Chancery and Certain Entities of the Archdiocese of Indianapolis

Combined Financial Statements as of and for the Year Ended June 30, 2019, with Supplementary Information as of and for the Year Ended June 30, 2019, 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
Roman Catholic Archdiocese of Indianapolis, Inc.
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 statement of financial position as of June 30, 2019, and the related combined statements of activities, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Chancery'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 Chancery'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 and Certain Entities of the Archdiocese of Indianapolis as of June 30, 2019, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 2 to the combined financial statements, in 2019, the Chancery adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Also as discussed in Note 2 to the combined financial statements, in 2019, the Chancery changed its method of accounting for short-term investments held by investment managers. Our opinion is not modified with respect to this matter.

Other Matters—Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the combined financial statements. This supplementary 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. Such 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, such information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Deloitte & Touche LLP

November 22, 2019

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

COMBINED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2019
(In thousands)

ASSETS	
CASH	$ 6,678
INVESTMENTS	313,915
RECEIVABLES:	
Contributions receivable—net of allowance of $402	4,663
ADLF loan receivable—net of allowance of $911	26,806
Accounts receivable—net of allowance of $1,054	11,101
Total receivables—net	42,570
OTHER ASSETS	187
BURIAL SPACES AND OTHER INVENTORIES	2,796
LAND, BUILDINGS, AND EQUIPMENT—Net	26,315
TOTAL	$392,461
LIABILITIES AND NET ASSETS	
LIABILITIES:	
Accounts payable and accrued expenses	$ 4,542
Bonds and interest payable	28,175
Reserves for self-insurance	4,314
Other liabilities	8,714
ADLF deposit payable	63,983
Pooled checking program deposit payable	28,248
Total liabilities	137,976
NET ASSETS:	
Without donor restriction	213,452
With donor restriction	41,033
Total net assets	254,485
TOTAL	$392,461

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, 2019
(In thousands)

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUES:			
Assessments	$ 16,150	$ -	$ 16,150
Insurance premiums	25,022		25,022
Contributions	6,385	4,701	11,086
United Catholic Appeal	4,283	1,758	6,041
Sales of goods and services	4,818		4,818
Program fees	5,908		5,908
School tuition, net	6,581		6,581
Grants and other public support	5,513	6,588	12,101
Fundraising events, net	1,013		1,013
Interest income and investment return, net	12,241	1,426	13,667
Other	418		418
Net assets released from restrictions	7,951	(7,951)	-
Total support and revenues	96,283	6,522	102,805
EXPENSES:			
Salaries and wages	20,635		20,635
Employee benefits and taxes	6,220		6,220
Health care costs	23,001		23,001
Retirement plan contributions	4,808		4,808
Professional services	8,872		8,872
Cost of sales of goods and services	2,067		2,067
Administrative and supplies	3,143		3,143
Property insurance	3,417		3,417
Repairs and maintenance	1,370		1,370
Depreciation	1,988		1,988
Occupancy costs	1,785		1,785
Interest	1,601		1,601
Bad debts	112		112
Contributions	4,030		4,030
Specific assistance	1,056		1,056
Other	1,788		1,788
Total expenses	85,893	-	85,893
CHANGE IN NET ASSETS	10,390	6,522	16,912
NET ASSETS—Beginning of year (see Note 2)	203,062	34,511	237,573
NET ASSETS—End of year	$ 213,452	$ 41,033	$ 254,485

See notes to combined financial statements.

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019
(In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	$ 16,912
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,988
Amortization of bond issuance costs, bond discounts and bond premiums	35
Provision for losses on receivables	112
Net gain on investments, realized and unrealized	(4,830)
Proceeds from contributions restricted for long-term investment	(7,239)
Changes in certain assets and liabilities:	
Receivables	122
Burial spaces and other inventories	294
Other assets	57
Accounts payable and other liabilities	323
Reserves for self-insurance	1,204
Net cash provided by operating activities	8,978
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of investments	(125,701)
Proceeds from investments sold or matured	114,327
Purchases of land, buildings, and equipment	(4,669)
Changes in ADLF loan receivable	3,752
Net cash used in investing activities	(12,291)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Change in ADLF deposit payable	5,876
Change in pooled checking program deposit payable	(2,530)
Payment of bonds payable	(2,269)
Payments of mortgage liability	(190)
Proceeds from contributions restricted for investment	7,239
Net cash provided by financing activities	8,126
NET INCREASE IN CASH	4,813
CASH—Beginning of year (see Note 2)	1,865
CASH—End of year	$ 6,678
SUPPLEMENTAL DISCLOSURES:	
Cash paid for interest	$ 1,613

See notes to combined financial statements.

1. NATURE OF OPERATIONS

Principles of Combination—The financial statements include the 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 of the Archdiocese of Indianapolis, Inc.
- Catholic Charities Indianapolis, Inc.
- Catholic Charities Bloomington, Inc.
- Catholic Charities Terre Haute, Inc.
- St. Elizabeth Catholic Charities, Inc.
- Catholic Charities Tell City, Inc.
- Terre Haute Catholic Charities Foodbank, Inc.
- Mother Theodore Catholic Academies, Inc. dba Notre Dame ACE Academies Indianapolis
- ADI Schools, Inc.

These legal entities are organized into secretariats, as described below.

All transactions among the entities included in the combined financial statements have been eliminated. Except as noted above, these combined 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 (including the Mission Office), 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), St. Mary's Child Center (SMCC), and Mother Theodore Catholic Academies (MTCA) 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 (IN). 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. MTCA operates five Catholic schools in center city Indianapolis; St. Philip Neri Catholic School, Holy Cross Central School, Holy Angels Catholic School, St. Anthony Catholic School, and Central Catholic School. MTCA seeks to provide a Catholic education of the highest quality to as many children as possible in under-served communities.

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, marriage and family life ministry, and human life and dignity ministry.

Communications—This secretariat is responsible for Archdiocesan communications, including 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 property 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 agencies, 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, due on demand. 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. The parishes and agencies receive statements on ADLF deposit and loan accounts on a monthly basis from the Archdiocese. See Note 7.

Pooled Checking Program—The Pooled Checking Program is a program between the Archdiocese and a local financial institution. The Pooled Checking Program provides participating entities with demand deposit accounts that earn interest at a rate exceeding market interest rates for standard commercial checking accounts while retaining traditional checking account services such as branch deposits, checking, and electronic banking. The funds from participating deposit accounts are pooled together and invested in fixed income bonds to earn a higher rate of return. See Note 8.

Catholic Community Foundation—The majority of the Archdiocesan endowment activities occur through the Catholic Community Foundation (CCF). The CCF 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 endowment funds 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The combined financial statements of the Chancery have been prepared on the accrual basis in conformity with U.S. generally accepted accounting principles (US GAAP) and with the provisions of the Financial Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*.

Based on the existence or absence of donor-imposed restrictions, the Chancery classifies its financial position and activities into two categories: without donor restrictions and with donor restrictions.

Net Assets without Donor Restrictions—Net assets that are free of donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Chancery, at the discretion of the Archbishop. All support and revenues that are not restricted by donors are included in this net asset classification. Net assets without donor restrictions also include management-designated quasi-endowments. All expenses are reported as decreases in net assets without donor restrictions.

Net Assets with Donor Restrictions—Net assets subject to stipulations imposed by donors are classified as net assets with donor restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Chancery or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Generally, the donors' imposed restrictions of these assets permit the Chancery or its parishes, agencies, and schools to use all or part of the income earned on related investments only for certain general or specific purposes.

Expirations of donor restrictions (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed), are reported as net assets released from restrictions in the combined statement of activities. Contributions for acquisition or construction of land, buildings, and equipment are released from restrictions in the period in which the related assets are acquired or placed into service.

Cash—Cash is recorded at cost, which approximates fair value. Generally, cash is in excess of insurance limits mandated by the Federal Depository Insurance Corporation.

Investments—Investments are recorded at fair value on the combined statement of financial position, with the unrealized gains and losses reflected as interest income and investment return, net, 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 investment committee and management periodically review investment results and valuations utilizing market information provided by investment managers and custodians. See Note 4.

Short-term investments, consisting of highly liquid investments or cash equivalents with original maturities of three months or less, that are managed as part of the Chancery's investment portfolio and temporarily held until suitable longer-term investment opportunities are identified, are reported within investments at fair value.

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.

Contributions Receivable—Contributions receivable, or pledges, that represent unconditional promises to give are recognized at fair value as contributions in the period such promises are made by donors. Contributions receivable are discounted at a risk-adjusted rate commensurate with the duration of the donor's payment plan. Amortization of the discounts is recorded as contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Contributions receivable as of June 30, 2019 consist of the following:

Contributions expected to be received in less than one year	$2,730
Contributions expected to be received in one to five years	1,982
Contributions expected to be received in more than five years	585
Unamortized discount	(232)
Allowance for uncollectible contributions receivable	(402)
Total contributions receivable—net	$4,663

ADLF Loan Receivable—ADLF loan receivable consists of loans made to parishes and agencies. 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 7.

Accounts Receivable—Accounts receivable consists of non-related party receivables including investment income receivable and amounts due from grantors, as well as amounts due from related parties such as parishes and high schools. Management provides for probable uncollectible amounts through an allowance based on the ability of the related entity to repay the outstanding amounts.

Accounts receivable as of June 30, 2019 consist of the following:

Non-related party accounts receivable	$ 5,190
Related party accounts receivable:	
Accrued pension receivable from parishes and high schools	1,996
Accrued health insurance	1,415
Billed receivables—related party	3,554
Total related party accounts receivable	6,965
Less allowance for uncollectible amounts	(1,054)
Total accounts receivable—net	$11,101

Burial Spaces and Other Inventories—Inventory is valued at the lower of cost or net realizable value. 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.

Land, buildings, and equipment as of June 30, 2019 consist of the following:

Land	$ 4,171
Buildings	43,354
Equipment	3,796
Construction in progress	5
Accumulated depreciation	(25,011)
Total land, buildings, and equipment—net	$ 26,315

Other Liabilities—Other liabilities consists of amounts collected by the Mission Office that are due to other charitable organizations, charitable gift annuities, amounts received by the Catholic Cemeteries Association for services not yet rendered, and other deferred revenue and other liabilities. Other liabilities as of June 30, 2019 consist of the following:

Contributions received for other charitable organizations	$1,398
Charitable gift annuities	2,431
Cemeteries deferred revenue	4,127
Other deferred revenue	504
Other liabilities	254
Total other liabilities	$8,714

The liability for charitable gift annuities 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%.

Revenue Recognition—The Chancery's significant revenue recognition policies are:

Assessments—Revenues from assessments are recognized when earned in the period assessed. Substantially all revenue from assessments is from related parties. Common assessments include:

- *Cathedraticum*—An assessment levied on parishes to provide for the operating budget of the Chancery.

- *Lay Retirement*—An assessment levied on all Archdiocesan entities to fund pension plan contributions, 403(b) matching contributions, and other costs of operating the centrally-administered retirement plans for lay employees.

- *Clergy Healthcare*—An assessment levied on parishes to provide healthcare for members of the clergy.

Insurance Premiums—Revenues from insurance premiums are recognized when earned in the period of insurance coverage. Archdiocesan entities pay insurance premiums to the Chancery for centrally-administered health insurance, property insurance, workers' compensation insurance, and automobile insurance.

Contributions—Contributions, including unconditional promises to give, are recognized as contributions in the period received. Certain donated rent, services, and materials are reflected as contributions and expenses 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. In-kind contributions of $659 and $118 are included in contribution revenue and fundraising events, respectively, in the combined statement of activities for the year ended June 30, 2019.

Also included in contributions in the combined statement of activities are endowment contributions received from unrelated donors and financially interrelated entities. Financially interrelated entities include parishes, schools, and agencies of the Archdiocese.

United Catholic Appeal—The United Catholic Appeal is an annual appeal that generates funding for ministries, services and programs in the Archdiocese which benefits everyone in our church and in our surrounding communities. Restrictions imposed by donors on contributions to a United Catholic Appeal campaign year are considered to be fulfilled in the ensuing fiscal year.

Sales of Goods and Services—Revenues from the sales of goods and services are recognized when the related goods and services are delivered.

Program Fees—Revenues from program fees are recognized when services have been rendered.

School Tuition, Net—School tuition is recorded as revenue during the year that the related academic services are rendered. Student aid provided by the Chancery for tuition is reflected as a reduction of gross school tuition revenue.

Grants and Other Public Support—The Chancery receives grants and other public support from governmental, private sources, and the United Way. A majority of the Chancery's grants and other public support revenue is derived from nonreciprocal transactions. Grants and other public support revenues are recognized in the period when qualifying expenditures have been incurred or services have been performed in accordance with the respective agreement.

Fundraising Events—The Chancery accounts for fundraising events by applying the direct costs associated with these events against the gross proceeds from the events, as the related event occurs, and includes within fundraising events revenue in the combined statement of activities. Direct fundraising costs for the year ended June 30, 2019 are $863.

Functional Expenses—The costs of providing program and other activities have been summarized on a functional basis in the combined statement of activities.

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 2019.

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.

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 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, 2019. The Chancery is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any year in progress. Fiscal years ended June 30, 2017 through June 30, 2019 remain open and subject to examination.

Estimates—The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. 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 statement of financial position and combined statement of activities.

Recent Accounting Pronouncements—On July 1, 2018, the Chancery adopted new guidance regarding ASU 2016-14 *Presentation of Financial Statements for Not-for-Profit Entities*. This guidance requires the Chancery to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. In addition, the new guidance requires the Chancery to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location in the combined financial statements. As a result of implementing this standard, prior year amounts for temporarily restricted and permanently restricted net assets were combined as net assets with donor restrictions.

The effects on the Chancery's net asset balances at July 1, 2018, as a result of implementing ASU 2016-14 are as follows:

	ASU 2016-14 Classifications		
Balances at June 30, 2018	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
As previously presented:			
Unrestricted	$199,330	$ -	$199,330
Temporarily restricted		8,946	8,946
Permanently restricted		24,725	24,725
Net assets, as reclassified [1]	$199,330	$33,671	$233,001

[1] Excludes the effect of combining MTCA of $4,572.

The Financial Accounting Standards Board has issued standards that the Chancery must consider for adoption over the next three years. Those standards include the following: (1) ASU 2018-08 *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* effective for the fiscal year ending June 30, 2020, (2) ASU 2014-09 *Revenue from Contracts with Customers* effective for the fiscal year ending June 30, 2020, and (3) ASU 2016-02 *Leases* effective for the fiscal year ending June 30, 2022. The *Contributions* standard aims to assist entities in (a) evaluating whether transactions should be accounted for as contributions or exchange transactions and (b) determining whether a contribution is conditional. Under *Revenue from Contracts with Customers*, recognition of revenue from customer contracts is a principles-based framework. The *Leases* standard aims to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The Chancery is currently evaluating the impact of the adoption of these standards on its combined financial statements.

Change in Accounting Policy—The Chancery has changed its method of accounting for short-term investments held by investment managers to include within investments in the combined statement of financial position. The effect of this change in accounting policy resulted in an increase in investments and decrease in cash of $19,252, as well as a change to beginning of year cash reported on the combined statement of cash flows.

The effect on the Chancery's cash balance at July 1, 2018, as a result of this change in accounting policy is as follows:

Cash, as previously presented, June 30, 2018	$21,117
Effect of change in accounting policy	(19,252)
Cash, as currently presented, June 30, 2018	$1,865

Change in Reporting Entity—As a result of the Chancery assuming management and operational responsibilities for the Mother Theodore Catholic Academies, Inc. dba Notre Dame ACE Academies Indianapolis (MTCA) on July 1, 2018, MTCA's financial statements have been included in the Chancery's combined financial statements effective July 1, 2018. The effect of this change in reporting entity on the Chancery's combined financial statements as of and for the year ended June 30, 2019 resulted in an increase in the beginning of year net assets of $4,572.

3. AVAILABILITY AND LIQUIDITY

The Chancery's financial assets available within one year of the balance sheet date for general expenditures as of June 30, 2019 are as follows:

Total assets, at year end	$ 392,461
Less nonfinancial assets:	
Land, buildings, and equipment—net	(26,315)
Other assets	(187)
Less non-current assets:	
Contributions receivable, long-term	(1,932)
ADLF loan receivable, long-term	(23,976)
Financial assets, at year-end	340,051
Less those unavailable for general expenditure within one year due to contractual or donor-imposed restrictions:	
Cash and investments securing ADLF deposit liabilities	(63,983)
Cash and investments securing pooled checking program deposit liabilities	(28,248)
Cash and investments related to endowments, including management designated	(191,879)
Cash and investments related to charitable gift annuities	(2,986)
Cash and investments related to Cemetery Trust Fund	(3,478)
Less obligations existing as of the balance sheet date	(12,851)
Less management-designated funds:	
Health plan	(11,554)
Property insurance plan	(7,297)
Financial assets available to meet cash needs for general expenditures within one year	$ 17,775

In determining the financial assets available to meet cash needs for general expenditures within one year, the Chancery computed its financial assets by subtracting nonfinancial assets and non-current assets from total assets. The financial assets were then reduced by those assets with contractual limitations or donor-imposed restrictions. Financial assets were further reduced by obligations existing at the balance sheet date that are expected to be settled in the upcoming year. Finally, financial assets were reduced by funds that have been designated by management for future use in parish shared service plans.

A significant portion of the Chancery's annual expenditures will be funded by current year operating revenues. The Chancery has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Additionally, the Chancery has management-designated endowment funds of $74,185. Although the Chancery does not intend to spend from these endowments, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its management-designated funds could be made available if necessary.

4. 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. Fair value of fixed income bonds and fixed income mutual funds is provided by a third-party pricing source. The pricing source uses various valuation approaches, including market and income approaches, using Level 2 inputs.

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, 2019.

Short-Term Investments—Short-term investments include highly liquid investments and cash equivalents purchased with original maturities of three months or less. For these short-term investments, cost approximates the fair market value.

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

Fixed Income Bonds—Fixed income bonds are valued using Level 2 inputs.

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 and are deemed to be actively traded. These funds are required to publish their daily net asset value and to transact at that price.

Collective Trust Fund, Real Estate, and Other Funds—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 table sets forth by level within the fair value hierarchy the Chancery's investment assets at fair value as of June 30, 2019. Certain investments that are measured at fair value using the net asset value (NAV) 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 combined statement of financial position.

	Fair Value Included in Combined Statement of Financial Position	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Short-term investments	$ 65,165	$ 65,165	$ -	$ -
Common stock equities:				
Commodities—ETF	5,779	5,779		
Equities—domestic	65,806	65,806		
Equities—international	33,471	33,471		
Fixed income bonds:				
Fixed income bonds—domestic	62,422		62,422	
Fixed income bonds—international	3,465		3,465	
Fixed income mutual funds:				
Government backed securities	6,964	6,964		
Mortgage backed securities	2,018		2,018	
Total return	28,141	28,141		
Real estate and other funds	16,611	16,611		
Investments valued at NAV:				
Collective trust fund	21,157			
Real estate and other funds	2,916			
Total investments	313,915	221,937	67,905	-
Total recurring fair value measurements	$313,915	$221,937	$67,905	$ -

The investments in the combined statement of financial position as of June 30, 2019 are related to the following programs:

CCF endowments	$191,879
CCF investments	6,735
CCF charitable gift annuities	2,986
Pooled checking program	108,441
Catholic cemeteries	3,478
Other	396
Total investments	$313,915

There were no significant transfers between levels during the year ended June 30, 2019.

5. NET ASSET VALUE PER SHARE

The following table for June 30, 2019 sets forth a summary of the Chancery's investments with a reported NAV.

Investment	Fair Value*	Unfunded Commitment	Other Redemption Restrictions	Redemption Notice Period
Real estate investments:[a]	$ 763	$ -	None	None
	1,901		Redemption price cannot be greater than current offering price of common stock shares sold in primary offering.	None
	252		No redemption before March 31, 2020 except by approval of general partner for special circumstances.	None
Total real estate investments	2,916	-		
Collective trust fund:[b]	21,157		None	None
Total	$ 24,073	$ -		

* 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 periods or redemption restrictions.

6. 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. Endowment distributions may be directed to specific causes as directed by the donor or to archdiocesan, parish, school or agency ministries.

The 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 the standard endowment contract language, CCF has no responsibility to replenish the funds should net depreciation occur.

Endowment funds without donor restriction 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, are classified as net assets without donor restrictions. Net assets are considered appropriated for expenditure when budgets are approved for the upcoming fiscal year or when distributions are made to parishes, schools or agencies 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 Investment Committee and CCF Board of Trustees 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, if elected, 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.

Changes in endowment net assets for year ended June 30, 2019:

	Without Donor Restriction	With Donor Restriction	Total
Net assets—beginning of year	$157,271	$26,791	$184,062
Investment return, net	5,592	1,205	6,797
Contributions	1,583	7,239	8,822
Distributions	(6,422)	(1,380)	(7,802)
Net assets—end of year	$158,024	$33,855	$191,879

7. ARCHDIOCESAN DEPOSIT AND LOAN FUND

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 management.

The loan interest rate for all new loans was 3.75% for the year ended June 30, 2019. Loan interest rates for all loan balances averaged 4.4% during the year ended June 30, 2019. Interest income and investment return includes loan interest earned of $1,329 for the year ended June 30, 2019. Interest at an average rate of 0.75% was paid on funds on deposit during the year ended June 30, 2019.

ADLF loan receivable balances as of June 30, 2019 consist of the following:

Construction loans secured	$26,857
Non-interest bearing operational loans unsecured	300
Interest bearing operational loans unsecured	560
	27,717
Less allowance for loan losses	(911)
Total ADLF loan receivable	$26,806

Transactions in the allowance for loan losses for ADLF loan receivable for the year ended June 30, 2019 are as follows:

Balance—July 1	$ 2,240
Losses charged off	(1,380)
Change in provision for loan losses	51
Balance—June 30	$ 911

8. POOLED CHECKING PROGRAM

The Pooled Checking Program is a partnership between the Archdiocese and a local financial institution. The Pooled Checking Program provides participating entities with demand deposit accounts that earn interest at a rate exceeding market interest rates for standard commercial checking accounts while retaining traditional checking account services such as branch deposits, checking, and electronic banking. Interest at an average rate of 0.75% was paid on funds on deposit during the year ended June 30, 2019. The funds from participating deposit accounts are pooled together and invested in fixed income bonds to earn a higher rate of return.

Pooled checking program deposit payable consists of the balances of checking accounts participating in the Pooled Checking Program. The Chancery guarantees the deposits in the Pooled Checking Program and assumes the risk should the underlying investment ever prove to be insufficient to satisfy the liquidating claims of the depositors. The depositors can redeem their accounts in whole or in part at any time and are entitled to their deposit balance, unaffected by any gains or losses. The Chancery manages the investment risks in the program by limiting purchases to only investment grade bonds and maintains a laddered maturity portfolio with an intermediate duration.

9. BONDS PAYABLE

In December 2013, the Indiana Finance Authority (IFA) issued secured bonds of $18,387 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, 2019, the balance of the 2013 Note is $15,387.

In December 2010, the IFA issued secured bonds of $17,585 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. On August 1, 2013, the 2010 Note was amended to reduce the interest rate to a fixed interest rate of 2.74% per annum. As of June 30, 2019, the balance of the 2010 Note is $12,633.

All bond issuances include certain financial coverage covenants and other performance requirements. The Archdiocese believes it is in compliance with the debt coverage ratio and total fund ratio covenants as of June 30, 2019.

Bonds payable payments due over the next five years are as follows:

Years Ending June 30	**Amount**
2020	$ 2,344
2021	11,289
2022	500
2023	13,887
Total bonds payable	28,020
Interest payable as of June 30, 2019	259
Unamortized bond issuance costs as of June 30, 2019	(104)
Total bonds and interest payable	$28,175

10. NET ASSETS

Net assets as of June 30, 2019 consist of the following:

Net assets with donor restrictions:	
Donor-restricted endowments:	
Purpose-restricted, subject to spending policy and appropriation, supporting:	
Catholic Charities	$ 5,257
Catholic Education	17,163
Parish and other	6,435
Total purpose-restricted	28,855
Restrictions are perpetual in nature, supporting Catholic Education	5,000
Total donor-restricted endowments	33,855
Charitable gift annuities	555
Unexpended grants	1,351
Unexpended contribution balances, supporting:	
United Catholic Appeal	1,728
Disaster relief efforts	1,182
Other	2,362
Total net assets with donor restrictions	41,033
Net assets without donor restrictions:	
Unrestricted endowments:	
Management-designated endowments, subject to spending policy and appropriation, supporting:	
Archdiocesan Combined Grant Endowments	14,762
Catholic Cemeteries Association Perpetual Care Endowment Fund	3,328
Archbishop Quasi-Endowment/Expendable Fund	7,735
Archdiocesan Quasi-Endowments for Benefits	35,720
Archdiocesan Quasi-Endowments for Property Insurance	12,640
Total management-designated endowments	74,185
Other endowments without donor restrictions	83,839
Total unrestricted endowments	158,024
Net assets designated by management for the following parish shared service plans:	
Lay Health Plan	11,554
Property Insurance Plan	7,297
Other net assets without donor restrictions	36,577
Total net assets without donor restrictions	213,452
Total net assets	$254,485

11. RELATED-PARTY TRANSACTIONS

All Archdiocesan entities pay assessments and insurance premiums to the Chancery in exchange for services provided. (See Note 2). These services include centralized purchasing, payroll and employee benefits, processing of parish collections to designated missions through the Archdiocesan Mission Office, and the publication of The Criterion newspaper.

The Chancery receives endowment contributions from financially related entities. (See Note 2). Financially related entities include parishes, schools, and other agencies of the Archdiocese of Indianapolis. These amounts are included in contributions in the combined statement of activities.

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. The Trust contributed $200 to SMCC for use in operations during the year ended June 30, 2019.

12. 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. 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). 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.

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% of each entity's previous year payroll costs. The Chancery's retirement plan contributions expense for the Lay Plan was $2,956 for the year ended June 30, 2019, which represents the sole contributions made to the plan for the year. The plan year-end is December 31. As of the most recent valuation date of January 1, 2019, the plan was 65.3% funded, the fair value of plan assets was $50,833, and the accumulated value of plan benefits was $77,799.

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 $2,190 (stated in actual dollars, not in thousands) for the year ended June 30, 2019, 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 annually fund the Priests' Plan is supported by the United Catholic Appeal. The Chancery's retirement plan contributions expense for the Priests' Plan was $1,800 for the year ended June 30, 2019, which represents the sole contribution made to the plan for the year. The plan year-end is June 30. As of the most recent valuation date of July 1, 2019, the plan was 59.4% funded, the fair value of plan assets was $14,652, and the accumulated value of plan benefits was $24,660.

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 $19 into the 403(b) plan for calendar year 2019 and $18.5 for calendar year 2018. Employees and clergy over the age of 50 are eligible for an additional $6 catch up provision in each of calendar years 2018 and 2019.

The Archdiocese matches 50% of employee contributions up to a maximum of 8% of the eligible wages. Employer matching contributions are presented as employee benefits and taxes expense in the combined statement of activities. Archdiocesan contributions are immediately fully vested and were $2,810 for the year ended June 30, 2019.

The Archdiocese matches 50% of clergy contributions of up to $2.4 per year. The Chancery made contributions of $83 to the clergy defined contribution plan for the year ended June 30, 2019.

13. COMMITMENTS AND CONTINGENCIES

Self-Insurance—A partially self-insured property and liability program is administered by the Chancery for Archdiocesan facilities and vehicles. The program is funded by aggregate risk management fees from parishes, schools, and other entities and pays the initial $1,000 for property claims, $300 for workers compensation claims, and $250 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 each month. The clergy program is supported by an assessment directly billed to parishes based upon the actuarially estimated plan costs. Both programs pay for the first $300 of claims per individual per year. Amounts in excess of these limits are insured with a general insurance carrier. Medical and health care claims totaled $19,576 for the year ended June 30, 2019.

Litigation—The Chancery is involved with various legal actions arising in the 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.

14. FUNCTIONAL EXPENSES

The cost of providing program and other activities have been summarized on a functional basis in the combined statement of activities. There are no significant allocated costs.

	Parish Shared Services*	Charities Program Services*	Agency Youth Program Services*	Catholic Center Program Services*	Treasury Services*	Total Program Activities	Management and General	Fundraising	Inter-Entity Expense Eliminations	Total
Salaries and wages	$ 175	$ 5,243	$ 7,059	$ 3,041	$ 208	$ 15,726	$ 3,979	$ 930	$ -	$ 20,635
Employee benefits and taxes	3,865	1,445	1,496	1,775	36	8,617	1,333	207	(3,937)	6,220
Health care costs	22,989					22,989	12			23,001
Retirement plan contributions	4,808					4,808				4,808
Professional services	4,069	716	1,662	922	943	8,312	1,460	297	(1,197)	8,872
Cost of sales of goods and services	1,025	3	44	995		2,067				2,067
Administrative and supplies	6	792	1,432	371	28	2,629	380	140	(6)	3,143
Property insurance	3,481	102	135	48	1	3,767	268		(618)	3,417
Repairs and maintenance	51	252	480	195		978	392			1,370
Depreciation	227	476	306	309		1,318	669	1		1,988
Occupancy costs	7	613	603	76		1,299	577	2	(93)	1,785
Interest					2,212	2,212			(611)	1,601
Bad debts	(44)	8		(2)	52	14	(6)	104		112
Contributions	128	616	10	1,930	8,414	11,098	1,790	281	(9,139)	4,030
Specific assistance		1,056				1,056				1,056
Other	113	308	160	596	22	1,199	593	113	(117)	1,788
Total expenses	$ 40,900	$ 11,630	$ 13,387	$ 10,256	$ 11,916	$ 88,089	$ 11,447	$ 2,075	$ (15,718)	$ 85,893

* See Supplemental Statements of Functional Expenses for these Program Services groups.

15. 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 22, 2019, and no events have occurred that require disclosure.

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SUPPLEMENTARY INFORMATION

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

PARISH SHARED SERVICES
SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(In thousands)

	Lay Health Plan	Clergy Health Plan	Lay Retirement & Miscellaneous Benefits Plan	Clergy Retirement Plan	Property Insurance Plan	Catholic Cemeteries	Total
Salaries and wages	$ 64	$ -	$ 40	$ -	$ 71	$ -	$ 175
Employee benefits and taxes	73	323	3,343	121	5		3,865
Health care costs	19,387	3,602					22,989
Retirement plan contributions			2,956	1,852			4,808
Professional services	1,017	80	218	39	432	2,283	4,069
Cost of sales of goods and services						1,025	1,025
Administrative and supplies						6	6
Property insurance					3,416	65	3,481
Repairs and maintenance						51	51
Depreciation						227	227
Occupancy costs						7	7
Bad debts	(22)	(2)	(10)		(10)		(44)
Contributions					35	93	128
Other	49				1	63	113
Total expenses	$ 20,568	$ 4,003	$ 6,547	$ 2,012	$ 3,950	$ 3,820	$ 40,900

See independent auditors' report.

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

CHARITIES PROGRAM SERVICES
SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(In thousands)

	Homeless/ Shelter Services	Feeding the Hungry	Refugee Services	Senior Services	Counseling Services	Adoption & Pregnancy Services	Disaster Relief	Youth Program Services	Other Charities Services	Total
Salaries and wages	$1,205	$312	$ 850	$ 468	$1,339	$513	$	$266	$ 290	$ 5,243
Employee benefits and taxes	346	105	305	104	320	105		61	99	1,445
Professional services	82	24	59	189	91	89	106	14	62	716
Cost of sales of goods and services									3	3
Administrative and supplies	336	206	6	26	22	63	5	34	94	792
Property insurance	45	8	3	5		14	1	16	10	102
Repairs and maintenance	165	33	6	8	3	23	1	8	5	252
Depreciation	310	24	1	22		36	5	69	9	476
Occupancy costs	151	48	132	62	64	77		52	27	613
Bad debts	1	3		2	1	1				8
Contributions		5							611	616
Specific assistance	24	40	460	307		3	170		52	1,056
Other	13	25	37	104	27	21	33	5	43	308
Total expenses	$2,678	$833	$1,859	$1,297	$1,867	$945	$321	$525	$1,305	$11,630

See independent auditors' report.

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

AGENCY YOUTH PROGRAM SERVICES
SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(In thousands)

	Mother Theodore Catholic Academies PK-8	**St. Mary's Child Center Pre-K**	**CYO Athletics & Enrichment**	**CYO Camp Rancho Framasa**	**Total**
Salaries and wages	$4,603	$1,571	$269	$ 616	$ 7,059
Employee benefits and taxes	1,173	115	75	133	1,496
Professional services	1,342	16	302	2	1,662
Cost of sales of goods and services	37			7	44
Administrative and supplies	1,033	165	38	196	1,432
Property insurance	128	7			135
Repairs and maintenance	246	151	9	74	480
Depreciation	270	36			306
Occupancy costs	469	77	49	8	603
Contributions			10		10
Other	60	69	4	27	160
Total expenses	$9,361	$2,207	$756	$1,063	$13,387

See independent auditors' report.

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

CATHOLIC CENTER PROGRAM SERVICES
SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(In thousands)

	Catholic Schools	Vocations	Pastoral Ministries	Clergy, Religious, and Parish Life Coordinators	Criterion Newspaper	Our Lady of Fatima Retreat House	Tribunal	Inter-Entity Grants Awarded	Other Catholic Center Programs	Total
Salaries and wages	$ 553	$ 272	$ 655	$367	$ 261	$152	$293	$ -	$ 488	$ 3,041
Employee benefits and taxes	198	778	180	110	49	48	137	138	137	1,775
Professional services	250	155	151	137	87		48		94	922
Cost of sales of goods and services					728	7			260	995
Administrative and supplies	8	79	142	13	2	99	4		24	371
Property insurance		48								48
Repairs and maintenance		146	3		1	45				195
Depreciation		307							2	309
Occupancy costs		71		1			3		1	76
Bad debts					(2)					(2)
Contributions	101	11	68	25				1,702	23	1,930
Other	87	88	90	196	7	29	25		74	596
Total expenses	$1,197	$1,955	$1,289	$849	$1,133	$380	$510	$1,840	$1,103	$10,256

See independent auditors' report.

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

TREASURY SERVICES
SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(In thousands)

	Catholic Community Foundation	Archdiocesan Deposit & Loan Fund	Pooled Checking Program	Total
Salaries and wages	$ 208	$ -	$ -	$ 208
Employee benefits and taxes	36			36
Professional services	936	7		943
Administrative and supplies	28			28
Property insurance	1			1
Interest		1,426	786	2,212
Bad debts		52		52
Contributions	8,414			8,414
Other	20	2		22
Total expenses	$9,643	$1,487	$786	$11,916

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, 2019
(In thousands)

	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.	Mother Theodore Catholic Academies, Inc.
ASSETS							
CASH	$ -	$ -	$ 35	$ 808	$ 38	$ 5,805	$ 2,049
INVESTMENTS	3,477			924	382	5,061	
RECEIVABLES:							
Contributions—net				15	25	12	1,331
Accounts receivable—net	2,726	8	153	614	14	35	271
Total receivables—net	2,726	8	153	629	39	47	1,602
OTHER ASSETS		1	1	3		10	9
BURIAL SPACES AND OTHER INVENTORIES	2,769		27				
LAND, BUILDINGS, AND EQUIPMENT—Net	2,349		420	214	2,774	530	3,319
TOTAL	$ 11,321	$ 9	$636	$ 2,578	$ 3,233	$ 11,453	$ 6,979
LIABILITIES AND NET ASSETS							
LIABILITIES:							
Accounts payable and accrued expenses	$ 5,392	$ 29	$ 31	$ 36	$ 705	$ 5,123	$ 565
Other liabilities	4,128		14	25	333	25	16
Total liabilities	9,520	29	45	61	1,038	5,148	581
NET ASSETS:							
Without donor restriction	1,801	(20)	471	2,498	1,778	1,270	4,532
With donor restriction			120	19	417	5,035	1,866
Total net assets (deficit)	1,801	(20)	591	2,517	2,195	6,305	6,398
TOTAL	$ 11,321	$ 9	$636	$ 2,578	$ 3,233	$ 11,453	$ 6,979

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, 2019
(In thousands)

	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.	Mother Theodore Catholic Academies, Inc.
SUPPORT AND REVENUES:							
Contributions	$ 10	$ 72	$284	$ 203	$ 124	$1,264	$ 3,277
Sales of goods and services	3,369	1,045	15		24		38
Program fees			482	887	889	320	235
School tuition						151	6,252
Grants and other public support				27	65	5,650	1,355
Fundraising events, net			121	23		166	129
Interest income and investment return, net	288	2	19	38	15	40	118
Other	158		18		1	3	23
Total support and revenues	3,825	1,119	939	1,178	1,118	7,594	11,427
EXPENSES:							
Salaries and wages		260	368	491	615	1,797	4,765
Employee benefits and taxes		49	111	142	134	532	1,219
Professional services	2,283	88	3	329	28	28	1,370
Cost of sales of goods and services	1,024	727	8		7		37
Administrative and supplies	6	3	134	71	230	169	1,033
Property insurance	66		25	20	25	9	128
Repairs and maintenance	51	1	52	15	76	151	246
Depreciation	227		92	29	111	67	270
Occupancy costs	7		50	101	109	77	469
Bad debts		(2)				(4)	
Contributions	94			10			
Other	63	8	48	11	47	194	63
Total expenses	3,821	1,134	891	1,219	1,382	3,020	9,600
CHANGE IN NET ASSETS	4	(15)	48	(41)	(264)	4,574	1,827
NET ASSETS—Beginning of year	1,797	(5)	543	2,558	2,459	1,731	4,571
NET ASSETS—End of year	$1,801	$ (20)	$591	$2,517	$2,195	$6,305	$ 6,398

See independent auditors' report.

CATHOLIC CHARITIES AGENCIES
STATEMENT OF FINANCIAL POSITION INFORMATION
AS OF JUNE 30, 2019
(In thousands)

	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	$ 1,243	$ 81	$ 543	$74	$ 129	$ -
INVESTMENTS	2,142	9	194	16	67	347
RECEIVABLES:						
Contributions—net	8		63			40
Accounts receivable—net	746	38	50		8	388
Total receivables—net	754	38	113		8	428
OTHER ASSETS	12	1	2			
LAND, BUILDINGS, AND EQUIPMENT—Net	2,839	131	1,433		1,096	1,645
TOTAL	$ 6,990	$ 260	$ 2,285	$90	$ 1,300	$ 2,420
LIABILITIES AND NET ASSETS						
LIABILITIES:						
Accounts payable and accrued expenses	$ 438	$ 647	$ 81	$ 5	$ 352	$ 23
Other liabilities	76	53	16		152	
Total liabilities	514	700	97	5	504	23
NET ASSETS:						
Without donor restriction	4,153	(443)	2,068	83	779	2,291
With donor restriction	2,323	3	120	2	17	106
Total net assets (deficit)	6,476	(440)	2,188	85	796	2,397
TOTAL	$ 6,990	$ 260	$ 2,285	$90	$ 1,300	$ 2,420

See independent auditors' report.

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

CATHOLIC CHARITIES AGENCIES
STATEMENT OF ACTIVITIES INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019
(In thousands)

	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	$1,668	$ 272	$ 390	$141	$ 322	$ 495
Program fees	1,443	351	566			129
United Way	533	32		17	59	15
Grants and other public support	3,525	173	376	2	190	231
Fundraising events, net	122	53	254	5	79	16
Interest income and investment return, net	88	9	8	1	2	(1)
Other	42	1			14	
Total support and revenues	7,421	891	1,594	166	666	885
EXPENSES:						
Salaries and wages	3,582	536	869	61	469	249
Employee benefits and taxes	948	135	234	17	106	88
Professional services	422	102	171	13	17	24
Administrative and supplies	417	38	160	28	32	162
Property insurance	52		18		25	7
Repairs and maintenance	153	33	16		20	33
Depreciation	281	11	107		89	22
Occupancy costs	407	69	74	2	66	38
Bad debts	(1)	(13)	23			2
Contributions				6		
Direct assistance	846	7	8	24		
Other	191	9	40	5	9	26
Total expenses	7,298	927	1,720	156	833	651
CHANGE IN NET ASSETS	123	(36)	(126)	10	(167)	234
NET ASSETS—Beginning of year	6,353	(404)	2,314	75	963	2,163
NET ASSETS—End of year	$6,476	$(440)	$2,188	$ 85	$ 796	$2,397

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