GT Reilly
& Company
CPAs and Advisors

Audited Financial Statements

The Catholic Schools Foundation, Inc.

June 30, 2015

The Catholic Schools Foundation, Inc.

Audited Financial Statements and Other Financial Information

June 30, 2015

GT REILLY
& COMPANY
CPAs and Advisors

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Independent Auditors' Report

Board of Directors
The Catholic Schools Foundation, Inc.

Report on Financial Statements

We have audited the accompanying financial statements of The Catholic Schools Foundation, Inc. which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and changes in net assets 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 of 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 risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 Schools Foundation, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

G. T. Reilly & Company

G.T. Reilly & Company

Milton, Massachusetts
January 6, 2016

The Catholic Schools Foundation, Inc.

Statements of Financial Position

June 30

	2015	2014
Assets		
Cash and cash equivalents (Note 2)	**$ 3,160,885**	$ 4,456,543
Investments, at fair value (Notes 2, 4 & 5)	**63,571,661**	62,311,373
Accrued interest and dividends receivable	**14,216**	13,141
Contributions receivable, net of estimated uncollectibles of $96,180 and $20,073 in 2015 and 2014 (Notes 2 & 6)	**698,015**	179,080
Interest in net assets of the Catholic Community Fund (Notes 2 & 3)	**3,185,203**	3,276,055
Prepaid expenses	**52,108**	20,260
Furniture, equipment and software, net (Notes 2 & 7)	**35,228**	1,809
TOTAL ASSETS	**$ 70,717,316**	$ 70,258,261

	2015	2014
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	**$ 88,161**	$ 126,652
Grants payable (Note 2)	**7,473,766**	6,593,686
	7,561,927	6,720,338
Net assets (Notes 2, 11 & 12):		
Unrestricted	**30,560,662**	30,809,894
Temporarily restricted	**8,650,123**	8,805,005
Permanently restricted endowment funds	**23,944,604**	23,923,024
	63,155,389	63,537,923
TOTAL LIABILITIES AND NET ASSETS	**$ 70,717,316**	$ 70,258,261

The accompanying notes are an integral part of these financial statements.

The Catholic Schools Foundation, Inc.

Statements of Activities and Change in Net Assets

Year Ended June 30

	2015				2014			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS (LOSSES) & OTHER SUPPORT								
Contributions	**$ 5,292,974**	**$ 4,045,597**	**$ 21,580**	**$ 9,360,151**	$ 4,707,181	$ 3,379,120	$ 25,464	$ 8,111,765
Less writedowns and provision for uncollectible pledges	**-**	**(76,107)**	**-**	**(76,107)**	-	(312,333)	-	(312,333)
	5,292,974	**3,969,490**	**21,580**	**9,284,044**	4,707,181	3,066,787	25,464	7,799,432
Investment income	**460,937**	**355,360**	**-**	**816,297**	559,537	467,586	-	1,027,123
Interest in change in net assets of the Catholic Community Fund (Notes 2 & 3)	**-**	**34,656**	**-**	**34,656**	-	407,523	-	407,523
Net gains on investments (Note 2)	**626,069**	**482,670**	**-**	**1,108,739**	4,524,526	3,788,988	-	8,313,514
Net assets released from restrictions through satisfaction of program restrictions (Note 11)	**4,997,058**	**(4,997,058)**	**-**	**-**	4,648,008	(4,648,008)	-	-
TOTAL REVENUES, GAINS (LOSSES) AND OTHER SUPPORT	**11,377,038**	**(154,882)**	**21,580**	**11,243,736**	14,439,252	3,082,876	25,464	17,547,592
EXPENSES								
Program:								
Financial aid grants	**8,543,024**	**-**	**-**	**8,543,024**	7,055,381	-	-	7,055,381
Special projects	**1,683,823**	**-**	**-**	**1,683,823**	907,714	-	-	907,714
Program overhead	**337,688**	**-**	**-**	**337,688**	365,003	-	-	365,003
Supporting services:								
Management and operations	**387,588**	**-**	**-**	**387,588**	402,112	-	-	402,112
Fundraising event	**231,839**	**-**	**-**	**231,839**	226,936	-	-	226,936
Other fundraising	**351,840**	**-**	**-**	**351,840**	287,330	-	-	287,330
Marketing and public relations	**90,468**	**-**	**-**	**90,468**	51,477	-	-	51,477
TOTAL EXPENSES	**11,626,270**	**-**	**-**	**11,626,270**	9,295,953	-	-	9,295,953
(DECREASE) INCREASE IN NET ASSETS	**(249,232)**	**(154,882)**	**21,580**	**(382,534)**	5,143,299	3,082,876	25,464	8,251,639
NET ASSETS AT BEGINNING OF YEAR	**30,809,894**	**8,805,005**	**23,923,024**	**63,537,923**	25,666,595	5,722,129	23,897,560	55,286,284
NET ASSETS AT END OF YEAR	**$ 30,560,662**	**$ 8,650,123**	**$ 23,944,604**	**$ 63,155,389**	$ 30,809,894	$ 8,805,005	$ 23,923,024	$ 63,537,923

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

Year Ended June 30

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) increase in net assets	**$ (382,534)**	$ 8,251,639
Adjustments to reconcile change in net assets to net cash from operating activities:		
Donation of investments	**(2,618)**	(2,513)
Depreciation	**1,196**	477
Net gains on investments	**(1,108,739)**	(8,313,514)
Transfer of assets from the Catholic Community Fund	**125,508**	121,228
Change in interest in net assets of the Catholic Community Fund	**(34,656)**	(407,523)
Changes in operating assets and liabilities:		
Contributions receivable, net	**(518,935)**	426,461
Accrued interest and dividends receivable	**(1,075)**	(6,093)
Prepaid expenses	**(31,848)**	468
Accounts payable and accrued expenses	**(38,491)**	10,338
Grants payable	**880,080**	14,037
NET CASH (APPLIED TO) PROVIDED BY OPERATING ACTIVITIES	**(1,112,112)**	95,005
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment sales and maturities, net of purchases	**(148,931)**	1,362,133
Additions to furniture, equipment and software	**(34,615)**	(1,973)
NET CASH (APPLIED TO) PROVIDED BY INVESTING ACTIVITIES	**(183,546)**	1,360,160
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(1,295,658)**	1,455,165
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**4,456,543**	3,001,378
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 3,160,885**	$ 4,456,543

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

June 30, 2015

Note 1 - Nature of Activities

The Catholic Schools Foundation, Inc. (the "Foundation") was formed on September 12, 1983 for the purpose of raising funds from individuals, corporations and foundations to support the educational mission of the Church by providing families with demonstrated financial need an opportunity to a quality education focused on Christian values and character formation at Roman Catholic Schools located throughout the Archdiocese of Boston, regardless of race, religion, ethnicity or gender.

Note 2 - Significant Accounting Policies

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 certain reported amounts and disclosures. Actual results may differ from these estimates.

Accrual Basis – The financial statements of the Foundation have been prepared on the accrual basis.

Financial Statement Presentation – The Foundation reports information regarding its financial position and activities according to three classes of net assets as determined by donor-imposed restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At its discretion, the Board of Directors may designate funds for specific purposes. Such board-designated funds are included in unrestricted net assets. (See Notes 11 and 12 regarding restrictions on net assets.)

Evaluation of Subsequent Events – In accordance with generally accepted accounting principles, management has evaluated subsequent events involving the Foundation for potential recognition or disclosure in the accompanying financial statements. Subsequent events are events or transactions that occurred after June 30, 2015 up through January 6, 2016, the date the accompanying financial statements were available to be issued.

Contributions and Donor Restrictions – Donors' unconditional promises to contribute cash or other assets to the Foundation are recorded as receivable when the pledges are made and documented. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Amortization of discounts is included in contribution revenue. Conditional promises to contribute are recorded only when the specified conditions are substantially met.

The Foundation reports contributions of cash or other assets as restricted support, thereby increasing temporarily restricted net assets, if they are received with donor stipulations that limit, specify or otherwise restrict the use of such contributions. When a donor restriction expires, either by use of the funds for the specified purpose or by the expiration of a time restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Note 2 - Significant Accounting Policies (Cont.)

Endowment funds established by donor restrictions to permanently maintain the principal, while allowing the use of income generated there from, are classified as permanently restricted net assets. Income derived from the investment of endowment funds is reported as unrestricted revenue or as restricted revenue depending on the terms of the donor instrument. Unrealized gains or losses on endowment fund investments are reported as increases or decreases in temporarily restricted net assets unless the donor explicitly states otherwise. See Notes 11 and 12 regarding restrictions on net assets.

Fair Value Measurements – The Foundation follows Accounting Standards Codification (ASC) Topic 820, "Fair Value Measurements and Disclosures", for assets and liabilities that are measured at fair value on a recurring basis, and is limited to the Foundation's investments. This standard defines fair value, establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value, and requires disclosures about fair value measurements (see Note 5).

Cash Equivalents – The Foundation considers short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments – The Foundation reports investments in marketable equity and debt securities, publicly traded certificates of deposit and mutual funds at fair value. Increases or decreases in the fair value of such investments are reflected in the statement of activities. The Foundation has an interest in a limited partnership that is accounted for under the equity method, at cost plus the Foundation's share of undistributed earnings (losses), which approximates fair value as the underlying assets consist of marketable equity securities and cash equivalents (see Note 4).

Contributions Receivable – Contributions receivable are stated net of an allowance for doubtful accounts, which is reported on the face of the Foundation's statement of financial position. The allowance is established via a provision for bad debts charged against support. On a periodic basis, management evaluates its contributions receivable and establishes or adjusts its allowance to an amount that it believes will be adequate to absorb possible losses on accounts that may become uncollectible, based on evaluations of the collectability of individual accounts. Accounts are charged against the allowance when management believes that the collectability of the specific account is unlikely (see Note 6).

Accounting for Assets Held by Others – The Foundation recognizes as an asset its interest in the net assets of another related organization which holds funds that have been donated for the benefit of the Foundation. The asset amount is adjusted for the Foundation's share of the change in the related organization's net assets via a charge or credit to the Foundation's statement of activity. Transfers of funds from the holding organization to the Foundation are recorded as reductions in its interest (see Note 3).

Furniture, Equipment and Software – Furniture, equipment and software are stated at cost when purchased and at estimated fair value when donated. Maintenance, repairs, and minor renewals and additions are expensed as incurred. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. The estimated useful life used for furniture, equipment and software is three years.

Financial Aid and Grants – A liability is recorded and an expense is recognized in the period in which the Foundation's Board of Directors approves the amount of financial aid for tuition and grants estimated for future distributions to Roman Catholic Schools throughout the Archdiocese of Boston. All commitments are reflected in the Foundation's statements of financial position.

Contributed Services and Goods – Contributions of services to the Foundation are recognized as support with an equal amount recognized as expense if the services provided require special skills and would need to be purchased by the Foundation if not contributed. No contributed services were recorded for the years ended June 30, 2015 and 2014. Contributions of noncash assets are recorded at fair value at the date of contribution.

Note 2 - Significant Accounting Policies (Cont.)

Income Taxes – The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in these financial statements. Required exempt organizations' tax forms remain open for examination for three years after filing.

Note 3 – Interest in the Catholic Community Fund of the Archdiocese of Boston, Inc. ("CCF")

The Foundation is the beneficiary of donations collected on its behalf by the CCF, a related party. As discussed in Note 2, "Accounting for Assets Held by Others", the Foundation has recorded as an asset its interest in CCF's net assets, which approximates $3,185,000 at June 30, 2015 ($3,276,000 at June 30, 2014). The change in the Foundation's interest is reflected in the statement of activities as an increase in net assets of $34,656 and $407,523 in 2015 and 2014, respectively. Transfers of funds from CCF totaled $125,508 and $121,228 for the years ended June 30, 2015 and 2014, respectively.

Note 4 - Investments

Investments consist of the following:

	Cost	Net Unrealized Gains (Losses)	Fair Value
June 30, 2015			
U. S. Treasury Bills	**$ 14,769,627**	**$ 8,665**	**$ 14,778,292**
Mutual Funds	**36,971,632**	**(2,981,927)**	**33,989,705**
Common Stocks	**4,637,665**	**5,193,090**	**9,830,755**
Investment in Limited Partnership	**1,856,000**	**3,116,909**	**4,972,909**
	$ 58,234,924	**$ 5,336,737**	**$ 63,571,661**
June 30, 2014			
U. S. Treasury Bills	$ 10,999,670	$ -	$ 10,999,670
Mutual Funds	35,083,593	6,524,541	41,608,134
Common Stocks	4,197,790	1,002,481	5,200,271
Investment in Limited Partnership	1,856,000	2,647,298	4,503,298
	$ 52,137,053	$ 10,174,320	$ 62,311,373

The limited partnership invests in and manages a portfolio of various common stocks and cash equivalents. At June 30, 2015 and 2014, Catholic Schools Foundation's limited partnership interest approximates 12% and 11%, respectively.

Investment Risks and Uncertainties – The Foundation utilizes various investment instruments including common stocks, mutual funds and an investment in a limited partnership. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of net assets.

Note 5 – Fair Value Measurements

Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value accounting standard established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The three tiers are defined as Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market, for which observable market inputs are readily available), and Level 3 (securities valued based on significant unobservable inputs).

The Foundation's financial assets that are accounted for at fair value on a recurring basis by level within the fair value hierarchy and by segment/industry are as follows:

	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	Total
June 30, 2015				
U. S. Treasury Bills	$ 14,778,292	$ -	$ -	$ 14,778,292
Mutual Funds				
U. S. Treasuries	690,086	-	-	690,086
Foreign	7,723,328	-	-	7,723,328
Bonds	6,235,072	-	-	6,235,072
Large-Cap	18,519,843	-	-	18,519,843
Small-Cap	821,376	-	-	821,376
	33,989,705	-	-	33,989,705
Common Stocks				
Consumer Discretionary (cyclical)	1,281,601	-	-	1,281,601
Consumer Staples (non-cyclical)	263,299	-	-	263,299
Energy	472,072	-	-	472,072
Financial Services	1,607,601	-	-	1,607,601
Health Care	1,262,759	-	-	1,262,759
Technology	2,746,488	-	-	2,746,488
Industrials	1,893,088	-	-	1,893,088
Communications/Telecom	194,065			194,065
Real Estate	109,782	-	-	109,782
	9,830,755	-	-	9,830,755
Investment in Limited Partnership	-	4,972,909	-	4,972,909
	$ 58,598,752	$ 4,972,909	$ -	$ 63,571,661

Note 5 – Fair Value Measurements (Cont.)

	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	Total
June 30, 2014				
U. S. Treasury Bills	$ 10,999,670	$ -	$ -	$ 10,999,670
Mutual Funds				
U. S. Treasuries	652,496	-	-	652,496
Foreign	8,776,298	-	-	8,776,298
Bonds	4,853,383	-	-	4,853,383
Large-Cap	23,269,885	-	-	23,269,885
Small-Cap	553,447	-	-	553,447
Emerging Markets	2,385,540	-	-	2,385,540
Fixed Income	938,503	-	-	938,503
Other	178,582	-	-	178,582
	41,608,134	-	-	41,608,134
Common Stocks				
Consumer Discretionary (cyclical)	823,255	-	-	823,255
Consumer Staples (non-cyclical)	38,189	-	-	38,189
Financial Services	1,090,566	-	-	1,090,566
Health Care	555,495	-	-	555,495
Materials & Processing	1,104,675	-	-	1,104,675
Industrials	1,434,285	-	-	1,434,285
Energy	72,664	-	-	72,664
Real Estate	81,142	-	-	81,142
	5,200,271	-	-	5,200,271
Investment in Limited Partnership	-	4,503,298	-	4,503,298
	$ 57,808,075	$ 4,503,298	$ -	$ 62,311,373

The fair value measurement level is based on the lowest level of any input that is significant to the fair value measurement of the asset or liability. The following is a description of the valuation methodologies used for investments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Mutual Funds – The investments are public investment vehicles valued using the Net Asset Value (NAV) provided by the administrator of the fund. The NAV is a quoted price in an active market and is classified as being valued using a Level 1 input under the fair value hierarchy.

Common Stocks – The investments are valued at the closing price reported on the active market on which the individual securities are traded and are classified as being valued using a Level 1 input under the fair value hierarchy.

Note 5 – Fair Value Measurements (Cont.)

Investment in Limited Partnership – Partnership interests in The Frontier Research Fund, LP do not have quoted prices in active markets or significant other observable inputs that have quoted market prices although the Foundation can redeem its investment at the net asset value per partner percentage interest at June 30, 2015. These assets are classified as being valued using Level 2 inputs under the fair value hierarchy. The Foundation accounts for the investment under the equity method, which approximates the fair value of its partnership interest based on the Foundation's interest in the underlying investment portfolio that consists of actively traded common stocks and money market funds.

Note 6 – Contributions Receivable

Included in Contributions Receivable are the following unconditional promises to give, summarized by use-restriction:

	2015	2014
Scholarships	**$ 701,500**	$ 100,732
Hispanic recruitment	**100,000**	100,000
Unconditional promises to give before unamortized discount and provision for uncollectible pledges	**801,500**	200,732
Less unamortized discount at 2.0% and 2.2%, respectively	**7,305**	1,579
	794,195	199,153
Less provision for uncollectible pledges	**96,180**	20,073
	$ 698,015	$ 179,080

	2015	2014
Amounts due in:		
Less than one year	**$ 484,711**	$ 158,020
One to six years	**213,304**	21,060
	$ 698,015	$ 179,080

Note 7 – Furniture, Equipment and Software

Furniture, equipment and software consist of the following at June 30:

	2015	2014
Furniture	**$ 42,009**	$ 19,241
Computer equipment	**38,440**	26,593
Software	**58,839**	58,839
	139,288	104,673
Less accumulated provisions for depreciation	**104,060**	102,864
	$ 35,228	$ 1,809

Note 8 – Lease Commitments

The Foundation has a lease for office space through August 31, 2015. Upon the termination of this lease, the Foundation moved to a new location under a ten-year, noncancellable lease agreement. The agreement calls for monthly payments of $8,740, which commenced in September of 2015. The monthly payment escalates annually at the beginning of each new lease year, which runs from September through August. The agreement expires in August of 2025 with one five-year option to extend. The Foundation is also obligated for its proportionate share of operating costs. Future minimum lease payments are as follows:

Fiscal Year Ending June 30	
2016	$ 104,445
2017	107,522
2018	110,700
2019	113,878
2020	117,056
Thereafter	655,199
	$ 1,208,800

Rent expense approximated $96,000 and $97,000 during the years ended June 30, 2015 and 2014, respectively.

Note 9 - Related Party Transactions

During the years ended June 30, 2015 and 2014, charges to the Foundation approximated $47,000 and $54,000, respectively, by the Roman Catholic Archbishop of Boston (RCAB), a Corporation Sole (an entity related by common board members), for health, life, disability and facility insurance administered by the RCAB, in addition to the pension contributions discussed in Note 10.

During the year ended June 30, 2015 and 2014, the Foundation provided approximately $845,000 and $50,000, respectively, in grants to the Catholic School Office (CSO), a branch of the RCAB, to support the CSO in its general mission of providing better Catholic education.

Note 10 – Employee Pension Plan

The Foundation is the sponsor of an ERISA 403(b) retirement plan which allows for employee voluntary salary deferrals, and discretionary profit sharing and matching employer contributions. Employer matching contributions for the years ended June 30, 2015 and 2014 were approximately $23,000 and $24,000, respectively.

Note 11 - Net Assets

Permanently restricted net assets at June 30 consist of endowments restricted to investment in perpetuity, the income from which is expendable for specific purposes as follows:

	2015	2014
Income restricted for:		
Scholarships	**$16,652,898**	$16,631,318
Technology	**3,832,000**	3,832,000
Marketing	**1,300,000**	1,300,000
Special projects	**1,092,100**	1,092,100
Interest in permanently restricted net assets of the Catholic Community Fund (Note 3)	**1,067,606**	1,067,606
	$23,944,604	$23,923,024

See Note 12 regarding the components of endowments.

Note 11 - Net Assets (Cont.)

Temporarily restricted net assets at June 30 consist of the following:

	2015	2014
Restricted for:		
Scholarships	**$ 3,473,870**	$ 1,799,210
Special projects	**1,337,773**	975,040
Interest in temporarily restricted net assets of the Catholic Community Fund (Note 3)	**1,119,027**	1,209,878
	5,930,670	3,984,128
Unrealized gains on investments related to permanently restricted net assets (Note 2)	**2,719,453**	4,820,877
	$ 8,650,123	$ 8,805,005

During the years ended June 30, 2015 and 2014, net assets were released from donor restrictions by incurring expenses or by the occurrence of other events satisfying the restricted purposes as follows:

	2015	2014
Scholarships	**$ 3,489,170**	$ 3,503,203
Hispanic recruitment	**281,958**	161,044
Special projects	**902,315**	667,469
Annual event	**231,839**	226,936
Other supporting services	**91,776**	89,356
	$ 4,997,058	$ 4,648,008

Unrestricted net assets at June 30 consist of the following:

	2015	2014
Undesignated	**$30,560,662**	$30,547,120
Board designated for direct support of schools	**-**	262,774
	$30,560,662	$30,809,894

Note 12 – Endowments

The Foundation's endowment consists of six funds established for the support of various education initiatives within the Catholic primary and secondary schools in the Archdiocese of Boston. As required by accounting principles generally accepted in the United States of America, 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 Commonwealth of Massachusetts has enacted a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA.) Although UPMIFA offers short-term operating flexibility, the explicit consideration of the preservation of the endowed funds among factors for prudent investment and spending suggests that a donor-restricted endowment fund is still perpetual in nature. As has been the case in past financial environments, there is no guarantee that the permanently restricted amount of an endowed fund will remain intact at all times. Under UPMIFA, the Foundation is permitted to determine and continue a prudent payout amount, even if the market value of the fund is below the historic-dollar-value. There is an expectation that, over time, the permanently restricted amount will generally remain intact. This perspective is aligned with the accounting standards definition that permanently restricted funds are those that must be held in perpetuity even though the historic-dollar-value may be spent on a temporary basis. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets and is regarded as net appreciation is classified as temporarily restricted net assets until these amounts are appropriated for expenditure by the organization in a manner consistent with the Foundation's spending policy.

Note 12 – Endowments (Cont.)

Endowment Investment Policy – The Foundation has adopted an investment philosophy, which combined with the spending rate, attempts to provide a predictable stream of returns thereby making funds available to programs that are supported by its endowment, while at the same time seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Foundation must hold in perpetuity or for donor-specified periods. Under the Foundation's investment policy and spending rate, both of which are approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce an inflation-adjusted return in excess of the spending rate over a long period of time. Actual returns in any given year may vary.

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 Investment Committee is responsible for selecting the investment vehicles, including any investment managers, for the endowment funds. The Investment Committee's investment rationale is to include an array of different strategies and investment managers for the endowment portfolio to reduce overall volatility while providing investment returns above industry benchmarks.

Changes in Endowment Net Assets

	Endowment Fund Net Assets			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
For the year ended June 30, 2015:				
Endowment net assets at beginning of year	**$ -**	**$ 8,440,064**	**$ 23,923,024**	**$ 32,363,088**
Contributions	**-**	**-**	**21,580**	**21,580**
Interest in change in net assets of the Catholic Community Fund	**-**	**34,656**	**-**	**34,656**
Interest and dividends	**-**	**353,919**	**-**	**353,919**
Net gains on investments	**-**	**480,712**	**-**	**480,712**
Appropriation of endowment assets for expenditure	**-**	**(1,230,384)**	**-**	**(1,230,384)**
Endowment net assets at end of year	**$ -**	**$ 8,078,967**	**$ 23,944,604**	**$ 32,023,571**
For the year ended June 30, 2014:				
Endowment net assets at beginning of year	$ -	$ 4,991,403	$ 23,897,560	$ 28,888,963
Contributions	-	-	25,464	25,464
Interest in change in net assets of the Catholic Community Fund	-	407,523	-	407,523
Interest and dividends	-	458,166	-	458,166
Net gains on investments	-	3,756,403	-	3,756,403
Appropriation of endowment assets for expenditure	-	(1,173,431)	-	(1,173,431)
Endowment net assets at end of year	$ -	$ 8,440,064	$ 23,923,024	$ 32,363,088

Note 13 - Financial Instruments and Concentrations of Credit Risk

The Foundation's financial instruments that potentially subject it to concentrations of credit risk consist of cash, cash equivalents, contributions receivable, investments, and a beneficial interest in the net assets of a related foundation.

The Foundation maintains its cash and cash equivalents accounts in high quality financial institutions. At times during the year, cash amounts on deposit may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. At June 30, 2015, based on bank balances, the Foundation has approximately $1,089,000 on deposit in excess of federal-insured limits. Cash equivalents consist of non-FDIC insured money market accounts which approximate $1,758,000 at June 30, 2015, based on bank balances.

As more fully disclosed in Note 4, the Foundation's investments at June 30, 2015 substantially consist of mutual funds, although it does invest in U.S. Treasury bills, common stocks and an investment in a limited partnership. The mutual fund investment portfolio is dispersed among various investment houses, with the largest investment approximating $11.1 million (17.5% of total investments).

As more fully discussed in Note 3, the Foundation has a beneficial interest in the net assets of the Catholic Community Fund of the Archdiocese of Boston which approximates $3,185,000 at June 30, 2015.

The Foundation's contributions receivable are dispersed among various corporate and individual contributors throughout the United States. At June 30, 2015, approximately $368,000 or 46%, $100,000 or 13% and $100,000 or 13% of the Foundation's total contributions receivable are due from three contributors, respectively.