



KOCH

Foundation Inc.

2017 ANNUAL REPORT

THE POWER
OF PRAYER

MISSION STATEMENT



Carl Koch's belief that he was "just a steward of the finances given by God to use on His behalf" inspired the commitment he and his wife, Paula, made to founding the Koch Foundation in 1979. The Foundation's goals are to strengthen and to propagate the Roman Catholic faith by providing grant support for a wide variety of evangelization efforts. In considering applications, major emphasis is placed on sound but financially needy evangelical programs. The Koch Foundation is international in scope with no geographical preference.

Carl & Paula Koch

LETTER FROM THE EXECUTIVE DIRECTOR

Prayer has always been part of my life. As a child raised in a Catholic home, prayers were and continue to be important to me, because my faith was not just my religion but my way of life. I was taught to pray by my parents when I was very young. I was told that prayer was a way to talk to God and to ask him to watch over my family and friends. On the weekends, events were always planned around Mass attendance or novena services. I was always told that a good Catholic would know the times for Mass at any Catholic church in the city where I lived. Schedules to attend various novenas would be posted in relatives' homes and each family would have a favorite saint and novena prayer. Prayer was always considered essential to life, both spiritual and every day. My parents taught me that I would always need God in my life because I would not be able to do anything of value without Him and that prayer is our way of communicating with Him.

As I grew older and had my own family, prayer has continued to be important to me. The reality of day-to-day life, the many crises in the world, my hopes and fears, are what I bring into my prayers, for myself, my family, and friends. I also pray daily and often in various forms ranging from a conversation, praying the rosary, or repeating some of the formal prayers I learned from the religious sisters that taught me in Catholic School. I find myself, I am sure as most parents do, directing many prayers for my child. Sometimes I think the Lord may have grown tired of my many requests, but I remember the persistent woman in Luke 18-4-8. She kept asking for justice from an unjust judge and Christ said, "If the unrighteous judge could not ignore her how much more will our heavenly Father hear us?" As Pope Francis has said about this passage, "But Jesus assures us: unlike the unjust judge, God promptly answers His children, although this does not mean He does it in the time and manner that we would like. Prayer is not a magic wand! It is the key that opens the door to faith!"

Prayer is personal to me and gives me the peace that I seek in my faith. When words fail me during stressful times, or when I realize that something I have been praying for occurs, I experience a feeling of calm and peace and know that it will be alright. In the words of Mother Teresa, "Prayer is not asking. Prayer is putting oneself in the hands of God, at His disposition, and listening to His voice in the depth of our hearts."

Carolyn Young

INTRODUCTION TO PRAYER

Why do you pray? The response to this question can have many answers. Some will say that they pray to communicate with God; others that it is required by their faith; still others that it is a habit. Throughout the bible there are passages that state Christ would often withdraw to pray and He taught His disciples to pray beginning with the “Our Father.” In His life, Christ demonstrated the importance of prayer throughout His ministry, and even unto His death on the Cross.

The power of prayer strengthens your faith and your relationship with the Father. Faith teaches us that all things are done through God and with His intervention; and prayer is the way to praise Him, ask for His help, or to feel at peace. Some might say they do not know how to pray or that they do not have the time. But prayers do not have to be formal, and they only require a few moments. Prayer can be a conversation, a thought, or a litany of words asking for strength, mercy, or simply to be heard.

We often hear that people stop praying to God because He did not answer their prayers or the response was not what was wanted. Your prayers may not be answered in the time or manner in which you had hoped, but that does not mean your prayer was not heard. Christ said “Which one of you, if his son asks him for bread, will give him a stone? Or if he asks for a fish, will give him a serpent? If you then, who are evil, know how to give good gifts to your children, how much more will your Father who is in heaven give good things to those who ask him!” (Matthew 7:9–11).

All prayers are heard but the strength of your Faith is what will keep you praying to Him. We should all pray for our salvation, for our loved ones, and for the Faith to be shared with all. He is always listening, but the question is, are we praying as often as we should?

DIRECT EVANGELIZATION & MASS MEDIA

“Now Jesus was praying in a certain place, and when he finished, one of his disciples said to him, “Lord, teach us to pray, as John taught his disciples.”

Luke 11:1

Evangelists spread the Word of God to all they encounter worldwide through their missions and prayers. As humble servants of the Lord, they are often the first to introduce prayer and explain how it is a conversation with God. They understand that prayer to the Father is the most powerful way to encounter Christ.

The Koch Foundation funds Direct Evangelization programs and religious activities that directly support, strengthen, and spread the Catholic proclamation of Christ’s Gospel.



St. Fleix Cantalice, Warszawa, Poland



Missionary Sisters of the Eucharists, Solola, Guatemala

DIRECT EVANGELIZATION & MASS MEDIA

Sisters of the Order of St. Basil the Great, Jesus, Lover of Humanity Province, Jenkintown, PA, USA	\$10,000.00
St. Vincent de Paul Society of San Mateo County, San Francisco, CA, USA.....	\$10,000.00
Epiphany Academy of Formative Spirituality, Pittsburgh, PA, USA.....	\$10,000.00
Saint Pascal Baylon Convent Church, Naples, Italy	\$10,000.00
Diocese of Beaumont, Beaumont, TX, USA	\$10,000.00
Holy Child Jesus Catholic Church, Canton, MS, USA	\$15,000.00
St. Francis Center, Los Angeles, CA, USA	\$15,000.00
Naluggi Parish, Mityana, Uganda	\$10,000.00
St. Thomas Syro-Malabar Catholic Mission, San Antonio, TX, USA	\$10,000.00
Our Lady of Guadalupe Parish, St. Louis, MO, USA.....	\$10,000.00
Diocese of Beaumont, Houston, TX, USA.....	\$10,000.00
Christ the King Catholic Church, Fulton, MS, USA.....	\$2,000.00
The Dwelling Place, Brooksville, MS, USA.....	\$8,000.00
St. Mary of Mount Carmel Parish, Long Prairie, MN, USA.....	\$10,000.00
Franciscan Sisters of the Immaculate Heart of Mary, Dupuis Convent, Msewe, Tanzania	\$10,000.00
Dismas Ministry, Inc., Nationwide.....	\$15,000.00
Sisters of the Order of St. Dominic, Amityville, New York.....	\$15,000.00
Archdiocese of Dublin, Dublin, Ireland.....	\$20,000.00
The New Cassel Foundation, Omaha, NE, USA	\$15,000.00
Diocese of Youngstown, Obiaruku, Nigeria	\$15,000.00
Newman Catholic Center, Amherst, MA, USA.....	\$10,000.00
Ukrainian Catholic University, Kiev, Ukraine.....	\$10,000.00
St. Mary's Catholic Center, College Station, TX, USA	\$10,000.00
St. Philip Neri Catholic Newman Center, Tulsa, OK, USA.....	\$10,000.00
Daughters of Charity, Belize, Belize City, Belize.....	\$10,000.00
Church of St. Mary, Melrose, MN, USA.....	\$15,000.00
San Jose Parish, Los Ojos, NM, USA	\$15,000.00
Diocese of Gallup, Gallup, NM, USA.....	\$10,000.00
Sisters of Charity of the Incarnate Word, San Antonio, TX, USA	\$15,000.00
Eparchy of Sokal-Zhovkva, Sokal-Lviv, Ukraine	\$10,000.00
Society of Divine Vocations, Ijebu-Ode, Ijebu-Ode, Nigeria	\$9,000.00
Diocese of Rapid City, Rapid City, SD, USA.....	\$9,000.00
Sioux Spiritual Center, Howes, SD, USA	\$10,000.00
Catholic Community Services of Southern Arizona, Inc., Tucson, AZ, USA.....	\$15,000.00
Sisters of Charity of St. Vincent de Paul, New York City, NY, USA.....	\$15,000.00
Franciscan Center of SS Francis and Clare of Assisi, Guatemala Ciudad, Guatemala	\$10,000.00
Our Lady of Guadalupe, New Orleans, LA, USA.....	\$10,000.00
Diocese of Boise City, Boise, ID, USA.....	\$10,000.00
Youth 2000 Ireland, Tipperary, Ireland.....	\$7,000.00
Diocese of Lubbock, Lubbock, TX, USA.....	\$10,000.00
Diocese of El Paso, El Paso, TX, USA	\$10,000.00
Our Lady of Lourdes Catholic Church, Dallas, TX, USA	\$10,000.00
El Padrecito Ministries, Guadalupe, CA, USA.....	\$15,000.00
Missio ad Gentes, Libreville, Gabon.....	\$10,000.00

St. Vincent's Institution, Santa Barbara, CA, USA	\$10,000.00
Diocese of St. Augustine, High Springs, FL, USA	\$10,000.00
Daughters of Mary Help of Christians, Province of Slovenia-Croatia, Ljubljana, Slovenia.....	\$10,000.00
Archdiocese of New Orleans, New Orleans, LA, USA	\$10,000.00
Archdiocese of St. Louis, St. Louis, MO, USA	\$10,000.00
St. Lawrence Catholic Campus Center, Lawrence, KS, USA	\$10,000.00
Njoro Parish, Same, Tanzania.....	\$5,000.00
Our Lady of the Lake University of San Antonio, San Antonio, TX, USA	\$10,000.00
Eparchy of Saint Vladimir Le Grand De Paris, Vinennes, France.....	\$10,000.00
St. Clare of Assisi School, Bongaigaon, India.....	\$10,000.00
Christ the Redeemer Parish, Belfast, Northern Ireland	\$10,000.00
St. Pius V Parish, Chicago, IL, USA.....	\$10,000.00
Tulane Catholic Center, New Orleans, LA, USA	\$10,000.00
Diocese of Fajardo-Humacao, Fajardo, PR	\$15,000.00
Fellowship of Catholic University Students, St. Augustine, FL, USA.....	\$10,000.00
Diocese of Rulenge-Ngara, Rulenge, Tanzania.....	\$5,000.00
St. Charles Lwanga, Mwambani Parish, Mbeya, Tanzania	\$6,000.00
Drumalis, Larne, Northern Ireland.....	\$10,000.00
Eparchy of Kamyanets-Podilskyj, Kamyanets-Podilskiy, Ukraine	\$10,000.00
Santo Nino de Atocha Parish, El Paso, TX, USA.....	\$15,000.00
St. Catherine of Siena Church, DuBoise, PA, USA.....	\$20,000.00
Yatsani Radio, Lusaka, Zambia	\$8,000.00
St. Dominic Roman Catholic Church, Columbus, OH, USA.....	\$3,000.00
Passionist Communications, Inc., Rye Brook, NY, USA	\$10,000.00
Diocese of Chipata, Chipata, Zambia.....	\$10,000.00
Schoenstatt Sisters of Mary, Polish Province, Otwock, Poland.....	\$15,000.00
Sisters, Servants of the Immaculate Heart of Mary, Philadelphia, PA, USA	\$10,000.00
Diocese of St. Thomas, St. Thomas, VI.....	\$15,000.00

TOTAL \$782,000.00

P REPARATION OF EVANGELISTS



Discalced Carmelite Sisters ,Bari, Dominican Republic



Ordination, Rome, Italy



Holy Family Sisters, Palghat, India

*“You will pray to him, and he will hear
you and you will fulfill your vows.”
Job 22:27*

Consecrated men and women have answered the Call and throughout their religious life have stressed the importance of prayer. In their life of service to the church, they teach us that praying is the best way to develop a relationship with God and conversion of the soul. Prayer is the foundation to any work of evangelism and essential in reaching out to others with our faith.

The Koch Foundation funds the Preparation of Evangelists, formation programs and religious activities that prepare individuals and groups to proclaim the Good News of salvation through the Catholic faith.

P REPARATION OF EVANGELISTS

Capuchin Franciscans, Western America Province, Northern Mexico	\$15,000.00
Redemptoris Mater Diocesan Missionary Seminary, Kitwe, Zambia	\$10,000.00
Sisters of Our Lady of Usambara, Korogwe, Tanzania	\$10,000.00
Our Lady of Lebanon Maronite Seminary, Washington, D.C., USA	\$10,000.00
Missionary Servants of the Most Holy Trinity, La Estrella, Colombia.....	\$10,000.00
St. Charles Lwanga Catholic Mission - Kiwanjani, Isiolo, Kenya	\$10,000.00
Ukrainian Catholic Diocese of St. Josaphat in Parma, Parma, OH, USA	\$10,000.00
St. Joseph's Theological Institute, Hilton, South Africa.....	\$10,000.00
St. Claret Parish, Nyabwina, Nyabwina, Uganda	\$10,000.00
Challenge 2000, Wellington, New Zealand.....	\$10,000.00
Order of Discalced Carmelites Delegation of Burundi and Rwanda, Bujumbura, Burundi	\$10,000.00
Archdiocese of Kampala, Kampala, Uganda.....	\$10,000.00
NGO InteRed, Kikwit, Democratic Republic of the Congo	\$11,000.00
Saint Benedict Abbey, Still River, MA	\$10,000.00
International Seminary San Vitaliano Papa, Montefiascone-Viterbo, Italy	\$10,000.00
Margaret Aylward Centre for Faith and Dialogue, Dublin, Ireland	\$11,000.00
Holy Cross Hospital, Inc., Miami, FL, USA	\$10,000.00
Missionary Sisters of the Holy Family, Kabwe, Kabwe, Zambia.....	\$5,000.00
St. Leo the Great Catholic School, San Antonio, TX, USA	\$15,000.00
Missionary Fraternity of Mary, El Rosario, Guatemala	\$10,000.00
Immaculate Heart of Mary Sisters of Morogoro, Morogoro, Tanzania	\$9,000.00
Busogo Catholic Parish, Busogo, Rwanda.....	\$10,000.00
Catholic Theological Union, Chicago, IL, USA	\$15,000.00
Mercedarian Sisters of the Blessed Sacrament, Gainesville, FL, USA.....	\$15,000.00
Sacred Heart Fraternity, Girardota, Colombia.....	\$10,000.00
Servants of the Lord and the Virgin of Matara, Immaculate Conception Province, Washington, D.C., USA	\$10,000.00
San Jose Seminary, East Santo Domingo, Dominican Republic	\$10,000.00
Regina Health Center, Richfield, OH, USA	\$15,000.00
Congregation of the Mission, St. Vincent de Paul, Philadelphia, PA, USA.....	\$10,000.00
International Dominican Foundation, Rome, Italy.....	\$15,000.00
Order of Friars Minor, Most Sacred Heart of Jesus Province, Chicago, IL, USA	\$15,000.00
Augustinians of the Assumption, East Africa Region, Various Countries in Africa	\$10,000.00
NET Ministries of Ireland, Ballybofey, Ireland.....	\$10,000.00
Congregation of the Mission, Western Province, Nairobi, Kenya	\$10,000.00
Handmaids of the Sacred Heart of Jesus, Philadelphia, PA, USA	\$10,000.00
Catholic Bishops of India Conference, Bangalore, India.....	\$5,000.00
Mount Tabor Center, Menasha, WI, USA.....	\$10,000.00
Benedictine Fathers of Sacred Heart Mission, Inc., Shawnee, OK, USA.....	\$10,000.00
Missionary Sisters of the Precious Blood, Congo Region, Bamanya, Dem. Rep. of the Congo.....	\$10,000.00
Daughters of St. Paul, Inc., St. Louis, MO, USA	\$7,000.00
Lovers of the Holy Cross of Go Vap, Ho Chi Ming City, Viet Nam.....	\$15,000.00
Lithuanian Youth Pastoral Centre, Vilnius, Lithuania.....	\$10,000.00
Missionary Sisters of the Holy Redeemer, Lviv, Lithuania	\$15,000.00
S. Bernardino Institute of Ecumenism, Venice, Italy.....	\$10,000.00
Diocese of Bongaigaon, Bongaigaon, India	\$5,000.00

Diocese of Bongaigaon, Bongaigaon, India	\$7,000.00
Poor Clares, Monastery of the Sacred Heart, Alcamo, Italy.....	\$10,000.00
Congregation of the Priests of the Sacred Heart of Jesus, Eluru, India.....	\$10,000.00
Poor Clare Colettines, Monastery of the Sacred Heart, Bukoba, Tanzania.....	\$10,000.00
Regina Pacis University College, Nairobi, Kenya	\$5,000.00
Human Development Project/Proyecto Desarrollo Humano, Brownsville, TX, USA.....	\$10,000.00
Daughters of Our Lady of the Holy Rosary, Ho Chi Minh City, Viet Nam	\$12,000.00
Diocese of Las Cruces, Inc, Las Cruces, NM, USA.....	\$10,000.00
Divine Word College, Epworth, IA, USA	\$10,000.00
Daughters of Mary Help of Christians of Northern India, Meghalaya, India.....	\$10,000.00
Lovers of the Holy Cross, Nghe An, Viet Nam	\$10,000.00
Handmaids of Mary Congregation, Snehadeepti Province, Orissa, India.....	\$1,400.00
Chad-Cameroon Mission, Yaounde, Cameroon	\$10,000.00
Order of Friars Minor General Curia, Various Countries Worldwide	\$100,000.00
Order of Friars Minor General Curia, Various Countries Worldwide	\$100,000.00
Ndala Catechetical Centre, Tabora, Tanzania	\$10,000.00
Benedictine Sisters, St. Placid Priory, Seattle, WA, USA.....	\$15,000.00
Chad-Cameroon Mission, Obala, Cameroon.....	\$10,000.00
Diocese of Fort Worth, Fort Worth, TX, USA	\$15,000.00
Servants of the Good News Motherhouse, Babati, Tanzania	\$9,000.00
Archdiocese of New Orleans, New Orleans, LA, USA.....	\$10,000.00
Congregation of the Immaculate Conception of Castres, Inc., Quezon City, Philippines.....	\$9,000.00
Discalced Carmelite Friars, Oklahoma Province of St. Therese, San Antonio, TX, USA.....	\$10,000.00
Saint Teresa of Jesus International Juniorate, Viterbo, Italy	\$10,000.00
The Augustinians, Province of Our Mother of Good Counsel, Chulucanas, Peru	\$10,000.00
Sisters of Charity of Seton Hill, Korean Province, Gwangju, Korea	\$15,000.00
L'Arche Chicago, Chicago, IL, USA.....	\$10,000.00
Congregation of the Daughters of Mary Immaculate, US Province, Agen, France	\$15,000.00
Lumen Christi Institute, Chicago, IL, USA	\$10,000.00
Sisters of St. Francis of the Neumann Communities, Syracuse, NY, USA	\$15,000.00
Diocese of Crookston, Crookston, MN, USA	\$15,000.00
Lay Mission-Helpers Association, Los Angeles, CA, USA	\$10,000.00
Diocese of Gallup, Gallup, NM, USA.....	\$15,000.00
Chad-Cameroon Mission, Berem, Cameroon	\$10,000.00
The Military Council of Catholic Women - Worldwide, Inc., Washington, D.C., USA	\$13,000.00
Missionary Sisters of the Precious Blood, Congo Region, Kinkole, Democratic Republic of the Congo	\$10,000.00
Congregation of the Daughters of Mary Immaculate, US Province, Kara, Togo	\$10,000.00
Monastery of the Sacred Heart of Jesus and St. Theresa, Santo Domingo, Ecuador	\$15,000.00
Federation of Poor Clares of Ecuador, Quito, Ecuador.....	\$10,000.00
Kollegiet Redemptoris Mater, Copenhagen, Demark	\$10,000.00
Diocese of Austin, Austin, TX, USA	\$10,000.00
Order of the Visitation of Holy Mary, Ecuador, El Chaco, Ecuador.....	\$10,000.00
Know and Tell the Gospel Catholic School of Evangelization, Takoradi, Ghana	\$10,000.00
Parish Visitors of Mary Immaculate, Inc., Monroe, NY, USA.....	\$10,000.00
Monastery of the Child Jesus and St. Joseph, Loja, Ecuador	\$10,000.00
Newman Community, Blacksburg, Virginia.....	\$10,000.00
Discalced Carmelite Sisters of Colombia, La Estrella, Colombia.....	\$10,000.00
St. Albert's College, Jharkhand, India	\$10,000.00
Missionary Sisters of the Holy Family, African Province, Nairobi, Kenya.....	\$10,000.00
Franciscan Missionaries of Jesus and Mary, Valle del Cauca, Colombia.....	\$10,000.00
Handmaids of the Sacred Heart of Jesus, Kinshasa, Democratic Republic of the Congo.....	\$10,000.00
Diocese of Nha Trang, Khanh Hoa, Viet Nam	\$10,000.00
Congregation of the Daughters of Mary Immaculate, US Province, Ranchi, India.....	\$10,000.00
Montserrat Retreat House, Fort Worth, TX, USA	\$10,000.00
Society of African Missions, Gulf of Guinea District-in-Formation, Winneba, Ghana	\$10,000.00
Adorer Missionary Sisters of the Poor, Moshi, Tanzania.....	\$10,000.00
Daughters of the Sacred Heart, Bataan, Philippines.....	\$10,000.00

Discalced Carmelite Sisters of the Dominican Republic, Bani, Dominican Republic	\$10,000.00
Apostolic Vicariate of Bomadi, Ughelli, Nigeria.....	\$10,000.00
Missionary Sisters of the Immaculate Heart of Mary, Guatemala Province, Guatemala City, Guatemala	\$6,000.00
St. Paul's Major Seminary, Freetown, Sierra Leone	\$10,000.00
Marianists, Province of the United States, Ranchi, India.....	\$10,000.00
Province of the Most Holy Name of Jesus, Western Dominican Province, Oakland, CA, USA	\$10,000.00
Chad-Cameroon Mission, Bero, Chad.....	\$10,000.00
Stella Maris Major Seminary, Nha Trang, Viet Nam	\$10,000.00
Life Teen, Inc., Madian, Haiti.....	\$10,000.00
Diocese of Lubbock, Lubbock, TX, USA.....	\$10,000.00
Society of Jesus, Portuguese Province, Lisbon, Portugal.....	\$10,000.00
Adigrat Major Seminary, Adigrat, Ethiopia	\$11,000.00
Blessed Theodore Romzha Greek Catholic Theological Academy, Minaj, Ukraine.....	\$15,000.00
Franciscan Oriental Seminary of St. Cyril, El Gizah, Egypt.....	\$11,000.00
Holy Saviour Inter-Eparchial Major Seminary, Asmara, Eritrea.....	\$11,000.00
Sisters of Mercy of the Holy Cross, Busunju, Busunju, Uganda	\$10,000.00
Diocese of San Angelo, San Angelo, TX, USA	\$10,000.00
Congregation of the Daughters of Mary Immaculate, US Province, San Antonio, TX, USA.....	\$10,000.00
Comboni Missionaries of the Heart of Jesus, Province of Ethiopia, Washington, DC, USA.....	\$10,000.00
Maronite Patriarchal Seminary, Ghazir, Lebanon.....	\$11,000.00
St. Ephrem's Major Seminary, Addis Abeba, Ethiopia.....	\$11,000.00
St. Leo the Great Coptic Catholic Seminary, Maadi, Egypt.....	\$11,000.00
Sts. Basil, Gregory and John Greek Catholic Major Seminary, Oradea, Romania	\$15,000.00
Redemptoris Mater Missionary Seminary, Libreville, Gabon	\$15,000.00
Sisters of St. Joseph of Orange, Tabora, Tanzania	\$10,000.00
St. Joseph College Seminary, Chicago, IL, USA	\$10,000.00
Vicariate Apostolic of Tripoli, Tripoli, Libya	\$15,000.00
St. Anthony of Padua Seminary, Karm Sadde, Lebanon	\$11,000.00
Missionaries of the Sacred Heart, USA Province, Bogota, Colombia	\$10,000.00
St. Peter's Chaldean Patriarchal Seminary, Erbil-Ankawa, Iraq	\$10,000.00
Diocese of Alexandria, Alexandria, LA, USA.....	\$10,000.00
St. John the Apostle Major Seminary, Harrisa, Lebanon.....	\$11,000.00
Catholic Rural Life, Winona, MN, USA	\$15,000.00
Dominican Sisters, Monastery of St. Agnes, Facatativa, Colombia.....	\$15,000.00
Military Chaplaincy Affairs Commission of the Kiev Archdiocese, Cherkasy, Ukraine	\$10,000.00
Missionary Congregation of the Evangelizing Sisters of Mary, Rift Valley Zone, Rongai Nakuru, Kenya	\$10,000.00
Santa Maria del Popolo Parish, Mundelein, IL, USA	\$5,000.00
Missionary Congregation of the Evangelizing Sisters of Mary, Moshi, Moshi, Tanzania	\$10,000.00
Redemptorist Theology Residence, Chicago, IL, USA.....	\$10,000.00
Heart's Home USA, Brooklyn, N.Y., USA.....	\$10,000.00
Bernardine Franciscan Sisters, Nipepe, Mozambique	\$10,000.00
Saint Mary, Our Lady of Mount Carmel Cathedral, Gaylord, MI, USA.....	\$10,000.00
Holy Cross Sisters, Juli Prelature, Canto Grande, Peru.....	\$15,000.00
Renewal Ministries, Inc., Ann Arbor, MI, USA.....	\$10,000.00
Missionaries of St. Francis de Sales, Mozambique Mission, Maputo, Mozambique	\$10,000.00
MSFS Study House, Shillong, India	\$9,000.00
Sisters of Our Lady of Kilimanjaro, Moshi, Tanzania	\$10,000.00
SOLT Santo Tomas Regional House, Robstown, TX, USA.....	\$10,000.00
St. Mary House Seminary, Thakhek, Laos.....	\$15,000.00
Casa Romero Renewal Center, Milwaukee, WI, USA.....	\$10,000.00
Medical Mission Sisters, East Africa Unit, Kampala, Uganda	\$10,000.00
St. Mary of the Angels Friary, Nongstoin, India	\$10,000.00
Derry Diocesan Catechetical Centre, Derry, Northern Ireland	\$10,000.00
Penitentes Sisters of St. Francois d'Assise, Rusizi, Rwanda	\$10,000.00
Society for the Propagation of the Faith, US National Office, Various Countries in Africa	\$300,000.00
Congregation of St. Dominic, Medellin, Colombia	\$10,000.00

Fransalian Agency for Social Care and Education, Guwahti, India	\$6,000.00
Diocese of St. Thomas, St. Thomas, VI.....	\$10,000.00
Diocese of Steubenville, Steubenville, OH, USA.....	\$15,000.00
Diocese of Damongo, Damongo, Ghana.....	\$9,000.00
Discalced Carmelite Sisters of Cuba, Havana, Cuba.....	\$10,000.00
Franciscan Missionary Sisters of the Holy Eucharist, Morogoro, Tanzania	\$10,000.00
St. Mary Mother of Mercy Catholic Church, Monduli, Tanzania	\$5,000.00
Catholic Volunteer Network, Takoma Park, MD, USA	\$10,000.00
St. John the Baptist Friary, Los Angeles, CA, USA	\$10,000.00
Jordan Ministry Team, Tucson, AZ, USA.....	\$10,000.00
Federation of Pastoral Institutes, Miami, FL, USA.....	\$10,000.00
Kaunas Archdiocese Youth Centre, Kaunas, Lithuania.....	\$10,000.00
St. Paul's Outreach, Inc., Inver Grove Heights, MN, USA.....	\$10,000.00
Andean Pastoral Institute, Various locations in Peru.....	\$10,000.00
Society of Jesus, Kyrgyzstan, Bishkek, Kyrgyzstan	\$10,000.00
Daughters of Mary, Masaka, Uganda.....	\$10,000.00
Franciscan Sisters of St. Bernadette, Rulenge Generalate House, Rulenge, Tanzania	\$10,000.00
St. Ann's Novitiate House, Arusha, Tanzania.....	\$10,000.00
Missionaries of St. Francis de Sales, Mozambique Mission, Zavala, Mozambique	\$10,000.00
Lumen Christi Institute, Arusha, Tanzania	\$10,000.00
Congregation of Saint Dominic of Venezuela, Calabozo, Venezuela.....	\$10,000.00
Centro Comunitario Teresiano, A.C., Leon, Mexico.....	\$10,000.00
St. Francis de Sales Parish, Kashishi, Kakishi, Tanzania.....	\$9,000.00
Missionaries of St. Francis de Sales, East Africa Province, Morogoro, Tanzania	\$10,000.00
Mexican American Catholic College, San Antonio, TX, USA.....	\$10,000.00
Gonzaga-Gonza Jesuit Novitiate, Arusha, Tanzania.....	\$10,000.00
Sisters of Christian Doctrine, Province of Peru, Callao, Peru	\$10,000.00
Sisters of Christian Doctrine, Requena, Requena, Peru	\$10,000.00
Poor Clares, Monastery of St. Clare of the Holy Trinity, Zamora, Ecuador	\$10,000.00
Diocese of Tyler, Tyler, TX, USA.....	\$10,000.00
Apostolic Vicariate of Southern Arabia, Abu Dhabi, United Arab Emirates.....	\$7,000.00
Daughters of Mary, Ndala, Tanzania	\$10,000.00
Society of Divine Vocations, Ijebu-Ode, Ijebu-Ode, Nigeria	\$5,000.00
Sisters of Christian Doctrine, Province of Colombia, Bogota, Colombia.....	\$10,000.00
Franciscan Sisters of Mary Immaculate, San Jose Province Postulant House, Cuenca, Ecuador.....	\$10,000.00
Diocese of KigomaKigoma, Tanzania.....	\$10,000.00
Dominican Sisters of Bethany, Ecuador, Imbabura, Ecuador.....	\$10,000.00
Diocese of Kigoma, Kigoma, Tanzania.....	\$10,000.00
Congregation of St. Dominic, Buenaventur-Valle, Colombia.....	\$10,000.00
Franciscan Sisters of Mary Immaculate, San Jose Province, Talaras, Peru.....	\$10,000.00
African Benedictine Sisters of Our Lady Help of Christians, Magu, Mwanza, Tanzania	\$10,000.00
Assumption College for Sisters, Mendlham, NJ, USA	\$15,000.00
Diocese of Monze, Monze, Zambia.....	\$10,000.00
Poor Clares, Monastery of San Damiano, Mexicali, Mexico	\$10,000.00
Poor Clares, Reale Monastero Santa Chiara, Naples, Italy.....	\$10,000.00
Poor Clares, Monastery of Saint Damian, Valparaiso, Mexico.....	\$10,000.00
Eparchy of Kamyanets-Podilskyj, Kemjanets-Podilskyj, Ukraine	\$10,000.00
St. Clare Monastery, Kamonyi, Kigali, Rwanda	\$10,000.00
Poor Clares, Saint Clare Monastery Ouahigouya, Ouahigouya, Burkina Faso	\$10,000.00
Companions of the Little Flower Sisters, Nyeri, Kenya	\$10,000.00
Poor Clare Sisters, Second Order of St. Francis, Cartago, Costa Rica	\$10,000.00
Redemptoris Mater Archdiocesan Missionary Seminary, Denver, CO, USA	\$10,000.00
Redemptoris Mater Archdiocesan Missionary Seminary, Kearney, NJ, USA	\$10,000.00

TOTAL \$2,663,400.00

CATHOLIC SCHOOLS

“For God so loved the world that he gave His only begotten son, that whoever would believe in Him should not perish but have eternal life.”

John 3:16

For many, Catholic Schools are where sacramental preparation takes place. The first lesson taught is prayer and for some it is an introduction to Christ, others it helps to better understand that God is always accessible. In some areas of the world Catholic Schools are the only continuous presence of the faith and provide not only a spiritual education but the highest quality standard education as well.

The Koch Foundation provides support to resource poor areas where Catholic Schools are the only means of evangelization. The Foundation also funds innovative programs that have the potential for providing future Church leaders.



Karitas Jr. High, Purwokerto, Indonesia



Vishwa Jyoti English Medium School, Chanda, India



Kim Ngoc Parish School, Phan Thiet, Vietnam

CATHOLIC SCHOOLS

St. Jude Regional Catholic School, Rockville MD, USA.....	\$10,000.00
Academy of the Holy Cross, Inc., Kensington, MD, USA.....	\$10,000.00
St. Frances Cabrini Academy, St. Louis, MO, USA.....	\$10,000.00
La Salle Academy, New York, NY, USA.....	\$10,000.00
St. Ignatius School, Bronx, NY, USA.....	\$10,000.00
Saint Joseph Academy, Brownsville, TX, USA.....	\$10,000.00
Sisters of Our Lady Queen of Africa, Mbeya, Tanzania.....	\$5,000.00
St. Raphael Preschool, Raleigh, NC, USA.....	\$9,000.00
Salesian College Preparatory, Richmond, CA, USA.....	\$10,000.00
St. Anthony School Programs, Wexford, PA, USA.....	\$12,000.00
O'Connell College Preparatory School, Galveston, TX, USA.....	\$10,000.00
Notre Dame High School, Belmont, CA, USA.....	\$10,000.00
Pharr Oratory of St. Philip Neri School System, Pharr, TX, USA.....	\$10,000.00
Corpus Christi School, Falls Church, VA, USA.....	\$10,000.00
Moreau Catholic High School, Hayward, CA, USA.....	\$10,000.00
Sister Thea Bowman Catholic School, East St. Louis, IL, USA.....	\$10,000.00
Guadalupe Regional Middle School, Brownsville, TX, USA.....	\$10,000.00
San Miguel School, Chicago, IL, USA.....	\$10,000.00
St. Paul Catholic School, New Bern, NC, USA.....	\$10,000.00
St. Andrew Catholic School, Mbagathi, Kenya, USA.....	\$10,000.00
Catholic Partnership Schools, Camden, NJ, USA.....	\$15,000.00
Madoya Catholic School, Nairobi, Kenya.....	\$13,000.00
John Paul II Junior College, Benque Viejo Del Carmen, Belize.....	\$10,000.00
St. Timothy Catholic School, Union, KY, USA.....	\$8,000.00
St. Catherine of Siena Catholic School, Port Arthur, TX, USA.....	\$10,000.00
Sacred Heart Elementary School, Omaha, NE, USA.....	\$10,000.00
Sacred Heart Elementary, Gallup, NM, USA.....	\$10,000.00
Our Lady of the Hills Regional Catholic High School, Kerrville, TX, USA.....	\$9,000.00
Sisters of the Holy Family of Bordeaux, Buhara, Uganda.....	\$11,000.00
Loretto Academy, El Paso, TX, USA.....	\$10,000.00
Lumen Christi Catechetical Center, Quezon city, Philippines.....	\$10,000.00
Franciscan Sisters of St. Anna - Lwak, Kisumu, Kenya.....	\$10,000.00
De La Salle Blackfeet Middle School, Browning, MT, USA.....	\$15,000.00
Our Lady of the Rosary Parish, Les Gonaives, Haiti.....	\$10,000.00
Alphonsa Convent, Kibaha, Tanzania.....	\$10,000.00
Walla Walla Catholic Schools, Spokane, WA, USA.....	\$10,000.00
Regina Luminis Academy, Downingtown, PA, USA.....	\$10,000.00
Strake Jesuit College Preparatory, Houston, TX, USA.....	\$10,000.00
Jesuit School of Theology of Santa Clara University, Berkeley, CA.....	\$10,000.00
Il Saints Catholic School, Omaha, NE, USA.....	\$10,000.00
Holy Name Elementary School, Omaha, NE, USA.....	\$10,000.00
St. Thomas More Academy, Burton, MI, USA.....	\$5,000.00
St. Alphonsus Parish School, Brooklyn Center, MN, USA.....	\$10,000.00
Holy Trinity High School, Chicago, IL, USA.....	\$10,000.00
St. Francis de Sales Catholic School, Mabanga-Jallingo, Ngaoundere, Cameroon.....	\$10,000.00
Liceo De Liliw Catholic School, Makati, Philippines.....	\$10,000.00
DSFS Primary School, Imbaseni, Tanzania.....	\$10,000.00
Cristo Rey Jesuit High School, Chicago, IL, USA.....	\$10,000.00

St. David's Marist Inanda Foundation, Johannesburg, South Africa.....	\$8,000.00
St. Ann's Church, Belcourt, ND, USA	\$15,000.00
Holy Family Catholic School, Austin, TX, USA.....	\$10,000.00
St. Joseph Catholic School, Killeen, TX, USA.....	\$10,000.00
St. Michael's School, Ogrigabene, Nigeria.....	\$10,000.00
Queen Mary Secondary School, Lungongole, Tanzania	\$10,000.00
St. Ignatius Parochial School, Gumaca, Philippines.....	\$12,000.00
St. Aloysius Girls Senior Secondary School, Bwanda, Bwanda, Uganda	\$10,000.00
St. Louis Catholic School, Austin, TX, USA.....	\$10,000.00
St. Raphael School, Los Angeles, CA, USA	\$10,000.00
Dominican Academy of the City of New York, New York, NY, USA	\$15,000.00
Saints Peter and Paul School, Umumbo, Nigeria.....	\$10,000.00
Mercy High School, Middletown, CT, USA	\$10,000.00
Elizabeth Seton High School, Bladensburg, MD, USA.....	\$10,000.00
Father Amadi Memorial School, Onitsha, Nigeria.....	\$10,000.00
Star of the Sea Evangelization School, Bomadi, Nigeria	\$10,000.00
Our Lady of Perpetual Help School, Dallas, TX, USA	\$10,000.00
Bishop Dunne Catholic School, Dallas, TX, USA.....	\$10,000.00
St. Rita's School, San Diego, CA, USA	\$10,000.00
Sisters of Mercy of the Holy Cross Junior School, Masuliita, Masuliita, Uganda	\$12,000.00
Missionary Congregation of the Evangelizing Sisters of Mary, Moshi, Himo-Moshi, Tanzania.....	\$10,000.00
Marian Middle School, St. Louis, MO, USA	\$10,000.00
St. Francis Xavier Catholic School, Merrill, WI, USA	\$10,000.00
Christ the King Cathedral School, Lubbock, TX, USA.....	\$10,000.00
St. Joseph Catholic School, Lubbock, TX, USA	\$10,000.00
St. Michael Indian School, Gallup, NM, USA.....	\$15,000.00
Epiphany Catholic School, Lake City, FL, USA.....	\$10,000.00
Holy Family School, Auburn, WA, USA	\$10,000.00
Sacred Heart Catholic School, Palm Beach, FL, USA.....	\$15,000.00
St. Mary Church, Tohatchi, NM, USA	\$10,000.00
Archdiocese of San Antonio, San Antonio, TX, USA.....	\$20,000.00
Mother Kavina Feeding Center, Kijenge, Tanzania	\$8,000.00
St. Mary Catholic School, West, TX, USA.....	\$10,000.00
Christ the King Jesuit College Preparatory School, Chicago, IL, USA	\$10,000.00
Catholic Institute of Education, Johannesburg, South Africa.....	\$10,000.00
St. James School, Stratford, CT, USA	\$8,000.00
Reicher Catholic High School, Waco, TX, USA	\$10,000.00
Guardian Angel School, Pacoima, CA, USA	\$15,000.00
Missionary Congregation of the Evangelizing Sisters of Mary, Tanzania Zone, Kikuletwa, Tanzania	\$10,000.00
St. Peter Claver Catholic School, Macon, GA, USA.....	\$10,000.00
St. Jude Thaddeus Catholic School, Havre, MT, USA.....	\$10,000.00
Diocese of St. Thomas, St. Thomas, VI.....	\$10,000.00
Rosario Catholic School, Udon Thani, Thailand.....	\$13,000.00
Morning Star School, Jacksonville, FL, USA.....	\$15,000.00
Sacred Heart Academy, Grand Rapids, MI, USA	\$10,000.00
St. John the Evangelist Catholic School, Tucson, AZ, USA.....	\$10,000.00
Missionary Congregation of the Evangelizing Sisters of Mary, Jinja Zone, Karamoja, Uganda	\$10,000.00
St. Francis de Sales Secondary School, Mlolongo, Mlolongo, Kenya.....	\$10,000.00
St. Francis High School, Zilina, Slovakia.....	\$7,000.00
Mayer's Kindergarten and Primary School, Monduli, Tanzania.....	\$10,000.00
The Nativity Miguel Middle School of Buffalo, Buffalo, NY, USA	\$20,000.00
Mount St. Michael Catholic School, Dallas, TX, USA	\$10,000.00
South City Deanery Parish School of Religion, St. Louis, MO, USA.....	\$10,000.00
St. Mary's School, Ticonderoga, NY, USA	\$15,000.00
St. Jean Baptiste Parish, Sassier, Sassier, Haiti.....	\$48,500.00

TOTAL \$1,123,500.00

CAPITAL EXPENDITURES



St. Louis of France, Port au Prince, Haiti



Sacred Heart Church, Port au Prince, Haiti



Christ Roi, Port au Prince, Haiti

“In every place of worship, I want men to pray with holy hands lifted up to God, free from anger and controversy.”
1 Timothy 2:8

For some the local church is a place of worship, for others a place to meet with friends and attend services, and for still others it is the only place of safety or shelter. Still others use the church for meetings as well as liturgical services. No matter the reason, in all cases we gather in church to offer our prayers and to hear the Word of God. We are united in church as children of God and thrive on fellowship with other believers.

The Koch Foundation provides support for the construction, repair and renovation of religious structures in the United States, its territories and protectorates.

CAPITAL EXPENDITURES

St. John the Evangelist Parish, St. Kateri Tekakwitha Mission, Tucson, AZ, USA	\$12,000.00
Sisters of St. Francis, Tiffin, OH, USA	\$20,000.00
St. Luke the Evangelist Catholic Church, Thibodaux, LA, USA	\$15,000.00
St. Joseph Indian Mission, Keams Canyon, AZ, USA	\$20,000.00
Archdiocese of Miami, Port au Prince, Haiti	\$1,000,000.00
Institute of the Incarnate Word, Province of the Immaculate Conception, Hyattsville, MD, USA	\$10,000.00
Diocese of Jeremie, Jeremie, Haiti	\$20,000.00
Mary Health of the Sick Convalescent & Nursing Hospital, Inc., Newbury Park, CA, USA	\$5,000.00
Il Ritiro Franciscan Retreat, Dittmer, MO, USA	\$10,000.00

TOTAL \$1,112,000.00

KOCH FOUNDATION FINANCIAL STATEMENTS

MARCH 31, 2016 -
MARCH 31, 2017

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Koch Foundation, Inc.:

We have audited the accompanying financial statements of Koch Foundation, Inc., which comprise the statements of assets, liabilities and net assets – modified cash basis as of March 31, 2017 and 2016, and the related statements of cash receipts and disbursements and changes in net assets – modified cash basis and cash flows – modified cash basis 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 the modified cash basis of accounting as described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 audits 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 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 assets, liabilities and net assets of Koch Foundation, Inc. as of March 31, 2017 and 2016, and its receipts and disbursements for the years then ended in accordance with the modified cash basis of accounting as described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

James Moore + Co., P.L.

Gainesville, Florida
August 24, 2017

KOCH FOUNDATION, INC.
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
MARCH 31, 2017 AND 2016

	2017	2016
<u>ASSETS</u>		
Cash and cash equivalents		
Cash	\$ 55,061	\$ 37,583
Money market fund	26,562,077	26,500,419
Total cash and cash equivalents	26,617,138	26,538,002
Investments		
Common stock and exchange traded funds	78,364,964	71,771,954
Private equity investments	1,370,252	1,758,722
Total investments	79,735,216	73,530,676
Property and equipment, net	299,110	308,747
Total assets	\$ 106,651,464	\$ 100,377,425
<u>LIABILITIES AND NET ASSETS</u>		
Accrued expenses	\$ 32,520	\$ 39,736
Net assets - unrestricted	106,618,944	100,337,689
Total liabilities and net assets	\$ 106,651,464	\$ 100,377,425

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

KOCH FOUNDATION, INC.
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS AND
CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Receipts		
Interest	\$ 42,747	\$ 11,710
Dividends	1,868,956	1,824,719
Tax refund	-	87,387
Return of charitable distributions	26,276	16,700
Total receipts	<u>1,937,979</u>	<u>1,940,516</u>
Disbursements		
Charitable distributions	5,680,900	7,205,344
Management and general expenses	580,788	578,663
Investment expense	76,731	85,838
Foreign tax	-	1,198
Federal excise tax	80,712	12
Total disbursements	<u>6,419,131</u>	<u>7,871,055</u>
Deficiency of receipts under disbursements before		
net realized and unrealized gains (losses) on investments	<u>(4,481,152)</u>	<u>(5,930,539)</u>
Net realized and unrealized gains (losses) on investments	10,762,407	(5,082,596)
Excess (deficiency) of receipts over disbursements		
after net realized and unrealized gains (losses)		
on investments	<u>6,281,255</u>	<u>(11,013,135)</u>
Unrestricted net assets, beginning of year	100,337,689	111,350,824
Unrestricted net assets, end of year	<u>\$ 106,618,944</u>	<u>\$ 100,337,689</u>

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

KOCH FOUNDATION, INC.
STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

	2017	2016
Cash flows from operating activities		
Excess (deficiency) of receipts over disbursements after net realized and unrealized gains (losses) on investments	\$ 6,281,255	\$ (11,013,135)
Adjustments to reconcile excess (deficiency) of receipts over disbursements after net realized and unrealized gains (losses) on investments to net cash used in operating activities:		
operating activities:		
Depreciation	25,933	19,167
Gain on sale of investments	(5,755,389)	(2,477,233)
Unrealized depreciation (appreciation) of investments	(5,007,018)	7,559,829
Loss on disposal of property and equipment	720	-
Decrease in accrued expenses	(7,216)	(67)
Net cash used in operating activities	(4,461,715)	(5,911,439)
Cash flows from investing activities		
Purchase of property and equipment	(17,015)	(3,001)
Purchases of investments	(6,900,726)	(13,524,462)
Proceeds from sales and maturities of investments	11,458,592	8,843,340
Net cash provided by (used in) investing activities	4,540,851	(4,684,123)
Net increase (decrease) in cash and cash equivalents	79,136	(10,595,562)
Cash and cash equivalents, beginning of year	26,538,002	37,133,564
Cash and cash equivalents, end of year	\$ 26,617,138	\$ 26,538,002
Supplemental disclosure of cash flow information		
Cash paid for taxes	\$ 80,712	\$ 1,210

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

KOCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

(1) **Business Organization:**

The Koch Foundation, Inc. (the Foundation), a Florida not-for-profit corporation, was established in February 1979 as a private Florida foundation through a grant from Carl and Paula Koch. The primary purpose of the Foundation is to invest funds for the generation of investment income, which is to be used to provide grants for Roman Catholic activities that propagate the faith. Carl and Paula Koch were the principal donors of the Foundation. The distribution of these donations is subject to the Board of Directors' (the Board) approval. All funds of the Foundation are unrestricted as they are used for the primary purpose of the Foundation.

(2) **Summary of Significant Accounting Principles:**

(a) **Basis of presentation**—The Foundation prepares its financial statements on the modified cash receipts and disbursements basis of accounting. All transactions are recognized as cash is received or paid. Therefore, revenue and expenses are recognized as cash is received or paid, and the related receivables, payables and accrued expenses are not reflected in the accompanying financial statements, with the exception of the following:

Unrealized gains or losses on investments, which are recognized based on fair market value.

An accrued vacation liability has been accrued for the amount of each employee's unpaid (unused) vacation balance.

Expenditures having an economic life of more than one year are capitalized as assets and depreciated over their estimated useful lives.

(b) **Cash and cash equivalents**—For the purposes of reporting cash flows, the Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

(c) **Investments**—Investments in equity securities with readily determinable fair values and all investments in private equity and debt securities are reflected in the accounts of the Foundation at fair value. For information on how the Foundation determines fair value, see Note 11.

Unrealized gains and losses on investments is based on the market value of investments as of March 31 and recognized in the statements of receipts and disbursements and changes in net assets - modified cash basis.

(d) **Use of estimates**—The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets, net assets, receipts and disbursements during the reporting period and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

KOCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

(2) **Summary of Significant Accounting Principles:** (Continued)

(e) **Depreciation**—Property and equipment is stated at cost. The Foundation computes depreciation using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Office building and improvements	40
Furniture and fixtures	5
Computer equipment	3

(f) **Tax status**—The Internal Revenue Service has determined that the Foundation is exempt from federal income tax under Section 501(c)(3) of the Code. The Code imposes an excise tax of 2% (reduced to 1% if certain requirements are met) on net investment income of private foundations.

The Foundation files income tax returns in the U.S. federal jurisdiction. The Foundation's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

The Foundation has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Foundation.

(g) **Subsequent events**—The Company has evaluated events and transactions for potential recognition or disclosure in the financial statements through August 24, 2017, the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

(h) **Recent accounting pronouncements**—The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, "*Presentation of Financial Statements of Not-for-Profit Entities*" (Topic 958). ASU 2016-14 aims to improve not-for-profit entity financial statements to provide more useful information to donors, grantors, creditors, and other financial statement users. The standard significantly changes how net assets will be presented on the face of the financial statements, as well as requires additional disclosures for expenses by nature and function and for the liquidity and availability of resources. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017, with earlier adoption permitted. Management is still evaluating the impact of this pronouncement on the Foundation's financial statements.

Additionally, the FASB issued ASU 2015-07, "*Disclosures for Investments in Certain Entities That Calculate Net Asset Value Per Share (or Its Equivalent)*" (Topic 820). ASU 2015-07 simplifies disclosures and reporting on investments valued at net asset value as a practical expedient. ASU 2015-07 is effective for fiscal years beginning after December 15, 2016, with earlier adoption permitted. The Foundation has elected to early adopt the ASU, and apply it retroactively to all periods presented.

(i) **Reclassifications**—In order to facilitate the comparison of financial data, certain March 31, 2016 account balances have been reclassified to conform to the current year reporting format. These reclassifications had no effect on net assets.

KOCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

(3) **Concentration of Credit Risk:**

At March 31, 2017 and 2016, the Foundation had demand deposits and money market accounts with local and national banks with bank balances amounting to \$26,734,297 and \$26,619,082 respectively. The Foundation has no policy requiring collateral to support these deposits, although amounts are federally insured up to FDIC limits.

(4) **Federal Excise Tax:**

In accordance with the applicable provisions of the Tax Reform Act of 1969 (the Act), the Foundation is subject to an excise tax on net investment income, including realized gains, as defined in the Act.

In addition, the Act requires that certain minimum distributions be made in accordance with a specified formula. As of March 31, 2017 and 2016, the Foundation had distributions in excess of the required minimum for both years.

(5) **Property and Equipment:**

The following is a summary of the components of property and equipment as of March 31:

	<u>2017</u>	<u>2016</u>
Office building and improvements	\$ 356,322	\$ 356,322
Furniture and fixtures	106,656	108,335
Computer equipment	75,174	68,821
Software	42,300	42,300
	<u>580,452</u>	<u>575,778</u>
Less: Accumulated depreciation	<u>(281,342)</u>	<u>(267,031)</u>
	<u>\$ 299,110</u>	<u>\$ 308,747</u>

Depreciation expense was \$25,933 and \$19,167 for the years ended March 31, 2017 and 2016, respectively.

(6) **Related Parties:**

Directors and officers have made significant contributions of their time and services to assist the Foundation in its investment activities. The estimated fair market values of these contributions were approximately \$309,000 and \$317,000 during the years ended March 31, 2017 and 2016, respectively. As the Foundation records its financial statements on the modified cash basis, these contributions have not been recognized in the financial statements.

(7) **Employment Contracts:**

As required by a terminated employment contract, a former officer began receiving retirement benefits from the Foundation of approximately \$8,000 per year during January 1995. The benefit payments continue throughout the life of the officer and the officer's spouse. Payments of \$8,256 and \$8,945 were made during the years ended March 31, 2017 and 2016, respectively, and were included in management and general disbursements.

KOCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016

(7) **Employment Contracts:** (Continued)

The Foundation has an employment contract with an Executive Director, which automatically renews from year to year for successive one year terms unless terminated by either party. The contract can be prematurely terminated if the employee voluntarily terminates the contract (must give 60 days' notice) or the employee is involuntarily terminated with cause. The contract provides, among other things, a stipulated salary and annual retirement benefits.

(8) **Employee Benefit Plan:**

The Foundation sponsors a Simplified Employee Pension Plan (the SEP Plan) and a §403(b) Tax Deferred Annuity Plan (the §403(b) Plan) to provide for retirement benefits for the employees of the Foundation. Under the SEP Plan, each eligible employee maintains an individual retirement account into which the Foundation makes contributions. The Foundation has committed to contribute eight percent of all participating employees' annual compensation to the SEP Plan each year. The §403(b) Plan provides for participating employees to voluntarily deduct tax-deferred amounts from their gross wages to purchase tax-deferred annuities. The Foundation has no future obligations related to the §403(b) Plan and is charged approximately \$1,300 a year to maintain the plan option for employees. Benefits in both plans are fully vested immediately upon contribution. Contributions of \$21,201 and \$19,612 were made during the years ended March 31, 2017 and 2016, respectively, and were included in management and general disbursements.

(9) **Risks and Uncertainties:**

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect investment account balances and the amounts reported in the statements of assets, liabilities and net assets – modified cash basis.

(10) **Investments:**

The Foundation's investments consist of the following at March 31:

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Common stock and exchange traded funds	\$ 54,641,349	\$ 78,364,964	\$ 53,232,927	\$ 71,771,954
Private equity investments	1,158,012	1,370,252	1,368,912	1,758,722
Total Investments	<u>\$ 55,799,361</u>	<u>\$ 79,735,216</u>	<u>\$ 54,601,839</u>	<u>\$ 73,530,676</u>

Net realized and unrealized gains (losses) on investments comprises the following for the years ended March 31, 2017 and 2016:

	2017	2016
Unrealized gains (losses) on investments	\$ 5,007,018	\$ (7,559,829)
Realized gain on sale of investments	5,755,389	2,477,233
Total net realized and unrealized gains (losses) on investments	<u>\$ 10,762,407</u>	<u>\$ (5,082,596)</u>

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(11) **Fair Value Measurements:**

The fair value measurement accounting literature provides the framework for measuring fair value. That framework 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 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access as of the measurement date.

Level 2 – Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in inactive markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) 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. Unobservable inputs are those that reflect the Foundation's own assumptions about the assumptions that market participants would use in pricing the asset developed based on the best information available. These types of amounts due from externally managed private equity investments are determined based on information provided by the private equity firm.

The asset'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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to the methodologies used at March 31, 2017 and 2016.

Common stock and exchange-traded funds – Valued at quoted market prices.

Private equity investments – Valued at the net asset value of the units held by the Foundation at year end, as reported by the investment manager.

In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. These investments include private equity investments as they are valued at the net asset value of the units held. These investments are presented in the accompanying financial statements at fair value, as determined by the investment manager. The investment manager's determination of fair value is based upon the best available information provided by the underlying limited partnership the private equity funds invest in and may incorporate management assumptions and best estimates after considering a variety of internal and external factors.

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(11) **Fair Value Measurements:** (Continued)

The general partners of the underlying investment partnerships generally value their investments at fair value. Securities with no readily available market are generally valued according to the market approach, which attempts to apply a fair value standard by referring to meaningful third-party transactions, comparable public market valuations and/or the income approach. Consideration is also given to the financial condition and operating results of the issuer, the amount that the investment partnerships can reasonably expect to realize upon the sale of the securities, and any other factors deemed relevant. A security can be carried at acquisition price (cost) if little has changed since the initial investment of the company and acquisition price is most representative of fair value. Securities with a readily available market (listed on a securities exchange or traded in the over-the-counter market) are valued at quoted market prices or at an appropriate discount from such price if marketability of the securities is restricted.

Investments, other than the underlying diversified investment partnerships, for which price quotations are not readily available, are valued at fair value as determined by the General Partner. For such investments, management applies comparable transaction multiples and/or comparable trading multiples, where such comparable multiples are available and appropriate, and/or a discounted cash flow analysis, where appropriate, to estimate fair value. The General Partner establishes valuation processes and procedures to ensure that the valuation techniques for investments are fair, consistent, and verifiable. The General Partner's valuations are reviewed by the investment manager's valuation governance process on a quarterly basis which includes the investment committee. The investment committee is comprised of the investment manager's management and compliance members.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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 summarizes the assets of the Foundation for which fair values are determined on a recurring basis as of March 31, 2017 and 2016, respectively:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
March 31, 2017				
Exchange-traded funds				
Domestic stock index	\$ 6,662,691	\$ -	\$ -	\$ 6,662,691
Domestic small cap	13,517,138	-	-	13,517,138
International	13,970,530	-	-	13,970,530
Real assets	3,598,830	-	-	3,598,830
Fixed Income	8,886,725	-	-	8,886,725
Common stock				
Domestic large cap	31,357,927	-	-	31,357,927
International	371,123	-	-	371,123
Private equity investments measured at net asset value ¹				1,370,252
Total assets at fair value	<u>\$ 78,364,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,735,216</u>

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(11) **Fair Value Measurements:** (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
March 31, 2016				
Exchange-traded funds				
Domestic stock index	\$ 2,004,000	\$ -	\$ -	\$ 2,004,000
Domestic small cap	14,376,860	-	-	14,376,860
International	12,502,320	-	-	12,502,320
Real assets	838,000	-	-	838,000
Fixed Income	8,614,445	-	-	8,614,445
Common stock				
Domestic large cap	33,076,934	-	-	33,076,934
International	359,395	-	-	359,395
Private equity investments measured at net asset value ¹				1,758,722
Total assets at fair value	<u>\$ 71,771,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,530,676</u>

¹ In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of assets, liabilities and net assets – modified cash basis.

Following is a description of the significant investment strategies of each major category of investments for which fair value has been estimated using the net asset value per share of the investments as a practical expedient as of March 31, 2017 and 2016:

Private equity investments – To provide long-term capital appreciation and current income through investments in limited partnerships, which invest in diversified portfolios ranging from short-term to long-term instruments, as described below.

During the fiscal year, the Foundation committed an additional \$5 million to private equity funds through their current broker. As of March 31, 2017, none of the capital committed had been transferred to these funds.

The following table discloses certain additional information as of March 31, 2017, related to the Foundation’s investments in private equity investments:

<u>Description</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>
Commonfund Capital Private Equity Partners VI, LP ^(a)	\$ 577,035	\$ 82,425
Commonfund Capital International Partners V, LP ^(b)	501,215	58,406
Commonfund Capital Venture Partners VII, LP ^(c)	292,002	12,750
Total	<u>\$ 1,370,252</u>	<u>\$ 153,581</u>

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(11) **Fair Value Measurements:** (Continued)

^(a)—This category includes private equity funds that offer the investor the opportunity to invest in private equity transactions, such as growth equity financing, leveraged buyouts, acquisitions and/or industry consolidations, recapitalizations and restructurings. Traditionally, private equity investments seek to earn returns substantially above those on publicly traded stocks over a long term (7 to 10 years) investment horizon and to further diversify the equity component of an investment portfolio. This fund is invested 84% in the United States. Redemptions do not apply; these are closed ended limited partnership investments.

^(b)—This category includes private equity funds that seek to generate higher returns over the long term than those generally available on the foreign listed securities exchanges through investments in a diversified portfolio of international private capital funds and to further diversify the equity component of a nonprofit institution's investment portfolio. This fund is invested 33% in Europe. Redemptions do not apply; these are closed ended limited partnership investments.

^(c)—This category includes private equity funds that aim to give investors the opportunity to earn long term capital appreciation by investing in early stage, high growth private companies, principally in the information technology and life sciences/healthcare fields. Traditionally, venture capital investments seek to earn returns above those in publicly traded stocks over a long-term investment horizon, and to further diversify the equity component of an investments portfolio. This fund is invested 80% in the United States. Redemptions do not apply; these are closed ended limited partnership investments.



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