



# The Catholic Foundation of Alaska

## Financial Statements

Year Ended June 30, 2018

(With Comparative Totals for June 30, 2018)

# The Catholic Foundation of Alaska

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## Financial Statements

Year Ended June 30, 2018

(With Comparative Totals for June 30, 2018)

# The Catholic Foundation of Alaska

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## Independent Auditor's Report

Board of Directors  
The Catholic Foundation of Alaska  
Anchorage, Alaska

### Report on Financial Statements

We have audited the accompanying financial statements of The Catholic Foundation of Alaska (Foundation), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, and cash flows for the year 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 audit. We conducted our audit 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.

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*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Catholic Foundation of Alaska as of June 30, 2018, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Other Matters*

*Report on Summarized Comparative Information*

We have previously audited the Foundation's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 29, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*BDO USA, LLP*

Anchorage, Alaska  
March 28, 2019

## Financial Statements

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# The Catholic Foundation of Alaska

## Statements of Financial Position

June 30, 2018

*(With Comparative Totals for 2017)*

<i>June 30,</i>	2018	2017
<b>Assets</b>		
Investments	\$ 6,565,441	\$ 5,930,289
Investment income receivable	20,149	17,608
Other receivables	-	3,631
Land and building:		
Land	59,476	59,476
Building	167,513	167,513
Less accumulated depreciation	(54,442)	(46,066)
Net land and building	172,547	180,923
<b>Total Assets</b>	<b>\$ 6,758,137</b>	<b>\$ 6,132,451</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 2,324	\$ 16,039
Custodial liabilities	5,248,053	4,630,003
Annuity obligation	215,572	237,232
<b>Total Liabilities</b>	<b>5,465,949</b>	<b>4,883,274</b>
<b>Net Assets</b>		
Unrestricted	554,703	528,412
Temporary restricted	390,110	373,390
Permanently restricted	347,375	347,375
<b>Total Net Assets</b>	<b>1,292,188</b>	<b>1,249,177</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,758,137</b>	<b>\$ 6,132,451</b>

*See accompanying notes to financial statements.*

# The Catholic Foundation of Alaska

## Statements of Activities Year Ended June 30, 2018

*(With Comparative Totals for 2017)*

Years Ended June 30,	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
				2018	2017
<b>Revenue and Gains</b>					
Contributions, in-kind included	\$ 26,164	\$ 9,814	\$ -	\$ 35,978	\$ 42,604
Investment return, net of investment fees	56,285	40,420	-	96,705	95,028
Less cost of interest annuity obligation	(11,370)	-	-	(11,370)	(12,424)
Other income	1,730	-	-	1,730	-
Net assets released from restrictions, net	33,514	(33,514)	-	-	-
<b>Total Revenue and Gains</b>	<b>106,323</b>	<b>16,720</b>	<b>-</b>	<b>123,043</b>	<b>125,208</b>
<b>Expenses</b>					
Program expenses	25,138	-	-	25,138	41,335
General and administrative	54,894	-	-	54,894	51,861
<b>Total Expenses</b>	<b>80,032</b>	<b>-</b>	<b>-</b>	<b>80,032</b>	<b>93,196</b>
Change in net assets	26,291	16,720	-	43,011	32,012
Net Assets, beginning of year	528,412	373,390	347,375	1,249,177	1,217,165
Net Assets, end of the year	\$ 554,703	\$ 390,110	\$ 347,375	\$1,292,188	\$1,249,177

*See accompanying notes to financial statements.*

# The Catholic Foundation of Alaska

## Statements of Cash Flows

Year Ended June 30, 2018

*(With Comparative Totals for 2017)*

<i>Years Ended June 30,</i>	2018	2017
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 43,011	\$ 32,012
Adjustments to reconcile change in net assets to net cash for operating activities:		
Depreciation	8,376	8,376
Net realized and unrealized gains on investments	(74,174)	(73,555)
Changes in assets and liabilities that provided (used) cash:		
Investment income receivable	(2,541)	1,580
Other receivables	3,631	(3,631)
Accounts payable	(13,715)	16,032
Annuity obligation	(21,660)	(20,606)
Net cash for operating activities	(57,072)	(39,792)
<b>Cash Flows from Investing Activities</b>		
Net custodial liability funds transferred in less fees for investing purposes	618,050	30,213
Proceeds from sale of investments	2,644,542	2,796,367
Purchase of investments	(3,205,520)	(2,783,188)
Net cash from investing activities	57,072	43,392
Net increase in cash and cash equivalents	-	-
Cash and Cash Equivalents, beginning of year	-	-
Cash and Cash Equivalents, end of year	\$ -	\$ -

*See accompanying notes to financial statements.*

# The Catholic Foundation of Alaska

## Notes to Financial Statements Year Ended June 30, 2018 (With Comparative Totals for 2017)

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### 1. Nature of Activities and Summary of Significant Account Policies

#### *Nature of Activities*

The Catholic Foundation of Alaska (Foundation) was formed for the purpose of supporting benevolent, charitable or educational undertakings to promote the strength, vitality and growth of the Roman Catholic Church within the Archdiocese of Anchorage. The Foundation also acts as a trustee, in a fiduciary capacity, of a pooled investment fund for various foundations, trusts, and other entities. The Foundation was formed in 1997 and began operations in September 1998. Resources for the Foundation's activities are primarily provided by investment income.

#### *Basis of Accounting and Presentation*

The accounts of the Foundation are maintained, and the financial statements are prepared, on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

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.

*Unrestricted* net assets represent that portion of net assets of the Foundation that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

*Temporarily restricted* net assets represent assets of the Foundation whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by actions of The Catholic Foundation of Alaska. When the stipulated time restriction ends or action is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

*Permanently restricted* net assets represent the part of the net assets from contributions whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

#### *Use of Estimates*

The financial statements include estimates and assumptions made by management that affect the carrying amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results may differ from those estimates.

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# The Catholic Foundation of Alaska

## Notes to Financial Statements Year Ended June 30, 2018 (With Comparative Totals for 2017)

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### *Termination Requirements*

Upon the termination, dissolution or winding up of the corporation, the Board of Directors, with the consent of the member, after paying or making provisions for the payment of all liabilities of the foundation, shall distribute all assets of the foundation to such organization or organizations organized and operated exclusively for charitable, educational or scientific purposes as shall at the time qualify as an exempt organization or organizations under Sec. 501(c)(3). Any such assets not so disposed of shall be disposed of by the U.S. District Court, Anchorage, Alaska, exclusively for such purposes or to such organizations or organizations as said Court shall determine which are organized and operated exclusively for such purposes.

### *Cash and Cash Equivalents*

For the purposes of the statement of cash flows, the Foundation considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents, except for certain cash equivalents included in the investment portfolio that are intended to be invested on a long term basis.

### *Investments*

Investments are stated at fair value. All realized and unrealized gains or losses and investment income is unrestricted or temporarily restricted. Income from investments associated with the custodial funds is allocated to custodial assets based on a days held weighted average method.

### *Land and Building*

Land and building acquisitions are capitalized at cost when purchased or at fair value at date of gift when donated. Depreciation on buildings is recorded using the straight-line method over the estimated useful life of 20 years. Land is non-depreciable.

### *Long-Lived Assets*

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount and fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

### *Donated Assets*

Donated assets are recorded at fair value at date of gift. In the case of other noncash assets, fair value is estimated using relevant market data.

### *Contributions*

Contributions are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions.

# The Catholic Foundation of Alaska

## Notes to Financial Statements Year Ended June 30, 2018 (With Comparative Totals for 2017)

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### *Custodial Liabilities*

Assets received from a nonprofit organization that names itself or its affiliate as the beneficiary of the fund created are reported as liabilities rather than as contribution even if variance power is explicitly stated in the gift agreement. Assets received and net investment earnings are recorded as increases to custodial liabilities; fund distributions and fees are recorded as decreases to liabilities.

### *Income Taxes*

The Foundation, as a church affiliated nonprofit organization, is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

### *Total Columns for 2017*

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements as of and for the year ended June 30, 2017, from which the information was derived.

## **2. Fair Value Measurements**

ASC Subtopic 820-10 establishes a framework for measuring fair value, which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Subtopic 820-10 are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Archdiocese has the ability to access.
- Level 2 - Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability; and
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

# The Catholic Foundation of Alaska

## Notes to Financial Statements Year Ended June 30, 2018 (With Comparative Totals for 2017)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at June 30, 2018.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2018 along with comparative totals as of June 30, 2017:

<i>June 30, 2018</i>	Level 1	Level 2	Level 3	Total
Cash and money market	\$ 185,930	\$ -	\$ -	\$ 185,930
Marketable debt securities	2,328,112	-	-	2,328,112
Marketable equity securities	4,051,399	-	-	4,051,399
<b>Total Assets at Fair Value</b>	<b>\$ 6,565,441</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,565,441</b>

  

<i>June 30, 2017</i>	Level 1	Level 2	Level 3	Total
Cash and money market	\$ 270,648	\$ -	\$ -	\$ 270,648
Marketable debt securities	2,058,739	-	-	2,058,739
Marketable equity securities	3,600,902	-	-	3,600,902
<b>Total Assets at Fair Value</b>	<b>\$ 5,930,289</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,930,289</b>

Components of investment income for the year ended June 30, 2018 are as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	2018 Total	2017 Comparative Totals
Interest income	\$ 11,128	\$ 8,056	\$ -	\$ 19,185	\$ 14,638
Dividend income	9,181	6,747	-	15,928	17,965
Realized gains	27,554	20,463	-	48,017	47,909
Change in unrealized holding gains	15,670	10,487	-	26,157	25,646
<b>Total investment gain</b>	<b>63,533</b>	<b>45,753</b>	<b>-</b>	<b>109,287</b>	<b>106,158</b>
Less:					
Investment fees	(7,248)	(5,332)	-	(12,580)	(11,123)
Foreign taxes	-	-	-	-	(7)
<b>Net investment return</b>	<b>\$ 56,285</b>	<b>\$ 40,420</b>	<b>\$ -</b>	<b>\$ 96,705</b>	<b>\$ 95,028</b>

# The Catholic Foundation of Alaska

## Notes to Financial Statements Year Ended June 30, 2018 (With Comparative Totals for 2017)

### 3. Temporary and Permanent Restricted Net Assets

Temporary restricted net assets consisted of the following at June 30, 2018:

	2018	2017 Comparative Totals
Purpose restricted:		
Pichon Living Trust	\$ 113,071	\$ 121,444
Anchorage Catholic Schools Scholarship Fund	195,320	181,594
McGrath Family Charity	8,945	7,978
Virginia Peri Fund	49,848	43,657
Wilma Carr Fund	10,955	9,308
Anderson Fund for Spiritual Direction	11,971	9,409
Total temporary restricted net assets	<u>\$ 390,110</u>	<u>\$ 373,390</u>

Net assets were released from temporary donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors. The Foundation incurred expenses related to the following as required by the donor:

<i>June 30,</i>	2018	2017 Comparative Totals
Pichon Living Trust	\$ 8,376	\$ 8,376
Anchorage Catholic Schools Scholarship Fund	9,075	8,300
McGrath Family Charity (Part A)	-	17,000
Virginia Peri Fund	12,688	12,665
Wilma Carr Fund	3,375	3,370
Total net assets released from restrictions	<u>\$ 33,514</u>	<u>\$ 49,711</u>

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# The Catholic Foundation of Alaska

## Notes to Financial Statements Year Ended June 30, 2018 (With Comparative Totals for 2017)

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Permanently restricted net assets at June 30, 2018, consist of endowments restricted in perpetuity for a particular purpose by donors. The Foundation can spend the earnings of the permanently restricted net assets.

Permanently restricted net assets consisted of the following:

<i>June 30,</i>	2018	2017 Comparative Totals
Purpose restricted:		
Pichon Living Trust	\$ 59,476	\$ 59,476
McGrath Family Charity (Part B)	5,000	5,000
Virginia Peri Fund	201,899	201,899
Wilma Carr Fund	56,000	56,000
Anderson Fund for Spiritual Direction	25,000	25,000
Total permanently restricted net assets	<u>\$ 347,375</u>	<u>\$ 347,375</u>

The Pichon Living Trust is a house and property designated for the use of priests in good standing who need housing assistance. The land value is permanently restricted; the house value is temporary restricted. Earnings from the Anchorage Catholic Schools Scholarship Fund are used to support students in Catholic Schools through annual scholarships. See note 4 for description of other temporary and permanently restricted net assets.

#### 4. Endowments Funds

The Foundation's endowment consists of several individual donor-restricted funds established for a variety of purposes. 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 Uniform Prudent Management of Institutional Fund Act (UPMIFA) was signed into law in the State of Alaska on June 14, 2010 with an effective date of September 8, 2010.

During the years ended June 30, 2018 and 2017, the Board of Trustees of the Foundation has interpreted the State of Alaska's laws governing endowments as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Except to the extent required by the donor, including losses related to specific investments that the donor requires the organization to hold in perpetuity, the following apply: (a) investment gains are classified as increases in temporarily restricted net assets; (b) investment losses are reductions in temporarily restricted gains if available; and (c) remaining losses are classified as reductions in unrestricted net assets.

# The Catholic Foundation of Alaska

## Notes to Financial Statements Year Ended June 30, 2018 (With Comparative Totals for 2017)

The investment earnings from the Virginia Peri fund are to be used for the benefit of the St. Francis House. The investment earnings from Wilma Carr fund are to be used for the benefit of the Clare House. The investment earnings from the McGrath Family Charitable Fund Part B are to be used to support the Archdiocese of Anchorage Annual Appeal. The investment earnings from the Anderson Spiritual Direction Fund are to be used for providing spiritual direction for Alaskans. This is accomplished by planned disbursements to the Holy Spirit Center.

	Donor permanently restricted endowment funds	Donor temporarily restricted endowment funds	Total
Balance, June 30, 2017	\$ 287,899	\$ 70,352	\$ 358,251
Total investment return	-	27,429	27,429
Amount appropriated for expenditures	-	(16,062)	(16,063)
Total change in endowment funds	-	11,367	11,336
Balance, June 30, 2018	\$ 287,899	\$ 81,719	\$ 369,617

	Donor permanently restricted endowment funds	Donor temporarily restricted endowment funds	Total
Balance, June 30, 2016	\$ 287,899	\$ 75,988	\$ 363,887
Total investment return	-	27,399	27,399
Amount appropriated for expenditures	-	(33,035)	(33,035)
Total change in endowment funds	-	(5,636)	(5,636)
Balance, June 30, 2017	\$ 287,899	\$ 70,352	\$ 358,251

### *Return Objectives and Risk Parameters*

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that follow the price and yield results of the S&P 500 index (Value or Growth), the Russell 2000 (Value or Growth) and the EAFE (Value or Growth) in a mix that is approximately 55% S&P 500, 25% Russell 2000 and 20% EAFE, as the benchmark, while assuming a low to moderate level of investment risk. All investments follow the principles as outlined in the United States Conference of Catholic Bishop's (USCCB) guidelines (November 12, 2003), or as they may be updated or amended.

# The Catholic Foundation of Alaska

## Notes to Financial Statements

Year Ended June 30, 2018

(With Comparative Totals for 2017)

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### *Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on fixed income-based investments to achieve its long-term return objectives within prudent risk constraints. The aggregate Foundation asset allocation guidelines are as follows:

	Minimum	Desired	Maximum
Growth equity	20%	30%	40%
Value equity	20%	30%	40%
Fixed income	20%	40%	60%

### *Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Foundation has a policy of following the donor's intent regarding appropriating for distribution each year. If the donor's intent is not clear or does not specify the amount to be appropriated for distribution, the Foundation follows Uniform Prudent Management of Institutional Funds Act (UPMIFA). This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

## 5. Annuity Obligation

During the year ended June 30, 1999, the Foundation received a contribution from the Archdiocese of Anchorage of cash totaling \$361,825 and assumed an annuity obligation. The Archdiocese of Anchorage had originally received three parcels of property valued at \$317,596, which were subsequently sold. The annuity obligation requires the payment to two individuals for their joint lives in an amount equal to 10.4% of the net fair value of the assets the individuals transferred as a charitable gift to the Archdiocese of Anchorage. The monthly payments based on an annual annuity obligation of \$33,030 began June 1, 2002 and will continue until the final payment is made on the monthly payment date preceding the death of the survivor of the recipients. Any remaining assets at the time of the second death are to be contributed as follows: 50% to the Corporation of Holy Cross Parish, 25% to Catholic Social Services, Inc., and 25% to the Corporation of the Catholic Archbishop of Anchorage. The annuity obligation has been recorded at the present value using a discount rate of 25% over actuarial lives on a last to die basis. At June 30, 2018, there were no assets estimated to remain at the time of the second death. At June 30, 2018 and 2017, the liability associated with this obligation is \$215,572 and \$237,232, respectively.

## 6. Concentration of Support

The Catholic Foundation of Alaska receives a substantial amount of its revenue from investment income. A significant reduction in the level of this revenue, if this were to occur, may have an effect on the Foundation's activities.

# The Catholic Foundation of Alaska

## Notes to Financial Statements

Year Ended June 30, 2018

*(With Comparative Totals for 2017)*

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### 7. Related-Party Transactions

The Archdiocese of Anchorage provides administrative services to the Foundation as a contribution in kind valued at \$25,000. The Foundation records this as both contribution in-kind and administrative expense.

### 8. Subsequent Events

In connection with the preparation of the financial statements, the Foundation evaluated subsequent events after the balance sheet date of June 30, 2018 through March 28, 2019, which was the date the financial statements were available to be issued.

Subsequent to the end of the fiscal year, the Foundation adopted a revised investment and spending policies for endowment assets. All investments follow the principles as outlined in the United States Conference of Catholic Bishop's (USCCB) guidelines (November 12, 2003), or as they may be updated or amended. The investment and spending policies attempt to provide a predictable stream of funding to programs supported by its assets include those assets of donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are to be invested in a manner that is intended to produce results to closely replicate the risk and return characteristics of the blended benchmarks of the S&P 500 index (Value or Growth), the S&P Global REIT Index (net div.), the MSCI World ex USA Index (net div.), the MSCI Emerging Markets Index (net div.), and the Bar Agg US Bond Index in a mix that is approximately 38%, 7%, 13%, 7% and 35%, respectively, as the benchmark, while assuming a low to moderate level of investment risk.

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## Supplementary Information

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Board of Directors  
The Catholic Foundation of Alaska  
Anchorage, Alaska

### Independent Auditor's Report on Supplementary Information

Our audit of the financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

#### *Other Matters*

##### *Report on Summarized Comparative Information*

We have previously audited the Foundation's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report date January 29, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*BDO USA, LLP*

Anchorage, Alaska  
March 28, 2019

**The Catholic Foundation of Alaska**  
**Supplementary Schedule of Activities - Custodial Liabilities**  
**June 30, 2018**  
*(With Comparative Totals for 2017)*

<i>Year Ended June 30, 2018</i>	Balance, beginning	Funds transferred in	Funds withdrawn	Investment income	Balance, ending	2017 Comparative Total
Archdiocese of Anchorage	\$ 155,825	\$ 429,156	\$ (202,052)	\$ 19,110	\$ 402,039	\$ 155,825
Magadan Mission	1,151,420	202,052	(109,131)	81,833	1,326,174	1,151,420
Reetz Foundation	1,049,872	-	(25)	78,290	1,128,137	1,049,872
OLOTS (Knights of Columbus)	71,919	-	-	5,363	77,282	71,919
Holy Spirit Center	68,222	-	-	5,088	73,310	68,222
St Elizabeth Ann Seton School Endowment Fund	386,845	-	(19,230)	29,049	396,664	386,845
St Elizabeth Ann Seton School Investment Fund	188,411	-	-	14,050	202,461	188,411
St Elizabeth Ann Seton Parish	83,295	-	-	6,212	89,507	83,295
St. Andrew's Parish	26,834	-	-	2,001	28,835	26,834
Our Lady of the Angels Parish	287,655	-	(33,000)	20,801	275,456	287,655
St. Theresa Mission	76,281	-	-	5,688	81,969	46,281
Catholic Social Services Brother Francis Shelter	289,942	-	-	21,622	311,564	289,942
Catholic Social Services BOT Reserve	135,067	-	-	10,072	145,139	135,067
Catholic Social Services Replacement Fund	581,010	-	-	43,327	624,337	581,010
St. John the Baptist	77,405	2,000	-	5,774	85,179	77,405
	<b>\$ 4,630,003</b>	<b>\$ 633,208</b>	<b>\$ (363,438)</b>	<b>\$ 348,280</b>	<b>\$ 5,248,053</b>	<b>\$ 4,600,003</b>

*See accompanying independent auditor's report on supplementary information.*