



Consolidated Financial Statements and Report of
Independent Certified Public Accountants

**Indian Community School of Milwaukee, Inc. and
Affiliate**

June 30, 2015 and 2014

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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Board of Directors
Indian Community School of Milwaukee, Inc. and Affiliate

We have audited the accompanying consolidated financial statements of Indian Community School of Milwaukee, Inc. and its related corporation, the ICS Support Organization, Inc. (collectively, the School) which comprise the consolidated statements of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School's preparation and fair presentation of the consolidated 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 School'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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Indian Community School of Milwaukee, Inc. and Affiliate as of June 30, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on these consolidated financial statements as a whole. The accompanying schedules of expenses by natural classification for the years ended June 30, 2015 and 2014 and consolidating information as of and for the years ended June 30, 2015 and 2014 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The accompanying consolidating information is presented for purposes of additional analysis, rather than to present the financial position, result of operations, and cash flows of the individual entities. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



Chicago, Illinois
October 14, 2015

**INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

June 30,

CURRENT ASSETS

Cash and cash equivalents	\$ 5,661,506	\$ 2,539,497
Interest and dividends receivable	86,677	321,386
Receivable, investment securities sold	13,000,000	-
Other receivables	13,392	26,269
Prepaid expenses	180,031	201,798
Deposits	-	46,691

Total current assets	18,941,606	3,135,641
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Long-term investments, at fair value	483,827,373	483,898,952
Notes receivable	-	21,250
Property and equipment, net	49,181,018	50,660,236
Unamortized bond issue costs	244,637	255,985

Total assets	\$ 552,194,634	\$ 537,972,064
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LIABILITIES AND UNRESTRICTED NET ASSETS

CURRENT LIABILITIES

Accounts payable, construction	\$ 150,577	\$ 139,530
Accounts payable, other	350,279	417,274
Accrued liabilities		
Wages and salaries	338,926	319,595
Paid time off	34,648	38,769
Pension	29,264	26,395
Investment fees	469,661	457,784
Payable, investment securities purchased	199,911	9,987
Other liabilities	129,207	128,614

Total current liabilities	1,702,473	1,537,948
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Long-term payable	40,998	83,913
Long-term debt	63,000,000	63,000,000

Total liabilities	64,743,471	64,621,861
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UNRESTRICTED NET ASSETS

	487,451,163	473,350,203
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Total liabilities and unrestricted net assets	\$ 552,194,634	\$ 537,972,064
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The accompanying notes are an integral part of these consolidated statements.

**INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES**

Years ended June 30,

	2015	2014
REVENUES AND OTHER SUPPORT		
Investment income, net	\$ 24,945,323	\$ 68,004,718
Change in value of interest rate swap	-	847,088
Transportation fees and reimbursement	6,113	5,275
Lunch fees and meal reimbursement	220,309	172,051
Other income	596,863	982,024
Revenue from rental property, net	30,517	16,180
Total revenues and other support	25,799,125	70,027,336
EXPENSES		
Academic education	1,654,003	1,695,481
School administration	3,406,675	3,354,708
Library	95,132	61,582
Computer lab	88,999	86,781
Cultural education	247,101	216,572
Art education	126,795	123,962
Music education	66,770	67,517
Physical education	102,902	97,069
Food service	688,951	652,731
Facilities	1,460,257	1,460,543
Management information systems	282,871	272,441
Corporate	1,865,052	1,928,429
Instructional support	415,423	367,043
Board of directors	472,850	491,302
Human resources	178,297	108,053
Family resource center	546,087	536,348
Total expenses	11,698,165	11,520,562
CHANGE IN UNRESTRICTED NET ASSETS	14,100,960	58,506,774
Unrestricted net assets, beginning of year	473,350,203	414,843,429
Unrestricted net assets, end of year	\$ 487,451,163	\$ 473,350,203

The accompanying notes are an integral part of these consolidated statements.

INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended June 30,

	2015	2014
Cash flows from operating activities		
Change in unrestricted net assets	\$ 14,100,960	\$ 58,506,774
Adjustments to reconcile change in unrestricted net assets to net cash used in operating activities		
Depreciation	2,315,416	2,165,847
Change in value of interest rate swap	-	(847,088)
Bond issue cost amortization	11,348	11,347
Net realized gain on investments	(22,754,513)	(50,653,364)
Net unrealized (gain)/loss on investments	2,265,845	(11,919,877)
(Gain)/loss on sale of property and equipment, net	19,892	(9,630)
Change in assets and liabilities		
Receivable, investment securities sold	(13,000,000)	-
Other receivables	247,586	54,969
Prepaid expenses	21,767	(1,103)
Deposits	46,691	(201)
Accounts payable, construction	(14,992)	20,568
Accounts payable, other	(66,995)	(426,306)
Accrued expenses and other liabilities	30,548	(550,614)
Payable, investment securities purchased	189,925	9,986
Long-term payable	(42,915)	60,743
Net cash used in operating activities	(16,629,437)	(3,577,949)
Cash flows from investing activities		
Proceeds from sale of investments	106,842,421	372,487,593
Purchase of investments	(86,282,174)	(357,728,974)
Purchase of property and equipment	(838,401)	(2,079,267)
Proceeds from sale of property and equipment	8,350	19,190
Proceeds from note receivable	21,250	16,250
Payment for termination of interest rate swap	-	(7,312,552)
Net cash provided by investing activities	19,751,446	5,402,240
Cash flows from financing activities		
Proceeds from line of credit	-	3,700,000
Payments on line of credit	-	(3,700,000)
Payments on long-term debt	-	(2,000,000)
Net cash used in financing activities	-	(2,000,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,122,009	(175,709)
Cash and cash equivalents at beginning of year	2,539,497	2,715,206
Cash and cash equivalents at end of year	\$ 5,661,506	\$ 2,539,497
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ 328,332	\$ 732,014
Non cash additions to property and equipment	145,000	118,962

The accompanying notes are an integral part of these consolidated statements.

**INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2015 and 2014

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of Indian Community School of Milwaukee, Inc. and Affiliate (collectively, the School) include the accounts of Indian Community School of Milwaukee, Inc. (ICS) and the ICS Support Organization, Inc. (SO). All intercompany balances and transactions have been eliminated.

ICS is a not-for-profit school serving Southeastern Wisconsin Indian children, grades 4K through eighth. With Indian core values at the heart of its mission, ICS dedicates itself to provide each child in its care with the best opportunities to develop spiritually, morally, emotionally, physically, socially, artistically and intellectually in order to achieve the child's greatest personal and community potential.

The SO is a not-for-profit corporation organized as a non-functionally integrated type III supporting organization under the Internal Revenue Code (IRC) for the purpose of holding, investing and managing assets that serve to support and fund the continuous operation of ICS. Certain actions, including amending the SO's articles of incorporation or bylaws and dissolving or merging the SO, require a vote of a two-thirds majority of voting directors and the consent of an ICS-appointed director.

1. Basis of Accounting

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

2. Cash and Cash Equivalents

Cash and cash equivalents consist of cash, money market and other liquid investments with original maturity dates of three months or less, excluding cash and money market investments held in long-term investment accounts.

The School maintains its cash balances at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). At times, the balances in these accounts may exceed the insured limits. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash balances.

**INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2015 and 2014

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
Continued**

3. Investments

Investments are stated at fair value and are recorded at quoted market prices, if publicly traded. Investment income includes realized and unrealized gains and losses for the year. Realized gains and losses on the sale of investments are computed based on the specific identification of investments sold. Purchases and sales of securities are recorded on a trade date basis.

In the absence of readily determinable fair values, the School has estimated fair values for certain investments based on fair values determined by managers responsible for the management and supervision of each investment.

Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the consolidated financial statements.

Investments, including invested cash and money market mutual funds, have been designated by management as long-term because they will be held to generate investment income to fund the School's operations, and because the School is required to maintain a specified unencumbered investment balance under long-term lending agreements.

4. Derivative Instruments

The School had a program to actively manage its interest cost and exposure to interest rate movements through the use of an interest rate swap, which was terminated on August 19, 2013. The program objective was to achieve the lowest interest cost consistent with an acceptable level of risk, given varying interest rate environments. The interest rate swap was linked strategically to existing outstanding debt. For the year ended June 30, 2014, the interest rate swap changes in value were recorded in the consolidated statements of activities.

5. Rental Property

Rental property consists of one building owned by the School.

**INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2015 and 2014

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
Continued**

6. Property and Equipment

Property and equipment consists of land, buildings, building improvements, computer hardware and software, furniture and fixtures, machinery and equipment, literature, vehicles, paving, landscaping, and construction in progress, which are stated at cost at the date of acquisition or renovation or at fair value at the date contributed. Additions greater than \$750 are capitalized under the School's capitalization policy. Minor renovations, repairs and maintenance are charged to operations and maintenance as incurred. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Depreciable lives by asset category are as follows:

Asset	Estimated life in years
Buildings	39
Building improvements	10 - 39
Computer hardware and software	3 - 5
Furniture and fixtures	5 - 20
Machinery and equipment	5 - 15
Literature	3 - 10
Vehicles	3 - 5
Paving	20
Landscaping	10

7. Income Taxes

The School follows Accounting Standards Codification (ASC) 740, *Income Taxes*, which clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is more-likely-than-not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The School is exempt from federal income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The School has processes in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, to determine its filing and tax obligations in jurisdictions for which it was nexus, and to identify and evaluate other matters that may be considered tax positions. The tax years ending June 30, 2012, 2013, 2014, and 2015 are still open to audit for both federal and state purposes. The School has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
Continued

8. Use of Estimates

The preparation of consolidated 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, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

9. Allocated Expense

The costs of operating the School have been presented on a functional basis in the accompanying consolidated statements of activities. Accordingly, certain costs have been allocated among the School's programs. Expenses that can be identified with a specific program or support service are charged directly according to their natural functional classification. Other expenses common to several functions are allocated by various statistical bases as determined by management.

10. Reclassifications

Certain previously reported amounts have been reclassified to conform with the current year financial statement presentation.

11. New Accounting Pronouncements

In April 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, which exempts investments measured using the net asset value (NAV) practical expedient in Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, from categorization within the fair value hierarchy and related disclosures. This ASU requires presentation of the carrying amount of investments measured at the NAV practical expedient as a reconciling item between the total amount of investments categorized within the fair value hierarchy and total investments measured at fair value on the face of the financial statements. This ASU is effective for the School for fiscal year 2018, however early adoption is permitted and the School has adopted the ASU for fiscal year 2015, with retrospective application. The revised disclosures are included in note C to the financial statements.

INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE B - INVESTMENTS

The following is a summary of investments held, at fair value as of June 30:

	2015	2014
Cash and money market mutual funds	\$ 42,850,151	\$ 8,469,340
Corporate bonds	4,251,857	3,617,255
Fixed income funds	35,059,252	45,994,044
U.S. government agencies	12,630,534	13,340,755
Foreign obligations	797,139	1,150,319
Equities: stocks and equity mutual funds	229,633,219	259,243,495
Private equity funds	67,274,265	63,350,103
Private real estate funds	57,549,475	55,299,377
Senior loan funds	23,077,604	22,459,930
Other private equity	10,703,877	10,974,334
	\$ 483,827,373	\$ 483,898,952

The School had a receivable for investment securities sold as of June 30, 2015, amounting to \$13,000,000. The receivable is related to the redemption of the Russell Private Real Estate and settled on July 20, 2015.

Investment income is comprised of the following for the years ended June 30:

	2015	2014
Dividends and interest	\$ 6,670,972	\$ 7,710,655
Net realized gains	22,745,322	50,653,364
Net unrealized gains/(losses)	(2,265,845)	11,919,877
Direct investment fees	(2,205,126)	(2,279,178)
	\$ 24,945,323	\$ 68,004,718

NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS

The School measures certain financial assets and liabilities at fair value. That framework provides a fair value hierarchy of the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest level ranking to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest level ranking to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School has the ability to access.

**INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2015 and 2014

NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified or contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no significant changes in the School's valuation techniques from the prior year.

The carrying value of the following financial instruments approximates fair value due to their short-term nature: cash and cash equivalents, interest and dividends receivable, other receivables, deposits and accounts payable.

Following is a description of the valuation methodologies used for assets measured at fair value.

Corporate bonds, foreign obligations, U.S. government agencies, fixed income mutual funds: Values are based on last reported sales or, if not traded on a national exchange or over-the-counter market, on the most recent estimates available from broker-dealers and on yields currently available on comparable securities of issuers with similar credit ratings.

Equity stocks: Fair values are based on closing prices for listed securities.

Mutual funds: Quoted market prices as of the last business day of the School's year, as determined based on the market prices for the individual investments comprising each fund.

Alternative investments: Fair values are estimated using the NAV per share as the practical expedient. Management believes that the carrying amounts of these financial instruments is a reasonable estimate of fair value.

INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the School believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the fair value hierarchy for those assets and liabilities measured on a recurring basis, at fair value as of June 30:

	2015			Total
	Level 1	Level 2	Level 3	
Investments and other assets				
Cash and money market				
mutual funds	\$ 41,975,642	\$ 874,509	\$ -	\$ 42,850,151
Corporate bonds	-	4,251,857	-	4,251,857
Fixed income funds	35,059,252	-	-	35,059,252
U.S. government agencies	-	12,630,534	-	12,630,534
Foreign obligations	312,178	484,961	-	797,139
Equities: stocks and equity				
mutual funds	102,454,748	-	-	102,454,748
	<u>\$ 179,801,820</u>	<u>\$ 18,241,861</u>	<u>\$ -</u>	198,043,681
Alternative investments, measured at NAV				
Equities: stocks and equity				
mutual funds				127,178,471
Private equity funds				67,274,265
Private real estate funds				57,549,475
Senior loan fund				23,077,604
Other private equity				10,703,877
				<u>285,783,692</u>
				<u>\$ 483,827,373</u>

INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

	2014			Total
	Level 1	Level 2	Level 3	
Investments and other assets				
Corporate bonds	\$ -	\$ 3,617,255	\$ -	\$ 3,617,255
Fixed income funds	45,994,044	-	-	45,994,044
U.S. government agencies	-	13,340,755	-	13,340,755
Foreign obligations	741,003	409,316	-	1,150,319
Equities: stocks and equity mutual funds	121,793,470	318,244	-	122,111,714
	<u>\$ 168,528,517</u>	<u>\$ 17,685,570</u>	<u>\$ -</u>	186,214,087
Alternative investments, measured at NAV				
Equities: stocks and equity mutual funds				137,131,781
Private equity funds				63,350,103
Private real estate funds				55,299,377
Senior loan fund				22,459,930
Other private equity				10,974,334
				<u>289,215,525</u>
				<u>\$ 475,429,612</u>

Included in investments in the statement of financial position as of June 30, 2014 is \$8,469,340 in cash and non-marketable money market funds. There were no cash and non-marketable money market funds included in investments in the statement of financial position as of June 30, 2015.

With respect to long-term investments, the overall objective of the School is to grow its investment portfolio on a long-term basis, net of inflation and expenses. The target allocation is approximately 50% equities, 20% fixed income, and 30% alternative investments. Investment asset allocations are reviewed periodically and rebalanced to achieve target allocation amounts in asset categories when necessary.

INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The following table presents additional information about the School's investments for which fair values are estimated using the reported NAV as a practical expedient.

	<u>Fair value</u> June 30, 2015	<u>Unfunded</u> <u>commitments</u>	<u>Redemption</u> <u>frequency</u>	<u>Redemption</u> <u>notice period</u>
Equity funds				
Russell Institutional Funds (a)	\$ 83,675,922	\$ -	Daily	1 day
JP Morgan Emerging Markets (b)	29,349,039	-	Monthly	5 days prior to month end
Wellington Common Trust Fund (c)	14,153,510	-	Monthly	10 days prior to month end
Other private equity				
JP Morgan Infrastructure Investment Fund (d)	10,703,877	-	A	A
Private real estate funds				
Russell Private Real Estate (e)	25,461,053	-	Quarterly	110 days prior to quarter end
RREEF America REIT II, Inc. (e)	29,755,529	-	Quarterly	45 days prior to quarter end
UBS (US) Trumbull Property Growth & Income Fund (f)	-	12,000,000	Quarterly	60 days prior to quarter end
Clarion Lion Properties Fund, LP (g)	2,332,893	28,500,000	Quarterly	90 days prior to quarter end
Private equity funds				
PEG Institutional Investors III (h)	25,947,323	1,378,024	B	B
PEG Institutional Investors IV (h)	29,733,305	9,217,015	B	B
PEG Institutional Investors V (h)	3,141,379	7,645,052	B	B
Pantheon Global Secondary Fund III 'A' (i)	6,548,511	1,072,600	C	C
Permal Private Equity Opportunities V (j)	506,074	3,610,000	D	D
Fort Washington Private Equity Investors VIII, LP (k)	1,397,673	8,700,000	D	D
Senior loan fund				
Symphony Senior Loan Fund, L.P. (l)	<u>23,077,604</u>	-	Monthly	60 days
Total investments measured at NAV	<u><u>\$ 285,783,692</u></u>			

INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

- A. Repurchases submitted prior to the four-year soft lock-up period are subject to a 6% repurchase discount. Notices for redemption between March 31 and May 15 must be received between November 15 and December 15 and notices for redemption on September 30, must be received by June 30.
 - B. Investor withdrawals are not permitted without the prior written consent of the investment fund's board, which may be granted or withheld at its sole discretion.
 - C. This fund has a term of thirteen years from the initial closing date (July 12, 2006), subject to up to three successive one-year extensions by the General Partner and extensions thereafter by the General Partner with the consent of a majority interest of investors. Redemptions are not permitted until after the thirteen year term which began in July 2006.
 - D. Investor withdrawals are not permitted.
- (a) This investment includes equity funds that each employ different investment strategies. The strategies include: providing long-term growth of capital by investing primarily in equity securities, achieving excess returns above the benchmark from diversified quantitative managers who apply different mathematical approaches to modeling, employing a diversified approach whereby portions of the fund are allocated to different money managers who employ distinctive investment styles, combining advisers with different performance patterns to achieve a less volatile rate of return, and taking advantage of market trading opportunities.
 - (b) This investment includes a portfolio of equity securities, including privately placed securities of companies in emerging markets.
 - (c) This investment includes a portfolio of international equity securities. The investment objective is to provide long-term returns, and the fund is managed on a total return basis.
 - (d) This investment includes various funds that invest capital in holding companies that invest in a broad range of infrastructure assets.
 - (e) This category includes investments in private core and enhanced core real estate. The fund seeks a total return through income and growth.
 - (f) This investment includes a portfolio of real estate holdings that seeks a total return through a variety of value creation strategies, from acquiring buildings with significant vacancy and completing re-leasing without extensive capital investment, to participating in group-up development joint ventures.
 - (g) The investment seeks to identify, acquire and manage a diversified portfolio of primarily institutional quality real estate assets and real estate related investments within the United States, selecting investments across property types, geographic and economic regions, and metropolitan markets to attempt to achieve favorable risk-adjusted investment returns.
 - (h) This category includes investments that generate returns through investing in venture capital companies, limited partnerships and other pooled investment vehicles.
 - (i) This category includes investments in new global private equity funds. In addition to new funds, the fund will also selectively target global secondary and direct co-investment.

**INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2015 and 2014

NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

- (j) This investment seeks to realize long-term capital appreciation through the purchase of existing limited partnership interests in independently managed private equity funds from third parties seeking liquidity prior to the contractual termination of such fund.
- (k) This investment seeks to realize capital appreciation primarily by investing in a diversified portfolio of private equity funds. The investment targets 25-30 commitments to private equity funds over three vintage years diversified across a range of private equity sectors including buyout, venture capital, and special situations (primarily distressed, credit and real assets).
- (l) This category includes investments primarily in corporate loans. In addition, the fund may also invest in bonds, notes, other indebtedness of any kind, including high yield bonds, convertible securities, total return and credit default swaps and other derivatives on similar assets, options, warrants, rights, private claims, equity and debt derivatives and other securities and instruments of U.S. and non-U.S. issuers that are traded publicly and privately.

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following as of June 30:

	2015	2014
Land	\$ 4,762,290	\$ 4,762,290
Buildings	45,649,954	45,651,303
Building improvements	525,693	-
Computer hardware and software	1,768,224	1,790,210
Furniture and fixtures	8,828,229	8,810,218
Machinery and equipment	1,291,271	1,217,785
Literature	344,098	356,583
Vehicles	67,039	89,906
Paving	649,794	558,436
Landscaping	1,672,360	1,615,485
Construction in progress	163,743	205,182
	<u>65,722,695</u>	<u>65,057,398</u>
Less accumulated depreciation	<u>(16,541,677)</u>	<u>(14,397,162)</u>
	<u>\$ 49,181,018</u>	<u>\$ 50,660,236</u>

INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE E - LONG-TERM DEBT

Long-term debt consists of the following as of June 30:

	2015	2014
Wisconsin Health and Educational Facilities Authority Adjustable Rate Demand Revenue Bonds, Series 2006 issued in a weekly rate mode, with serial redemption in annual installments due on July 1, 2013, and resuming on July 1, 2016 through December 1, 2036. The interest rate was 0.07% and 0.05% on June 30, 2015 and 2014, respectively.	\$ 23,000,000	\$ 23,000,000
Wisconsin Health and Educational Facilities Authority Adjustable Rate Demand Revenue Bonds, Series 2007 issued in a weekly rate mode, with serial redemption in annual installments due on July 1, 2013, and resuming on July 1, 2016 through December 1, 2036. The interest rate was 0.07% and 0.05% on June 30, 2015 and 2014, respectively.	40,000,000	40,000,000
Total long-term debt	\$ 63,000,000	\$ 63,000,000

As part of the Series 2006 and 2007 revenue bond agreements, the School is required to maintain a letter of credit with a bank. As of June 30, 2015 and 2014, the School had \$63,604,111 available under the letter of credit, which expires December 9, 2015. There were no borrowings on the letter of credit as of June 30, 2015 and 2014. The debt requires affirmative and negative covenants, which include certain financial covenants related to liquidity. As of June 30, 2015 and 2014, the School was in compliance with the affirmative and negative covenants.

Aggregate scheduled principal payments on the outstanding debt, as amended, are as follows for each fiscal year as of June 30, 2015:

2016	\$ -
2017	600,000
2018	900,000
2019	1,100,000
2020	1,300,000
Thereafter	59,100,000
	\$ 63,000,000

Interest expense incurred in 2015 and 2014 was \$329,399 and \$590,755, respectively.

INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE E - LONG-TERM DEBT - Continued

In August 2011, the School entered into a \$5,000,000 revolving line of credit facility used to meet normal cash requirements. Interest on borrowings was due monthly at LIBOR plus 1.1% with the principal due on November 30, 2015. The effective interest rate was 1.26% and there were no outstanding borrowings on June 30, 2014. The School elected to terminate the line of credit on April 17, 2015. Certain investment accounts valued at \$17,529,905 were pledged for collateral for this debt as of June 30, 2014.

On November 10, 2014, the School entered into a letter of credit to fund unemployment expenses. As of June 30, 2015, the School had \$48,000 available under the letter of credit, which expires December 31, 2018. There were no borrowings on the letter of credit as of June 30, 2015.

NOTE F - FUNCTIONAL EXPENSES

Expenses by functional category are as follows for the years ended June 30:

	2015	2014
Program services	\$ 9,462,424	\$ 9,499,072
General and administrative	2,209,582	1,997,417
Fundraising	26,159	24,073
	\$ 11,698,165	\$ 11,520,562

NOTE G - EMPLOYEE BENEFIT PLAN

The School maintains a defined contribution plan under Section 401(k) of the IRC. The 401(k) plan requires participants in the plan attain age 21 in order to make elective deferrals. All employees who meet the minimum age requirement, except those who normally work less than 20 hours per week, are eligible to participate in the plan. Employees are eligible to receive employer matching contributions and employer discretionary contributions when they have completed one year of service and have attained age 21. Employer matching participation entry dates are July 1 or January 1, following fulfillment of the eligibility requirements.

The participant and employer contributions and investment earnings thereon are held in participant-selected investment options offered through the plan. Under this type of plan, no coverage is provided by the Pension Benefit Guaranty Corporation, a federal agency that insures certain types of benefits. As this is a defined contribution plan with no guaranteed benefit, participants' benefits are based on the amount in their individual accounts. The School has the right to amend or to terminate the plan at any time. The School has recorded \$281,308 and \$249,814 in contributions related to the plan for the years ended June 30, 2015 and 2014, respectively.

**INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2015 and 2014

NOTE H - COMMITMENTS AND CONTINGENCIES

The School is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material, adverse effect on the School's financial position, change in net assets, or liquidity.

NOTE I - SUBSEQUENT EVENTS

The School evaluated its June 30, 2015 consolidated financial statements for subsequent events through October 14, 2015, the date the consolidated financial statements were issued. The School is not aware of any subsequent events that would require recognition or disclosure in the consolidated financial statements, with the exception of the following event:

On July 1, 2015, the School funded \$40,000,000 related to the unfunded commitments for the UBS (US) Trumbull Property Growth & Income Fund and the Clarion Lion Partners fund (note C).

SUPPLEMENTAL INFORMATION

INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
SCHEDULES OF EXPENSES BY NATURAL CLASSIFICATION

Years ended June 30,

Expenses by natural classification	2015	2014
Salaries and wages	\$ 3,572,912	\$ 3,373,850
Payroll taxes	267,029	256,244
Employee benefits	1,107,534	994,294
Conferences, conventions and meetings	28,610	23,744
Student activities	38,626	43,800
Bus service	1,248,391	1,336,049
Temporary help	109,457	77,978
Accounting fees	87,062	80,186
Postage and shipping	9,650	8,186
Contract services	462,368	453,332
Legal fees	321,062	336,413
Consulting and testing	149,196	55,068
Special events	80,738	68,735
Program meals	161,431	142,998
Staff travel and meals	52,103	77,259
Supplies	150,105	138,939
Raffle and other fundraising expenses	17,116	18,815
Telephone	22,360	25,470
Utilities	258,538	275,306
Equipment repairs	87,770	85,477
Board stipend	332,620	334,420
Donations	137,163	249,801
Public relations and advertising	9,822	8,812
Bank service charges	2,233	1,189
Depreciation	2,315,416	2,165,847
Real estate tax	37,346	38,091
General insurance	109,811	96,311
Bond fees and interest	441,660	681,167
Miscellaneous	80,036	72,781
	<u> </u>	<u> </u>
Total expenses	<u>\$ 11,698,165</u>	<u>\$ 11,520,562</u>

**INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

June 30, 2015

ASSETS	Indian Community School of Milwaukee, Inc.	ICS Support Organization, Inc.	Eliminations	Consolidated
CURRENT ASSETS				
Cash and cash equivalents	\$ 5,552,900	\$ 108,606	\$ -	\$ 5,661,506
Interest and dividends receivable	163	86,514	-	86,677
Intercompany receivable	10	-	(10)	-
Receivable, investment securities sold	-	13,000,000	-	13,000,000
Other receivables	13,392	-	-	13,392
Prepaid expenses	159,458	20,573	-	180,031
Total current assets	<u>5,725,923</u>	<u>13,215,693</u>	<u>(10)</u>	<u>18,941,606</u>
Long-term investments, at fair value	25,439,070	458,388,303	-	483,827,373
Interest in ICS Support Organization	470,835,144	-	(470,835,144)	-
Property and equipment, net	49,181,018	-	-	49,181,018
Unamortized bond issue costs	244,637	-	-	244,637
Total assets	<u><u>\$ 551,425,792</u></u>	<u><u>\$ 471,603,996</u></u>	<u><u>\$ (470,835,154)</u></u>	<u><u>\$ 552,194,634</u></u>
LIABILITIES AND UNRESTRICTED NET ASSETS				
CURRENT LIABILITIES				
Accounts payable, construction	\$ 150,577	\$ -	\$ -	\$ 150,577
Accounts payable, other	250,458	99,821	-	350,279
Accrued liabilities				
Wages and salaries	338,926	-	-	338,926
Paid time off	34,648	-	-	34,648
Pension	29,264	-	-	29,264
Investment fees	551	469,110	-	469,661
Inter-company payable	-	10	(10)	-
Payable, investment securities purchased	-	199,911	-	199,911
Other liabilities	129,207	-	-	129,207
Total current liabilities	<u>933,631</u>	<u>768,852</u>	<u>(10)</u>	<u>1,702,473</u>
Long-term payable	40,998	-	-	40,998
Long-term debt	63,000,000	-	-	63,000,000
Total liabilities	<u>63,974,629</u>	<u>768,852</u>	<u>(10)</u>	<u>64,743,471</u>
UNRESTRICTED NET ASSETS	<u>487,451,163</u>	<u>470,835,144</u>	<u>(470,835,144)</u>	<u>487,451,163</u>
Total liabilities and unrestricted net assets	<u><u>\$ 551,425,792</u></u>	<u><u>\$ 471,603,996</u></u>	<u><u>\$ (470,835,154)</u></u>	<u><u>\$ 552,194,634</u></u>

**INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

June 30, 2014

ASSETS	Indian Community School of Milwaukee, Inc.	ICS Support Organization, Inc.	Eliminations	Consolidated
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,489,690	\$ 49,807	\$ -	\$ 2,539,497
Interest and dividends receivable	5,325	316,061	-	321,386
Other receivables	26,269	-	-	26,269
Prepaid expenses	182,242	19,556	-	201,798
Deposits	46,691	-	-	46,691
Total current assets	<u>2,750,217</u>	<u>385,424</u>	<u>-</u>	<u>3,135,641</u>
Long-term investments, at fair value	17,529,905	466,369,047	-	483,898,952
Interest in ICS Support Organization	466,227,825	-	(466,227,825)	-
Notes receivable	21,250	-	-	21,250
Property and equipment, net	50,660,236	-	-	50,660,236
Unamortized bond issue costs	255,985	-	-	255,985
Total assets	<u><u>\$ 537,445,418</u></u>	<u><u>\$ 466,754,471</u></u>	<u><u>\$ (466,227,825)</u></u>	<u><u>\$ 537,972,064</u></u>
LIABILITIES AND UNRESTRICTED NET ASSETS				
CURRENT LIABILITIES				
Accounts payable, construction	\$ 139,530	\$ -	\$ -	\$ 139,530
Accounts payable, other	344,491	72,783	-	417,274
Accrued liabilities				
Wages and salaries	319,595	-	-	319,595
Paid time off	38,769	-	-	38,769
Pension	26,395	-	-	26,395
Investment fees	13,908	443,876	-	457,784
Inter-company payable	-	-	-	-
Payable, investment securities purchased	-	9,987	-	9,987
Other liabilities	128,614	-	-	128,614
Total current liabilities	<u>1,011,302</u>	<u>526,646</u>	<u>-</u>	<u>1,537,948</u>
Long-term payable	83,913	-	-	83,913
Long-term debt	63,000,000	-	-	63,000,000
Total liabilities	<u>64,095,215</u>	<u>526,646</u>	<u>-</u>	<u>64,621,861</u>
UNRESTRICTED NET ASSETS	<u>473,350,203</u>	<u>466,227,825</u>	<u>(466,227,825)</u>	<u>473,350,203</u>
Total liabilities and unrestricted net assets	<u><u>\$ 537,445,418</u></u>	<u><u>\$ 466,754,471</u></u>	<u><u>\$ (466,227,825)</u></u>	<u><u>\$ 537,972,064</u></u>

INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2015

	Indian Community School of Milwaukee, Inc.	ICS Support Organization, Inc.	Eliminations	Consolidated
REVENUES AND OTHER SUPPORT				
Cost sharing income	\$ 82,002	\$ -	\$ (82,002)	\$ -
Distributions from ICS Support Organization, Inc.	19,164,088	-	(19,164,088)	-
Investment income, net	834,677	24,110,646	-	24,945,323
Transportation fees and reimbursement	6,113	-	-	6,113
Lunch fees and meal reimbursement	220,309	-	-	220,309
Other income	596,863	-	-	596,863
Revenue from rental property, net	30,517	-	-	30,517
	<u>20,934,569</u>	<u>24,110,646</u>	<u>(19,246,090)</u>	<u>25,799,125</u>
Total revenues and other support				
EXPENSES				
Academic education	1,654,003	-	-	1,654,003
School administration	3,406,675	-	-	3,406,675
Library	95,132	-	-	95,132
Computer lab	88,999	-	-	88,999
Cultural education	247,101	-	-	247,101
Art education	126,795	-	-	126,795
Music education	66,770	-	-	66,770
Physical education	102,902	-	-	102,902
Food service	688,951	-	-	688,951
Facilities	1,460,257	-	-	1,460,257
Management information systems	282,871	-	-	282,871
Corporate	1,754,757	19,356,385	(19,246,090)	1,865,052
Instructional support	415,423	-	-	415,423
Board of directors	325,908	146,942	-	472,850
Human resources	178,297	-	-	178,297
Family resource center	546,087	-	-	546,087
	<u>11,440,928</u>	<u>19,503,327</u>	<u>(19,246,090)</u>	<u>11,698,165</u>
Total expenses				
CHANGE IN UNRESTRICTED NET ASSETS				
	9,493,641	4,607,319	-	14,100,960
Unrestricted net assets, beginning of year	473,350,203	466,227,825	(466,227,825)	473,350,203
Change in value of the ICS Support Organization, Inc.	4,607,319	-	(4,607,319)	-
	<u>487,451,163</u>	<u>470,835,144</u>	<u>(470,835,144)</u>	<u>487,451,163</u>
Unrestricted net assets, end of year				

INDIAN COMMUNITY SCHOOL OF MILWAUKEE, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended June 30, 2014

	Indian Community School of Milwaukee, Inc.	ICS Support Organization, Inc.	Eliminations	Consolidated
REVENUES AND OTHER SUPPORT				
Cost sharing income	\$ 81,999	\$ -	\$ (81,999)	\$ -
Distributions from ICS Support Organization, Inc.	14,042,400	-	(14,042,400)	-
Investment income, net	2,074,770	65,929,948	-	68,004,718
Change in value of interest rate swap	847,088	-	-	847,088
Transportation fees and reimbursement	5,275	-	-	5,275
Lunch fees and meal reimbursement	172,051	-	-	172,051
Other income	982,024	-	-	982,024
Revenue from rental property, net	16,180	-	-	16,180
	<u>18,221,787</u>	<u>65,929,948</u>	<u>(14,124,399)</u>	<u>70,027,336</u>
Total revenues and other support				
EXPENSES				
Academic education	1,695,481	-	-	1,695,481
School administration	3,354,708	-	-	3,354,708
Library	61,582	-	-	61,582
Computer lab	86,781	-	-	86,781
Cultural education	216,572	-	-	216,572
Art education	123,962	-	-	123,962
Music education	67,517	-	-	67,517
Physical education	97,069	-	-	97,069
Food service	652,731	-	-	652,731
Facilities	1,460,543	-	-	1,460,543
Management information systems	272,441	-	-	272,441
Corporate	1,880,465	14,172,363	(14,124,399)	1,928,429
Instructional support	367,043	-	-	367,043
Board of directors	339,587	151,715	-	491,302
Human resources	108,053	-	-	108,053
Family resource center	536,348	-	-	536,348
	<u>11,320,883</u>	<u>14,324,078</u>	<u>(14,124,399)</u>	<u>11,520,562</u>
Total expenses				
CHANGE IN UNRESTRICTED NET ASSETS				
	6,900,904	51,605,870	-	58,506,774
Unrestricted net assets, beginning of year	414,843,429	414,621,955	(414,621,955)	414,843,429
Change in value of the ICS Support Organization, Inc.	51,605,870	-	(51,605,870)	-
	<u>473,350,203</u>	<u>466,227,825</u>	<u>(466,227,825)</u>	<u>473,350,203</u>
Unrestricted net assets, end of year				