the Subsequent Events Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, in preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through October 9, 2013, the date the financial statements were available to be issued.

Net Assets – The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes are based on the presence or absence of donor-imposed restrictions. Temporarily restricted net assets include net assets restricted by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. The Foundation had no permanently restricted net assets as of June 30, 2013 and 2012.

Cash and Cash Equivalents – The Foundation considers highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Investments – For alternative investments where the quoted market value of investments may not be available, fair values are based on information provided by the fund manager, which includes quoted fair values when available and estimates of fair value of investments that are not readily ascertainable.

Gains and losses on sale of investments are determined by the specific-identification method.

Investment income is reported on the Statement of Activities net of fees. The Foundation estimated that fees on all investments were approximately \$62,000 for the year ended June 30, 2013. Fees charged on alternative investments were not disclosed by the fund managers and were therefore estimated by management.

Contributions Receivable and Revenue – The Foundation records contributions (including promises to give) when the contributions are deemed unconditional. Unconditional promises related to the Foundation’s capital campaign are included in the financial statements as contributions receivable and contributions revenue by the appropriate net asset category. Contributions are reflected in the financial statements at the earlier of the transfer of assets or at the time the unconditional promises to give are made. Pledges, bequests, and other promises to give that are to be received within a one-year period have not been discounted to reflect the present value of the future cash flows. Contributions which are material and are to be received in excess of one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on contributions.

CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT
Notes to Financial Statements

Note 1. Nature of the Organization and Summary of Significant Accounting Policies (Continued)

An allowance for uncollectible contributions receivable is provided based on management's judgment including such factors as collection history of the Foundation and industry, type of contribution, and nature of fund raising activity. Management periodically evaluates individual contributions receivable for collectability. Contributions written off as uncollectible totaled \$614,225 and \$596,070 for the years ended June 30, 2013 and 2012, respectively.

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

The Foundation reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Conditional promises to give, where the donor has placed a condition on the gift that the ultimate transfer of assets or promises to give is contingent on a future and uncertain event, are not recorded as contributions until the condition is met. There are approximately \$88,700 and \$136,000 of conditional promises to give as of June 30, 2013 and 2012.

Contributions Payable – Contributions payable, including payable to parishes, are charged to operations and recognized as liabilities when authorized by the Board of Directors, regardless of the year in which they are paid.

Functional Expenses – The costs of providing contributions and other activities have been summarized on a functional basis in the statements of activities. Directly identifiable expenses are charged to programs and supporting services. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide overall support and direction of the Foundation. Fundraising expenses include those expenses that are directly identifiable to the solicitation of contributions.

Income Tax – The Internal Revenue Service has recognized the Foundation as exempt from income taxes under Internal Revenue Code Section 501(c)(3). With few exceptions, the Foundation is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2010.

In accordance with the Income Taxes Topic of the FASB Accounting Standards Codification, management evaluated the Foundation's tax positions and concluded that the Foundation had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

Note 2. Investments and Fair Value Measurements

Alternative investments are investments not listed on national exchanges or over-the-counter markets, or for which quoted market prices are not available from sources such as financial publications. Alternative investments may be structured as limited partnerships, limited liability corporations, trusts or corporations.

The investments of the Foundation are exposed to various risks such as interest rate, market, and credit due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments. It is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT
Notes to Financial Statements

Note 2. Investments and Fair Value Measurements (Continued)

The Fair Value Measurements and Disclosure Topic of the FASB Accounting Standards Codification defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. The fair value hierarchy set forth in the topic is as follows:

- Level 1 - Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Foundation has the ability to access as of the measurement date.
- Level 2 - Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data. Investments measured using the practical expedient that do not have significant redemption restrictions, lock-up periods, gates or other characteristics that would cause report and liquidation date net asset value (NAV) to be significantly different, if redemption were requested at the report date.
- Level 3 - Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

A description of the valuation methodologies used for assets measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

If quoted market prices are not available, then fair values are estimated by the Foundation's investment manager using pricing models, quoted prices of securities with similar characteristics, audited financial statements of the funds, or discounted cash flow. The Foundation's level 2 securities are funds where the value is based on net asset value provided by the investment manager.

Investments at Fair Value as of June 30, 2013						
	Level 1		Level 2		Level 3	Total
Assets:						
Alternative Investments:						
CUIT Intermediate Diversified Bond Fund	\$ -		\$ 1,673,089		\$ -	\$ 1,673,089
CUIT Opportunistic Bond Fund	-		566,843		-	566,843
CUIT Growth Equity Fund	-		1,219,710		-	1,219,710
CUIT Value Equity Fund	-		2,055,161		-	2,055,161
CUIT International Equity Fund	-		1,325,446		-	1,325,446
CUIT Small Capitalization Equity Index Fund	-		1,241,598		-	1,241,598
	\$ -		\$ 8,081,847		\$ -	\$ 8,081,847

Investments at Fair Value as of June 30, 2012						
	Level 1		Level 2		Level 3	Total
Assets:						
Alternative Investments:						
CUIT Intermediate Diversified Bond Fund	\$ -		\$ 1,596,989		\$ -	\$ 1,596,989
CUIT Growth Equity Fund	-		802,317		-	802,317
CUIT Value Equity Fund	-		1,366,927		-	1,366,927
CUIT International Equity Fund	-		821,835		-	821,835
CUIT Small Capitalization Equity Index Fund	-		818,130		-	818,130
	\$ -		\$ 5,406,198		\$ -	\$ 5,406,198

CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT
Notes to Financial Statements

Note 2. Investments and Fair Value Measurements (Continued)

The following table sets forth additional disclosure of the Diocese's investments whose fair value is estimated using net asset value (NAV) per share (or its equivalent) as of June 30, 2013 and 2012:

June 30, 2013				
Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Investments:				
CUIT Intermediate Diversified Bond Fund (1)	\$ 1,673,089	\$ -	Daily	Trade Date Minus 1 Day
CUIT Opportunistic Bond Fund (1)	566,843	-	Daily	Trade Date Minus 1 Day
CUIT Growth Equity Fund (2)	1,219,710	-	Daily	Trade Date Minus 1 Day
CUIT Value Equity Fund (2)	2,055,161	-	Daily	Trade Date Minus 1 Day
CUIT International Equity Fund (3)	1,325,446	-	Daily	Trade Date Minus 1 Day
CUIT Small Capitalization Equity Index Fund (2)	1,241,598	-	Daily	Trade Date Minus 1 Day
	<u>\$ 8,081,847</u>	<u>\$ -</u>		

June 30, 2012				
Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Investments:				
CUIT Intermediate Diversified Bond Fund (1)	\$ 1,596,989	\$ -	Daily	Trade Date Minus 1 Day
CUIT Growth Equity Fund (2)	802,317	-	Daily	Trade Date Minus 1 Day
CUIT Value Equity Fund (2)	1,366,927	-	Daily	Trade Date Minus 1 Day
CUIT International Equity Fund (3)	821,835	-	Daily	Trade Date Minus 1 Day
CUIT Small Capitalization Equity Index Fund (2)	818,130	-	Daily	Trade Date Minus 1 Day
	<u>\$ 5,406,198</u>	<u>\$ -</u>		

- (1) This fund invests primarily in U.S. Government securities, securities issued by U.S. Government agencies, fixed income obligations of corporations, asset-backed, mortgage-backed, and municipal securities. This fund can be redeemed at net asset value per share based on the fair value of the fund's securities and other assets, less liabilities at the close of business on any day the NYSE is open. The fair value of this investment has been estimated using the net asset value per share of the investments provided by the fund manager.
- (2) These funds invest in marketable equity securities that are all exchange traded in the USA and that are categorized as the title of each respective fund suggests (growth, value, small cap). These funds can be redeemed at net asset value per share based on the fair value of the fund's securities and other assets, less liabilities at the close of business on any day the NYSE is open. The fair value of this investment has been estimated using the net asset value per share of the investments provided by the fund manager.
- (3) This fund invests primarily in international equity securities that are all exchange traded in the USA primarily in countries in the Morgan Stanley Capital International Europe, Australia, the Far East Index (EAFE) and Canada. This fund can be redeemed at net asset value per share based on the fair value of the Fund's securities and other assets, less liabilities at the close of business any day the NYSE is open. The fair value of this investment has been estimated using the net asset value per share of the investments provided by the fund manager.

CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT
Notes to Financial Statements

Note 3. Contributions Receivable

Contributions receivable as of June 30, 2013 and 2012 consist of the following:

	<u>2013</u>	<u>2012</u>
Amounts Due in:		
Less Than One Year	\$ 1,955,332	\$ 3,252,876
One to Two Years	972,602	1,922,851
Two to Three Years	113,814	1,079,430
Three to Four Years	37,196	121,258
Four to Five Years	19,970	42,329
After Five Years	16,717	53,500
	<u>3,115,631</u>	<u>6,472,244</u>
Less:		
Unamortized Discount	39,595	135,577
Provision for Uncollectible Contributions	342,719	517,780
	<u>\$ 2,733,317</u>	<u>\$ 5,818,887</u>

Note 4. Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2013 and 2012 can be used for the following:

	<u>2013</u>	<u>2012</u>
Vocations	\$ 17,827	\$ 51,328
Schools	-	3,470
Priest Health Care	-	9,778
Cathedral Renovation	-	8,166
Youth Philanthropy	1,000	1,000
	<u>\$ 18,827</u>	<u>\$ 73,742</u>

Note 5. Net Assets Released from Restrictions

Net assets were released from donor restrictions during the years ended June 30, 2013 and 2012 by incurring expenses satisfying the restricted purposes.

	<u>2013</u>	<u>2012</u>
Purpose Restrictions Accomplished:		
Vocations	\$ 28,639	\$ 16,138
Faith Formation	2,445	4,788
Social Action	37	14,220
Schools	4,492	19,074
Deacon Formation	74	3,565
Priest Health Care	9,975	2,137
Cathedral Renovation	8,352	-
Chancery Building	349	249
Parish Sharing	66	62
Total Assets Released from Restrictions	<u>\$ 54,429</u>	<u>\$ 60,233</u>

CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT
Notes to Financial Statements

Note 6. Capital Campaign

The Foundation conducted the *Moving Forward in Faith and Hope* capital campaign primarily during the year ended June 30, 2010 to provide resources primarily for four essential needs: strengthening the Church of the Davenport Diocese, supporting our clergy and seminarians, reaching out to our people and assisting our parishes, plus other needs as allowed by the Foundation's mission statement. The Foundation hoped to raise approximately \$22,000,000 as part of the campaign.

The following reconciles the total contributions for the capital campaign as of June 30, 2013 to the amounts recorded in the statements of activities for the years ended June 30, 2013 and 2012 and the periods ended June 30, 2011, 2010 and 2009:

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>Total</u>
Total Contributions for the Capital Campaign	\$ 15,403	\$ 34,202	\$ 2,222,651	\$ 17,689,854	\$ 1,749,748	\$ 21,711,858
Less Pledges Received Directly by the Diocese of Davenport (1)	-	-	(500)	(45,695)	(194,038)	(240,233)
Less Gifts to Community Foundation of the Great River Bend for the Catholic Foundation, Endowment Funds	-	(3,700)	(13,576)	(46,995)	(53,000)	(117,271)
Conditional Pledges Recognized or Written Off	38,580	50,912	73,800	21,315	-	184,607
Less Conditional Pledges Not Yet Recognized	-	-	-	(274,715)	(7,500)	(282,215)
Less Other Adjustments	-	(14,000)	(40,344)	(32,064)	-	(86,408)
	<u>53,983</u>	<u>67,414</u>	<u>2,242,031</u>	<u>17,311,700</u>	<u>1,495,210</u>	<u>21,170,338</u>
Plus (Less) Unamortized Discount	<u>95,982</u>	<u>48,335</u>	<u>94,946</u>	<u>(248,654)</u>	<u>(30,204)</u>	<u>(39,595)</u>
	149,965	115,749	2,336,977	17,063,046	1,465,006	21,130,743
Other Contributions	<u>68,416</u>	<u>2,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,497</u>
Contributions Revenue on the Statement of Activities	<u>\$ 218,381</u>	<u>\$ 117,830</u>	<u>\$ 2,336,977</u>	<u>\$ 17,063,046</u>	<u>\$ 1,465,006</u>	<u>\$ 21,201,240</u>

(1) These contributions were received by the Diocese of Davenport for the capital campaign. Donors have requested these contributions count toward the capital campaign goal.

Note 7. Related Party Transactions

The Diocese of Davenport has an agreement with the Foundation to provide the services of the Finance Department including the processing of pledges, pledge payments, pledge reminders, preparing financial reports for board meetings and assistance with the financial audit. The Foundation pays the Diocese once a year for the percentage of the time the Finance employees spend on the Foundation work valued at salary plus estimated benefits. The costs incurred with the Diocese for the years ended June 30, 2013 and 2012 were \$65,700 and \$62,000, respectively.

The Foundation made contributions in accordance with the campaign case statement based on their investment and spending policies. Contributions to the Diocese of Davenport totaled \$177,054 and \$84,634 for the years ended June 30, 2013 and 2012, respectively. Contributions due to the Diocese of Davenport were \$177,054 and \$84,634 as of June 30, 2013 and 2012, respectively. Contributions to the Catholic Schools of the Diocese of Davenport totaled \$33,224 and \$19,028 for the years ended June 30, 2013 and 2012, respectively. Contributions due to the Catholic Schools of the Diocese of Davenport were \$33,224 and \$19,028 as of June 30, 2013 and 2012, respectively. Contributions to Sacred Heart Cathedral total \$400,000 and none for the years ended June 30, 2013 and 2012, respectively.

Under the campaign policies, a parish is entitled to receive 20% of the cash received from its parishioners as part of the capital campaign. If the cash received exceeds the parish's goal under the capital campaign, the parish is entitled to receive 50% of the cash received from its parishioners in excess of the parish's goal. Payments will be made to the parishes on a semiannual basis. As of June 30, 2013 and 2012, the Foundation has a payable to parishes of \$264,018 and \$369,664, respectively. Parish sharing under the campaign policies were \$661,917 and \$769,962 for the years ended June 30, 2013 and 2012, respectively.

The contributions receivable from members of the Foundation board and Foundation management as of June 30, 2013 and 2012 are approximately \$15,800 and \$56,000, respectively.

CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT
Notes to Financial Statements

Note 8. Concentration of Credit Risk

The Foundation routinely invests its stock gifts in money market funds with Edward Jones. Money market funds are not insured or guaranteed by the U.S. government; however, management believes that credit risk related to these funds is minimal. The balance in the money market fund was approximately \$62,900 as of June 30, 2013 and was included in cash and cash equivalents.