

July 14, 2016

TO: Sr. Mary Ann Dillon
 FROM: Chad Whetstone
 RE: June 2016 Financial Statements

Enclosed for your review are the financial statements of Allegany Franciscan Ministries, Inc. as of June 30, 2016 and the twelve months then ended.

Operating revenue: Operating revenue of \$2,720,316 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 Trinity Health.

Expenses: Total monthly operating expenses of \$2,720,316 were \$1,345,286 more than budgeted expenses of \$1,375,030. Grants budgeted for prior months were approved in June. Total grants for the year were under budget by \$1,558,004, of which \$1,509,844 has been set aside in current assets to be expended in the following year. The office operating expenses were \$135,898 compared to the budgeted amount of \$113,362. Year to date office operating expenses were \$1,321,565 compared to budgeted office expenses of \$1,348,736.

Investments: Investments are allocated in accordance with the 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	\$3,487,750	\$4,958,700
	New grants	2,417,750	4,673,996
	Grants paid	1,063,000	4,790,196
	Ending balance	\$4,842,500	\$4,842,500

Investment income: Total net investment income (loss) for the month of June (before the operating expense allocation) was a loss of (\$100,484) as compared to budgeted income of \$519,333. Net investment income consisted of investment income of \$132,773, realized gains of \$271,947, unrealized losses of (\$396,808), a gain from alternative investments of \$36,890, and unrealized losses on alternative investments of (\$75,127). Investment costs of \$70,523 were also netted against income. Net investment income (loss) year to date consisted of investment income of \$1,333,444, realized losses of (\$1,486,676), unrealized losses of (\$2,989,930), earnings from alternative investments of \$457,552, unrealized losses on alternative investments of (\$571,812) less investment costs of \$367,194. Total investment income (loss) year to date before operating expense allocation was a loss of (\$3,625,455) compared to a gain of \$1,957,108 in 2015.

Unrestricted net assets: Unrestricted net assets as of June 30, 2016 were \$109,726,917 reflecting a monthly decrease in net assets of (\$2,821,164) and a cumulative year to date decrease of (\$11,582,779) compared to a cumulative decrease of (\$6,576,457) in 2015.

Allegheny Franciscan Ministries, Inc.

Financial Statements

For the one month and twelve months ended

June 30, 2016



Carr, Riggs & Ingram, LLC
2111 Drew Street
Clearwater, FL 33765

(727) 446-0504
(727) 461-7384 (fax)
www.cricpa.com

ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying financial statements of Allegany Franciscan Ministries, Inc. (a not for profit corporation), which comprise the balance sheet as of June 30, 2016 and the related statement of activities for the one month and twelve months then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures, the statement of cash flows, and the statement of changes in net assets required by accounting principles generally accepted in the United States of America. If the omitted disclosures, statement of cash flows and statement of changes in net assets were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of activities, 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, 2016

Allegany Franciscan Ministries, Inc.
Balance Sheet
As of June 30, 2016

See Accountants' Compilation Report

Assets

Current assets

Petty cash	\$ 300
Prepaid expenses	7,670
Assets limited as to use: By Board, Current (FY16 CGI Unexpended Funds)	<u>1,509,844</u>
Total current assets	1,517,814

Investments

113,997,723

Property and equipment

Property and equipment	69,346
Accumulated depreciation	<u>(49,793)</u>
Net property and equipment	19,553

Other Assets

Deposits	<u>6,715</u>
----------	--------------

Total assets

\$ 115,541,805

Liabilities & Net Assets

Current liabilities

Pledges payable	\$ 4,842,500
Accrued liabilities - FSA and Trinity fees	83,334
Accrued operating expenses	<u>889,054</u>
Total current liabilities	<u><u>5,814,888</u></u>

Net assets

Beginning net assets	121,037,044
YTD increase (decrease) in net assets	<u>(11,582,779)</u>
Total net assets	<u><u>109,726,917</u></u>
Total liabilities and net assets	<u><u>\$ 115,541,805</u></u>

Allegany Franciscan Ministries, Inc.
Statements of Activities - Actual vs. Budget
For the one month and twelve months ended June 30, 2016

See Accountants' Compilation Report

TOTAL FY 2016 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	Contributions	\$ 33,237	\$ 0	\$ 0	\$ 33,237
0	0	0	0	Other income	0	10,000	0	0
0	0	0	0	Grant refunds & cancellations	5,000	0	0	5,000
<u>9,580,736</u>	<u>2,720,316</u>	<u>1,375,030</u>	<u>1,345,286</u>	Allocation of investment income	<u>7,957,324</u>	<u>8,533,565</u>	<u>9,580,736</u>	<u>(1,623,412)</u>
<u>9,580,736</u>	<u>2,720,316</u>	<u>1,375,030</u>	<u>1,345,286</u>	Total operating revenues	<u>7,995,561</u>	<u>8,543,565</u>	<u>9,580,736</u>	<u>(1,585,175)</u>
Office operating expenses								
787,043	67,516	66,758	(758)	Salaries	784,789	744,079	787,043	2,254
191,244	15,039	16,865	1,826	Benefits	150,126	198,250	191,244	41,118
11,000	511	917	406	Supplies	11,259	9,550	11,000	(259)
7,500	0	625	625	Legal fees	8,119	13,892	7,500	(619)
59,000	24,495	3,250	(21,245)	Consulting fees	90,289	56,824	59,000	(31,289)
34,500	2,000	2,500	500	Accounting	30,040	33,715	34,500	4,460
4,400	592	367	(225)	Depreciation	6,789	7,004	4,400	(2,389)
1,500	100	0	(100)	Design, printing & photography	4,391	1,035	1,500	(2,891)
37,220	3,646	2,272	(1,374)	Technology services	30,916	31,206	37,220	6,304
12,988	1,330	1,082	(248)	Catering	16,961	21,752	12,988	(3,973)
3,758	700	313	(387)	Other purchased services	6,205	2,110	3,758	(2,447)
14,000	1,000	1,167	167	Regional convening/development	12,660	16,116	14,000	1,340
16,124	1,737	1,344	(393)	Telephone	15,598	15,354	16,124	526
2,000	219	167	(52)	Postage	1,920	1,341	2,000	80
3,600	175	300	125	Bank & investment charges	2,375	2,385	3,600	1,225
1,243	109	104	(5)	Insurance	1,239	1,233	1,243	4
70,817	5,550	5,693	143	Occupancy	67,112	64,672	70,817	3,705
16,435	2,016	3,440	1,424	Dues & subscriptions	14,634	8,486	16,435	1,801

Allegany Franciscan Ministries, Inc.
Statements of Activities - Actual vs. Budget
For the one month and twelve months ended June 30, 2016

See Accountants' Compilation Report

TOTAL FY 2016 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
68,900	8,676	5,742	(2,934)	Travel & meetings	60,465	106,307	68,900	8,435
4,964	487	414	(73)	Equipment rental	5,542	5,010	4,964	(578)
500	0	42	42	Miscellaneous expense	136	136	500	364
<u>1,348,736</u>	<u>135,898</u>	<u>113,362</u>	<u>(22,536)</u>	Total office operating expense	<u>1,321,565</u>	<u>1,340,457</u>	<u>1,348,736</u>	<u>27,171</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
500,000	220,000	125,000	(95,000)	Grants - All Region	300,000	297,500	500,000	200,000
724,000	0	0	0	Grants - TB	992,500	1,735,000	724,000	(268,500)
606,000	0	0	0	Grants - PBC	720,000	1,189,000	606,000	(114,000)
485,000	600,000	250,000	(350,000)	Grants - MD	650,000	375,000	485,000	(165,000)
1,336,000	329,900	140,000	(189,900)	Grants - CGI - TB	414,900	745,500	1,336,000	921,100
1,036,000	401,500	140,000	(261,500)	Grants - CGI - PBC	439,003	204,162	1,036,000	596,997
1,015,000	613,600	175,000	(438,600)	Grants - CGI - MD	635,020	67,695	1,015,000	379,980
0	0	0	0	Grant-Related - CGI - TB	123	701	0	(123)
0	750	0	(750)	Grant-Related - CGI - PBC	750	0	0	(750)
0	0	0	0	Grant-Related - CGI - MD	0	550	0	0
150,000	77,500	75,000	(2,500)	ACOR grants	150,000	153,000	150,000	0
380,000	174,500	190,000	15,500	TAU Grants	371,700	435,000	380,000	8,300
<u>8,232,000</u>	<u>2,584,418</u>	<u>1,261,668</u>	<u>(1,322,750)</u>	Total grants and related expense	<u>6,673,996</u>	<u>7,203,108</u>	<u>8,232,000</u>	<u>1,558,004</u>
<u>9,580,736</u>	<u>2,720,316</u>	<u>1,375,030</u>	<u>(1,345,286)</u>	Total operating expenses	<u>7,995,561</u>	<u>8,543,565</u>	<u>9,580,736</u>	<u>1,585,175</u>

Allegany Franciscan Ministries, Inc.
Statements of Activities - Actual vs. Budget
For the one month and twelve months ended June 30, 2016

See Accountants' Compilation Report

TOTAL FY 2016 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	132,773	0	132,773	Interest & dividend income	1,333,444	1,335,230	0	1,333,444
0	36,890	0	36,890	Earnings from managed assets	457,552	1,304,241	0	457,552
0	(75,127)	0	(75,127)	Unrealized gains(loss)-mng assets	(571,812)	276,750	0	(571,812)
0	(70,523)	0	(70,523)	Less investment costs	(367,194)	(413,645)	0	(367,194)
6,232,000	271,947	519,333	(247,386)	Realized gains (losses)	(1,486,676)	3,009,709	6,232,000	(7,718,676)
0	(396,808)	0	(396,808)	Unrealized gains (losses)	(2,989,930)	(3,555,177)	0	(2,989,930)
0	0	0	0	Loss on disposal of fixed assets	(839)	0	0	(839)
<u>(9,580,718)</u>	<u>(2,720,316)</u>	<u>(1,375,012)</u>	<u>(1,345,304)</u>	Less allocated investment income	<u>(7,957,324)</u>	<u>(8,533,565)</u>	<u>(9,580,718)</u>	<u>1,623,394</u>
<u>(3,348,718)</u>	<u>(2,821,164)</u>	<u>(855,679)</u>	<u>(1,965,485)</u>	Total investment revenues, net	<u>(11,582,779)</u>	<u>(6,576,457)</u>	<u>(3,348,718)</u>	<u>(8,234,061)</u>
				Excess (Deficit) of revenues over expenses	<u>\$(11,582,779)</u>	<u>\$(6,576,457)</u>	<u>\$(3,348,718)</u>	<u>\$(8,234,061)</u>