

Chancery and Certain Entities of the Archdiocese of Indianapolis

Combined Financial Statements as of and for the
Years Ended June 30, 2021 and 2020, with
Supplementary Information as of and for the
Years Ended June 30, 2021 and 2020, 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

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, 2021 and 2020, and the related combined statements of activities, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 financial position of the Chancery and Certain Entities of the Archdiocese of Indianapolis as of June 30, 2021 and 2020, 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.

Report on Supplementary Information

Our audits were 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 the purpose of additional analysis and is not a required part of the combined financial statements. This supplementary information is the responsibility of the Chancery's 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 audits 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 5, 2021

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

COMBINED STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2021 AND 2020 (In thousands)

	2021	2020
ASSETS		
CASH	\$ 4,729	\$ 3,104
INVESTMENTS	389,886	340,355
RECEIVABLES:		
Contributions receivable—net of allowance of \$136 in 2021 and \$397 in 2020	4,216	4,367
ADLF loan receivable—net of allowance of \$487 in 2021 and \$483 in 2020	23,113	25,367
Accounts receivable—net of allowance of \$1,249 in 2021 and \$900 in 2020	<u>10,452</u>	<u>9,701</u>
Total receivables—net	37,781	39,435
OTHER ASSETS	527	286
BURIAL SPACES AND OTHER INVENTORIES	2,535	2,723
LAND, BUILDINGS, AND EQUIPMENT—Net	<u>23,162</u>	<u>25,133</u>
TOTAL	<u>\$ 458,620</u>	<u>\$ 411,036</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 3,290	\$ 3,455
Bonds and notes payable	19,149	31,567
Reserves for self-insurance	3,835	4,900
Other liabilities	7,904	8,338
ADLF deposit payable	70,880	72,899
Pooled checking program deposit payable	<u>33,308</u>	<u>37,355</u>
Total liabilities	<u>138,366</u>	<u>158,514</u>
NET ASSETS:		
Without donor restriction	269,589	212,887
With donor restriction	<u>50,665</u>	<u>39,635</u>
Total net assets	<u>320,254</u>	<u>252,522</u>
TOTAL	<u>\$ 458,620</u>	<u>\$ 411,036</u>

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, 2021 (In thousands)

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUES:			
Assessments	\$ 16,823	\$ -	\$ 16,823
Insurance premiums	24,612		24,612
Contributions	12,937	2,309	15,246
United Catholic Appeal	3,636	1,455	5,091
Sales of goods and services	5,159		5,159
Program fees	4,496		4,496
School tuition—net	6,494		6,494
Grants and other public support	5,902	1,286	7,188
Fundraising events—net	1,211		1,211
Interest income and investment return—net	51,343	12,236	63,579
Other	3,015		3,015
Gain on forgiveness of debt	1,200		1,200
Net assets released from restrictions	6,256	(6,256)	
	<u>143,084</u>	<u>11,030</u>	<u>154,114</u>
EXPENSES:			
Salaries and wages	19,377		19,377
Employee benefits and taxes	6,183		6,183
Health care costs	25,299		25,299
Retirement plan contributions	5,112		5,112
Professional services	8,739		8,739
Cost of sales of goods and services	1,667		1,667
Administrative and supplies	3,345		3,345
Property insurance	2,712		2,712
Repairs and maintenance	1,280		1,280
Depreciation	2,220		2,220
Occupancy costs	1,839		1,839
Interest	1,286		1,286
Bad debts	494		494
Contributions	4,578		4,578
Direct assistance	897		897
Other	1,354		1,354
	<u>86,382</u>	<u>-</u>	<u>86,382</u>
CHANGE IN NET ASSETS	56,702	11,030	67,732
NET ASSETS—Beginning of year	<u>212,887</u>	<u>39,635</u>	<u>252,522</u>
NET ASSETS—End of year	<u>\$269,589</u>	<u>\$50,665</u>	<u>\$320,254</u>

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, 2020 (In thousands)

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUES:			
Assessments	\$ 16,395	\$ -	\$ 16,395
Insurance premiums	24,647		24,647
Contributions	7,229	1,261	8,490
United Catholic Appeal	4,203	1,637	5,840
Sales of goods and services	4,284		4,284
Program fees	5,376		5,376
School tuition—net	6,399		6,399
Grants and other public support	6,054	1,644	7,698
Fundraising events—net	1,083	1	1,084
Interest income and investment return—net	4,101	(210)	3,891
Other	430		430
Net assets released from restrictions	<u>5,731</u>	<u>(5,731)</u>	
Total support and revenues	<u>85,932</u>	<u>(1,398)</u>	<u>84,534</u>
EXPENSES:			
Salaries and wages	20,424		20,424
Employee benefits and taxes	6,083		6,083
Health care costs	23,391		23,391
Retirement plan contributions	4,957		4,957
Professional services	7,848		7,848
Cost of sales of goods and services	1,705		1,705
Administrative and supplies	2,934		2,934
Property insurance	4,394		4,394
Repairs and maintenance	1,231		1,231
Depreciation	2,195		2,195
Occupancy costs	1,543		1,543
Interest	1,577		1,577
Bad debts	37		37
Contributions	5,087		5,087
Direct assistance	1,042		1,042
Other	<u>2,049</u>		<u>2,049</u>
Total expenses	<u>86,497</u>	<u>-</u>	<u>86,497</u>
CHANGE IN NET ASSETS	(565)	(1,398)	(1,963)
NET ASSETS—Beginning of year	<u>213,452</u>	<u>41,033</u>	<u>254,485</u>
NET ASSETS—End of year	<u>\$212,887</u>	<u>\$39,635</u>	<u>\$252,522</u>

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, 2021 AND 2020 (In thousands)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 67,732	\$ (1,963)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,220	2,195
Amortization of bond issuance costs, bond discounts and bond premiums	26	34
Provision for losses on receivables	494	38
Net (gain) loss on investments, realized and unrealized	(57,921)	3,440
Net (gain) loss on disposal of land, buildings, and equipment	(2,003)	12
Proceeds from contributions restricted for long-term investment	(737)	(729)
Gain on forgiveness of debt	(1,200)	
Changes in certain assets and liabilities:		
Receivables	(1,090)	1,569
Burial spaces and other inventories	188	73
Other assets	(241)	(99)
Accounts payable and other liabilities	(433)	(1,577)
Reserves for self-insurance	(1,065)	586
Net cash provided by operating activities	<u>5,970</u>	<u>3,579</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(177,110)	(116,191)
Proceeds from investments sold or matured	185,500	86,311
Purchases of land, buildings, and equipment	(1,166)	(894)
Proceeds from sales of land, buildings, and equipment	2,816	
Changes in ADLF loan receivable	2,250	1,528
Net cash provided by (used in) investing activities	<u>12,290</u>	<u>(29,246)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in ADLF deposit payable	(2,019)	8,916
Change in pooled checking program deposit payable	(4,047)	9,107
PPP loans received		5,701
Payment of bonds payable	(11,289)	(2,343)
Payments of mortgage liability	(17)	(17)
Proceeds from contributions restricted for investment	737	729
Net cash (used in) provided by financing activities	<u>(16,635)</u>	<u>22,093</u>
NET INCREASE (DECREASE) IN CASH	1,625	(3,574)
CASH—Beginning of year	<u>3,104</u>	<u>6,678</u>
CASH—End of year	<u>\$ 4,729</u>	<u>\$ 3,104</u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	<u>\$ 1,251</u>	<u>\$ 1,571</u>
Capital expenditures in accounts payable and accrued expenses	<u>\$ 27</u>	<u>\$ 131</u>

See notes to combined financial statements.

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

NOTES TO COMBINED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2020 (In thousands)

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. (entity dissolved in February 2020)

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 Roman Catholic 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 parishes, schools, and agencies 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, risk management, 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 Archdiocesan parishes, schools, and agencies with a source for low-cost loan funding of capital improvements and major renovations. Each parish, school, 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, schools, 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 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. If a donor restriction is satisfied in the same year contributed, the contribution is reported as an increase in unrestricted net assets. 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, schools, and agencies 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 statements 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 statements of financial position, with the unrealized gains and losses reflected as interest income and investment return, net, in the combined statements 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, 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, 2021 and 2020 consist of the following:

	2021	2020
Contributions expected to be received in less than one year	\$ 2,618	\$ 3,068
Contributions expected to be received in one to five years	1,846	1,532
Contributions expected to be received in more than five years		322
Unamortized discount	(112)	(158)
Allowance for uncollectible contributions receivable	<u>(136)</u>	<u>(397)</u>
 Total contributions receivable—net	 <u>\$ 4,216</u>	 <u>\$ 4,367</u>

ADLF Loan Receivable—ADLF loan receivable consists of loans made to parishes, schools, 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, school, 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 entity to repay the outstanding amounts.

Accounts receivable as of June 30, 2021 and 2020 consist of the following:

	2021	2020
Non-related party accounts receivable	<u>\$ 5,302</u>	<u>\$ 4,338</u>
Related party accounts receivable:		
Accrued pension receivable from parishes and high schools	2,266	2,087
Billed receivables—related party	<u>4,133</u>	<u>4,176</u>
Total related party accounts receivable	6,399	6,263
Less allowance for uncollectible amounts	<u>(1,249)</u>	<u>(900)</u>
Total accounts receivable—net	<u><u>\$ 10,452</u></u>	<u><u>\$ 9,701</u></u>

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, 2021 and 2020 consist of the following:

	2021	2020
Land	\$ 3,543	\$ 4,238
Buildings	44,410	43,722
Equipment	4,403	4,331
Construction in progress	173	14
Accumulated depreciation	<u>(29,367)</u>	<u>(27,172)</u>
Total land, buildings, and equipment—net	<u><u>\$ 23,162</u></u>	<u><u>\$ 25,133</u></u>

Accounts Payable and Accrued Expenses—Accounts payable and accrued expenses consists of non-related party payables as well as amounts due to related parties such as parishes and high schools. Accounts payable and accrued expenses as of June 30, 2021 and 2020 consist of the following:

	2021	2020
Non-related party accounts payable and accrued expenses	\$ 2,289	\$ 2,667
Related party accounts payable and accrued expenses	<u>1,001</u>	<u>788</u>
Total accounts payable and accrued expenses	<u><u>\$ 3,290</u></u>	<u><u>\$ 3,455</u></u>

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 (contract liabilities), other deferred revenue, and other liabilities. Other liabilities as of June 30, 2021 and 2020 consist of the following:

	2021	2020
Contributions received for other charitable organizations	\$ 661	\$ 851
Charitable gift annuities	1,840	2,276
Cemeteries deferred revenue	4,788	4,324
Other deferred revenue	428	455
Other liabilities	<u>187</u>	<u>432</u>
Total other liabilities	<u>\$ 7,904</u>	<u>\$ 8,338</u>

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 1.1% to 4.6%.

Revenue Recognition—Effective July 1, 2020, the Chancery adopted ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance requires that the Chancery recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Chancery expects to be entitled in exchange for those goods or services. The guidance uses a principles-based approach for determining revenue recognition, eliminates the transaction and industry-specific guidance, and establishes a five-step approach for the recognition of revenue.

The Chancery adopted this guidance using the modified retrospective approach, which applies to contracts that have remaining obligations as of July 1, 2020 and new contracts entered into subsequent to July 1, 2020. This guidance did not impact the timing of the Chancery’s recognition of exchange transaction revenue.

In addition, the Chancery follows ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 provides a framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The guidance also helps determine whether a contribution is conditional and better distinguishes a donor-imposed condition from a donor-imposed restriction.

The Chancery’s significant revenue recognition policies are:

Assessments—Revenues from assessments are recognized over time as the services are performed and the performance obligation is satisfied. Substantially all revenue from assessments is from related parties. Common assessments include:

- *Cathedraticum*—An assessment levied on parishes in exchange for administrative services provided by the Chancery.

- *Lay Retirement*—An assessment levied on all Archdiocesan entities in exchange for 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 in exchange for healthcare benefits provided to members of the clergy.

Insurance Premiums—Archdiocesan entities pay insurance premiums to the Chancery in exchange for centrally-administered health insurance, property insurance, workers’ compensation insurance, student accident insurance, and automobile insurance. Revenues from insurance premiums are recognized over time which corresponds to the period of insurance coverage and the satisfaction of the performance obligation.

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 \$315 and \$57 are included in contribution revenue and fundraising events, respectively, in the combined statement of activities for the year ended June 30, 2021. In-kind contributions of \$484 and \$75 are included in contribution revenue and fundraising events, respectively, in the combined statement of activities for the year ended June 30, 2020.

Also included in contributions in the combined statements 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. United Catholic Appeal pledges are recognized in the period the pledge is received.

Sales of Goods and Services—Revenues from sales of goods and services primarily consist of Criterion newspaper sales and cemetery-related sales. Revenues from Criterion newspaper sales are recognized over time ratably during the monthly subscription period. Revenues from cemetery-related sales are recognized at a point in time when the performance obligation has been satisfied.

Program Fees—Revenues from program fees are recognized over time as services are rendered and the performance obligation is satisfied.

School Tuition, Net—School tuition is recorded as revenue over time during the year that the related academic services are rendered. Student aid provided by the Chancery for tuition is reflected as a reduction of the transaction price. Student aid for the years ended June 30, 2021 and 2020 was \$1,297 and \$1,279, respectively.

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, Net—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 statements of activities. Direct fundraising costs for the years ended June 30, 2021 and 2020 were \$427 and \$472, respectively.

Significant Judgments, Estimates and Practical Expedients—There are no significant judgments, estimates or allocation methods involved with determining when revenue should be recognized. Additionally, the Chancery has not elected to use any of the practical expedients under ASC 606.

The following table disaggregates revenue for the Chancery’s contracts for the year ended June 30, 2021:

Timing of revenue recognition:	
Over time	\$ 53,597
At a point in time	<u>4,996</u>
 Total	 <u>\$ 58,593</u>

Functional Expenses—The costs of providing program and other activities have been summarized on a functional basis in Note 14.

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 2021 and 2020.

Certain legal entities of the Archdiocese are not considered 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, 2021 and 2020. 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, 2019 through June 30, 2021 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 statements of financial position and combined statements of activities.

In late 2019, an outbreak of COVID-19 emerged and by March 11, 2020 was declared a global pandemic by The World Health Organization. In Indiana, measures were put in place to control the spread of COVID-19, including quarantines, shelter-in-place orders, school closings, travel restrictions and the closure of non-essential businesses. To date, COVID-19 has not significantly impacted our combined financial position or operations. However, we cannot predict with any level of certainty that it will not have a material adverse effect in the future.

Recent Accounting Pronouncements—The Financial Accounting Standards Board has issued standards that the Chancery must consider for adoption next year. Those standards include the following: (1) ASU 2016-02 *Leases* effective for the fiscal year ending June 30, 2022, and (2) ASU 2020-07 *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* effective for the fiscal year ending June 30, 2022. 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. *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind, in an effort to improve transparency in reporting nonprofit gifts-in-kind. The Chancery is currently evaluating the impact of the adoption of these standards on its combined financial statements.

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, 2021 and 2020 are as follows:

	2021	2020
Total assets, at year end	\$ 458,620	\$ 411,036
Less nonfinancial assets:		
Land, buildings, and equipment—net	(23,162)	(25,133)
Other assets	(527)	(286)
Less non-current assets:		
Contributions receivable, long-term	(1,598)	(1,299)
ADLF loan receivable, long-term	<u>(21,949)</u>	<u>(24,315)</u>
Financial assets, at year-end	411,384	360,003
Less those unavailable for general expenditure within one year due to contractual or donor-imposed restrictions:		
Cash and investments securing ADLF deposit liabilities	(70,880)	(72,899)
Cash and investments securing pooled checking program deposit liabilities	(33,308)	(37,355)
Cash and investments related to endowments, including management designated	(244,390)	(185,371)
Cash and investments related to charitable gift annuities	(2,556)	(2,673)
Cash and investments related to Cemetery Trust Fund	(4,837)	(3,721)
Less obligations existing as of the balance sheet date	(9,493)	(20,718)
Less management-designated funds:		
Health plan	(11,609)	(12,938)
Property insurance plan	<u>(9,555)</u>	<u>(7,229)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 24,756</u>	<u>\$ 17,099</u>

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 \$88,420 and \$72,240 as of June 30, 2021 and 2020, respectively. 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, 2021 and 2020.

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, 2021 and 2020. 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 statements of financial position. There were no significant transfers between levels during the years ended June 30, 2021 and 2020.

2021	Fair Value Included in Combined Statement of Financial Position	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Short-term investments	\$ 100,441	\$ 100,441	\$ -	\$ -
Common stock equities:				
Commodities—ETF	5,924	5,924		
Equities—domestic	92,760	92,760		
Equities—international	41,930	41,930		
Fixed income bonds:				
Fixed income bonds—domestic	51,375		51,375	
Fixed income bonds—international	2,560		2,560	
Fixed income mutual funds:				
Government backed securities	8,274	8,274		
Mortgage backed securities	2,078		2,078	
Total return	30,215	30,215		
Real estate and other funds	19,783	19,783		
Investments valued at NAV:				
Collective trust fund	31,387			
Real estate and other funds	3,159			
Total investments	<u>389,886</u>	<u>299,327</u>	<u>56,013</u>	<u>-</u>
Total recurring fair value measurements	<u>\$ 389,886</u>	<u>\$ 299,327</u>	<u>\$ 56,013</u>	<u>\$ -</u>

2020	Fair Value Included in Combined Statement of Financial Position	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Short-term investments	\$ 115,844	\$ 115,844	\$ -	\$ -
Common stock equities:				
Commodities—ETF	3,869	3,869		
Equities—domestic	64,991	64,991		
Equities—international	30,198	30,198		
Fixed income bonds:				
Fixed income bonds—domestic	41,528		41,528	
Fixed income bonds—international	2,660		2,660	
Fixed income mutual funds:				
Government backed securities	7,497	7,497		
Mortgage backed securities	1,751		1,751	
Total return	29,225	29,225		
Real estate and other funds	17,083	17,083		
Investments valued at NAV:				
Collective trust fund	22,748			
Real estate and other funds	2,961			
Total investments	<u>340,355</u>	<u>268,707</u>	<u>45,939</u>	<u>-</u>
Total recurring fair value measurements	<u>\$ 340,355</u>	<u>\$ 268,707</u>	<u>\$ 45,939</u>	<u>\$ -</u>

The investments in the combined statements of financial position as of June 30, 2021 and 2020 are related to the following programs:

	2021	2020
CCF endowments	\$ 244,390	\$ 185,371
CCF charitable gift annuities	2,556	2,673
Pooled checking program	137,614	148,208
Catholic cemeteries	4,837	3,721
Other	489	382
Total investments	<u>\$ 389,886</u>	<u>\$ 340,355</u>

5. NET ASSET VALUE PER SHARE

The following table for June 30, 2021 and 2020 sets forth a summary of the Chancery's investments with a reported NAV.

2021 Investment	Fair Value*	Unfunded Commitment	Other Redemption Restrictions	Redemption Notice Period
Real estate investments: ^(a)	\$ 913	\$ -	None	None
	1,980		Redemption price cannot be greater than current offering price of common stock shares sold in primary offering.	None
	<u>266</u>	<u> </u>	None	None
Total real estate investments	3,159	-		
Collective trust fund: ^(b)	<u>31,387</u>	<u> </u>	None	None
Total	<u>\$ 34,546</u>	<u>\$ -</u>		
2020 Investment	Fair Value*	Unfunded Commitment	Other Redemption Restrictions	Redemption Notice Period
Real estate investments: ^(a)	\$ 721	\$ -	None	None
	1,950		Redemption price cannot be greater than current offering price of common stock shares sold in primary offering.	None
	<u>290</u>	<u> </u>	None	None
Total real estate investments	2,961	-		
Collective trust fund: ^(b)	<u>22,748</u>	<u> </u>	None	None
Total	<u>\$25,709</u>	<u>\$ -</u>		

* 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 years ended June 30, 2021 and 2020:

2021	Without Donor Restriction	With Donor Restriction	Total
Net assets—beginning of year	\$ 152,847	\$ 32,524	\$ 185,371
Investment return—net	48,354	11,654	60,008
Contributions	6,974	737	7,711
Distributions	<u>(7,015)</u>	<u>(1,685)</u>	<u>(8,700)</u>
Net assets—end of year	<u>\$ 201,160</u>	<u>\$ 43,230</u>	<u>\$ 244,390</u>

2020	Without Donor Restriction	With Donor Restriction	Total
Net assets—beginning of year	\$ 158,024	\$ 33,855	\$ 191,879
Investment return—net	(496)	(336)	(832)
Contributions	2,420	729	3,149
Distributions	<u>(7,101)</u>	<u>(1,724)</u>	<u>(8,825)</u>
Net assets—end of year	<u>\$ 152,847</u>	<u>\$ 32,524</u>	<u>\$ 185,371</u>

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 statements of financial position, which are then used for making loans that are reflected as assets on the accompanying combined statements 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 3.5% and 3.75% for the years ended June 30, 2021 and 2020. Loan interest rates for all loan balances averaged 4.4% and 4.6% during the years ended June 30, 2021 and 2020, respectively. Interest income and investment return includes loan interest earned of \$1,083 and \$1,221 for the years ended June 30, 2021 and 2020, respectively. Interest at an average rate of 0.50% and 0.75% was paid on funds on deposit during the years ended June 30, 2021 and 2020.

ADLF loan receivable balances as of June 30, 2021 and 2020 consist of the following:

	2021	2020
Construction loans secured	\$ 23,325	\$ 25,494
Non-interest bearing operational loans unsecured	275	285
Interest bearing operational loans unsecured	<u>71</u>	<u>71</u>
	23,600	25,850
Less allowance for loan losses	<u>(487)</u>	<u>(483)</u>
Total ADLF loan receivable	<u>\$ 23,113</u>	<u>\$ 25,367</u>

Transactions in the allowance for loan losses for ADLF loan receivable for the years ended June 30, 2021 and 2020 are as follows:

	2021	2020
Balance—July 1	\$ 483	\$ 911
Losses charged off		(340)
Change in provision for loan losses	<u>4</u>	<u>(88)</u>
Balance—June 30	<u>\$ 487</u>	<u>\$ 483</u>

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 0.48% was paid on funds on deposit during the years ended June 30, 2021 and 2020. 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 ladder maturity portfolio with an intermediate duration.

9. BONDS AND NOTES PAYABLE

During the year ended June 30, 2020, the Chancery and certain entities of the Archdiocese of Indianapolis received loan proceeds totaling \$5,701 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The Chancery used the proceeds for purposes consistent with the PPP. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period, which can be up to 24 weeks. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for ten months after the end of the covered period. The Chancery will recognize Gain on Forgiveness of Debt at the time it is legally discharged from its loan obligation. During the year ended June 30, 2021, the Chancery was discharged from its loan obligation for loans totaling \$1,190 and accrued interest payable of \$10. As of June 30, 2021, the PPP loan balance was \$4,511.

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. The bonds are collateralized by unrestricted revenues. As of June 30, 2021 and 2020, the balance of the 2013 Note is \$14,387 and \$14,887, respectively.

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 matured in January 2021 and was repaid in full at that time. As of June 30, 2020, the balance of the 2010 Note was \$10,789.

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, 2021 and 2020.

Bonds and notes payable principal payments due over the next four years are as follows:

Years Ending June 30	Bonds	PPP	Total
2022	\$ 500	\$ 2,067	\$ 2,567
2023	13,887	2,256	16,143
2024	<u> </u>	<u>188</u>	<u>188</u>
Total principal payments	<u>\$ 14,387</u>	<u>\$ 4,511</u>	18,898
Interest payable as of June 30, 2021			295
Unamortized bond issuance costs as of June 30, 2021			<u>(44)</u>
Total bonds and notes payable			<u>\$ 19,149</u>

As of November 5, 2021, the date the combined financial statements were available to be issued, the Chancery had received notification from the SBA that all of its PPP loans presented above in the amount of \$4,511 had been fully forgiven and will not be required to be paid.

10. NET ASSETS

Net assets as of June 30, 2021 and 2020 consist of the following:

	2021	2020
Net assets with donor restrictions:		
Donor-restricted endowments:		
Purpose-restricted, subject to spending policy and appropriation, supporting:		
Catholic Charities	\$ 6,422	\$ 4,922
Catholic Education	24,428	17,178
Parish and other	<u>7,380</u>	<u>5,424</u>
Total purpose-restricted	38,230	27,524
Restrictions are perpetual in nature, supporting Catholic Education	<u>5,000</u>	<u>5,000</u>
Total donor-restricted endowments	43,230	32,524
Charitable gift annuities	682	397
Unexpended grants	1,673	2,042
Unexpended contribution balances, supporting:		
United Catholic Appeal	1,432	1,573
Disaster relief efforts	1,064	1,194
Other	<u>2,584</u>	<u>1,905</u>
Total net assets with donor restrictions	<u>50,665</u>	<u>39,635</u>
Net assets without donor restrictions:		
Unrestricted endowments:		
Management-designated endowments, subject to spending policy and appropriation, supporting:		
Archdiocesan Combined Grant Endowments	18,109	13,937
Catholic Cemeteries Association Perpetual Care Endowment Fund	4,068	3,366
Archbishop Quasi-Endowment/Expendable Fund	9,456	7,883
Archdiocesan Quasi-Endowments for Benefits	40,942	34,289
Archdiocesan Quasi-Endowments for Property Insurance	<u>15,845</u>	<u>12,765</u>
Total management-designated endowments	88,420	72,240
Other endowments without donor restrictions	<u>112,740</u>	<u>80,607</u>
Total unrestricted endowments	201,160	152,847
Net assets designated by management for the following parish shared service plans:		
Lay Health Plan	11,609	12,938
Property Insurance Plan	9,555	7,229
Other net assets without donor restrictions	<u>47,265</u>	<u>39,873</u>
Total net assets without donor restrictions	<u>269,589</u>	<u>212,887</u>
Total net assets	<u>\$320,254</u>	<u>\$252,522</u>

11. RELATED-PARTY TRANSACTIONS

All Archdiocesan entities pay assessments and insurance premiums to the Chancery in exchange for services provided. See Note 2. These include stewardship and development services, accounting and finance services, education services, human resources, 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, among others.

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 statements 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 \$0 and \$120 to SMCC for use in operations during the years ended June 30, 2021 and 2020, respectively.

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 \$3,240 and \$3,100 for the years ended June 30, 2021 and 2020, respectively, 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, 2021, the plan was 78.9% funded, the fair value of plan assets was \$59,954, and the accumulated value of plan benefits was \$75,984.

The Roman Catholic Archdiocese of Indianapolis Pension Plan for Archdiocesan Priests (the "Priests' Plan") will provide retired priests with a standard monthly pension benefit (stated in actual dollars, not in thousands) \$2,290 and \$2,190 for the years ended June 30, 2021 and 2020, respectively. The pension benefit commences on the first day of the month 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 \$1,830 for the years ended June 30, 2021 and 2020, 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, 2021, the plan was 68.2% funded, the fair value of plan assets was \$14,998, and the accumulated value of plan benefits was \$22,006.

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 \$20 into the 403(b) plan for calendar years 2021 and 2020. Employees and clergy over the age of 50 can also make an additional catch up contribution of \$7 for calendar years 2021 and 2020.

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 statements of activities. Archdiocesan contributions are immediately fully vested and were \$2,918 and \$2,996 for the years ended June 30, 2021 and 2020, respectively.

The Archdiocese matches 50% of clergy contributions of up to \$2.4 per year. The Chancery made contributions of \$76 and \$82 to the clergy defined contribution plan for the years ended June 30, 2021 and 2020, respectively.

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. Gross medical and health care claims totaled \$22,554 and \$20,376 for the years ended June 30, 2021 and 2020, respectively.

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 below. There are no significant allocated costs.

2021	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	\$ 194	\$ 4,889	\$ 6,178	\$ 3,215	\$ 409	\$14,885	\$3,508	\$ 984	\$ -	\$19,377
Employee benefits and taxes	3,762	1,329	1,669	1,911	52	8,723	999	219	(3,758)	6,183
Health care costs	25,298	1				25,299				25,299
Retirement plan contributions	5,112					5,112				5,112
Professional services	4,632	646	1,248	874	1,050	8,450	1,420	324	(1,455)	8,739
Cost of sales of goods and services	821		59	786		1,666		1		1,667
Administrative and supplies		971	1,408	224	27	2,630	500	226	(11)	3,345
Property insurance	2,761	108	139	49	5	3,062	298	4	(652)	2,712
Repairs and maintenance	105	211	496	115		927	353			1,280
Depreciation	182	626	321	396		1,525	693	2		2,220
Occupancy costs	15	415	819	85		1,334	680		(175)	1,839
Interest					1,734	1,734	54		(502)	1,286
Bad debts	314	53		10	5	382	19	93		494
Contributions	394	916	4	2,089	14,398	17,801	353	341	(13,917)	4,578
Direct assistance		896	1			897				897
Other	104	228	214	366	52	964	354	95	(59)	1,354
Total expenses	<u>\$43,694</u>	<u>\$11,289</u>	<u>\$12,556</u>	<u>\$10,120</u>	<u>\$17,732</u>	<u>\$95,391</u>	<u>\$9,231</u>	<u>\$2,289</u>	<u>\$(20,529)</u>	<u>\$86,382</u>

2020	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	\$ 196	\$ 4,821	\$ 6,852	\$ 3,417	\$ 399	\$15,685	\$ 3,695	\$1,044	\$ -	\$20,424
Employee benefits and taxes	3,763	1,351	1,705	1,804	54	8,677	1,047	225	(3,866)	6,083
Health care costs	23,391					23,391				23,391
Retirement plan contributions	4,957					4,957				4,957
Professional services	3,953	611	1,513	569	975	7,621	1,217	381	(1,371)	7,848
Cost of sales of goods and services	571		67	1,062		1,700		5		1,705
Administrative and supplies	2	937	1,064	358	23	2,384	390	171	(11)	2,934
Property insurance	4,495	102	136	47		4,780	276		(662)	4,394
Repairs and maintenance	131	187	346	145		809	421	1		1,231
Depreciation	213	580	320	397		1,510	684	1		2,195
Occupancy costs	14	446	552	74		1,086	630	2	(175)	1,543
Interest					2,339	2,339	9		(771)	1,577
Bad debts	(146)	20	31	(5)	(84)	(184)	24	197		37
Contributions	541	871		2,099	9,575	13,086	2,012	523	(10,534)	5,087
Direct assistance		1,039	3			1,042				1,042
Other	101	232	255	1,007	20	1,615	394	100	(60)	2,049
Total expenses	<u>\$42,182</u>	<u>\$11,197</u>	<u>\$12,844</u>	<u>\$10,974</u>	<u>\$13,301</u>	<u>\$90,498</u>	<u>\$10,799</u>	<u>\$2,650</u>	<u>\$(17,450)</u>	<u>\$86,497</u>

* 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 5, 2021, 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, 2021 (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	\$ 90	\$ -	\$ 32	\$ -	\$ 72	\$ -	\$ 194
Employee benefits and taxes	80	239	3,346	88	9		3,762
Health care costs	22,338	2,960					25,298
Retirement plan contributions			3,241	1,871			5,112
Professional services	1,391	92	352	37	216	2,544	4,632
Cost of sales of goods and services						821	821
Property insurance					2,694	67	2,761
Repairs and maintenance						105	105
Depreciation						182	182
Occupancy costs						15	15
Bad debts	147	20	70		70	7	314
Contributions					175	219	394
Other	39					65	104
Total expenses	<u>\$24,085</u>	<u>\$3,311</u>	<u>\$7,041</u>	<u>\$1,996</u>	<u>\$3,236</u>	<u>\$4,025</u>	<u>\$43,694</u>

See independent auditors' report.

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

PARISH SHARED SERVICES SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2020 (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	\$ 94	\$ -	\$ 30	\$ -	\$ 72	\$ -	\$ 196
Employee benefits and taxes	57	228	3,365	104	9		3,763
Health care costs	20,385	3,006					23,391
Retirement plan contributions			3,100	1,857			4,957
Professional services	1,112	21	302	114	387	2,017	3,953
Cost of sales of goods and services						571	571
Administrative and supplies						2	2
Property insurance					4,429	66	4,495
Repairs and maintenance						131	131
Depreciation						213	213
Occupancy costs						14	14
Bad debts	(69)	(10)	(33)		(33)	(1)	(146)
Contributions				30	336	175	541
Other	42					59	101
Total expenses	<u>\$21,621</u>	<u>\$3,245</u>	<u>\$6,764</u>	<u>\$2,105</u>	<u>\$5,200</u>	<u>\$3,247</u>	<u>\$42,182</u>

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, 2021 (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	\$1,123	\$ 354	\$ 646	\$ 438	\$1,612	\$395	\$ 4	\$135	\$ 182	\$ 4,889
Employee benefits and taxes	323	121	197	111	396	96		37	48	1,329
Health care costs					1					1
Professional services	88	15	140	113	81	82	73		54	646
Administrative and supplies	174	574	10	33	19	51	5	5	100	971
Property insurance	47	11	4	5		13	1	17	10	108
Repairs and maintenance	102	45	2	9	2	21	10	13	7	211
Depreciation	333	161		9		38	5	70	10	626
Occupancy costs	146	49	33	56	45	67		5	14	415
Bad debts	4	30		4	12	3				53
Contributions	1	26					30		859	916
Direct assistance	249	82	68	332			123	1	41	896
Other	11	33	8	119	24	10	14		9	228
Total expenses	<u>\$2,601</u>	<u>\$1,501</u>	<u>\$1,108</u>	<u>\$1,229</u>	<u>\$2,192</u>	<u>\$776</u>	<u>\$265</u>	<u>\$283</u>	<u>\$1,334</u>	<u>\$11,289</u>

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, 2020
(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	\$1,166	\$ 316	\$ 744	\$ 475	\$1,435	\$412	\$ 1	\$131	\$ 141	\$ 4,821
Employee benefits and taxes	352	91	252	117	359	103		36	41	1,351
Professional services	67	13	53	133	82	84	110		69	611
Administrative and supplies	308	388	4	25	26	61	15	5	105	937
Property insurance	45	9	4	5		12	1	16	10	102
Repairs and maintenance	101	36	6	8	4	17		6	9	187
Depreciation	330	106	1	22		36	5	70	10	580
Occupancy costs	146	40	61	54	43	73		12	17	446
Bad debts	5	(4)		1	18					20
Contributions							3		868	871
Direct assistance	62	29	346	314		5	247	2	34	1,039
Other	<u>11</u>	<u>25</u>	<u>26</u>	<u>90</u>	<u>30</u>	<u>12</u>	<u>19</u>		<u>19</u>	<u>232</u>
Total expenses	<u>\$2,593</u>	<u>\$1,049</u>	<u>\$1,497</u>	<u>\$1,244</u>	<u>\$1,997</u>	<u>\$815</u>	<u>\$401</u>	<u>\$278</u>	<u>\$1,323</u>	<u>\$11,197</u>

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, 2021
(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	\$ 4,459	\$ 1,213	\$ 266	\$ 240	\$ 6,178
Employee benefits and taxes	1,247	386	19	17	1,669
Professional services	963	30	251	4	1,248
Cost of sales of goods and services	53		3	3	59
Administrative and supplies	1,195	130	13	70	1,408
Property insurance	132	7			139
Repairs and maintenance	348	122		26	496
Depreciation	296	25			321
Occupancy costs	663	97		59	819
Contributions	4				4
Direct assistance		1			1
Other	<u>66</u>	<u>133</u>	<u>2</u>	<u>13</u>	<u>214</u>
Total expenses	<u>\$ 9,426</u>	<u>\$ 2,144</u>	<u>\$ 554</u>	<u>\$ 432</u>	<u>\$ 12,556</u>

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, 2020
(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	\$4,678	\$1,576	\$259	\$339	\$ 6,852
Employee benefits and taxes	1,187	474	19	25	1,705
Professional services	1,257	16	234	6	1,513
Cost of sales of goods and services	61		6		67
Administrative and supplies	794	135	21	114	1,064
Property insurance	128	8			136
Repairs and maintenance	222	94	1	29	346
Depreciation	285	35			320
Occupancy costs	447	71		34	552
Bad debts	30			1	31
Direct assistance	3				3
Other	<u>78</u>	<u>158</u>	<u>3</u>	<u>16</u>	<u>255</u>
Total expenses	<u>\$9,170</u>	<u>\$2,567</u>	<u>\$543</u>	<u>\$564</u>	<u>\$12,844</u>

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, 2021
(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	\$ 562	\$ 343	\$ 702	\$328	\$ 237	\$132	\$351	\$ -	\$560	\$ 3,215
Employee benefits and taxes	142	880	193	144	47	48	134	202	121	1,911
Professional services	202	103	158	219	89		49		54	874
Cost of sales of goods and services			3		715	6			62	786
Administrative and supplies	10	69	52	17	3	57	5		11	224
Property insurance		49								49
Repairs and maintenance		86	5			24				115
Depreciation		396								396
Occupancy costs	6	73	1	1			1		3	85
Bad debts					10					10
Contributions	157	10	77					1,779	66	2,089
Other	<u>104</u>	<u>43</u>	<u>68</u>	<u>95</u>	<u>7</u>	<u>12</u>	<u>5</u>	<u>1</u>	<u>31</u>	<u>366</u>
Total expenses	<u>\$1,183</u>	<u>\$2,052</u>	<u>\$1,259</u>	<u>\$804</u>	<u>\$1,108</u>	<u>\$279</u>	<u>\$545</u>	<u>\$1,982</u>	<u>\$908</u>	<u>\$10,120</u>

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, 2020 (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	\$ 637	\$ 329	\$ 761	\$342	\$ 242	\$145	\$380	\$ -	\$ 581	\$ 3,417
Employee benefits and taxes	159	848	203	104	48	50	127	143	122	1,804
Professional services	91	81	129	80	102		29		57	569
Cost of sales of goods and services					697	5			360	1,062
Administrative and supplies	21	61	133	26	4	91	9		13	358
Property insurance		47								47
Repairs and maintenance		108	5		1	31				145
Depreciation		396							1	397
Occupancy costs	4	66		1			2		1	74
Bad debts					(5)					(5)
Contributions	90	26	60					1,833	90	2,099
Other	<u>120</u>	<u>68</u>	<u>653</u>	<u>97</u>	<u>8</u>	<u>4</u>	<u>21</u>		<u>36</u>	<u>1,007</u>
Total expenses	<u>\$1,122</u>	<u>\$2,030</u>	<u>\$1,944</u>	<u>\$650</u>	<u>\$1,097</u>	<u>\$326</u>	<u>\$568</u>	<u>\$1,976</u>	<u>\$1,261</u>	<u>\$10,974</u>

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, 2021
(In thousands)**

	Catholic Community Foundation	Archdiocesan Deposit & Loan Fund	Pooled Checking Program	Total
Salaries and wages	\$ 409	\$ -	\$ -	\$ 409
Employee benefits and taxes	52			52
Professional services	1,041	9		1,050
Administrative and supplies	27			27
Property insurance	5			5
Interest		1,067	667	1,734
Bad debts		5		5
Contributions	9,398		5,000	14,398
Other	<u>6</u>	<u> </u>	<u>46</u>	<u>52</u>
Total expenses	<u>\$10,938</u>	<u>\$1,081</u>	<u>\$5,713</u>	<u>\$17,732</u>

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, 2020
(In thousands)**

	Catholic Community Foundation	Archdiocesan Deposit & Loan Fund	Pooled Checking Program	Total
Salaries and wages	\$ 399	\$ -	\$ -	\$ 399
Employee benefits and taxes	54			54
Professional services	971	4		975
Administrative and supplies	23			23
Interest		1,403	936	2,339
Bad debts	5	(89)		(84)
Contributions	9,351	224		9,575
Other	<u>19</u>	<u>1</u>	<u></u>	<u>20</u>
Total expenses	<u>\$10,822</u>	<u>\$1,543</u>	<u>\$936</u>	<u>\$13,301</u>

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, 2021 (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	\$ -	\$ -	\$ 34	\$ 630	\$ 156	\$1,119	\$4,151
INVESTMENTS	4,837			1,257	429	6,265	
RECEIVABLES:							
Contributions—net				14	19	3	686
Accounts receivable—net	<u>2,309</u>	<u>19</u>	<u>175</u>	<u>140</u>	<u>(3)</u>	<u>105</u>	<u>758</u>
Total receivables—net	2,309	19	175	154	16	108	1,444
OTHER ASSETS				3	3	29	66
BURIAL SPACES AND OTHER INVENTORIES	2,502		33				
LAND, BUILDINGS, AND EQUIPMENT—Net	<u>2,010</u>		<u>317</u>	<u>173</u>	<u>2,815</u>	<u>419</u>	<u>2,938</u>
TOTAL	<u>\$11,658</u>	<u>\$ 19</u>	<u>\$559</u>	<u>\$2,217</u>	<u>\$3,419</u>	<u>\$7,940</u>	<u>\$8,599</u>
LIABILITIES AND NET ASSETS							
LIABILITIES:							
Accounts payable and accrued expenses	\$ 3,752	\$ 39	\$ 21	\$ 35	\$ 203	\$ 155	\$ 626
Bonds and notes payable							1,128
Other liabilities	<u>4,788</u>		<u>25</u>	<u>2</u>	<u>296</u>		
Total liabilities	<u>8,540</u>	<u>39</u>	<u>46</u>	<u>37</u>	<u>499</u>	<u>155</u>	<u>1,754</u>
NET ASSETS:							
Without donor restriction	3,118	(20)	353	2,155	2,431	1,490	5,645
With donor restriction			<u>160</u>	<u>25</u>	<u>489</u>	<u>6,295</u>	<u>1,200</u>
Total net assets (deficit)	<u>3,118</u>	<u>(20)</u>	<u>513</u>	<u>2,180</u>	<u>2,920</u>	<u>7,785</u>	<u>6,845</u>
TOTAL	<u>\$11,658</u>	<u>\$ 19</u>	<u>\$559</u>	<u>\$2,217</u>	<u>\$3,419</u>	<u>\$7,940</u>	<u>\$8,599</u>

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, 2021 (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	\$ 15	\$ 83	\$250	\$ 575	\$ 237	\$1,353	\$1,743
Sales of goods and services	4,014	1,015	12	17	2		38
Program fees			252	781	332	201	191
School tuition—net						93	6,323
Grants and other public support				28	214	423	1,542
Fundraising events—net			197	8	11	265	6
Interest income and investment return—net	1,135	3	20	317	146	1,754	118
Other	224		10	37	18	22	3
Gain on forgiveness of debt			95	128	142	484	
Total support and revenues	<u>5,388</u>	<u>1,101</u>	<u>836</u>	<u>1,891</u>	<u>1,102</u>	<u>4,595</u>	<u>9,964</u>
EXPENSES:							
Salaries and wages		237	353	445	419	1,481	4,600
Employee benefits and taxes		47	122	119	114	457	1,282
Professional services	2,542	90	4	287	25	89	1,016
Cost of sales of goods and services	821	715	5	6	3		53
Administrative and supplies		3	78	38	78	132	1,196
Property insurance	67		26	21	26	25	132
Repairs and maintenance	105		26	11	33	122	348
Depreciation	182		96	20	113	54	296
Occupancy costs	15		44	187	63	97	662
Interest expense			1	1	1	2	11
Bad debts	7	10					
Contributions	219						5
Direct assistance						2	
Other	65	6	27	17	20	142	69
Total expenses	<u>4,023</u>	<u>1,108</u>	<u>782</u>	<u>1,152</u>	<u>895</u>	<u>2,603</u>	<u>9,670</u>
CHANGE IN NET ASSETS	1,365	(7)	54	739	207	1,992	294
NET ASSETS—Beginning of year	<u>1,753</u>	<u>(13)</u>	<u>459</u>	<u>1,441</u>	<u>2,713</u>	<u>5,793</u>	<u>6,551</u>
NET ASSETS—End of year	<u>\$3,118</u>	<u>\$ (20)</u>	<u>\$513</u>	<u>\$2,180</u>	<u>\$2,920</u>	<u>\$7,785</u>	<u>\$6,845</u>

See independent auditors' report.

CHANCERY AND CERTAIN ENTITIES OF THE ARCHDIOCESE OF INDIANAPOLIS

CATHOLIC CHARITIES AGENCIES STATEMENT OF FINANCIAL POSITION INFORMATION AS OF JUNE 30, 2021 (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	\$3,687	\$ 311	\$1,104	\$173	\$1,313	\$ -
INVESTMENTS	2,634	12	294	20	80	516
RECEIVABLES:						
Contributions—net	510	14	59	7	14	
Accounts receivable—net	<u>549</u>	<u>165</u>	<u>46</u>	<u>—</u>	<u>57</u>	<u>1,157</u>
Total receivables—net	1,059	179	105	7	71	1,157
OTHER ASSETS	10		2			
LAND, BUILDINGS, AND EQUIPMENT—Net	<u>2,369</u>	<u>125</u>	<u>1,338</u>	<u>—</u>	<u>933</u>	<u>1,720</u>
TOTAL	<u>\$9,759</u>	<u>\$ 627</u>	<u>\$2,843</u>	<u>\$200</u>	<u>\$2,397</u>	<u>\$3,393</u>
LIABILITIES AND NET ASSETS						
LIABILITIES:						
Accounts payable and accrued expenses	\$ 346	\$ 717	\$ 102	\$ 4	\$1,126	\$ 37
Bonds and notes payable	809				178	
Other liabilities	<u>24</u>	<u>20</u>	<u>56</u>	<u>—</u>	<u>87</u>	<u>—</u>
Total liabilities	<u>1,179</u>	<u>737</u>	<u>158</u>	<u>4</u>	<u>1,391</u>	<u>37</u>
NET ASSETS:						
Without donor restriction	5,673	(120)	2,510	193	1,006	3,344
With donor restriction	<u>2,907</u>	<u>10</u>	<u>175</u>	<u>3</u>	<u>—</u>	<u>12</u>
Total net assets (deficit)	<u>8,580</u>	<u>(110)</u>	<u>2,685</u>	<u>196</u>	<u>1,006</u>	<u>3,356</u>
TOTAL	<u>\$9,759</u>	<u>\$ 627</u>	<u>\$2,843</u>	<u>\$200</u>	<u>\$2,397</u>	<u>\$3,393</u>

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, 2021 (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	\$1,764	\$ 355	\$ 590	\$196	\$ 478	\$1,020
Program fees	1,400	577	480			193
United Way operating support	865	84		11	39	57
Grants and Other Public Support	2,068	241	376		241	818
Fundraising events, net of expense	32	45	287	4	72	27
Interest income and investment return	711	4	54	6	21	131
Other	2				8	
Gain on forgiveness of debt		150	186	15		
Total support and revenues	<u>6,842</u>	<u>1,456</u>	<u>1,973</u>	<u>232</u>	<u>859</u>	<u>2,246</u>
EXPENSES:						
Salaries and wages	2,953	752	729	64	341	449
Employee benefits and taxes	802	190	185	16	82	130
Health care costs, net		1				
Professional services	427	115	130	19	23	39
Administrative and supplies	237	32	161	25	34	611
Property insurance	53		19	1	26	11
Repairs and maintenance	94	9	16		36	45
Depreciation	286	14	106		90	162
Occupancy costs	201	64	72	2	38	50
Interest expense	8	1	1		1	
Bad debts	(1)	13	11			30
Contributions		2		10	11	16
Direct assistance	733	9	6	23		
Other	172	23	26	2	8	35
Total expenses	<u>5,965</u>	<u>1,225</u>	<u>1,462</u>	<u>162</u>	<u>690</u>	<u>1,578</u>
CHANGE IN NET ASSETS	877	231	511	70	169	668
NET ASSETS—Beginning of year	<u>7,703</u>	<u>(341)</u>	<u>2,174</u>	<u>126</u>	<u>837</u>	<u>2,688</u>
NET ASSETS—End of year	<u>\$8,580</u>	<u>\$ (110)</u>	<u>\$2,685</u>	<u>\$196</u>	<u>\$1,006</u>	<u>\$3,356</u>

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