

**Archdiocese of Louisville
(Chancery and Certain Entities)
Combined Financial Statements
Years Ended June 30, 2013 and 2012**

**Archdiocese of Louisville
(Chancery and Certain Entities)**

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June 30, 2013 and 2012

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Independent Auditor's Report

To Archbishop Joseph E. Kurtz, D.D.
and Finance Council
Archdiocese of Louisville

We have audited the accompanying combined financial statements of the Archdiocese of Louisville (Chancery and Certain Entities) (a not-for-profit organization) (the "Archdiocese"), which comprise the combined statements of financial position as of June 30, 2013 and 2012, 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 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.

Auditor's 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 entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

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

Independent Auditor's Report (Continued)

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Archdiocese of Louisville (Chancery and Certain Entities) as of June 30, 2013 and 2012, and the results of their activities and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary information on pages 29 - 36 is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.



Jeffersonville, Indiana
October 31, 2013

Archdiocese of Louisville
(Chancery and Certain Entities)
Combined Statements of Financial Position
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Assets		
Cash and cash equivalents	\$ 9,747,158	\$ 13,213,485
Investments (Notes C, D and K)	100,701,170	81,015,560
Accrued interest receivable on investments (Note D)	124,665	130,105
Accounts receivable, net (Notes E and O)	1,877,106	1,574,708
Pledge receivables, net (Note F)	5,583,636	11,000,256
Grants and other receivables (Note G)	510,595	1,239,908
Prepaid expenses	161,957	196,456
Inventories	28,039	31,242
Notes receivable - parishes and other related parties, net (Notes H and O)	11,947,355	18,171,207
Accrued interest receivable on notes receivable	662,136	668,719
Beneficial interest in third-party trusts (Notes C, I and T)	1,371,928	1,284,994
Cemetery lot development costs	3,941,384	3,748,621
Mausoleums, columbaria, and lots	948,645	974,269
Property and equipment, net (Note J)	4,722,732	4,043,056
	<u> </u>	<u> </u>
Total Assets	<u>\$ 142,328,506</u>	<u>\$ 137,292,586</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 1,945,017	\$ 2,162,381
Pledges payable, net (Note F)	3,955,631	7,347,276
Grants payable	-	966
Collections payable	382,280	206,953
Deferred revenue	759,489	699,597
Notes payable (Note M)	32,854	2,042,269
Notes payable - parishes and other related parties (Notes H and O)	51,047,086	49,579,917
	<u> </u>	<u> </u>
Total Liabilities	58,122,357	62,039,359
Net Assets		
Unrestricted net assets		
Invested in property and equipment	4,689,878	4,000,787
Expendable net assets	53,646,092	41,977,537
Archbishop designated (Note S)	12,035,227	12,122,029
Regulatory restricted - perpetual care endowment (Note K and R)	4,590,141	4,332,945
	<u> </u>	<u> </u>
Total Unrestricted Net Assets	74,961,338	62,433,298
Temporarily restricted (Note K and T)	6,134,803	9,735,155
Permanently restricted (Note K and T)	3,110,008	3,084,774
	<u> </u>	<u> </u>
Total Net Assets	84,206,149	75,253,227
	<u> </u>	<u> </u>
Total Liabilities and Net Assets	<u>\$ 142,328,506</u>	<u>\$ 137,292,586</u>

See accompanying notes.

Archdiocese of Louisville
(Chancery and Certain Entities)
Combined Statements of Activities
Years Ended June 30, 2013 and 2012

	2013				2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, Support, and Gains								
Donations, bequests, and grants (Notes S and T)	\$ 16,607,706	\$ 318,130	\$ 1,000	\$16,926,836	\$ 12,559,508	\$ 750,280	\$ 10,000	\$13,319,788
Parish assessments (Notes O and P)	8,315,957	-	-	8,315,957	8,219,665	-	-	8,219,665
Special collections	477,275	-	-	477,275	452,854	-	-	452,854
Burial sales	2,178,491	-	-	2,178,491	1,824,584	-	-	1,824,584
Catholic Services Appeal	2,631,972	-	-	2,631,972	2,148,660	-	-	2,148,660
Fee income	2,354,135	-	-	2,354,135	2,042,355	-	-	2,042,355
Program and activity income	446,059	-	-	446,059	451,690	-	-	451,690
Rental income	170,358	-	-	170,358	173,319	-	-	173,319
Advertising income	574,778	-	-	574,778	615,808	-	-	615,808
Investment income, net	2,465,785	-	-	2,465,785	2,028,777	-	-	2,028,777
Interfund interest	(42,401)	42,401	-	-	(41,772)	41,772	-	-
Other income	194,956	-	-	194,956	190,836	-	-	190,836
Realized gain on sale of investments	1,865,894	-	-	1,865,894	450,260	-	-	450,260
Unrealized gain in market value of investments	6,091,988	-	-	6,091,988	-	-	-	-
Increase (decrease) in value of split interest agreements (Note T)	-	62,610	24,234	86,844	-	(55,227)	(16,137)	(71,364)
Net assets released from restrictions	4,023,493	(4,023,493)	-	-	750,505	(750,505)	-	-
Total Revenues, Support, and Gains	\$ 48,356,446	\$ (3,600,352)	\$ 25,234	\$44,781,328	\$ 31,867,049	\$ (13,680)	\$ (6,137)	\$31,847,232

Archdiocese of Louisville
(Chancery and Certain Entities)
Combined Statements of Activities (Continued)
Years Ended June 30, 2013 and 2012

	2013				2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Expenses and Losses								
Salary expense	\$ 8,486,027	\$ -	\$ -	\$ 8,486,027	\$ 8,418,104	\$ -	\$ -	\$ 8,418,104
Payroll added expense	2,198,233	-	-	2,198,233	2,294,392	-	-	2,294,392
Clergy retirement benefits (Note P)	1,770,569	-	-	1,770,569	1,720,690	-	-	1,720,690
Mileage and expense allowance	761,696	-	-	761,696	732,140	-	-	732,140
Education expense	721,497	-	-	721,497	666,662	-	-	666,662
Rent expense (Note N)	76,321	-	-	76,321	93,716	-	-	93,716
Office supplies and services	1,089,801	-	-	1,089,801	1,045,156	-	-	1,045,156
Plant and grounds expense	874,364	-	-	874,364	805,281	-	-	805,281
Auto expense	107,976	-	-	107,976	96,437	-	-	96,437
Public relations, donations, and grants	89,286	-	-	89,286	76,124	-	-	76,124
Advertising expense	169,169	-	-	169,169	175,520	-	-	175,520
Professional fees and services (Note F)	771,944	-	-	771,944	604,638	-	-	604,638
Program and activity expense	939,395	-	-	939,395	858,605	-	-	858,605
Broadcasting/press expense	525,272	-	-	525,272	554,036	-	-	554,036
Archdiocesan support	334,727	-	-	334,727	312,065	-	-	312,065
Education grants	1,060,102	-	-	1,060,102	961,793	-	-	961,793
Cost of sales	388,241	-	-	388,241	275,799	-	-	275,799
Papal and national organizations	138,405	-	-	138,405	151,093	-	-	151,093
Other grants and direct aid (Note O)	13,398,022	-	-	13,398,022	10,459,347	-	-	10,459,347
Other restricted expense payments	80,924	-	-	80,924	60,497	-	-	60,497
Interest expense	537,361	-	-	537,361	355,851	-	-	355,851
Depreciation expense (Note J)	414,228	-	-	414,228	402,171	-	-	402,171
Unrealized loss in market value of investments	-	-	-	-	2,661,426	-	-	2,661,426
Bad debt expense	541,277	-	-	541,277	394,296	-	-	394,296
Miscellaneous expense	353,569	-	-	353,569	359,378	-	-	359,378
Total Expenses and Losses	35,828,406	-	-	35,828,406	34,535,217	-	-	34,535,217
Changes in Net Assets	12,528,040	(3,600,352)	25,234	8,952,922	(2,668,168)	(13,680)	(6,137)	(2,687,985)
Net Assets, Beginning of Year	62,433,298	9,735,155	3,084,774	75,253,227	65,101,466	9,748,835	3,090,911	77,941,212
Net Assets, End of Year	\$ 74,961,338	\$ 6,134,803	\$ 3,110,008	\$84,206,149	\$ 62,433,298	\$ 9,735,155	\$ 3,084,774	\$ 75,253,227

See accompanying notes.

Archdiocese of Louisville
(Chancery and Certain Entities)
Combined Statements of Cash Flows
Years Ended June 30, 2013 and 2012

	2013	2012
Cash Flows from Operating Activities		
Cash received from contributions and grants	\$ 24,408,814	\$ 21,576,308
Cash received for services	6,123,972	5,848,149
Cash received from parish assessments	8,423,225	8,334,769
Interest and dividends received	2,721,787	2,232,065
Cash paid to suppliers, employees, and others	(24,151,571)	(24,644,352)
Grants and direct aid paid	(13,028,678)	(9,201,548)
Interest paid	(637,801)	(412,121)
Net Cash Provided by Operating Activities	3,859,748	3,733,270
Cash Flows from Investing Activities		
Purchases of property and equipment	(1,094,462)	(444,123)
Proceeds from sale of property and equipment	2,500	-
Purchases of investments	(35,867,079)	(20,744,268)
Proceeds from sale of investments	24,210,156	19,041,128
Advances to and repayments on loans to parishes and others, net	529,765	(3,370,654)
Net Cash Used by Investing Activities	(12,219,120)	(5,517,917)
Cash Flows from Financing Activities		
Proceeds from issuance of long-term debt	-	2,016,300
Principal payments on notes payable	(2,009,415)	(7,094)
Deposits from parishes and others, net	6,902,460	3,507,631
Net Cash Provided by Financing Activities	4,893,045	5,516,837
(Decrease) Increase in Cash and Cash Equivalents	(3,466,327)	3,732,190
Cash and Cash Equivalents, Beginning of Year	13,213,485	9,481,295
Cash and Cash Equivalents, End of Year	\$ 9,747,158	\$ 13,213,485

Archdiocese of Louisville
(Chancery and Certain Entities)
Combined Statements of Cash Flows (Continued)
Years Ended June 30, 2013 and 2012

	2013	2012
Reconciliation of Change in Net Assets to		
Net Cash Provided by Operating Activities		
Change in Net Assets	\$ 8,952,922	\$ (2,687,985)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	414,228	402,171
(Gain) loss on disposal of property and equipment	(1,939)	20,620
Change in allowance for and discount of accounts receivable	285,268	217,596
Change in allowance for and discount of pledges receivable	255,392	(293,941)
Change in allowance for and discount of pledges payable	(226,509)	146,330
Forgiveness of notes receivable	202,846	718,661
(Increase) decrease in beneficial interest in third-party trusts	(86,933)	71,364
Unrealized (gain)/loss in market value of investments	(6,091,988)	2,661,426
Realized investment gain	(1,865,894)	(450,260)
Discount on notes receivable	(14,859)	(48,977)
Other Changes:		
(Increase) decrease in:		
Accrued interest receivable on investments	5,440	(4,678)
Accounts receivable	(587,666)	82,537
Pledges receivable	5,161,228	8,734,171
Grants and other receivables	729,313	(313,177)
Prepaid expenses	34,499	(21,808)
Inventories	3,203	273
Accrued interest receivable on notes receivable	6,583	(456)
Cemetery lot development costs	(192,763)	(595,091)
Mausoleums, columbaria, and lots	25,624	36,871
Increase (decrease) in:		
Accounts payable and accrued expenses	(217,364)	173,189
Pledges payable	(3,165,136)	(5,122,476)
Grants payable	(966)	(1,900)
Collections payable	175,327	26,432
Deferred revenue	59,892	(17,622)
Net Cash Provided by Operating Activities	<u>\$ 3,859,748</u>	<u>\$ 3,733,270</u>

See accompanying notes.

**Archdiocese of Louisville
(Chancery and Certain Entities)
Notes To Combined Financial Statements
June 30, 2013 and 2012**

Note A - Nature of Organization

The Archdiocese of Louisville (Chancery and Certain Entities) (the "Archdiocese") is a religious organization affiliated with the Roman Catholic Church. The Chancery provides support for the administration of pastoral, vocational, educational, and other services to the parish communities of central Kentucky. The Chancery derives its revenue mainly from donations, parish assessments, Catholic Services Appeal, and investment returns. The Chancery also provides financing and investing services to various parishes and other organizations through the Deposit and Loan Fund. Catholic Cemeteries administers four of the cemeteries in the Archdiocese of Louisville. Catholic Charities of Louisville, Inc. (Catholic Charities) administers the migration and refugee program, among other social service activities. Catholic Bicentennial Initiatives Fund, Inc. administers the Seminarian Education, Priest Retirement, Parish Assistance, and Legacy Fund initiatives as part of the Building a Future of Hope capital campaign.

Note B - Summary of Significant Accounting Policies

This summary of significant accounting policies of the Archdiocese is presented to assist in understanding the Archdiocese's financial statements. The financial statements and notes are representations of the Archdiocese's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. The more significant accounting policies of the Archdiocese are as follows:

1. Principles of Combination: The combined financial statements include the accounts of the Archdiocese of Louisville and Certain Entities which are under common control. Such entities are collectively referred to as the Archdiocese in the financial statements and related notes and include the Chancery (with its Deposit and Loan Fund), Catholic Cemeteries, Catholic Charities, and Catholic Bicentennial Initiatives Fund, Inc. All significant transactions among the entities included in the combined financial statements have been eliminated.

The combined financial statements do not include the parishes, elementary schools, four Archdiocesan sponsored secondary schools, and Catholic institutions owned and operated by religious communities.

2. Basis of Accounting: The combined statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Accounting Standards Codification (ASC) as produced by the Financial Accounting Standards Board (FASB) is the sole source of authoritative GAAP for non-governmental entities.

The Archdiocese distinguishes between contributions received for each net asset category in accordance with donor imposed restrictions, if any. The Archdiocese classifies resources for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. A description of the three net asset categories is on the following page.

**Archdiocese of Louisville
(Chancery and Certain Entities)
Notes To Combined Financial Statements (Continued)
June 30, 2013 and 2012**

Note B - Summary of Significant Accounting Policies (Continued)

2. Basis of Accounting (Continued):

Unrestricted Net Assets include the following:

Invested in Property and Equipment: These net assets represent cumulative resources expended for property and equipment, less accumulated depreciation recorded on the property and equipment and net of related debt.

Expendable Net Assets: These net assets represent the portion of expendable funds available for support in the operation of the Archdiocese.

Archbishop Designated: These net assets represent unrestricted funds designated for specific purposes by the Archbishop. Although the Archbishop could release or revise the designations in the future, to the extent not externally restricted, there is no intent to do so.

Regulatory Restricted - Perpetual Care Endowment: See Note R.

Temporarily Restricted Net Assets include gifts for which donor imposed restrictions are to be met.

Permanently Restricted Net Assets include amounts for which the donor has stipulated that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

The Archdiocese reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor time restriction ends or a donor purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the statement of activities. The Archdiocese treats restricted gifts whose restrictions are met in the same reporting period as unrestricted.

The Archdiocese reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations of how long those long-lived assets must be maintained, the Archdiocese reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

3. Use of Estimates: The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (and disclosure of contingent assets and liabilities, if any) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
4. Cash and Cash Equivalents: Cash and cash equivalents primarily include highly liquid investment securities with maturities of three months or less at the time of purchase.

The Archdiocese maintains its cash balances in bank deposit accounts which, at times, may exceed the \$250,000 coverage provided by the Federal Deposit Insurance Corporation ("FDIC"). The Archdiocese has not experienced any losses in such accounts. Management believes the Archdiocese is not exposed to any significant risk on bank deposits.

**Archdiocese of Louisville
(Chancery and Certain Entities)
Notes To Combined Financial Statements (Continued)
June 30, 2013 and 2012**

Note B - Summary of Significant Accounting Policies (Continued)

5. Investments: The Archdiocese invests in fixed income securities, including government and corporate bonds, and in publicly traded stocks, mutual funds, real assets and a limited partnership.

Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would result in material changes in the fair value of investments and net assets of the Archdiocese.

Investments are carried at fair value, generally determined by quoted market prices. Receipt of donated investments is recorded at the quoted market value of the investment at the time of donation. The investment in the limited partnership is valued at the amount of the Archdiocese's capital account in the partnership.

Net appreciation/depreciation on endowed fund investments, whose income is unrestricted as to use, is reported as unrestricted net assets unless such net appreciation/depreciation have been permanently restricted by the donor or by law. In cases where the donor has placed temporary restrictions on the use of the income from endowed gifts, net appreciation/depreciation are reported as part of temporarily restricted net assets until the restriction has been met.

Investment income in the combined statements of activities is net of investment expenses of approximately \$382,000 in 2013 and \$261,000 in 2012.

6. Receivables: The Archdiocese uses the allowance method for valuing receivables, which is based upon historical experience, coupled with a review of the current status of existing receivables. See notes within the financial statements for specific allowances determined by management.
7. Inventories: Inventories are carried at the lower of cost (first-in, first-out) or market and consist of monuments and supplies for Catholic Cemeteries.
8. Cemetery Lot Development Costs: Lot development costs represent actual cost incurred in development of mausoleums, columbaria, and gravesites which are in the process of being completed for sale to the general public.
9. Mausoleums, Columbaria, and Lots: Mausoleums, columbaria, and lots represent completed burial sites available for sale to the general public. As burial sites are sold, an allocated portion of the actual costs are expensed through cost of sales.
10. Property and Equipment: Donated property and equipment are recorded at their estimated fair values at the time of donation. Purchased property and equipment are recorded at acquisition cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets as follows:

Land improvements	10 - 30 years
Buildings and improvements	20 - 40 years
Furniture and equipment	3 - 20 years

11. Collections Payable: Collections payable represent special collections conducted by parishes throughout the Archdiocese to meet particular pastoral needs. The Archdiocese remits these collections to local and national charitable organizations on behalf of the parishes.

**Archdiocese of Louisville
(Chancery and Certain Entities)
Notes To Combined Financial Statements (Continued)
June 30, 2013 and 2012**

Note B - Summary of Significant Accounting Policies (Continued)

12. Deferred Revenue: Deferred revenue consists mainly of prepaid interments and lot maintenance fees. Revenues are reported in the fiscal year in which they are earned.
13. Donated Goods and Services: Donated materials and equipment are shown as gifts, valued at their estimated value at the date of receipt. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Archdiocese. A large number of volunteers have given significant amounts of their time for the operation of the Archdiocese throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.
14. Income Taxes: The Archdiocese qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for federal or state income taxes has been recorded.

The Archdiocese evaluates recognition and measurement of uncertain income tax positions using a "more-likely-than-not" approach and has determined that no material adjustment for income tax uncertainties or unrecognized tax benefits is required. The Archdiocese's 2009 through 2012 tax years remain open and subject to examination.

15. Advertising: Expenses related to advertising and promotions are expensed as incurred. Advertising costs were approximately \$169,000 and \$176,000 for the years ended June 30, 2013 and 2012, respectively.
16. Subsequent Events: The Archdiocese has evaluated events occurring subsequent to year end through the date of the Independent Auditor's Report, the date the financial statements were available to be issued.

Note C - Fair Value Measurements

The financial statements reflect the accounting standard related to fair value measurements, which provides a comprehensive framework for measuring fair value and expands required disclosures concerning fair value measurements. Specifically, the standard sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs.

The standard defines levels with the hierarchy of inputs as follows:

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 - Quoted prices for similar assets and liabilities in active markets (other than those included in Level 1) which are observable for the asset or liability, either directly or indirectly.
- Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The following is a description of the valuation methodologies used for the assets and liabilities measured at fair value. There have been no changes in the methodologies used to determine fair value at June 30, 2013 and 2012.

Cash and cash equivalents: Valued at the net asset value held by the Archdiocese at year-end.

Common stocks: Valued at the quoted market price of the shares held by the Archdiocese at year-end.

Archdiocese of Louisville
(Chancery and Certain Entities)
Notes To Combined Financial Statements (Continued)
June 30, 2013 and 2012

Note C - Fair Value Measurements (Continued)

Government backed securities: Valued using a yield curve matrix derived from quoted prices for similar assets in active markets.

Corporate bonds and other: Valued using a yield curve matrix derived from quoted prices for similar assets in active markets.

Limited partnerships: Includes a direct investment in a partnership that investments primarily in common stock and exchange traded funds which are valued at quoted market prices. The net asset value in this investment is based on the estimated ownership in the partnership.

Real assets: Valued at quoted market prices in active markets.

Mutual funds: Valued at quoted market prices in exchange and active markets.

Beneficial interest in charitable remainder uni-trusts: Valued based on present value calculations.

Fair values of financial assets measured on a recurring basis at June 30, 2013, are as follows:

	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 1,760,699	\$ 1,760,699	\$ -	\$ -
Common stocks	59,934,355	59,934,355	-	-
Government backed securities	4,093,189	4,093,189	-	-
Corporate bonds and other	20,168,832	20,168,832	-	-
Investment in limited partnership	8,414,667	-	8,414,667	-
Real assets	6,329,428	6,329,428	-	-
Beneficial interest in third-party trusts (Note I)	1,371,928	-	-	1,371,928
	<u>\$ 102,073,098</u>	<u>\$ 92,286,503</u>	<u>\$ 8,414,667</u>	<u>\$ 1,371,928</u>

Fair values of financial assets measured on a recurring basis at June 30, 2012, are as follows:

	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 1,170,407	\$ 1,170,407	\$ -	\$ -
Common stocks	46,685,075	46,685,075	-	-
Government backed securities	5,154,382	5,154,382	-	-
Corporate bonds and other	19,612,019	19,612,019	-	-
Investment in limited partnership	7,498,871	-	7,498,871	-
Real assets	894,806	894,806	-	-
Beneficial interest in third-party trusts (Note I)	1,284,994	-	-	1,284,994
	<u>\$ 82,300,554</u>	<u>\$ 73,516,689</u>	<u>\$ 7,498,871</u>	<u>\$ 1,284,994</u>

Archdiocese of Louisville
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Notes To Combined Financial Statements (Continued)
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Note C - Fair Value Measurements (Continued)

The years ended June 30, 2013 and 2012 activity of the assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 investments and beneficial interests in third-party trusts) is as follows:

	<u>2013</u>	<u>2012</u>
Beginning Balance	\$ 1,284,994	\$ 1,356,358
Change in Fair Value	110,063	(45,003)
Distributions	<u>(23,129)</u>	<u>(26,361)</u>
Ending Balance	<u><u>\$ 1,371,928</u></u>	<u><u>\$ 1,284,994</u></u>

The following table sets forth the fair values at June 30, 2013 relative to the alternative investments for which the fair values are determined using a net asset value per share or its equivalent:

	<u>Fair value</u>	<u>Unfunded commitment</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
Investment in limited partnership - marketable securities	\$8,414,667	-	quarterly	30 days

The following table sets forth the fair values at June 30, 2012 relative to the alternative investments for which the fair values are determined using a net asset value per share or its equivalent:

	<u>Fair value</u>	<u>Unfunded commitment</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
Investment in limited partnership - marketable securities	\$7,498,871	-	quarterly	30 days

Archdiocese of Louisville
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Notes To Combined Financial Statements (Continued)
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Note D - Investments

Investments at June 30, 2013 and 2012, consisted of the following:

	2013		2012	
	Cost	Market	Cost	Market
Cash and cash equivalents	\$ 1,760,699	\$ 1,760,699	\$ 1,170,407	\$ 1,170,407
Common stocks	52,864,463	59,934,355	45,999,241	46,685,075
Government backed securities	4,139,694	4,093,189	5,026,486	5,154,382
Corporate bonds and other	20,761,950	20,168,832	19,159,339	19,612,019
Investment in limited partnership	7,412,651	8,414,667	7,350,427	7,498,871
Real assets	6,527,189	6,329,428	1,018,654	894,806
Total	<u>\$ 93,466,646</u>	<u>\$ 100,701,170</u>	<u>\$ 79,724,554</u>	<u>\$ 81,015,560</u>

Accrued interest earned from the above investments was \$124,665 and \$130,105 as of June 30, 2013 and 2012, respectively.

Subsequent to year end the investment in limited partnership was liquidated and there was no significant change in fair value.

Note E - Accounts Receivable

The Archdiocese provides an allowance for doubtful accounts based upon the anticipated collectability of each specific account. In evaluating the collectability of the accounts receivable, the Archdiocese considers a number of factors, including the age of accounts, changes in collection patterns, and economic conditions. Actual collections of accounts receivable in subsequent periods may require changes in the estimated provision. Changes in the estimate are charged or credited to the results of the operations in the period of change. The Archdiocese does not charge interest on past due accounts.

A summary of the accounts receivable at June 30, 2013 and 2012, is as follows:

	2013	2012
Accounts receivable	\$ 4,219,504	\$ 3,631,838
Less discount	(47,912)	(55,316)
Less allowance for doubtful accounts	<u>(2,294,486)</u>	<u>(2,001,814)</u>
Balance at End of Year	<u>\$ 1,877,106</u>	<u>\$ 1,574,708</u>

Archdiocese of Louisville
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Notes To Combined Financial Statements (Continued)
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Note F - Pledges Receivable/Pledges Payable

The Building a Future of Hope capital campaign continues to be conducted by the Archdiocese of Louisville to address both parish and archdiocesan needs. It is a capital share campaign with parishes that commenced in the fall of 2008. The primary purpose was to deepen the spiritual lives of parishes and parishioners through an enhanced prayer and stewardship effort. At least 50% of all funds raised stay with the parishes and this amount is included in pledges payable. Archdiocesan initiatives supported by the Campaign include Seminarian Education, Priest Retirement, Parish Assistance, Multicultural Ministries, Tuition Assistance, Legacy Fund, and the Catholic Services Appeal. An additional component of the Campaign includes an initiative to assist with professional consulting and administrative costs.

Unconditional promises to give at June 30, 2013 and 2012, are as follows:

	<u>2013</u>	<u>2012</u>
Pledges receivable:		
Receivable in less than one year	\$ 3,616,228	\$ 4,606,540
Receivable in one to five years	<u>3,333,627</u>	<u>7,504,543</u>
 Total Pledges Receivable	 6,949,855	 12,111,083
 Less discount for present value	 (58,300)	 (265,147)
Less allowance for uncollectible pledges receivable	<u>(1,307,919)</u>	<u>(845,680)</u>
 Net Pledges Receivable	 <u><u>\$ 5,583,636</u></u>	 <u><u>\$ 11,000,256</u></u>

Archdiocese of Louisville
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Note F - Pledges Receivable/Pledges Payable (Continued)

The following is a schedule of the estimated collection period of pledges receivable for the capital campaign:

<u>Year Ending June 30</u>	<u>Amount</u>
2014	\$ 3,616,228
2015	<u>1,967,408</u>
Total	<u><u>\$ 5,583,636</u></u>

Pledges receivable in more than one year are discounted at 3%.

Pledges payable to parishes at June 30, 2013 and 2012, are as follows:

	<u>2013</u>	<u>2012</u>
Pledges payable to parishes:		
Payable in less than one year	\$ 3,152,708	\$ 3,085,191
Payable in one to five years	<u>1,773,399</u>	<u>5,006,052</u>
Total Pledges Payable	4,926,107	8,091,243
Less discount for present value	(41,412)	(177,581)
Less allowance for uncollected pledge receivables not remitted to parish	<u>(929,064)</u>	<u>(566,386)</u>
Net Pledges Payable	<u><u>\$ 3,955,631</u></u>	<u><u>\$ 7,347,276</u></u>

The following is a schedule of the estimated payment period of pledges payable to parishes for the capital campaign:

<u>Year Ending June 30</u>	<u>Amount</u>
2014	\$ 3,152,708
2015	<u>802,923</u>
Total	<u><u>\$ 3,955,631</u></u>

Pledges payable in more than one year are discounted at 3%.

**Archdiocese of Louisville
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Notes To Combined Financial Statements (Continued)
June 30, 2013 and 2012**

Note G - Grants and Other Receivables

Grants and other receivables at June 30, 2013 and 2012, totaling \$510,595 and \$1,239,908, respectively, consist primarily of billings for reimbursements of allowable expenditures in the operations of various federal grant programs operated by Catholic Charities. No allowance for uncollectible grants and other receivables has been recorded as management expects all reimbursements to be paid in full.

Note H - Deposit and Loan Fund

The Archdiocese maintains a centralized financing program through its Deposit and Loan Fund. The Deposit and Loan Fund consists of loans made by the Archdiocese to parishes and other organizations within the Archdiocese. Amounts due from parishes and other organizations at June 30, 2013 and 2012, were \$9,565,673 and \$13,550,822, respectively. These amounts are included in notes receivable - parishes and other related parties on the combined statements of financial position.

Interest rates on these loans range between 2.70% and 7.31% per annum for fiscal years 2013 and 2012. The maturity dates vary from on demand to seven years. The loans are collateralized by property of the parishes and other organizations.

Various parishes and other organizations within the Archdiocese remit funds to the Deposit Fund. Amounts due to parishes and other organizations, before eliminations, at June 30, 2013 and 2012, were \$53,184,846 and \$51,839,407, respectively. These amounts are included in notes payable - parishes and other related parties on the combined statements of financial position and are due on demand. Interest accrued at .50% per annum was paid on funds on deposit for fiscal years 2013 and 2012. The deposit rate is equal to the six month U.S. Treasury bill rate, and is adjusted every six months. However the Archdiocese has established a minimum rate which is to be paid to the various parishes and other organizations of .50%.

Note I - Beneficial Interest in Third-Party Trusts

The Archdiocese is the beneficiary of certain funds held in four trusts and administered by third-party trustees.

The Archdiocese is an income beneficiary of two irrevocable charitable trusts administered by third-party trustees. Income received from these trusts for the years ended June 30, 2013 and 2012, was \$25,152 and \$19,623, respectively. The income received from the trust is restricted for elderly service programs. The change in value of the trusts for the years ended June 30, 2013 and 2012, was an increase of \$66,687 and a decrease of \$17,489, respectively, and is included as a component of the change in temporarily and permanently restricted net assets on the combined statements of activities.

The Archdiocese is also a beneficiary of two charitable remainder uni-trusts. The total estimated net present value of future cash flows from these trusts as of June 30, 2013, assuming a 3.5% rate of return, was \$426,452. The total estimated net present value of future cash flows from these trusts at June 30, 2012, assuming a 3.5% rate of return, was \$406,295. Distributions received from these trusts for the years ended June 30, 2013 and 2012, were \$23,129 and \$26,361, respectively, and are restricted for seminarian education. The change in value of the trusts was an increase of \$20,157 and a decrease of \$53,875 for the years ended June 30, 2013 and 2012, respectively, and is included as a component in the change in temporarily restricted net assets on the combined statement of activities.

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Notes To Combined Financial Statements (Continued)
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Note I - Beneficial Interest in Third-Party Trusts (Continued)

The beneficial interest of the underlying investments held in the third-party trusts and the net present value of future cash flows from the uni-trusts at June 30 was as follows:

	2013		2012	
	Cost	Market	Cost	Market
Cash and cash equivalents	\$ 2,511	\$ 2,511	\$ 4,137	\$ 4,137
Mutual funds - corporate bonds	268,081	268,149	256,580	268,610
Mutual funds - common stock	487,621	674,816	505,971	605,952
Subtotal	<u>\$ 758,213</u>	945,476	<u>\$ 766,688</u>	878,699
Estimated value of beneficial interest in charitable remainder uni-trusts		426,452		406,295
Total		<u>\$ 1,371,928</u>		<u>\$ 1,284,994</u>

Note J - Property and Equipment

Property and equipment consisted of the following at June 30, 2013 and 2012:

	2013	2012
Land and improvements	\$ 1,749,678	\$ 1,749,678
Buildings and improvements	9,259,078	8,322,998
Furniture and equipment	4,337,406	4,323,043
Subtotal	15,346,162	14,395,719
Less accumulated depreciation	<u>(10,623,430)</u>	<u>(10,352,663)</u>
Total	<u>\$ 4,722,732</u>	<u>\$ 4,043,056</u>

Total depreciation expense was \$414,228 and \$402,171 for the years ended June 30, 2013 and 2012.

**Archdiocese of Louisville
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Notes To Combined Financial Statements (Continued)
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Note K - Endowments

The Archdiocese's endowments include donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

Effective March 25, 2010, the Archbishop and Finance Committee of the Archdiocese interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) of 2006 as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Archdiocese classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Archdiocese considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Archdiocese and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Archdiocese
- (7) The investment policies of the Archdiocese

Return Objectives and Risk Parameters

The Archdiocese has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to a program supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Archdiocese must hold in perpetuity. Under this policy, as approved by the Archbishop and Finance Committee, the endowment assets are invested in a manner that is consistent with the Archdiocese's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Archdiocese relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Archdiocese targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Archdiocese of Louisville
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Note K - Endowments (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Archdiocese has a policy of appropriating for distribution each year based upon the 6 month T-bill rate. In establishing this policy, the Archdiocese considered the long-term expected return on its endowment. Accordingly, over the long term, the Archdiocese expects the current spending policy will allow its endowment to be preserved on an inflation-adjusted basis. This is consistent with the Archdiocese's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return. Actual returns in any given year may vary from this amount.

Composition by Type of Fund

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 837,796	\$ 2,671,554	\$ 3,509,350
Regulatory-restricted endowment funds	4,590,141	-	-	4,590,141
Total Funds	<u>\$ 4,590,141</u>	<u>\$ 837,796</u>	<u>\$ 2,671,554</u>	<u>\$ 8,099,491</u>

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 4,332,945	\$ 838,894	\$ 2,670,554	\$ 7,842,393
Net investment income	88,654	25,545	11,150	125,349
Contributions	257,196	-	1,000	258,196
Appropriation of endowment assets for expenditure	(88,654)	(37,793)	-	(126,447)
Transfer to temporarily restricted	<u>-</u>	<u>11,150</u>	<u>(11,150)</u>	<u>-</u>
Endowment Net Assets, End of Year	<u>\$ 4,590,141</u>	<u>\$ 837,796</u>	<u>\$ 2,671,554</u>	<u>\$ 8,099,491</u>

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Note K - Endowments (Continued)

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 4,087,678	\$ 848,169	\$ 2,660,554	\$ 7,596,401
Net investment income	84,035	25,142	11,269	120,446
Contributions	245,267	-	10,000	255,267
Appropriation of endowment assets for expenditure	(84,035)	(45,686)	-	(129,721)
Transfer to temporarily restricted	<u>-</u>	<u>11,269</u>	<u>(11,269)</u>	<u>-</u>
Endowment Net Assets, End of Year	<u>\$ 4,332,945</u>	<u>\$ 838,894</u>	<u>\$ 2,670,554</u>	<u>\$ 7,842,393</u>

Note L - Line of Credit

The Chancery has a \$1,000,000 secured line of credit. The line of credit bears interest at prime minus 1.50% or LIBOR plus 1.25% at the Archdiocese's option. The interest rate at June 30, 2013 and 2012, was 1.44% and 1.42%, respectively. The note is secured by investments. There were no amounts outstanding on the line at June 30, 2013 and 2012.

Catholic Charities has a \$250,000 line of credit agreement with PNC Bank. The line of credit bears interest at LIBOR plus 3% (3.191% at June 30, 2013). The note is secured by The Archdiocese of Louisville's guarantee. There were no amounts outstanding at June 30, 2013.

**Archdiocese of Louisville
(Chancery and Certain Entities)
Notes To Combined Financial Statements (Continued)
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Note M - Notes Payable

Long-term debt is summarized as follows:

	<u>2013</u>	<u>2012</u>
PNC Bank:		
Note payable with monthly interest only payments at daily LIBOR plus 2.50%, maturing in November 2012 with balloon payment due at that time. Secured by note receivable with a Catholic educational institution bearing same terms.	\$ -	\$ 2,000,000
Ford Credit:		
Note payable in monthly installments of \$757, plus interest at 9.49%, maturing in December 2015. Secured by vehicle with a net value of \$17,963.	20,056	26,926
Tiger Leasing:		
Note payable in monthly installments of \$383, including interest at 14.44%, maturing in January 2017. Secured by equipment with a net value of \$12,768.	<u>12,798</u>	<u>15,343</u>
	32,854	2,042,269
Less current portion	<u>(10,430)</u>	<u>(2,009,362)</u>
Long-term Debt, Net of Current Portion	<u><u>\$ 22,424</u></u>	<u><u>\$ 32,907</u></u>

The following is a schedule of maturity requirements on long-term debt as of June 30, 2013:

<u>Year Ending June 30</u>	<u>Amount</u>
2014	10,430
2015	11,627
2016	8,333
2017	<u>2,464</u>
Total	<u><u>\$ 32,854</u></u>

The daily LIBOR rate at June 30, 2013 was 0.19%.

Note N - Lease Obligations

Catholic Charities was a party to one month-to-month building lease as of June 30, 2013, which requires monthly payments of approximately \$3,800. Total rent expense for the years ended June 30, 2013 and 2012, was \$76,321 and \$93,716, respectively.

**Archdiocese of Louisville
(Chancery and Certain Entities)
Notes To Combined Financial Statements (Continued)
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Note O - Related Party Transactions and Guarantees

An assessment is levied on parishes and certain other Archdiocesan entities to provide support for the activities of the Archdiocese. Total assessments for the years ended June 30, 2013 and 2012, were \$8,315,957 and \$8,219,665, respectively. Assessments receivable net of allowance for doubtful accounts and discounts at June 30, 2013 and 2012, were \$642,717 and \$766,839, respectively, and are included in accounts receivable in the combined statements of financial position. See Note E for additional information.

The Chancery provides support to various schools and missions located within the Archdiocese. The total support provided for the years ended June 30, 2013 and 2012, was \$536,591 and \$489,868, respectively.

Related party notes receivable consist of amounts due from clergy, parishes, and Catholic schools. At June 30, 2013 and 2012, such receivables totaled \$11,947,355 and \$18,171,207, respectively. Related party notes receivable at June 30, 2013 and 2012, are net of a discount to estimated present value of future payments of \$140,919 and \$155,778, respectively. No allowance for uncollectible notes receivable was determined necessary, however, a discount rate of 3.5% was used for each of the years ended June 30, 2013 and 2012. The original maturity dates vary from on demand to seven years. See Note H for additional information.

Related party notes payable consist of amounts due to parishes, Catholic schools and other organizations. At June 30, 2013 and 2012, such payables, after eliminations, totaled \$51,047,086 and \$49,579,917, respectively. See Note H for additional information.

The Chancery is a guarantor on \$200,000 in lines of credit to two Catholic high schools. There were no borrowings against these lines of credit at June 30, 2013.

The Chancery is a guarantor for approximately \$30.6 million in bank loans to parishes of the Archdiocese of Louisville at June 30, 2013. The parishes used the funds as a source of financing for capital projects. Terms of the loans and lines of credit range from one to seven years. If any parish should default, the Chancery may liquidate the parish assets to satisfy any outstanding obligation.

The Chancery is a guarantor of a \$2.0 million bank loan obtained by a Catholic educational institution.

The Chancery is a guarantor of a \$3.0 million bank loan obtained by a Catholic foundation. These funds were then loaned by the foundation to one of the Catholic elementary schools in the Archdiocese of Louisville for funding of a capital project and to fund additional capital expenditures. The balance of the loan at June 30, 2013, was approximately \$1.4 million.

The Chancery received no consideration for any of the guarantees. Management evaluates the loss exposure at the statement of financial position date, and no accruals for loss exposure were deemed necessary.

In December 2009, an unsecured bank qualified bond in the amount of \$10,100,000 was issued for the benefit of St. Bernadette Parish/St. Mary Academy School to replace the 2008 Series Bond. The original 2008 Series Bond was used for the land purchase and construction of St. Mary Academy School. The 2009 bond document contains certain covenants for which compliance is required by the Archdiocese, St. Bernadette Parish and St. Mary Academy. The balance of the bond was \$10,100,000 at June 30, 2012. In March 2013, an unsecured bank qualified bond in the amount of \$10,000,000 was issued as a replacement. The 2013 bond document contained certain covenants for which compliance is required by the Archdiocese, St. Bernadette Parish and St. Mary Academy. The balance of the bond was \$10,000,000 at June 30, 2013.

**Archdiocese of Louisville
(Chancery and Certain Entities)
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Note P - Retirement Benefits

Employees and Active Clergy:

The Archdiocese has a 401(k) plan that covers Archdiocesan, parish, school, and other agencies' eligible employees, as well as active diocesan priests. The Plan allows employees' contributions, up to the statutory limit and personal management of the employees' retirement accounts. The Archdiocese, parish, school or agency contributes 6% of eligible employees' gross pay each pay period and \$200 per month for active diocesan clergy to the Plan. The Archdiocese made contributions of approximately \$456,000 and \$452,000 to the Plan for the years ended June 30, 2013 and 2012, respectively.

Retired Clergy:

Retirement benefits and supplemental medical coverage benefits for retired diocesan clergy are determined by the Archbishop. The Archdiocese makes payments to these retired diocesan clergy in accordance with instructions from the Archbishop and expenses such payments as they are made.

The parishes pay to the Archdiocese an assessment for retirement benefits for retired clergy based on total parish income at the rate of 1.34% each year for the years ended June 30, 2013 and 2012. The assessment income for retirement benefits from the parishes was approximately \$1,603,000 and \$1,584,000 for the years ended June 30, 2013 and 2012, respectively, and is included in the total of parish assessments on the combined statements of activities. Remaining designated net assets for retirement benefits at June 30, 2013 and 2012, were \$3,990,190 and \$4,446,598, respectively.

Benefits paid to retired clergy for the years ended June 30, 2013 and 2012 follow:

	2013	2012
	<hr/>	<hr/>
Clergy retirement benefits	\$ 1,770,560	\$ 1,720,690
Supplemental medical coverage	<hr/> 180,823	<hr/> 193,849
	<hr/>	<hr/>
Total	<u><u>\$ 1,951,383</u></u>	<u><u>\$ 1,914,539</u></u>

Note Q - Contingencies

The Archdiocese may be involved in various legal actions arising in the ordinary course of its activities. It is the opinion of management and legal counsel that the ultimate liability, if any, with respect to these matters will not materially affect the financial position of the Archdiocese.

Note R - Regulatory Restricted - Perpetual Care Endowment

Kentucky state cemetery and funeral laws mandate that cemeteries designate a certain percentage of burial site sales to a perpetual care and maintenance trust fund. In accordance with this law, Catholic Cemeteries has established an endowed fund into which is set aside the following percentage of gross sales:

Grave space	20%
Crypts	5%
Niches	10%

The balance in this endowed fund at June 30, 2013 and 2012, was \$4,590,141 and \$4,332,945 respectively.

Archdiocese of Louisville
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Notes To Combined Financial Statements (Continued)
June 30, 2013 and 2012

Note S - Archbishop Designated Net Assets

Archbishop designated net assets are designated for the following purposes:

	2013	2012
Closed parishes	\$ 1,250,115	\$ 1,352,426
Clergy pension	3,990,190	4,446,598
Catholic Bicentennial Initiative Fund	6,770,943	6,298,454
Other	23,979	24,551
Total	<u>\$ 12,035,227</u>	<u>\$ 12,122,029</u>

Note T -Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	June 30, 2012	Contributions	Investment Income	Change in Beneficial Interest	Released from Restrictions	June 30, 2013
Poverty assistance	\$ 983,677	\$ 133,676	\$ 4,121	\$ -	\$ (358,659)	\$ 762,815
Seminarian and priest education	977,018	100	2,821	20,157	(13,936)	986,160
Specific operations	238,000	-	1,141	-	(25,962)	213,179
School scholarships	2,866	500	1,441	-	-	4,807
Maintenance and care of gravesites	601,133	-	25,545	-	(4,493)	622,185
Mission promotions	888,923	4,973	4,061	-	(179,598)	718,359
Building Future of Hope	4,606,540	-	-	-	(2,978,535)	1,628,005
Other	1,436,998	178,881	3,271	42,453	(462,310)	1,199,293
Total	<u>\$ 9,735,155</u>	<u>\$ 318,130</u>	<u>\$ 42,401</u>	<u>\$ 62,610</u>	<u>\$(4,023,493)</u>	<u>\$ 6,134,803</u>

	June 30, 2011	Contributions	Investment Income	Change in Beneficial Interest	Released from Restrictions	June 30, 2012
Poverty assistance	\$ 1,262,772	\$ 115,112	\$ 2,638	\$ -	\$ (396,845)	\$ 983,677
Seminarian and priest education	1,034,263	100	2,879	(53,875)	(6,349)	977,018
Specific operations	248,939	-	1,221	-	(12,160)	238,000
School scholarships	8,925	-	1,477	-	(7,536)	2,866
Maintenance and care of gravesites	580,877	-	25,142	-	(4,886)	601,133
Mission promotions	1,026,477	4,000	4,888	-	(146,442)	888,923
Building Future of Hope	4,406,342	200,198	-	-	-	4,606,540
Other	1,180,240	430,870	3,527	(1,352)	(176,287)	1,436,998
Total	<u>\$ 9,748,835</u>	<u>\$ 750,280</u>	<u>\$ 41,772</u>	<u>\$ (55,227)</u>	<u>\$ (750,505)</u>	<u>\$ 9,735,155</u>

Archdiocese of Louisville
(Chancery and Certain Entities)
Notes To Combined Financial Statements (Continued)
June 30, 2013 and 2012

Note T - Restricted Net Assets (Continued)

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is temporarily restricted for the endowment purpose:

	June 30, 2011	Contributions	Change in Beneficial Interest	June 30, 2012	Contributions	Change in Beneficial Interest	June 30, 2013
Seminarian and priest education	\$ 1,181,902	\$ -	\$ -	\$ 1,181,902	\$ -	\$ -	\$ 1,181,902
Maintenance and care of gravesites	660,609	10,000	-	670,609	1,000	-	671,609
School scholarships	696,187	-	-	696,187	-	-	696,187
Poverty assistance	464,231	-	(16,137)	448,094	-	24,234	472,328
Other	87,982	-	-	87,982	-	-	87,982
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 3,090,911</u>	<u>\$ 10,000</u>	<u>\$ (16,137)</u>	<u>\$ 3,084,774</u>	<u>\$ 1,000</u>	<u>\$ 24,234</u>	<u>\$ 3,110,008</u>

Permanently restricted net assets are not available to fund the unrestricted operations of the Archdiocese and are included in the combined statements of financial position in the following asset accounts:

	2013	2012
Investment in marketable securities	\$ 2,671,554	\$ 2,670,554
Beneficial interest in third-party trusts	438,454	414,220
	<u>\$ 3,110,008</u>	<u>\$ 3,084,774</u>

Archdiocese of Louisville
(Chancery and Certain Entities)
Notes To Combined Financial Statements (Continued)
June 30, 2013 and 2012

Note U - Functional Expenses

A summary of expenses by functional classification for the years ended June 30, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Chancery (post eliminations)		
Program Expenses		
Retired Priest, Other Clergy and Seminarians	\$ 2,937,848	\$ 2,859,938
Archdiocesan Communications Center	1,927,911	1,991,745
Office of Lifelong Learning and Education	1,433,577	1,643,937
Education Grants	947,284	1,684,959
Office of Multicultural Ministries	654,746	663,156
Other Grants	548,457	578,433
Family Ministries	444,207	447,455
Grants to Other Catholic Organizations	300,399	279,889
Tribunal Office	275,920	278,911
Vocation Office	222,720	201,824
Worship Office	217,860	244,377
Diaconate Office	185,437	127,065
Other Archdiocesan support	149,095	75,644
Priest Personnel	111,743	120,399
	<u>10,357,204</u>	<u>11,197,732</u>
Supporting Activities Expenses and Losses		
Administrative Support	3,602,088	3,636,994
Unrealized loss in market value of securities	-	2,661,426
Deposit and Loan Fund Interest	393,822	213,923
Other Interest Expense	136,866	136,151
	<u>4,132,776</u>	<u>6,648,494</u>
Fundraising Expenses		
Office of Stewardship and Development	<u>407,995</u>	<u>378,691</u>
Total Expenses and Losses Chancery	<u><u>\$ 14,897,975</u></u>	<u><u>\$ 18,224,917</u></u>

Archdiocese of Louisville
(Chancery and Certain Entities)
Notes To Combined Financial Statements (Continued)
June 30, 2013 and 2012

Note U - Functional Expenses (Continued)

	<u>2013</u>	<u>2012</u>
Catholic Charities (post eliminations)		
Program Expenses		
Refugee programs	\$ 14,950,706	\$ 10,883,347
Language and immigration legal services	1,079,860	982,807
Case management services	1,056,675	1,073,021
Catholic identity and external relations	400,943	214,893
	<u>17,488,184</u>	<u>13,154,068</u>
Supporting Activities Expenses		
Administrative services	844,104	687,913
Fundraising Expenses	192,857	170,015
Total Expenses Catholic Charities	\$ 18,525,145	\$ 14,011,996
Catholic Cemeteries (post eliminations)		
Program Expenses		
Cemetery Operations	\$ 1,459,249	\$ 1,468,396
Cost of Sales	388,241	275,799
	<u>1,847,490</u>	<u>1,744,195</u>
Supporting Activities Expenses		
Administrative services	557,796	554,109
Total Expenses Catholic Cemeteries	\$ 2,405,286	\$ 2,298,304
Total Expenses and Losses Combined	<u><u>\$ 35,828,406</u></u>	<u><u>\$ 34,535,217</u></u>

Supplementary Information

Archdiocese of Louisville
(Chancery and Certain Entities)
Combining Statements of Financial Position
June 30, 2013

	Chancery	Deposit and Loan Fund	Catholic Cemeteries	Catholic Charities	Catholic Bicentennial Initiatives Fund, Inc.	Eliminations	Combined
Assets							
Assets							
Cash and cash equivalents	\$ 8,595,952	\$ -	\$ 271,867	\$ 85,821	\$ 793,518	\$ -	\$ 9,747,158
Investments	94,099,428	-	659,147	6,729	5,935,866	-	100,701,170
Accrued interest receivable on investments	118,029	-	-	-	6,636	-	124,665
Accounts receivable, net	1,096,708	-	211,679	568,719	34,923	(34,923)	1,877,106
Pledge receivables, net	5,583,636	-	-	-	-	-	5,583,636
Grants and other receivables	-	-	-	510,595	-	-	510,595
Prepaid expenses	70,463	-	40,573	50,921	-	-	161,957
Inventories	-	-	28,039	-	-	-	28,039
Notes receivable - parishes and other related parties, net	2,381,682	9,565,673	-	-	-	-	11,947,355
Accrued interest receivable on notes receivable	23,338	638,798	-	-	-	-	662,136
Beneficial interest in third-party trusts	426,452	-	-	945,476	-	-	1,371,928
Cemetery lot development costs	-	-	3,941,384	-	-	-	3,941,384
Mausoleums, columbariums, and lots	-	-	948,645	-	-	-	948,645
Property and equipment, net	2,849,686	-	1,118,728	754,318	-	-	4,722,732
Interfund receivables	-	45,867,193	9,146,077	-	-	(55,013,270)	-
Total Assets	\$ 115,245,374	\$ 56,071,664	\$ 16,366,139	\$ 2,922,579	\$ 6,770,943	\$ (55,048,193)	\$ 142,328,506

Archdiocese of Louisville

(Chancery and Certain Entities)

Combining Statements of Financial Position (Continued)

June 30, 2013

	Chancery	Deposit and Loan Fund	Catholic Cemeteries	Catholic Charities	Catholic Bicentennial Initiatives Fund, Inc.	Eliminations	Combined
Liabilities and Equity							
Liabilities							
Accounts payable and accrued expenses	\$ 896,563	\$ -	\$ 112,515	970,862	\$ -	\$ (34,923)	\$ 1,945,017
Pledges payable, net	3,955,631	-	-	-	-	-	3,955,631
Collections payable	382,280	-	-	-	-	-	382,280
Deferred revenue	-	-	759,489	-	-	-	759,489
Interfund payables	45,867,193	-	-	-	-	(45,867,193)	-
Notes payable	-	-	-	32,854	-	-	32,854
Notes payable - parishes and other related parties	6,983,694	53,184,846	-	24,623	-	(9,146,077)	51,047,086
Total Liabilities	58,085,361	53,184,846	872,004	1,028,339	-	(55,048,193)	58,122,357
Net Assets							
Unrestricted net assets							
Invested in property and equipment	2,849,686	-	1,118,728	721,464	-	-	4,689,878
Expendable net assets	42,160,178	2,886,818	8,491,472	107,624	-	-	53,646,092
Archbishop designated	5,264,284	-	-	-	6,770,943	-	12,035,227
Regulatory restricted - perpetual care endowment	-	-	4,590,141	-	-	-	4,590,141
Total Unrestricted Net Assets	50,274,148	2,886,818	14,200,341	829,088	6,770,943	-	74,961,338
Temporarily restricted	4,885,920	-	622,185	626,698	-	-	6,134,803
Permanently restricted	1,999,945	-	671,609	438,454	-	-	3,110,008
Total Net Assets	57,160,013	2,886,818	15,494,135	1,894,240	6,770,943	-	84,206,149
Total Liabilities and Equity	<u>\$ 115,245,374</u>	<u>\$ 56,071,664</u>	<u>\$ 16,366,139</u>	<u>\$ 2,922,579</u>	<u>\$ 6,770,943</u>	<u>\$ (55,048,193)</u>	<u>\$ 142,328,506</u>

Archdiocese of Louisville
(Chancery and Certain Entities)
Combining Statement of Financial Position
June 30, 2012

	Chancery	Deposit and Loan Fund	Catholic Cemeteries	Catholic Charities	Catholic Bicentennial Initiatives Fund, Inc.	Eliminations	Combined
Assets							
Assets							
Cash and cash equivalents	\$ 6,462,409	\$ -	\$ 448,238	\$ 105,707	\$ 6,197,131	\$ -	\$ 13,213,485
Investments	80,420,528	-	588,342	6,690	-	-	81,015,560
Accrued interest receivable on investments	130,105	-	-	-	-	-	130,105
Accounts receivable, net	1,205,797	-	178,467	190,444	101,323	(101,323)	1,574,708
Pledge receivables, net	11,000,256	-	-	-	-	-	11,000,256
Grants and other receivables	-	-	-	1,239,908	-	-	1,239,908
Prepaid expenses	116,348	-	40,436	39,672	-	-	196,456
Inventories	-	-	31,242	-	-	-	31,242
Notes receivable - parishes and other related parties, net	4,620,385	13,550,822	-	-	-	-	18,171,207
Accrued interest receivable on notes receivable	22,125	646,594	-	-	-	-	668,719
Beneficial interest in third-party trusts	406,295	-	-	878,699	-	-	1,284,994
Cemetery lot development costs	-	-	3,748,621	-	-	-	3,748,621
Mausoleums, columbariums, and lots	-	-	974,269	-	-	-	974,269
Property and equipment, net	2,876,250	-	385,867	780,939	-	-	4,043,056
Interfund receivables	-	40,431,898	9,130,049	-	-	(49,561,947)	-
Total Assets	<u>\$107,260,498</u>	<u>\$ 54,629,314</u>	<u>\$ 15,525,531</u>	<u>\$ 3,242,059</u>	<u>\$ 6,298,454</u>	<u>\$ (49,663,270)</u>	<u>\$137,292,586</u>

Archdiocese of Louisville
(Chancery and Certain Entities)
Combining Statement of Financial Position (Continued)
June 30, 2012

	Chancery	Deposit and Loan Fund	Catholic Cemeteries	Catholic Charities	Catholic Bicentennial Initiatives Fund	Eliminations	Combined
Liabilities and Equity							
Liabilities							
Accounts payable and accrued expenses	\$ 1,090,761	\$ -	\$ 111,925	\$ 1,061,018	\$ -	\$ (101,323)	\$ 2,162,381
Pledges payable, net	7,347,276	-	-	-	-	-	7,347,276
Grants payable	966	-	-	-	-	-	966
Collections payable	206,953	-	-	-	-	-	206,953
Deferred revenue	20,543	-	679,054	-	-	-	699,597
Interfund payables	40,431,898	-	-	-	-	(40,431,898)	-
Notes payable	2,000,000	-	-	42,269	-	-	2,042,269
Notes payable - parishes and other related parties	6,808,938	51,839,407	-	61,621	-	(9,130,049)	49,579,917
Total Liabilities	57,907,335	51,839,407	790,979	1,164,908	-	(49,663,270)	62,039,359
Net Assets							
Unrestricted net assets							
Invested in property and equipment	2,876,250	-	385,867	738,670	-	-	4,000,787
Expendable net assets	30,363,915	2,789,907	8,743,998	79,717	-	-	41,977,537
Archbishop designated	5,823,575	-	-	-	6,298,454	-	12,122,029
Regulatory restricted - perpetual care endowment	-	-	4,332,945	-	-	-	4,332,945
Total Unrestricted Net Assets	39,063,740	2,789,907	13,462,810	818,387	6,298,454	-	62,433,298
Temporarily restricted	8,289,478	-	601,133	844,544	-	-	9,735,155
Permanently restricted	1,999,945	-	670,609	414,220	-	-	3,084,774
Total Net Assets	49,353,163	2,789,907	14,734,552	2,077,151	6,298,454	-	75,253,227
Total Liabilities and Net Assets	\$ 107,260,498	\$ 54,629,314	\$ 15,525,531	\$ 3,242,059	\$ 6,298,454	\$ (49,663,270)	\$ 137,292,586

Archdiocese of Louisville
(Chancery and Certain Entities)
Combining Statements of Activities
For the Year Ended June 30, 2013

	Chancery	Deposit and Loan Fund	Catholic Cemeteries	Catholic Charities	Catholic Bicentennial Initiatives Fund, Inc.	Eliminations	Combined
Revenue, Support, and Gains							
Donations, bequests, and grants	\$ 953,209	\$ -	\$ 1,085	17,057,294	\$ 825,408	\$ (1,910,160)	\$ 16,926,836
Parish assessments	8,423,225	-	-	-	-	(107,268)	8,315,957
Special collections	477,275	-	-	-	-	-	477,275
Burial sales	-	-	2,178,491	-	-	-	2,178,491
Catholic Services Appeal	2,631,972	-	-	-	-	-	2,631,972
Fee income	221,311	-	1,052,674	1,080,269	-	(119)	2,354,135
Program and activity income	452,044	-	-	1,685	-	(7,670)	446,059
Rental income	196,517	-	23,125	2,000	-	(51,284)	170,358
Advertising income	583,117	-	-	-	-	(8,339)	574,778
Investment income, net	1,961,505	246,754	3,942	45,850	207,734	-	2,465,785
Interfund interest	(243,979)	243,979	-	-	-	-	-
Increase in value of split interest agreements	20,157	-	-	66,687	-	-	86,844
Unrealized gain (loss) in market value of investments	6,351,656	-	-	-	(259,668)	-	6,091,988
Realized gain (loss) on sale of investment	1,865,911	-	-	-	(17)	-	1,865,894
Other income	95,994	-	12,820	88,149	-	(2,007)	194,956
Total Revenues, Support, and Gains	<u>\$ 23,989,914</u>	<u>\$ 490,733</u>	<u>\$ 3,272,137</u>	<u>\$ 18,341,934</u>	<u>\$ 773,457</u>	<u>\$ (2,086,847)</u>	<u>\$ 44,781,328</u>

Archdiocese of Louisville

(Chancery and Certain Entities)

Combining Statements of Activities (Continued)

For the Year Ended June 30, 2013

	Chancery	Deposit and Loan Fund	Catholic Cemeteries	Catholic Charities	Catholic Bicentennial Initiatives Fund, Inc.	Eliminations	Combined
Expenses and Losses							
Salary expense	\$ 4,515,624	\$ -	\$ 1,134,877	\$ 2,835,526	\$ -	\$ -	\$ 8,486,027
Payroll added expense	1,058,211	-	338,850	801,172	-	-	2,198,233
Clergy retirement benefits	1,770,569	-	-	-	-	-	1,770,569
Mileage and expense allowance	568,096	-	11,829	182,281	-	(510)	761,696
Education expense	668,804	-	1,226	53,802	-	(2,335)	721,497
Rent expense	87,752	-	2,921	24,348	-	(38,700)	76,321
Office supplies and services	861,345	-	75,543	152,922	-	(9)	1,089,801
Plant and grounds expense	491,286	-	204,964	178,114	-	-	874,364
Auto expense	4,815	-	63,294	39,867	-	-	107,976
Public relations, donations, and grants	89,283	-	107,268	-	300,003	(407,268)	89,286
Advertising expense	163,720	-	15,756	-	-	(10,307)	169,169
Professional fees and services	240,567	-	37,425	496,997	-	(3,045)	771,944
Program and activity expense	543,944	-	-	405,980	-	(10,529)	939,395
Broadcasting/press expense	471,244	-	-	54,045	-	(17)	525,272
Archdiocesan support	1,910,558	-	-	34,329	-	(1,610,160)	334,727
Education grants	401,250	-	-	658,852	-	-	1,060,102
Cost of sales	-	-	388,241	-	-	-	388,241
Papal and national organizations	138,405	-	-	-	-	-	138,405
Other grants and direct aid	945,802	-	-	12,452,220	-	-	13,398,022
Other restricted expense payments	84,959	-	-	-	-	(4,035)	80,924
Interest expense	136,201	393,822	-	6,373	965	-	537,361
Depreciation expense	232,765	-	101,349	80,114	-	-	414,228
Bad debt expense	541,277	-	-	-	-	-	541,277
Miscellaneous expense	256,587	-	29,011	67,903	-	68	353,569
Total Expenses and Losses	16,183,064	393,822	2,512,554	18,524,845	300,968	(2,086,847)	35,828,406
Change in Net Assets	7,806,850	96,911	759,583	(182,911)	472,489	-	8,952,922
Net Assets, Beginning of Year	49,353,163	2,789,907	14,734,552	2,077,151	6,298,454	-	75,253,227
Net Assets, End of Year	\$ 57,160,013	\$ 2,886,818	\$ 15,494,135	\$ 1,894,240	\$ 6,770,943	\$ -	\$ 84,206,149

Archdiocese of Louisville
(Chancery and Certain Entities)
Combining Statements of Activities
For the Year Ended June 30, 2012

	Chancery	Deposit and Loan Fund	Catholic Cemeteries	Catholic Charities	Catholic Bicentennial Initiatives Fund, Inc.	Eliminations	Combined
Revenue, Support, and Gains							
Donations, bequests, and grants	\$ 1,110,054	\$ -	\$ 10,000	\$ 13,272,897	\$ 1,536,673	\$ (2,609,836)	\$ 13,319,788
Parish assessments	8,334,769	-	-	-	-	(115,104)	8,219,665
Special collections	452,854	-	-	-	-	-	452,854
Burial sales	-	-	1,824,584	-	-	-	1,824,584
Catholic Services Appeal	2,148,660	-	-	-	-	-	2,148,660
Fee income	229,370	-	806,024	1,007,111	-	(150)	2,042,355
Program and activity income	448,227	-	-	13,877	-	(10,414)	451,690
Rental income	200,908	-	21,798	2,200	-	(51,587)	173,319
Advertising income	624,115	-	-	-	-	(8,307)	615,808
Investment income, net	1,599,865	189,375	188,632	39,455	11,450	-	2,028,777
Interfund interest	(198,198)	198,198	-	-	-	-	-
Decrease in value of split interest agreements	(53,875)	-	-	(17,489)	-	-	(71,364)
Realized gain on sale of investment	450,260	-	-	-	-	-	450,260
Other income	162,928	-	11,833	32,237	-	(16,162)	190,836
Total Revenues, Support, and Gains	<u>\$ 15,509,937</u>	<u>\$ 387,573</u>	<u>\$ 2,862,871</u>	<u>\$ 14,350,288</u>	<u>\$ 1,548,123</u>	<u>\$ (2,811,560)</u>	<u>\$ 31,847,232</u>

Archdiocese of Louisville
(Chancery and Certain Entities)
Combining Statements of Activities (Continued)
For the Year Ended June 30, 2012

	Chancery	Deposit and Loan Fund	Catholic Cemeteries	Catholic Charities	Catholic Bicentennial Initiatives Fund, Inc.	Eliminations	Combined
Expenses and Losses							
Salary expense	\$ 4,469,366	\$ -	\$ 1,123,849	\$ 2,824,889	\$ -	\$ -	\$ 8,418,104
Payroll added expense	1,150,988	-	365,679	777,725	-	-	2,294,392
Clergy retirement benefits	1,720,690	-	-	-	-	-	1,720,690
Mileage and expense allowance	567,067	-	8,815	156,258	-	-	732,140
Education expense	610,282	-	537	55,843	-	-	666,662
Rent expense	88,655	-	431	52,130	-	(47,500)	93,716
Office supplies and services	872,134	-	52,071	120,951	-	-	1,045,156
Plant and grounds expense	557,195	-	192,222	55,864	-	-	805,281
Auto expense	5,670	-	69,227	21,835	-	(295)	96,437
Public relations, donations, and grants	76,124	-	115,104	-	300,000	(415,104)	76,124
Advertising expense	167,894	-	17,363	-	-	(9,737)	175,520
Professional fees and services	301,980	-	27,162	292,456	-	(16,960)	604,638
Program and activity expense	672,149	-	-	193,297	-	(6,841)	858,605
Broadcasting/press expense	471,558	-	-	82,478	-	-	554,036
Archdiocesan support	2,589,725	-	-	32,176	-	(2,309,836)	312,065
Education grants	393,000	-	-	568,793	-	-	961,793
Cost of sales	-	-	275,799	-	-	-	275,799
Papal and national organizations	151,093	-	-	-	-	-	151,093
Other grants and direct aid	1,794,455	-	-	8,664,892	-	-	10,459,347
Other restricted expense payments	65,632	-	-	-	-	(5,135)	60,497
Interest expense	136,151	213,923	-	5,777	-	-	355,851
Depreciation expense	229,674	-	124,673	47,824	-	-	402,171
Unrealized loss in market value of investments	2,661,426	-	-	-	-	-	2,661,426
Bad debt expense	394,296	-	-	-	-	-	394,296
Miscellaneous expense	260,246	-	40,476	58,808	-	(152)	359,378
Total Expenses and Losses	20,407,450	213,923	2,413,408	14,011,996	300,000	(2,811,560)	34,535,217
Changes in Net Assets	(4,897,513)	173,650	449,463	338,292	1,248,123	-	(2,687,985)
Net Assets, Beginning of Year	54,250,676	2,616,257	14,285,089	1,738,859	5,050,331	-	77,941,212
Net Assets, End of Year	\$ 49,353,163	\$ 2,789,907	\$ 14,734,552	\$ 2,077,151	\$ 6,298,454	\$ -	\$ 75,253,227