# St. Vincent de Paul Center

## Financial Report
## June 30, 2015

## Contents

**Plante & Moran, PLLC**
10 South Riverside Plaza
9th Floor
Chicago, IL 60606
Tel: 312.207.1040
Fax: 312.207.1066
plantemoran.com

# Independent Auditor's Report

To the Board of Directors
St. Vincent de Paul Center

## Report on the Financial Statements

We have audited the accompanying financial statements of St. Vincent de Paul Center (the "Center"), which comprise the statement of financial position as of June 30, 2015 and 2014 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

To the Board of Directors
St. Vincent de Paul Center

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Vincent de Paul Center as of June 30, 2015 and 2014 and the changes in its net assets, functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2015 on our consideration of St. Vincent de Paul Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Vincent de Paul Center's internal control over financial reporting and compliance.

Plante & Moran, PLLC

November 5, 2015

# Statement of Financial Position

| | June 30, 2015 | June 30, 2014 |
|---|---|---|
| **Assets** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ 253,552 | $ 83,991 |
| Receivables: | | |
| Grants receivable | 350,022 | 389,962 |
| Pledges receivable | 167,789 | - |
| Related parties | 1,120,268 | 242,653 |
| Donations and other receivable | 169,138 | 27,123 |
| Prepaid expenses | 7,511 | 7,618 |
| Total current assets | 2,068,280 | 751,347 |
| **Investments** | 18,572,453 | 17,217,212 |
| **Pledges Receivable** - Noncurrent | 251,800 | - |
| **Property and Equipment** - Net | 14,756,526 | 15,313,902 |
| **Other Long-term Assets** | 65,634 | 82,902 |
| Total assets | **$ 35,714,693** | **$ 33,365,363** |
| **Liabilities and Net Assets** | | |
| **Current Liabilities** | | |
| Accounts payable | $ 49,824 | $ 13,011 |
| Accrued payroll-related expenses | 557,939 | 416,467 |
| Interest payable | 26,168 | 19,516 |
| Total current liabilities | 633,931 | 448,994 |
| **Long-term Liabilities** | | |
| Bonds payable | 28,300,000 | 28,300,000 |
| Pension benefit obligation | 35,548 | 36,075 |
| Total liabilities | 28,969,479 | 28,785,069 |
| **Net Assets** | | |
| Unrestricted | 4,695,691 | 3,422,659 |
| Temporarily restricted | 1,329,811 | 437,923 |
| Permanently restricted | 719,712 | 719,712 |
| Total net assets | 6,745,214 | 4,580,294 |
| Total liabilities and net assets | **$ 35,714,693** | **$ 33,365,363** |

See Notes to Financial Statements.

# St. Vincent de Paul Center

## Statement of Activities and Changes in Net Assets

| | Year Ended | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | June 30, 2015 | | | | June 30, 2014 | | | |
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
| **Revenue and Support** | | | | | | | | |
| Public support: | | | | | | | | |
| Contributions | $ 827,043 | $ 474,963 | $ - | $ 1,302,006 | $ 1,048,881 | $ 357,341 | $ - | $ 1,406,222 |
| In-kind donations | 257,300 | - | - | 257,300 | 253,694 | - | - | 253,694 |
| Grants from governmental agencies | 5,032,722 | - | - | 5,032,722 | 4,856,412 | - | - | 4,856,412 |
| Program service fees | 439,879 | - | - | 439,879 | 565,751 | - | - | 565,751 |
| Investment (loss) income | (276,823) | (8,414) | - | (285,237) | 1,937,874 | 102,510 | - | 2,040,384 |
| Space use fees/rental income | 33,448 | - | - | 33,448 | 35,930 | - | - | 35,930 |
| Thrift store sales | 65,038 | - | - | 65,038 | 72,148 | - | - | 72,148 |
| Miscellaneous | 38,219 | - | - | 38,219 | 85,639 | - | - | 85,639 |
| Transfer of asset from Parent (Note 4) | 2,859,208 | 908,135 | - | 3,767,343 | - | - | - | - |
| Total revenue and support | 9,276,034 | 1,374,684 | - | 10,650,718 | 8,856,329 | 459,851 | - | 9,316,180 |
| **Net Assets Released from Restrictions** | 482,796 | (482,796) | - | - | 466,305 | (466,305) | - | - |
| Total revenue and support and net assets released from restrictions | 9,758,830 | 891,888 | - | 10,650,718 | 9,322,634 | (6,454) | - | 9,316,180 |
| **Expenses** | | | | | | | | |
| Program services | 7,593,731 | - | - | 7,593,731 | 7,607,339 | - | - | 7,607,339 |
| Management and general | 355,388 | - | - | 355,388 | 323,501 | - | - | 323,501 |
| Fundraising | 402,615 | - | - | 402,615 | 388,724 | - | - | 388,724 |
| Total expenses | 8,351,734 | - | - | 8,351,734 | 8,319,564 | - | - | 8,319,564 |
| **Increase (Decrease) in Net Assets** - Before other expenses | 1,407,096 | 891,888 | - | 2,298,984 | 1,003,070 | (6,454) | - | 996,616 |
| **Pension-related Changes Other than Net Periodic Pension Expense** | (134,064) | - | - | (134,064) | (370,434) | - | - | (370,434) |
| **Increase (Decrease) in Net Assets** | 1,273,032 | 891,888 | - | 2,164,920 | 632,636 | (6,454) | - | 626,182 |
| **Net Assets** - Beginning of year | 3,422,659 | 437,923 | 719,712 | 4,580,294 | 2,790,023 | 444,377 | 719,712 | 3,954,112 |
| **Net Assets** - End of year | **$ 4,695,691** | **$ 1,329,811** | **$ 719,712** | **$ 6,745,214** | **$ 3,422,659** | **$ 437,923** | **$ 719,712** | **$ 4,580,294** |

# Statement of Functional Expenses

Year Ended June 30, 2015

| | Program Services | | | | | Support Services | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Child Development | Outreach | Seniors | Nearly New | Total | Management and General | Fundraising | Total | 2015 Total |
| Salaries | $ 3,566,856 | $ 124,385 | $ 108,205 | $ 40,616 | $ 3,840,062 | $ 266,737 | $ 254,160 | $ 520,897 | $ 4,360,959 |
| Employee benefits | 903,894 | 34,849 | 30,975 | 13,474 | 983,192 | 38,564 | 43,968 | 82,532 | 1,065,724 |
| Pension periodic benefit | (113,326) | (3,096) | (3,096) | (1,346) | (120,864) | (7,537) | (6,191) | (13,728) | (134,592) |
| Total expenses excluding bond activity | 4,357,424 | 156,138 | 136,084 | 52,744 | 4,702,390 | 297,764 | 291,937 | 589,701 | 5,292,091 |
| Professional fees | 122,776 | 2,218 | 2,209 | 976 | 128,179 | 8,984 | 37,990 | 46,974 | 175,153 |
| Occupancy | 660,760 | 21,170 | 5,535 | 26,672 | 714,137 | 13,070 | 13,737 | 26,807 | 740,944 |
| Transportation | 51,062 | 600 | 5,927 | 186 | 57,775 | 1,077 | 1,510 | 2,587 | 60,362 |
| Direct client | 407,722 | 43,291 | 16,107 | 357 | 467,477 | 30 | 16 | 46 | 467,523 |
| Communication | 101,373 | 2,830 | 4,173 | 1,094 | 109,470 | 9,858 | 23,535 | 33,393 | 142,863 |
| Depreciation and amortization | 731,853 | 22,005 | 3,990 | 32,953 | 790,801 | 9,192 | 11,411 | 20,603 | 811,404 |
| Other | 61,445 | 1,661 | 2,047 | 1,741 | 66,894 | 5,534 | 11,961 | 17,495 | 84,389 |
| Interest expense and fees | 515,749 | 15,408 | 4,192 | 21,259 | 556,608 | 9,879 | 10,518 | 20,397 | 577,005 |
| Total functional expenses | **$ 7,010,164** | **$ 265,321** | **$ 180,264** | **$ 137,982** | **$ 7,593,731** | **$ 355,388** | **$ 402,615** | **$ 758,003** | **$ 8,351,734** |

Year Ended June 30, 2014

| | Program Services | | | | | Support Services | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Child Development | Outreach | Seniors | Nearly New | Total | Management and General | Fundraising | Total | 2014 Total |
| Salaries | $ 3,570,983 | $ 108,088 | $ 101,558 | $ 41,184 | $ 3,821,813 | $ 238,598 | $ 228,803 | $ 467,401 | $ 4,289,214 |
| Employee benefits | 870,921 | 29,609 | 30,108 | 12,716 | 943,354 | 36,429 | 35,213 | 71,642 | 1,014,996 |
| Pension periodic benefit | (128,680) | (3,515) | (3,515) | (1,528) | (137,238) | (8,558) | (7,030) | (15,588) | (152,826) |
| Total expenses excluding bond activity | 4,313,224 | 134,182 | 128,151 | 52,372 | 4,627,929 | 266,469 | 256,986 | 523,455 | 5,151,384 |
| Professional fees | 137,749 | 3,633 | 3,523 | 1,722 | 146,627 | 9,575 | 53,545 | 63,120 | 209,747 |
| Occupancy | 654,566 | 21,365 | 4,972 | 27,193 | 708,096 | 11,688 | 12,696 | 24,384 | 732,480 |
| Transportation | 40,396 | 673 | 6,585 | 227 | 47,881 | 1,327 | 1,490 | 2,817 | 50,698 |
| Direct client | 420,070 | 71,375 | 14,616 | 1,066 | 507,127 | 208 | 14,586 | 14,794 | 521,921 |
| Communication | 74,508 | 3,379 | 6,122 | 804 | 84,813 | 8,389 | 16,755 | 25,144 | 109,957 |
| Depreciation and amortization | 814,320 | 24,484 | 5,441 | 35,366 | 879,611 | 12,695 | 14,509 | 27,204 | 906,815 |
| Other | 46,830 | 1,275 | 1,234 | 2,458 | 51,797 | 4,107 | 8,264 | 12,371 | 64,168 |
| Interest expense and fees | 512,637 | 15,357 | 3,851 | 21,613 | 553,458 | 9,043 | 9,893 | 18,936 | 572,394 |
| Total functional expenses | **$ 7,014,300** | **$ 275,723** | **$ 174,495** | **$ 142,821** | **$ 7,607,339** | **$ 323,501** | **$ 388,724** | **$ 712,225** | **$ 8,319,564** |

See Notes to Financial Statements.

## Statement of Cash Flows

| | Year Ended June 30, 2015 | Year Ended June 30, 2014 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Increase in net assets | $ 2,164,920 | $ 626,182 |
| Adjustments to reconcile increase in net assets to net cash from operating activities: | | |
| Depreciation and amortization of property and equipment | 811,404 | 906,815 |
| Realized and change in unrealized gains on investments | (274,983) | (1,324,870) |
| Transfer of assets - Related party | (2,416,548) | - |
| Changes in operating assets and liabilities which provided (used) cash: | | |
| Receivables | 149,725 | 129,093 |
| Due from related parties | (709,485) | (160,058) |
| Prepaid expenses | (527) | (3,497) |
| Pension benefit cost/liability | 2,607 | 217,607 |
| Other long-term assets | 17,268 | 17,268 |
| Accounts payable and accrued expenses | 178,285 | (41,360) |
| Interest payable | 6,652 | (56,748) |
| Net cash (used in) provided by operating activities | (70,682) | 310,432 |
| **Cash Flows from Investing Activities** | | |
| Proceeds from sale of investments | 4,140,998 | 1,088,446 |
| Purchase of investments | (3,686,219) | (1,251,163) |
| Capital expenditures | (214,536) | (157,149) |
| Net cash provided by (used in) investing activities | 240,243 | (319,866) |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | 169,561 | (9,434) |
| **Cash and Cash Equivalents** - Beginning of year | 83,991 | 93,425 |
| **Cash and Cash Equivalents** - End of year | **$ 253,552** | **$ 83,991** |
| **Supplemental Data** | | |
| Interest paid | $ 265,313 | $ 322,060 |
| Transfer of assets - Related party (receivables, prepaid expenses, investments, and property and equipment) | 2,416,548 | - |

## Note 1 - Nature of Activities and Significant Accounting Policies

St. Vincent de Paul Center (the "Center") is a not-for-profit multi-service social service agency incorporated in the state of Illinois serving the Chicagoland area and operated by Marillac St. Vincent Family Services, Inc. (MSFS). The purpose of the Center is to enable working poor and their children to strengthen and preserve family life and to assist low-income elders and the homeless in securing dignity and independence.

Significant accounting policies are as follows:

**Classification of Net Assets** - Net assets of the Center are classified as unrestricted, temporarily restricted, or permanently restricted depending on the presence and characteristics of donor-imposed restrictions limiting the Center's ability to use or dispose of contributed assets or the economic benefits embodied in those assets.

Donor-imposed restrictions that expire with the passage of time or can be removed by meeting certain requirements result in temporarily restricted net assets. Permanently restricted net assets result from donor-imposed restrictions that limit the use of net assets in perpetuity. Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

**Cash and Cash Equivalents** - Cash includes monies held in checking accounts and highly liquid, interest-bearing accounts without significant withdrawal restrictions. The Center has not experienced any losses in such accounts. The Center believes it is not exposed to any significant credit risk on cash and cash equivalents.

**Investments** - The Center's investments are exposed to various risks such as interest rate risk, credit risk, and overall market volatility. Due to these and other risk factors, it is reasonably possible that changes in the value of the investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

## Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

The Center's funds are primarily invested in the CHIMCO Alpha Fund, LLC (the "Alpha Fund"), a Delaware limited liability company that commenced operations in April 2012. A significant portion of the investment assets within the Alpha Fund was transferred from Ascension Health during 2013. Catholic Healthcare Investment Management Company (CHIMCO), a Missouri nonprofit corporation, serves as the Alpha Fund's manager and principal investment advisor. CHIMCO is registered with the U.S. Securities and Exchange Commission as an investment advisor. CHIMCO manages and oversees the Alpha Fund's investment program and selects the strategies offered to the Alpha Fund's investors. The Alpha Fund seeks to offer investors the opportunity to create a diversified portfolio among different strategy options. Investors have the opportunity to invest only in those strategies in which they select. The Center's asset allocation included equity securities, high yield bonds, liquid real assets, cash, and core and unconstrained fixed income. The Alpha Fund's underlaying investments are in line with the Center's allocation policy. All earnings, less operating expenses, are distributed to investors based on ownership within the strategies.

**Property and Equipment** - Property and equipment are stated at cost or, if donated, at the estimated fair value as of date of donation, and are being depreciated on a straight-line basis over their estimated useful lives. Major additions are capitalized while replacements, maintenance, and repairs which do not improve or extend the lives of the respective assets are expensed currently.

**Income Taxes** - The Center is exempt from income tax under provisions of Internal Revenue Code Section 501(c)(3). Accounting principles generally accepted in the United States of America (U.S. GAAP) require management to evaluate tax positions taken by the Center and recognize a tax liability if the Center has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Center and has concluded that as of June 30, 2015 and 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2012.

**Unrestricted and Restricted Revenue and Support** - Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

### Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Contributions, including unconditional promises to give, are recorded when a commitment is received from the donor. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional pledges expected to be received over more than one year are initially recorded by the Center as contributions receivable at fair value. They are subsequently valued at the present value of future cash flows. An allowance for uncollectible pledges receivable is provided based upon management's judgment and analysis regarding such factors as the creditworthiness of the donor, prior collection history, type of contribution, and nature of fundraising activity. Promises to give noncash assets are recorded at fair value.

Revenue from government grants designated for use in specific activities is recognized in the period when expenditures have been incurred in compliance with the grantor's restrictions.

Revenue from program service fees is recognized in the period when services are rendered.

The Center records noncash donations at fair value at the date of receipt.

**Use of Estimates** - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

**Functional Allocation of Expenses** - The costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Indirect costs have been allocated between the various programs and support services based on estimates, as determined by management. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

**Subsequent Events** - The financial statements and related disclosures include evaluation of events up through and including November 5, 2015, which is the date the financial statements were issued.

## Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

**Upcoming Accounting Change** - In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for the Center's year ending June 30, 2019. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. The Center has not yet determined which application method it will use or the potential effects of the new standard on the financial statements, if any.

## Note 2 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Center's assets measured at fair value on a recurring basis at June 30, 2015 and 2014 and the valuation techniques used by the Center to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Center has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

The Center does not currently utilize any Level 1 or Level 3 inputs.

## Note 2 - Fair Value Measurements (Continued)

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Center's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

**Assets Measured at Fair Value on a Recurring Basis at June 30, 2015**

| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance at June 30, 2015 |
|---|---|---|---|---|
| Investments - Private commingled fund of the CHIMCO Alpha Fund | $ - | $ 18,572,453 | $ - | $ 18,572,453 |

**Assets Measured at Fair Value on a Recurring Basis at June 30, 2014**

| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance at June 30, 2014 |
|---|---|---|---|---|
| Investments - Private commingled fund of the CHIMCO Alpha Fund | $ - | $ 17,217,212 | $ - | $ 17,217,212 |

The fair value of the Alpha Fund was determined primarily based on Level 2 inputs. The fair value of the investment is based on its net asset value as this fund does not have readily determinable fair value as defined by U.S. GAAP.

## Note 2 - Fair Value Measurements (Continued)

### Investments in Entities that Calculate Net Asset Value per Share

The Center holds shares or interests in investment companies at year end whereby the fair value of the investment held is estimated based on the net asset value per share (or its equivalent).

**Investments Held at June 30, 2015**

| | Fair Value | Unfunded Commitments | Redemption Frequency, if Eligible |
|---|---|---|---|
| Private commingled fund of the CHIMCO Alpha Fund | $ 18,572,453 | $ - | Daily |

**Investments Held at June 30, 2014**

| | Fair Value | Unfunded Commitments | Redemption Frequency, if Eligible |
|---|---|---|---|
| Private commingled fund of the CHIMCO Alpha Fund | $ 17,217,212 | $ - | Daily |

## Note 3 - Property and Equipment

Property and equipment are summarized as follows:

| | 2015 | 2014 | Depreciable Life - Years |
|---|---|---|---|
| Buildings | $ 24,568,372 | $ 24,529,761 | 40 |
| Leasehold improvements | 98,955 | 98,955 | Remaining life of building or estimated useful life, if shorter |
| Furniture and equipment | 3,176,197 | 3,049,995 | 5-10 |
| Vehicles | 424,814 | 349,212 | 5-10 |
| Total cost | 28,268,338 | 28,027,923 | |
| Accumulated depreciation | 13,511,812 | 12,714,021 | |
| Net property and equipment | $ 14,756,526 | $ 15,313,902 | |

Depreciation and amortization expense was $811,404 for 2015 and $906,815 for 2014.

## Note 4 - Related Party Transactions

Marillac St. Vincent Family Services, Inc. (MSFS) is the parent entity of the Center and Marillac Social Center (Marillac). Common administrative expenses for the Center, Marillac, and MSFS are paid for by one of these organizations and then are charged back to the other applicable organizations monthly, determined by usage. The Center received a contribution of $445,133 and $965,250 from MSFS for various programs for the years ended June 30, 2015 and 2014, respectively. The balances due from (to) Marillac and MSFS were $1,120,418 and $0 respectively, as of June 30, 2015, and $264,734 and ($22,081), respectively, as of June 30, 2014.

During 2015, in accordance with a contribution agreement, MSFS donated assets and net assets to the Center. The total amount of the contribution to the Center is recorded on the statement of activities in the amount of $3,767,343. This contribution included assets such as pledges, investments, prepaids and minor property and equipment. These contributions were transferred to the Center at MSFS carrying values as of June 30, 2015.

Daughters of Charity, Inc. (DOC) is the parent entity of Mission and Ministry, Inc. (MMI) and Daughters of Charity Ministries, Inc. (DCM), which is the parent entity of MSFS. In 2015 and 2014, MMI contributed $265,313, respectively, to pay one-half of the interest expense related to the bonds payable. MMI also contributed $20,000 and $49,000 for various programs in the years ended June 30, 2015 and 2014, respectively. DCM has a land lease agreement with the Center, as noted in Note 9. An in-kind contribution of $253,694 was recorded for both years ended June 30, 2015 and 2014, respectively, as well as the related rent expense.

### Legal Realignment and Subsequent Event

Prior to July 1, 2015, Marillac St. Vincent Family Services, Inc. (MSFS) was the parent entity of Marillac Social Center (Marillac) and St. Vincent de Paul Center (SVDC). During the fiscal year ended June 30, 2015, each of these three entities' boards of trustees approved a legal realignment in order to achieve greater efficiencies. Below are the major elements of the legal realignment:

- During the fiscal year ended June 30, 2015, MSFS donated all of its assets and liabilities to Marillac Social Center and St. Vincent de Paul Center. The net value contributed to SVDC was $3,767,343. The net asset position of MSFS at June 30, 2015 is zero.
- Effective July 1, 2015, the parent entity of Marillac became SVDC and the parent entity of SVDC became DCM.

## Note 4 - Related Party Transactions (Continued)

- On July 1, 2015, the following occurred:
  MSFS was renamed to Marillac St. Vincent Holdings, Inc.
  SVDC was renamed to Marillac St. Vincent Ministries, Inc.
  Marillac was renamed to Marillac St. Vincent Family Services, Inc.

## Note 5 - Pension Plan

The Center participates in a noncontributory multiple-employer defined benefit pension plan sponsored by Ascension Health. The plan covers all employees working 1,000 hours or more per year. The normal retirement benefit of the plan is a monthly retirement income, which is computed based on years of service and a percentage of highest (five-year) average compensation up to the date the plan was frozen. Contributions to the plan are determined as amounts necessary to provide for benefits attributed to service to date and those expected to be earned in the future.

Under U.S. GAAP, the Center is required to recognize the overfunded or underfunded status of a defined benefit plan as an asset or liability in its statement of financial position.

| | Pension Benefits | |
|---|---|---|
| | 2015 | 2014 |
| **Change in Benefit Obligation** | | |
| Balance at beginning of year | $ 3,958,974 | $ 3,279,621 |
| Interest cost | 162,028 | 151,582 |
| Benefits paid | (236,391) | (130,655) |
| Assumption changes | 59,070 | 223,683 |
| Actuarial (gain) loss | (140,538) | 442,153 |
| Amendments | - | (7,410) |
| Balance at end of year | 3,803,143 | 3,958,974 |
| **Change in Plan Assets** | | |
| Fair value of plan assets at beginning of year | 3,922,899 | 3,461,153 |
| Actual return on assets | 81,087 | 592,401 |
| Benefits paid | (236,391) | (130,655) |
| Fair value of plan assets at end of year | 3,767,595 | 3,922,899 |
| Funded status - Long-term liability | $ (35,548) | $ (36,075) |

## Note 5 - Pension Plan (Continued)

Amounts included in unrestricted net assets as of June 30, 2015 and 2014 that have not yet been recognized in the Center's operations consist of the following:

| | 2015 | 2014 |
|---|---|---|
| Unrecognized net actuarial loss | $ 772,415 | $ 641,200 |
| Unrecognized prior service credit | (11,924) | (14,774) |
| Total | $ 760,491 | $ 626,426 |

Changes in plan assets and benefit obligations recognized in unrestricted net assets during the years ended June 30, 2015 and 2014 include the following:

| | 2015 | 2014 |
|---|---|---|
| Current year actuarial loss | $ 153,162 | $ 374,880 |
| Amortization of actuarial (gain) loss | (21,948) | 114 |
| Current year prior service credit | - | (7,410) |
| Amortization of prior service credit | 2,850 | 2,850 |
| Total | $ 134,064 | $ 370,434 |

Net periodic benefit income is the allocated amount of the expense categories on the statement of activities and changes in net assets. Components of net periodic benefit cost (income) in 2015 and 2014 include the following:

| | 2015 | 2014 |
|---|---|---|
| **Net Periodic Benefit Income** | | |
| Interest cost | $ 162,028 | $ 151,582 |
| Expected return on plan assets | (315,718) | (301,444) |
| Amortization of prior service credit | (2,850) | (2,850) |
| Amortization of actuarial loss (gain) | 21,948 | (114) |
| Net periodic benefit income | $ (134,592) | $ (152,826) |

The prior service credit and actuarial loss are included in unrestricted net assets, and the related amounts expected to be recognized in net periodic pension cost during the year ended June 30, 2015 amount to $30,000.

### Assumptions

Weighted average assumptions used to determine benefit obligations at June 30:

| | 2015 | 2014 |
|---|---|---|
| Discount rate | 4.50 % | 4.40 % |
| Rate of return on plan assets | 8.50 | 8.50 |

## Note 5 - Pension Plan (Continued)

The Ascension Health pension plan asset allocation and investment strategies are designed to earn superior returns on plan assets consistent with a reasonable and prudent level of risk. Investments are diversified across classes, sectors, and manager style to minimize the risk of large losses. Derivatives may be used to bridge specific exposure, reduce transaction costs, or modify the portfolio's duration or yield. The plan uses investment managers specializing in each asset category and, where appropriate, provides the investment manager with specific guidelines that include allowable and/or prohibited investment types. Ascension Health regularly monitors manager performance and compliance with investment guidelines.

The weighted average asset allocations for the plan as of June 30, 2015 and 2014 and the target allocation for the fiscal years ended June 30, 2015 and 2014, by asset category, are as follows:

| | Target | | Percentage of Plan Assets at Year End | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| Equity securities | 50.00 % | 50.00 % | 53.00 % | 53.00 % |
| Fixed income | 30.00 | 30.00 | 29.00 | 29.00 |
| Alternative investments | 20.00 | 20.00 | 18.00 | 18.00 |
| Total | 100.00 % | 100.00 % | 100.00 % | 100.00 % |

### Cash Flow

**Contributions** - Employer contributions for the year ending June 30, 2016 are expected to be $0.

**Estimated Future Benefit Payments** - The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

| Year | Pension Benefits |
|---|---|
| 2016 | $ 300,000 |
| 2017 | 300,000 |
| 2018 | 300,000 |
| 2019 | 300,000 |
| 2020 | 400,000 |
| 2021-2025 | 1,800,000 |

## Note 5 - Pension Plan (Continued)

### Pension Plan Assets

The Center's plan assets are reported at fair value, using the fair value hierarchy as disclosed in Note 2. The following tables represented the plan assets of Ascension Health Master Pension Plan (the "Master Plan") set forth by level within the fair value hierarchy that were accounted for at fair value on a recurring basis as of June 30, 2015 and 2014. The Center's plan is approximately 0.06 percent of the Master Plan as of June 30, 2015 and 2014.

The fair values of the Master Plan assets at June 30, 2015 and 2014 by major asset classes are as follows:

| | Fair Value Measurements at June 30, 2015 | | | |
|---|---|---|---|---|
| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| **Master Plan Assets (in Thousands)** | | | | |
| Pooled short-term investment funds | $ 238,019 | $ 238,019 | $ - | $ - |
| Foreign currency | 137,132 | 137,132 | - | - |
| U.S. government, state, municipal, and agency obligations | 1,300,906 | - | 1,300,906 | - |
| Asset-backed securities: | | | | |
| U.S. agency | 73,516 | - | 73,516 | - |
| Corporate | 101,871 | - | 82,229 | 19,642 |
| Corporate and foreign government fixed maturities: | | | | |
| United States | 477,745 | - | 474,428 | 3,317 |
| International | 59,135 | - | 59,074 | 61 |
| Equity securities: | | | | |
| United States | 708,276 | 708,022 | 221 | 33 |
| International | 716,551 | 716,111 | 95 | 345 |
| Real estate investment trusts | 38,838 | 37,625 | 1,213 | - |
| Derivatives receivable: | | | | |
| Interest rate | 34,772 | 3 | 34,769 | - |
| Foreign exchange | 1 | 1 | - | - |
| Equity | 3,728 | - | - | 3,728 |
| Commodity | 1,724 | - | - | 1,724 |
| Collateral received under securities lending program | 279,653 | - | 279,653 | - |
| Derivatives payable: | | | | |
| Interest rate | (132,540) | (45) | (132,495) | - |
| Foreign exchange | (9) | (9) | - | - |
| Equity | (13,251) | - | - | (13,251) |
| Commodity | (952) | - | - | (952) |
| Total | $ 4,025,115 | $ 1,836,859 | $ 2,173,609 | $ 14,647 |

## Note 5 - Pension Plan (Continued)

| | Fair Value Measurements at June 30, 2014 | | | |
|---|---|---|---|---|
| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| **Master Plan Assets (in Thousands)** | | | | |
| Pooled short-term investment funds | $ 193,141 | $ 193,141 | $ - | $ - |
| Foreign currency | (14,087) | (14,087) | - | - |
| Commercial paper | 400 | - | 400 | - |
| U.S. government, state, municipal, and agency obligations | 1,699,973 | - | 1,699,973 | - |
| Asset-backed securities: | | | | |
| U.S. agency | 84,199 | - | 84,199 | - |
| Corporate | 104,162 | - | 80,042 | 24,120 |
| Corporate and foreign government fixed maturities: | | | | |
| United States | 487,031 | - | 478,384 | 8,647 |
| International | 102,273 | - | 62,990 | 39,283 |
| Equity securities: | | | | |
| United States | 644,325 | 643,469 | 856 | - |
| International | 829,446 | 766,924 | 60,584 | 1,938 |
| Real estate investment trusts | 66,770 | 64,925 | 1,845 | - |
| Alternative investments: | | | | |
| Hedge funds | 1,434,640 | - | - | 1,434,640 |
| Private equity | 655,066 | - | - | 655,066 |
| Real estate | 229,435 | - | - | 229,435 |
| Commodities | 296,057 | - | - | 296,057 |
| Derivatives receivable: | | | | |
| Interest rate | 15,460 | 4 | 15,270 | 186 |
| Foreign exchange | 2 | 2 | - | - |
| Equity | 18,141 | - | - | 18,141 |
| Commodity | 1,110 | - | - | 1,110 |
| Collateral received under securities lending program | 295,203 | - | 295,203 | - |
| Derivatives payable: | | | | |
| Interest rate | (161,439) | (11) | (161,176) | (252) |
| Foreign exchange | (14) | (14) | - | - |
| Equity | (2,733) | - | - | (2,733) |
| Total | $ 6,978,561 | $ 1,654,353 | $ 2,618,570 | $ 2,705,638 |

Level 1 Inputs

Fair value for equity securities is determined by external fund managers based on quoted market prices in active markets.

## Note 5 - Pension Plan (Continued)

Level 2 Inputs

Fair values of investments in U.S. government, state, municipal, and agency obligations, asset-backed securities, and corporate and foreign government fixed maturities are primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark constant maturity curves and spreads.

Fair value for derivative assets and liabilities is primarily determined using techniques consistent with the market approach. Significant observable inputs to valuation models include interest rates, Treasury yields, volatilities, credit spreads, maturities, and recovery rates.

Level 3 Inputs

Alternative investments, including hedge funds, private equity funds, real estate funds, and commodity funds, are valued using the net asset value approach to approximate fair value, as determined by an external fund manager based on quoted market prices, operating results, balance sheet stability, growth and other business, and market sector fundamentals.

**Fair Value Measurements Using Significant Unobservable Inputs (Level 3) (in Thousands)**

| | U.S. Government, State, Municipal, and Agency Obligations | Asset-backed Securities | Corporate and Foreign Government Fixed Maturities | Equity Securities | Derivatives | Alternative Investments | Total |
|---|---|---|---|---|---|---|---|
| Beginning balance at June 30, 2014 | $ - | $ 24,120 | $ 47,930 | $ 1,938 | $ 16,452 | $ 2,615,198 | $ 2,705,638 |
| Actual return on plan assets: | | | | | | | |
| Relating to assets still held at the reporting date | - | 611 | (481) | 783 | 15,966 | - | 16,879 |
| Relating to assets sold during the period | - | (1,127) | 832 | (947) | (25,697) | - | (26,939) |
| Purchases | - | 16,263 | 4,397 | 332 | 8,191,844 | - | 8,212,836 |
| Sales | - | (15,364) | (49,825) | (2,082) | (8,207,315) | (2,615,198) | (10,889,784) |
| Transfers into Level 3 | - | - | 525 | 353 | - | - | 878 |
| Transfers out of Level 3 | - | (4,861) | - | - | - | - | (4,861) |
| Ending balance at June 30, 2015 | $ - | $ 19,642 | $ 3,378 | $ 377 | $ (8,750) | $ - | $ 14,647 |

### Note 5 - Pension Plan (Continued)

**Fair Value Measurements Using Significant Unobservable Inputs (Level 3) (in Thousands)**

| | U.S. Government, State, Municipal, and Agency Obligations | Asset-backed Securities | Corporate and Foreign Government Fixed Maturities | Equity Securities | Derivatives | Alternative Investments | Total |
|---|---|---|---|---|---|---|---|
| Beginning balance at June 30, 2013 | $ 1,269 | $ 22,871 | $ 53,807 | $ 1,651 | $ (228,260) | $ 2,423,451 | $ 2,274,789 |
| Actual return on plan assets: | | | | | | | |
| Relating to assets still held at the reporting date | (134) | 919 | 3,251 | 526 | 27,224 | 144,112 | 175,898 |
| Relating to assets sold during the period | 156 | 264 | 2,542 | 5 | 96,100 | 36,571 | 135,638 |
| Purchases | - | 22,564 | 52,257 | 373 | 9,942 | 317,126 | 402,262 |
| Sales | (1,291) | (5,932) | (61,299) | (724) | (105,952) | (306,062) | (481,260) |
| Transfers into Level 3 | - | 123 | - | 757 | - | - | 880 |
| Transfers out of Level 3 | - | (16,689) | (2,628) | (650) | 217,398 | - | 197,431 |
| Ending balance at June 30, 2014 | $ - | $ 24,120 | $ 47,930 | $ 1,938 | $ 16,452 | $ 2,615,198 | $ 2,705,638 |

### Note 6 - Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2015 and 2014 are restricted for the following:

| | 2015 | 2014 |
|---|---|---|
| Santa Mike program | $ 354,651 | $ 421,281 |
| Senior service | 53,231 | - |
| Childcare program | 428 | 2,362 |
| Literacy program | 1,920 | 1,920 |
| Homeless outreach grant | 1,446 | 2,360 |
| Capital improvements | 10,000 | 10,000 |
| Outcome measurement and planning | 28,036 | - |
| Centennial Campaign - Capital and time | 50,000 | - |
| Sister Katie fund | 578,299 | - |
| Time restriction - Multi-year pledges | 251,800 | - |
| Total temporarily restricted net assets | $ 1,329,811 | $ 437,923 |

## Note 7 - Permanently Restricted Net Assets

The Center's endowments consist of individual funds established for a variety of purposes. There were six donor-restricted endowment funds in 2015 and 2014. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

### Interpretation of Relevant Law

The board of trustees of the Center has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center 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 Center in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Center 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 Center 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 Center
(7) The investment policies of the Center

**Endowment Net Asset Composition by Type of Fund as of June 30, 2015**

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---|---|---|---|
| Donor-restricted endowment funds | $ - | $ - | $ 719,712 | $ 719,712 |

## Note 7 - Permanently Restricted Net Assets (Continued)

**Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2015**

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---|---|---|---|
| Endowment net assets - Beginning of year | $ - | $ - | $ 719,712 | $ 719,712 |
| Investment return - Investment loss | - | (8,414) | - | (8,414) |
| Appropriation of endowment assets for expenditure | - | 8,414 | - | 8,414 |
| Endowment net assets - End of year | $ - | $ - | $ 719,712 | $ 719,712 |

**Endowment Net Asset Composition by Type of Fund as of June 30, 2014**

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---|---|---|---|
| Donor-restricted endowment funds | $ - | $ - | $ 719,712 | $ 719,712 |

**Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2014**

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---|---|---|---|
| Endowment net assets - Beginning of year | $ - | $ - | $ 719,712 | $ 719,712 |
| Investment return - Investment income | - | 102,510 | - | 102,510 |
| Appropriation of endowment assets for expenditure | - | (102,510) | - | (102,510) |
| Endowment net assets - End of year | $ - | $ - | $ 719,712 | $ 719,712 |

### Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Center to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2015 or 2014.

## Note 7 - Permanently Restricted Net Assets (Continued)

### Return Objectives and Risk Parameters

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and operations supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Center must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce a moderate return while assuming a moderate level of investment risk. The Center expects its endowment funds, over time, to provide a minimum average rate of return equal to its annual spending policy rate. The spending policy for 2015 and 2014 was to appropriate 100 percent of the earnings to operation.

### Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Center 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 Center 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.

### Spending Policy and How the Investment Objectives Relate to Spending Policy

The Center has a policy of appropriating for distribution the amount of investment income earned each fiscal year.

## Note 8 - Bonds Payable

In December 2000, the Center financed the construction of a new facility through donor contributions as well as tax-exempt bonds. The Center entered into a loan agreement with the Illinois Finance Authority for $29,300,000 of Series 2000A bonds (the "Series 2000A Bonds"). The bonds are variable rate revenue bonds, which mature in November 2039 and the remaining principal balance of $28,300,000 will fall due in that month. The Center entered into an agreement in March 2011 to lock in the fixed rate of 1.4 percent for two years, which expired February 28, 2013. On February 28, 2013, the Center locked in the fixed rate of 1.875 percent for six years, expiring February 28, 2019. The cost of the interest rate lock agreement is capitalized and will be amortized over six years. The interest expense incurred for both 2015 and 2014 was $530,625. The bonds are guaranteed by Ascension Health Credit Group. If the Center defaults on the loan, Ascension Health Credit Group will cover the loan and there is no required repayment plan by the Center.

## Note 8 - Bonds Payable (Continued)

Based on the rates currently in effect for bonds issued by similar issuers, with similar terms and average maturities, it is estimated that the fair value of the Series 2000A Bonds as of June 30, 2015 and 2014 was $28,614,979 and $28,045,017, respectively. The debt would have been classified as having Level 2 inputs if it had been included in the fair value table (see Note 2).

The loan agreement contains certain nonfinancial covenants which, among other things, places limits on certain items which could cause an adverse change of a material nature in the financial position or results of operations of the Center.

## Note 9 - Donated Facilities and Services

The Center has a land lease agreement, which is renewed annually with the Daughters of Charity Ministries, Inc. for the land on which the new building resides. The annual land lease amount charged is $10.

U.S. GAAP requires an organization to recognize as revenue the fair value of donated services from individuals and facilities and the corresponding expenses. The amount recognized as rent for the land is $253,694 for both years ended June 30, 2015 and 2014. The in-kind rent expense is included in occupancy expense on the statement of functional expenses.

During the year ended June 30, 2015, the Center received in-kind legal services from a law firm, which are included in the in-kind contributions and professional fee expenses.

No amounts have been reflected in the financial statements for donated services from individuals received by the Center. Many individuals volunteer their time and perform a variety of tasks that assist the Center with specific assistance programs, campaign solicitations, and various committee assignments. The Center pays for most services requiring specific expertise.

## Note 10 - Pledges Receivable

Pledges receivable as of June 30 are expected to be collected in the following periods:

| | 2015 | 2014 |
|---|---|---|
| Pledges receivable: | | |
| Within one year | $ 167,789 | $ - |
| One to five years | 251,800 | - |
| Total | $ 419,589 | $ - |

## Note 11 - Concentrations

The Center receives a portion of its support from the State of Illinois. This support totaled 33 and 35 percent of total revenue for the fiscal years ended June 30, 2015 and 2014, respectively. As of June 30, 2105 and 2014, the Center has receivables from the Illinois Department of Human Services amounting to $284,397 and $340,532, respectively.

Beginning July 1, 2015 through the date of this report, the State of Illinois is operating without an approved budget. The impact of this delayed budget approval is unknown. However, the State has been complying with court mandates and submitting timely payments to the Center since July 1, 2015.

## Note 12 - Subsequent Event

On October 14, 2015, Marillac St. Vincent Family Services, Inc. and Marillac St. Vincent Ministries, Inc. entered into a loan agreement with a bank for a revolving line of credit not to exceed $3,000,000. The term of the line of credit is one year.