

The Clergy Health and Retirement Trust Annual Report 2017

Archdiocese of Boston



Clergy Health and Retirement Trust
Caring for the Well-being of our Priests



Clergy Health and Retirement Trust
Caring for the Well-Being of our Priests

October 31, 2017

Dear Fathers and Brother Priests,

BOARD OF TRUSTEES

Rev. Msgr. Dennis Sheehan

Very Rev. Brian Kiely

Very Rev. Bryan Parrish

Rev. Gerard Petringa

Ms. Ann Carter

Mr. C. Michael Daley

Mr. Daniel T. Flatley

Mr. John Kaneb

Mr. James P. McDonough

Mr. Mark Vachon

TRUSTEE EMERITUS

Mr. James Mooney, Jr.

We are pleased to send you the Fiscal Year 2017 Report for the Clergy Health and Retirement Trust. The Executive Director's report and commentary are included, along with the outside auditor's report.

You have a committed Board of Trustees and a highly competent staff in your service.

We trust that our efforts to help all retired priests live with dignity and security whether in their own home, a nursing facility, a rectory or at Regina Cleri, will continue to bear fruit. We welcome questions, comments and suggestions directly to either of us. Thank you for your continued prayers and generous support. May you continue to be blessed in all ways.

On behalf of the Board of Trustees,

John A. Kaneb
Chairman

Reverend Monsignor Dennis Sheehan
Vice-Chairman



Clergy Health and Retirement Trust
Caring for the Well-being of our Priests

Joseph D'Arrigo, Executive Director

Executive Summary

BOARD OF TRUSTEES

Rev. Msgr. Dennis Sheehan
Very Rev. Brian Kiely
Very Rev. Bryan Parrish
Rev. Gerard Petringa
Ms. Ann Carter
Mr. C. Michael Daley
Mr. Daniel T. Flatley
Mr. John Kaneb
Mr. James P. McDonough
Mr. Mark Vachon

TRUSTEE EMERITUS

Mr. James Mooney, Jr.

The Clergy Health and Retirement Trust (the “Fund” or “CHRT”) was established to ensure the health, welfare, and retirement needs of you—our eligible active and senior priests of the Archdiocese of Boston. In FY2017, your Fund covered 207 senior and 381 active priests.

CHRT employs a professional staff dedicated to fulfilling these promises and caring for incardinated priests who are in good standing within the norms of canon law (“eligible”). The CHRT Board of Trustees is committed to providing that care in a fiscally-responsible way.

Caring for you means more than paying the bills. It means providing the resources and tools you need to live a healthy life; supporting and increasing your quality of life; and guaranteeing that the appropriate level of benefits is maintained when you need them. It also means accumulating enough funds to ensure that when you retire, the finances will be there to provide the same level of benefits being received today. We look at your future needs with the same concern we have for meeting our current commitments.

During FY2017 we shared a financial strategic plan that will take five years to accomplish. The two high points of the plan were:

- Maintain or increase the level of funds received from the three collections and the Celebration of Priesthood Dinner.
- Add \$40 million to the operating reserve.

The object is to ensure that the men will retire in the future with a sense of security and that there will be enough funds to maintain the level of benefits their brothers are receiving today.

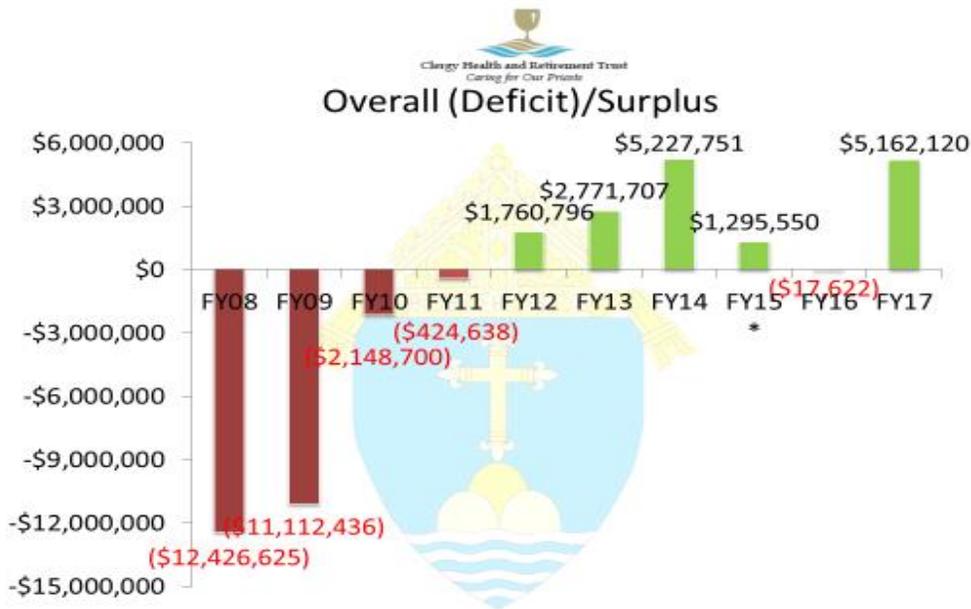


Clergy Health and Retirement Trust
Caring for the Well-being of our Priests

The CHRT staff is always available to answer your questions and provide help. It has become our ministry – The ministry of caring for our priests.

Fiscal Year 2017 Highlights

Last year’s financial results were the best in our history, as the largest surplus in our short history was recorded. A key component of this result was the return on our investments. Such results could lead to complacency however, there is still a mountain to climb to secure the future. The goal is to have an operating reserve of \$80 million; currently we have approximately \$40 million. The \$80 million has been determined by modeling future costs and demographics. It approximates the unfunded liability determined by our actuaries, which is \$54 million.



* FY13, FY14 and a portion of FY15 CHRT did not provide room & board payments and operational support for Regina Cleri, Inc.
**FY15 Reflects the first year of the CHRT including Regina Cleri



Clergy Health and Retirement Trust
Caring for the Well-being of our Priests

Gifts and bequests have been a major component in adding to the assets available for future benefits, including the support of Regina Cleri. Most of those bequests have come from your brother priests. We are grateful and honored that they remember, in such a distinct way, the care of their brothers that come after them.

In 2017, we established the Salve Regina Society to recognize those men that remembered the Fund and Regina Cleri in their wills, and those that indicated that they intend to. - Each member's specific will and plans are personal and confidential; we only would like to recognize their thoughtfulness through this annual report. For those who would like to remain anonymous it is noted.

The St. John Vianney Society was also established this year. This is an annual giving society of priests helping their brothers. The enthusiastic support of your brothers has been gratifying. 111 men have become founding members of the society. It is not the amount that is important; it is the participation and acknowledging the support of your brothers.

We received \$8.3 million from the three parish collections and the Celebration of Priesthood Dinner. Currently, the cost for senior priests is \$9.5 million per year. It is only through medical insurance assessment that we can meet the gap and cover the cost of the 381 active priests. This year our medical expenses were down significantly, contributing to our surplus. The annual cost per priest has been decreasing over the last nine years. Today the cost is lower by \$3,000 per priest than nine years ago. This decrease is due in part by using Medicare; while another important factor are the positive effects the emotional and physical wellness programs are having as they are utilized. This is an indicator that our priests are trying to take better care of themselves. Disease and accidents are an accepted part of our lives. Perhaps the cause for the decrease can be the openness of the presbyterate to live healthy lifestyles.

We cannot expect this trend to continue. However, early detection and being healthy when disease does strike leads to better outcomes.



Clergy Health and Retirement Trust
Caring for the Well-being of our Priests

Additional highlights for this fiscal year from your CHRT team:

- Mary Hanlon, R.N., our Healthcare Coordinator:
 - Visited 200 senior priests living on their own, in rectories and in hospitals, rehab, nursing homes or assisted living.
 - Made 700 calls to priests, family members to follow up on care.
 - Published 12 editions of “Notes from the Care Team.”
- A Senior Care Manager, Amy Nash, was added to the team. Working closely with Mary Hanlon, she visits senior priests living on their own and in rectories to improve and provide home care services and information about health care decisions.
 - Visited 90 priests and made 600 follow-up calls or emails to priests and caregivers.
- Jay Marsden, our elder care attorney on retainer, helped 8 priests and their families prepare plans to ensure that quality of care is maintained.
- Two therapists: Dr. Matthew McGonagle and J. A. Loftus, SJ, PhD, were available to all your brother priests for consultation.
- Joan Smith helped countless priests navigate the healthcare system using Tufts and Delta Dental. She answered 400 calls from priests regarding an array of benefit questions.
- Maria Sullivan-Antonioni answered hundreds of questions or directed you to the appropriate resource for support. She coordinated all the materials used at the parish level for all collections.
 - Maria also coordinated a fresh marketing initiative of implementing and managing Facebook.
- Maryellen Barrett and Jiahong Lin kept track of every expense to assure the appropriateness of charges to the Fund. Maryellen acted as liaison for the Finance and Audit Committee as well as the Investment Committee.

Overall, the Funds provided quality care at the following levels of support:



Clergy Health and Retirement Trust
Caring for the Well-being of our Priests

- \$4.5 million spent on medical, prescription drugs and dental
- \$6.6 million spent on retirement stipends and Regina Cleri

In addition, three comprehensive wellness seminars and a retreat week were held during the fiscal year which were attended by 53 priests covering the following:

- Aging Gracefully
- Developing Resiliency
- Maintaining the Joy of the Priesthood
- Week Long Retreat: Leading a Parish in the 21st Century

Looking Ahead

This year we will continue to support you through the physical wellness program in addition to seminars that meet the daily needs of the priests.

- A Care Team has been developed consisting of Mary Hanlon, Amy Nash, Laurine Kohler and Stephen Gust. Maria Sullivan-Antonioni is acting as the facilitator of this group. The purpose of the group is to develop common language to utilize our resources for the best care for all our priests as well as to facilitate the seamless care and transition to Regina Cleri.
- The wellness program has been successful and we will continue to support and improve what we have been doing. Illness and disease does not equate to lifestyle or frailty. As we all age there is need to look at those factors that affect frailty and quality of life. We will concentrate on collecting data, analyzing, then developing programs that will help priests continue to lead vibrant lives and live out their ministry.
- The emotional health program will continue to enhance our holistic approach to overall health and wellbeing. We are planning seminars to help deal with some difficult aspects and transitions that you face. We will continue to review and provide the Clergy Preferred Mental Health Providers – therapists that are available to you at no cost-- to offer support as you meet increasing responsibilities.



Clergy Health and Retirement Trust
Caring for the Well-being of our Priests

- As a religious community, Regina Cleri continues to improve the services offered to senior priests. The facility offers a wide array of support for spiritual life; physical and emotional health; and quality of life; thereby enabling priests to dedicate their later years to their lifelong commitment to the priesthood.
- Currently we have an architect that has prepared drawings for updating Regina Cleri - adding 10 rooms and redesigning the chapel. Those plans will be shared with the residents when there are definitive costs. As always, we will seek their input since it is their home.
- This preparation is in anticipation of a Capital Campaign. Such a campaign will be essential not only for the updating of Regina Cleri but also the financial viability of the Fund.

The CHRT staff remains dedicated to supporting you. We believe that the more we can do to provide for your physical health and emotional resiliency, the more we will be able to express our gratitude for your years of dedicated service to the Archdiocese of Boston.

How You Can Help

The Clergy Health and Retirement Trust has worked diligently to offer a level of benefits for you and your brother priests that rivals any diocese in the country. Though the Funds are financially stable today, we need your help to provide benefits for the future.

We will continue to keep all priests informed and always be transparent. This will be accomplished, as it has been in the past, by attending vicariate meetings and individual meetings with pastors and priests.

Most of the funding comes from your parishioners through the three collections, Christmas, Easter, September and the Celebration of Priesthood dinner. We know your parishioners love you and want to support you. The easiest way to help, is to promote and bring awareness to the collections. Give your parishioners the opportunity to thank you for all you do.

The budget for FY2018 is a close breakeven. We have been blessed in the past by gifts, bequests and investment returns we did not budget that led to a surplus. We cannot do



Clergy Health and Retirement Trust
Caring for the Well-being of our Priests

this without your leadership, and we are grateful for any contribution you can make to support it.

Please consider joining the St. John Vianney Society and/or the Salve Regina Society.

We ask for your prayers for our staff as we continue with our important mission in service to you.

God Bless,

Joseph D'Arrigo
Executive Director, Clergy Health & Retirement Trust

Saint John Vianney Society

*As of October 25, 2017

John J. Ahern

Anonymous (2)

Eugene L. Alves

James J. Barry

Raymond P. Benoit

Paul W. Berube

Wallace E. Blackwood

Robert M. Blaney

Derek J. Borek

Thomas C. Boudreau

Charles J. Bourque

Garcia Breneville

Robert M. Browne

James G. Burke

Robert J. Butler

James B. Canniff

Kenneth V. Cannon

George F. Carlson

John F. Carmichael

Walter A. Carreiro

Peter J. Casey

Brian M. Clary

Francis J. Cloherty

Peter V. Conley

Sean M. Connor

Richard T. Conway

Richard P. Cornell

Ronald D. Coyne

Richard P. Crowley

Robert J. Cullen

Paul E. Curran

Francis E. Daley

Francis J. Daly

Robert J. Deehan

John W. Delaney

Philip J. Des Rosiers

Hubert E. Desmond

Richard S. DeVeer

Dennis A. Dever

James M. DiPerri

Thomas P. Donohoe

Joseph J. D'Onofrio

Scott A. Euvrard

William P. Fay

Patrick J. Fiorillo

Arthur C. Flynn

Thomas S. Foley

Paul V. Garrity

Robert J. Giggi

J. Thomas Gignac

John J. Grimes

Mario Guarino

Michael R. Guarino

Joseph M. Hennessey

George Hogan

Joseph M. Kane

Francis H. Kelley

William T. Kelly

Brian R. Kiely

Harold F. Lawson

Stephen R. LeBlanc

Joseph G. Lind

Stephen J. Linehan

Paul V. MacDonald

Sean M. Maher

Leo E. Martel

Peter T. Martocchio

Edward C. McDonagh

John P. McDonough

Saint John Vianney Society

*As of October 25, 2017

John W. McElroy

Francis J. McGann

Laurence W. McGrath

Brian J. McHugh

Vincent P. Mellone

Paul E. Miceli

Robert T. Milling

Thomas F. Nestor

William F. Murphy

John A. Murray

Robert W. Murray

Huy H. Nguyen

Michael Nolan

Mark L. Noonan

John F. O'Donnell

David M. O'Leary

Gerald J. Osterman

William Palardy

Louis R. Palmieri

John V. Paris

Bryan K. Parrish

Gerard Petringa

Thomas J. Powers

Peter F. Quinn

Joseph K. Raeke

James F. Raftery

Daniel J. Riley

Edward M. Riley

James H. Riley

Paul E. Ritt

James J. Ronan

Joseph M. Rossi

Albert J. Sallese

Stephen E. Salocks

James W. Savage

Kevin M. Sepe

Timothy J. Shea

Dennis Sheehan

Francis J. Silva

Francis V. Strahan

Peter J. Uglietto

Christopher W. Wallace

Thomas J. Walsh

Matthew J. Westcott

David P. White

Thomas F. Wyndham

Arthur Wright

Michael L. Zimmerman

Salve Regina Legacy Society

Anonymous (3)

Laurence J. Borges

George F. Carlson

John F. Carmichael

Peter J. Casey

Edwin D. Condon

John G. Connolly

Leonard A. Coppenwrath

Henry M. Cunney

Richard S. De Veer

George P. Evans

Richard R. Gosselin

John M. Hannon

George G. Hogan

John R. Lizio

Paul V. MacDonald

Francis J. McGann

Patrick J. McGlaughlin

Martin J. McNulty

Cornelius McRae

Maurice P. Meade

John A. Murray

Frederick W. O'Brien

William J. O'Connor

Alfonso G. Palladino

Richard J. Perron

James H. Riley

Stephen B. Rock

Laurence J. Rondeau

John J. Shea

Paul S. Sughrue

As of October 24, 2017.

- Includes bequests received in FY 2017.



Clergy Health and Retirement Trust
Caring for the Well-Being of our Priests

Finance & Audit Committee

Financial Report for the Year Ending June 30, 2017

The Clergy Health & Retirement Trust Finance & Audit Committee is pleased to present the audited financial statements of the Clergy Health & Retirement Trust for the fiscal year ended June 30, 2017.

BOARD OF TRUSTEES
Rev. Msgr. Dennis Sheehan
Very Rev. Brian Kiely
Very Rev. Bryan Parrish
Rev. Gerard Petringa
Ms. Ann Carter
Mr. C. Michael Daley
Mr. Daniel T. Flatley
Mr. John Kaneb
Mr. James P. McDonough
Mr. Mark Vachon

These statements are the responsibility of the management of the Clergy Health & Retirement Trust, and have been audited by Grant Thornton LLP. Our auditors have issued an unqualified opinion that the statements fairly present the financial position of the Clergy Health & Retirement Trust in conformity with generally accepted accounting principles as of and for the year ended June 30, 2017.

The Finance & Audit Committee wishes to express its thanks to the many individuals who have helped to return these funds to a financially stable state, including:

- Our priests who have supported us from the beginning
- Our many generous benefactors
- Our Clergy Health & Retirement Trust team, who work diligently to improve the health care and retirement for our priests

TRUSTEE EMERITUS
Mr. James Mooney, Jr.

The Finance & Audit Committee consists of:
Reverend Thomas S. Rafferty Administrator of Saint John the Evangelist Parish, Canton
James Mullaney CPA
Richard F. Reilly CPA, and a former partner at KPMG LLP
Michael Shaughnessy Co-owner of Shaughnessy & Ahearn Company
James P. McDonough (Chair), President & CEO, Randolph Savings Bank

On behalf of the Finance & Audit Committee,

James P. McDonough
Chairman, Finance & Audit Committee
Clergy Health & Retirement Trust

Combined Financial Statements and Report of
Independent Certified Public Accountants

ARCHDIOCESE OF BOSTON
CLERGY HEALTH AND RETIREMENT TRUST

Clergy Medical/Hospitalization Trust

Clergy Retirement Trust

Clergy Benefit Funding Trust

Regina Cleri Trust

June 30, 2017 and 2016

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

TABLE OF CONTENTS

	Page
Report of Independent Certified Public Accountants	1 - 2
Financial Statements	
Combined Statements of Net Assets Available for Benefits	3
Combined Statements of Changes in Net Assets Available for Benefits	4
Combined Statements of Accumulated Plan Benefits	5
Combined Statements of Changes in Accumulated Plan Benefits	6
Notes to Financial Statements	7 - 19
Supplemental Information	
Combining Statement of Net Assets Available for Benefits June 30, 2017	21
Combining Statement of Net Assets Available for Benefits June 30, 2016	22
Combining Statement of Changes in Net Assets Available for Benefits for the year ended June 30, 2017	23
Combining Statement of Changes in Net Assets Available for Benefits for the year ended June 30, 2016	24
Statement of Activities and Changes in Net Assets Available for Benefits - Regina Cleri Trust for the year ended June 30, 2017	25
Statement of Activities and Changes in Net Assets Available for Benefits - Regina Cleri Trust for the year ended June 30, 2016	26



Grant Thornton LLP
75 State Street, 13th Floor
Boston, MA 02109
T 617.723.7900
F 617.723.3640
www.GrantThornton.com
linkd.in/GrantThorntonUS
twitter.com/GrantThorntonUS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Trustees of the
Archdiocese of Boston Clergy Health and Retirement Trust

We have audited the accompanying financial statements of the Archdiocese of Boston Clergy Health and Retirement Trust (“CHRT”), which comprise the combined statements of net assets available for benefits and the combined statements of accumulated plan benefits as of June 30, 2017 and 2016 and the related combined statements of changes in net assets available for benefits and combined statements of changes in accumulated plan benefits 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 combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit 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 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 CHRT’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 CHRT’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.

Opinion

The supplemental combining statements of net assets available for benefits, combining statements of changes in net assets available for benefits and statements of activities and changes in net assets available for benefits - Regina Cleri Trust as of and for the years ended June 30, 2017 and 2016. In our opinion, the combined financial statements referred to above present fairly, in all material respects, information regarding the Archdiocese of Boston Clergy Health and Retirement Trust financial status as of June 30, 2017 and 2016 and changes therein for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental combining statements of net assets available for benefits, combining statements of changes in net assets available for benefits and statements of activities and changes in net assets available for benefits - Regina Cleri Trust as of and for the years ended June 30, 2017 and 2016 are presented for purposes of additional analysis and are not a required part of the financial statements. Such supplementary information is the responsibility of the CHRT's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Grant Thornton LLP

Boston, Massachusetts
October 19, 2017

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Combined Statements of Net Assets Available for Benefits
As of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents (Note 3)	\$ 9,118,747	\$ 8,236,019
Participating entities receivable, net (Note 3)	55,644	127,009
Accounts receivable, medicare	150,000	150,000
Contributions receivable (Note 3)	187,418	75,000
Accounts receivable, other	2,409	2,611
Prepaid expenses (Note 3)	342,830	369,480
Investments, at fair value (Notes 3, 5 and 10)	38,835,972	33,789,966
Land, buildings and equipment, net (Note 6)	<u>12,740,895</u>	<u>13,318,375</u>
Total assets	<u>\$ 61,433,915</u>	<u>\$ 56,068,460</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 310,916	\$ 224,698
Deferred income (Note 3)	<u>335,369</u>	<u>218,252</u>
Total liabilities	646,285	442,950
NET ASSETS AVAILABLE FOR BENEFITS		
Unrestricted		
Undesignated	54,631,861	49,857,328
Functioning as endowment (Note 8)	<u>4,680,507</u>	<u>4,426,132</u>
Total unrestricted	59,312,368	54,283,460
Temporarily restricted (Note 8)	401,517	474,998
Permanently restricted (Note 8)	<u>1,073,745</u>	<u>867,052</u>
Total net assets available for benefits	<u>\$ 60,787,630</u>	<u>\$ 55,625,510</u>

The accompanying notes are an integral part of these combined financial statements.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Combined Statements of Changes in Net Assets Available for Benefits
For the years ended June 30, 2017 and 2016

	2017	2016
OPERATING REVENUE		
Collections from parishes	\$ 7,079,460	\$ 6,974,708
Assessments to participating entities	5,876,216	5,930,777
Special event dinner, net of \$310,736 and \$321,529 of costs	1,264,603	1,428,842
Room and board assessments military, cable, phone	157,199	225,877
Medicare reimbursement	113,261	118,943
Investment returns designated for current operations	-	55,350
Miscellaneous income	17,026	33,223
Total operating revenue	14,507,765	14,767,720
OPERATING EXPENSES		
Benefits		
Claims paid	4,488,291	5,247,957
Retirement benefits	3,689,733	3,976,156
Regina Cleri residence operations, including depreciation of \$234,232 and \$248,544, respectively (Note 6)	2,911,008	2,933,354
Room and board	384,628	380,627
Unassigned and health leave benefits	333,857	311,350
Plan administrator	236,258	238,806
Disability benefits	41,804	42,547
Medex benefits	38,964	53,709
Legal - estate planning	14,500	15,500
Other expenses	12,056	12,459
Provision for (recovery of) uncollectible assessments	(6,544)	6,444
Total benefits	12,144,555	13,218,909
Administration		
Salaries and benefits	887,612	885,485
Service fees (Note 7)	272,393	296,136
Contract services	115,540	97,987
Fundraising expense (Note 7)	205,000	210,500
Professional fees	106,678	109,470
Other administrative expenses	125,230	122,349
Total administration	1,712,453	1,721,927
Total operating expenses	13,857,008	14,940,836
Change in net assets from operations	650,757	(173,116)
NON-OPERATING REVENUES (EXPENSES)		
Gifts, bequests and contributions (Note 3)	960,058	864,456
Interest and dividends	23,667	50,421
Grant income	29,000	90,000
Net realized and unrealized losses on investments	3,839,313	(508,709)
Depreciation expense (Note 6)	(340,674)	(340,674)
Total non-operating revenues (expenses)	4,511,364	155,494
Net increase (decrease) in net assets available for benefits	5,162,120	(17,622)
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	55,625,510	55,643,132
End of year	\$ 60,787,630	\$ 55,625,510

The accompanying notes are an integral part of these combined financial statements.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Combined Statements of Accumulated Plan Benefits
For the years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ACCUMULATED PLAN BENEFIT OBLIGATIONS		
Actuarial present value of accumulated retirement plan benefits		
Retired and disabled participants currently receiving retirement benefits	\$ 44,015,605	\$ 45,811,989
Active participants	<u>32,556,847</u>	<u>32,068,879</u>
Total actuarial present value of accumulated retirement plan benefits	<u>76,572,452</u>	<u>77,880,868</u>
Actuarial present value of other post-retirement benefit obligations		
Retired and disabled participants currently receiving health, dental and subsistence benefits	15,384,354	16,791,817
Active participants	<u>21,682,565</u>	<u>22,463,107</u>
Total actuarial present value of other post-retirement benefit obligations	<u>37,066,919</u>	<u>39,254,924</u>
Reserve for health insurance claims		
Claims payable and claims incurred but not reported for retired participants	166,796	170,150
Claims payable and claims incurred but not reported for active participants	<u>380,204</u>	<u>387,850</u>
Total reserve for health insurance claims	<u>547,000</u>	<u>558,000</u>
Total accumulated plan benefit obligations	<u>\$ 114,186,371</u>	<u>\$ 117,693,792</u>

The accompanying notes are an integral part of these combined financial statements.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Combined Statements of Changes in Accumulated Plan Benefits
For the years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Accumulated plan benefit obligations at the beginning of year		
Changes in accumulated retirement plan benefits	\$ 117,693,792	\$ 109,317,650
Actuarial present value of accumulated retirement plan benefits at beginning of year	<u>77,880,868</u>	<u>74,179,332</u>
Changes during the year attributable to:		
Benefits accumulated	2,004,566	2,593,468
Increase for interest due to the decrease in the discount period	2,883,544	3,184,471
Benefits paid	(6,325,968)	(6,632,970)
Changes in assumptions (Note 2)	<u>129,442</u>	<u>4,556,567</u>
Net (decrease) increase	<u>(1,308,416)</u>	<u>3,701,536</u>
Actuarial present value of accumulated retirement plan benefits at end of year	<u>76,572,452</u>	<u>77,880,868</u>
Changes in other post-retirement benefit obligations		
Actuarial present value of other post-retirement benefit obligations at beginning of year	<u>39,254,924</u>	<u>34,637,318</u>
Changes during the year attributable to:		
Benefits accumulated	947,872	1,116,978
Increase for interest due to the decrease in the discount period	1,559,314	1,625,709
Benefits paid	(1,433,043)	(1,861,367)
Changes in assumptions (note 2)	<u>(3,262,148)</u>	<u>3,736,286</u>
Net (decrease) increase	<u>(2,188,005)</u>	<u>4,617,606</u>
Actuarial present value of other post-retirement benefit obligations at end of year	<u>37,066,919</u>	<u>39,254,924</u>
Changes in reserve for health insurance claims		
Reserve for health insurance claims at beginning of year	<u>558,000</u>	<u>501,000</u>
Changes during the year attributable to:		
Claims reported and approved and claims incurred but not yet reported	4,477,291	5,304,957
Claims paid	<u>(4,488,291)</u>	<u>(5,247,957)</u>
Net (decrease) increase	<u>(11,000)</u>	<u>57,000</u>
Reserve for health insurance claims at end of year	<u>547,000</u>	<u>558,000</u>
Accumulated plan benefits at the end of year	<u>\$ 114,186,371</u>	<u>\$ 117,693,792</u>

The accompanying notes are an integral part of these combined financial statements.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

Notes to Financial Statements

June 30, 2017 and 2016

1. DESCRIPTION OF THE CLERGY HEALTH AND RETIREMENT TRUSTS

Description of the Trusts

The Archdiocese of Boston Clergy Health and Retirement Trust (the “CHRT”) represents collectively all trusts, as they may exist from time to time, that provide for the health, welfare, disability, and retirement of priests incardinated in the Roman Catholic Archdiocese of Boston (“RCAB”) who are in good standing within the norms of canon law (“Eligible Priests”). The CHRT financial statements include the financial position and activities of the Archdiocese of Boston Clergy Benefit Funding Trust (the “Funding Trust”), the Archdiocese of Boston Clergy Retirement Trust (the “Retirement Trust”), the Archdiocese of Boston Clergy Medical/Hospitalization Trust (the “Medical Trust”) and the Archdiocese of Boston Regina Cleri Trust (“Regina Cleri Trust”).

The CHRT was established for the purpose of generating and providing support for the benefit of Eligible Priests incardinated in the RCAB, as directed by the Roman Catholic Archbishop of Boston. The CHRT is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Archbishop of Boston, by virtue of his office, is responsible for providing for health, welfare, disability and retirement benefits of Eligible Priests. He appoints the Board of Trustees of the CHRT, but does not serve as a Trustee. Additionally, the Archbishop of Boston serves as Chairman to numerous separately incorporated Catholic organizations that operate within the Archdiocese of Boston. These organizations are considered to be related organizations.

The Board of Trustees assists the Archbishop of Boston in his responsibilities to Eligible Priests by administering the CHRT. The Trustees are authorized and empowered to manage the assets of and benefits provided by the CHRT as deemed necessary.

Reporting and disclosure by Corporation Sole

The accounting and financial disclosures within this report for the CHRT are prepared under the provisions of accounting and reporting by defined benefit pension plans and health and welfare plans. The primary objective of the CHRT financial statement is to provide financial information that is useful in assessing the CHRT present and future ability to pay benefits when due.

CHRT is the retirement vehicle for the Eligible Priests assigned to the RCAB. Accordingly, the financial reporting of Corporation Sole as the employer of these priests, includes corresponding accounting and financial disclosures relating to the CHRT retirement and other post-retirement benefits.

2. DESCRIPTION OF THE PLANS

The following brief description of the CHRT plans is provided for general information purposes only. Participants should refer to each plan agreement for more complete information.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

Notes to Financial Statements

June 30, 2017 and 2016

Funding and Benefits

The CHRT primary source of funding benefits is from special collections from parishes in the Archdiocese of Boston and assessments to parishes and other catholic organizations within the Archdiocese of Boston. As collections are received from the parishes, they are held in the Funding Trust. Funds are transferred to the Medical Trust, the Retirement Trust, and Regina Cleri at the discretion of the Trustees.

The Medical Trust was established to provide substantially all medical and/or hospitalization coverage to Eligible Priests.

The Retirement Trust is a noncontributory defined benefit pension plan that provides retirement benefits, which includes a stipend and room and board covering Eligible Priests.

Regina Cleri is a nonprofit Massachusetts corporation. Regina Cleri is a religious community, in the West End of Boston, committed to supporting the health and vocation of the Eligible senior priests of the Archdiocese of Boston. Regina Cleri provides resident senior priests with support for their physical and emotional health, quality of life and spiritual life, thereby allowing them to dedicate their later years to their lifelong commitment to their vocation.

The primary benefits provided by the Funding Trust relate to funding of the Medical Trust, the Retirement Trust and Regina Cleri where necessary. The Funding Trust also pays substantially all benefits for Eligible Priests who are currently on health leave and waiting assignment for up to six months. Additional benefits include support for the well-being of Eligible Priests at the discretion of the Trustee.

Health Assessments

The Medical Trust charges assessments to parishes and related catholic organizations for medical and hospitalization coverage of Eligible Priests who are assigned. The annual assessments are calculated based on the expected claims and the total number of priests. From time to time, the Medical Trust may also receive funding from the Funding Trust to cover expenses that exceed assessments received.

Retirement Benefits

The monthly retirement benefit available to a priest who retires at the general retirement age of 75 includes a stipend and room and board, which varies depending upon the retiree's residence. The monthly stipend ranges from \$190 to \$1,477. The monthly room and board benefit is \$600 for those priests living on their own or in a parish. CHRT no longer covers the cost of a nursing home. Additionally, priests can reside at Regina Cleri. A priest who has attained at least age 65 may, with the permission of the Archbishop of Boston, retire early and receive a retirement benefit. Any priest who becomes totally and permanently disabled qualifies for retirement benefits. Retirement benefits are available to all Eligible Priests. This program has no vesting provisions.

Other Post-Retirement Benefits

Other post-retirement benefits include health, dental and subsistence benefits.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Notes to Financial Statements
June 30, 2017 and 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the CHRT are described below:

Basis of Accounting

The combined financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB).

CHRT reports three classes of net assets available for benefits and the changes in those net assets in the statement of net assets available for benefits. The three classes of net assets available for benefits - unrestricted, temporarily restricted and permanently restricted - are based on the existence or absence of donor-imposed restrictions, either explicit or implicit. The three classifications are defined as follows:

Unrestricted net assets available for benefits are those net resources that are not restricted by the donor or for which donor restrictions have expired and are generally available for use by CHRT.

Temporarily restricted net assets available for benefits are subject to donor-imposed restrictions that permit CHRT to use or expend the donated assets as specified and which are satisfied by either the passage of time or by actions of CHRT. Temporarily restricted net assets available for benefits consist of the unspent appreciation on permanently restricted net assets as of June 30, 2017 and 2016.

Permanently restricted net assets available for benefits are subject to donor-imposed stipulations and are to be maintained in perpetuity by CHRT. Generally, the donors of these assets permit CHRT to use, all or in part, the income earned on the underlying assets for the care of retired priests. Unexpended appreciation on permanently restricted net assets available for benefits is classified as temporarily restricted net assets available for benefits. Interest and dividends on permanently restricted net assets available for benefits are classified as temporarily restricted net assets available for benefits.

Cash and Cash Equivalents

Financial instruments with original maturities of three months or less at the purchase date are classified as cash equivalents and are accounted for at amortized cost which approximates fair market value. Included in cash equivalents are money market funds of \$6,970,505 and \$6,141,688 at June 30, 2017 and 2016.

CHRT deposits its cash in major financial institutions. These deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000, per institution. While at times funds deposited in banks are in excess of FDIC insured limits, CHRT has not experienced any losses as a result of the use of uninsured deposit accounts.

Investments

Investments are carried at fair value. Changes in fair values are reflected in the combined statements of changes in net assets available for benefits as net realized and unrealized gains (losses) on investments. Investment transactions are accounted for as of the date the securities are purchased or sold (trade date). Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

Notes to Financial Statements

June 30, 2017 and 2016

The CHRT Investment Committee has elected to invest in the RCAB Collective Investment Partnership (the “Investment Partnership” or “CIP”), the Fixed Income Fund, Roman Catholic Archbishop of Boston (the “Fixed Income Fund” or “FIF”) and the Westwood Income Opportunity Fund (the “Income Opportunity Fund” or “IOF”). These funds are established and maintained by RCAB to provide common investment pools in which CHRT and other related organizations related to RCAB may participate. The underlying investments of the Investment Partnership, Fixed Income Fund and Income Opportunity Fund are primarily equity and fixed-income securities (U.S. Government and agency securities, asset-backed securities and corporate bonds) owned either directly or indirectly through mutual funds, private investment entities, and money market funds. The participants in these funds own units based upon a per-unit value at the time of purchase.

Financial instruments with original maturities of greater than three months at the purchase date are classified as investments.

Participating Entities Assessments and Receivable

CHRT charges assessments to parishes and related catholic organizations for medical and hospitalization coverage of Eligible Priests who are assigned. The annual assessments are calculated based on the expected claims and the total number of priests. The annual assessment was \$17,640 per individual priest during both fiscal years 2017 and 2016.

Participating entities receivables are for health assessments to the related parties for assigned Eligible Priests and are stated net of an allowance for uncollectible accounts. The allowance is established via a provision for uncollectible assessments charged to operations. Management evaluates its assessments receivable and establishes or adjusts its allowance to an amount that it believes will be adequate to absorb possible losses on accounts that may become uncollectible. Accounts are charged against the allowance when management believes that the collectability of the specific account is unlikely.

Land, Building and Equipment

Land, building and equipment are carried at cost, net of accumulated depreciation, or if donated, at appraised value at the time of donation. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets, which range from three to forty years. Expenditures for maintenance and repairs are expensed as incurred.

Prepaid Expenses

Retirement benefit payments are withdrawn from the CHRT operating cash account by the payroll provider on the last business day of the month in order to be available on the first of the following month for the priests. Included in prepaid expenses are \$300,313 and \$325,556 for retirement benefits prepaid at June 30, 2017 and 2016.

Collections from Parishes

Collections from parishes are recognized in the statement of changes in net assets available for benefits as CHRT receives the contributions. Any amounts not yet received by June 30, 2017 and 2016 are accrued as due by the remitting parish.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

Notes to Financial Statements

June 30, 2017 and 2016

Contributions Receivable, Gifts, Bequests and Contributions

Unconditional promises to give are reported at fair value on the date the promise is verifiably committed. Unconditional promises to give that are expected to be collected are recorded at net realizable value.

There were no conditional promises to give at June 30, 2017 and 2016.

Contributions receivable are reflected on the statements of net assets available for benefits at the full value of the contribution. Given the nature of collectability, there is no allowance for doubtful accounts.

Special Events and Deferred Income

Special event donation amounts are recognized in the changes in net assets available for benefits at the completion of the event. Amounts received prior to the event are recorded as deferred income until the occurrence of the event.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Income Taxes

The CHRT is included in the annual United States Conference of Catholic Bishops Internal Revenue Service Group Ruling and is therefore exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The CHRT recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The CHRT management has reviewed the tax positions for open periods and determined that no provision for income tax is required in the CHRT financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures of assets, liabilities, benefit obligations, contingent assets and liabilities, and changes during the reported period. Actual results could differ from those estimates. As discussed above, key estimates include the allowance for uncollectible assessments; health claims incurred by participants but not yet reported, and accumulated retirement plan benefits and other post-retirement benefits.

Operations

Changes in net assets that do not impact current operations are presented as non-operating activities, including non-current contributions (gifts or pledges intended to fund future-year activities), net realized and unrealized investment gains/losses.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Notes to Financial Statements
June 30, 2017 and 2016

4. SUMMARY OF ACTUARIAL ASSUMPTIONS

Actuarial Present Value of Accumulated Retirement Plan Benefits

Accumulated retirement plan benefits, which include a stipend and room and board, are those future periodic payments that are expected to be paid under the Retirement Trust's provisions to retired and active priests.

The actuarial present value of accumulated retirement plan benefits is determined by an actuary, and is the amount that results from applying actuarial assumptions to adjust the accumulated retirement plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuations are as follows at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Discount rate	3.93%	3.86%
Mortality before and after retirement	Headcount weighted 2006 rates (RP-2014 central data year), with generational projection using Scale BB-2D. Separate retiree and active participant rates.	Headcount weighted 2006 rates (RP-2014 central data year), with generational projection using Scale BB-2D. Separate retiree and active participant rates.
Retirement age	Age graded tables	Age graded tables
Asset valuation	Market value	Market value
Retirement benefit	\$1,537 average per month	\$1,594 average per month
Cost of living adjustment	None assumed	None assumed
Salary increases	N/A	N/A

There were no changes in key assumptions changes for the years ended June 30, 2017 or 2016.

The foregoing actuarial assumptions are based on the presumption that the Retirement Trust will continue. Were the Retirement Trust to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated retirement plan benefits.

Actuarial Present Value of Other Post-Retirement Benefit Obligations

Other post-retirement benefit obligations represent the actuarial present value of those estimated future health, dental and subsistence benefits that are attributed to clergy service rendered through the financial statement date.

Prior to reaching the eligibility date, the post-retirement benefit obligation is the portion of the expected post-retirement benefit obligation that is attributed to each priest's service rendered to the valuation date.

The actuarial present value of the expected post-retirement benefit obligation is determined by an actuary and is the amount that results from applying actuarial assumptions to historical claims-cost data to estimate future annual incurred claims costs per participant and to adjust such estimates for the time value of money

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Notes to Financial Statements
June 30, 2017 and 2016

(through discounts for interest) and the probability of payment (by means of decrements such as those for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

For measurement purposes, a 5.5% and 6.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2017 and 2016; the rate was assumed to decrease gradually to 4.5% by 2020.

The following were other significant assumptions used in the valuation as of June 30, 2016:

	<u>2017</u>	<u>2016</u>
Discount rate	4.09%	4.81%
Retirement age	Age graded tables	Age graded tables
Mortality	Headcount weighted 2006 rates (RP-2014 central data year), with generational projection using Scale BB-2D. Separate retiree and active participant rates.	Headcount weighted 2006 rates (RP-2014 central data year), with generational projection using Scale BB-2D. Separate retiree and active participant rates.
Effect of 1% increase in healthcare cost trend rate on postretirement obligation	\$ 5,823,000	\$ 6,257,000
Effect of 1% decrease in healthcare cost trend rate on postretirement obligation	\$ (4,675,000)	\$ (5,012,000)

There were no changes in key assumptions changes for the years ended June 30, 2017 or 2016.

The foregoing actuarial assumptions are based on the presumption that the Medical Trust will continue. If the Medical Trust was to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of other post-retirement benefit obligations.

Reserve for Health Insurance Claims

Reserve for health insurance claims consist of medical and dental claims incurred but not reported as of June 30, 2017 and 2016 for benefits provided to Eligible Priests. Obligations for health claims incurred by Eligible Priests but not reported are estimated by management based on historical experience.

5. INVESTMENTS

CHRT had the following investments as of June 30, 2017 and 2016.

	<u>2017</u>	<u>2016</u>
Common Investment Partnership	\$ 29,761,027	\$ 29,091,968
Fixed Income Fund	5,943,219	4,697,998
Westwood Income Opportunity Fund	<u>3,131,726</u>	<u>-</u>
	<u>\$ 38,835,972</u>	<u>\$ 33,789,966</u>

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Notes to Financial Statements
June 30, 2017 and 2016

6. LAND, BUILDING AND EQUIPMENT

Land, building and equipment consists of the following at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Land	\$ 4,036,578	\$ 4,036,578
Land improvements	529,925	529,925
Building	10,551,225	10,551,225
Building improvements	1,903,727	1,903,727
Leasehold improvements	2,003,198	2,003,198
Furniture and equipment	723,241	725,815
Vehicles	<u>27,137</u>	<u>27,137</u>
	19,775,031	19,777,605
Less accumulated depreciation	<u>7,034,136</u>	<u>6,459,230</u>
	<u>\$ 12,740,895</u>	<u>\$ 13,318,375</u>

Depreciation expense totaled \$574,906 and \$589,218 for the fiscal years ended June 30, 2017 and 2016 which includes \$234,232 and \$248,544 depreciation for operating assets of Regina Cleri and \$340,674 and \$340,674 of non-operating depreciation, representing the depreciation on building improvements and land improvements of the Regina Cleri facility which is held in the Benefit Funding Trust and does not reflect the daily operations of Regina Cleri.

7. RELATED PARTY TRANSACTIONS

Regina Cleri participates in lay employee health, dental, life, disability, and transition assistance plans through RCAB. Expenses incurred by Regina Cleri for the benefit of lay employees under these plans were \$164,784 and \$152,651 for the years ended June 30, 2017 and 2016.

Service Fees

A service fee based on the level of efforts provided for administrative, rent, technology and clerical services is charged to the CHRT by the RCAB. The fees charged for the years ended June 30, 2017 and 2016 were \$272,393 and \$296,136.

A service fee based on the level of efforts provided for fundraising is charged to the CHRT by Boston Catholic Development Services ("BCDS"). The fee charged for both the years ended June 30, 2017 and 2016 was \$200,000.

8. ENDOWMENT

The endowment includes both donor-restricted and unrestricted invested funds to be used for future support of Regina Cleri and the health, welfare and retirement needs of Eligible senior priests.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

Notes to Financial Statements

June 30, 2017 and 2016

Interpretation of Relevant Law

Endowment funds are governed by the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), as enacted by the Commonwealth of Massachusetts. Although UPMIFA offers short-term spending flexibility, the explicit consideration of the preservation of the endowed funds among factors for prudent investment and spending suggests that a donor-restricted endowment fund is still perpetual in nature. As is the case in the current financial environment, there is no guarantee that the permanently restricted amount of an endowed fund will remain intact at all times. Under UPMIFA, the Board of Trustees is permitted to determine and continue a prudent payout amount, even if the market value of the fund is below the historic dollar value. There is an expectation that, over time, the permanently restricted amount will generally remain intact. This perspective is aligned with the accounting standards definition that permanently restricted funds are those that must be held in perpetuity even though the historic-dollar-value may be spent on a temporary basis. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets and is regarded as net appreciation is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with Regina Cleri’s spending policy.

Funds with Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the “historic-dollar-value”. Deficiencies of this nature are reported by a decrease in unrestricted net assets and corresponding increase to temporarily restricted net assets. There were no funds with deficiencies as of June 30, 2017 and 2016.

Endowment Investment Policy

CHRT has adopted an investment philosophy, which combined with the spending rate, attempts to provide a predictable stream of returns thereby making funds available to programs that are supported, while at the same time seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Regina Cleri must hold in perpetuity or for donor-specified periods. Under CHRT’s Investment Policy and spending rate, both of which are approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce an inflation-adjusted return in excess of the spending rate over a long period of time. Actual returns in any given year may vary.

Endowment Spending Policy

Under the CHRT spending policy 6% and 4% of the trailing twelve quarters market value of the qualifying donor restricted endowment investments at June 30, 2017 and 2016, was appropriated for expenditure. The appropriated amount was then reinvested with unrestricted funds.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, CHRT 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 Investment Committee’s investment rationale is to include an array of different strategies and investment managers for the investment portfolio to reduce overall volatility while providing investment returns above industry benchmarks.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Notes to Financial Statements
June 30, 2017 and 2016

Following are balances and the changes in endowment net assets for the fiscal year ended June 30, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance, June 30, 2016	\$ 4,426,132	\$ 474,998	\$ 867,052	\$ 5,768,182
Contributions	-	-	206,693	206,693
Investment return:				
Investment income	-	-	-	-
Net appreciation	254,375	10,171	-	264,546
Total investment return	254,375	10,171	-	264,546
Spending policy appropriation	-	(83,652)	-	(83,652)
Balance, June 30, 2017	<u>\$ 4,680,507</u>	<u>\$ 401,517</u>	<u>\$ 1,073,745</u>	<u>\$ 6,155,769</u>

Following are balances and the changes in endowment net assets for the fiscal year ended June 30, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance, June 30, 2015	\$ 3,039,644	\$ 507,409	\$ 867,052	\$ 4,414,105
Investment return:				
Investment income	68,908	4,405	-	73,313
Net appreciation	117,580	18,534	-	136,114
Total investment return	186,488	22,939	-	209,427
Redesignation of funds	1,200,000	-	-	1,200,000
Spending policy appropriation	-	(55,350)	-	(55,350)
Balance, June 30, 2016	<u>\$ 4,426,132</u>	<u>\$ 474,998</u>	<u>\$ 867,052</u>	<u>\$ 5,768,182</u>

9. BENEFICIAL INTERESTS

The CHRT is a beneficiary under the terms of various wills. The exact value of such interests and the time at which rights to these interests become irrevocable is dependent upon certain future events over which the CHRT has no control. Accordingly, the CHRT has not recorded these interests in the accompanying financial statements.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Notes to Financial Statements
June 30, 2017 and 2016

10. FAIR VALUE MEASUREMENTS

The CHRT measures the fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement price (an exit price). A fair value hierarchy has been established to prioritize the inputs used in valuation techniques to measure fair value. The three levels of the fair value hierarchy are described below.

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets as of the measurement date.

Level 2 - inputs to the valuation methodology are other observable inputs, including quoted prices for similar assets and liabilities in active or non-active markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are not directly observable, but are corroborated by observable market data.

Level 3 - inputs to the valuation methodology are unobservable for the asset or liability.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

As of June 30, 2017 and 2016 the CHRT held investments measured at fair value using the net asset value per share (NAV) (or its equivalent) practical expedient and have not been categorized in the fair value hierarchy. The value of these investments was \$38,835,971 and \$33,789,966, respectively.

The following table sets forth the liquidity, redemption policies and unfunded commitments of the CHRT's financial assets that were accounted for at fair values calculated by using net asset value per share or its equivalents as of June 30, 2017.

Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Liquidity Restrictions
Common Investment Partnership	\$ 29,761,027	\$ -	Monthly	30 days	None
Fixed Income Fund	5,943,219	-	Monthly	30 days	None
Westwood Income Opportunity Fund	<u>3,131,726</u>				
Total Assets	<u>\$ 38,835,972</u>				

The following table sets forth the liquidity, redemption policies and unfunded commitments of the CHRT's financial assets that were accounted for at fair values calculated by using net asset value per share or its equivalents as of June 30, 2016.

Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Liquidity Restrictions
Common Investment Partnership	\$ 29,091,968	\$ -	Monthly	30 days	None
Fixed Income Fund	<u>4,697,998</u>	-	Monthly	30 days	None
Total Assets	<u>\$ 33,789,966</u>				

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Notes to Financial Statements
June 30, 2017 and 2016

11. OPERATING EXPENSES

Following is CHRT operating expenses of the Regina Cleri facility classified by area of resident service for the year ended June 30, 2017:

	<u>Direct Care</u>	<u>Maintenance</u>	<u>Dining Services</u>	<u>Administration</u>	<u>Recreation</u>	<u>Total</u>
Operating expenses						
Salaries and related	\$ 758,163	\$ 280,474	\$ 369,186	\$ 373,196	\$ 129,405	\$ 1,910,424
Facility rental and related	601,224	37,813	75,626	83,679	3,781	802,123
Food, supplies and other	22,268	42,262	191,721	33,037	27,950	317,238
Utilities and communications	-	164,647	-	64,519	-	229,166
Contract labor	3,064	32,620	-	57,345	-	93,029
Repairs and maintenance	<u>-</u>	<u>54,153</u>	<u>-</u>	<u>4,875</u>	<u>-</u>	<u>59,028</u>
Total operating expenses	<u>\$ 1,384,719</u>	<u>\$ 611,969</u>	<u>\$ 636,533</u>	<u>\$ 616,651</u>	<u>\$ 161,136</u>	<u>\$ 3,411,008</u>

Following is CHRT operating expenses of the Regina Cleri facility classified by area of resident service for the year ended June 30, 2016:

	<u>Direct Care</u>	<u>Maintenance</u>	<u>Dining Services</u>	<u>Administration</u>	<u>Recreation</u>	<u>Total</u>
Operating expenses						
Salaries and related	\$ 842,263	\$ 262,876	\$ 373,473	\$ 397,326	\$ 55,575	\$ 1,931,513
Facility rental and related	605,460	38,079	76,159	77,852	3,808	801,358
Food, supplies and other	25,120	59,613	190,746	29,668	30,637	335,784
Utilities and communications	-	157,428	-	62,358	-	219,786
Contract labor	12,000	34,958	-	32,233	-	79,191
Repairs and maintenance	<u>-</u>	<u>60,076</u>	<u>455</u>	<u>5,191</u>	<u>-</u>	<u>65,722</u>
Total operating expenses	<u>\$ 1,484,843</u>	<u>\$ 613,030</u>	<u>\$ 640,833</u>	<u>\$ 604,628</u>	<u>\$ 90,020</u>	<u>\$ 3,433,354</u>

12. FINANCIAL INSTRUMENTS AND CONCENTRATIONS OF CREDIT RISK

The CHRT financial instruments that are potentially subject to concentrations of credit risk consist of cash, cash equivalents (Note 3), and investments (Note 5).

The CHRT invest in various investment securities through its investments in the CIP, FIF, and IOF. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

The actuarial present value of accumulated retirement plan benefits and other post-retirement benefit obligations are reported based on certain assumptions pertaining to interest rates, inflation rates, health care inflation rates, and participant demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would affect the financial statements.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Notes to Financial Statements
June 30, 2017 and 2016

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 19, 2017, which is the date the financial statements were available to be issued. There were no further subsequent events that would require recognition or additional disclosure in the Clergy Health and Retirement Trust's financial statements.

SUPPLEMENTAL INFORMATION

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Combining Statement of Net Assets Available for Benefits
As of June 30, 2017

	Medical Trust	Retirement Trust	Funding Trust	Regina Cleri Trust	Elimination	Total Clergy Health & Retirement Trusts
ASSETS						
Cash and cash equivalents (Note 3)	\$ 1,445,007	\$ 810,333	\$ 6,431,824	\$ 431,583	\$ -	\$ 9,118,747
Participating entities receivable, net (Note 3)	55,644	-	-	-	-	55,644
Accounts receivable, Medicare	150,000	-	-	-	-	150,000
Contributions receivable (Note 3)	-	-	187,418	-	-	187,418
Accounts receivable, other	-	-	-	2,409	-	2,409
Prepaid expenses (Note 3)	16,082	300,313	19,895	6,540	-	342,830
Investments, at fair value (Notes 3, 5 and 10)	5,655,686	-	27,024,517	6,155,769	-	38,835,972
Prepaid rent	-	-	-	1,116,921	(1,116,921)	-
Land, buildings and equipment, net (Note 6)	-	-	11,736,541	1,004,354	-	12,740,895
Due from/(to) related organizations	(172,250)	(15,467)	187,717	-	-	-
Total assets	<u>\$ 7,150,169</u>	<u>\$ 1,095,179</u>	<u>\$ 45,587,912</u>	<u>\$ 8,717,576</u>	<u>\$ (1,116,921)</u>	<u>\$ 61,433,915</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 67,203	\$ -	\$ 93,202	\$ 150,511	\$ -	\$ 310,916
Deferred income (Note 3)	-	-	335,304	65	-	335,369
Deferred lease income (Note 7)	-	-	1,116,921	-	(1,116,921)	-
Total liabilities	<u>67,203</u>	<u>-</u>	<u>1,545,427</u>	<u>150,576</u>	<u>(1,116,921)</u>	<u>646,285</u>
NET ASSETS AVAILABLE FOR BENEFITS						
Unrestricted						
Undesignated	7,082,966	1,095,179	44,042,485	2,411,231	-	54,631,861
Functioning as endowment (Note 8)	-	-	-	4,680,507	-	4,680,507
Total unrestricted	<u>7,082,966</u>	<u>1,095,179</u>	<u>44,042,485</u>	<u>7,091,738</u>	<u>-</u>	<u>59,312,368</u>
Temporarily restricted (Note 8)						
Temporarily restricted (Note 8)	-	-	-	401,517	-	401,517
Permanently restricted (Note 8)	-	-	-	1,073,745	-	1,073,745
Total net assets available for benefits	<u>\$ 7,082,966</u>	<u>\$ 1,095,179</u>	<u>\$ 44,042,485</u>	<u>\$ 8,567,000</u>	<u>\$ -</u>	<u>\$ 60,787,630</u>

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Combining Statement of Net Assets Available for Benefits
As of June 30, 2016

	<u>Medical Trust</u>	<u>Retirement Trust</u>	<u>Funding Trust</u>	<u>Regina Cleri Trust</u>	<u>Elimination</u>	<u>Total Clergy Health & Retirement Trusts</u>
ASSETS						
Cash and cash equivalents (Note 3)	\$ 1,261,131	\$ 534,810	\$ 5,996,539	\$ 443,539	\$ -	\$ 8,236,019
Participating entities receivable, net (Note 3)	19,005	-	108,004	-	-	127,009
Accounts receivable, Medicare	150,000	-	-	-	-	150,000
Contributions receivable (Note 3)	-	-	75,000	-	-	75,000
Accounts receivable, other	-	-	2,500	111	-	2,611
Prepaid expenses (Note 3)	16,710	325,556	20,493	6,721	-	369,480
Investments, at fair value (Notes 3, 5 and 10)	4,092,109	-	23,929,675	5,768,182	-	33,789,966
Prepaid rent	-	-	-	1,531,087	(1,531,087)	-
Land, buildings and equipment, net (Note 6)	-	-	12,079,788	1,238,587	-	13,318,375
Due from/(to) related organizations	(35,287)	-	35,287	-	-	-
Total assets	<u>\$ 5,503,668</u>	<u>\$ 860,366</u>	<u>\$ 42,247,286</u>	<u>\$ 8,988,227</u>	<u>\$ (1,531,087)</u>	<u>\$ 56,068,460</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 28,668	\$ -	\$ 63,257	\$ 132,773	\$ -	\$ 224,698
Deferred income (Note 3)	-	-	217,442	810	-	218,252
Deferred lease income (Note 7)	-	-	1,531,087	-	(1,531,087)	-
Total liabilities	<u>28,668</u>	<u>-</u>	<u>1,811,786</u>	<u>133,583</u>	<u>(1,531,087)</u>	<u>442,950</u>
NET ASSETS AVAILABLE FOR BENEFITS						
Unrestricted						
Undesignated	5,475,000	860,366	40,435,500	3,086,462	-	49,857,328
Functioning as endowment (Note 8)	-	-	-	4,426,132	-	4,426,132
Total unrestricted	5,475,000	860,366	40,435,500	7,512,594	-	54,283,460
Temporarily restricted (Note 8)	-	-	-	474,998	-	474,998
Permanently restricted (Note 8)	-	-	-	867,052	-	867,052
Total net assets available for benefits	<u>\$ 5,475,000</u>	<u>\$ 860,366</u>	<u>\$ 40,435,500</u>	<u>\$ 8,854,644</u>	<u>\$ -</u>	<u>\$ 55,625,510</u>

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Combining Statement of Changes in Net Assets Available for Benefits
For the year ended June 30, 2017

	Medical Trust	Retirement Trust	Funding Trust	Regina Cleri Trust	Elimination	Total Clergy Health & Retirement Trusts
OPERATING REVENUE						
Collections from parishes	\$ -	\$ -	\$ 7,079,460	\$ -	\$ -	\$ 7,079,460
Assessments to participating entities	5,824,772	6,000	45,444	-	-	5,876,216
Special event dinner, net of \$310,736 of costs	-	-	1,264,603	-	-	1,264,603
Room and board assessments military, cable, phone	-	-	-	157,199	-	157,199
Room and board for non-military	-	-	-	900,000	(900,000)	-
Medicare reimbursement	113,261	-	-	-	-	113,261
Investment returns designated for current operations	-	-	-	-	-	-
Miscellaneous income	7,150	-	1,638	8,238	-	17,026
Rental income Regina Cleri leaseback (Note 7)	-	-	500,000	-	(500,000)	-
Discount on amortization on prepaid rent	-	-	-	85,835	(85,835)	-
Total operating revenue	<u>5,945,183</u>	<u>6,000</u>	<u>8,891,145</u>	<u>1,151,272</u>	<u>(1,485,835)</u>	<u>14,507,765</u>
OPERATING EXPENSES						
Benefits						
Claims paid	4,488,291	-	-	-	-	4,488,291
Retirement benefits	-	3,689,733	-	-	-	3,689,733
Regina Cleri residence operations, including depreciation of \$234,232 (Note 6)	-	-	-	2,911,008	-	2,911,008
Room and board - Regina Cleri	-	-	900,000	-	(900,000)	-
Room and board	-	-	384,628	-	-	384,628
Unassigned and health leave benefits	-	-	333,857	-	-	333,857
Plan administrator	236,258	-	-	-	-	236,258
Regina Cleri rent expense (leaseback)	-	-	-	500,000	(500,000)	-
Interest - amortization on prepaid rent	-	-	85,835	-	(85,835)	-
Disability benefits	-	41,804	-	-	-	41,804
Medex benefits	-	38,964	-	-	-	38,964
Legal - estate planning	-	-	14,500	-	-	14,500
Other expenses	-	-	12,056	-	-	12,056
Provision for uncollectible assessments	(6,544)	-	-	-	-	(6,544)
Total benefits	<u>4,718,005</u>	<u>3,770,501</u>	<u>1,730,876</u>	<u>3,411,008</u>	<u>(1,485,835)</u>	<u>12,144,555</u>
Administration						
Salaries and benefits	173,250	-	714,362	-	-	887,612
Service fees (Note 7)	-	-	272,393	-	-	272,393
Contract services	-	-	115,540	-	-	115,540
Fundraising expense (Note 7)	-	-	205,000	-	-	205,000
Professional fees	-	-	106,678	-	-	106,678
Other administrative expenses	13,162	5,348	106,720	-	-	125,230
Total administration	<u>186,412</u>	<u>5,348</u>	<u>1,520,693</u>	<u>-</u>	<u>-</u>	<u>1,712,453</u>
Total operating expenses	<u>4,904,417</u>	<u>3,775,849</u>	<u>3,251,569</u>	<u>3,411,008</u>	<u>(1,485,835)</u>	<u>13,857,008</u>
Change in net assets from operations	<u>1,040,766</u>	<u>(3,769,849)</u>	<u>5,639,576</u>	<u>(2,259,736)</u>	<u>-</u>	<u>650,757</u>
NON-OPERATING REVENUES (EXPENSES)						
Gifts, bequests and contributions (Note 3)	-	500,000	230,409	229,649	-	960,058
Interest and dividends	3,623	4,662	12,832	2,550	-	23,667
Grant income	-	-	20,000	9,000	-	29,000
Net realized and unrealized gains (losses) on investments	563,577	-	3,094,842	180,893	-	3,839,313
Depreciation expense (Note 6)	-	-	(340,674)	-	-	(340,674)
Total non-operating revenues (expenses)	<u>567,200</u>	<u>504,662</u>	<u>3,017,409</u>	<u>422,092</u>	<u>-</u>	<u>4,511,364</u>
Net (decrease) increase in net assets available for benefits	1,607,966	(3,265,187)	8,656,985	(1,837,644)	-	5,162,120
Net asset funding (to)/from clergy benefit trust	-	3,500,000	(5,050,000)	1,550,000	-	-
NET ASSETS AVAILABLE FOR BENEFITS						
Beginning of year	<u>5,475,000</u>	<u>860,366</u>	<u>40,435,500</u>	<u>8,854,644</u>	<u>-</u>	<u>55,625,510</u>
End of year	<u>\$ 7,082,966</u>	<u>\$ 1,095,179</u>	<u>\$ 44,042,485</u>	<u>\$ 8,567,000</u>	<u>\$ -</u>	<u>\$ 60,787,630</u>

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Combining Statement of Changes in Net Assets Available for Benefits
For the year ended June 30, 2016

	Medical Trust	Retirement Trust	Funding Trust	Regina Cleri Trust	Elimination	Total Clergy Health & Retirement
OPERATING REVENUE						
Collections from parishes	\$ -	\$ -	\$ 6,974,708	\$ -	\$ -	\$ 6,974,708
Assessments to participating entities	5,885,581	-	45,196	-	-	5,930,777
Special event dinner, net of \$321,529 of costs	-	-	1,428,842	-	-	1,428,842
Room and board assessments military, cable, phone	-	-	-	225,877	-	225,877
Room and board for non-military	-	-	-	840,000	(840,000)	-
Medicare reimbursement	118,943	-	-	-	-	118,943
Investment returns designated for current operations	-	-	-	55,350	-	55,350
Miscellaneous Income	10,400	-	2,615	20,208	-	33,223
Rental income Regina Cleri leaseback (Note 7)	-	-	500,000	-	(500,000)	-
Discount on amortization on prepaid rent	-	-	-	111,403	(111,403)	-
Total operating revenue	<u>6,014,924</u>	<u>-</u>	<u>8,951,361</u>	<u>1,252,838</u>	<u>(1,451,403)</u>	<u>14,767,720</u>
OPERATING EXPENSES						
Benefits						
Claims paid	5,247,957	-	-	-	-	5,247,957
Retirement benefits	-	3,976,156	-	-	-	3,976,156
Regina Cleri residence operations, including depreciation of \$248,544 (Note 6)	-	-	-	2,933,354	-	2,933,354
Room and board - Regina Cleri	-	-	840,000	-	(840,000)	-
Room and board	-	-	380,627	-	-	380,627
Unassigned and health leave benefits	-	-	311,350	-	-	311,350
Plan administrator	238,806	-	-	-	-	238,806
Regina Cleri rent expense (leaseback)	-	-	-	500,000	(500,000)	-
Interest - amortization on prepaid rent	-	-	111,403	-	(111,403)	-
Disability benefits	-	42,547	-	-	-	42,547
Medex benefits	-	21,808	31,901	-	-	53,709
Legal - estate planning	-	-	15,500	-	-	15,500
Other expenses	-	-	12,459	-	-	12,459
Provision for uncollectible assessments	6,444	-	-	-	-	6,444
Total benefits	<u>5,493,207</u>	<u>4,040,511</u>	<u>1,703,240</u>	<u>3,433,354</u>	<u>(1,451,403)</u>	<u>13,218,909</u>
Administration						
Salaries and benefits	36,375	-	849,110	-	-	885,485
Service fees (Note 7)	-	-	296,136	-	-	296,136
Contract services	-	-	97,987	-	-	97,987
Fundraising expense (Note 7)	-	-	210,500	-	-	210,500
Professional fees	-	-	109,470	-	-	109,470
Other administrative expenses	21,306	6,373	94,670	-	-	122,349
Total administration	<u>57,681</u>	<u>6,373</u>	<u>1,657,873</u>	<u>-</u>	<u>-</u>	<u>1,721,927</u>
Total operating expenses	<u>5,550,888</u>	<u>4,046,884</u>	<u>3,361,113</u>	<u>3,433,354</u>	<u>(1,451,403)</u>	<u>14,940,836</u>
Change in net assets from operations	<u>464,036</u>	<u>(4,046,884)</u>	<u>5,590,248</u>	<u>(2,180,516)</u>	<u>-</u>	<u>(173,116)</u>
NON-OPERATING REVENUES (EXPENSES)						
Gifts, bequests and contributions (Note 3)	-	500,000	156,228	208,228	-	864,456
Interest and dividends	4,708	3,620	30,415	11,678	-	50,421
Grant Income	-	-	90,000	-	-	90,000
Net realized and unrealized gains (losses) on investments	80,118	-	(677,819)	88,992	-	(508,709)
Depreciation expense (Note 6)	-	-	(340,674)	-	-	(340,674)
Total non-operating revenues (expenses)	<u>84,826</u>	<u>503,620</u>	<u>(741,850)</u>	<u>308,898</u>	<u>-</u>	<u>155,494</u>
Net (decrease) increase in net assets available for benefits	<u>548,862</u>	<u>(3,543,264)</u>	<u>4,848,398</u>	<u>(1,871,618)</u>	<u>-</u>	<u>(17,622)</u>
Net asset funding (to)/from clergy benefit trust	<u>-</u>	<u>3,500,000</u>	<u>(4,700,000)</u>	<u>1,200,000</u>	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS						
Beginning of year	<u>4,926,138</u>	<u>903,630</u>	<u>40,287,102</u>	<u>9,526,262</u>	<u>-</u>	<u>55,643,132</u>
End of year	<u>\$ 5,475,000</u>	<u>\$ 860,366</u>	<u>\$ 40,435,500</u>	<u>\$ 8,854,644</u>	<u>\$ -</u>	<u>\$ 55,625,510</u>

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Statement of Activities and Changes in Net Assets Available for Benefits -
Regina Cleri Trust
For the year ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Regina Cleri Trust</u>
OPERATING REVENUE				
Room and board assessments	\$ 157,199	\$ -	\$ -	\$ 157,199
Room and board for non-military	900,000	-	-	900,000
Investment returns designated for current operations	-	-	-	-
Miscellaneous income	8,238	-	-	8,238
Discount of amortization on prepaid rent	<u>85,835</u>	<u>-</u>	<u>-</u>	<u>85,835</u>
Total operating revenue	<u>1,151,272</u>	<u>-</u>	<u>-</u>	<u>1,151,272</u>
OPERATING EXPENSES				
Salaries and related	1,910,424	-	-	1,910,424
Facility rental and related	802,123	-	-	802,123
Food, supplies and other	317,238	-	-	317,238
Utilities and communications	229,166	-	-	229,166
Contract labor	93,029	-	-	93,029
Repairs and maintenance	<u>59,028</u>	<u>-</u>	<u>-</u>	<u>59,028</u>
Total operating expenses	<u>3,411,008</u>	<u>-</u>	<u>-</u>	<u>3,411,008</u>
Changes in net assets from operations	<u>(2,259,736)</u>	<u>-</u>	<u>-</u>	<u>(2,259,736)</u>
NON-OPERATING ACTIVITY				
Net realized and unrealized gain (losses) on investments	170,722	10,171	-	180,893
Gifts, bequests and donations	22,956	-	206,693	229,649
Grant income	9,000	-	-	9,000
Interest and dividend income	2,550	-	-	2,550
Investment return designated for unrestricted	<u>83,652</u>	<u>(83,652)</u>	<u>-</u>	<u>-</u>
Total non-operating activity	<u>288,880</u>	<u>(73,481)</u>	<u>206,693</u>	<u>422,092</u>
Changes in net assets	<u>(1,970,856)</u>	<u>(73,481)</u>	<u>206,693</u>	<u>(1,837,644)</u>
Net asset funding from clergy benefit trust	1,550,000	-	-	1,550,000
Net assets, beginning of year	<u>7,512,594</u>	<u>474,998</u>	<u>867,052</u>	<u>8,854,644</u>
Net assets, end of year	<u>\$ 7,091,738</u>	<u>\$ 401,517</u>	<u>\$ 1,073,745</u>	<u>\$ 8,567,000</u>

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Statement of Activities and Changes in Net Assets Available for Benefits -
Regina Cleri Trust
For the year ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Regina Cleri Trust</u>
OPERATING REVENUE				
Room and board assessments	\$ 225,877	\$ -	\$ -	\$ 225,877
Room and board for non-military	840,000	-	-	840,000
Investment returns designated for current operations	55,350	-	-	55,350
Miscellaneous income	20,208	-	-	20,208
Discount of amortization on prepaid rent	111,403	-	-	111,403
	<u>1,252,838</u>	<u>-</u>	<u>-</u>	<u>1,252,838</u>
OPERATING EXPENSES				
Salaries and related	1,931,513	-	-	1,931,513
Facility rental and related	801,358	-	-	801,358
Food, supplies and other	335,784	-	-	335,784
Utilities and communications	219,786	-	-	219,786
Contract labor	79,191	-	-	79,191
Repairs and maintenance	65,722	-	-	65,722
	<u>3,433,354</u>	<u>-</u>	<u>-</u>	<u>3,433,354</u>
Changes in net assets from operations	<u>(2,180,516)</u>	<u>-</u>	<u>-</u>	<u>(2,180,516)</u>
NON-OPERATING ACTIVITY				
Net investment income	68,443	20,549	-	88,992
Gifts, bequests and donations	208,228	-	-	208,228
Grant income	-	-	-	-
Interest and dividend income	9,288	2,390	-	11,678
Investment return designated for current operations	55,350	(55,350)	-	-
	<u>341,309</u>	<u>(32,411)</u>	<u>-</u>	<u>308,898</u>
Changes in net assets	(1,839,207)	(32,411)	-	(1,871,618)
Net asset funding from clergy benefit trust	1,200,000	-	-	1,200,000
Net assets, beginning of year	<u>8,151,801</u>	<u>507,409</u>	<u>867,052</u>	<u>9,526,262</u>
Net assets, end of year	<u>\$ 7,512,594</u>	<u>\$ 474,998</u>	<u>\$ 867,052</u>	<u>\$ 8,854,644</u>

Archdiocese of Boston
66 Brooks Drive
Braintree, MA 02184
clergytrust.org



Clergy Health and Retirement Trust
Caring for the Well-being of our Priests