

The Clergy Health and Retirement Trust Annual Report 2014

Archdiocese of Boston



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



October 31, 2014

Dear Fathers and Brother Priests,

BOARD OF TRUSTEES

Rev. Msgr. Dennis F. Sheehan
Very Rev. Kevin M. Sepe
Rev. Gerard Petringa
Ms. Jill Ker Conway
Mr. C. Michael Daley
Mr. John Kaneb
Mr. James Mooney, Jr.
Mr. Kenneth Quigley
Ms. Jean Tempel

We are pleased to send you the Fiscal Year 2014 Report for the Clergy Health and Retirement Trust. The Executive Director's report and commentary are included, along with the outside auditor's financial report.

With the effective cooperation of our priests, Clergy Health and Retirement Trust's dedicated staff was once again able to deliver a very good fiscal performance. Also, on July 1, 2014 Regina Cleri was merged into the Clergy Health and Retirement Trust thus formalizing the operating arrangements that have been in place. The fact that Regina Cleri has a waiting list is a compliment to Stephen Gust, Director and his excellent staff. However, high quality is not maintained without associated costs. Our retired priests are due nothing less.

We trust that our efforts made to help all retired priests live with dignity and security whether in their own home, a nursing facility, a rectory or at Regina Cleri are bearing fruit. We welcome questions, comments and complaints 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



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 retirements needs of you – our eligible active and senior priests of the Archdiocese of Boston. In fiscal year 2014, your Funds covered 248 senior and 380 active priests.

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The Fund 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 highest level of benefits are maintained when you need them. It also means accumulating enough funds to ensure that when you come to retirement, money will be there to provide the benefits you were promised.

Fiscal Year 2014 Highlights

Managed on a fiscally-responsible basis, the Funds continue to produce encouraging results. The audited financial statements that follow reflect the detail.

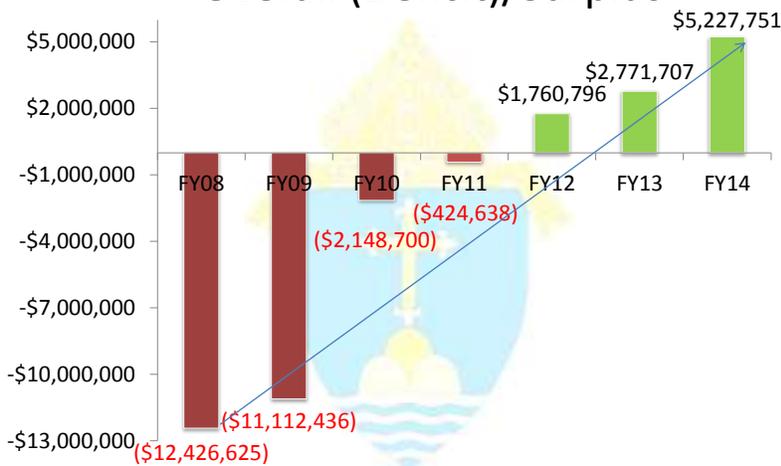
Accumulating surpluses is an essential element of our strategy to guarantee that enough money will be there for future benefits. We continue to meet financial obligations as they come due. This strategy is a key element to meet future obligations for our senior priests. When an active priest attains senior status, the Fund not only provides a stipend income, but medical benefits to supplement Medicare, a housing stipend, and maintenance of the Regina Cleri residence. This is unique when compared with any standard lay retirement plan, and therefore must be managed differently.



We receive \$8.3 million from the three parish collections and the Celebration of Priesthood dinner. Currently, the cost for senior priests is \$9.1 million per year.

Surpluses developed today will be essential in meeting the demands of the future.

Clergy Health & Retirement Trust Overall (Deficit)/Surplus



While fiscal year 2014 may be our most successful year yet, we may not be as fortunate in the future. Our challenges are real; our concern for the future is real.

The budget for fiscal year 2015 shows break-even results. Any surpluses will come from unbudgeted gifts and bequests.

Additional highlights for this fiscal year from your CHRT team:

- Mary Hanlon, our healthcare coordinator and RN:
 - Visited 230 priests in hospitals, rehabilitation facilities, nursing homes, and assisted living homes
 - Coordinated care with 87 families or healthcare proxies, acting as a resource to your brother priests



- Visited 140 senior priests living on their own or in rectories
- Published 12 editions of “Notes from the Nurse”
- Jay Marsden, our elder care attorney, helped 15 priests and their families prepare plans to ensure that quality of care is maintained
- Two therapists, Dr. Matt 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
- Maria Sullivan answered hundreds of questions or directed you to the appropriate resource for support
- Maryellen Barrett and Jiahong Lin kept track of every expense to assure the appropriateness of charges to the Fund.
- Lisa Lipsett was added to the staff to design and coordinate the seminar series for emotional and psychological health

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

- \$3.1 million spent on medical benefits
- \$1.25 million spent on prescription drugs
- \$400,000 spent on dental benefits

In addition, six comprehensive wellness seminars held during the fiscal year were attended by 234 priests on the following topics:

- Holistic Planning for Retirement
- Stress and Emotional Health
- A Holistic Approach to Aging
- Living with Change and the Unknown
- Critical Conversations: Ministerial Boundaries
- Psychosexual Development and Affective Maturity

Looking Ahead

This coming year, we will continue to support you through the physical wellness program in addition to emotional and psychological seminars designed to meet your needs as priests.



In October, each of you will have the opportunity to take a confidential personal health assessment and receive immediate feedback to create a plan for making important lifestyle changes. If desired, personal coaching from a health care professional will be available. There also will be a full series of seminars and workshops to continue supporting your emotional wellness throughout the year.

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. Regina Cleri is now officially a Trust governed by the same independent Board of Trustees under the CHRT umbrella, ensuring the protection of the assets.

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 thanks for your years of dedicated service to the Church 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.

Over the past several years, a number of your brother priests have left bequests from their estates for the CHRT and Regina Cleri. In fact, just five months into the 2015 fiscal year, \$285,000 has been contributed by your brother priests in the form of bequests and individual gifts. These generous investments truly make a significant difference in providing for the future health and wellness of all our priests. We cannot do this work without your leadership, and we are grateful for any contribution you can make to support it.

Please consider helping your brother priests by making a gift to your Funds now or through your estate planning. For more information, you may contact me at 617-746-5694.

God Bless,



Audit & Finance Committee

Financial Report for the Year Ending June 30, 2014

The Clergy Health & Retirement Trust Audit & Finance Committee is pleased to present the audited financial statements of the Clergy Health & Retirement Trust for the fiscal year ended June 30, 2014.

BOARD OF TRUSTEES

Rev. Msgr. Dennis F. Sheehan
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Mr. Kenneth Quigley
Ms. Jean Tempel

These statements are the responsibility of the management of the Clergy Health & Retirement Trust, and have been audited by the independent auditing firm of 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, 2014.

As further detailed in the reports of the Board Chair and the Executive Director, the Audit & Finance Committee continues to be pleased with the progress made in the business and financial outcomes of the Funds under the leadership of the Clergy Health & Retirement Trust staff. These successful outcomes are made possible by the cooperative efforts of so many, none more than the beneficiaries of the Funds – our current and retired priests.

The Audit & Finance Committee consists of Reverend Thomas S. Rafferty, Pastor of Saint Paul Parish, Wellesley, Richard F. Reilly, CPA a former partner at KPMG LLP and Kenneth K. Quigley, Jr. (chair), and President of Curry College.

On behalf of the Audit & Finance Committee,

Kenneth K. Quigley, Jr
Chairman, Audit & Finance 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**

June 30, 2014

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Grant Thornton LLP

75 State Street, 13th Floor
Boston, MA 02109-1827

T 617.723.7900

F 617.723.3640

GrantThornton.com

linkd.in/GrantThorntonUS

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Trustee's 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, which comprise the combined statements of net assets available for benefits and statements of accumulated plan benefits as of June 30, 2014 and 2013 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 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 the Funds' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' 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 combined financial statements referred to above present fairly, in all material respects, information regarding the Archdiocese of Boston Clergy Health and Retirement Trust's net assets available for benefits and financial status as of June 30, 2014 and 2013 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, and combining statements of changes in net assets available for benefits as of and for the years ended June 30, 2014 and 2013, 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 Funds' 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 17, 2014

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

Combined Statements of Net Assets Available for Benefits

June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and cash equivalents (note C)	\$ 9,430,025	\$ 12,844,349
Investments, at fair value (notes D and H)	23,449,905	14,963,492
Participating entities receivable, net (note E)	36,247	5,600
Accounts receivable, Medicare	150,000	150,000
Contributions receivable	-	75,000
Accounts receivable, other	138,399	52,212
Land and buildings, net (notes C, F, and G)	12,758,561	13,099,237
Prepaid expenses (note C)	384,220	344,289
	<hr/>	<hr/>
Total assets	\$ 46,347,357	\$ 41,534,179
LIABILITIES		
Accounts payable and accrued expenses	\$ 474,029	\$ 288,441
Deferred income (note C)	142,516	400,578
Deferred lease income (note G)	2,284,290	2,626,390
	<hr/>	<hr/>
Total liabilities	2,900,835	3,315,409
NET ASSETS AVAILABLE FOR BENEFITS		
Total Net Assets Available for Benefits	\$ 43,446,522	\$ 38,218,770

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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
OPERATING REVENUE:		
Collections from parishes	\$ 7,125,376	\$ 6,448,694
Assessments to participating entities	5,937,205	6,219,770
Medicare reimbursement	112,021	130,457
Total operating revenue	<u>13,174,602</u>	<u>12,798,921</u>
OPERATING EXPENSES:		
Benefits:		
Claims paid	4,757,018	5,416,955
Retirement benefits	4,037,572	3,815,229
Room and board (Note G)	448,031	543,952
Plan administrator	245,074	249,763
Unassigned and health leave benefits	264,665	268,161
Disability benefits	39,570	34,637
Medex benefits	21,099	32,254
Legal - estate planning	23,500	21,500
Other expenses	24,378	36,929
Provision for Uncollectible Assessments	(46,104)	(19,415)
Total benefits	<u>9,814,803</u>	<u>10,399,965</u>
Administration:		
Salaries and benefits	475,822	442,838
Service fees (Note G)	272,125	350,000
Contract services	352,502	329,000
Fundraising expense	208,791	148,087
Professional fees	90,943	131,387
Other administrative expenses	64,775	41,987
Total administration	<u>1,464,958</u>	<u>1,443,299</u>
Total operating expenses:	<u>11,279,761</u>	<u>11,843,264</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>1,894,841</u>	<u>955,657</u>
NON-OPERATING REVENUES (EXPENSES):		
Special event dinner, net of costs of \$298,166 and \$264,834, respectively	1,225,645	902,490
Gifts, bequests and donations	653,029	539,702
Rental income (Note G)	500,000	500,000
Interest and dividends	355,019	294,738
Net realized and unrealized gains on investments	1,189,240	98,815
Interest expense (Note G)	(157,900)	(179,021)
Depreciation expense (Note F)	(340,676)	(340,674)
Total non-operating revenues	<u>3,424,357</u>	<u>1,816,050</u>
CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS	<u>5,319,198</u>	<u>2,771,707</u>
NET ASSETS AVAILABLE FOR BENEFITS:		
BEGINNING OF YEAR	38,218,770	35,447,063
Net asset transfer to Archdiocese of Boston Non-Incardinated Priests Duly Assigned for Service (Note G)	(91,446)	-
END OF YEAR	\$ 43,446,522	\$ 38,218,770

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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ACCUMULATED PLAN BENEFIT OBLIGATIONS:		
ACTUARIAL PRESENT VALUE OF ACCUMULATED RETIREMENT PLAN BENEFITS		
Retired and disabled participants currently receiving retirement benefits	\$ 45,085,237	\$ 43,062,849
Active participants	<u>36,056,438</u>	<u>30,849,563</u>
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED RETIREMENT PLAN BENEFITS	<u>81,141,675</u>	<u>73,912,412</u>
ACTUARIAL PRESENT VALUE OF OTHER POST-RETIREMENT BENEFIT OBLIGATIONS		
Retired and disabled participants currently receiving health, dental and subsistence benefits	14,883,633	15,899,598
Active participants	<u>21,087,801</u>	<u>20,580,713</u>
TOTAL ACTUARIAL PRESENT VALUE OF OTHER POST-RETIREMENT BENEFIT OBLIGATIONS	<u>35,971,434</u>	<u>36,480,311</u>
RESERVE FOR HEALTH INSURANCE CLAIMS		
Claims payable and claims incurred but not reported for retired participants	145,451	148,500
Claims payable and claims incurred but not reported for active participants	<u>331,549</u>	<u>338,500</u>
TOTAL RESERVE FOR HEALTH INSURANCE CLAIMS	<u>477,000</u>	<u>487,000</u>
TOTAL ACCUMULATED PLAN BENEFIT OBLIGATIONS	<u>\$ 117,590,109</u>	<u>\$ 110,879,723</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 year ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ACCUMULATED PLAN BENEFIT OBLIGATIONS		
AT THE BEGINNING OF YEAR	\$ 110,879,723	\$ 120,392,824
CHANGES IN ACCUMULATED RETIREMENT PLAN BENEFITS		
Actuarial present value of accumulated retirement plan benefits at beginning of year	<u>73,912,412</u>	<u>77,972,814</u>
Changes during the year attributable to:		
Benefits accumulated	398,189	1,215,376
Increase for interest due to the decrease in the discount period	3,464,357	3,416,031
Benefits paid	(4,439,136)	(4,295,741)
Changes in plan provisions (note C)	3,561,397	-
Changes in assumptions (note C)	<u>4,244,456</u>	<u>(4,396,068)</u>
Net increase (decrease)	<u>7,229,263</u>	<u>(4,060,402)</u>
Actuarial present value of accumulated retirement plan benefits at end of year	<u>81,141,675</u>	<u>73,912,412</u>
CHANGES IN OTHER POST-RETIREMENT BENEFIT OBLIGATIONS		
Actuarial present value of other post-retirement benefit obligations at beginning of year	<u>36,480,311</u>	<u>41,852,010</u>
Changes during the year attributable to:		
Benefits accumulated	(587,852)	565,000
Increase for interest due to the decrease in the discount period	1,875,783	2,011,613
Benefits paid	(1,553,815)	(1,416,110)
Changes in assumptions (note C)	<u>(242,993)</u>	<u>(6,532,202)</u>
Net increase (decrease)	<u>(508,877)</u>	<u>(5,371,699)</u>
Actuarial present value of other post-retirement benefit obligations at end of year	<u>35,971,434</u>	<u>36,480,311</u>
CHANGES IN RESERVE FOR HEALTH INSURANCE CLAIMS		
Reserve for health insurance claims at beginning of year	<u>487,000</u>	<u>568,000</u>
Changes during the year attributable to:		
Claims reported and approved and claims incurred but not yet reported	4,747,018	5,335,955
Claims paid	<u>(4,757,018)</u>	<u>(5,416,955)</u>
Net decrease	<u>(10,000)</u>	<u>(81,000)</u>
Reserve for health insurance claims at end of year	<u>477,000</u>	<u>487,000</u>
ACCUMULATED PLAN BENEFITS AT THE END OF YEAR	\$ <u>117,590,109</u>	\$ <u>110,879,723</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, 2014 and 2013

NOTE A - NATURE OF ORGANIZATION

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 who are in good standing within the norms of canon law (“Eligible Priests”). The CHRT 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”), and the Archdiocese of Boston Clergy Medical/Hospitalization Trust (the “Medical Trust”). The CHRT was established for the purpose of generating and providing support for the benefit of Eligible Priests incardinated in the Roman Catholic Archdiocese of Boston, 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.

NOTE B - DESCRIPTION OF THE CLERGY HEALTH AND RETIREMENT TRUST

The following brief description of the CHRT 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 benefits is from special collections from parishes in the Archdiocese of Boston and health 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 and the Retirement Trust at the discretion of the Trustees. Although the Archbishop of Boston has not expressed any intention to do so, in the event that the CHRT were to be terminated, its funds are not to revert to the participating employers or to be used for any purpose other than the exclusive benefit of the Eligible Priests.

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.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

Notes to Financial Statements - Continued

June 30, 2014 and 2013

NOTE B - DESCRIPTION OF THE CLERGY HEALTH AND RETIREMENT TRUST - Continued

The primary benefits provided by the Funding Trust relate to funding of the Medical Trust and the Retirement Trust where necessary. The Funding Trust 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 also receives 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 \$590 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, our senior priest residence in the West End of Boston. 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.

Other Post-Retirement Benefits

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

NOTE C - 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.

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 \$8,088,588 and \$11,450,276 at June 30, 2014 and 2013, respectively.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Notes to Financial Statements - Continued
June 30, 2014 and 2013

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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 assessments charged to parishes and related catholic organizations were \$16,800 per individual priest during fiscal years 2014 and 2013, respectively.

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.

Property Leased to Regina Cleri, Incorporated

Land and building purchased from and leased back to Regina Cleri, Incorporated, a related organization, are stated at cost, less accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets by using straight-line methods. The estimated useful life of the buildings is 40 years.

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 \$363,524 and \$324,351 for retirement benefits prepaid at June 30, 2014 and 2013, respectively.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Notes to Financial Statements - Continued
June 30, 2014 and 2013

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 year end are accrued as pledged by the remitting parish.

Contributions Receivable, Gifts, Bequests and Contributions

Unconditional promises to give are reported as contributions receivable and are not included in support until the conditions are substantially met.

There were no conditional promises to give at June 30, 2014 and 2013.

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.

Actuarial Present Value of Accumulated Retirement Trust 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.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Notes to Financial Statements - Continued
June 30, 2014 and 2013

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The significant actuarial assumptions used in the valuations are as follows at June 30:

	<u>2014</u>	<u>2013</u>
Discount rate	4.3%	4.9%
Mortality before and after retirement	2014 IRS Static Mortality Tables	2013 IRS Static Mortality Tables
Retirement age	Age graded tables	Age graded tables
Asset valuation	Market value	Market value
Retirement benefit	\$1,509 average per month	\$1,413 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 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 an active clergy's full eligibility date, the post-retirement benefit obligation is the portion of the expected post-retirement benefit obligation that is attributed to that clergy'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 (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 7.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2014; the rate was assumed to decrease gradually to 4.5% by 2020. An 8.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2013; the rate was assumed to decrease gradually to 4.5% by 2020.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Notes to Financial Statements - Continued
June 30, 2014 and 2013

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The following were other significant assumptions used in the valuation as of June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Discount rate	4.66%	5.25%
Retirement age	Age graded tables	Age graded tables
Mortality	2014 IRS Static Mortality Tables	2013 IRS Static Mortality Tables
Effect of 1% increase in healthcare cost trend rate on postretirement obligation	\$ 5,050,000	\$ 4,889,000
Effect of 1% decrease in healthcare cost trend rate on postretirement obligation	\$ (4,148,000)	\$ (4,045,000)

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 payable but not reported as of June 30, 2014 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.

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.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Notes to Financial Statements - Continued
June 30, 2014 and 2013

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 (special events and gifts or pledges intended to fund future-year activities), net realized and unrealized investment gains/losses, and sales leaseback related income and expenses (see note F and G).

NOTE D - INVESTMENTS

Investments, at fair value consisted of the following at June 30:

	<u>2014</u>	<u>2013</u>
Mutual funds	\$ 16,441,270	\$ 14,963,492
Certificates of deposit	<u>7,008,635</u>	<u>-</u>
	<u>\$ 23,449,905</u>	<u>\$ 14,963,492</u>

Investments that represent 5% or more of the plans' net assets at June 30, are as follows:

	<u>2014</u>	<u>2013</u>
Century Bank and Trust certificate of deposit	\$ 5,006,168	\$ -
Vanguard short-term bond mutual fund	-	9,875,153
Vanguard target retirement mutual fund	-	5,088,339

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Notes to Financial Statements - Continued
June 30, 2014 and 2013

NOTE E - PARTICIPATING ENTITIES RECEIVABLE

Participating entities receivable consist of the following at June 30:

	<u>2014</u>	<u>2013</u>
Assessments receivable	\$ 90,611	\$ 106,068
Less: Allowance for uncollectibles	<u>(54,364)</u>	<u>(100,468)</u>
	<u>\$ 36,247</u>	<u>\$ 5,600</u>

NOTE F - LAND AND BUILDINGS

Land and buildings consists of the following at June 30:

	<u>2014</u>	<u>2013</u>
Land	\$ 4,036,578	\$ 4,036,578
Land improvements	529,925	529,925
Building	10,551,225	10,551,225
Building improvements	<u>1,903,727</u>	<u>1,903,727</u>
	17,021,455	17,021,455
Less accumulated depreciation	<u>4,262,894</u>	<u>3,922,218</u>
	<u>\$ 12,758,561</u>	<u>\$ 13,099,237</u>

NOTE G - RELATED PARTY TRANSACTIONS

Deferred Lease Income, Regina Cleri Incorporated

In July 1999, the CHRT purchased retirement homes and land for \$16.2 million from Regina Cleri, Incorporated, a related organization, which operates a retirement home for priests in the West End of Boston. The purchase was financed by the assumption of Regina Cleri, Incorporated's debt of \$10.5 million, and by executing a leaseback agreement with Regina Cleri, Incorporated for 20 years, which was valued at \$5.7 million. Simultaneous with the transaction, CHRT retired the \$10.5 million of debt it had assumed. Under the leaseback agreement Regina Cleri, Incorporated continues to operate the retirement home for priests.

The net present value of the leaseback agreement was recorded as deferred lease income and is being amortized into income over the 20-year term of the agreement.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Notes to Financial Statements - Continued
June 30, 2014 and 2013

NOTE G - RELATED PARTY TRANSACTIONS - Continued

Future lease income, by year, along with the related net present value at June 30, 2014 is as follows:

<u>Year ending June 30</u>	
2015	\$ 500,000
2016	500,000
2017	500,000
2018	500,000
2019	500,000
Later years	<u>208,332</u>
	2,708,332
Less amounts representing interest	<u>424,042</u>
Present value of deferred lease income at June 30, 2014	<u>\$ 2,284,290</u>

Rental income under the leaseback agreement totaled \$500,000 and \$500,000 for the years ended June 30, 2014 and 2013, respectively. Interest expense imputed on the lease obligation was \$157,900 and \$179,021 for the years ended June 30, 2014 and 2013, respectively.

Regina Cleri, Inc.

Pursuant to a CHRT Trustee's resolution, during the years ended June 30, 2014 and June 30, 2013, respectively, the CHRT did not provide room and board payments and operational support to Regina Cleri, Inc. The CHRT Board of Trustee has designated the special event dinner net proceeds and non-operating gifts, bequests and donations to be held for the future long term support of the care for the health and retirement needs of Eligible Priests, including the future operational support of Regina Cleri, Inc. (See Note K.)

Service Fees

A service fee based on the level of efforts provided for administrative, technology and clerical services is charged to the CHRT by the Roman Catholic Archbishop of Boston, A Corporation Sole ("Corporation Sole"). The fees charged for the years ended June 30, 2014 and 2013 were \$272,125 and \$350,000, respectively.

A service fee based on the level of efforts provided for fundraising is charged to the CHRT by the Roman Catholic Archbishop of Boston, Boston Catholic Development Services ("BCDS"). The fee charged for the years ended June 30, 2014 and June 30, 2013 was \$160,000 and \$144,000, respectively, and is included in fundraising expenses in the accompanying statements of changes in net assets of available for benefits.

NOTE G - RELATED PARTY TRANSACTIONS - Continued

Transfer to Non-Incardinated Trust

During the year ended June 30, 2014, CHRT authorized the transfer of \$91,466 to the Archdiocese of Boston Benefit Trust for Non-Incardinated Priests Duly Assigned for Service in the Archdiocese of Boston, to fund the future pension obligation of non-incardinated priests duly assigned for service in the Archdiocese of Boston. These funds represent general gifts and donations remitted from parishioners of a parish that has a non-incardinated priest duly assigned as the pastor as of June 30, 2014.

NOTE H - FAIR VALUE MEASUREMENTS

The CHRT measures the fair values of assets and liabilities as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value hierarchy is used to prioritize the inputs to valuation techniques used to measure fair value. The CHRT classifies its assets and liabilities into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which observable market inputs are readily available), and Level 3 (securities valued based on significant unobservable inputs). Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The CHRT' financial assets that are accounted for at fair value on a recurring basis as of June 30, 2014 consisted of mutual funds (level 1) and certificates of deposit (level 2) with a value of \$16,441,270 and \$7,008,635, respectively. Financial assets that are accounted for at fair value on a recurring basis as of June 30, 2013 consisted mutual funds (level 1) with fair values of \$14,963,492.

NOTE I - 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 C), and investments.

The CHRT invest in various investment securities. 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.

Plan contributions are made and 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 employee 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 - Continued
June 30, 2014 and 2013

NOTE J - 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 Roman Catholic Archdiocese of Boston. 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.

NOTE K - SUBSEQUENT EVENTS

Regina Cleri Transaction

Effective July 1, 2014 the Archdiocese of Boston Regina Cleri Trust ("Regina Cleri Trust") was established as the fourth Trust under Clergy Health and Retirement Trust. The Cardinal Archbishop of Boston, as the Corporation Sole has assigned and transferred all of RCAB's membership interest in Regina Cleri, Incorporated to the Regina Cleri Trust, and the Trustees of this Trust have accepted such assignment and transfer.

Subsequent events have been evaluated through October 17, 2014, 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 Statements of Net Assets Available for Benefits

June 30, 2014

	<u>MEDICAL TRUST</u>	<u>RETIREMENT TRUST</u>	<u>FUNDING TRUST</u>	<u>TOTAL CLERGY FUNDS</u>
ASSETS				
Cash and cash equivalents	\$ 1,966,496	\$ 595,292	\$ 6,868,237	\$ 9,430,025
Investments, at fair value (notes D and H)	2,002,467	-	21,447,438	23,449,905
Participating entities receivable, net (note E)	36,247	-	-	36,247
Accounts receivable, Medicare	150,000	-	-	150,000
Contributions receivable	-	-	-	-
Accounts receivable, other	-	-	138,399	138,399
Land and buildings, net (notes C, F and G)	-	-	12,758,561	12,758,561
Prepaid expenses (note C)	-	363,524	20,696	384,220
Total assets	<u>\$ 4,155,210</u>	<u>\$ 958,816</u>	<u>\$ 41,233,331</u>	<u>\$ 46,347,357</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 271,227	\$ 592	\$ 202,210	\$ 474,029
Deferred income (note C)	-	-	142,516	142,516
Deferred lease income (note G)	-	-	2,284,290	2,284,290
Total liabilities	<u>271,227</u>	<u>592</u>	<u>2,629,016</u>	<u>2,900,835</u>
NET ASSETS AVAILABLE FOR BENEFITS				
Total Net Assets Available for Benefits	<u>\$ 3,883,983</u>	<u>\$ 958,224</u>	<u>\$ 38,604,315</u>	<u>\$ 43,446,522</u>

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

Combining Statements of Net Assets Available for Benefits

June 30, 2013

	<u>MEDICAL TRUST</u>	<u>RETIREMENT TRUST</u>	<u>FUNDING TRUST</u>	<u>TOTAL CLERGY FUNDS</u>
ASSETS				
Cash and cash equivalents	\$ 2,388,268	\$ 915,165	\$ 9,540,916	\$ 12,844,349
Investments, at fair value (notes D and H)	501,065	-	14,462,427	14,963,492
Participating entities receivable, net (note E)	5,600	-	-	5,600
Accounts receivable, Medicare	150,000	-	-	150,000
Accounts receivable, other	-	-	52,212	52,212
Land and buildings, net (notes C, F and G)	-	-	13,099,237	13,099,237
Prepaid expenses (note C)	-	324,351	19,938	344,289
	<u>3,044,933</u>	<u>1,239,516</u>	<u>37,249,730</u>	<u>41,534,179</u>
Total assets	\$	\$	\$	\$
LIABILITIES				
Accounts payable and accrued expenses	\$ 189,980	\$ -	\$ 98,461	\$ 288,441
Deferred income (note C)	-	-	400,578	400,578
Deferred lease income (note G)	-	-	2,626,390	2,626,390
	<u>189,980</u>	<u>-</u>	<u>3,125,429</u>	<u>3,315,409</u>
Total liabilities	189,980	-	3,125,429	3,315,409
NET ASSETS AVAILABLE FOR BENEFITS				
Total Net Assets Available for Benefits	<u>\$ 2,854,953</u>	<u>\$ 1,239,516</u>	<u>\$ 34,124,301</u>	<u>\$ 38,218,770</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, 2014

	<u>MEDICAL TRUST</u>	<u>RETIREMENT TRUST</u>	<u>FUNDING TRUST</u>	<u>TOTAL CLERGY FUNDS</u>
OPERATING REVENUE:				
Collections from parishes	\$ -	\$ -	\$ 7,125,376	\$ 7,125,376
Assessments to participating entities	5,885,033	-	52,172	5,937,205
Medicare reimbursement	112,021	-	-	112,021
Total operating revenue	<u>5,997,054</u>	<u>-</u>	<u>7,177,548</u>	<u>13,174,602</u>
OPERATING EXPENSES:				
Benefits:				
Claims paid	4,757,018	-	-	4,757,018
Retirement benefits	-	4,037,572	-	4,037,572
Room and board (Note G)	-	-	448,031	448,031
Plan administrator	245,074	-	-	245,074
Unassigned and health leave benefits	-	-	264,665	264,665
Disability benefits	-	39,570	-	39,570
Medex benefits	-	1,087	20,012	21,099
Legal - estate planning	-	-	23,500	23,500
Other expenses	5,152	-	19,226	24,378
Provision for Uncollectible Assessments	(46,104)	-	-	(46,104)
Total benefits	<u>4,961,140</u>	<u>4,078,229</u>	<u>775,434</u>	<u>9,814,803</u>
Administration:				
Salaries and benefits	19,790	-	456,032	475,822
Service fees (Note G)	-	-	272,125	272,125
Contract services	-	6,270	346,232	352,502
Fundraising expense	-	-	208,791	208,791
Professional fees	-	-	90,943	90,943
Other administrative expenses	1,774	-	63,001	64,775
Total administration	<u>21,564</u>	<u>6,270</u>	<u>1,437,124</u>	<u>1,464,958</u>
Total operating expenses:	<u>4,982,704</u>	<u>4,084,499</u>	<u>2,212,558</u>	<u>11,279,761</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>1,014,350</u>	<u>(4,084,499)</u>	<u>4,964,990</u>	<u>1,894,841</u>
NON-OPERATING REVENUES (EXPENSES):				
Special event dinner, net of \$298,166 of costs	-	100,000	1,125,645	1,225,645
Gifts, bequests and donations	-	500,000	153,029	653,029
Rental income (Note G)	-	-	500,000	500,000
Interest and dividends	11,907	3,207	339,905	355,019
Net realized and unrealized gains (losses) on investments	2,773	-	1,186,467	1,189,240
Interest expense (Note G)	-	-	(157,900)	(157,900)
Depreciation expense (Note F)	-	-	(340,676)	(340,676)
Total non-operating revenues	<u>14,680</u>	<u>603,207</u>	<u>2,806,470</u>	<u>3,424,357</u>
NET (DECREASE) INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	<u>1,029,030</u>	<u>(3,481,292)</u>	<u>7,771,460</u>	<u>5,319,198</u>
Net asset Funding (to)/from Clergy Benefit Trust	-	3,200,000	(3,200,000)	-
NET ASSETS AVAILABLE FOR BENEFITS:				
BEGINNING OF YEAR	2,854,953	1,239,516	34,124,301.00	38,218,770
Net asset transfer to Archdiocese of Boston Non- Incardinated Priests Duly Assigned for Service (Note)	-	-	(91,446)	(91,446)
END OF YEAR	<u>\$ 3,883,983</u>	<u>\$ 958,224</u>	<u>\$ 38,604,315</u>	<u>\$ 43,446,522</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, 2013

	<u>MEDICAL TRUST</u>	<u>RETIREMENT TRUST</u>	<u>FUNDING TRUST</u>	<u>TOTAL CLERGY FUNDS</u>
OPERATING REVENUE:				
Collections from parishes	\$ -	\$ -	\$ 6,448,694	\$ 6,448,694
Assessments to participating entities	6,167,885	-	51,885	6,219,770
Medicare reimbursement	130,457	-	-	130,457
Total operating revenue	<u>6,298,342</u>	<u>-</u>	<u>6,500,579</u>	<u>12,798,921</u>
OPERATING EXPENSES:				
Benefits:				
Claims paid	5,416,955	-	-	5,416,955
Retirement benefits	-	3,815,229	-	3,815,229
Room and board (Note G)	-	-	543,952	543,952
Plan administrator	249,763	-	-	249,763
Unassigned and health leave benefits	-	-	268,161	268,161
Disability benefits	-	34,637	-	34,637
Medex benefits	-	845	31,409	32,254
Legal - estate planning	-	-	21,500	21,500
Other expenses	-	-	36,929	36,929
Provision for Uncollectible Assessments	(19,415)	-	-	(19,415)
Total benefits	<u>5,647,303</u>	<u>3,850,711</u>	<u>901,951</u>	<u>10,399,965</u>
Administration:				
Salaries and benefits	-	-	442,838	442,838
Service fees	-	-	350,000	350,000
Contract services	-	-	329,000	329,000
Fundraising expense	-	-	148,087	148,087
Professional fees	-	-	131,387	131,387
Other administrative expenses	-	2,735	39,252	41,987
Total administration	<u>-</u>	<u>2,735</u>	<u>1,440,564</u>	<u>1,443,299</u>
Total operating expenses:	<u>5,647,303</u>	<u>3,853,446</u>	<u>2,342,515</u>	<u>11,843,264</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>651,039</u>	<u>(3,853,446)</u>	<u>4,158,064</u>	<u>955,657</u>
NON-OPERATING REVENUES (EXPENSES):				
Special event dinner, net of \$264,834 of costs	-	-	902,490	902,490
Gifts, bequests and donations	-	505,000	34,702	539,702
Rental income (Note G)	-	-	500,000	500,000
Interest and dividends	11,027	3,910	279,801	294,738
Net realized and unrealized gains (losses) on investments	(6,480)	-	105,295	98,815
Interest expense (Note G)	-	-	(179,021)	(179,021)
Depreciation expense (Note F)	-	-	(340,674)	(340,674)
Total non-operating revenues	<u>4,547</u>	<u>508,910</u>	<u>1,302,593</u>	<u>1,816,050</u>
NET (DECREASE) INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	<u>655,586</u>	<u>(3,344,536)</u>	<u>5,460,657</u>	<u>2,771,707</u>
Net asset Funding (to)/from Clergy Benefit Trust	<u>-</u>	<u>3,000,000</u>	<u>(3,000,000)</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS:				
BEGINNING OF YEAR	<u>2,199,367</u>	<u>1,584,052</u>	<u>31,663,644</u>	<u>35,447,063</u>
END OF YEAR	<u>\$ 2,854,953</u>	<u>\$ 1,239,516</u>	<u>\$ 34,124,301</u>	<u>\$ 38,218,770</u>

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



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