

***CATHOLIC FOUNDATION FOR THE  
DIOCESE OF DAVENPORT  
FINANCIAL STATEMENTS  
JUNE 30, 2016***

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## Independent Auditors' 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 Catholic Foundation for the Diocese of Davenport (the "Foundation"), which comprise the balance sheets as of June 30, 2016 and 2015, 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 Foundation'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 Foundation'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 Catholic Foundation for the Diocese of Davenport as of June 30, 2016 and 2015 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.

**HONKAMP KRUEGER & CO., P.C.**

*Honkamp Krueger & Co.*

Davenport, Iowa  
October 31, 2016

# CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT

## BALANCE SHEETS

	June 30,	
	2016	2015
<b>Assets</b>		
<b>Cash and cash equivalents</b>	<b>\$ 917,386</b>	\$ 690,915
<b>Investments</b>	<b>10,503,067</b>	11,104,893
<b>Contributions receivable</b>	<b>33,828</b>	134,487
<b>Other receivable</b>	<b>—</b>	2,267
	<b>\$11,454,281</b>	\$11,932,562
<b>Liabilities And Net Assets</b>		
<b>Liabilities</b>		
Due to the Diocese of Davenport	<b>\$ 296,529</b>	\$ 268,871
Payable to schools	<b>68,747</b>	62,203
Payable to parishes	<b>359,177</b>	76,604
<b>Total Liabilities</b>	<b>724,453</b>	407,678
<b>Net Assets</b>		
Unrestricted		
Undesignated	<b>10,176,474</b>	11,503,884
Board designated	<b>123,456</b>	—
Total unrestricted	<b>10,299,930</b>	11,503,884
Temporarily restricted	<b>429,898</b>	21,000
<b>Total Net Assets</b>	<b>10,729,828</b>	11,524,884
	<b>\$11,454,281</b>	\$11,932,562

# CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT

## STATEMENTS OF ACTIVITIES

	For The Year Ended June 30, 2016		
	Unrestricted	Temporarily Restricted	Total
<b>Support And Revenue</b>			
Contributions	\$ 42,158	\$ 408,898	\$ 451,056
Investment (loss) income	(398,469)	—	(398,469)
Other income	—	—	—
Net assets released from restrictions - satisfaction of program restrictions	—	—	—
<b>Total Support And Revenue</b>	<b>(356,311)</b>	<b>408,898</b>	<b>52,587</b>
<b>Expenses</b>			
<b>Program Services</b>			
Provision for uncollectible contributions and contributions write-offs	2,071	—	2,071
Contributions to the Diocese of Davenport	296,529	—	296,529
Parish sharing contributions	31,781	—	31,781
Contributions to schools	68,747	—	68,747
Contribution for cathedral renovation	350,770	—	350,770
Other	6,344	—	6,344
<b>Total Program Services</b>	<b>756,242</b>	<b>—</b>	<b>756,242</b>
<b>Support Services - Management And General - Primarily Professional Fees</b>	<b>11,509</b>	<b>—</b>	<b>11,509</b>
<b>Fundraising</b>			
Contracted services	54,475	—	54,475
Printing and publications	25,411	—	25,411
Meetings and travel	6	—	6
<b>Total Fundraising</b>	<b>79,892</b>	<b>—</b>	<b>79,892</b>
<b>Total Expenses</b>	<b>847,643</b>	<b>—</b>	<b>847,643</b>
<b>Change In Net Assets</b>	<b>(1,203,954)</b>	<b>408,898</b>	<b>(795,056)</b>
<b>Net Assets - Beginning Of Year</b>	<b>11,503,884</b>	<b>21,000</b>	<b>11,524,884</b>
<b>Net Assets - End Of Year</b>	<b>\$10,299,930</b>	<b>\$ 429,898</b>	<b>\$10,729,828</b>

For The Year Ended June 30, 2015

Unrestricted	Temporarily Restricted	Total
\$ 70,201	\$ 6,687	\$ 76,888
356,571	—	356,571
2,267	—	2,267
736	(736)	—
429,775	5,951	435,726
107,873	813	108,686
268,871	—	268,871
257,948	—	257,948
62,203	—	62,203
—	—	—
1,721	—	1,721
698,616	813	699,429
12,284	—	12,284
63,833	—	63,833
9,440	—	9,440
23	—	23
73,296	—	73,296
784,196	813	785,009
(354,421)	5,138	(349,283)
11,858,305	15,862	11,874,167
\$11,503,884	\$ 21,000	\$11,524,884

**CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT**  
**STATEMENTS OF CASH FLOWS**

	For The Years Ended June 30,	
	2016	2015
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (795,056)	\$ (349,283)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Write-off of contributions receivable	104,300	110,464
Change in provision for uncollectible contributions	(102,229)	(1,777)
Net realized (gains) losses on sale of investments	(8,079)	145
Net unrealized (gains) losses on investments	483,358	(294,074)
Changes in assets and liabilities:		
Decrease in contributions receivable	98,588	899,078
(Increase) decrease in other receivable	2,267	(2,267)
Increase in due to the Diocese of Davenport	27,658	51,270
Increase (decrease) in payables to schools and parishes	289,117	(109,168)
<b>Net Cash Provided By Operating Activities</b>	<b>99,924</b>	<b>304,388</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale of investments	200,000	—
Purchase of investments	(73,453)	(391,472)
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>126,547</b>	<b>(391,472)</b>
<b>Net Change In Cash And Cash Equivalents</b>	<b>226,471</b>	<b>(87,084)</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>690,915</b>	<b>777,999</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 917,386</b>	<b>\$ 690,915</b>

**Supplemental Disclosure Of Non-Cash Operating And Investing Activities:**

Investments received in payment of contributions receivable	\$ —	\$ 32,785
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# CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT

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## NOTES TO FINANCIAL STATEMENTS

### 1. Nature Of Business And Significant Accounting Policies

Catholic Foundation for the Diocese of Davenport (the "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:

#### **Basis Of Presentation**

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

#### **The Use Of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

#### **Cash And Cash Equivalents**

The Foundation considers highly liquid investments purchased with a maturity of three months or less to be cash equivalents. The Foundation places its cash with high credit quality financial institutions. At times, such amounts may be in excess of the Federal Deposit Insurance Corporation insurance limits.

#### **Investments**

For 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 \$97,000 and \$104,000 for the years ended June 30, 2016 and 2015, respectively. Total fees charged on investments were not disclosed by the fund managers and were estimated by management. Fund managers only disclose the average expense ratio by fund for the period.

# CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT

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## Notes To Financial Statements *(Continued)*

### **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.

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 fundraising activity. Management periodically evaluates individual contributions receivable for collectability. Contributions written off as uncollectible totaled \$104,300 and \$110,464 for the years ended June 30, 2016 and 2015, 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 \$6,000 and \$26,350 of conditional promises to give as of June 30, 2016 and 2015.

# CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT

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## Notes To Financial Statements *(Continued)*

### **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.

### **Net Assets**

The Foundation's resources are classified into three separate classes of net assets as follows:

*Unrestricted Net Assets:* Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains and losses that are not changes in permanently or temporarily restricted net assets.

*Temporarily Restricted Net Assets:* Net assets whose use by the Foundation are limited by donor-imposed restrictions that either expire by the passage of time or can be removed by fulfillment of the stipulated purpose for which the donation was restricted.

*Permanently Restricted Net Assets:* Net assets donated with stipulations that they be invested to provide a permanent source of income (e.g., endowment funds); such restrictions can neither expire with the passage of time nor be removed by fulfillment of a stipulated purpose.

The Foundation had no permanently restricted net assets as of June 30, 2016 and 2015.

### **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 Foundation is exempt from paying income tax on all income other than unrelated business income under Section 501(c)(3) of the internal revenue code and a similar section of the state code.

Management has determined that the Foundation does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Foundation's tax returns will not be challenged by the taxing authorities and that the Foundation will not be subject to additional tax, penalties and interest as a result of such challenge.

# CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT

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## Notes To Financial Statements *(Continued)*

### **Recently Adopted Accounting Pronouncements**

In May 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, which exempts investments measured using the net asset value (“NAV”) practical expedient in Accounting Standards Codification (“ASC”) 820, Fair Value Measurement, from categorization within the fair value hierarchy. The guidance requires retrospective application and is effective for nonpublic business entities for fiscal years and interim periods within those years, beginning after December 15, 2016. Early adoption is permitted. Management elected to early adopt the provisions of this new standard.

### **Recent Accounting Pronouncement**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. The updated standard will be effective for annual reporting periods beginning after December 15, 2018. The Organization has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. While the guidance is effective for fiscal years beginning after December 15, 2017, early adoption is allowed. Some of the key elements of the ASU are as follows. Under the new guidance the Organization would present net assets under two classifications, net assets with donor restrictions and net assets without donor restrictions. Expanded disclosures on any board designation of net assets without donor restrictions will also be required. The placed-in-service approach will be required for determining when restrictions are met for all capital gifts, eliminating the over-time option for expiration of capital restrictions. Additional disclosures, both qualitative and quantitative, will be required to communicate information useful in assessing liquidity within one year of the balance sheet date. The components of net investment expense no longer will be required to be disclosed; however, organizations may continue to include this information when their financial statement users have an interest in that information. In addition, some of the new reporting requirements related to expenses are included as follows: disclosure of expenses by both nature and function (excluding investment expenses that have been netted with investment return), disclosure of expense netted with investment return and enhanced disclosures regarding cost allocations. The Organization is currently evaluating the effect this updated standard will have on the financial statements.

### **Subsequent Events**

Management has evaluated subsequent events through October 31, 2016, the date which the financial statements were available to be issued.

# CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT

## Notes To Financial Statements (Continued)

### 2. Fair Value Measurements

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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016.

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 securities are funds where the value is based on net asset value provided by the investment manager.

The following table sets forth additional disclosure of the Foundation's investments whose fair value is estimated using net asset value (NAV) per share (or its equivalent):

June 30, 2016				
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
CUIT Intermediate Diversified Bond Fund (1)	\$ 1,265,911	\$ —	Daily	Trade date minus 1 day
CUIT Opportunistic Bond Fund (1)	1,241,049	—	Daily	Trade date minus 1 day
CUIT Growth Equity Fund (2)	1,833,492	—	Daily	Trade date minus 1 day
CUIT Value Equity Fund (2)	2,232,354	—	Daily	Trade date minus 1 day
CUIT International Equity Fund (3)	2,336,181	—	Daily	Trade date minus 1 day
CUIT Small Capitalization Equity Index Fund (2)	1,594,080	—	Daily	Trade date minus 1 day
	<b>\$10,503,067</b>	<b>\$ —</b>		

June 30, 2015				
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
CUIT Intermediate Diversified Bond Fund (1)	\$ 1,340,904	\$ —	Daily	Trade date minus 1 day
CUIT Opportunistic Bond Fund (1)	1,346,663	—	Daily	Trade date minus 1 day
CUIT Growth Equity Fund (2)	1,785,109	—	Daily	Trade date minus 1 day
CUIT Value Equity Fund (2)	2,331,311	—	Daily	Trade date minus 1 day
CUIT International Equity Fund (3)	2,589,830	—	Daily	Trade date minus 1 day
CUIT Small Capitalization Equity Index Fund (2)	1,711,076	—	Daily	Trade date minus 1 day
	<b>\$11,104,893</b>	<b>\$ —</b>		

- (1) These funds invest 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. 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 these investments 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 (Continued)

- (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 these investments 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.

The following summarizes investment income:

	For the Years Ended	
	June 30,	
	2016	2015
Interest and dividends, net of fees	\$ 76,810	\$ 62,642
Realized gains	8,079	(145)
Unrealized losses	(483,358)	294,074
	<u>\$ (398,469)</u>	<u>\$ 356,571</u>

### 3. Contributions Receivable

Contributions receivable consists of:

	June 30,	
	2016	2015
Amounts due in		
Less than one year	\$ 45,165	\$ 204,755
One to two years	14,967	33,442
Two to three years	5,020	20,647
Three to four years	2,600	7,356
Four to five years	600	3,790
After five years	—	2,820
	<u>68,352</u>	<u>272,810</u>
Less: Unamortized discount	348	1,918
Less: Provision for uncollectible contributions	34,176	136,405
	<u>\$ 33,828</u>	<u>\$ 134,487</u>

# CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT

Notes To Financial Statements (Continued)

## 4. Board Designated Net Assets

The board of directors of the Foundation has designated \$123,456 and none as of June 30, 2016 and 2015 to be used to assist the Diocese of Davenport with healthcare costs incurred for priests.

## 5. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of:

	June 30,	
	2016	2015
Vocations	\$ 412,248	\$ 10,000
Schools	16,650	10,000
Youth philanthropy	1,000	1,000
	<u>\$ 429,898</u>	<u>\$ 21,000</u>

## 6. Net Assets Released From Restrictions

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes consists of:

	For the Years Ended June 30,	
	2016	2015
Purpose restrictions accomplished		
Vocations	\$ —	\$ 239
Schools	—	875
Priest health care	—	133
Faith formation	—	(572)
Social action	—	45
Parish sharing	—	69
Deacon formation	—	41
Cathedral renovation	—	8
Chancery building	—	(102)
	<u>\$ —</u>	<u>\$ 736</u>

# CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT

## Notes To Financial Statements (Continued)

### 7. 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, 2016 to the amounts recorded in the statements of activities for the years ended June 30, 2016 and 2015 and the periods ended June 30, 2014, 2013, 2012, 2011, 2010 and 2009:

	2016	2015	2014	2013	2012	2011	2010	2009	Total
Total contributions for the capital campaign	\$ 3,700	\$ 7,750	\$ 9,764	\$ 15,403	\$ 34,202	\$ 2,222,651	\$ 17,689,854	\$ 1,749,748	\$ 21,733,072
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	8,350	16,000	26,788	38,580	50,912	73,800	21,315	—	235,745
Less conditional pledges not yet recognized	—	—	—	—	—	—	(274,715)	(7,500)	(282,215)
Less other adjustments	—	—	—	—	(14,000)	(40,344)	(32,064)	—	(86,408)
	12,050	23,750	36,552	53,983	67,414	2,242,031	17,311,700	1,495,210	21,242,690
Plus (less) unamortized discount	1,570	6,641	31,036	95,982	48,335	94,946	(248,654)	(30,204)	(348)
	13,620	30,391	67,588	149,965	115,749	2,336,977	17,063,046	1,465,006	21,242,342
Other contributions	437,436	46,497	22,657	68,416	2,081	—	—	—	577,087
<b>Contributions Revenue On The Statement Of Activities</b>	<b>\$ 451,056</b>	<b>\$ 76,888</b>	<b>\$ 90,245</b>	<b>\$ 218,381</b>	<b>\$ 117,830</b>	<b>\$ 2,336,977</b>	<b>\$ 17,063,046</b>	<b>\$ 1,465,006</b>	<b>\$ 21,819,429</b>

(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.

# CATHOLIC FOUNDATION FOR THE DIOCESE OF DAVENPORT

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## Notes To Financial Statements *(Continued)*

### **8. 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, 2016 and 2015 were \$54,475 and \$63,833, 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 \$296,529 and \$268,871 for the years ended June 30, 2016 and 2015, respectively. Amounts due to the Diocese of Davenport were \$296,529 and \$268,871 as of June 30, 2016 and 2015, respectively. Contributions to the Catholic Schools of the Diocese of Davenport totaled \$68,747 and \$62,203 for the years ended June 30, 2016 and 2015, respectively. Contributions due to the Catholic Schools of the Diocese of Davenport were \$68,747 and \$62,203 as of June 30, 2016 and 2015, 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, 2016 and 2015, the Foundation has a payable to parishes of \$8,407 and \$76,604, respectively. Parish sharing under the campaign policies were \$31,781 and \$257,948 for the years ended June 30, 2016 and 2015, respectively.

During the year ended June 30, 2016, the board of directors of the Foundation approved a contribution of \$350,770 for renovations of the Sacred Heart Cathedral in Davenport, Iowa. Contributions to Sacred Heart Cathedral totaled \$350,770 and none for the years ended June 30, 2016 and 2015, respectively. Contributions due to the Sacred Heart Cathedral were \$350,770 and none as of June 30, 2016 and 2015, respectively.

The contributions receivable from members of the Foundation board and Foundation management as of June 30, 2016 and 2015 are none and \$1,000, respectively.