

Unity in Faith



2018 ANNUAL REPORT

KΦCH
Foundation Inc.

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

From the Executive Director

In the garden of Gethsemane on the night before His death, Jesus prayed:

"I do not pray for these only, but also for those who believe in me through their word, that they may all be one; even as thou, Father, art in me, and I in thee, that they also may be in us, so that the world may believe that thou hast sent me. The glory which thou hast given me I have given to them, that they may be one even as we are one, I in them and thou in me, that they may become perfectly one, so that the world may know that thou hast sent me and hast loved them even as thou hast loved me." (John 17:22-23)

For the many of us who attended Catholic school, we always began our religious education classes learning that the word "Catholic" meant universal. We were taught that when we were baptized we became "Catholic" and part of the Catholic Church family. Our family is composed of various people from a multitude of cultures who are joined together in our belief of one church, one faith. Our teachers emphasized that as members of the Catholic faith, we were all to proclaim Christ's message of salvation and as family members we were to spread His love to all.

As I travelled to other countries, no matter where I attended Mass or in what languages it was said, I could still recognize the prayers, parts of the Mass and in some instances the hymns and felt I was home. This was important to me, because as a stranger in a foreign land who was sometimes met with hostility, my faith and my Church provided a haven and a familiarity which comforted me. Visiting different countries and cities I saw both rich and poor but what struck me the most was when I would see those lines wiped away at the local church, where everyone was accepted equally as part of the Catholic family. The Church has since its inception called upon the faithful to be inclusive of the forgotten and marginalized, just as Jesus himself was, for all are accepted by Him and His Church.

Over the years I have met many religious whose lives are dedicated to ministering to people both here at home and in various missions overseas, and they not only strengthen the bonds of the faith as they serve, but they also help provide that feeling of being at home in the Church. They help to remind us that what holds the Church together are the bonds of faith, celebration of sacraments, and a ministry serving the unity of all humanity in Christ as one Church and one faith. This is our home, our faith and our religion, a unified Church.

Carolyn Young

Introduction to Unity in Faith

The Church has three visible bonds of unity: the Profession of Faith which is said in each Mass; the liturgical celebration of Mass; and the apostolic succession through Holy Orders. These three bonds unify all Catholics everywhere. The Profession Faith is based on Catholic doctrine proclaimed by the Church. We believe in one Church, one God, and one Baptism, the same faith that was given to us by Christ, the same Faith preached by His disciples which continues to be taught today.

Our Liturgical Celebration is shown through various Rites of the faith which follow certain ancient rituals from the early days of the Church that are still being preserved. Most people are familiar with the Latin, or Western Rite, of the Catholic Church, which is the rite to which most parishes in the United States belong. But there is also an Eastern Rite, which includes 21 churches that celebrate Mass according to their own traditions. Together the Western and Eastern Rites do not change the substance of the religious act; we are still one Body, one Church.

The apostolic succession through Holy Orders is the priesthood of Christ made through the apostles which continues through our priests today. Supporting the priesthood are many dedicated religious men and women, as well as laity. They continue Christ's mission of spreading the Catholic faith, even in some instances risking death to bring the Word to all.

Although Catholicism is represented by peoples of diverse cultures and traditions, that diversity does not imply a lack of unity. We are religious, deacons, volunteers, old and young, men, women and children, all blessed with various gifts and talents which we use to strengthen our faith in not only ourselves but in others we encounter. These characteristics, inseparably linked, unify us and are essential features of the Church and its mission. Only by professing our faith can the Church continue to grow stronger and welcome others. It is our unity in Faith that brings us closer to Christ as we strive to become one with Him.

Direct Evangelization & Mass Media

"For you are all sons of God through faith in Christ Jesus. For all of you who were baptized into Christ have clothed yourselves with Christ. There is neither Jew nor Greek, there is neither slave nor free man, there is neither male nor female; for you are all one in Christ Jesus."

(Galatians 3:26-28)

As one faith, praising one God, together we are one people united in our faith spreading the Good News to all.

Often for many in the Catholic faith, hearing sacred music or reading the Bible provides peace and a feeling of being near the Lord. Through various media, newspapers, television, radio or the Bible we are able to see, hear, feel the presence of Christ. We can all in one voice give praise to the Lord!



Diocese of Warsaw, Warsaw, Poland



Archdiocese of Manila, Manila, Philippines



St. Joseph's Girls High School, Machakos, Kenya

Direct Evangelization & Mass Media

St. Paul Center for Biblical Theology, Steubenville, OH	\$10,000.00
Zaidi Centre for Ignatian Spirituality, Nairobi, Kenya.....	\$10,000.00
Lamar University-Catholic Student Center, Beaumont, TX	\$10,000.00
Diocese of Lafayette, Lafayette, LA.....	\$10,000.00
Dismas Ministry, Inc., Milwaukee, WI.....	\$15,000.00
Handmaids of the Holy Child Jesus, Ijebu-Ode, Nigeria.....	\$7,000.00
Armenian Catholic Eparchy of Our Lady of Nareg in United States and Canada, Glendale, CA.....	\$15,000.00
St. Vincent de Paul Society of San Mateo County, San Mateo, CA	\$10,000.00
Walking with Purpose, Inc., Millersville, MD	\$10,000.00
St. Felix Pantry, Inc., Rio Rancho, NM.....	\$15,000.00
Basilica of the National Shrine of the Little Flower, San Antonio, TX.....	\$7,000.00
Kaunas Jesuit High School, Kaunas, Lithuania	\$10,000.00
Archdiocese of St. Louis, St. Louis, MO	\$10,000.00
Diocese of Miao, Arunachal Pradesh, India	\$10,000.00
The Military Council of Catholic Women - Worldwide, Inc., San Diego, CA	\$3,000.00
Diocese of Rapid City, Rapid City, SD	\$17,000.00
Eparchy of St. Maron of Brooklyn, Various dioceses in the United States	\$10,000.00
Bethany House Ministries, Inc., Millis, MA	\$15,000.00
Saints Peter and Paul Cathedral Parish, Sokal-Lviv, Ukraine	\$10,000.00
Bernardinai Youth Center, Vilnius, Lithuania	\$10,000.00
St. Edward Catholic Church, Baltimore, MD.....	\$8,500.00
St. Thomas Aquinas Newman Center, Fargo, ND.....	\$10,000.00
L'Arche Jacksonville, Jacksonville, FL.....	\$15,000.00
Archdiocese of Kyiv, Kyiv, Ukraine.....	\$10,000.00
Christ the Redeemer Parish, Belfast, United Kingdom.....	\$15,000.00
Archdiocese of Dublin, Dublin, Ireland.....	\$20,000.00
Saint John Paul II Newman Center, Chicago, IL.....	\$10,000.00
Epiphany Academy of Formative Spirituality, Pittsburgh, PA	\$10,000.00
St. James Parish, Carthage, NY.....	\$15,000.00
Daughters of Mary Help of Christians, Zagreb, Zagreb, Croatia	\$15,000.00
Sisters of the Holy Family, Ville Platte, LA	\$15,000.00
Sioux Spiritual Center, Rapid City, SD.....	\$10,000.00
Diocese of Gallup, Gallup, NM	\$10,000.00
Diocese of Rapid City, Rapid City, SD	\$10,000.00
Mercy Spirituality Center, Rochester, NY.....	\$15,000.00
Diocese of Beaumont, Beaumont, TX	\$10,000.00
Drumalis, Larne, UK	\$10,000.00
Order of Friars Minor General Curia, Various Dioceses	\$100,000.00
NGO InteRed, Kundikanda, DRC	\$10,000.00
Newman Catholic Center, Amherst, MA	\$10,000.00
Military Chaplaincy Affairs Commission of the Kiev Archdiocese, Kiev, Ukraine	\$15,000.00
Ishopanathi Ashram, Puri, India	\$10,000.00
Saint Elizabeth University Parish, Lubbock, TX	\$10,000.00
Sisters of Charity of St. Vincent de Paul, New York, NY	\$15,000.00

Our Lady of Lebanon National Shrine, North Jackson, OH	\$10,000.00
Missio ad Gentes, Libreville, Gabon.....	\$10,000.00
St. Bruno Sserunkuma Catholic Parish, Agururu, Uganda	\$10,000.00
Fransalian Mission, Lukobe, Tanzania.....	\$10,000.00
St Eugene's Cathedral, Derry, UK	\$10,000.00
Our Lady of Deliverance Syriac Catholic Diocese, Bayonne, NJ	\$10,000.00
Our Lady of Perpetual Help Bashay-Mangisa Centre, Mbulu, Tanzania.....	\$10,000.00
St. Lawrence Catholic Campus Center, Lawrence, KS.....	\$10,000.00
Pastoral Care for Children, Zambales, Philippines	\$10,000.00
Endow, Pueblo, CO	\$6,000.00
Holy Family School, Sauk Centre, MN	\$8,000.00
Youth 2000 Ireland, Kildare, Ireland	\$7,000.00
Holy Family Passionist Retreat Center, West Hartford, CT	\$10,000.00
Archdiocese of Kyiv, Kyiv, Ukraine.....	\$4,000.00
St. John's Bread & Life, Brooklyn, NY.....	\$10,000.00
Diocese of Derry, Derry, United Kingdom.....	\$10,000.00
Franciscan Youth Ministry of Kretinga, Kretinga, Lithuania	\$10,000.00
Vicariate Apostolic of Bomadi, Ughelli, Nigeria.....	\$10,000.00
Diocese of Gaylord, Gaylord, MI.....	\$10,000.00
Holy Child Jesus Catholic Church, Canton, MS.....	\$15,000.00
St. Mathew Catholic Centre, Bisil, Bisil, Kenya	\$11,000.00
Holy Trinity Ukrainian Catholic Church, Carnegie, PA	\$10,000.00
Young Hope Vicariate, Santiago, Chile.....	\$10,000.00
Ignatian Spirituality Project, Chicago, IL.....	\$10,000.00
Catholic Community Connection, Cleveland, OH.....	\$10,000.00
Order of Poor Clares, Monastery of Santa Clara, Ambato, Ecuador	\$10,000.00
St. Catherine of Siena Catholic Newman Center, Salt Lake City, UT	\$10,000.00
Missio Ad Gentes Malabo, Malabo, Equatorial Guinea.....	\$10,000.00
Secular Franciscan Order of Lithuania, Vilnius, Lithuania.....	\$10,000.00
St. Alphonsus Catholic Church, Brooklyn Center, MN	\$10,000.00
Marian Spiritual Center - Zarvanytsya, Zarvanytsya, Ukraine	\$10,000.00
Newman Hall-Holy Spirit Parish, Berkeley, CA	\$10,000.00
St. Thomas Aquinas Church-Newman Center, Lincoln, NE	\$10,000.00
Archdiocese of Arusha, Arusha, Tanzania.....	\$8,000.00
Radio Juventus Don Bosco, Santo Domingo, Dominican Republic.....	\$13,000.00
Diocese of Chipata, Chipata, Zambia.....	\$10,000.00
Archdiocese of Kyiv, Kyiv, Ukraine.....	\$10,000.00
Missionary Oblates of Mary Immaculate, Zambia Delegation, Mongu, Zambia	\$10,000.00
Xavier Society for the Blind, New York, NY.....	\$15,000.00
Conception Abbey, Inc., Conception, MO.....	\$10,000.00
Radio Deon, Chicago, IL.....	\$15,000.00
Catholic Volunteer Network, Takoma Park, MD.....	\$6,000.00
Diocese of Puerto Plata, Puerto Plata, Dominican Republic	\$10,000.00
Ukrainian Greek Catholic Church Patriarchal Curia, Lviv, Ukraine	\$10,000.00
Liguori Publications, Liguori, MO.....	\$15,000.00
Diocese of El Paso, El Paso, TX.....	\$20,000.00

TOTAL \$1,065,500.00

Preparation of Evangelists

"I, then, a prisoner for the Lord, urge you to live in a manner worthy of the call you have received, with all humility and gentleness, with patience, bearing with one another through love, striving to preserve the unity of the spirit through the bond of peace: one body and one Spirit, as you were also called to the one hope of your call; one Lord, one faith, one baptism; one God and Father of all, who is over all and through all and in all."

(Ephesians 4:1-6)

Religious and laity are dedicated to growing the Church and teaching all to live as one people united in faith to one God. They give their lives to God and accept the challenges and in some instances their lives to ensure that all hear the Word of God and invite all to join the one true 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.



Angelic Sisters of St. Paul, Antipelo, Philippines



The Congregation of the Sacred Heart of Jesus and Mary, Rome, Italy



Sisters of Our Lady of Carmel, Novaliches, Philippines

Preparation of Evangelists

Sisters of Providence and the Immaculate Conception, Quito, Ecuador.....	\$10,000.00
Society of Divine Vocations, Ijebu-Ode, Ijebu-Ode, Nigeria.....	\$10,000.00
Spiritual Seminary, Ivano-Frankivsk, Ukraine.....	\$10,000.00
Archdiocese of New Orleans, New Orleans, LA.....	\$10,000.00
Missionary Sisters of the Very Holy Sacrament, Jbeil, Lebanon.....	\$10,000.00
Catholic Near East Welfare Association, Various Locations Worldwide.....	\$100,000.00
Diocese of Crookston, Crookston, MN.....	\$9,000.00
Stella Maris Federation, Alaminos, Philippines.....	\$10,000.00
Diocese of Manchester, Manchester, NH.....	\$10,000.00
St. Michael Parish, Shkoder, Albania.....	\$5,000.00
Kipalapala Parish, Tabora, Tanzania.....	\$10,000.00
Sisters of St. Benedict of Ferdinand, Indiana, Chulucanas, Peru.....	\$10,000.00
St. Louis of Gonzaga Parish, Ekenyi, Tshumbe, DRC.....	\$10,000.00
Franciscan Sisters of the Immaculate Conception, St. Francis Province, Dublin, Ireland.....	\$10,000.00
School of Applied Theology, Oakland, CA.....	\$10,000.00
Archdiocese of Shkoder-Pult, Shkoder, Albania.....	\$10,000.00
Vicariate Apostolic of Tripoli, Tripoli, Libya.....	\$15,000.00
Order of Friars Minor, Most Sacred Heart of Jesus Province, Chicago, IL.....	\$15,000.00
Redemptoris Mater Diocesan Missionary Seminary, Kitwe, Zambia.....	\$10,000.00
Little Sisters of St. Francis of Assisi, Motherhouse, Jinja, Uganda.....	\$15,000.00
Guest House, Inc., Lake Orion, MI.....	\$10,000.00
Sacred Heart Villa, Center Valley, PA.....	\$10,000.00
St. Luke Institute, Inc., Washington, D.C.....	\$15,000.00
Congregation of the Immaculate Heart of Mary, Port au Prince, Haiti.....	\$9,000.00
Archdiocese of Shkoder-Pult, Shkoder, Albania.....	\$10,000.00
Daughters of Mary, Masaka, Uganda.....	\$10,000.00
Amate House, Chicago, IL.....	\$10,000.00
Congregation of the Sisters of St. Joseph, Siberia, Prokopivsk, Russia.....	\$6,300.00
Capuchin Province of Mid-America, Inc., San Antonio, TX.....	\$10,000.00
Redemptoris Mater Archdiocesan Missionary Seminary, Denver, CO.....	\$10,000.00
Monastero Santa Chiara, Rome, Italy.....	\$10,000.00
Poor Clares, Manastiri Sh. Kjara Scutari, Shkodre-Pult, Albania.....	\$5,000.00
Poor Clares, Monastery of San Damiano, Mexicali, Mexico.....	\$10,000.00
St. Monica Parish, Mwanza, Tanzania.....	\$10,000.00
Archdiocese of Shkoder-Pult, Shkoder, Albania.....	\$10,000.00
St. Joseph Training Centre, Mumbai, India.....	\$10,000.00
Discalced Carmelite Fathers, Colombia Province of St. Therese of the Child Jesus, Bogota, Colombia.....	\$10,000.00
Missionary Sisters of the Precious Blood, Congo Region, Bamanya, Democratic Republic of the Congo.....	\$10,000.00
Servants of the Lord and the Virgin of Matara, Province of Spain, Madrid, Spain.....	\$10,000.00
Poor Clares Colettines, Monastery of Our Lady of Angels, Mwanza, Tanzania.....	\$10,000.00
Diocese of Las Cruces, Inc, Las Cruces, NM.....	\$15,000.00
The Marianists, Region of East Africa, Nairobi, Kenya.....	\$10,000.00
Marianists, Province of the United States, St. Louis, MO.....	\$10,000.00
Oblates of Mary Immaculate, US Province, Asgabat, Turkmenistan.....	\$4,000.00
St. Ann Church, Bridgeport, CT.....	\$10,000.00

Preparation of Evangelists

Order of Friars Minor, Province of Ireland, Dublin, Ireland.....	\$15,000.00
Poor Clares, Monastero Santa Chiara, Camerino, Italy	\$10,000.00
Eparchy of Sokal-Zhovkva, Lviv-Zhovkva, Ukraine	\$10,000.00
The New Cassel Foundation, Omaha, NE.....	\$15,000.00
Stella Maris Major Seminary, Nha Trang, Viet Nam	\$10,000.00
Missionaries of St. Francis de Sales, Chad-Cameroon Mission=, Doba, Cameroon	\$10,000.00
Sisters of the Order of St. Basil the Great, Blessed Trinity Province, Lviv, Ukraine.....	\$10,000.00
Murusagamba Parish, Kagera, Tanzania	\$7,000.00
Diocese of Tyler, Tyler, TX	\$10,000.00
Sisters of Charity of Seton Hill, Korean Province, Gwangju, South Korea	\$15,000.00
Missionaries of St. Francis de Sales, Chad-Cameroon Mission, Yaounde, Cameroon.....	\$10,000.00
Poor Clare Sisters, Antsirabe, Madagascar	\$10,000.00
Missionary Fraternity of Mary, El Rosario, Guatemala	\$10,000.00
Poor Clares of Bomadi, Nigeria, Bomadi, Nigeria	\$10,000.00
Missionaries of St. Francis de Sales, Chad-Cameroon Mission, Obala, Cameroon.....	\$10,000.00
Society of Divine Vocations, Ijebu-Ode, Ijebu-Ode, Nigeria.....	\$8,000.00
Catholic Near East Welfare Association, Various Locations Worldwide	\$100,000.00
Sisters of St. Francis, Palenque, Palenque, Mexico	\$15,000.00
Our Lady of Guadalupe, New Orleans, LA	\$15,000.00
L'Arche Chicago, Chicago, IL	\$10,000.00
Franciscan Sisters of St. Bernadette, Rulenge Generalate House, Kyerwa, Tanzania.....	\$10,000.00
St. Mary Queen of Apostles Parish, Nzega, Tanzania.....	\$10,000.00
Holy Child Senior High School, Cape Coast, Ghana.....	\$10,000.00
Poor Clares, Monasterio S. Chiara, Cortona, Italy	\$10,000.00
Diocese of Navrongo-Bolgatanga, Bolgatanga, Ghana.....	\$10,000.00
Diocese of Kigoma, Kigoma, Tanzania.....	\$10,000.00
Missionary Sisters of Mary Help of Christians, Maputo, Mozambique	\$10,000.00
Diocese of Kigoma, Kigoma, Tanzania.....	\$10,000.00
Monastery of the Order of Carmel, La Ceja, Colombia	\$10,000.00
Archdiocese of New Orleans, New Orleans, LA	\$10,000.00
Daughters of Charity of St. Vincent de Paul Province of Cali, Cali, Colombia	\$10,000.00
Carmelite Province of Australia and East Timor, Dili, Timor-Leste	\$10,000.00
Oblates of Mary Immaculate, US Province, Tijuana, Mexico	\$10,000.00
Daughters of Our Lady of the Holy Rosary, Ho Chi Minh City, Viet Nam	\$10,000.00
Franciscan Friars of California, Inc., Oakland, CA	\$10,000.00
Praestkollegiet Redemptoris Mater, Vedbaek, Denmark	\$15,000.00
St. Anne's Missionary Hospital, Tabora, Tanzania.....	\$10,000.00
Sisters of the Adoration of the Blessed Sacrament, Ujjain, India.....	\$10,000.00
Sisters of Mercy of the Holy Cross, Busunju, Kampala, Uganda	\$10,000.00
Handmaids of the Sacred Heart of Jesus, Kisantu, DRC	\$10,000.00
Sisters of Mercy of the Holy Cross, Kampala, Uganda	\$10,000.00
Daughters of Mary Help of Christians, Province of Our Lady of Perpetual Help, Port au Prince, Haiti	\$10,000.00
Diocese of Gallup, Gallup, NM	\$15,000.00
Little Sisters of St. Francis, Bahati, Bahati, Kenya.....	\$10,000.00
Order of Friars Minor General Curia, Various Dioceses.....	\$100,000.00
Congregation of the Missionary Sisters of the Precious Blood, Arusha, Tanzania.....	\$10,000.00
Society for the Propagation of the Faith, US National Office, Various Countries in Africa	\$150,000.00
St. Paul's Outreach, Inc., Inver Grove Heights, MN	\$10,000.00
Newman Catholic Student Center, Dekalb, IL	\$10,000.00

Preparation of Evangelists

Benedictine Sisters, St. Placid Priory, Lacey, WA	\$15,000.00
Holy Cross Hospital, Inc., Fort Lauderdale, FL	\$15,000.00
Seminary Formation Council, Boynton Beach, FL	\$10,000.00
Congregation of the Missionary Sisters of the Precious Blood, Nairobi, Kenya	\$10,000.00
Christian Brothers Conference, Lasallian Region of North America, Washington, DC	\$10,000.00
Chavara Regional Formation House, Dar es Salaam, Tanzania	\$10,000.00
St. Francis de Sales Novitiate House, Kibaha, Kibaha, Tanzania	\$10,000.00
Mary Mother of God Mission Society, Vladivostok, Russia	\$10,000.00
Missionary Servants of the Most Holy Trinity, LaHoye, Haiti	\$15,000.00
Franciscan Sisters of the Immaculate Heart of Mary, Dupuis Region, Nyeri, Kenya	\$10,000.00
NGO InteRed, Kikwit, DRC	\$11,000.00
Handmaids of the Sacred Heart of Jesus, Wyncote, Wyncote, PA	\$10,000.00
Diocese of Nha Trang, Nha Trang, Viet Nam	\$10,000.00
Redemptoris Mater Archdiocesan Missionary Seminary, Kearny, NJ	\$10,000.00
Parish Visitors of Mary Immaculate, Inc., Monroe, NY	\$15,000.00
Lay Mission-Helpers Association, Los Angeles, CA	\$10,000.00
International Dominican Foundation, Rome, Italy	\$15,000.00
Catholic Theological Union, Chicago, IL	\$15,000.00
Redemptorist Fathers and Brothers, Denver Province, Jackson, MS	\$10,000.00
Diocese of Holguin, Holguin, Cuba	\$10,000.00
Diocese of Austin, Austin, TX	\$10,000.00
St. Mary's Catholic Campus Ministry, Nacogdoches, TX	\$10,000.00
Bernardine Franciscan Sisters, Nipepe, Mozambique	\$10,000.00
Archdiocese of Denver, Denver, CO	\$10,000.00
Marianists, District of India, Chicago, IL	\$10,000.00
Congar Institute for Ministry Development, San Antonio, TX	\$10,000.00
Ukrainian Catholic University, Lviv, Ukraine	\$8,000.00
Lovers of the Holy Cross of Go Vap, Ho Chi Minh, Viet Nam	\$15,000.00
Sisters of St. Francis of the Neumann Communities, Syracuse, NY	\$20,000.00
Society for the Propagation of the Faith, US National Office, Various Countries in Africa and Asia	\$300,000.00
Comboni Missionary Sisters, Kenya Province, Nairobi, Kenya	\$10,000.00
Thunga Catholic Parish, Limbe, Malawi	\$7,000.00
Redemptoris Mater Missionary Seminary, Estuaire, Gabon	\$10,000.00
Congregation of the Daughters of Mary Immaculate, Annunciation House, San Antonio, TX	\$5,000.00
Missionary Society of St. Francis de Sales, Bukene, Tanzania	\$10,000.00
Order of St. Clare, Monastery of Santa Clara of the Divine Eucharist, Daule, Ecuador	\$10,000.00
Dominican Friars, Province of the Most Holy Name of Jesus, Oakland, CA	\$15,000.00
Diocese of Steubenville, Steubenville, OH	\$10,000.00
St. Timothy Catholic Church, Phoenix, AZ	\$5,000.00
Daughters of Mary, Mangua, Tanzania	\$10,000.00
St. Mary House Seminary, Thakhek, Laos	\$10,000.00
Heart's Home USA, Brooklyn, NY	\$10,000.00
Comboni Missionaries of the Heart of Jesus, Ho Chi Minh City, Viet Nam	\$5,000.00
Seelos Theology House, San Antonio, TX	\$15,000.00
Diocese of Laredo, Laredo, TX	\$10,000.00
Franciscan Monastery, Custody of the Holy Land, Washington, DC	\$10,000.00
Montserrat Retreat House, Fort Worth, TX	\$10,000.00
Diocese of Lubbock, Lubbock, TX	\$10,000.00
Franciscan Missionary Sisters of the Holy Eucharist, Morogoro, Tanzania	\$10,000.00

Preparation of Evangelists

Sisters of the Good Shepherd, Angers, France.....	\$10,000.00
Fransalian Seminary, Ndagani, Kenya.....	\$10,000.00
Saint Teresa of Jesus International Juniorate, Bagnoregio, Italy.....	\$10,000.00
Sisters of Our Lady of Kilimanjaro, Makondeko, Dar es Salam, Tanzania.....	\$10,000.00
Servants of the Plan of God, Cebu City, Cebu City, Philippines	\$10,000.00
Diocese of Boise City, Boise, ID.....	\$15,000.00
Sisters of Our Lady Queen of Africa, Motherhouse, Sumbawanga, Tanzania.....	\$10,000.00
Servants of the Plan of God, Puno, Ayaviri, Peru	\$10,000.00
School Sisters of Notre Dame, Office of Development, Various Countries	\$10,000.00
Servants of the Good News Motherhouse, Manyara, Tanzania.....	\$10,000.00
Diocese of Puerto Plata, Puerto Plata, Dominican Republic	\$10,000.00
Ladies of Charity of the United States of America, Kansas City, MO.....	\$10,000.00
St. Alphonsus Formation Residence, Bronx, NY	\$10,000.00
Eparchy of Kamyanets-Podilskyj, Ternopil, Ukraine	\$10,000.00
Saint Francis de Sales Parish, Chabua, Dibrugarh, India	\$5,000.00
Jesuit Retreat Center of Los AltosLos Altos, CA.....	\$15,000.00
Diocese of El Paso=, El Paso, TX	\$15,000.00
Sisters of the Holy Family, New Orleans, LA.....	\$15,000.00
St. Stephen School for Permanent Deacons, Puerto Plata, Dominican Republic	\$10,000.00
Poor Clares Colettines, Monastery of the Sacred Heart, Bukoba, Tanzania.....	\$10,000.00
Poor Clares Colettines, Our Lady of Fatima Monastery, Mpeketoni, Kenya	\$10,000.00
Poor Clares, Monastery of the Holy Trinity, Tepic, Mexico	\$10,000.00
Poor Clares, Monastery of Saint Damian, Valparaiso, Mexico.....	\$10,000.00
Poor Clares, Reale Monastero Santa Chiara, Naples, Italy.....	\$10,000.00

TOTAL \$2,454,300.00

TOTAL \$2,663,400.00

Catholic Schools

*"For through faith you are
all children of God in Christ
Jesus. For all of you who were
baptized into Christ have clothed
yourselves with Christ."*

(Galatians 26)

In some areas Catholic Schools are more than places of education, they also serve as gathering places for all to come and meet, celebrate or share a meal. They also provide a safe haven from storms both physical and otherwise, and transmit a feeling of protection. Catholic Schools are a sign of our faith and a place to gather as one community. 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.



St. Louis de Marillac School, Seattle, Washington



St. Clare of Assisi School, Karnataka, India



*Kim Nave Parish School, Phan Thiet, Vietnam
Holy Ghost Sisters, Tamil Nadu, India*

Catholic Schools

Augustine Institute, Denver, CO	\$10,000.00
Cardinal Ritter College Preparatory High School, St. Louis, MO	\$10,000.00
Today and Tomorrow Educational Foundation, St. Louis, MO	\$10,000.00
St. Joseph Academy, San Jose, CA	\$10,000.00
St. Catherine of Siena Catholic School, Port Arthur, TX.....	\$10,000.00
Mount Carmel Academy, New Orleans, LA	\$10,000.00
St. Anne Catholic School, Grants Pass, OR	\$10,000.00
St. Basil the Great Catholic School, Ivano-Frankivsk, Ukraine	\$10,000.00
Our Lady of Port Richmond Regional Catholic School, Philadelphia, PA.....	\$20,000.00
Holy Trinity High School, Chicago, IL	\$10,000.00
Brother Beausang Catholic Education Centre, Embulbul, Kenya.....	\$10,000.00
St. Francis and St. Clare Schools, Meru, Kenya.....	\$10,000.00
St. Joseph Notre Dame High School, Alameda, CA	\$10,000.00
Incarnate Word Sisters, Molo, Kenya	\$10,000.00
Everest Academy, Inc, Clarkston, MI.....	\$10,000.00
Our Lady of Mount Carmel High School, Benque Viejo del Carmen, Belize	\$10,000.00
Providence Catholic School, San Antonio, TX.....	\$5,000.00
Dominican Academy of the City of New York, New York, NY	\$20,000.00
Daughters of St. Francis de Sales, Arusha, Tanzania.....	\$10,000.00
St. Joseph of the Apparition Elementary School, Gonaives, Haiti	\$10,000.00
Marist Brothers, Bronx, NY.....	\$10,000.00
St. Mary School, Lake Leelanau, MI.....	\$8,000.00
St. Mary Catholic School, Akron, Ohio.....	\$10,000.00
St. Joseph Mission School, San Fidel, NM.....	\$15,000.00
Lumen Christi Institute, Chicago, IL.....	\$10,000.00
All Saints Catholic School, Omaha, NE	\$10,000.00
Notre Dame School, New York, NY	\$10,000.00
St. Paul Catholic School, New Bern, NC.....	\$10,000.00
St. Mary's School, Ticonderoga, NY	\$15,000.00
St. Frances Cabrini Academy, St. Louis, MO.....	\$10,000.00
Our Lady of the Hills Regional Catholic High School, Kerrville, TX	\$9,000.00
St. Raphael School, Los Angeles, CA.....	\$10,000.00
Diocese of Miao, Arunachal Pradesh, India	\$10,000.00
Holy Trinity Catholic High School, Temple, TX.....	\$10,000.00
Walla Walla Catholic Schools, Walla Walla, WA	\$10,000.00
Divine Word College, Epworth, IA.....	\$15,000.00
Sacred Heart Elementary School, Omaha, NE.....	\$10,000.00
Hogares Teresa Toda, Canovanas, Puerto Rico.....	\$15,000.00
St. Mary Catholic Church, San Saba, TX.....	\$20,000.00
Magiri Parish, Magiri, Tanzania.....	\$10,000.00
O'Connell College Preparatory School, Galveston, TX.....	\$10,000.00
Saint Joseph Academy, Brownsville, TX	\$10,000.00
Sacred Heart Catholic School, Palm Beach, FL	\$15,000.00
Father Vermeer Centre for the Disabled, Enkare, Kenya	\$10,000.00
St. Mark's College, Vancouver, Canada	\$10,000.00
St. Thomas Aquinas High School, Kamwenge, Uganda.....	\$10,000.00
Holy Cross Primary School, Dar es Salaam, Tanzania	\$10,000.00
Missionaries of St. Francis de Sales, Mozambique Mission, Maputo, Mozambique	\$10,000.00
Our Lady of Perpetual Help School, Dallas, TX.....	\$10,000.00

Catholic Schools

Missionaries of St. Francis de Sales, Chad-Cameroon Mission, Ngaoundere, Cameroon.....	\$15,000.00
St. Francis de Sales High School, Chicago, IL.....	\$10,000.00
St. James School, Stratford, CT	\$10,000.00
Donnelly College, Kansas City, KS	\$15,000.00
St. Joseph Parish, Fort Mitchell, AL	\$10,000.00
St. Mary's Catholic School, Temple, TX	\$10,000.00
Father Lutz Memorial School, Igbariam, Igbariam, Nigeria	\$10,000.00
St. David's Marist Inanda Foundation, Johannesburg, South Africa	\$10,000.00
Pope John Paul II School, Enugu Otu, Enugu Otu, Nigeria	\$10,000.00
St. Ann's Sureshraj Girls' Secondary School, Kairi Village, Nairobi, Kenya.....	\$10,000.00
San Juan Diego Catholic High School, Austin, TX	\$10,000.00
Congregation of Mother of Carmel, Rukanga, Kenya	\$10,000.00
Congregation of Mother of Carmel, Katubuka, Tanzania	\$10,000.00
Diocese of Kansas City-Saint Joseph, Kansas City, MO.....	\$10,000.00
St. Mary's Mission School, Red Lake, MN.....	\$10,000.00
Society of Jesus, Eastern Africa Province, Wau, South Sudan	\$10,000.00
Sisters of Our Lady of Kilimanjaro, Moshi, Tanzania	\$10,000.00
St. Mary Cathedral School, Austin, TX.....	\$10,000.00
Michaud Girls Secondary School, Karatu, Tanzania	\$10,000.00
Guardian Angel Nursery School and Day Care, Kakamas, South Africa.....	\$10,000.00
St. Francis de Sales Integrated Primary School, Katani, Kenya.....	\$10,000.00
Franciscan Clarist Congregation, Morogoro, Kihonda, Tanzania	\$10,000.00
St. Luke Foundation for Haiti, Port au Prince, Haiti	\$10,000.00
Butte Central Catholic School, Butte, MT	\$10,000.00
Holy Rosary Catholic School, Patani, Patani, Nigeria.....	\$10,000.00
Catholic Distance University, Charles Town, WV.....	\$10,000.00
Notre Dame University, Fort Wayne, IN.....	\$10,000.00
Daughters of Mary Help of Christians, Orocovis, PR.....	\$15,000.00
San Miguel School, Washington, DC	\$10,000.00
St. Luke School, San Antonio, TX	\$10,000.00
Bethlehem University, Bethlehem, Palestine	\$15,000.00
Christ the King Cathedral School, Lubbock, TX	\$10,000.00
Christ the King Jesuit College Preparatory School, Chicago, IL	\$10,000.00
Anwarite Girls' Secondary School, Moshi, Tanzania	\$10,000.00
Kihinga Newman High School, Kigoma, Tanzania	\$10,000.00
St. Mathias Mulumba Secondary School, Janda, Tanzania.....	\$10,000.00
St. Mary's School, Kodiak, AK	\$6,500.00
The Nativity Miguel Middle School of Buffalo, Buffalo, NY	\$15,000.00
St. Mary's Primary School, Kisumu, Kenya	\$7,000.00
Sisters of the Divine Savior, US Province, Mannar, Sri Lanka.....	\$10,000.00
St. Joseph Kindergarten School, Zanzibar, Tanzania	\$10,000.00
Sacred Heart Academy, Grand Rapids, MI	\$10,000.00
Rosario Catholic School, Udon Thani, Thailand.....	\$15,000.00
St. Paul Catholic School, Olathe, Kansas	\$5,000.00
De La Salle Blackfeet Middle School, Browning, MT	\$15,000.00

TOTAL \$1,010,500.00

TOTAL \$1,123,500.00

Capital Expenditures

"And they who are from afar will come and build the temple of the LORD, and you will know that the LORD of hosts has sent me to you. This will happen if you truly obey the LORD your God."

(Zechariah 6:15)

The Church has always been a sanctuary and the symbol of the presence of God on Earth, the place where the call to come and be with God come from and is answered. No matter where in the world you travel, all Catholic Churches welcome everyone to come and spend time in prayer in the presence of the Lord. You are home. The Koch Foundation provides support for the construction, repair and renovation of religious structures in the United States, its territories and protectorates.



Sisters of Merciful Love, Ijebu-Ode, Nigeria



Sisters of the Adoration of the Blessed Sacrament, Kumool, India



*Kim Ngoc Parish School, Phan Thiet, Vietnam
Immaculate Heart of Mary Sisters, Phan Thiet, Vietnam*

Capital Expenditures

St. Joseph's Church, Greenwich, NY	\$10,000.00
St. Augustine's Church, Peru, NY.....	\$20,000.00
Diocese of Gallup, Gallup, NM	\$19,000.00
Roman Catholic Church of St. Alexander and St. Joseph, Morrisonville, NY.....	\$20,000.00
San Patricio Retreat Center, Inc., San Patricio, NM.....	\$15,000.00
Diocese of Crookston, Crookston, MN	\$15,000.00
Our Lady of Mount Carmel Congregation, Beilaco, Timor-Leste	\$10,000.00
USA Midwest Province of the Society of Jesus, Wauwatosa, WI.....	\$15,000.00
Community of Holy Rosary and St. John the Evangelist, Columbus, OH.....	\$9,000.00
St. Joseph Seminary College, St. Benedict, LA	\$20,000.00
St. Patrick's - Good Shepherd Missions, Chichiltah, NM	\$8,916.00
Perpetual Help Retreat Center, Oconomowoc, WI.....	\$9,000.00
Our Lady of Help - Kkongge Catholic Parish, Mpigi, Uganda	\$19,000.00
San Juan Catholic Mission, Branford, FL	\$7,650.00
Desert House of Prayer, Tucson, AZ	\$10,000.00
Archdiocese of Miami, Port au Prince, Haiti.....	\$409,372.00

TOTAL \$616,938.00



KOCH FOUNDATION FINANCIAL STATEMENTS

MARCH 31, 2017 -
MARCH 31, 2018

August 30, 2018

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

We have audited the financial statements of Koch Foundation, Inc. (the Foundation) as of and for the year ended March 31, 2018, and have issued our report thereon dated August 30, 2018. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 24, 2018, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight and approval are presented fairly, in all material respects, in accordance with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of Koch Foundation, Inc. solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team and our firm have complied with all relevant ethical requirements regarding independence.

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386-257-4100

133 East Indiana Avenue
DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Koch Foundation, Inc. is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended March 31, 2018. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is:

Investments – Alternative investments for which quoted market prices are not available include private equity investments. The estimated fair value of alternative investments is based on the net asset value of the fund or other valuation methods. The Foundation reviews and evaluates the values and assesses the valuation methods and assumptions used in determining the fair value of the alternative investments. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a readily available market for such investments existed and differences could be material. We evaluated the key factors and assumptions used to develop the valuation methods and assumptions used in determining the fair value of the alternative investments and determined that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the Foundation's financial statements is:

The disclosure in Note 9 to the financial statements regarding risk and uncertainties provides a summary of the risks related to investments.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. No uncorrected misstatements were noted as part of the audit process.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatement that we identified as a result of our audit procedures was brought to the attention of, and corrected by, management:

To record realized gains on Dimensional investments redeemed	\$ 2,397,844
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Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Foundation's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which were included in a management representation letter that they signed and provided to us, dated August 30, 2018.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

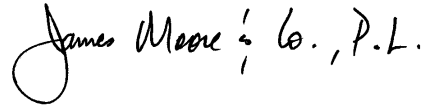
Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Foundation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Foundation's auditors.

To the Board of Directors of
Koch Foundation, Inc.
August 30, 2018
Page 4

This report is intended solely for the information and use of the board of directors and management of Koch Foundation, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style. The first part "James" is written in a larger, more prominent script, followed by "Moore & Co., P.L." in a slightly smaller, more compact script. The signature is positioned above the printed name of the firm.

JAMES MOORE & CO., P.L.

KOCH FOUNDATION, INC.
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
MARCH 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Cash and cash equivalents		
Cash	\$ 33,350	\$ 55,061
Money market fund	28,233,655	26,562,077
Total cash and cash equivalents	<u>28,267,005</u>	<u>26,617,138</u>
Investments		
Common stock and exchange traded funds	81,477,613	78,364,964
Private equity investments	1,629,532	1,370,252
Total investments	<u>83,107,145</u>	<u>79,735,216</u>
Property and equipment, net	271,931	299,110
Total assets	<u><u>\$ 111,646,081</u></u>	<u><u>\$ 106,651,464</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Accrued expenses	\$ 42,704	\$ 32,520
Net assets - unrestricted	111,603,377	106,618,944
Total liabilities and net assets	<u><u>\$ 111,646,081</u></u>	<u><u>\$ 106,651,464</u></u>

The accompanying notes to 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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Receipts		
Interest	\$ 93,202	\$ 42,747
Dividends	2,038,978	1,868,956
Tax refund	34,579	-
Return of charitable distributions	40,000	26,276
Total receipts	<u>2,206,759</u>	<u>1,937,979</u>
Disbursements		
Charitable distributions	5,147,238	5,680,900
Management and general expenses	588,208	580,788
Investment expense	51,668	76,731
Federal excise tax	273,305	80,712
Total disbursements	<u>6,060,419</u>	<u>6,419,131</u>
Deficiency of receipts under disbursements before net realized and unrealized gains on investments	<u>(3,853,660)</u>	<u>(4,481,152)</u>
Net realized and unrealized gains on investments	8,838,093	10,762,407
Excess of receipts over disbursements after net realized and unrealized gains on investments	<u>4,984,433</u>	<u>6,281,255</u>
Unrestricted net assets, beginning of year	106,618,944	100,337,689
Unrestricted net assets, end of year	<u><u>\$ 111,603,377</u></u>	<u><u>\$ 106,618,944</u></u>

The accompanying notes to 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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Excess of receipts over disbursements after net realized and unrealized gains on investments	\$ 4,984,433	\$ 6,281,255
Adjustments to reconcile excess of receipts over disbursements after net realized and unrealized gains on investments to net cash used in operating activities:		
Depreciation	27,179	25,933
Gain on sale of investments	(8,037,697)	(5,755,389)
Unrealized appreciation of investments	(800,396)	(5,007,018)
Loss on disposal of property and equipment	-	720
Increase (decrease) in accrued expenses	10,184	(7,216)
Net cash used in operating activities	<u>(3,816,297)</u>	<u>(4,461,715)</u>
Cash flows from investing activities		
Purchase of property and equipment	-	(17,015)
Purchases of investments	(12,283,897)	(6,900,726)
Proceeds from sales and maturities of investments	17,750,061	11,458,592
Net cash provided by investing activities	<u>5,466,164</u>	<u>4,540,851</u>
Net increase in cash and cash equivalents	<u>1,649,867</u>	<u>79,136</u>
Cash and cash equivalents, beginning of year	26,617,138	26,538,002
Cash and cash equivalents, end of year	<u><u>\$ 28,267,005</u></u>	<u><u>\$ 26,617,138</u></u>
Supplemental disclosure of cash flow information		
Cash paid for taxes	<u><u>\$ 273,305</u></u>	<u><u>\$ 80,712</u></u>

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

KOCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

(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, 2018 AND 2017

(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 30, 2018, 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.

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

At March 31, 2018 and 2017, the Foundation had demand deposits and money market accounts with local and national banks with bank balances amounting to \$28,459,263 and \$26,734,297, respectively. The Foundation has no policy requiring collateral to support these deposits, although amounts are federally insured up to FDIC limits.

KOCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

(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, 2018 and 2017, 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>2018</u>	<u>2017</u>
Office building and improvements	\$ 356,322	\$ 356,322
Furniture and fixtures	106,656	106,656
Computer equipment	75,174	75,174
Software	42,300	42,300
	<u>580,452</u>	<u>580,452</u>
Less: Accumulated depreciation	308,521	281,342
	<u>\$ 271,931</u>	<u>\$ 299,110</u>

Depreciation expense was \$27,179 and \$25,933 for the years ended March 31, 2018 and 2017, 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 \$326,000 and \$309,000 during the years ended March 31, 2018 and 2017, 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 \$7,568 and \$8,256 were made during the years ended March 31, 2018 and 2017, respectively, and were included in management and general disbursements.

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.

KOCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

(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 \$20,103 and \$21,201 were made during the years ended March 31, 2018 and 2017, 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:

	2018		2017	
	Cost	Fair Value	Cost	Fair Value
Common stock and exchange traded funds	\$ 56,981,933	\$ 81,477,613	\$ 54,641,349	\$ 78,364,964
Private equity investments	1,357,906	1,629,532	1,158,012	1,370,252
Total Investments	<u>\$ 58,339,839</u>	<u>\$ 83,107,145</u>	<u>\$ 55,799,361</u>	<u>\$ 79,735,216</u>

Net realized and unrealized gains on investments comprises the following for the years ended March 31, 2018 and 2017:

	2018	2017
Unrealized gains on investments	\$ 800,396	\$ 5,007,018
Realized gain on sale of investments	8,037,697	5,755,389
Total net realized and unrealized gains on investments	<u>\$ 8,838,093</u>	<u>\$ 10,762,407</u>

KOCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017

(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, 2018 and 2017.

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.

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.

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

The following table summarizes the assets of the Foundation for which fair values are determined on a recurring basis as of March 31, 2018 and 2017, respectively:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
March 31, 2018				
Exchange-traded funds:				
Domestic stock index	\$ 19,271,450	\$ -	\$ -	\$ 19,271,450
Domestic small cap	8,300,901	-	-	8,300,901
International	16,213,620	-	-	16,213,620
Real assets	1,528,200	-	-	1,528,200
Fixed income	11,976,785	-	-	11,976,785
Common stock:				
Domestic large cap	22,197,507	-	-	22,197,507
Domestic mid cap	1,989,150	-	-	1,989,150
Private equity investments measured at net asset value ¹				1,629,532
Total assets at fair value	<u>\$ 81,477,613</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,107,145</u>
	<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>

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, 2018 and 2017:

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.

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

The following table discloses certain additional information as of March 31, 2018, related to the Foundation's investments in private equity investments:

Description	Fair Value	Unfunded Commitments
Commonfund Capital Private Equity Partners VI, LP ^(a)	\$ 411,081	\$ 79,425
Commonfund Capital International Partners V, LP ^(b)	320,777	58,406
Commonfund Capital Venture Partners VII, LP ^(c)	240,341	10,250
Commonfund Capital Venture Partners XII, LP ^(d)	73,391	1,960,000
Commonfund Capital Secondary Partners II, LP ^(e)	145,765	1,960,000
Commonfund Capital Co-Investment Opportunities Fund II, LP ^(f)	230,684	760,000
Commonfund Capital Global Private Equity Partners II, LP ^(g)	207,493	2,808,000
Total	<u>\$ 1,629,532</u>	<u>\$ 7,636,081</u>

^(a)—This category includes private equity funds that offer the investor the opportunity to invest in private equity transactions, such as growth equity financing, leverages 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. 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. 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. Redemptions do not apply; these are closed ended limited partnership investments.

^(d)—This category includes private equity funds that primarily seek to achieve long-term capital appreciation and invest globally in venture capital investments and large investments on either a primary or secondary basis. The partnership may also make a limited number of investments directly in operating companies. Redemptions do not apply; these are closed ended limited partnership investments.

^(e)— This partnership seeks to acquire investments principally in secondary market transactions in leveraged buyout, growth equity, distressed securities, mezzanine financing, natural resources, and venture capital investment funds on a global basis. The partnership may also invest directly in pooled investment vehicles or fund of funds. Redemptions do not apply; these are closed ended limited partnership investments.

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

^(f)—This partnership seeks to principally acquire direct private equity investments in leveraged buyout, growth equity, distressed mezzanine financing on a global basis. In addition, the partnership may invest in natural resources, venture capital, and mezzanine type investments. Investments may be acquired directly by the partnership or indirectly via special purpose vehicles. Redemptions do not apply; these are closed ended limited partnership investments.

^(g)—This partnership was established primarily for the purpose of providing endowment funds and nonprofit organizations the opportunity to invest in three affiliated limited partnerships which in turn invest in investment funds that make equity capital investments primarily in emerging growth companies, domestic and international private equity investments with the objective of obtaining long-term capital growth and in equity securities, warrants or other options that are generally not actively traded at the time of investment. Redemptions do not apply; these are closed ended limited partnership investments.



Koch Foundation, Inc.

4421 NW 39th Avenue
Building 1, Suite 1
Gainesville, Florida 32606-7211
USA

Phone 352.373.7491
Fax 352.337.1548
www.thekochfoundation.org