

July 14, 2015

TO: Sr. Mary Persico
 FROM: Chad Whetstone
 RE: June 2015 Financial Statements

Enclosed for your review are the financial statements of Allegany Franciscan Ministries, Inc. as of June 30, 2015 and the twelve months then ended.

Operating revenue: Operating revenue of \$2,586,955 for the month of June consists of the allocation of investment income to cover operating expenses as in accordance with the revised spending policies of CHE Trinity Health.

Expenses: Total monthly consolidated operating expenses of \$2,586,955 were \$1,320,070 more than budgeted expenses of \$1,266,885. Part of the grants approved during the month in the amount of \$2,270,151 were budgeted grants postponed from a prior month. Total grants approved during the year were \$5,203,108 compared to budgeted grants of \$5,700,000. The office operating expenses were \$150,136 compared to the budgeted amount of \$105,217. Year to date office operating expenses were \$1,340,457 compared to budgeted office expenses of \$1,333,396.

Investments: Investments are allocated in accordance with the CHE Trinity Health model. Total amounts of alternative investments for disclosure are not available.

		<u>Current Month</u>	<u>Year to Date</u>
Grants activity:	Beginning balance payable	\$3,124,250	\$4,239,000
	New grants	2,270,151	5,202,608
	Grants paid	445,701	4,482,908
	Ending balance	\$4,958,700	\$4,958,700

Investment income: Total net investment income for the month of June (before the operating expense allocation) was a loss of (\$566,658) as compared to budgeted income of \$526,059. Net investment income consisted of investment income of \$133,084, realized losses of (\$11,794), unrealized losses of (\$636,244), earnings from alternative investments of \$27,690, and unrealized gains on alternative investments of \$8,750. Investment costs of \$88,144 were also netted against income. Net investment income (loss) year to date consisted of investment income of \$1,335,229, realized gains of \$3,009,709, unrealized losses of (\$3,555,177), earnings from alternative investments of \$1,304,240, unrealized gains on alternative investments of \$276,750 less investment costs of \$413,646. Total income year to date income before operating expense allocation was a gain of \$1,957,105 compared to income of \$14,213,793 in 2014.

Unrestricted net assets: Unrestricted net assets as of June 30, 2015 were \$121,309,696 reflecting a monthly decrease in net assets of (\$3,153,613) and a cumulative year to date decrease of (\$6,576,460) compared to a cumulative increase of \$5,404,854 in 2014.

Allegheny Franciscan Ministries, Inc.
Financial Statements
For the one month and twelve months ended
June 30, 2015

ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Allegany Franciscan Ministries, Inc.
Palm Harbor, FL

We have compiled the accompanying balance sheet of Allegany Franciscan Ministries, Inc. (a not for profit corporation) as of June 30, 2015, and the related statement of activity for the one month and twelve months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Allegany Franciscan Ministries, Inc.

Carr, Riggs & Ingram, LLC

July 14, 2015

Allegany Franciscan Ministries, Inc.
Balance Sheet
As of June 30, 2015
See Accountants' Compilation Report

Assets

Current assets	
Cash	\$ 838,828
Prepaid expenses	12,667
Total current assets	851,495
Investments	125,386,964
Property and equipment	
Property and equipment	86,639
Accumulated depreciation	(61,148)
Net property and equipment	25,491
Other Assets	
Deposits	6,715
Total assets	\$ 126,270,664

Liabilities & Net Assets

Current liabilities	
Accounts payable	\$ 2,268
Pledges payable	4,958,700
Accrued liabilities	0
Total current liabilities	4,960,968
Net assets	
Beginning net assets	127,613,505
YTD increase (decrease) in net assets	(6,576,461)
Total net assets	121,309,696
Total liabilities and net assets	\$ 126,270,664

Allegany Franciscan Ministries, Inc.
Statements of Activities - Actual vs. Budget
For the one month and twelve months ended June 30, 2015

See Accountants' Compilation Report

TOTAL FY 2015 BUDGET	CURRENT PERIOD ACTUAL	CURRENT PERIOD BUDGET	CURRENT PERIOD VARIANCE		YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	YEAR TO DATE VARIANCE
Operating revenues								
\$ 0	\$ 0	\$ 0	\$ 0	Other income	\$ 10,000	\$ 17,792	\$ 0	\$ 10,000
0	0	0	0	Grant refunds & cancellations	0	1,000	0	0
9,033,396	2,586,955	1,266,875	1,320,080	Allocation of investment income	8,533,565	8,808,940	9,033,396	(499,831)
<u>9,033,396</u>	<u>2,586,955</u>	<u>1,266,875</u>	<u>1,320,080</u>	Total operating revenues	<u>8,543,565</u>	<u>8,827,732</u>	<u>9,033,396</u>	<u>(489,831)</u>
Office operating expenses								
725,298	60,516	55,841	(4,675)	Salaries	744,079	657,988	725,298	(18,781)
204,632	12,769	15,755	2,986	Benefits	198,250	184,223	204,632	6,382
12,000	2,202	1,000	(1,202)	Supplies	9,550	10,189	12,000	2,450
10,000	1,311	833	(478)	Legal fees	13,892	7,413	10,000	(3,892)
34,000	33,052	2,833	(30,219)	Consulting fees	56,824	35,486	34,000	(22,824)
46,000	2,000	3,833	1,833	Accounting	33,715	55,796	46,000	12,285
4,400	2,957	367	(2,590)	Depreciation	7,004	7,080	4,400	(2,604)
2,500	550	208	(342)	Design, printing & photography	1,035	215	2,500	1,465
33,000	2,252	2,750	498	Technology services	31,206	30,897	33,000	1,794
18,000	5,213	1,500	(3,713)	Catering	21,752	10,585	18,000	(3,752)
1,200	602	100	(502)	Other purchased services	2,110	95	1,200	(910)
14,000	1,064	1,167	103	Regional convening/development	16,116	15,331	14,000	(2,116)
17,500	1,382	1,458	76	Telephone	15,354	15,432	17,500	2,146
2,500	2	208	206	Postage	1,341	1,838	2,500	1,159
14,000	195	1,167	972	Bank & investment charges	2,385	14,243	14,000	11,615
22,000	103	1,833	1,730	Insurance	1,233	23,572	22,000	20,767
70,466	5,442	5,872	430	Occupancy	64,672	64,754	70,466	5,794

Allegany Franciscan Ministries, Inc.
Statements of Activities - Actual vs. Budget
For the one month and twelve months ended June 30, 2015

See Accountants' Compilation Report

TOTAL FY 2015 BUDGET	CURRENT PERIOD ACTUAL	CURRENT PERIOD BUDGET	CURRENT PERIOD VARIANCE		YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	YEAR TO DATE VARIANCE
13,000	2,750	1,083	(1,667)	Dues & subscriptions	8,486	13,980	13,000	4,514
84,000	14,974	7,000	(7,974)	Travel & meetings	106,307	86,072	84,000	(22,307)
4,400	800	367	(433)	Equipment rental	5,010	4,546	4,400	(610)
500	0	42	42	Miscellaneous expense	136	61	500	364
<u>1,333,396</u>	<u>150,136</u>	<u>105,217</u>	<u>(44,919)</u>	Total office operating expenses	<u>1,340,457</u>	<u>1,239,796</u>	<u>1,333,396</u>	<u>(7,061)</u>
				Grants and related expenses				
1,000,000	83,334	83,334	0	Trinity system office allocation	1,000,000	1,000,000	1,000,000	0
1,000,000	83,334	83,334	0	FSA Allocation	1,000,000	1,000,000	1,000,000	0
300,000	130,000	75,000	(55,000)	Grants - All Region	297,500	450,000	300,000	2,500
1,260,000	405,000	100,000	(305,000)	Grants - TB	1,735,000	2,495,000	1,260,000	(475,000)
700,000	603,000	0	(603,000)	Grants - PBC	1,189,000	1,592,000	700,000	(489,000)
100,000	270,000	0	(270,000)	Grants - MD	375,000	450,000	100,000	(275,000)
1,400,000	378,000	300,000	(78,000)	Grants - CGI - TB	745,500	0	1,400,000	654,500
1,000,000	61,950	200,000	138,050	Grants - CGI - PBC	204,162	0	1,000,000	795,838
500,000	52,500	100,000	47,500	Grants - CGI - MD	67,695	0	500,000	432,305
0	701	0	(701)	Grant-Related - CGI - TB	701	0	0	(701)
0	0	0	0	Grant-Related - CGI - MD	550	0	0	(550)
150,000	78,000	75,000	(3,000)	ACOR grants	153,000	118,700	150,000	(3,000)
<u>290,000</u>	<u>291,000</u>	<u>145,000</u>	<u>(146,000)</u>	TAU Grants	<u>435,000</u>	<u>482,235</u>	<u>290,000</u>	<u>(145,000)</u>
<u>7,700,000</u>	<u>2,436,819</u>	<u>1,161,668</u>	<u>(1,275,151)</u>	Total grants and related expenses	<u>7,203,108</u>	<u>7,587,935</u>	<u>7,700,000</u>	<u>496,892</u>
<u>9,033,396</u>	<u>2,586,955</u>	<u>1,266,885</u>	<u>(1,320,070)</u>	Total operating expenses	<u>8,543,565</u>	<u>8,827,731</u>	<u>9,033,396</u>	<u>489,831</u>
<u>0</u>	<u>(0)</u>	<u>(10)</u>	<u>10</u>	Operating income (loss)	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>

Allegany Franciscan Ministries, Inc.
Statements of Activities - Actual vs. Budget
For the one month and twelve months ended June 30, 2015

See Accountants' Compilation Report

TOTAL FY 2015 BUDGET	CURRENT PERIOD ACTUAL	CURRENT PERIOD BUDGET	CURRENT PERIOD VARIANCE		YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	YEAR TO DATE VARIANCE
				Investment revenues, net				
0	133,084	0	133,084	Interest & dividend income	1,335,229	1,282,874	0	1,335,229
0	27,690	0	27,690	Earnings from managed assets	1,304,240	581,236	0	1,304,240
0	8,750	0	8,750	Unrealized gains(loss)-mng assets	276,750	2,183,594	0	276,750
0	(88,144)	0	(88,144)	Less investment costs	(413,646)	(397,105)	0	(413,646)
6,312,711	(11,794)	526,059	(537,853)	Realized gains (losses)	3,009,709	6,121,710	6,312,711	(3,303,002)
0	(636,244)	0	(636,244)	Unrealized gains (losses)	(3,555,177)	4,441,484	0	(3,555,177)
<u>(9,033,396)</u>	<u>(2,586,955)</u>	<u>(1,266,875)</u>	<u>(1,320,080)</u>	Less allocated investment income	<u>(8,533,565)</u>	<u>(8,808,940)</u>	<u>(9,033,396)</u>	<u>499,831</u>
<u>(2,720,685)</u>	<u>(3,153,613)</u>	<u>(740,816)</u>	<u>(2,412,797)</u>	Total investment revenues, net	<u>(6,576,460)</u>	<u>5,404,853</u>	<u>(2,720,685)</u>	<u>(3,855,775)</u>
				Excess (Deficit) of				
<u><u>\$(2,720,685)</u></u>	<u><u>\$ (3,153,613)</u></u>	<u><u>\$ (740,826)</u></u>	<u><u>\$(2,412,787)</u></u>	revenues over expenses	<u><u>\$(6,576,460)</u></u>	<u><u>\$ 5,404,854</u></u>	<u><u>\$(2,720,685)</u></u>	<u><u>\$(3,855,775)</u></u>