Chancery and Certain Entities of the Archdiocese of Indianapolis

Combined Financial Statements as of and for the Years Ended June 30, 2016 and 2015, with Additional Combining and Supplemental Information as of and for the Year Ended June 30, 2016, and Independent Auditors' Report

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

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INDEPENDENT AUDITORS' REPORT

To the Audit Committee of
the Archdiocese of Indianapolis
Indianapolis, Indiana

Report on the Financial Statements

We have audited the accompanying combined financial statements of the Chancery and Certain Entities of the Archdiocese of Indianapolis (the "Chancery"), which comprise the combined statements of financial position as of June 30, 2016 and 2015, and the related combined statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined 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 combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Chancery as of June 30, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters—Supplemental Combining Information

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

Other Matters—Other Accompanying Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2016, on our consideration of the Chancery's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Chancery's internal control over financial reporting and compliance.

Deloitte & Touche LLP

November 11, 2016

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

COMBINED STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
CASH AND CASH EQUIVALENTS	$ 65,495,491	$ 68,108,630
INVESTMENTS	158,075,262	162,053,761
RECEIVABLES:		
Contributions—net	5,685,551	4,684,287
Deposit and loan fund—net of allowances of $2,140,000 and $2,300,000 in 2016 and 2015, respectively	32,877,034	34,987,402
Amounts due from parishes and other Archdiocesan entities—net of allowances of $13,560,000 and $13,320,000 in 2016 and 2015, respectively	5,441,694	4,211,418
Other—net of allowances of $296,000 and $311,000 in 2016 and 2015, respectively	6,519,242	5,899,635
Total receivables—net	50,523,521	49,782,742
OTHER ASSETS	430,153	501,931
BURIAL SPACES AND OTHER INVENTORIES	3,444,334	3,589,299
LAND, BUILDINGS, AND EQUIPMENT—Net	22,093,165	22,645,563
TOTAL	$300,061,926	$306,681,926
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 5,788,140	$ 6,032,104
Capital campaign due to parishes	1,661,536	2,356,301
Bonds and interest payable	41,399,811	43,801,748
Reserves for self-insurance	3,868,000	1,607,000
Other liabilities	5,246,816	5,158,701
Deposit and loan fund payable	42,429,944	45,501,994
Total liabilities	100,394,247	104,457,848
NET ASSETS:		
Unrestricted	170,530,020	171,306,594
Temporarily restricted	5,882,344	7,938,377
Permanently restricted	23,255,315	22,979,107
Total net assets	199,667,679	202,224,078
TOTAL	$300,061,926	$306,681,926

See notes to combined financial statements.

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

COMBINED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUES:				
Assessments	$ 10,931,176	$ -	$ -	$ 10,931,176
Service fees	28,705,071	70,586		28,775,657
Capital campaigns and contributions	8,771,612	2,058,959	318,256	11,148,827
United Catholic Appeal	4,500,677	1,877,268		6,377,945
Sales of goods and services	4,369,166			4,369,166
Program service fees and other	7,934,570	23,331		7,957,901
Other public support	5,460,956	373,364		5,834,320
Interest income and investment return	1,350,830	(132,131)		1,218,699
Net assets released from restrictions	6,369,458	(6,327,410)	(42,048)	
Total support and revenues	78,393,516	(2,056,033)	276,208	76,613,691
EXPENSES:				
Salaries and wages	15,473,046			15,473,046
Employee benefits and taxes	7,894,457			7,894,457
Health care costs	18,621,217			18,621,217
Retirement plan contributions	5,663,269			5,663,269
Cost of equipment and supplies sold	1,849,220			1,849,220
Administrative and supplies	2,137,464			2,137,464
Property insurance	3,671,760			3,671,760
Depreciation	1,633,520			1,633,520
Repairs and maintenance	1,301,900			1,301,900
Occupancy costs	1,596,024			1,596,024
Interest	1,747,730			1,747,730
Bad debts	533,223			533,223
Professional services	6,725,361			6,725,361
Specific assistance	1,770,781			1,770,781
Contributions	6,145,182			6,145,182
Other	2,405,936			2,405,936
Total expenses	79,170,090	-	-	79,170,090
CHANGE IN NET ASSETS	(776,574)	(2,056,033)	276,208	(2,556,399)
NET ASSETS—Beginning of year	171,306,594	7,938,377	22,979,107	202,224,078
NET ASSETS—End of year	$ 170,530,020	$ 5,882,344	$ 23,255,315	$ 199,667,679

See notes to combined financial statements.

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

COMBINED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUES:				
Assessments	$ 11,057,732	$ -	$ -	$ 11,057,732
Service fees	26,059,539	8,574		26,068,113
Capital campaigns and contributions	9,099,568	2,525,637	522,501	12,147,706
United Catholic Appeal	4,453,463	1,895,129		6,348,592
Sales of goods and services	4,123,578	665		4,124,243
Program service fees and other	7,324,741	45,276		7,370,017
Other public support	7,007,302	365,209		7,372,511
Interest income and investment return	334,004	(269,160)		64,844
Net assets released from restrictions	4,702,553	(4,702,553)		-
Total support and revenues	74,162,480	(131,223)	522,501	74,553,758
EXPENSES:				
Salaries and wages	14,547,888			14,547,888
Employee benefits and taxes	6,341,915			6,341,915
Health care costs	17,784,164			17,784,164
Retirement plan contributions	4,099,364			4,099,364
Cost of equipment and supplies sold	1,819,448			1,819,448
Administrative and supplies	2,236,172			2,236,172
Property insurance	2,129,112			2,129,112
Depreciation	1,579,307			1,579,307
Repairs and maintenance	1,087,734			1,087,734
Occupancy costs	1,564,441			1,564,441
Interest	1,853,652			1,853,652
Bad debts	(95,587)			(95,587)
Professional services	6,772,320			6,772,320
Specific assistance	1,546,552			1,546,552
Contributions	7,551,544			7,551,544
Other	2,101,724			2,101,724
Total expenses	72,919,750	-	-	72,919,750
CHANGE IN NET ASSETS BEFORE CONSOLIDATION OF RELATED ENTITY	1,242,730	(131,223)	522,501	1,634,008
CONSOLIDATION OF RELATED ENTITY	(4,544,770)			(4,544,770)
TOTAL CHANGE IN NET ASSETS	(3,302,040)	(131,223)	522,501	(2,910,762)
NET ASSETS—Beginning of year	174,608,634	8,069,600	22,456,606	205,134,840
NET ASSETS—End of year	$ 171,306,594	$ 7,938,377	$ 22,979,107	$ 202,224,078

See notes to combined financial statements.

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

COMBINED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (2,556,399)	$ (2,910,762)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,633,520	1,579,307
Amortization of bond issuance costs, bond discounts and bond premiums	5,094	5,094
Provision for losses on receivables	533,223	(95,587)
Net (gain) loss on investments, realized and unrealized	6,209,080	8,400,067
Net (gain) loss on sale of land, buildings, and equipment		(2,000)
Consolidation of related entity		4,544,770
Proceeds from contributions restricted for long-term investment	(390,634)	(574,432)
Changes in certain assets and liabilities:		
Receivables	(3,544,370)	(1,681,432)
Burial spaces and other inventories	144,965	96,484
Other assets	(1,799)	1,938,619
Accounts payable and accrued expenses	(243,964)	(54,905)
Capital campaign due to parishes	(694,765)	(324,899)
Reserves for self-insurance	2,261,000	(293,000)
Other liabilities	60,365	304,590
Net cash provided by operating activities	3,415,316	10,931,914
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(18,349,643)	(76,839,802)
Proceeds from investments sold or matured	16,119,062	63,114,081
Proceeds from sale of land, buildings, and equipment		4,121
Purchases of land, buildings, and equipment	(1,081,122)	(1,761,174)
Changes in deposit and loan fund receivable	2,270,368	1,944,279
Cash acquired from consolidation of related entity		1,412,269
Net cash used in investing activities	(1,041,335)	(12,126,226)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in deposit and loan fund payable	(3,072,050)	7,448,569
Payment of bonds payable	(2,288,904)	(1,880,000)
Payments of mortgage liability	(16,800)	(16,800)
Proceeds from contributions restricted for investment in:		
Endowment	318,256	522,501
Property and equipment	72,378	51,931
Net cash (used in) provided by financing activities	(4,987,120)	6,126,201
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,613,139)	4,931,889
CASH AND CASH EQUIVALENTS—Beginning of year	68,108,630	63,176,741
CASH AND CASH EQUIVALENTS—End of year	$ 65,495,491	$ 68,108,630
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	$ 1,792,000	$ 1,900,000
Consolidation of net assets from related entity	$ -	$ (4,544,770)

See notes to combined financial statements.

1. NATURE OF OPERATIONS

Principles of Consolidation and Combination—The financial statements include the consolidated accounts of ADI Schools Inc. and combined accounts of the following legal entities (collectively, the Chancery and Certain Entities of the Archdiocese of Indianapolis or the Chancery): Roman Catholic Archdiocese of Indianapolis, Inc., Bishop Simon Bruté College Seminary, Inc., Our Lady of Fatima Retreat House, Inc., St. Mary's Child Center, Inc., Catholic Youth Organization of the Archdiocese of Indianapolis, Inc., CYO Camp Rancho Framasa, Inc., Criterion Press, Inc., Archdiocese of Indianapolis Cemeteries, Inc., Catholic Community Foundation, Inc., Catholic Charities Indianapolis, Inc., Catholic Charities Bloomington, Inc., Catholic Charities Terre Haute, Inc., St. Elizabeth Catholic Charities, Inc., Catholic Charities Tell City, Inc., and Terre Haute Catholic Charities Foodbank, Inc. These legal entities are organized into secretariats, as described below.

All transactions among the entities included in the consolidated and combined financial statements have been eliminated. The financial statements do not include the parishes, missions, schools, and certain other archdiocesan activities.

Chancery—Certain administrative functions of the Archdiocese of Indianapolis (the "Archdiocese") are centered in the Chancery, which oversees the overall operations of the Archdiocese, including all ministry, mission, and social service activities of the various agencies and parishes and provides training, resources, and leadership for the activities undertaken by these agencies.

Clergy, Religious and Parish Life Coordinators—This secretariat is responsible for assisting in the assignment, training, and support of clergy, parish life coordinators, and seminarians in accordance with canon law, including Bishop Simon Bruté College Seminary.

Worship and Evangelization—This secretariat is responsible for coordinating the ministries of religious education for adults, youth, and children, evangelization, worship, adult initiation and retreat ministry, including Our Lady of Fatima Retreat House (Fatima Retreat House). Fatima Retreat House provides facilities for parish gatherings, personal and directed retreats, spiritual and educational programs, and group meetings in an environment conducive to prayer, spiritual enrichment, reflection, relaxation, and creative thinking.

Catholic Schools—This secretariat is responsible for coordinating the ministries of education, including Catholic schools, the Catholic Youth Organization (CYO), and St. Mary's Child Center (SMCC) in order to teach and share Catholic beliefs, traditions and values. CYO provides programmed spiritual, cultural, social and physical development for young people to help provide a sense of Christian responsibility. CYO also conducts summer residential and year-round outdoor education at Camp Rancho Framasa in Brown County (Indiana). SMCC was established for the purpose of serving children at risk for a wide range of social, emotional, economic and environmental problems. SMCC offers a preschool for children at risk for developmental delays in Indianapolis, IN.

Pastoral Ministries—This secretariat is responsible for collaborating with parishes and campus ministries of the archdiocese to assist them in the lifelong process of forming disciples. This includes youth ministry, young adult and college campus ministry, intercultural ministries, lay ministry formation, and pro-life and family life ministries.

Communications—This secretariat is responsible for Archdiocesan communications, including The Criterion, media relations, archdiocesan publications, print services, advertising, content of the archdiocesan web site, special events, and video and audio productions. The Archdiocese publishes a weekly Catholic newspaper named The Criterion, which is mailed to all registered parishioners of the Archdiocese.

Finance and Administrative Services—This secretariat is responsible for coordinating the financial, accounting, information technology, and management services of the Archdiocese. Accounting responsibilities include administering the Archdiocesan Deposit and Loan Fund, processing payroll for all archdiocesan entities, and performing the accounting duties for the entities included in these combined financial statements. Finance and Administrative Services also provides financial services to parishes by assisting parishes with budgeting and financial management.

Stewardship and Development—This secretariat serves the parishes, schools and agencies of the Archdiocese by providing education and consultation about stewardship and development. Stewardship and Development coordinates the United Catholic Appeal effort, development efforts for the Catholic Charities, Catholic education, archdiocesan-wide capital campaigns, and other stewardship activities.

Vicariate Judicial—This secretariat is responsible for assisting the Archbishop in the judicial affairs of the Archdiocese in accordance with canon law.

Parish Shared Services and Support—Parish Shared Services and Support is responsible for maintaining the health care and benefit plans of the Archdiocese including lay person retirement plan contributions and administering of health and welfare benefits for employees throughout the Archdiocese. Parish Shared Services and Support also coordinates the property insurance and cemetery services for the Archdiocese. The Catholic Cemeteries Association is made up of eight cemeteries including St. Malachy North and St. Malachy West in Brownsburg, IN, and Calvary, Holy Cross, St. Joseph, and Our Lady of Peace cemeteries in Indianapolis, IN, and Calvary and St. Joseph cemeteries in Terre Haute, IN.

Archdiocesan Deposit and Loan Fund—The Archdiocesan Deposit and Loan Fund (ADLF) was established by the Archdiocese to provide parishes and Archdiocesan agencies with a source for low-cost loan funding of capital improvements and major renovations. Each parish and agency is required to deposit amounts in excess of those required for operations into the ADLF. The policy is established by the Archbishop with the advice and counsel of the Archdiocesan Finance Council and is administered by the Chief Financial Officer of the Archdiocese.

Catholic Community Foundation—The majority of the Archdiocesan endowment activities occur through the Catholic Community Foundation (CCF). The CCF is a separate nonprofit corporation that promotes the establishment and growth of endowment funds and planned giving to provide perpetual funding for participating parishes, schools, agencies, and institutions of or within the Archdiocese. Distributions from the corpus are used to meet the financial needs of entities as restricted by the donor or as designated by the participating organizations. CCF investments are managed by external investment managers and are supervised by the Board of Directors of the CCF.

Catholic Charities—The Archdiocese, through the Secretariat for Catholic Charities, oversees the work of five social service agencies with locations throughout the Archdiocese and is responsible for coordinating various social ministries of the Archdiocese to work for peace and social justice through service and advocacy.

These social service agencies include Catholic Charities Indianapolis (CCI), Catholic Charities Bloomington (CCB), St. Elizabeth Catholic Charities (SECC), Catholic Charities Tell City (CCTC), and Catholic Charities Terre Haute (CCTH), (collectively, "Catholic Charities").

- CCI provides a variety of human service programs to individuals, families, children and seniors, including counseling, financial and material assistance, after-school care, emergency shelter, refugee replacement and adult day care in the Indianapolis, IN area. CCI also provides support for women experiencing unintended, crisis pregnancies. CCI has a licensed, full service adoption agency, providing lifelong birth parent and adoptive parent support, adoption search and home studies for domestic and international placements.

- CCB provides counseling services and outreach services to both individuals and groups in Bloomington, IN and the surrounding counties. CCB also operates a homeless shelter for women and children in Bedford, IN.

- SECC is located in New Albany, IN and provides a variety of services to Indiana and Kentucky residents. These services include residential housing for pregnant teens and women; residential housing for adult women with children; adoption services; mental health counseling; supported living program for developmentally delayed adults; Court Appointment Special Advocates program (CASA) for Floyd and Washington counties; court appointed supervised visitation; and distribution of baby items to the community.

- CCTC operates a food pantry, material support for pregnant women and mothers, family strengthening program, book delivery for elderly shut-ins and financial assistance in the Tell City, IN area.

- CCTH provides human service programs to individuals and families, including assisted living for the elderly, emergency shelter facilities, soup kitchens, adult day activity programs and a youth center for underprivileged children in Terre Haute, IN. CCTH acts as the fiscal agent for the Ryves Neighborhood Association; a program designed to provide community building and organizing in an effort to improve the safety and condition of the neighborhood. CCTH also operates the regional food bank for the Wabash Valley serving seven counties.

ADI Schools, Inc.—ADI Schools, Inc. (ADI) was established in 2009 to operate two Indianapolis Mayor sponsored charter schools, Andrew Academy and Padua Academy. In May 2011, the Archdiocese guaranteed repayment on the issuance of bonds for construction at the two facilities where ADI Schools, Inc. operated its schools. The debt is secured by the facilities and future construction.

In August 2014, ADI Schools, Inc. announced plans to surrender the charters for their two schools at the end of the 2014-2015 school year. St. Anthony Catholic School, operated by the Mother Theodore Catholic Academies, opened for the 2015-2016 school year in the facility previously occupied by Padua Academy. Another charter school management company has entered into a seven-year lease with ADI Schools, Inc. and Archdiocese of Indianapolis Properties, Inc. for the facility previously occupied by Andrew Academy. ADI

Schools, Inc. will continue to hold the debt related to both construction bonds and receive the lease payments.

On June 15, 2015, ADI Schools, Inc. amended their corporate documents to replace their independent Board of Directors with employees of the Chancery, effective July 1, 2015. The assets, liabilities, and results of operations of ADI Schools, Inc. have been consolidated in the Chancery's combined financial statements as of June 15, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The classification of the Chancery's net assets and its support, revenues, expenses, gains, and losses is based on the existence or absence of donor-imposed restrictions. Net assets are grouped into the following three categories:

Unrestricted Net Assets—Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Archbishop.

Temporarily Restricted Net Assets—Net assets whose use by the Chancery is subject to donor-imposed stipulations that can be fulfilled by actions of the Chancery pursuant to those stipulations or that expire by the passage of time.

Permanently Restricted Net Assets—Absent donor stipulations to the contrary, permanently restricted net assets consist of net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Chancery.

Cash and Cash Equivalents—Cash equivalents include money market funds and certificates of deposit purchased with original maturities of three months or less. For these short-term investments, cost approximates the fair market value.

Investments—Investments are recorded at fair value, with the unrealized gains and losses reflected in the combined statement of activities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The CCF investment committee and management periodically reviews investment results and valuations utilizing market information provided by CCF's investment advisers and custodian. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Unrealized (depreciation) appreciation includes the Chancery's gains and losses on investments bought and sold as well as held during the year.

Archdiocesan Deposit and Loan Fund (ADLF)—Deposit and loan fund receivable consists of loans made to parishes and agencies. Deposit and loan fund payable consists of deposits made by parishes and agencies. The parishes and agencies receive statements on ADLF deposits and loans accounts on a monthly basis. Specifically for loan accounts, an allowance for uncollectible amounts is monitored and assessed regularly by management. The allowance is based on quantitative and qualitative factors on the ability of the related parish or agency to repay the loan (see Note 6).

Amounts Due from Parishes and Other Archdiocesan Entities—The Chancery provides centralized purchasing and other benefit related services to parishes, schools and agencies. These amounts are charged monthly. Management provides for probable uncollectible amounts through an allowance based on the ability of the related entity to repay the outstanding amounts (see Note 6).

Burial Spaces and Other Inventories—Inventory is valued at the lower of cost or market. Unsold burial space (land and mausoleum) is valued at cost, determined using the average cost method. Other inventories are valued at cost determined on a first-in, first-out basis.

Land, Buildings, Equipment, and Depreciation—Land, buildings, and equipment are recorded at cost or, if donated, at fair value as of the date of contribution, less accumulated depreciation. The Chancery reviews long-lived assets for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Depreciation is provided on a straight-line basis over the estimated useful life of the related asset. The estimated useful lives of buildings, which includes building improvements, range from 5 to 20 years, while the estimated useful lives of equipment range from 3 to 10 years. Maintenance and repairs are expensed as incurred.

Capital Campaign Due to Parishes—Capital campaign due to parishes is comprised of the portion of contributions raised through the Legacy for Our Mission campaign which is to be returned to parishes as well as amounts collected in excess of parish goals for the annual United Catholic Appeal. Funds received through capital campaigns are remitted to the parishes approximately one month following donor collection.

Assessments and Service Fees—Revenue from assessments and service fees is recognized when earned in the period assessed.

Goods and Services—Revenue from the sale of goods or services are recognized when the goods are delivered or the services are performed.

Contributions and Contributions Receivable—Unconditional promises to give are recorded in the period pledged as contributions receivable and classified as unrestricted, temporarily restricted, or permanently restricted revenue, depending on the existence and nature of any donor restrictions. The Chancery reports gifts of cash or other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a temporary restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statement of activities as net assets released from restrictions. If a donor restriction is satisfied in the same year contributed, the contribution is reported as an increase in unrestricted net assets.

Net assets released for the years ended June 30, 2016 and 2015 include purpose restrictions satisfied for Catholic Charities, Fundraising Campaigns, and other.

Contributions receivable as of June 30 consist of the following:

	2016	**2015**
Contributions expected to be received in less than one year	$ 3,447,916	$ 3,724,120
Contributions expected to be received in one to five years	1,608,436	1,373,518
Contributions expected to be received in more than five years	1,364,871	14,900
Unamortized discount	(335,687)	(17,501)
Allowance for uncollectible contributions receivable	(399,985)	(410,750)
Total contributions receivable—net	$ 5,685,551	$ 4,684,287

Contributed Rent, Services, and Materials—Certain donated rent, services, and materials are reflected as contributions and expense at the estimated fair value as of the date of receipt. Donated services for specialized skills are recorded as contributions and expenses at the estimated value at the time the service is rendered, based on competitive equivalent rates. Other donated services and materials received are not reflected in the combined financial statements since fair market values at the date of donation are not reasonably determinable. Absent donor-imposed restrictions regarding how long the contributed assets must be used, the Chancery reports expirations of donor-imposed restrictions when the related contributed asset is placed into service. In-kind contributions of $852,000 and $766,000 are included in contribution revenue in the combined statement of activities as of June 30, 2016 and 2015, respectively.

Fundraising Costs—The Chancery accounts for fundraising events by applying the direct costs associated with these events against the gross proceeds from the events within program service fees and other revenue in the combined statement of activities. Direct fundraising costs for the years ended June 30, 2016 and 2015 are $805,802 and $747,204, respectively.

Tax Status—The Archdiocese is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity under Section 509(a) under the group tax exemption of the United States Catholic Conference and included in the Official Catholic Directory for 2016.

Prior to June 2009, the Archdiocese was an unincorporated association of entities. In June 2009, the Archdiocese underwent a legal restructuring to create separate legal entities for many of its operating divisions. While the day-to-day activities of the Archdiocese did not change, its post-restructuring operations are carried out by the Archdiocese and numerous separate legal entities. After the restructuring, certain of these separate legal entities were no longer exempt from IRS filing requirements as church organizations and file annual Federal or State information returns as required.

Accounting Principles Generally Accepted in the United States of America (U.S. GAAP) requires the Chancery to evaluate any tax positions taken and recognize a tax liability (or asset) if the Chancery has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Chancery has evaluated all tax positions and concluded that there are no other uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the combined financial statements as of June 30, 2016 or 2015. The Chancery is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any year in progress. All tax years remain open and subject to examination.

Concentration of Credit Risk—The Chancery maintains the majority of its cash and cash equivalents with a financial institution located in Indianapolis, Indiana. Generally, such cash and cash equivalents are in excess of insurance limits mandated by the Federal Depository Insurance Corporation.

Estimates—The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of support and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties—The Chancery invests in various securities including corporate stocks, fixed income mutual funds, and collective trust funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the combined statements of financial position and combined statements of activities.

New Accounting Pronouncements—In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-04 makes several improvements to current reporting requirements such as the presentation of statement of financial position amounts for two classes of net assets rather than for the currently required three classes, disclosures around restrictions on net assets, information provided about expenses of the period and presentation of operating cash flows. ASU 2016-14 is effective for the Chancery beginning on July 1, 2018. The Chancery is currently evaluating the effect this guidance will have on the combined financial statements and disclosures.

In May 2015, the FASB issued ASU 2015-07, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)*. ASU 2015-07 eliminates the requirement to categorize investments in the fair value hierarchy if the fair value is measured at net asset value per share (or its equivalent) using the practical expedient in the FASB's fair value measurement guidance. ASU 2015-07 is effective for the Chancery beginning on July 1, 2016. The Chancery is currently evaluating the effect this guidance will have on the combined financial statements and disclosures.

In April 2015, the FASB issued ASU 2015-03, *Simplifying the Presentation of Debt Issuance Cost*. This ASU requires an entity to present such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs will continue to be reported as interest expense. ASU 2015-03 is effective for the Chancery beginning on July 1, 2016. Early adoption is permitted. The new guidance will be applied retrospectively to each prior period presented. The Chancery is currently evaluating the effect this guidance will have on the combined financial statements and disclosures.

In February 2015, the FASB issued ASU 2015-02, *Amendments to the Consolidations Analysis*. The amendments in this update provide guidance under GAAP about limited partnerships, which will be variable interest entities, unless the limited partners have either substantive kick-out rights or participation rights. It also changes the effect that fees paid to a decision maker or service provider have on consolidation analysis and amends how variable interest held by related parties affect the consolidation conclusion. ASU 2015-02 is effective for the Chancery beginning on July 1, 2017. The Chancery is currently evaluating the effect this guidance will have on the combined financial statements and disclosures.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements-Going Concern*. The amendments in this update provide guidance in GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. In doing so, the amendments should reduce diversity in the timing and content of footnote disclosures. ASU 2014-15 is effective for the Chancery beginning on July 1, 2017. Early application is permitted. The Chancery is currently evaluating the effect this guidance will have on the combined financial statements and disclosures.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also specifies the accounting for some costs to obtain or fulfill a contract with a customer, and indicates an entity should disclose sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. This guidance is effective for the Chancery beginning on June 1, 2020. An entity should apply the amendments in this update retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this update recognized at the date of initial application. The Chancery is currently evaluating the effect this guidance will have on the combined financial statements and disclosures.

3. INVESTMENTS

The Chancery follows FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, which requires entities to establish valuation techniques to measure fair value of financial assets and liabilities according to a three level hierarchy. The three levels of the fair value hierarchy are as follows:

Level 1—assets and liabilities measured at quoted prices in an active market accessible at the date of measurement. Quoted market prices provide the most reliable evidence of fair value.

Level 2—assets and liabilities measured at other than quoted prices in an active market (Level 1) that are observable either directly or indirectly.

Level 3—assets and liabilities measured at unobservable inputs, there is minimal if any measurable market activity.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2016 and 2015.

Common Stock Equities—Fair value for individual equity securities is based on the closing prices in active markets.

Fixed Income Mutual Funds—Valued at the daily closing price as reported by the fund. Level 1 mutual funds held by the Chancery are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The Level 1 mutual funds held by the Chancery are deemed to be actively traded.

Collective Trust Fund, Real Estate, and Other Funds—Level 1 assets are valued at the exchange traded price. All other assets are valued at the net asset value provided by the investment manager. The net asset value is used as a practical expedient to estimate fair value. The net asset value is based on the fair value of the underlying investments held by the funds less their liabilities.

While the Chancery 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. Investment assets for which market quotations are not readily available are fair valued in accordance with management established procedures that includes consultation with the independent investment committee and investment consultants.

The following tables set forth by level within the fair value hierarchy the Chancery's investment assets at fair value as of June 30, 2016 and 2015.

	2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash equivalents	$ 3,231,424	$ -	$ -	$ 3,231,424
Common stock equities:				
Commodities—ETF	5,083,473			5,083,473
Equities—domestic	34,280,105			34,280,105
Equities—international	41,636,387			41,636,387
Fixed income mutual funds:				
Government backed securities	398,862			398,862
Mortgage backed securities	4,996,206			4,996,206
Bank loans	7,974,832			7,974,832
Total return	35,459,453			35,459,453
High yield	2,271,472			2,271,472
Collective trust fund		10,495,417		10,495,417
Real estate and other funds	11,150,916		4,328,139	15,479,055
Total investments at fair value	$ 146,483,130	$ 10,495,417	$ 4,328,139	$ 161,306,686

	Level 3
Balance—beginning of year	$ 5,822,138
Net realized and unrealized gains	101,548
Distributions	(1,595,547)
Balance—end of year	$ 4,328,139

	2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash equivalents	$ 3,425,520	$ -	$ -	$ 3,425,520
Common stock equities:				
Commodities—ETF	6,015,874			6,015,874
Equities—domestic	33,778,751			33,778,751
Equities—international	48,406,373			48,406,373
Fixed income mutual funds:				
Government backed securities	387,228			387,228
Mortgage backed securities	4,908,780			4,908,780
Bank loans	7,921,508			7,921,508
Total return	33,403,229			33,403,229
High yield	2,309,999			2,309,999
Collective trust fund		10,064,838		10,064,838
Real estate and other funds	9,035,043		5,822,138	14,857,181
Total investments at fair value	$ 149,592,305	$ 10,064,838	$ 5,822,138	$ 165,479,281

	Level 3
Balance—beginning of year	$ 5,244,484
Net realized and unrealized gains	1,963,412
Purchases	230,304
Distributions	(1,616,062)
Balance—end of year	$ 5,822,138

As of June 30, 2016 and 2015, the fair value of $2,352,661 and $2,495,686 of charitable gift annuities were included in investments, respectively. As of June 30, 2016 and 2015, the fair value of $14,443 and $2,184 of charitable gift annuities were held in cash and cash equivalents, respectively. Offsetting liabilities of $2,101,746 and $2,142,670 are included in accounts payable and accrued expenses as of June 30, 2016 and 2015, respectively, for those charitable gift annuities in which the beneficiary is an entity other than the Chancery. This liability includes the guaranteed payments to donors and is recorded at net present value based on actuarially determined life expectancy tables. The discount rate used to calculate the present value of the liability ranges from 1.8% to 4.6%

There were no significant transfers between levels during the years ended June 30, 2016 and 2015.

Interest income and investment return for the years ended June 30, 2016 and 2015, is as follows:

	2016	**2015**
Interest and dividends	$ 4,860,526	$ 6,112,015
Net realized and unrealized gains	(6,209,080)	(8,400,067)
Total investment (loss) return	(1,348,554)	(2,288,052)
ADLF loan and other interest income	2,567,253	2,352,896
Total interest income and investment return	$ 1,218,699	$ 64,844

4. NET ASSET VALUE (NAV) PER SHARE

The following table for June 30 sets forth a summary of the Chancery's investments with a reported NAV.

Investment	Fair Value* 2016	Fair Value* 2015	Unfunded Commitment	Other Redemption Restrictions	Redemption Notice Period
Real estate investments—Level 3 [a]:	$ 1,657,770	$ 2,282,478	$ 139,702	Restricted redemption before end of partnership term on December 31, 2018 unless written notice submitted of withdrawal due to changes in law or unanticipated circumstances.	120 days
	163,754	375,738	93,135	Requires general partner approval.	None
	1,776,664	2,036,264		Redemption price cannot be greater than current offering price of common stock shares sold in primary offering.	None
	729,951	1,127,658		No redemption before March 31, 2020 except by approval of general partner for special circumstances.	None
Total Level 3	4,328,139	5,822,138			
Collective trust fund—Level 2 [b]:	10,495,417	10,064,838		None	None
Total	$ 14,823,556	$ 15,886,976			

* The fair values of the investments have been estimated using the net asset value of the investment.

(a) These real estate investments include several real estate funds that invest primarily in U.S. private real estate funds and distressed real estate loan funds. The fair values of the investments have been estimated using the net asset value of the Chancery's ownership interest in the capital. These investments have no defined frequency of redemption.

(b) This collective trust fund is a Catholic Values S&P 500 index fund. There are no redemption period or redemption restrictions.

5. CATHOLIC COMMUNITY FOUNDATION ENDOWMENTS

Catholic Community Foundation Interpretation of UPMIFA—The Board of Trustees (Board) of the Catholic Community Foundation (CCF) has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-imposed restricted endowment funds absent explicit donor stipulations and endowment contract conditions to the contrary.

CCF administers and invests individual endowment funds for the benefit of participating parishes, schools, agencies of the Archdiocese of Indianapolis and other individual donors (see Note 1). Endowment distributions may be directed to specific causes as directed by the donor or to archdiocesan, parish, school or agency ministries.

CCF standard endowment contract language includes that the fair value of the fund includes appreciation or depreciation of the investment, distributions for specified purposes and administration fees. CCF does not guarantee a rate of return or that the value of the fund will appreciate. Based on this contract language, CCF has no responsibility to replenish the funds should net depreciation occur.

CCF considers endowments subject to donor-imposed stipulation that neither expire by the passage of time nor can be fulfilled or otherwise removed by the donor or CCF as permanently restricted. CCF classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. Because CCF has no responsibility under the endowment contracts to replenish depreciated funds, other activity related to permanently restricted endowments, including investment gains and losses, distributions and administrative fees are recorded as temporarily restricted net assets. As of June 30, 2016 and 2015, temporarily restricted net assets includes ($1,147,215) and $338,285 related to this cumulative activity, respectively.

Any remaining portion of the donor restricted endowment fund not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Board in a manner consistent with the standard of prudence prescribed by UPMIFA.

Unrestricted endowment funds can be established by parishes, schools, and agencies of the Archdiocese as well as the Chancery. Distributions from these endowments are designated by management for a specific parish, school or agency while allowing the recipient organization the flexibility to determine the use of the funds, these funds are classified as unrestricted. Unrestricted and temporarily restricted net assets are considered appropriated for expenditure when budgets are approved for the upcoming fiscal year or when distributions are made to parish, school or agency of the Archdiocese.

Return Objectives and Risk Parameters—CCF has adopted investment and spending policies for endowment assets to maintain inflation-adjusted annual distributions. The overall, long-term investment goal of CCF is to achieve an annualized total return (net of fees and expenses), through appreciation and income, greater than the rate of inflation plus any spending.

Strategies Employed for Achieving Objectives—The assets are to be managed in a manner that will meet the long-term investment objective, while at the same time attempting to limit the volatility in year-to-year spending. The CCF Board of Trustees and Investment Committee agree that investing in securities with higher return expectations outweighs their short-term volatility risk. As a result, the majority of assets will be invested in equity or equity-like securities. Fixed income funds will be used to lower the short-term volatility of the portfolio and to provide income stability, especially during periods of weak or negative equity markets.

Spending Policy and How the Investment Objectives Relate to Spending Policy—Income available for spending is determined by a total return system. CCF shall make distributions to the endowment beneficiary in the amount of 5% of the net fair market value of the fund, which includes the change of market value of the Fund, dividends and interest, net of expenses, all averaged over the prior three years. CCF may update this spending rate, based on actual investment performance over time.

Endowment net asset composition by type of fund as of June 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Funds:				
Board Designated	$134,032,233	$ -	$ -	$134,032,233
Donor Designated		(1,147,215)	23,238,239	22,091,024
Total	$134,032,233	$(1,147,215)	$23,238,239	$156,123,257

Changes in endowment net assets for year ended June 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets—beginning of year	$137,055,899	$ 338,285	$22,962,031	$160,356,215
Investment return:				
Investment income—net	3,966,473	685,521		4,651,994
Net appreciation	(6,119,623)	(1,044,260)		(7,163,883)
Total investment return	(2,153,150)	(358,739)		(2,511,889)
Contributions	5,479,847		318,256	5,798,103
Transfers		42,048	(42,048)	
Distributions—net	(6,350,363)	(1,168,809)		(7,519,172)
Net assets—end of year	$134,032,233	$(1,147,215)	$23,238,239	$156,123,257

Endowment net asset composition by type of fund as of June 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Funds:				
Board Designated	$137,055,899	$ -	$ -	$137,055,899
Donor Designated		338,285	22,962,031	23,300,316
Total	$137,055,899	$338,285	$22,962,031	$160,356,215

Changes in endowment net assets for year ended June 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets—beginning of year	$141,697,864	$ 2,110,895	$22,437,829	$166,246,588
Investment return:				
Investment income—net	5,418,580	909,478		6,328,058
Net appreciation	(8,389,104)	(1,451,446)		(9,840,550)
Total investment return	(2,970,524)	(541,968)		(3,512,492)
Contributions	4,851,288		524,202	5,375,490
Distributions—net	(6,522,729)	(1,230,642)		(7,753,371)
Net assets—end of year	$137,055,899	$ 338,285	$22,962,031	$160,356,215

6. DEPOSIT AND LOAN FUND AND AMOUNTS DUE FROM PARISHES AND OTHER RELATED ENTITIES

The Chancery operates a centralized financing program through its Archdiocesan deposit and loan fund (ADLF). Archdiocesan entities remit funds in excess of immediate operating needs to the fund, shown as a liability on the accompanying combined statement of financial position, which are then used for making loans that are reflected as assets on the accompanying combined statement of financial position to other Archdiocesan entities at rates below the prevailing commercial rate. Deposits are due on demand. In order to qualify for a construction or renovation loan, generally entities are required to have 50% of the project costs on deposit in the ADLF with the remaining project expenses payable from pledges or expected endowment distributions. Typically, loans mature on construction borrowings based on the collection period of the pledges made to support the related project. The collectability of loans is based on individual facts and circumstances and is monitored regularly by the Chancery.

For the years ended June 30, 2016 and 2015, the loan interest rates for new loans ranged from 3.75% to 6.0%. Loan interest rates averaged 4.2% and 4.4% during the years ended June 30, 2016 and 2015. Interest income and investment return includes loan interest earned of $1,586,000 and $1,683,931 for the years ended June 30, 2016 and 2015, respectively. Interest at an average rate of 0.75% was paid on funds on deposit during both the years ended June 30, 2016 and 2015.

Loan funds receivable and amounts due from parishes and other entities as of June 30 consist of the following:

	2016	2015
Construction loans secured	$ 32,459,232	$ 34,517,088
Non interest bearing operational loans unsecured	17,608,093	15,393,415
Interest bearing operational loans and other receivables unsecured	3,951,403	4,908,317
	54,018,728	54,818,820
Less allowance for loan losses	(15,700,000)	(15,620,000)
	$ 38,318,728	$ 39,198,820

Transactions in the allowance for loan losses for loan funds receivable and amounts due from parishes and other entities for the year ended June 30 are as follows:

	2016	2015
Balance—July 1	$ 15,620,000	$ 17,800,000
Losses charged off	(230,037)	(298,544)
Recoveries of losses previously charged off		468,370
Elimination of provision for ADI Schools, Inc.		(1,850,000)
Change in provision for loan losses	310,037	(499,826)
Balance—June 30	$ 15,700,000	$ 15,620,000

7. LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment as of June 30 consist of the following:

	2016	2015
Land	$ 4,545,377	$ 4,330,468
Buildings	36,309,791	35,717,341
Equipment	5,681,417	5,605,680
Construction in progress	88,894	3,000
Accumulated depreciation	(24,532,314)	(23,010,926)
Total land, buildings, and equipment—net	$ 22,093,165	$ 22,645,563

8. BONDS PAYABLE

In December 2013, the Indiana Finance Authority (IFA) issued secured bonds of $18,387,000 in aggregate principal amount of Roman Catholic Archdiocese of Indianapolis, Inc. Series 2013 Note (2013 Note). The 2013 Note matures in January 2033, with a fixed interest rate of 3.37% per annum for the first 10 years. After the initial 10-

year period the lender may exercise a put-option to require redemption of the remaining principle outstanding. If the put option is not exercised the Chancery has the option to re-price the bond for the remaining 10-year period. As of June 30, 2016 and 2015, the balance of the 2013 Note is $16,887,000 and $17,387,000 respectively.

In December 2010, the IFA issued secured bonds of $17,585,000 in aggregate principal amount of Roman Catholic Archdiocese of Indianapolis, Inc. Series 2010 Note (2010 Note). The 2010 Note matures in January 2021, with a fixed interest rate of 2.89% per annum. As of June 30, 2016 and 2015, the balance of the 2010 Note is $17,585,000. On August 1, 2013, the 2010 Note was amended to reduce the interest rate to a fixed interest rate of 2.74% per annum.

In April 2006, the IFA issued secured bonds of $13,435,000 in aggregate principal amount of Educational Facilities Refunding Revenue Bonds, Series 2006A and $17,475,000 Educational Facilities Refunding Revenue Bonds, Series 2006B (collectively the 2006 Bonds). The net proceeds from the sale of the 2006 Bonds were loaned for the purpose of refunding the outstanding principal of $32,455,000 of the Economic Development Revenue Bonds, Series 1996 including interest accrued and any redemption premium. The proceeds of the 2006 Bonds were deposited in a separate irrevocable trust with an escrow trustee. The Series 2006A bonds mature between July 1, 2006 and July 1, 2016, with interest ranging from 4.0% and 5.0%. The Series 2006B bonds were refinanced with the 2010 Note. As of June 30, 2016 and 2015, the balance of the 2006 Bonds is $1,515,000 and $2,960,000, respectively. The remaining balance of the 2006 Bonds was paid in full in July 2016.

In May 2011, the IFA issued secured Qualified School Construction Bonds of $2,600,000 in aggregate principal amount of ADI Schools, Inc. Series 2011, Padua Academy Project (2011 Padua Note) and $3,600,000 in aggregate principal amount of ADI Schools, Inc. Series 2011, Andrew Academy Project (2011 Andrew Note), a total of $6,200,000 in aggregate principal. The net proceeds from each of the bonds were used to perform construction at each of the two educational facilities. The notes mature in June 2026, with a fixed interest rate of 4.99%. Under the American Recovery and Reinvestment Act of 2009, the Federal Treasury provides a federal subsidy equal to 4.5% interest on the Series 2011 Andrew Note. As of June 30, 2016 and 2015, the balance of the 2011 Padua Note is $2,130,556 and $2,274,495, respectively. As of June 30, 2016 and 2015, the balance of the 2011 Andrew Note is $2,950,000 and $3,150,000, respectively.

All bond issuances include certain financial coverage covenants and other performance requirements. The Archdiocese is in compliance with the debt coverage ratio and total fund ratio covenants as of June 30, 2016 and 2015.

Payments due over the next five years are as follows:

Years Ending June 30	Amount
Bond payable:	
2017	$ 3,849,031
2018	2,538,198
2019	2,613,198
2020	2,688,198
2021	11,633,595
Thereafter	17,745,336
Total bond payable	41,067,556
Interest payable at June 30, 2016	332,255
Total bond and interest payable	$ 41,399,811

9. OTHER LIABILITIES

A summary of other liabilities as of June 30 is as follows:

	2016	2015
Contributions received for other charitable organizations	$ 1,464,290	$ 1,555,294
Cemeteries deferred revenue	3,114,378	2,927,752
Refundable advances and other	668,148	675,655
Total other liabilities	$ 5,246,816	$ 5,158,701

10. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30 are available for the following purposes:

	2016	2015
Catholic Charities	$ 2,653,200	$ 2,293,345
Catholic Education	(43,634)	1,505,989
United Catholic Appeal	1,982,930	1,884,848
Mission Office		1,500,000
Parish Purposes and other	1,289,848	754,195
Total temporarily restricted net assets	$ 5,882,344	$ 7,938,377

11. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets as of June 30 are available for the following purposes:

	2016	2015
Catholic Charities	$ 5,118,348	$ 5,105,118
Catholic Education	14,350,673	14,180,551
Parishes	3,330,978	3,298,480
Other	455,316	394,958
Total permanently restricted net assets	$ 23,255,315	$ 22,979,107

12. FUNCTIONAL EXPENSES

On July 1, 2015, the Chancery re-organized the secretariats to re-align the programs with the Chancery's operations. This involved creating a new secretariat for Pastoral Ministries (see Footnote 1) which includes certain programs previously included in the secretariat for Catholic Schools. Additionally, the secretariat for Worship and Evangelization assumed certain other programs from the secretariat for Catholic Schools. A summary of expenses by functional classification under the new secretariat structure for the year ended June 30, 2016 is as follows:

	2016
Program activities:	
Catholic cemeteries	$ 3,250,883
Catholic charities	11,373,129
Catholic community foundation	4,983,315
Catholic schools	6,441,416
Clergy, religious and parish life coordinators	4,552,974
Communications	1,443,255
Deposit and loan fund	1,480,267
Mission office	160,327
Parish ministry support	1,619,793
Parish shared service plans and other	32,410,290
Pastoral ministries	1,614,567
Worship and evangelization	1,198,611
Total program activities	70,528,827
Supporting activities:	
Administrative services	6,668,856
Stewardship and development	1,972,407
Total supporting activities	8,641,263
Total functional expenses	$ 79,170,090

A summary of expenses by functional classification under the previous secretariat structure for the year ended June 30, 2015 is as follows:

	2015
Program activities:	
Spiritual and sacramental life and worship	$ 4,685,573
Catholic education and faith formation	7,839,631
Lay ministry and pastoral services	513,830
Catholic Charities and family ministries	12,076,566
Communications	1,460,310
Catholic cemeteries	2,744,315
Parish services and other	37,701,646
Total program activities	67,021,871
Supporting activities:	
Administrative services	4,431,717
Stewardship and development	1,466,162
Total supporting activities	5,897,879
Total functional expenses	$ 72,919,750

13. RELATED-PARTY TRANSACTIONS

All Archdiocesan entities pay annual assessments and service fees to the Chancery. An assessment is levied on parishes and missions to provide for the operating budget of the Chancery (the "Cathedraticum") and is reflected as assessments revenue in the combined statement of activities. Service fees are charged to all entities for insurance, health, and retirement programs centrally administered by the Chancery for the benefit of the entire Archdiocese and are reflected as service fees revenue in the combined statement of activities.

The Chancery also provides services to the parishes and schools. These services include centralized purchasing, payroll and employee benefits, processing of parish collections to designated missions, and the publication of a newspaper.

St. Mary's Child Center Endowment Trust Fund (the "Trust") is a separate legal entity that was established with a transfer of endowment funds from SMCC. The Co-Trustees of the Trust are independent of the Board of Directors of SMCC. Investment income of $30,000 was transferred from the Trust to SMCC for use in operations during each of the years ended June 30, 2016 and 2015. In addition, the Trust contributed $180,000 to SMCC for use in operations during each of the years ended June 30, 2016 and 2015.

14. PRIESTS' AND LAY EMPLOYEES' BENEFIT PLANS

Defined Benefit Plans—The Chancery participates in noncontributory, defined benefit pension plans administered by the Archdiocese for qualifying lay employees and Archdiocesan priests employed at the various parishes, schools, and agencies throughout the entire Archdiocese. For the purposes of the combined financial statements, these pension plans are considered to be multi-employer plans as defined under ASC 715, Compensation-Retirement Benefits, because financial activity of parishes and other entities of the Archdiocese that contribute to these plans, is not included in these combined financial statements. There are no separate valuations of plan benefits or segregation of plan assets specifically for the Chancery. As a religious organization, the Chancery plans are not subject to the Employee Retirement Income Security Act (ERISA) or the Pension Protection Act of 2006 (PPA).

The risks of participating in these multiemployer plans are different from the risks associated with single-employer plans in the following respects:

a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If the Chancery chooses to stop participating in either of the multiemployer plans, they may be required to pay those plans an amount based on the underfunded status of the plan.

The Roman Catholic Archdiocese of Indianapolis Lay Employees' Retirement Plan (the "Lay Plan") provides pension benefits based primarily on compensation and employee's years of service. Lay employees hired prior to January 1, 2012 that work in excess of 1,500 hours in a calendar year are eligible for retirement benefits. An employee is vested in the pension plan after five years of service. Effective June 30, 2016, the plan was frozen and no additional benefits were accrued. The Chancery bills each parish, school, or agency an amount for lay retirement costs based upon approximately 5.0% and 4.2%, as of June 30, 2016 and 2015, respectively, of each entity's previous year payroll costs. The Chancery's contribution expense for the Lay Plan was $3,801,865 and $2,772,473 for fiscal years 2016 and 2015, respectively, which represent the sole contributions made to the plan for those years. The plan year-end is December 31. As of the most recent valuation date of January 1, 2016, the plan was 64% funded, the actuarial value of plan assets was $56,913,207, and the accumulated value of plan benefits was $88,291,671.

The Roman Catholic Archdiocese of Indianapolis Pension Plan for Archdiocesan Priests (the "Priests' Plan") will provide retired priests with a standard monthly pension benefit of $2,033 for fiscal years 2016 and 2015, commencing July 1st following the priests' 70th birthday. Priests are 50% vested at five years of service graded to 100% vested at 10 years of service. An amount sufficient to fund the Priests' Plan is supported by the annual United Catholic Appeal. The Chancery's contribution expense for the Priests' Plan was $1,799,998 and $1,268,271 for fiscal years 2016 and 2015, respectively, which represent the sole contributions made to the plan for those years. The plan year-end is June 30. As of the most recent valuation date of July 1, 2015, the plan was 48% funded, the actuarial value of plan assets was $11,346,064, and the accumulated value of plan benefits was $23,699,873.

Defined Contribution Plans—The Chancery's lay employees and clergy have the option of being part of a discretionary thrift savings plan sponsored by the Archdiocese. Under the 403(b) plan, all employees are eligible to voluntarily contribute a percentage of their compensation and all clergy are eligible to voluntarily contribute a set amount of their compensation. Employees and clergy can contribute a maximum of $18,000 into the 403(b) plan for calendar years 2016 and 2015. Employees and clergy over the age of 50 are eligible for an additional $6,000 catch up provision, for a total annual contribution of $24,000 for each of the calendar years 2016 and 2015.

The Archdiocese matches 50% of employee contributions up to a maximum of 8% of the eligible wages. Archdiocesan contributions are immediately fully vested and were $2,380,914 and $2,173,061 for the years ended June 30, 2016 and 2015, respectively.

The Archdiocese matches 50% of clergy contributions of up to $2,400 per year. The Chancery made contributions of $94,050 and $79,406 to the clergy defined contribution plan for the years ended June 30, 2016 and 2015, respectively.

15. COMMITMENTS AND CONTINGENCIES

Self-Insurance—A partially self-insured property and liability program is administered by the Chancery for Archdiocesan facilities. The program is funded by aggregate risk management fees from parishes, schools, and other entities and pays the initial $1,000,000 for property claims, $300,000 for workers compensation claims, and $250,000 for liability claims. Claims in excess of these limits are insured with insurance carriers.

The Archdiocese administers a self-insured medical health plan for clergy and eligible lay employees at the parishes, schools and agencies. The lay program is funded by participant premium contributions and direct billings to parishes, schools, and agencies based upon the number of employees participating in the program. The clergy program is supported by direct billings to parishes and agencies based upon the actuarially estimated plan costs. Both programs pay for the first $250,000 of claims per individual per year to a maximum aggregate of 125% of expected claims, which vary based on enrollment. Amounts in excess of these limits are insured with a general insurance carrier. Medical and health care claims totaled $14,160,000 and $13,600,000 for the years ended June 30, 2016 and 2015, respectively.

Litigation—The Chancery is involved with various legal actions arising in the ordinary course of its activities. Where applicable, reserves have been established for those cases where the potential liability is estimable and probable. It is the opinion of management that the ultimate liability, if any, with respect to these matters will not materially affect the combined financial position of the Chancery.

Contractual Commitments on Construction—Parishes, schools, and agencies contractual commitments on construction pending or in process totaled approximately $2,200,000 as of June 30, 2016. Management expects these obligations to be paid within one year.

16. SUBSEQUENT EVENTS

The Chancery has evaluated subsequent events for recognition or disclosure through the date which the combined financial statements were available to be issued, November 11, 2016, and no events, other than those described in these notes, have occurred that require disclosure.

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SUPPLEMENTAL COMBINING INFORMATION

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

COMBINING SCHEDULE—COMBINING STATEMENT OF ACTIVITIES INFORMATION FOR THE YEAR ENDED JUNE 30, 2016

	Chancery	Clergy and PLC	Worship and Evangelization	Catholic Schools	Pastoral Ministries	Catholic Charities	Communications	Finance and Administrative Services	Stewardship and Development	Vicariate Judicial	Parish Shared Services and Support	CCF and ADLF	Total Before Eliminations	Eliminations	Combined Total June 30, 2016
SUPPORT AND REVENUES:															
Assessments	$ 2,433,724	$ -	$ 333,360	$ 343,330	$ -	$ -	$ 270,437	$ 2,680,940	$ 1,403,230	$ 522,423	$ 2,943,732	$ -	$ 10,931,176	$ -	$ 10,931,176
Service fees	54,451	374,742	74,421	46,004	508,012		3,065	226,502	788,201	100	30,742,882		32,818,380	(4,042,723)	28,775,657
Capital campaigns and contributions	229,707	1,303,948	149,092	1,675,179	115,344	4,583,578	81,902	195	28,378			8,004,893	16,172,216	(5,023,389)	11,148,827
United Catholic Appeal	2,623,187	1,543,051		668,656	925,831	872,625							6,633,350	(255,405)	6,377,945
Sales of goods and services			22,960	6,198		2,203	1,147,682				3,298,199		4,477,242	(108,076)	4,369,166
Program service fees and other	1,993,459	379,505	689,908	3,439,171	34,070	3,299,745		500			303,093		10,139,451	(2,181,550)	7,957,901
Other public support	(499,769)			1,427,874	34,928	4,871,287							5,834,320		5,834,320
Interest income and investment return	2,255,638	121,734	19,186	159,371	68,838	217,279	(164)	357		213	2,042,329	1,035,178	5,919,959	(4,701,260)	1,218,699
Total support and revenues	9,090,397	3,722,980	1,288,927	7,765,783	1,687,023	13,846,717	1,502,922	2,908,494	2,219,809	522,736	39,330,235	9,040,071	92,926,094	(16,312,403)	76,613,691
EXPENSES:															
Salaries and wages	1,339,683	544,447	597,090	3,875,944	669,667	5,465,479	433,070	1,128,380	853,611	343,749	221,926		15,473,046		15,473,046
Employee benefits and taxes	324,127	1,050,656	149,749	899,880	170,518	1,328,932	96,546	256,033	196,578	82,638	5,875,319		10,430,976	(2,536,519)	7,894,457
Health care costs											18,621,217		18,621,217		18,621,217
Retirement plan contributions	1,861,404										3,801,865		5,663,269		5,663,269
Cost of equipment and supplies sold			12,796			1,868	798,635				1,035,921		1,849,220		1,849,220
Administrative and supplies	49,704	54,019	141,527	545,664	113,633	979,051	8,915	92,678	255,592	4,429			2,245,212	(107,748)	2,137,464
Property insurance		36,761	22,541	42,554		83,044		174,781			3,760,267		4,119,948	(448,188)	3,671,760
Depreciation	374,452	280,696	91,114	241,121		454,546					191,591		1,633,520		1,633,520
Repairs and maintenance	2,597	168,265	54,664	155,567	18,358	98,223	685	581,466	55,215		166,860		1,301,900		1,301,900
Occupancy costs	19,106	67,370	103,498	426,496	6,475	806,882	2,404	293,739	2,137	3,097			1,731,204	(135,180)	1,596,024
Interest				123,289		28					22,337	1,816,640	1,962,294	(214,564)	1,747,730
Bad debts	420,322	(2,250)		(1,000)		32,980	9,570				73,601		533,223		533,223
Professional services	796,584	114,476	34,470	530,155	139,078	1,035,043	98,611	318,030	178,426	27,068	3,640,406	783,650	7,695,997	(970,636)	6,725,361
Specific assistance				988		1,769,793							1,770,781		1,770,781
Contributions	7,071,647	70,573	13,401	187,824	56,379	596,518			417,050		208,950	7,519,171	16,141,513	(9,996,331)	6,145,182
Other	490,068	213,211	43,390	1,438,886	499,365	2,347,187	32,880	113,865	88,823	23,137	55,116	1,989,776	7,335,704	(4,929,768)	2,405,936
Total expenses	12,749,694	2,598,224	1,264,240	8,467,368	1,673,473	14,999,574	1,481,316	2,958,972	2,047,432	484,118	37,675,376	12,109,237	98,509,024	(19,338,934)	79,170,090
CHANGE IN NET ASSETS	$ (3,659,297)	$ 1,124,756	$ 24,687	$ (701,585)	$ 13,550	$ (1,152,857)	$ 21,606	$ (50,478)	$ 172,377	$ 38,618	$ 1,654,859	$ (3,069,166)	$ (5,582,930)	$ 3,026,531	$ (2,556,399)

See independent auditors' report.

OTHER ACCOMPANYING SUPPLEMENTARY INFORMATION

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS STATEMENT OF FINANCIAL POSITION INFORMATION AS OF JUNE 30, 2016

	Archdiocese of Indianapolis Cemeteries, Inc.	Criterion Press, Inc.	Our Lady of Fatima Retreat House, Inc.	Catholic Youth Organization of the Archdiocese of Indianapolis, Inc.	CYO Camp Rancho Framasa, Inc.	St. Mary's Child Center, Inc.
ASSETS						
CASH AND CASH EQUIVALENTS	$ 15,765	$ -	$ 58,201	$ 1,558,404	$ -	$ 831,013
INVESTMENTS	2,567,619			45,726		45,726
RECEIVABLES:						
Contributions—net				50,000	87,549	71,756
Other—net	2,244,340	4,014	5,947	17,118	902	21,377
Total receivables—net	2,244,340	4,014	5,947	67,118	88,451	93,133
OTHER ASSETS				3,426		4,113
BURIAL SPACES AND OTHER INVENTORIES	3,412,120		32,214			
LAND, BUILDINGS, AND EQUIPMENT—Net	2,714,389		515,176	174,301	3,007,943	868,737
TOTAL	$ 10,954,233	$ 4,014	$ 611,538	$ 1,848,975	$ 3,096,394	$ 1,842,722
LIABILITIES AND NET ASSETS						
LIABILITIES:						
Accounts payable and accrued expenses	$ 6,656,743	$ 29,394	$ 32,363	$ 37,044	$ 169,453	$ 59,558
Bonds payable—net	(738)					
Other liabilities	3,114,378	4,039	15,719	28,000	401,465	
Total liabilities	9,770,383	33,433	48,082	65,044	570,918	59,558
NET ASSETS:						
Unrestricted (deficit)	1,183,850	(29,419)	563,456	1,757,170	2,452,941	1,766,620
Temporarily restricted				26,761	72,535	16,544
Permanently restricted						
Total net assets (deficit)	1,183,850	(29,419)	563,456	1,783,931	2,525,476	1,783,164
TOTAL	$ 10,954,233	$ 4,014	$ 611,538	$ 1,848,975	$ 3,096,394	$ 1,842,722

See independent auditors' report.

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS
STATEMENT OF ACTIVITIES INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016

	Archdiocese of Indianapolis Cemeteries, Inc.	Criterion Press, Inc.	Our Lady of Fatima Retreat House, Inc.	Catholic Youth Organization of the Archdiocese of Indianapolis, Inc.	CYO Camp Rancho Framasa, Inc.	St. Mary's Child Center, Inc.
SUPPORT AND REVENUES:						
Capital campaigns and contributions	$ -	$ 81,904	$ 146,689	$ 201,930	$ 95,854	$ 1,251,034
Sales of goods and services	2,768,943	1,147,682	22,961			
Program service fees and other	295,977		684,807	937,463	928,590	921,175
Other public support				34,574	141,271	899,758
Interest income and investment return	125,178	(165)	18,362	(4,647)	(6,069)	495
Total support and revenues	3,190,098	1,229,421	872,819	1,169,320	1,159,646	3,072,462
EXPENSES:						
Salaries and wages		258,081	426,594	492,401	544,371	1,622,968
Employee benefits and taxes		55,541	108,658	109,669	121,975	405,216
Cost of equipment and supplies sold	588,014	798,636	12,071			
Administrative and supplies		7,972	130,616	73,634	233,061	201,412
Property insurance	49,039		22,542	18,288	19,416	4,851
Depreciation	191,588		91,114	15,963	107,255	115,394
Repairs and maintenance	166,859		54,584	28,709	73,533	16,250
Occupancy costs			66,869	108,281	146,284	158,076
Interest	22,335					2,497
Bad debts		9,570				(1,000)
Professional services	1,969,831	95,254	28,655	339,819	19,600	31,943
Specific assistance						986
Contributions			13,401			
Transfers to Catholic Community Foundation	208,946					
Other	54,271	9,698	14,246	724,962	348,940	97,859
Total expenses	3,250,883	1,234,752	969,350	1,911,726	1,614,435	2,656,452
CHANGE IN NET ASSETS	(60,785)	(5,331)	(96,531)	(742,406)	(454,789)	416,010
NET ASSETS—Beginning of year	1,244,635	(24,088)	659,987	2,526,337	2,980,265	1,367,154
NET ASSETS—End of year	$ 1,183,850	$ (29,419)	$ 563,456	$ 1,783,931	$ 2,525,476	$ 1,783,164

See independent auditors' report.

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS STATEMENT OF FINANCIAL POSITION INFORMATION AS OF JUNE 30, 2016

	Catholic Charities Indianapolis, Inc.	Catholic Charities Bloomington, Inc.	St. Elizabeth Catholic Charities, Inc.	Catholic Charities Tell City, Inc.	Catholic Charities Terre Haute, Inc.	Terre Haute Catholic Charities Foodbank, Inc.
ASSETS						
CASH AND CASH EQUIVALENTS	$ 1,068,116	$ (6,254)	$ 429,065	$ 49,682	$ (52,294)	$ 1,539,271
ACCOUNTS RECEIVABLE—Net	978,969	51,891	86,707			12,513
CONTRIBUTIONS RECEIVABLE—Net	12,300		34,901			325,947
OTHER ASSETS	9,434	4,397	690			
PROPERTY AND EQUIPMENT—Net	3,425,313	142,054	1,439,021		1,173,583	28,364
INVESTMENTS	122,357		24,705		49,871	229,911
TOTAL	$ 5,616,489	$ 192,088	$ 2,015,090	$ 49,682	$ 1,171,160	$ 2,136,006
LIABILITIES AND NET ASSETS						
LIABILITIES:						
Accounts payable and accrued expenses	$ 434,627	$ 410,359	$ 69,295	$ 2,589	$ 22,395	$ -
Other liabilities	84,012	103,600	55,554		139,883	
Total liabilities	518,639	513,959	124,849	2,589	162,278	-
NET ASSETS:						
Unrestricted	5,028,019	(326,871)	1,875,454	37,702	992,564	574,238
Temporarily restricted	69,831	5,000	14,787	9,391	15,118	1,561,768
Permanently restricted					1,200	
Total net assets	5,097,850	(321,871)	1,890,241	47,093	1,008,882	2,136,006
TOTAL	$ 5,616,489	$ 192,088	$ 2,015,090	$ 49,682	$ 1,171,160	$ 2,136,006

See independent auditors’ report.

CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS
STATEMENT OF ACTIVITIES INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016

	Catholic Charities Indianapolis, Inc.	Catholic Charities Bloomington, Inc.	St. Elizabeth Catholic Charities, Inc.	Catholic Charities Tell City, Inc.	Catholic Charities Terre Haute, Inc.	Terre Haute Catholic Charities Foodbank, Inc.
SUPPORT AND REVENUES:						
Contributions	$ 1,353,158	$ 153,597	$ 512,217	$ 63,126	$ 147,478	$ 645,791
Special events (net of direct costs of $175,658)	101,018	60,252	200,505	1,613	26,799	35,171
Archdiocesan support	592,723	100,401	183,658	56,520	86,480	26,879
United Way operating support	688,994	28,901		19,237	121,952	19,412
Government grants, federal	3,437,731	21,250	145,271		190,358	44,652
Government grants, state and local	19,000		104,884			26,981
Program service fees	1,534,461	280,514	866,707			134,043
Investment return	(25,931)		(1,401)	98	2,250	12,476
Miscellaneous	45,736	1,978	3,782		9,832	
Total support and revenues	7,746,890	646,893	2,015,623	140,594	585,149	945,405
EXPENSES:						
Salaries and wages	3,604,822	452,839	698,387	53,090	352,076	245,597
Employee benefits and taxes	889,378	82,210	159,905	13,201	78,583	90,189
Professional services	390,778	77,747	429,788	14,694	19,635	31,697
Supplies	551,632	46,723	166,058	11,634	24,063	152,696
Occupancy	471,366	62,269	85,824		164,988	48,264
Transportation	159,529	2,754	27,027	1,418	4,898	34,950
Specific assistance	1,528,079	1,046	713	30,549	22,734	1,540
Other	1,919,825	39,161	248,484	17,273	43,655	7,240
Depreciation	272,062	9,749	89,647		80,087	3,000
Total expenses	9,787,471	774,498	1,905,833	141,859	790,719	615,173
CHANGE IN NET ASSETS	(2,040,581)	(127,605)	109,790	(1,265)	(205,570)	330,232
NET ASSETS—Beginning of year	7,138,431	(194,266)	1,780,451	48,358	1,214,452	1,805,774
NET ASSETS—End of year	$ 5,097,850	$ (321,871)	$ 1,890,241	$ 47,093	$ 1,008,882	$ 2,136,006

See independent auditors' report.