



2020 ANNUAL REPORT

CLERGY HEALTH AND RETIREMENT TRUST





Clergy Health and Retirement Trust
Healthier Priests. Stronger Communities.

October 30, 2020

Dear Fathers and Brother Priests,

We are pleased to send you the Fiscal Year 2020 Report for the Clergy Health and Retirement Trust (CHRT). The Executive Director's report and commentary are included, along with the outside auditor's report.

Please know you have a committed Board of Trustees and a highly competent staff in your service.

Whether active or senior, both within and beyond the boundaries of our parishes, your service makes our communities stronger. During this past year, the pandemic has had a pervasive impact on our priests, our parishes and our communities. We have witnessed your resiliency through these troubling times. Despite the many challenges, you continue to be there for those in need. So too, will CHRT continue to be there for you. It is the mission of CHRT to ensure your health and well-being, so that you may continue this important work. CHRT offers preventive health and wellness programs, provides one-on-one support and advocacy to priests with health concerns, and operates Regina Cleri. This is done to ensure that you are cared for throughout your active and senior priesthood.

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,

Mark Vachon
Chairman

Most Reverend Mark O'Connell
Vice-Chairman

BOARD OF TRUSTEES

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Most Rev. Mark O'Connell

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CLERGY HEALTH AND RETIREMENT TRUST

PROGRAMS

1 | **REGINA CLERI:** a state-of-the-art facility and faith community for senior priests.

2 | **THE INTENTIONAL LIVING PROGRAM:** preventive health and wellness programs for all diocesan priests in good standing.

3 | **THE CARE TEAM:** one-on-one support and advocacy to priests with health concerns.



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Joseph D'Arrigo, Executive Director

Executive Summary

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 fiscal year 2020, your Funds covered **202** senior and **334** active priests.

2020 has proven to be a challenging year. The COVID-19 pandemic has had a profound effect on how we work and live. Together, we will get through this.

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 levels of benefits are 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 that the retirees are receiving today. We are as concerned about your future needs, as we are with meeting current commitments.

The financial strategic plan that was shared with you these last few years continues to guide us in our daily operations. The high points of the plan were:

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

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The objective of these goals is to ensure that the men retiring in the future will have a sense of security that there will be enough funds to maintain the level of benefits your brothers are receiving today.

While these goals are still valid today, current conditions emerging throughout the Archdiocese, make their achievement a daunting task.

In March, the COVID-19 pandemic brought a halt to our normal business operations and the CHRT team at the Pastoral Center began working remotely.

COVID-19 has changed your lives in numerous ways, as you've all have had to pivot to shepherd your parishioners. Virtual and outdoor masses, drive-through confessions and limited access to your churches, are just some of the adjustments you have had to make while dealing with your own safety. The Celebration of Priesthood video portrays all that you have done, and continue to do, during this very difficult time.

With Easter arriving on the heels of the pandemic, we recognized the financial burden being placed upon the parishes due to the cessation of masses, so the decision was made to forgo the Easter collection and let the parishes retain any funds.

Just as the parishes are experiencing financial challenges during these difficult times, it should come as no surprise that CHRT also has financial obstacles to overcome. The Fiscal Year 2020 financial results are a reflection of the challenges that we both face. We are all in this together.

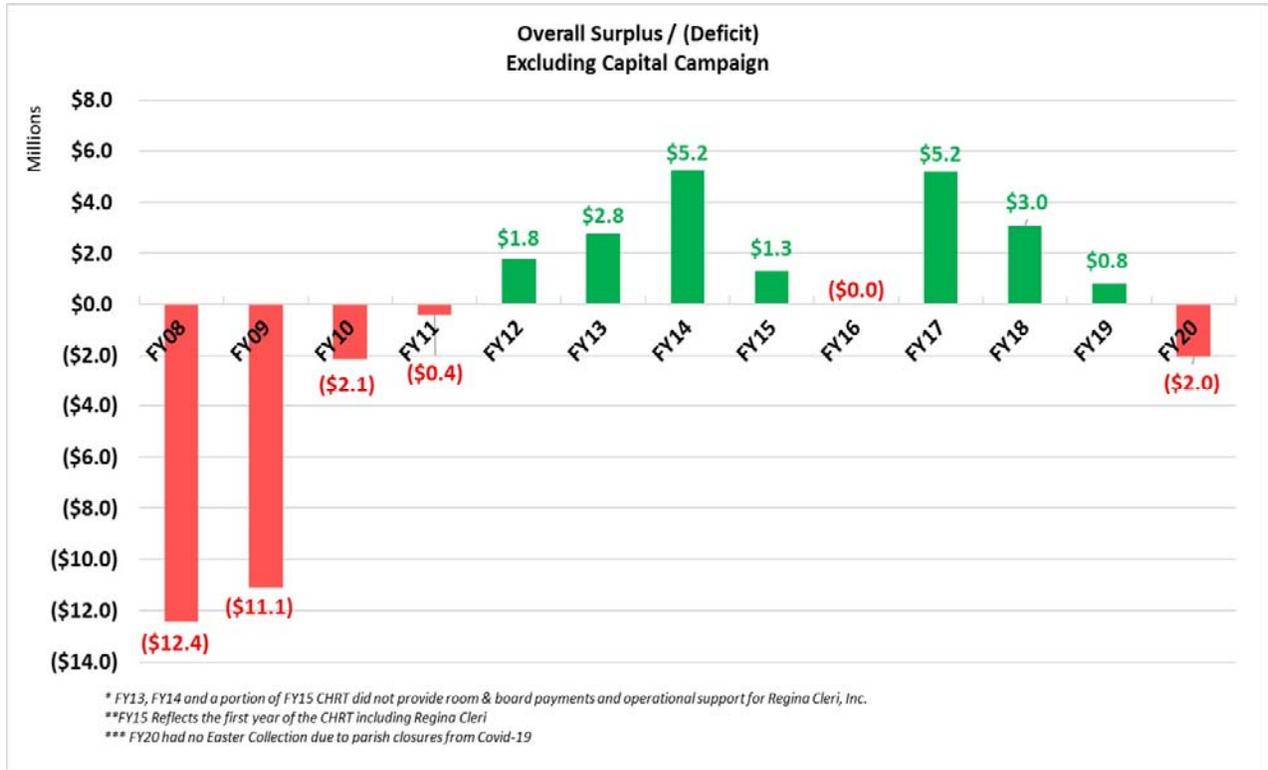
The financial results shown below reflect an FY20 deficit of \$2.0 million, which excludes the capital campaign. The net change from operations was a loss of \$4.5 million and the net change from non-operating items is a surplus of \$2.5 million. The most significant item is the \$2.4 million loss of the Easter collection. However, there is still an operating deficit beyond that.

The future sustainability of the funds will require new approaches and your support.

As we exist in the world of COVID-19 today and head into the post COVID-19 world, we will need to find new ways of supporting the parishes in their efforts for the three collections. We will also need to revisit the reimbursement for each priest that was addressed at the regional meetings prior to the COVID-19 lockdown.



Fiscal Year 2020 Financial Highlights



The above numbers are exclusive of any influence of the capital campaign. The capital campaign, I should mention, has been halted during the pandemic.

The post COVID-19 reality presents new challenges, but not insurmountable ones. CHRT takes fiscal responsibility very seriously and we continue to closely monitor sources and uses of funds.

The focus must remain on operating results. This year the total cost of benefits to priests was \$13.5m, which included \$3.6m of Regina Cleri residence operations costs and \$9.9m for medical costs, senior priest stipends and other priest benefits. CHRT received \$5.1m from the two parish collections and Celebration of Priesthood dinner and \$5.3m in revenue from the medical assessments. We continue to see an increase in costs attributable to lifestyle illness and more severe illnesses. This is of concern. The health and welfare of our priests are of paramount importance to the fund.



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The additional income needed to cover the Operating shortfall is currently being covered by Non-Operating revenues from gifts and bequests. In the past we've been able to reserve gifts and bequest income for future needs, but that is no longer the case. Gifts & bequests are a major component to the Funds. 109 priests donated a total of \$87,000 to the St. John Vianney Society this year; showing the confidence and trust in the Fund to care for their brothers. Most of the bequests have come from your brother priests. We are grateful and honored that they remember, in such a special way, the care of their brothers that will follow them.

Non-operating revenue from investments are set aside as an operating reserve for the future payments for priests currently in active ministry.

The financial statements also include net capital campaign contributions of \$1.4 million.

Additional highlights from your CHRT team:

CHRT continued focus is: **YOUR HEALTH ...OUR BUSINESS**

The pressures of daily life, now complicated by the coronavirus, make us all vulnerable to developing unhealthy habits that affect every aspect of our lives.

During the height of the pandemic, the CHRT team made over 500 calls to individual priests to check in with them and offer our assistance.

Regina Cleri has navigated the pandemic with style and grace. There was an initial outbreak of the virus that affected 15 individuals. Even though initial precautions were put in place, the virus spread due to close contact of individuals. As data emerged regarding the spread of the virus, more precautions were put in place. During the height of the crisis, mass was suspended, and residents were confined to their rooms. Food service was delivered to each room by staff properly attired in PPE's. Individuals showing symptoms had meals served by clinical staff.

The Care Team is dedicated to supporting your health. The Care Team includes the Director of Regina Cleri, the Nursing Supervisor of Regina Cleri, the Wellness Coordinator, the Senior Care Manager and the Healthcare Coordinator. All have professional credentials and meet regularly to share ideas, best practices and explore ways to engage priests to use all the resources that are available. This collaboration has proven to be very effective in delivering the most appropriate care to our priests.



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The Care Team continues to emphasize our Intentional Living program. This program is based on the need for each of us to care for ourselves so we can care for others. It's the goal of the program to encourage each priest to access the tools that would make them aware of the critical factors that influence their health: sleep, nutrition and exercise. Fitbits and electronic scales have been distributed to over 200 priests. Many continue to use these tools for awareness of the factors affecting their health. The Care Team continues to focus on diabetes treatment and prevention and is exploring additional tools to aide our priests in monitoring their own health.

This year our Wellness Coordinator has been very actively communicating with all our priests. Since COVID-19 all priests have been receiving weekly newsletters, including videos for exercise and balance. She has also set up individual consultations with a number of priests that include exercise, nutrition and healthy lifestyle. These tools can be used to modify everyday life in small ways, which can make a big difference.

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

Looking Ahead:

The current pandemic has changed how CHRT operates and supports our priests, both active and retired.

This coming year, we will continue to support you through the wellness programs. Wellness seminars will now be virtual for the time being, however, we're hopeful this new format will provide an opportunity to reach more of our priests.

Regina has since been COVID-19 free since early May and is cautiously returning to a new normal with all the precautions in place. Daily Mass is now being said with limited capacity and communal dining has resumed, both with appropriate distancing.

The construction project has been completed and ten additional rooms now available. Most of these rooms have been added to the clinical floor to allow the staff to care for residents that need more attention. We are now accepting new residents, and three will be entering Regina the next 60 days.

Although the renovations have been completed there is still a \$1.3 million shortfall on the cost of the capital campaign construction.



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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. The Funds will be experiencing financial challenges as the number of active priests' declines, the number of priests on health leave increases, the number of retirees remains relatively steady and the effects of the pandemic continue to adversely impact collections in the parishes.

The future will put us squarely in the digital fundraising business. What that looks like is still unclear. However, we have a team that is working on it together with domain experts acting as consultants. This will be a huge project but one that is necessary for the future of the fund.

We just completed the first virtual priest Celebration of Priesthood event, which will be reflected in our Fiscal 2021 financials. It was an enormous success, reaching over 4,200 people to date and raising \$1.563 million. This is more than we could do with an in-person event and shows that the digital age we are entering can be as successful as our efforts in the past. The virtual video presentation has changed the narrative and has shown the world the amazing work you do every day. The feedback we've received has been phenomenal. We will continue to highlight the work you do within your parishes and communities.

We will continue to keep all priests informed and be transparent in all dealings with you. This will be accomplished by having virtual regional meetings with all priests.

The majority of CHRT's 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. As we head into the digital world, we will need your help in reaching out to them and helping to promote the CHRT communications. We know that they will support their priests. This has been proven with the virtual Celebration of Priesthood dinner.

Over the past several years, a number of your brother priests have left bequests to CHRT. This giving truly makes a significant difference in providing for the future health and wellness of all our priests. Please prayerfully consider including CHRT in your life planning.



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The budget for fiscal year 2021 shows a significant deficit and reflects an estimate of what the pandemic has done. Starting with the Celebration of Priesthood event, we will be able to collect real data that allows us to develop a plan to address the future. We are developing a long-term strategy for the sustainability of CHRT and will need your help in participating in that strategy.

We ask your prayers for our staff as we pray for your wellbeing.

God Bless,

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

Salve Regina

*Salve, Regina, mater misericordiae;
vita, dulcedo et spes nostra, salve.
Ad te clamamus exsules filii Hevae.
Ad te suspiramus gementes et flentes
in hac lacrimarum valle.
Eia ergo, advocata nostra,
illos tuos misericordes oculos ad nos converte.
Et Iesum, benedictum fructum ventris tui,
nobis post hoc exsilium ostende.
O clemens, o pia, o dulcis Virgo Maria.*

Hail, Holy Queen, Mother of Mercy,
our life, our sweetness, and our hope.
To thee do we cry, poor banished children of Eve;
to thee do we send up our sighs,
mourning and weeping in this valley of tears.
Turn then, most gracious advocate,
thine eyes of mercy toward us;
and after this our exile,
show unto us the blessed fruit of thy womb, Jesus.
O clement, O loving, O sweet Virgin Mary.

Salve Regina Legacy Society

As of October 22, 2020

Anonymous (3)

Paul F. Bailey

Laurence J. Borges

Charles J. Bourque

George F. Carlson

John F. Carmichael

Peter J. Casey

Donald P. Clifford

Edwin D. Condon

John G. Connolly

Leonard A. Coppenwrath

John P. Culloty

Henry M. Cunney

James W. DeAdder

Richard S. DeVeer

Dennis A. Dever

Richard M. Erikson

George P. Evans

John R. Giggi

Richard R. Gosselin

Michael E. Groden

John M. Hannon

Joseph M. Hennessey

George G. Hogan

Joseph M. Kane

J. Michael Lawlor

John R. Lizio

Paul V. MacDonald

Francis J. McGann

Frederick R. McGowan

James J. McGowan

Patrick J. McLaughlin

Martin J. McNulty

Cornelius McRae

Maurice P. Meade

John A. Murray

Frederick W. O'Brien

William J. O'Connor

John F. O'Donnell

Francis G. O'Sullivan

Alfonso G. Palladino

Richard J. Perron

Lawrence J. Riley

James H. Riley

Stephen B. Rock

James J. Ronan

Lawrence J. Rondeau

John J. Shea

Frank J. Silva

Paul S. Sughrue

James E. Tierney

Thomas F. Wyndham

Saint John Vianney Society

As of October 22, 2020

Anonymous (2)

Michael A.J. Alfano

Shawn W. Allen

Raymond P. Benoit

Robert M. Blaney

Derek J. Borek

Charles E. Bourke

Robert M. Browne

James G. Burke

George J. Butera

Allan L.W. Butler

Robert J. Butler

David P. Callahan

George F. Carlson

John F. Carmichael

Walter A.M. Carreiro

Peter J. Casey

Donald P. Clifford

Francis J. Cloberty

Arnold F. Colletti

Peter V. Conley

John J. Connelly

Richard C. Conway

Roger C. Cormier

Richard P. Cornell

William D. Coughlin

Ronald D. Coyne

Daniel J. Crowley

Richard P. Crowley

William F. Cuddy

Francis E. Daley

Francis J. Daly

Robert J. Deehan

Kevin J. Deeley

Donald R. Delay

Mark G. Derrane

Richard S. DeVeer

Thomas S. Domurat

Stephen S. Donohoe

George F. Emerson

Richard M. Erikson

Scott A. Euvrard

George P. Evans

William P. Flay

Patrick J. Fiorillo

J. Thomas Gignac

Francis M. Glynn

John J. Grimes

Rocco M. Guarino

Michael C. Harrington

Joseph M. Hennessey

Kevin T. Hickey

George G. Hogan

Joseph M. Hubbard

Francis H. Kelley

Robert T. Kickham

Brian R. Kiely

William T. Kremmell

J. Michael Lawlor

Kevin P. Leaver

William T. Leonard

Joseph G. Lind

Paul V. MacDonald

Saint John Vianney Society

As of October 22, 2020

John E. MacInnis

Daniel D. Magni

Daniel J. Mahoney

Joseph P. McDermott

Edward C. McDonagh

John P. McDonough

Jacques A. McGuffie

Brian J. McHugh

Martin J. McNulty

Cornelius M. McRae

Vincent P. Mellone

Paul E. Miceli

Robert T. Milling

John F. Mulloy

John R. Mulvehill

William F. Murphy

John A. Murray

Thomas F. Nestor

Henry P. Nichols

Michael L. Nolan

Mark L. Noonan

John W. O'Brien

David M. O'Leary

Robert W. Oliver

William B. Palardy

Louis R. Palmieri

John V Paris

Bryan K. Parrish

William T. Pearsall

Gerard Petringa

Thomas J. Powers

Peter F. Quinn

Joseph K. Raake

James F. Rafferty

Daniel J. Riley

Edward M. Riley

Israel J. Rodriguez

Joseph M. Rossi

Paul T. Ryan

William F. Salmon

Stephen E. Salocks

James W. Savage

Joseph F. Scorzello

Dennis F. Sheehan

Frank J. Silva

Gerald A. Souza

Edward P. Sullivan

Peter J. Uglietto

John J. Unni

Victor L. Vitug

Christopher W.

Wallace

Aidan J. Walsh

Thomas J. Walsh

Matthew J. Westcott

David P. White

William G. Williams

Walter J. Woods

Arthur F. Wright

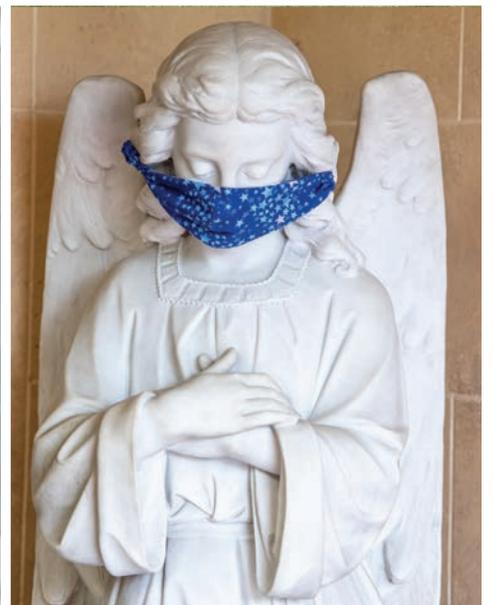
Thomas F. Wyndham





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Finance & Audit Committee

Financial Report for the Year Ending June 30, 2020

BOARD OF TRUSTEES

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Mr. Michael P. Shaughnessy

Ms. Jean Tempel

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, 2020.

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 unmodified 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, 2020.

The success of this organization is through the efforts of many but starts with the Clergy Health and Retirement Trust team. Since March of this year, our team has adapted incredibly well to the COVID-19 world we find ourselves in today. Their caring, outreach, and innovation has helped to lessen the impact of the pandemic on our priests in a meaningful way. We are blessed that our priests also play an important role through their leadership at the parish level and in their communities.

The Finance & Audit Committee consists of:

TRUSTEE EMERITUS

Rev. Msgr. Dennis Sheehan

Rev. Gerard Petringa

Mr. C. Michael Daley

Mr. John A. Kaneb

James P. McDonough (Chair)

Reverend Thomas S. Rafferty, Pastor, St. Gerard Majella Parish and St. John the Evangelist Parish, Canton

Michael K. Devlin, CPA

David J. Hegarty, CPA

James Mullaney, CPA

Richard F. Reilly, CPA

Michael Shaughnessy

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, 2020 and 2019

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GRANT THORNTON LLP

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees

Archdiocese of Boston Clergy Health and Retirement Trust

We have audited the accompanying combined financial statements of the Archdiocese of Boston Clergy Health and Retirement Trust (“CHRT”), which comprise the statements of net assets available for benefits as of June 30, 2020 and 2019 and the related statements of changes in net assets available for benefits for the years then ended, and the statements of accumulated plan benefits as of June 30, 2020 and 2019 and the related 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Archdiocese of Boston Clergy Health and Retirement Trust net assets available for benefits as of June 30, 2020 and 2019 and changes therein for the years then ended, and its financial status as of June 30, 2020 and 2019, 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 supplementary combining statements of net assets available for benefits as of June 30, 2020 and 2019, the combining statements of changes in net assets available for benefits and the statements of activities and changes in net assets available for benefits - Regina Cleri Trust for the years ended June 30, 2020 and 2019 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 Plan'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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Boston, Massachusetts
October 22, 2020

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST**Combined Statements of Net Assets Available for Benefits****June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents (Note 3)	\$ 8,590,109	\$ 7,484,533
Accounts receivable (Note 3)	196,088	417,096
Contributions receivable (Note 3)	3,582,289	4,076,858
Prepaid expenses (Note 3)	319,109	342,321
Investments, at fair value (Notes 3, 6 and 11)	44,345,982	45,127,281
Land, building and equipment, net (Notes 3 and 7)	17,464,613	14,464,381
Total assets	<u>\$ 74,498,190</u>	<u>\$ 71,912,470</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 367,877	\$ 369,386
Line of credit - related party (Note 3)	3,082,622	485,898
Notes payable (Note 3)	633,700	-
Deferred income (Note 3)	235,429	223,000
Total liabilities	<u>\$ 4,319,628</u>	<u>\$ 1,078,284</u>
NET ASSETS AVAILABLE FOR BENEFITS		
Without donor restrictions:		
Undesignated	\$ 56,307,779	\$ 58,511,699
Designated for Endowment (Note 9)	5,956,823	5,643,544
Total without donor restrictions	62,264,602	64,155,243
With donor restrictions	7,913,960	6,678,943
Total net assets available for benefits	<u>\$ 70,178,562</u>	<u>\$ 70,834,186</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUE		
Collections from parishes (Note 3)	\$ 3,976,611	\$ 6,377,301
Assessments to participating entities	5,251,491	5,504,639
Special event dinner, net of costs of \$352,257 in 2020 and \$367,389 in 2019	1,116,672	1,389,033
Room and board assessments	139,696	127,398
Medicare Reimbursement and miscellaneous income	170,034	127,687
Total operating revenue	<u>10,654,504</u>	<u>13,526,058</u>
OPERATING EXPENSES		
Benefits:		
Claims paid	4,983,693	5,329,159
Retirement benefits	3,578,363	3,657,973
Regina Cleri residence operations, including depreciation of \$201,291 in 2020 and \$204,831 in 2019 (Note 7)	3,545,890	3,181,254
Room and board	469,156	464,271
Unassigned and health leave benefits	398,569	408,183
Plan administrator	234,268	233,305
Disability benefits	40,763	34,548
Other benefits	208,824	58,375
Legal - estate planning	8,000	18,000
Total benefits	<u>13,467,526</u>	<u>13,385,068</u>
Administration:		
Salaries and benefits	964,104	1,034,972
Service fees (Note 8)	205,030	198,107
Contract services	26,219	113,297
Fundraising expenses (Note 8)	276,438	213,478
Professional fees	120,087	147,434
Other administrative expenses	150,405	137,860
Total administration	<u>1,742,283</u>	<u>1,845,148</u>
Total operating expenses	<u>15,209,809</u>	<u>15,230,216</u>
Change in net assets from operations	<u>(4,555,305)</u>	<u>(1,704,158)</u>
NON-OPERATING REVENUES (EXPENSES)		
Gifts, bequests and donations (Note 3)	1,715,996	1,164,463
Contributions - capital campaign (Note 4)	1,459,030	3,326,183
Interest and dividends	204,276	208,678
Grant income	15,500	30,500
Net realized and unrealized gains on investments	1,030,547	1,562,209
Transfer to related entity (Note 8)	(95,000)	(100,000)
Interest expense and stewardship fees - capital campaign	(90,103)	(27,164)
Depreciation expense (Note 7)	(340,565)	(340,674)
Total non-operating revenues (expenses)	<u>3,899,681</u>	<u>5,824,195</u>
Change in net assets available for benefits	<u>(655,624)</u>	<u>4,120,037</u>
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>70,834,186</u>	<u>66,714,149</u>
End of year	<u>\$ 70,178,562</u>	<u>\$ 70,834,186</u>

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
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ACTUARIAL PRESENT VALUE OF ACCUMULATED RETIREMENT PLAN BENEFITS		
Retired and disabled participants currently receiving retirement benefits	\$ 44,827,243	\$ 44,916,018
Active participants	<u>33,650,657</u>	<u>29,439,404</u>
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED RETIREMENT PLAN BENEFITS	<u>78,477,900</u>	<u>74,355,422</u>
ACTUARIAL PRESENT VALUE OF OTHER POST-RETIREMENT BENEFIT OBLIGATIONS		
Retired and disabled participants currently receiving health, dental and subsistence benefits	15,088,228	14,650,033
Active participants	<u>21,519,342</u>	<u>18,438,122</u>
TOTAL ACTUARIAL PRESENT VALUE OF OTHER POST-RETIREMENT BENEFIT OBLIGATIONS	<u>36,607,570</u>	<u>33,088,155</u>
RESERVE FOR HEALTH INSURANCE CLAIMS		
Claims payable and claims incurred but not reported for retired participants	167,711	162,527
Claims payable and claims incurred but not reported for active participants	<u>382,289</u>	<u>370,473</u>
TOTAL RESERVE FOR HEALTH INSURANCE CLAIMS	<u>550,000</u>	<u>533,000</u>
TOTAL ACCUMULATED PLAN BENEFIT OBLIGATIONS	<u>\$ 115,635,470</u>	<u>\$ 107,976,577</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, 2020 and 2019

	2020	2019
ACCUMULATED PLAN BENEFIT OBLIGATIONS AT THE BEGINNING OF YEAR	\$ 107,976,577	\$ 106,160,489
CHANGES IN ACCUMULATED RETIREMENT PLAN BENEFITS		
Actuarial present value of accumulated retirement plan benefits at beginning of year	74,355,422	71,550,594
Changes during the year attributable to:		
Benefits accumulated	2,339,168	2,086,052
Increase for interest due to the decrease in the discount period	2,592,008	2,954,702
Benefits paid	(6,543,901)	(6,509,191)
Changes in assumptions (Note 5)	5,735,203	4,273,265
Net increase	4,122,478	2,804,828
Actuarial present value of accumulated retirement plan benefits at end of year	78,477,900	74,355,422
CHANGES IN OTHER POST-RETIREMENT BENEFIT OBLIGATIONS		
Actuarial present value of other post-retirement benefit obligations at beginning of year	33,088,155	34,076,895
Changes during the year attributable to:		
Benefits accumulated	832,350	492,627
Increase for interest due to the decrease in the discount period	1,212,793	1,447,660
Benefits paid	(1,391,298)	(1,414,213)
Changes in assumptions (Note 5)	2,865,570	(1,514,814)
Net increase (decrease)	3,519,415	(988,740)
Actuarial present value of other post-retirement benefit obligations at end of year	36,607,570	33,088,155
CHANGES IN RESERVE FOR HEALTH INSURANCE CLAIMS		
Reserve for health insurance claims at beginning of year	533,000	533,000
Changes during the year attributable to:		
Claims reported and approved and claims incurred but not yet reported	5,000,693	5,329,159
Claims paid	(4,983,693)	(5,329,159)
Net increase	17,000	-
Reserve for health insurance claims at end of year	550,000	533,000
ACCUMULATED PLAN BENEFIT OBLIGATIONS AT THE END OF YEAR	\$ 115,635,470	\$ 107,976,577

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

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE 1 - DESCRIPTION OF THE CLERGY HEALTH AND RETIREMENT TRUST

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 combined 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 U.S. generally accepted accounting principles (“U.S. GAAP”) applicable to defined benefit pension plans and health and welfare plans. The primary objective of the CHRT combined financial statements is to provide financial information that is useful in assessing the CHRT present and future ability to pay benefits when due.

The 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.

COVID-19

The outbreak of COVID-19 has caused domestic and global disruption in the operations of religious organizations. The Archdiocese of Boston closed its parishes on March 14, 2020. As such, Easter masses which include a collection for the benefit of CHRT were not held. In 2019 the CHRT received approximately \$2.4 million from the Easter Collection. In late May, parishes were permitted to begin reopening, with restrictions. The majority of parishes have reopened at reduced capacity.

The full impact of COVID-19 and the scope of any adverse impact on CHRT’s finances cannot be fully determined at this time.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

NOTE 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.

Funding and Benefits

The CHRT primary source of funding for 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 Trust 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 Trust 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 Trustees.

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 does not cover the cost of a nursing home. Additionally, priests can reside at Regina Cleri, if space permits. 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 - CONTINUED

June 30, 2020 and 2019

NOTE 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 U.S. generally accepted accounting principles.

Net assets, revenues, expenses, gains and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Without donor restrictions - Net assets that are not subject to donor-imposed restrictions or for which restrictions have expired. Also included in this category are net assets designated by the Trustees, including funds functioning as endowment.

With donor restrictions - Net assets subject to donor-imposed restrictions that permit CHRT to use or expend the donated assets as specified and are satisfied by either the passage of time or by actions of CHRT. Also included in this category are net assets subject to donor-imposed restrictions that stipulate that resources be maintained permanently, but may permit CHRT to use or expend part or all of the economic benefits derived from the donated assets.

Cash and Cash Equivalents

Financial instruments with original maturities of three months or less at the purchase date are classified as cash equivalents. Included in cash equivalents are money market funds of \$5,664,479 and \$3,972,887 at June 30, 2020 and 2019, respectively.

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.

The CHRT Investment Committee has elected to invest in the RCAB Collective Investment Partnership (the "Investment Partnership" or "CIP"), the RCAB Fixed Income Fund (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 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 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.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

Participating Entities Assessments and Accounts Receivable

CHRT charges assessments to parishes and related Catholic organizations for medical, dental 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 \$1,470 per individual priest during both fiscal years 2020 and 2019.

Accounts receivable 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 \$292,177 and \$313,747 for retirement benefits prepaid at June 30, 2020 and 2019, respectively.

Collections from Parishes

Collections from parishes are recognized in the combined statements of changes in net assets available for benefits as CHRT receives the contributions. Any amounts not yet received by June 30, 2020 and 2019 are accrued as due from the remitting parish. There was no Easter Collection in April 2020 as a result of parish closures that occurred in response to COVID-19.

Contributions Receivable, Gifts, Bequests and Contributions

Contributions, including unconditional promises to give, are recognized upon receipt. Contributions other than cash are recorded at fair value at the date of contribution. Contributions with donor-imposed restrictions are reclassified to net assets without donor restrictions when an expenditure is incurred that satisfies the restriction or the designated time elapses. Pledges receivable are carried at estimated net present value, net of allowance for uncollectible amounts (if any). Conditional promises to give are not recognized until the conditions on which they depend are substantially met. There were no conditional promises to give at June 30, 2020 and 2019.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

Pledges receivable as of June 30, 2020 and 2019 are presented below.

	<u>2020</u>	<u>2019</u>
Receivables due in less than one year	\$ 1,749,549	\$ 2,242,165
Receivables due in one to five years	<u>1,845,779</u>	<u>2,020,039</u>
Total unconditional promises to give	3,595,328	4,262,204
Less: present value discount and allowance for uncollectible promises to give	<u>(13,039)</u>	<u>(185,346)</u>
Contributions receivable, net	<u>\$ 3,582,289</u>	<u>\$ 4,076,858</u>

Pledges receivable have been discounted using a rate of 0.25% and 3.0%, at June 30, 2020 and 2019, respectively.

Line of Credit - Related Party

On December 1, 2018, CHRT entered into a line of credit agreement with the Revolving Loan Fund of RCAB. CHRT may borrow up to a maximum principal amount of \$4,000,000, which CHRT may draw upon and repay at any time through the maturity of the agreement. The unpaid principal amount bears daily interest at the Applicable Rate as determined by RCAB. The line of credit matured April 1, 2020 but was verbally extended due to the COVID-19 pandemic. Accrued and unpaid interest are payable on the 15th day of each calendar month commencing on January 15, 2019 with final payment of principal and unpaid interest is due upon maturity.

CHRT may request the outstanding balance at maturity to be converted to a term note payable requiring monthly payments of principal and interest amortized over a three-year period. Principal would bear interest at the Applicable Rate as determined by RCAB. A final balloon payment of principal and unpaid interest would be due upon maturity of the note three years after conversion. As of June 30, 2020 and 2019, the CHRT had \$3,082,622 and \$485,898 outstanding against the line of credit.

Notes Payable

In April, 2020, CHRT (the "Borrower"), was granted two loans (the "Loans") by Century Bank in the aggregate amount of \$633,700, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act.

The Loans, which were in the form of two notes dated April 22, 2020, mature on April 22, 2022 and bear interest at a rate of 1.00% per annum, payable monthly commencing on November 22, 2020. The Notes may be prepaid by the CHRT at any time prior to maturity with no prepayment penalties. Funds from the Loans may only be used for certain costs, such as payroll costs and occupancy expenses. CHRT utilized the Loan amounts for qualifying expenses. Under the terms of the PPP, all or a portion of the Loans may be forgiven if they are used for qualifying expenses as described in the CARES Act.

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.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

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 combined financial statements is the largest benefit that has a greater than 50% 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 combined financial statements in conformity with U.S. GAAP 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.

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 combined financial statements.

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.

NOTE 4 - CAPITAL CAMPAIGN

Beginning in fiscal year 2018, The Catholic Community Fund of the Archdiocese of Boston, Inc. ("CCF"), began the Inspiring Hope Capital Campaign (the "Campaign"). The purpose of the Campaign is to raise funds for the collective mission of the Archdiocese of Boston to strengthen and grow in faith and community. Part of the Campaign is to support the Ministry of the CHRT in caring for all eligible priests serving the Archdiocese of Boston. All assets, liabilities, revenues and expenses related to the capital campaign are included within the accounts of the Funding Trust.

The CHRT portion of the Campaign is geared towards the Regina Cleri capital improvements construction project and to provide for the future needs of the Eligible priests. The goal of The Regina Cleri capital improvements construction project is to raise \$8,000,000 that will be used to add 10 residential rooms to increase occupancy, rebuild the current chapel in order to facilitate the aging in place population and provide general building upgrades to the 50+ year old structure. The goal of the future needs is to raise \$15,000,000 in an effort to ensure that priests who will retire in the future will have a sense of security that there will be adequate funds to maintain the level of benefits their brothers today are receiving.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

Contributions received in relation to the Campaign are shown as contributions - capital campaign in the accompanying combined statements of changes in net assets available for benefits.

NOTE 5 - 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, 2020 and 2019:

	2020	2019
Discount rate	2.74%	3.64%
Mortality before and after retirement	Society of Actuaries' Retirement Plans Experience Committee Headcount weighted Pri-2012 rates for healthy lives (no quartile or collar adjustment), with generational projection using Scale MP-2019. Separate retiree and active participant rates.	Society of Actuaries' Retirement Plans Experience Committee Headcount weighted 2006 rates (RP-2014 central data year), with generational projection using Scale MP-2018. Separate retiree and active participant rates.
Retirement age	Age graded tables	Age graded tables
Asset valuation	Market value	Market value
Retirement benefit	\$1,514 average per month	\$1,480 average per month
Cost of living adjustment	None assumed	None assumed
Salary increases	N/A	N/A

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 combined 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.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

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 (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 5.50% and 5.75% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2020 and 2019, respectively; the rate was assumed to decrease gradually to 4.5% by 2024.

The following were other significant assumptions used in the valuation as of June 30, 2020 and 2019:

	2020	2019
Discount rate	3.14%	3.75%
Retirement age	Age graded tables	Age graded tables
Mortality	Society of Actuaries' Retirement Plans Experience Committee Headcount weighted Pri-2012 rates for healthy lives (no quartile or collar adjustment), with generational projection using Scale MP-2019. Separate retiree and active participant rates.	Society of Actuaries' Retirement Plans Experience Committee Headcount weighted 2006 rates (RP-2014 central data year), with generational projection using Scale MP-2018. Separate retiree and active participant rates.
Effect of 1% increase in healthcare cost trend rate on postretirement obligation	\$6,069,000	\$5,177,000

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, 2020 and 2019 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.

NOTE 6 - INVESTMENTS

CHRT had the following investments as of June 30, 2020 and 2019.

	2020	2019
Common Investment Partnership	\$ 32,558,043	\$ 33,843,837
Fixed Income Fund	1,309,974	1,356,429
Vanguard Short-Term Investment Grade Fund (mutual fund)	5,412,458	5,161,096
Westwood Income Opportunity Fund	5,065,507	4,765,919
	<u>\$ 44,345,982</u>	<u>\$ 45,127,281</u>

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

All investments are reported at fair market value (see Note 11).

NOTE 7 - LAND, BUILDING AND EQUIPMENT

Land, building and equipment consists of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land	\$ 4,036,578	\$ 4,036,578
Land improvements	529,925	529,925
Building	10,551,225	10,551,225
Building improvements	3,906,925	3,906,925
Construction in process	6,371,828	2,829,740
Furniture and equipment	731,691	731,691
Vehicles	<u>27,137</u>	<u>27,137</u>
	26,155,309	22,613,221
Less accumulated depreciation	<u>(8,690,696)</u>	<u>(8,148,840)</u>
	<u>\$ 17,464,613</u>	<u>\$ 14,464,381</u>

Depreciation expense totaled \$541,856 and \$545,505 for the fiscal years ended June 30, 2020 and 2019, respectively, which includes \$201,291 and \$204,831, respectively, of depreciation for operating assets of Regina Cleri and \$340,565 and \$340,674, respectively, 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.

NOTE 8 - 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 \$217,547 and \$207,958 for the years ended June 30, 2020 and 2019, respectively.

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, 2020 and 2019 were \$205,030 and \$198,107, respectively.

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 the years ended June 30, 2020 and 2019 were \$270,638 and \$196,903, respectively.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

Transfer to Non-Incardinated Trust

CHRT authorized the transfer of \$95,000 and \$100,000 for the years ended June 30, 2020 and 2019, respectively, to the Archdiocese of Boston Benefit Trust for Non-Incardinated Priests Duly Assigned for Service in the Archdiocese of Boston, a related plan to fund the future pension obligations of the non-incardinated priests assigned for service in the Archdiocese of Boston.

The Archdiocese of Boston Benefit Trust for Non-Incardinated Priests Duly Assigned for Service in the Archdiocese of Boston was frozen in 2009.

NOTE 9 - ENDOWMENT

CHRT's endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as quasi-endowments. Quasi-endowment funds are internally restricted until such time as the Trustees vote to release such funds. Quasi-endowment funds are designated to be used for future support of Regina Cleri and the health, welfare and retirement needs of Eligible senior priests.

Interpretation of Relevant Law

The net assets associated with CHRT's endowment funds are classified in accordance with relevant state law as interpreted by the Trustees. As a result of this interpretation, CHRT has classified as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund (although no existing donor instruments have so directed). The remaining portion of the donor-restricted endowment fund continues to be classified in net assets with donor restrictions and is regarded as "net appreciation" until those amounts are appropriated for expenditure by the Trustees in a manner consistent with the Organization's spending policy, the Uniform Prudent Management of Institutional Funds Act, other applicable laws, and donor-imposed restrictions, if any.

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 net assets with donor restrictions. There were no funds with deficiencies as of June 30, 2020 and 2019.

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% of the trailing 12 quarters market value of the qualifying donor restricted endowment investments at June 30, 2020 and 2019, was appropriated for expenditure. The appropriated amount was then reinvested with quasi-endowment funds.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

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.

Following are balances and the changes in endowment net assets for the fiscal year ended June 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2019	\$ 5,643,544	\$ 1,356,429	\$ 6,999,973
Investment return:			
Net appreciation	<u>230,036</u>	<u>36,788</u>	<u>266,824</u>
Total investment return	<u>230,036</u>	<u>36,788</u>	<u>266,824</u>
Spending policy appropriation	<u>83,243</u>	<u>(83,243)</u>	<u>-</u>
Balance, June 30, 2020	<u>\$ 5,956,823</u>	<u>\$ 1,309,974</u>	<u>\$ 7,266,797</u>

Following are balances and the changes in endowment net assets for the fiscal year ended June 30, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2018	\$ 4,858,279	\$ 1,401,389	\$ 6,259,668
Investment return:			
Net appreciation	<u>698,805</u>	<u>41,500</u>	<u>740,305</u>
Total investment return	<u>698,805</u>	<u>41,500</u>	<u>740,305</u>
Spending policy appropriation	<u>86,460</u>	<u>(86,460)</u>	<u>-</u>
Balance, June 30, 2019	<u>\$ 5,643,544</u>	<u>\$ 1,356,429</u>	<u>\$ 6,999,973</u>

NOTE 10 - 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

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

the CHRT has no control. Accordingly, the CHRT has not recorded these interests in the accompanying combined financial statements.

NOTE 11 - 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.

The fair values of units held by the CHRT in mutual funds are valued using the net asset value ("NAV") provided by the administrator of the fund. The NAV price is quoted on active market and is classified within Level 1 of the valuation hierarchy.

As of June 30, 2020, and 2019, the CHRT held investments measured at fair value using the NAV per share (or its equivalent) practical expedient and have not been categorized in the fair value hierarchy. The value of these investments at June 30, 2020 and 2019 was \$38,933,524 and \$39,966,185, 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 NAV per share or its equivalents as of June 30, 2020.

Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Liquidity Restrictions
Common Investment Partnership	\$ 32,558,043	\$ -	Monthly	30 days	None
Fixed Income Fund	1,309,974	-	Monthly	30 days	None
Westwood Income Opportunity Fund	<u>5,065,507</u>	-	Monthly	30 days	None
Total assets	<u>\$ 38,933,524</u>				

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

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 NAV per share or its equivalents as of June 30, 2019.

<u>Investments</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>	<u>Liquidity Restrictions</u>
Common Investment Partnership	\$ 33,843,837	\$ -	Monthly	30 days	None
Fixed Income Fund	1,356,429	-	Monthly	30 days	None
Westwood Income Opportunity Fund	<u>4,765,919</u>	-	Monthly	30 days	None
Total assets	<u>\$ 39,966,185</u>				

NOTE 12 - OPERATING EXPENSES

Following is CHRT's operating expenses of the Regina Cleri facility classified by area of resident service for the year ended June 30, 2020:

	<u>Direct Care</u>	<u>Maintenance</u>	<u>Dining Services</u>	<u>Administration</u>	<u>Recreation</u>	<u>Total</u>
Salaries and related	\$ 1,089,742	\$ 329,651	\$ 525,384	\$ 391,629	\$ 142,741	\$ 2,479,147
Facility rental and related	344,490	21,666	43,332	72,261	2,167	483,916
Food, supplies and other	58,121	50,435	229,661	34,206	21,087	393,510
Utilities and communications	-	178,416	-	80,401	-	258,817
Contract labor	21,885	27,628	-	33,973	-	83,486
Repairs and maintenance	-	<u>51,108</u>	-	<u>4,239</u>	-	<u>55,347</u>
Total operating expenses	<u>\$ 1,514,238</u>	<u>\$ 658,904</u>	<u>\$ 798,377</u>	<u>\$ 616,709</u>	<u>\$ 165,995</u>	<u>\$ 3,754,223</u>

Following is CHRT's operating expenses of the Regina Cleri facility classified by area of resident service for the year ended June 30, 2019:

	<u>Direct Care</u>	<u>Maintenance</u>	<u>Dining Services</u>	<u>Administration</u>	<u>Recreation</u>	<u>Total</u>
Salaries and related	\$ 874,046	\$ 319,477	\$ 411,818	\$ 369,055	\$ 136,480	\$ 2,110,876
Facility rental and related	579,112	36,422	72,844	84,921	3,643	776,942
Food, supplies and other	43,172	39,606	216,132	33,182	30,493	362,585
Utilities and communications	-	178,062	-	69,379	-	247,441
Contract labor	11,201	35,720	27,153	32,077	-	106,151
Repairs and maintenance	-	<u>71,667</u>	<u>207</u>	<u>5,385</u>	-	<u>77,259</u>
Total operating expenses	<u>\$ 1,507,531</u>	<u>\$ 680,954</u>	<u>\$ 728,154</u>	<u>\$ 593,999</u>	<u>\$ 170,616</u>	<u>\$ 3,681,254</u>

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

NOTE 13 - 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 6).

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 combined statements of net assets available for benefits.

NOTE 14 - NET ASSETS

Net Assets Without Donor Restrictions

Included in net assets without donor restrictions are \$5,956,823 and \$5,643,544 of board designated (quasi-endowment) funds as of June 30, 2020 and 2019, respectively.

Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Endowment gifts	\$ 1,073,745	\$ 1,073,745
Appreciation of endowment investments	236,229	282,684
Capital campaign	<u>6,603,986</u>	<u>5,322,514</u>
	<u>\$ 7,913,960</u>	<u>\$ 6,678,943</u>

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 22, 2020, which is the date the combined financial statements were available to be issued. There were no subsequent events identified that would require recognition or additional disclosure in the Clergy Health and Retirement Trust's combined financial statements.

SUPPLEMENTARY INFORMATION

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Combining Statement of Net Assets Available for Benefits
June 30, 2020

	<u>Medical Trust</u>	<u>Retirement Trust</u>	<u>Funding Trust</u>	<u>Capital Campaign</u>	<u>Regina Cleri Trust</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS:							
Cash and cash equivalents (Note 3)	\$ 1,056,217	\$ 946,201	\$ 4,682,223	\$ 874,055	\$ 1,031,413	\$ -	\$ 8,590,109
Accounts receivable (Note 3)	183,472	2,400	-	-	10,216	-	196,088
Contributions receivable (Note 3)	-	-	244,159	3,338,130	-	-	3,582,289
Prepaid expenses (Note 3)	5,100	292,177	14,000	-	7,832	-	319,109
Investments, at fair value (Notes 3, 6 and 11)	7,557,029	-	29,422,156	100,000	7,266,797	-	44,345,982
Land, building and equipment, net (Notes 3 and 7)	-	-	10,714,627	6,371,828	378,158	-	17,464,613
Due from/(to) related organizations	(696,695)	-	696,695	-	-	-	-
Total Assets	<u>\$ 8,105,123</u>	<u>\$ 1,240,778</u>	<u>\$ 45,773,860</u>	<u>\$ 10,684,013</u>	<u>\$ 8,694,416</u>	<u>\$ -</u>	<u>\$ 74,498,190</u>
LIABILITIES:							
Accounts payable and accrued expenses	\$ 18,603	\$ 316	\$ 126,045	\$ 1,451	\$ 221,462	\$ -	\$ 367,877
Line of credit - related party (Note 3)	-	-	-	3,082,622	-	-	3,082,622
Notes payable (Note 3)	-	-	235,300	-	398,400	-	633,700
Deferred income (Note 3)	-	-	215,055	-	20,374	-	235,429
Total Liabilities	<u>\$ 18,603</u>	<u>\$ 316</u>	<u>\$ 576,400</u>	<u>\$ 3,084,073</u>	<u>\$ 640,236</u>	<u>\$ -</u>	<u>\$ 4,319,628</u>
NET ASSETS AVAILABLE FOR BENEFITS:							
Without donor restrictions	\$ 8,086,520	\$ 1,240,462	\$ 45,197,460	\$ 995,954	\$ 6,744,206	\$ -	\$ 62,264,602
With donor restrictions	-	-	-	6,603,986	1,309,974	-	7,913,960
Total net assets available for benefits	<u>\$ 8,086,520</u>	<u>\$ 1,240,462</u>	<u>\$ 45,197,460</u>	<u>\$ 7,599,940</u>	<u>\$ 8,054,180</u>	<u>\$ -</u>	<u>\$ 70,178,562</u>

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Combining Statement of Net Assets Available for Benefits
June 30, 2019

	<u>Medical Trust</u>	<u>Retirement Trust</u>	<u>Funding Trust</u>	<u>Capital Campaign</u>	<u>Regina Cleri Trust</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS:							
Cash & cash equivalents (Note 3)	\$ 826,335	\$ 1,034,397	\$ 4,630,726	\$ 373,976	\$ 619,099	\$ -	\$ 7,484,533
Accounts receivable (Note 3)	408,428	2,400	-	-	6,268	-	417,096
Contributions receivable (Note 3)	-	-	618,820	3,458,038	-	-	4,076,858
Prepaid expenses (Note 3)	-	313,747	13,805	-	14,769	-	342,321
Investments, at fair value (Notes 3, 6 and 11)	7,338,992	-	30,738,316	50,000	6,999,973	-	45,127,281
Prepaid rent	-	-	-	-	205,047	(205,047)	-
Land, buildings and equipment, net (Note 3 and 7)	-	-	11,055,192	2,829,740	579,449	-	14,464,381
Due from/(to) related organizations	(527,022)	-	527,022	-	-	-	-
Total assets	<u>\$ 8,046,733</u>	<u>\$ 1,350,544</u>	<u>\$ 47,583,881</u>	<u>\$ 6,711,754</u>	<u>\$ 8,424,605</u>	<u>\$ (205,047)</u>	<u>\$ 71,912,470</u>
LIABILITIES:							
Accounts payable and accrued expenses	\$ 54,912	\$ -	\$ 141,315	\$ 14,024	\$ 159,135	\$ -	\$ 369,386
Line of credit - related party (Note 3)	-	-	-	485,898	-	-	485,898
Deferred income (Note 3)	-	-	223,000	-	-	-	223,000
Deferred lease income	-	-	205,047	-	-	(205,047)	-
Total liabilities	<u>\$ 54,912</u>	<u>\$ -</u>	<u>\$ 569,362</u>	<u>\$ 499,922</u>	<u>\$ 159,135</u>	<u>\$ (205,047)</u>	<u>\$ 1,078,284</u>
NET ASSETS AVAILABLE FOR BENEFITS:							
Without donor restrictions	\$ 7,991,821	\$ 1,350,544	\$ 47,014,519	\$ 889,318	\$ 6,909,041	\$ -	\$ 64,155,243
With donor restrictions	-	-	-	5,322,514	1,356,429	-	6,678,943
Total net assets available for benefits	<u>\$ 7,991,821</u>	<u>\$ 1,350,544</u>	<u>\$ 47,014,519</u>	<u>\$ 6,211,832</u>	<u>\$ 8,265,470</u>	<u>\$ -</u>	<u>\$ 70,834,186</u>

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

Combining Statements of Changes in Net Assets Available for Benefits

For the year ended June 30, 2020

	Medical Trust	Retirement Trust	Funding Trust	Capital Campaign	Regina Cleri Trust	Eliminations	Total
OPERATING REVENUE:							
Collections from parishes (Note 3)	\$ -	\$ -	\$ 3,976,611	\$ -	\$ -	\$ -	\$ 3,976,611
Assessments to participating entities	5,185,032	19,199	47,260	-	-	-	5,251,491
Special event dinner, net of cost of \$352,257	-	-	1,116,672	-	-	-	1,116,672
Room and board assessments	-	-	-	-	139,696	-	139,696
Room and board for non-military	-	-	-	-	1,242,348	(1,242,348)	-
Medicare reimbursement and miscellaneous income	117,448	-	44,993	-	7,593	-	170,034
Rental income Regina Cleri leaseback	-	-	208,333	-	-	(208,333)	-
Discount on amortization on prepaid rent	-	-	-	-	3,287	(3,287)	-
Total operating revenue	<u>5,302,480</u>	<u>19,199</u>	<u>5,393,869</u>	<u>-</u>	<u>1,392,924</u>	<u>(1,453,968)</u>	<u>10,654,504</u>
OPERATING EXPENSES:							
Benefits:							
Claims paid	4,983,693	-	-	-	-	-	4,983,693
Retirement benefits	-	3,578,363	-	-	-	-	3,578,363
Regina Cleri residence operations, including depreciation of \$201,291 (Note 7)	-	-	-	-	3,545,890	-	3,545,890
Room and board - Regina Cleri	-	-	1,242,348	-	-	(1,242,348)	-
Room and board	-	-	469,156	-	-	-	469,156
Unassigned and health leave benefits	-	-	398,569	-	-	-	398,569
Plan administrator	234,268	-	-	-	-	-	234,268
Regina Cleri rent expense (leaseback)	-	-	-	-	208,333	(208,333)	-
Interest - amortization on prepaid rent	-	-	3,287	-	-	(3,287)	-
Disability benefits	-	40,763	-	-	-	-	40,763
Other Benefits	44,479	19,082	145,263	-	-	-	208,824
Legal - estate planning	-	-	8,000	-	-	-	8,000
Total benefits	<u>5,262,440</u>	<u>3,638,208</u>	<u>2,266,623</u>	<u>-</u>	<u>3,754,223</u>	<u>(1,453,968)</u>	<u>13,467,526</u>
Administration:							
Salaries and benefits	166,410	-	797,694	-	-	-	964,104
Service fees (Note 8)	-	-	205,030	-	-	-	205,030
Contract services	5,000	-	21,219	-	-	-	26,219
Fundraising expenses (Note 8)	-	-	276,438	-	-	-	276,438
Professional fees	-	-	120,087	-	-	-	120,087
Other administrative expenses	13,020	6,172	131,213	-	-	-	150,405
Total administration	<u>184,430</u>	<u>6,172</u>	<u>1,551,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,742,283</u>
Total operating expenses	<u>5,446,870</u>	<u>3,644,380</u>	<u>3,818,304</u>	<u>-</u>	<u>3,754,223</u>	<u>(1,453,968)</u>	<u>15,209,809</u>
Change in net assets from operations	<u>(144,390)</u>	<u>(3,625,181)</u>	<u>1,575,565</u>	<u>-</u>	<u>(2,361,299)</u>	<u>-</u>	<u>(4,555,305)</u>
NON-OPERATING REVENUES (EXPENSES):							
Gifts, bequests and donations (Note 3)	-	-	1,190,957	-	525,039	-	1,715,996
Contributions - capital campaign (Note 4)	-	-	-	1,459,030	-	-	1,459,030
Interest and dividends	34,716	15,098	32,486	4,840	117,136	-	204,276
Grant income	15,500	-	-	-	-	-	15,500
Net realized and unrealized gains on investments	188,873	-	683,840	-	157,834	-	1,030,547
Interest expense and stewardship fees - capital campaign	-	-	-	(90,103)	-	-	(90,103)
Transfer to related party (Note 8)	-	-	(95,000)	-	-	-	(95,000)
Depreciation expense (Note 7)	-	-	(340,565)	-	-	-	(340,565)
Total non-operating revenues (expenses)	<u>239,089</u>	<u>15,098</u>	<u>1,471,718</u>	<u>1,373,767</u>	<u>800,009</u>	<u>-</u>	<u>3,899,681</u>
Change in net assets available for benefits	<u>94,699</u>	<u>(3,610,083)</u>	<u>3,047,283</u>	<u>1,373,767</u>	<u>(1,561,290)</u>	<u>-</u>	<u>(655,624)</u>
Net asset funding to/(from) Funding Trust	<u>-</u>	<u>3,500,000</u>	<u>(4,864,341)</u>	<u>14,341</u>	<u>1,350,000</u>	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS:							
Beginning of year	7,991,821	1,350,545	47,014,518	6,211,832	8,265,470	-	70,834,186
End of year	<u>\$ 8,086,520</u>	<u>\$ 1,240,462</u>	<u>\$ 45,197,460</u>	<u>\$ 7,599,940</u>	<u>\$ 8,054,180</u>	<u>\$ -</u>	<u>\$ 70,178,562</u>

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

Combining Statements of Changes in Net Assets Available for Benefits

For the year ended June 30, 2019

	Medical Trust	Retirement Trust	Funding Trust	Capital Campaign	Regina Cleri Trust	Eliminations	Total
OPERATING REVENUE:							
Collections from parishes (Note 3)	\$ -	\$ -	\$ 6,377,301	\$ -	\$ -	\$ -	\$ 6,377,301
Assessments to participating entities	5,440,408	21,600	42,631	-	-	-	5,504,639
Special event dinner, net of cost of \$367,389	-	-	1,389,033	-	-	-	1,389,033
Room and board assessments	-	-	-	-	127,398	-	127,398
Room and board for non-military	-	-	-	-	1,015,000	(1,015,000)	-
Medicare reimbursement and miscellaneous income	122,901	-	50	-	4,736	-	127,687
Rental income Regina Cleri leaseback (Note 8)	-	-	500,000	-	-	(500,000)	-
Discount on amortization on prepaid rent	-	-	-	-	29,541	(29,541)	-
Total operating revenue	5,563,309	21,600	8,309,015	-	1,176,675	(1,544,541)	13,526,058
OPERATING EXPENSES:							
Benefits:							
Claims paid	5,329,159	-	-	-	-	-	5,329,159
Retirement benefits	-	3,657,973	-	-	-	-	3,657,973
Regina Cleri residence operations, including depreciation of \$204,831 (Note 7)	-	-	-	-	3,181,254	-	3,181,254
Room and board - Regina Cleri	-	-	1,015,000	-	-	(1,015,000)	-
Room and board	-	-	464,271	-	-	-	464,271
Unassigned and health leave benefits	-	-	408,183	-	-	-	408,183
Plan administrator	233,305	-	-	-	-	-	233,305
Regina Cleri rent expense (leaseback)	-	-	-	-	500,000	(500,000)	-
Interest - amortization on prepaid rent	-	-	29,541	-	-	(29,541)	-
Disability benefits	-	34,548	-	-	-	-	34,548
Other Benefits	2,940	21,215	34,220	-	-	-	58,375
Legal - estate planning	-	-	18,000	-	-	-	18,000
Total benefits	5,565,404	3,713,736	1,969,215	-	3,681,254	(1,544,541)	13,385,068
Administration:							
Salaries and benefits	174,000	-	860,972	-	-	-	1,034,972
Service fees (Note 8)	-	-	198,107	-	-	-	198,107
Contract services	10,000	-	103,297	-	-	-	113,297
Fundraising expenses (Note 8)	-	-	213,478	-	-	-	213,478
Professional fees	-	-	147,434	-	-	-	147,434
Other administrative expenses	38,815	6,177	92,868	-	-	-	137,860
Total administration	222,815	6,177	1,616,156	-	-	-	1,845,148
Total operating expenses	5,788,219	3,719,913	3,585,371	-	3,681,254	(1,544,541)	15,230,216
Change in net assets from operations	(224,910)	(3,698,313)	4,723,644	-	(2,504,579)	-	(1,704,158)
NON-OPERATING REVENUES (EXPENSES):							
Gifts, bequests and donations (Note 3)	-	-	909,664	-	254,799	-	1,164,463
Contributions - capital campaign (Note 4)	-	-	-	3,326,183	-	-	3,326,183
Interest and dividends	37,058	19,768	28,763	5,574	117,515	-	208,678
Grant income	30,500	-	-	-	-	-	30,500
Net realized and unrealized gains on investments	265,627	-	1,111,931	-	184,651	-	1,562,209
Interest expense and stewardship fees - capital campaign	-	-	-	(27,164)	-	-	(27,164)
Transfer to related party (Note 8)	-	-	(100,000)	-	-	-	(100,000)
Depreciation expense (Note 7)	-	-	(340,674)	-	-	-	(340,674)
Total non-operating revenues	333,185	19,768	1,609,684	3,304,593	556,965	-	5,824,195
Change in net assets available for benefits	108,275	(3,678,545)	6,333,328	3,304,593	(1,947,614)	-	4,120,037
Net asset funding to/(from) Funding Trust	-	3,500,000	(5,475,723)	25,723	1,950,000	-	-
NET ASSETS AVAILABLE FOR BENEFITS:							
Beginning of year	7,883,546	1,529,089	46,156,914	2,881,516	8,263,084	-	66,714,149
End of year	\$ 7,991,821	\$ 1,350,544	\$ 47,014,519	\$ 6,211,832	\$ 8,265,470	\$ -	\$ 70,834,186

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

Regina Cleri Trust -

Statement of Activities and Changes in Net Assets Available for Benefits

For the year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE:			
Room and board assessments	\$ 139,696	\$ -	\$ 139,696
Room and board for non-military	1,242,348	-	1,242,348
Miscellaneous income	7,593	-	7,593
Discount of amortization on prepaid rent	3,287	-	3,287
	<u>1,392,924</u>	<u>-</u>	<u>1,392,924</u>
OPERATING EXPENSES:			
Salaries and related	2,479,146	-	2,479,146
Facility rental and related	483,916	-	483,916
Food, supplies and other	393,511	-	393,511
Utilities and communications	258,817	-	258,817
Contract labor	83,486	-	83,486
Repairs and maintenance	55,348	-	55,348
	<u>3,754,224</u>	<u>-</u>	<u>3,754,224</u>
Changes in net assets from operations	<u>(2,361,300)</u>	<u>-</u>	<u>(2,361,300)</u>
NON-OPERATING ACTIVITY:			
Net realized and unrealized gain on investments	204,290	36,788	241,078
Gifts, bequests and donations	525,039	-	525,039
Interest and dividend income	117,136	-	117,136
Investment return designated for unrestricted	-	(83,243)	(83,243)
	<u>846,465</u>	<u>(46,455)</u>	<u>800,010</u>
Changes in net assets	(1,514,835)	(46,455)	(1,561,290)
Net asset funding from Funding Trust	1,350,000	-	1,350,000
Net assets, beginning of year	<u>6,909,041</u>	<u>1,356,429</u>	<u>8,265,470</u>
Net assets, end of year	<u>\$ 6,744,206</u>	<u>\$ 1,309,974</u>	<u>\$ 8,054,180</u>

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

Regina Cleri Trust -

Statement of Activities and Changes in Net Assets Available for Benefits

For the year ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
OPERATING REVENUE:			
Room and board assessments	\$ 127,398	\$ -	\$ 127,398
Room and board for non-military	1,015,000	-	1,015,000
Miscellaneous income	4,736	-	4,736
Discount of amortization on prepaid rent	29,541	-	29,541
	<u>1,176,675</u>	<u>-</u>	<u>1,176,675</u>
OPERATING EXPENSES:			
Salaries and related	2,110,876	-	2,110,876
Facility rental and related	776,942	-	776,942
Food, supplies and other	362,585	-	362,585
Utilities and communications	247,441	-	247,441
Contract labor	106,151	-	106,151
Repairs and maintenance	77,259	-	77,259
	<u>3,681,254</u>	<u>-</u>	<u>3,681,254</u>
Changes in net assets from operations	<u>(2,504,579)</u>	<u>-</u>	<u>(2,504,579)</u>
NON-OPERATING ACTIVITY:			
Net realized and unrealized gain on investments	229,610	41,500	271,110
Gifts, bequests and donations	254,799	-	254,799
Interest and dividend income	117,515	-	117,515
Investment return designated for unrestricted	-	(86,460)	(86,460)
	<u>601,924</u>	<u>(44,960)</u>	<u>556,964</u>
Changes in net assets	(1,902,655)	(44,960)	(1,947,615)
Net asset funding from Funding Trust	1,950,000	-	1,950,000
Net assets, beginning of year	<u>6,861,696</u>	<u>1,401,389</u>	<u>8,263,085</u>
Net assets, end of year	<u>\$ 6,909,041</u>	<u>\$ 1,356,429</u>	<u>\$ 8,265,470</u>





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Clergy Health and Retirement Trust
Healthier Priests. Stronger Communities.