

The Clergy Health and Retirement Trust Annual Report 2018

Archdiocese of Boston



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



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

October 31, 2018

BOARD OF TRUSTEES

Mr. Mark Vachon
Chair
Rev. Msgr. Dennis Sheehan
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Mr. Michael P. Shaughnessy

TRUSTEES EMERITUS

Mr. John A. Kaneb
Rev. Gerard Petringa

Dear Fathers and Brother Priests,

We are pleased to send you the Fiscal Year 2018 Report for the Clergy Health and Retirement Trust. The Executive Director's report and commentary are included, along with the outside auditor's report. I think you will see continued progress in this document.

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

We trust that our efforts to help all retired priests live with dignity and security whether in their own home, a nursing facility, a rectory, or at Regina Cleri are being felt. 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

Reverend Monsignor Dennis Sheehan
Vice-Chairman



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

Joseph D'Arrigo, Executive Director

Executive Summary

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TRUSTEES EMERITUS

Mr. John A. Kaneb
Rev. Gerard Petringa

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 2018, your Funds covered **213** senior and 367 active priests.

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

Caring for you means more than paying the bills. It means providing the resources and tools you need to live a healthy life, supporting and increasing your quality of life, and guaranteeing that the appropriate level of benefits 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 as the men are receiving today. We look at your future needs with as much concern as meeting current commitments.

The financial strategic plan that was shared with you last year 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.



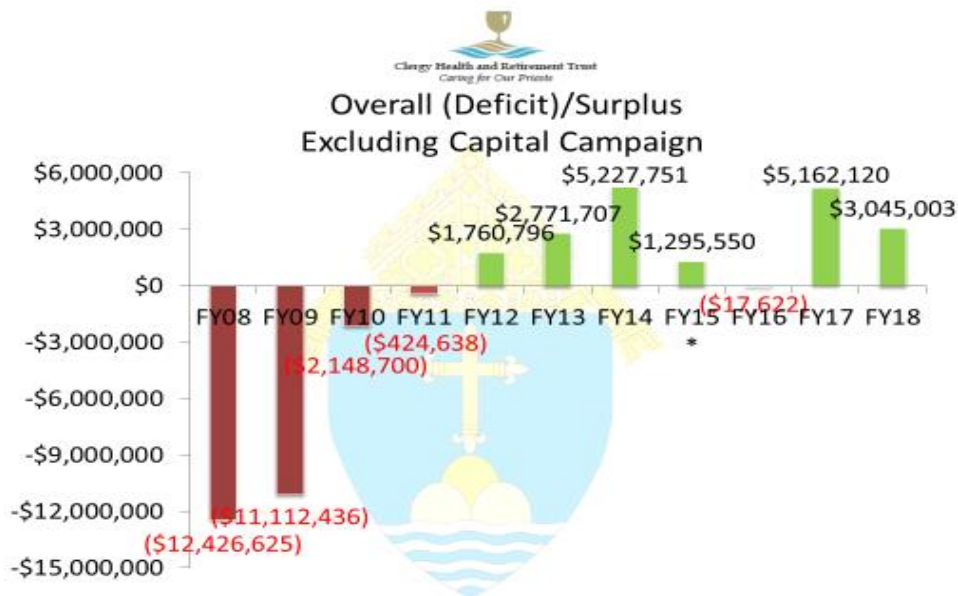
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Caring for the Well-Being of our Priests

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

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.

Fiscal Year 2018 Highlights

Last year's financial results were positive. The Fund finished with a small operating deficit, mainly due to the decrease in the Christmas collection that was affected by a snowstorm. The overall results were once again positive showing a surplus of approximately \$3 million exclusive of the capital campaign. The Fund continues to add to the operating reserve (investments).



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



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The financial statements also include capital campaign assets of \$2.8 million designated for the renovation of Regina Cleri.

Each year the Fund strives to meet the strategic goal of adding assets for the future needs of our priests.

Investment returns and gifts & bequests have been a major component in adding to the assets available for future benefits, including the support of Regina Cleri. 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 come after them. Two of our senior priests made a very generous gift of their vacation home. There were also a number of priests that have left bequests to the fund for the care of their brothers.

Also, with the addition of the of the St. John Vianney Society 112 priests donated a total of \$77,300; showing the confidence and trust in the Fund to care for their brothers.

We received \$7,671,180 from the three parish collections and the Celebration of Priesthood dinner. Currently, the cost for senior priests is \$9.5 million per year. It is only through medical insurance assessment that we can meet the gap and cover the cost of the 367 active priests.

This year our medical expenses were back up, not to the level of previous years, but higher than last year by almost \$570,000. We must anticipate that medical expenses will continue to rise as new technologies and therapies become available along with normal inflation. The health and welfare of the priests are of paramount importance to the fund.



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Additional highlights for this fiscal year from your CHRT team:

- o Mary Hanlon, R.N., Healthcare Coordinator and Amy Nash, Senior Care Manager, make up the team that cares for our senior priests that live on their own and in rectories. They visit or call all priests that were hospitalized.
 - Visited 216 senior priests living on their own or in rectories and in hospitals, rehab, nursing homes or assisted living
 - Made 732 calls to priests, and family members to follow up on care
 - Published 12 editions of “Notes from the Care Team”
 - Visited 92 priests and made 516 follow-up calls or emails to priests and caregivers to provide services that are available in the community to support quality of life and maintain safe environment.
- o Joan Smith helped countless priests navigate the healthcare system using Tufts and Delta Dental. She answered 336 calls from priests.
- o Cassandra McDermott has joined the staff as Marketing Associate to prepare all internal and external marketing materials.
- o Maryellen Barrett, Jiahong Lin and Ed Gaeta kept track of every expense to assure the appropriateness of charges to the Fund. Maryellen acted as liaison for the Finance and Audit Committee as well as the Investment Committee.
- o Joanne Strondak continues to organize schedules, meetings and coordinate the materials needed for an efficient meeting.
- o We have on retainer Jay Marsden, as our Elder Care Attorney, who this year has helped 10 priests and their families prepare plans to ensure that quality of care is maintained.



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Caring for the Well-Being of our Priests

- o We also have on retainer two therapists: Dr. Matt McGonagle and J. A. Loftus, SJ, PhD, who were available to all your brother priests for consultation; along with 12 therapists that can be accessed directly.

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

- \$4.8 million spent on medical, prescription drugs and dental
- \$7.2 million spent on retirement stipends and Regina Cleri

In addition, two comprehensive wellness seminars and a retreat week were held during the fiscal year and were attended by 49 priests. The seminars introduce a new evening format with time for dinner. The topics were as follows:

- o Difficult Conversations
- o Planning for the Future
- o Week Long Retreat: The Exam: Developing Resiliency

Looking Ahead:

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

A new program called “Intentional Living” will be introduced for all our priests. This will be a self-directed program to help you focus on stress, rest, exercise and healthy eating. These are the four areas of concern that define our priests today and define the causes of the disease prevalence in the presbyterate. We will supply the tools and support; the program will be yours. This idea was developed from the experience of some of your brothers and has proven results.

The second program that is currently being worked on and will be available by the end of this fiscal year will be “Intentional Retirement”. This program is being developed with the experience of retired priests and the intent is to have men better prepared for the later years of their ministry.



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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; quality of life; thereby enabling priests to dedicate their later years to their lifelong commitment to the priesthood.

In order to insure we are consistent in the care of all our priests no matter where they reside and to assure seamless care we have bimonthly meetings of the clinical staff at Regina Cleri and clinical staff that cares for all priests outside of Regina.

The Regina Cleri facility will undergo a major improvement this coming year. Seven clinical rooms will be added in addition to three rooms on the upper floors; for an addition of ten residential rooms. The Chapel will be completely renovated making it fully accessible to all residents. A total facelift of the facility is now underway.

This is being funded by a capital campaign that will be underway shortly. To date \$4.5 million has been committed by donors to this \$8 million project.

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

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



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

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

Over the past several years, a number of your brother priests have left bequests for the CHRT and Regina Cleri. In fact, last fiscal year there was almost \$975,000 contributed in the form of bequests and individual gifts. The majority of these gifts were from your fellow priests. These generous investments truly make a significant difference in providing for the future health and wellness of all our priests. The budget for fiscal year 2019 is a close breakeven. We have been blessed in the past by gifts, bequests and investment returns we did not budget, that have led to a surplus. We cannot do this without your leadership, and we are grateful for any contribution you can make to support it.

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

We ask prayers for our staff.

God Bless,

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

Saint John Vianney Society

**As of October 24, 2018*

Anonymous (3)

John J. Ahern

Emilio S. Alluè

Eugene L. Alves

Ronald A. Barker

James J. Barry

Raymond P. Benoit

Paul W. Berube

Wallace E. Blackwood

Robert M. Blaney

Derek J. Borek

Thomas C. Boudreau

Charles J. Bourque

Garcia Breneville

James M. Broderick

Robert M. Browne

James G. Burke

Allan L. W. Butler

Robert J. Butler

Eric F. Cadin

David P. Callahan

James B. Canniff

Kenneth V. Cannon

George F. Carlson

John F. Carmichael

Walter A.M. Carreiro

Peter J. Casey

Richard L. Casey

Brian M. Clary

Francis J. Cloherty

Peter V. Conley

John J. Connelly

Sean M. Connor

Albert J. Contons

Richard C. Conway

Richard T. Conway

Roger C. Cormier

Richard P. Cornell

William D. Coughlin

Ronald D. Coyne

Richard P. Crowley

Robert J. Cullen

Paul E. Curran

Francis E. Daley

Francis J. Daly

James F. Darcy

Robert J. Deehan

John W. Delaney

Hubert E. Desmond

Philip J. DesRosiers

Richard S. DeVeer

Dennis A. Dever

James M. DiPerri

Joseph J. D'Onofrio

Stephen S. Donohoe

Thomas P. Donohoe

Richard M. Erikson

Scott A. Evrard

William P. Flay

Patrick J. Fiorillo

Arthur C. Flynn

Thomas S. Foley

Paul V. Garrity

Baldemar Garza

John R. Giggi

J. Thomas Gignac

John J. Grimes

Mario Guarino

Rocco M. Guarino

Michael C. Harrington

Joseph M. Hennessey

George G. Hogan

Joseph M. Kane

Francis H. Kelley

William T. Kelly

Brian R. Kiely

Raymond P. Kiley

William T. Kremmell

Harold F. Lawson

Stephen R. LeBlanc

Joseph G. Lind

Saint John Vianney Society

**As of October 24, 2018*

Stephen J. Linehan

John R. Lizio

Paul V. MacDonald

Arthur T. MacKay

Daniel D. Magni

Seán M. Maher

Daniel J. Mahoney

Leo E. Martel

Peter T. Martocchio

Francis X. Mawn

Daniel P. McCoy

Joseph P. McDermott

Edward C. McDonagh

John P. McDonough

John W. McElroy

Francis J. McGann

Laurence W. McGrath

Brian J. McHugh

Michael J. McNamara

Martin J. McNulty

Vincent P. Mellone

John M. Mendicco

Paul E. Miceli

Robert T. Milling

William F. Murphy

John A. Murray

Robert W. Murray

Thomas F. Nestor

Huy H. Nguyen

Henry P. Nichols

John J. Nichols

Michael L. Nolan

Mark L. Noonan

Mark O'Connell

John F. O'Donnell

David M. O'Leary

Gerald J. Osterman

William B. Palardy

Louis R. Palmieri

John U. Paris

Bryan K. Parrish

Gerard Petringa

Thomas J. Powers

Oscar J. Pratt

Peter F. Quinn

Joseph K. Raeke

James F. Rafferty

Thomas J. Reilly

Daniel J. Riley

Edward M. Riley

James H. Riley

Paul E. Ritt

James J. Ronan

Lawrence J. Rondeau

Joseph M. Rossi

Albert J. Sallase

Stephen E. Salocks

James W. Savage

Kevin M. Sepe

Timothy J. Shea

Dennis F. Sheehan

Frank J. Silva

Robert P. Soucy

Gerald A. Souza

Francis V. Strahan

Paul S. Sughrue

Eugene P. Sullivan

Gabriel Troy

Peter J. Uglietto

John J. Unni

Christopher W. Wallace

Aidan J. Walsh

Thomas J. Walsh

Matthew J. Westcott

David P. White

Walter J. Woods

Arthur F. Wright

Thomas F. Wyndham

Michael L. Zimmerman

Salve Regina Legacy Society

As of October 24, 2018.

Anonymous (3)

Laurence J. Borges

Charles Bourque

George F. Carlson

John F. Carmichael

Peter J. Casey

Edwin D. Condon

John G. Connolly

Leonard A. Coppenwrath

Henry M. Cunney

Richard S. DeVeer

James W. DeAdder

Dennis A. Dever

George P. Evans

Michael E. Groden

Richard R. Gosselin

John M. Hannon

George G. Hogan

J. Michael Lawlor

John R. Lizio

Paul V. MacDonald

Francis J. McGann

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

James H. Riley

Stephen B. Rock

Laurence J. Rondeau

John J. Shea

Paul S. Sughrue

James E. Tierney

Thomas F. Wyndham



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

Finance & Audit Committee
Financial Report for the Year Ending June 30, 2018

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Mr. Kevin C. Phelan

Mr. Michael P. Shaughnessy

TRUSTEES EMERITUS

Mr. John A. Kaneb

Rev. Gerard Petringa

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, 2018.

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, 2018.

The success of this organization is through the efforts of many but starts with the leadership of the Clergy Health and Retirement team. Their dedication to the health and retirement of our priests is exceptional. We are blessed that our priests also play an important role through their leadership at the parish level.

The Finance & Audit Committee consists of:

Reverend Thomas S. Rafferty, Pastor, Saint John the Evangelist Parish, Canton
James Mullaney CPA
Richard F. Reilly CPA, and a former partner at KPMG LLP
Michael Shaughnessy, Co-owner of Shaughnessy & Ahearn Company
James P. McDonough (Chair), President & CEO, Envision Bank

On behalf of the Finance & Audit Committee,

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

Combined Financial Statements and Report of
Independent Certified Public Accountants

ARCHDIOCESE OF BOSTON
CLERGY HEALTH AND RETIREMENT TRUST

Clergy Medical/Hospitalization Trust

Clergy Retirement Trust

Clergy Benefit Funding Trust

Regina Cleri Trust

June 30, 2018 and 2017

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

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

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying financial statements of the Archdiocese of Boston Clergy Health and Retirement Trust (“CHRT”), which comprise the combined statements of net assets available for benefits and statement of accumulated plan benefits as of June 30, 2018 and 2017 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 controls 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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 net assets available for benefits and financial status as of June 30, 2018 and 2017, 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 as of June 30, 2018 and 2017, 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, 2018 and 2017, are presented for purposes of additional analysis and are not a required part of the financial statements. Such supplementary information is the responsibility of the CHRT's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Grant Thornton LLP

Boston, Massachusetts
October 24, 2018

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Combined Statements of Net Assets Available for Benefits
As of June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents (Note 3)	\$ 9,270,946	\$ 9,118,747
Accounts receivable (Note 3)	178,807	208,053
Contributions receivable (Note 3)	2,749,665	187,418
Prepaid expenses (Note 3)	348,506	342,830
Investments, at fair value (Notes 3, 6 and 11)	42,379,023	38,835,972
Land, buildings and equipment, net (Note 7)	<u>12,338,551</u>	<u>12,740,895</u>
Total assets	<u>\$ 67,265,498</u>	<u>\$ 61,433,915</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 356,355	\$ 310,916
Deferred income (Note 3)	<u>194,994</u>	<u>335,369</u>
Total liabilities	<u>\$ 551,349</u>	<u>\$ 646,285</u>
Net assets available for benefits		
Unrestricted		
Undesignated	\$ 57,572,965	\$ 54,631,861
Functioning as endowment (Note 9)	<u>4,858,279</u>	<u>4,680,507</u>
Total unrestricted	62,431,244	59,312,368
Temporarily restricted (Note 9)	3,209,160	401,517
Permanently restricted (Note 9)	<u>1,073,745</u>	<u>1,073,745</u>
Total net assets available for benefits	<u>\$ 66,714,149</u>	<u>\$ 60,787,630</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, 2018 and 2017

	2018	2017
OPERATING REVENUE		
Collections from parishes	\$ 6,427,266	\$ 7,079,460
Assessments to participating entities	5,824,121	5,876,216
Special event dinner, net of \$310,736 and \$321,529 of costs	1,243,914	1,264,603
Room and board assessments military, cable, phone	152,353	157,199
Medicare reimbursement and miscellaneous income	124,637	130,287
Total operating revenue	13,772,291	14,507,765
OPERATING EXPENSES		
Benefits		
Claims paid	5,054,779	4,488,291
Retirement benefits	3,517,191	3,689,733
Regina Cleri residence operations, including depreciation of \$228,524 and \$234,232, respectively (Note 7)	2,968,237	2,911,008
Room and board	405,061	384,628
Unassigned and health leave benefits	378,524	333,857
Plan administrator	240,992	236,258
Disability benefits	40,763	41,804
Other benefits	31,806	51,020
Legal - estate planning	6,235	14,500
Provision for (recovery of) uncollectible assessments	-	(6,544)
Total benefits	12,643,588	12,144,555
Administration		
Salaries and benefits	1,000,131	887,612
Service fees (Note 8)	198,451	272,393
Contract services	126,964	115,540
Fundraising expense (Note 8)	187,435	205,000
Professional fees	109,411	106,678
Other administrative expenses	108,019	125,230
Total administration	1,730,411	1,712,453
Total operating expenses	14,373,999	13,857,008
Change in net assets from operations	(601,708)	650,757
NON-OPERATING REVENUES (EXPENSES)		
Gifts, bequests and contributions (Note 3)	1,473,819	960,058
Contributions - Capital Campaign, Regina Cleri Capital Improvements (Note 4)	2,880,414	-
Interest and dividends	126,613	23,667
Grant income	1,000	29,000
Net realized and unrealized gains on investments	2,457,055	3,839,312
Transfer to related entity (Note 8)	(70,000)	-
Depreciation expense (Note 7)	(340,674)	(340,674)
Total non-operating revenues (expenses)	6,528,227	4,511,363
Net increase in net assets available for benefits	5,926,519	5,162,120
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	60,787,630	55,625,510
End of year	\$ 66,714,149	\$ 60,787,630

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
As of June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ACCUMULATED PLAN BENEFIT OBLIGATIONS		
Actuarial present value of accumulated retirement plan benefits		
Retired and disabled participants currently receiving retirement benefits	\$ 43,163,885	\$ 44,015,605
Active participants	<u>28,386,709</u>	<u>32,556,847</u>
Total actuarial present value of accumulated retirement plan benefits	<u>71,550,594</u>	<u>76,572,452</u>
Actuarial present value of other post-retirement benefit obligations		
Retired and disabled participants currently receiving health, dental and subsistence benefits	15,121,795	15,384,354
Active participants	<u>18,955,100</u>	<u>21,682,565</u>
Total actuarial present value of other post-retirement benefit obligations	<u>34,076,895</u>	<u>37,066,919</u>
Reserve for health insurance claims		
Claims payable and claims incurred but not reported for retired participants	162,527	166,796
Claims payable and claims incurred but not reported for active participants	<u>370,473</u>	<u>380,204</u>
Total reserve for health insurance claims	<u>533,000</u>	<u>547,000</u>
Total accumulated plan benefit obligations	<u>\$ 106,160,489</u>	<u>\$ 114,186,371</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Accumulated plan benefit obligations at the beginning of year		
Changes in accumulated retirement plan benefits	\$ 114,186,371	\$ 117,693,792
Actuarial present value of accumulated retirement plan benefits at beginning of year	<u>76,572,452</u>	<u>77,880,868</u>
Changes during the year attributable to		
Benefits accumulated	2,631,382	2,004,566
Increase for interest due to the decrease in the discount period	2,888,773	2,883,544
Benefits paid	(6,204,838)	(6,325,968)
Changes in assumptions (Note 5)	<u>(4,337,175)</u>	<u>129,442</u>
Net (decrease) increase	<u>(5,021,858)</u>	<u>(1,308,416)</u>
Actuarial present value of accumulated retirement plan benefits at end of year	<u>71,550,594</u>	<u>76,572,452</u>
Changes in other post-retirement benefit obligations		
Actuarial present value of other post-retirement benefit obligations at beginning of year	<u>37,066,919</u>	<u>39,254,924</u>
Changes during the year attributable to:		
Benefits accumulated	1,145,276	947,872
Increase for interest due to the decrease in the discount period	1,482,989	1,559,314
Benefits paid	(1,341,602)	(1,433,043)
Changes in assumptions (Note 5)	<u>(4,276,687)</u>	<u>(3,262,148)</u>
Net (decrease) increase	<u>(2,990,024)</u>	<u>(2,188,005)</u>
Actuarial present value of other post-retirement benefit obligations at end of year	<u>34,076,895</u>	<u>37,066,919</u>
Changes in reserve for health insurance claims		
Reserve for health insurance claims at beginning of year	<u>547,000</u>	<u>558,000</u>
Changes during the year attributable to:		
Claims reported and approved and claims incurred but not yet reported	5,040,779	4,477,291
Claims paid	<u>(5,054,779)</u>	<u>(4,488,291)</u>
Net (decrease) increase	<u>(14,000)</u>	<u>(11,000)</u>
Reserve for health insurance claims at end of year	<u>533,000</u>	<u>547,000</u>
Accumulated plan benefits at the end of year	<u>\$ 106,160,489</u>	<u>\$ 114,186,371</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, 2018 and 2017

1. DESCRIPTION OF THE CLERGY HEALTH AND RETIREMENT TRUSTS

Description of the Trusts

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

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

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

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

Reporting and Disclosure by Corporation Sole

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

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

2. DESCRIPTION OF THE PLANS

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

Funding and Benefits

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

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

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

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

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

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

Health Assessments

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

Retirement Benefits

The monthly retirement benefit available to a priest who retires at the general retirement age of 75 includes a stipend and room and board, which varies depending upon the retiree's residence. The monthly stipend ranges from \$190 to \$1,477. The monthly room and board benefit is \$600 for those priests living on their own or in a parish. CHRT does not cover the cost of a nursing home. Additionally, priests can reside at Regina Cleri. A priest who has attained at least age 65 may, with the permission of the Archbishop of Boston, retire early and receive a retirement benefit. Any priest who becomes totally and permanently disabled qualifies for retirement benefits. Retirement benefits are available to all Eligible Priests. This program has no vesting provisions.

Other Post-Retirement Benefits

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

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

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

Notes to Financial Statements

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

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

Temporarily restricted net assets available for benefits are subject to donor-imposed restrictions that permit CHRT to use or expend the donated assets as specified and which are satisfied by either the passage of time or by actions of CHRT. Temporarily restricted net assets available for benefits consist of the unspent appreciation on permanently restricted net assets as of June 30, 2018 and 2017.

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

Cash and Cash Equivalents

Financial instruments with original maturities of three months or less at the purchase date are classified as cash equivalents and are accounted for at amortized cost which approximates fair market value. Included in cash equivalents are money market funds of \$7,168,814 and \$6,970,505 at June 30, 2018 and 2017, 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 Fixed Income Fund, Roman Catholic Archbishop of Boston (the "Fixed Income Fund" or "FIF") and the Westwood Income Opportunity Fund (the "Income Opportunity Fund" or "IOF"). These funds are established and maintained by RCAB to provide common investment pools in which CHRT and other organizations related to RCAB may participate. The underlying investments of the Investment Partnership, Fixed Income Fund and Income Opportunity Fund are primarily equity and fixed-income securities (U.S. Government and agency securities, asset-backed securities and corporate bonds) owned either directly or indirectly through mutual funds, private investment entities, and money market funds. The participants in these funds own units based upon a per-unit value at the time of purchase.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST

Notes to Financial Statements

June 30, 2018 and 2017

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

Participating Entities Assessments and Accounts Receivable

CHRT charges assessments to parishes and related catholic organizations for medical and hospitalization coverage of Eligible Priests who are assigned. The annual assessments are calculated based on the expected claims and the total number of priests. The annual assessment was \$1,470 per individual priest during both fiscal years 2018 and 2017.

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 \$318,887 and \$300,313 for retirement benefits prepaid at June 30, 2018 and 2017, 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, 2018 and 2017 are accrued as due from the remitting parish.

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, which are reported as temporarily restricted revenues, are reclassified to unrestricted net assets 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, 2018 and 2017.

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Pledges receivable as of June 30, 2018 and 2017 are presented below.

	<u>2018</u>	<u>2017</u>
Receivables due in less than one year	\$ 1,869,251	\$ 187,418
Receivables due in one to five years	<u>1,000,000</u>	<u>-</u>
Total unconditional promises to give	2,869,251	187,418
Less: present value discount and allowance for uncollectible promises to give	<u>(119,586)</u>	<u>-</u>
Contributions receivable, net	<u>\$ 2,749,665</u>	<u>\$ 187,418</u>

Pledges receivable have been discounted using a rate of 2.5%.

During fiscal year 2018, CHRT received the donation of a residential property with a fair value of \$252,000 at the time of the donation. The amount is reflected within gifts, bequests and donations in the combining statement of activities and changes in net assets. Subsequent to year end CHRT sold the property for \$260,000.

Special Events and Deferred Income

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

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Income Taxes

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

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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;

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Notes to Financial Statements

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health claims incurred by participants but not yet reported, and accumulated retirement plan benefits and other post-retirement benefits.

Operations

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

Reclassifications

Certain amounts in the 2017 financial statements have been reclassified to conform to the 2018 presentation.

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.

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 ten residential rooms to increase occupancy, rebuild the current chapel in order to facilitate our 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 that will retire in the future will have a sense of security that there will be enough funds to maintain the level of benefits their brothers today are receiving.

During fiscal year 2018, in coordination with the Campaign, CHRT received \$3,000,000 in contributions specifically for the Regina Cleri capital improvements construction project which includes \$2,000,000 of contributions receivable as of June 30, 2018.

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.

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The significant actuarial assumptions used in the valuations are as follows at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Discount rate	4.32%	3.93%
Mortality before and after retirement	Headcount weighted 2006 rates (RP-2014 central data year), with generational projection using Scale MP-2017. Separate retiree and active participant rates.	Headcount weighted 2006 rates (RP-2014 central data year), with generational projection using Scale BB-2D. Separate retiree and active participant rates.
Retirement age	Age graded tables	Age graded tables
Asset valuation	Market value	Market value
Retirement benefit	\$ 1,423 average per month	\$1,537 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 financial statement date.

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

The actuarial present value of the expected post-retirement benefit obligation is determined by an actuary and is the amount that results from applying actuarial assumptions to historical claims-cost data to estimate future annual incurred claims costs per participant and to adjust such estimates for the time value of money (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 6.0% and 5.5% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2018 and 2017; the rate was assumed to decrease gradually to 4.5% by 2023.

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Notes to Financial Statements
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The following were other significant assumptions used in the valuation as of June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Discount rate	4.35%	4.09%
Retirement age	Age graded tables	Age graded tables
Mortality	Headcount weighted 2006 rates (RP-2014 central data year), with generational projection using Scale MP-2017. Separate retiree and active participant rates.	Headcount weighted 2006 rates (RP-2014 central data year), with generational projection using Scale BB-2D. Separate retiree and active participant rates.
Effect of 1% increase in healthcare cost trend rate on postretirement obligation	\$5,102,000	\$5,823,000

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, 2018 and 2017 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.

6. INVESTMENTS

CHRT had the following investments as of June 30, 2018 and 2017.

	<u>2018</u>	<u>2017</u>
Common Investment Partnership	\$ 32,227,086	\$ 29,761,027
Fixed Income Fund	1,401,389	5,943,219
Vanguard Short-Term Investment Grade Fund (mutual fund)	4,457,518	-
Westwood Income Opportunity Fund	<u>4,293,030</u>	<u>3,131,726</u>
	<u>\$ 42,379,023</u>	<u>\$ 38,835,972</u>

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7. LAND, BUILDING AND EQUIPMENT

Land, building and equipment consists of the following at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Land	\$ 4,036,578	\$ 4,036,578
Land improvements	529,925	529,925
Building	10,551,225	10,551,225
Building improvements	1,903,727	1,903,727
Construction in process	166,854	-
Leasehold improvements	2,003,198	2,003,198
Furniture and equipment	723,241	723,241
Vehicles	<u>27,137</u>	<u>27,137</u>
	19,941,885	19,775,031
Less accumulated depreciation	<u>7,603,334</u>	<u>7,034,136</u>
	<u>\$ 12,338,551</u>	<u>\$ 12,740,895</u>

Depreciation expense totaled \$569,198 and \$574,906 for the fiscal years ended June 30, 2018 and 2017 which includes \$228,524 and \$234,232 depreciation for operating assets of Regina Cleri and \$340,674 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.

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 \$156,402 and \$164,784 for the years ended June 30, 2018 and 2017, 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, 2018 and 2017 were \$198,451 and \$272,393, 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 both the years ended June 30, 2018 and 2017 were \$181,435 and \$200,000, respectively.

Transfer to Non-Incardinated Trust

During the year ended June 20, 2018 CHRT authorized the transfer of \$70,000 to the Archdiocese of Boston Benefit Trust for Non-Incardinated Priests Duly Assigned for Service in the Archdiocese of Boston,

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a related plan to fund the future pension obligations of the non-incardinated priests assigned for service in the Archdiocese of Boston. No transfer occurred during the year ended June 30, 2017.

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

9. ENDOWMENT

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

Interpretation of Relevant Law

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

Funds with Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the “historic-dollar-value”. Deficiencies of this nature are reported by a decrease in unrestricted net assets and corresponding increase to temporarily restricted net assets. There were no funds with deficiencies as of June 30, 2018 and 2017.

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 twelve quarters market value of the qualifying donor restricted endowment investments at June 30, 2018 and 2017, was appropriated for expenditure. The appropriated amount was then reinvested with unrestricted funds.

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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, 2018:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance, June 30, 2017	\$ 4,680,507	\$ 401,517	\$ 1,073,745	\$ 6,155,769
Contributions	-	2,881,516	-	2,881,516
Investment return:				
Net appreciation	177,772	15,506	-	193,278
Total investment return	177,772	15,506	-	193,278
Spending policy appropriation	-	(89,379)	-	(89,379)
Balance, June 30, 2018	<u>\$ 4,858,279</u>	<u>\$ 3,209,160</u>	<u>\$ 1,073,745</u>	<u>\$ 9,141,184</u>

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

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

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

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 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, 2018 and 2017, the CHRT held investments measured at fair value using the net asset value ("NAV") per share (or its equivalent) practical expedient and have not been categorized in the fair value hierarchy. The value of these investments was \$37,921,505 and \$38,835,972, 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, 2018.

<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	\$ 32,227,086	\$ -	Monthly	30 days	None
Fixed Income Fund	1,401,389	-	Monthly	30 days	None
Westwood Income Opportunity Fund	<u>4,293,030</u>	-	Monthly	30 days	None
Total assets	<u>\$ 37,921,505</u>				

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
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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, 2017.

<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	\$ 29,761,027	\$ -	Monthly	30 days	None
Fixed Income Fund	5,943,219	-	Monthly	30 days	None
Westwood Income Opportunity Fund	<u>3,131,726</u>				
Total assets	<u>\$ 38,835,972</u>				

12. OPERATING EXPENSES

Following is CHRT operating expenses of the Regina Cleri facility classified by area of resident service for the year ended June 30, 2018:

	<u>Direct Care</u>	<u>Maintenance</u>	<u>Dining Services</u>	<u>Administration</u>	<u>Recreation</u>	<u>Total</u>
Operating expenses						
Salaries and related	\$ 788,481	\$ 293,664	\$ 387,049	\$ 335,189	\$ 131,710	\$ 1,936,093
Facility rental and related	584,605	36,768	73,535	103,365	3,677	801,950
Food, supplies and other	27,973	28,433	197,935	32,872	23,702	310,915
Utilities and communications	-	191,158	-	69,569	-	260,727
Contract labor	3,689	33,574	-	33,871	-	71,134
Repairs and maintenance	<u>-</u>	<u>78,798</u>	<u>2,391</u>	<u>6,229</u>	<u>-</u>	<u>87,418</u>
Total operating expenses	<u>\$ 1,404,748</u>	<u>\$ 662,395</u>	<u>\$ 660,910</u>	<u>\$ 581,095</u>	<u>\$ 159,089</u>	<u>\$ 3,468,237</u>

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

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

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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.

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

14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 24, 2018, which is the date the financial statements were available to be issued.

During fiscal year 2018, CHRT received the donation of a residential property with a fair value of \$252,000 at the time of the donation. The amount is reflected within gifts, bequests and donations in the combined statement of changes of net assets available for benefits as of June 30, 2018. Subsequent to year end, in August 2018, the property was sold to an independent third party using a third-party realtor. The sales price was \$260,000.

There were no further subsequent events that would require recognition or additional disclosure in the Clergy Health and Retirement Trust's financial statements.

SUPPLEMENTAL INFORMATION

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Combining Statement of Net Assets Available for Benefits
As of June 30, 2018

	Medical Trust	Retirement Trust	Funding Trust	Funding Trust Capital Campaign	Regina Cleri Trust	Elimination	Total Clergy Health & Retirement Trusts
ASSETS							
Cash and cash equivalents (Note 3)	\$ 1,043,486	\$ 1,210,202	\$ 5,739,413	\$ 834,248	\$ 443,597	\$ -	\$ 9,270,946
Accounts receivable (Note 3)	176,218	-	-	-	2,589	-	178,807
Contributions receivable (Note 3)	-	-	619,251	1,880,414	250,000	-	2,749,665
Prepaid expenses (Note 3)	15,925	318,887	6,978	-	6,716	-	348,506
Investments, at fair value (Notes 3, 6 and 11)	7,042,971	-	29,076,384	-	6,259,668	-	42,379,023
Prepaid rent	-	-	-	-	675,506	(675,506)	-
Land, buildings and equipment, net (Note 7)	-	-	11,395,867	166,854	775,830	-	12,338,551
Due from/(to) related organizations	(344,866)	-	344,866	-	-	-	-
Total assets	\$ 7,933,734	\$ 1,529,089	\$ 47,182,759	\$ 2,881,516	\$ 8,413,906	\$ (675,506)	\$ 67,265,498
LIABILITIES							
Accounts payable and accrued expenses	\$ 50,188	\$ -	\$ 155,345	\$ -	\$ 150,822	\$ -	\$ 356,355
Deferred income (Note 3)	-	-	194,994	-	-	-	194,994
Deferred lease income (Note 8)	-	-	675,506	-	-	(675,506)	-
Total liabilities	\$ 50,188	\$ -	\$ 1,025,845	\$ -	\$ 150,822	\$ (675,506)	\$ 551,349
Net assets available for benefits							
Unrestricted							
Undesignated	\$ 7,883,546	\$ 1,529,089	\$ 46,156,914	\$ -	\$ 2,003,416	\$ -	\$ 57,572,965
Functioning as endowment (Note 9)	-	-	-	-	4,858,279	-	4,858,279
Total unrestricted	7,883,546	1,529,089	46,156,914	-	6,861,695	-	62,431,244
Temporarily restricted (Note 9)	-	-	-	2,881,516	327,644	-	3,209,160
Permanently restricted (Note 9)	-	-	-	-	1,073,745	-	1,073,745
Total net assets available for benefits	\$ 7,883,546	\$ 1,529,089	\$ 46,156,914	\$ 2,881,516	\$ 8,263,084	\$ -	\$ 66,714,149

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

	Medical Trust	Retirement Trust	Funding Trust	Regina Cleri Trust	Elimination	Total Clergy Health & Retirement Trusts
ASSETS						
Cash and cash equivalents (Note 3)	\$ 1,445,007	\$ 810,333	\$ 6,431,824	\$ 431,583	\$ -	\$ 9,118,747
Accounts receivable (Note 3)	205,644	-	-	2,409	-	208,053
Contributions receivable (Note 3)	-	-	187,418	-	-	187,418
Prepaid expenses (Note 3)	16,082	300,313	19,895	6,540	-	342,830
Investments, at fair value (Notes 3, 6 and 11)	5,655,686	-	27,024,517	6,155,769	-	38,835,972
Prepaid rent	-	-	-	1,116,921	(1,116,921)	-
Land, buildings and equipment, net (Note 7)	-	-	11,736,541	1,004,354	-	12,740,895
Due from/(to) related organizations	<u>(172,250)</u>	<u>(15,467)</u>	<u>187,717</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 7,150,169</u>	<u>\$ 1,095,179</u>	<u>\$ 45,587,912</u>	<u>\$ 8,717,576</u>	<u>\$ (1,116,921)</u>	<u>\$ 61,433,915</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 67,203	\$ -	\$ 93,202	\$ 150,511	\$ -	\$ 310,916
Deferred income (Note 3)	-	-	335,304	65	-	335,369
Deferred lease income (Note 8)	<u>-</u>	<u>-</u>	<u>1,116,921</u>	<u>-</u>	<u>(1,116,921)</u>	<u>-</u>
Total liabilities	<u>\$ 67,203</u>	<u>\$ -</u>	<u>\$ 1,545,427</u>	<u>\$ 150,576</u>	<u>\$ (1,116,921)</u>	<u>\$ 646,285</u>
Net assets available for benefits						
Unrestricted						
Undesignated	\$ 7,082,966	\$ 1,095,179	\$ 44,042,485	\$ 2,411,231	\$ -	\$ 54,631,861
Functioning as endowment (Note 9)	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,680,507</u>	<u>-</u>	<u>4,680,507</u>
Total unrestricted	7,082,966	1,095,179	44,042,485	7,091,738	-	59,312,368
Temporarily restricted (Note 9)	-	-	-	401,517	-	401,517
Permanently restricted (Note 9)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,073,745</u>	<u>-</u>	<u>1,073,745</u>
Total net assets available for benefits	<u>\$ 7,082,966</u>	<u>\$ 1,095,179</u>	<u>\$ 44,042,485</u>	<u>\$ 8,567,000</u>	<u>\$ -</u>	<u>\$ 60,787,630</u>

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Combining Statement of Changes in Net Assets Available for Benefits
For the year ended June 30, 2018

	Medical Trust	Retirement Trust	Funding Trust	Funding Trust Capital Campaign	Regina Cleri Trust	Elimination	Total Clergy Health & Retirement Trusts
OPERATING REVENUE							
Collections from parishes	\$ -	\$ -	\$ 6,427,266	\$ -	\$ -	\$ -	\$ 6,427,266
Assessments to participating entities	5,767,304	7,200	49,617	-	-	-	5,824,121
Special event dinner, net of \$310,736 of costs	-	-	1,243,914	-	-	-	1,243,914
Room and board assessments military, cable, phone	-	-	-	-	152,353	-	152,353
Room and board for non-military	-	-	-	-	993,000	(993,000)	-
Medicare reimbursement and miscellaneous income	117,516	-	29	-	7,092	-	124,637
Rental income Regina Cleri leaseback (Note 8)	-	-	500,000	-	-	(500,000)	-
Discount on amortization on prepaid rent	-	-	-	-	58,584	(58,584)	-
Total operating revenue	<u>5,884,820</u>	<u>7,200</u>	<u>8,220,826</u>	<u>-</u>	<u>1,211,029</u>	<u>(1,551,584)</u>	<u>13,772,291</u>
OPERATING EXPENSES							
Benefits							
Claims paid	5,054,779	-	-	-	-	-	5,054,779
Retirement benefits	-	3,517,191	-	-	-	-	3,517,191
Regina Cleri residence operations, including depreciation of \$228,524 (Note 7)	-	-	-	-	2,968,237	-	2,968,237
Room and board - Regina Cleri	-	-	993,000	-	-	(993,000)	-
Room and board	-	-	405,061	-	-	-	405,061
Unassigned and health leave benefits	-	-	378,524	-	-	-	378,524
Plan administrator	240,992	-	-	-	-	-	240,992
Regina Cleri rent expense (leaseback)	-	-	-	-	500,000	(500,000)	-
Interest - amortization on prepaid rent	-	-	58,584	-	-	(58,584)	-
Disability benefits	-	40,763	-	-	-	-	40,763
Other benefits	-	19,679	12,127	-	-	-	31,806
Legal - estate planning	-	-	6,235	-	-	-	6,235
Total benefits	<u>5,295,771</u>	<u>3,577,633</u>	<u>1,853,531</u>	<u>-</u>	<u>3,468,237</u>	<u>(1,551,584)</u>	<u>12,643,588</u>
Administration							
Salaries and benefits	174,000	-	826,131	-	-	-	1,000,131
Service fees (Note 8)	-	-	198,451	-	-	-	198,451
Contract services	-	-	126,964	-	-	-	126,964
Fundraising expense (Note 8)	-	-	187,435	-	-	-	187,435
Professional fees	-	-	109,411	-	-	-	109,411
Other administrative expenses	6,025	5,711	96,283	-	-	-	108,019
Total administration	<u>180,025</u>	<u>5,711</u>	<u>1,544,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,730,411</u>
Total operating expenses	<u>5,475,796</u>	<u>3,583,344</u>	<u>3,398,206</u>	<u>-</u>	<u>3,468,237</u>	<u>(1,551,584)</u>	<u>14,373,999</u>
Change in net assets from operations	<u>409,024</u>	<u>(3,576,144)</u>	<u>4,822,620</u>	<u>-</u>	<u>(2,257,208)</u>	<u>-</u>	<u>(601,708)</u>
NON-OPERATING REVENUES (EXPENSES)							
Gifts, bequests and contributions (Note 3)	-	500,000	631,088	-	342,731	-	1,473,819
Contributions - Capital Campaign, Regina Cleri Improvements (Note 4)	-	-	-	2,880,414	-	-	2,880,414
Interest and dividends	24,265	10,054	19,527	1,102	71,665	-	126,613
Grant income	-	-	-	-	1,000	-	1,000
Net realized and unrealized gains (losses) on investments	367,291	-	2,051,868	-	37,896	-	2,457,055
Transfer to related party (Note 8)	-	-	(70,000)	-	-	-	(70,000)
Depreciation expense (Note 7)	-	-	(340,674)	-	-	-	(340,674)
Total non-operating revenues (expenses)	<u>391,556</u>	<u>510,054</u>	<u>2,291,809</u>	<u>2,881,516</u>	<u>453,292</u>	<u>-</u>	<u>6,528,227</u>
Net increase (decrease) in net assets available for benefits	<u>800,580</u>	<u>(3,066,090)</u>	<u>7,114,429</u>	<u>2,881,516</u>	<u>(1,803,916)</u>	<u>-</u>	<u>5,926,519</u>
Net asset funding (to)/from clergy benefit trust	-	3,500,000	(5,000,000)	-	1,500,000	-	-
NET ASSETS AVAILABLE FOR BENEFITS							
Beginning of year	<u>7,082,966</u>	<u>1,095,179</u>	<u>44,042,485</u>	<u>-</u>	<u>8,567,000</u>	<u>-</u>	<u>60,787,630</u>
End of year	<u>\$ 7,883,546</u>	<u>\$ 1,529,089</u>	<u>\$ 46,156,914</u>	<u>\$ 2,881,516</u>	<u>\$ 8,263,084</u>	<u>\$ -</u>	<u>\$ 66,714,149</u>

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

	Medical Trust	Retirement Trust	Funding Trust	Regina Cleri Trust	Elimination	Total Clergy Health & Retirement Trusts
OPERATING REVENUE						
Collections from parishes	\$ -	\$ -	\$ 7,079,460	\$ -	\$ -	\$ 7,079,460
Assessments to participating entities	5,824,772	6,000	45,444	-	-	5,876,216
Special event dinner, net of \$310,736 of costs	-	-	1,264,603	-	-	1,264,603
Room and board assessments military, cable, phone	-	-	-	157,199	-	157,199
Room and board for non-military	-	-	-	900,000	(900,000)	-
Medicare reimbursement and miscellaneous income	120,411	-	1,638	8,238	-	130,287
Rental income Regina Cleri leaseback (Note 8)	-	-	500,000	-	(500,000)	-
Discount on amortization on prepaid rent	-	-	-	85,835	(85,835)	-
Total operating revenue	<u>5,945,183</u>	<u>6,000</u>	<u>8,891,145</u>	<u>1,151,272</u>	<u>(1,485,835)</u>	<u>14,507,765</u>
OPERATING EXPENSES						
Benefits						
Claims paid	4,488,291	-	-	-	-	4,488,291
Retirement benefits	-	3,689,733	-	-	-	3,689,733
Regina Cleri residence operations, including depreciation of \$234,232 (Note 7)	-	-	-	2,911,008	-	2,911,008
Room and board - Regina Cleri	-	-	900,000	-	(900,000)	-
Room and board	-	-	384,628	-	-	384,628
Unassigned and health leave benefits	-	-	333,857	-	-	333,857
Plan administrator	236,258	-	-	-	-	236,258
Regina Cleri rent expense (leaseback)	-	-	-	500,000	(500,000)	-
Interest - amortization on prepaid rent	-	-	85,835	-	(85,835)	-
Disability benefits	-	41,804	-	-	-	41,804
Other benefits	-	38,964	12,056	-	-	51,020
Legal - estate planning	-	-	14,500	-	-	14,500
Provision for uncollectible assessments	(6,544)	-	-	-	-	(6,544)
Total benefits	<u>4,718,005</u>	<u>3,770,501</u>	<u>1,730,876</u>	<u>3,411,008</u>	<u>(1,485,835)</u>	<u>12,144,555</u>
Administration						
Salaries and benefits	173,250	-	714,362	-	-	887,612
Service fees (Note 8)	-	-	272,393	-	-	272,393
Contract services	-	-	115,540	-	-	115,540
Fundraising expense (Note 8)	-	-	205,000	-	-	205,000
Professional fees	-	-	106,678	-	-	106,678
Other administrative expenses	13,162	5,348	106,720	-	-	125,230
Total administration	<u>186,412</u>	<u>5,348</u>	<u>1,520,693</u>	<u>-</u>	<u>-</u>	<u>1,712,453</u>
Total operating expenses	<u>4,904,417</u>	<u>3,775,849</u>	<u>3,251,569</u>	<u>3,411,008</u>	<u>(1,485,835)</u>	<u>13,857,008</u>
Change in net assets from operations	<u>1,040,766</u>	<u>(3,769,849)</u>	<u>5,639,576</u>	<u>(2,259,736)</u>	<u>-</u>	<u>650,757</u>
NON-OPERATING REVENUES (EXPENSES)						
Gifts, bequests and contributions (Note 3)	-	500,000	230,409	229,649	-	960,058
Interest and dividends	3,623	4,662	12,832	2,550	-	23,667
Grant income	-	-	20,000	9,000	-	29,000
Net realized and unrealized gains on investments	563,577	-	3,094,842	180,893	-	3,839,312
Depreciation expense (Note 7)	-	-	(340,674)	-	-	(340,674)
Total non-operating revenues (expenses)	<u>567,200</u>	<u>504,662</u>	<u>3,017,409</u>	<u>422,092</u>	<u>-</u>	<u>4,511,363</u>
Net increase (decrease) in net assets available for benefits	<u>1,607,966</u>	<u>(3,265,187)</u>	<u>8,656,985</u>	<u>(1,837,644)</u>	<u>-</u>	<u>5,162,120</u>
Net asset funding (to)/from clergy benefit trust	-	3,500,000	(5,050,000)	1,550,000	-	-
NET ASSETS AVAILABLE FOR BENEFITS						
Beginning of year	<u>5,475,000</u>	<u>860,366</u>	<u>40,435,500</u>	<u>8,854,644</u>	<u>-</u>	<u>55,625,510</u>
End of year	<u>\$ 7,082,966</u>	<u>\$ 1,095,179</u>	<u>\$ 44,042,485</u>	<u>\$ 8,567,000</u>	<u>\$ -</u>	<u>\$ 60,787,630</u>

ARCHDIOCESE OF BOSTON CLERGY HEALTH AND RETIREMENT TRUST
Statement of Activities and Changes in Net Assets Available for Benefits -
Regina Cleri Trust
For the year ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Regina Cleri Trust</u>
OPERATING REVENUE				
Room and board assessments	\$ 152,353	\$ -	\$ -	\$ 152,353
Room and board for non-military	993,000	-	-	993,000
Investment returns designated for current operations	-	-	-	-
Miscellaneous income	7,092	-	-	7,092
Discount of amortization on prepaid rent	<u>58,584</u>	<u>-</u>	<u>-</u>	<u>58,584</u>
Total operating revenue	<u>1,211,029</u>	<u>-</u>	<u>-</u>	<u>1,211,029</u>
OPERATING EXPENSES				
Salaries and related	1,936,093	-	-	1,936,093
Facility rental and related	801,950	-	-	801,950
Food, supplies and other	310,915	-	-	310,915
Utilities and communications	260,727	-	-	260,727
Contract labor	71,134	-	-	71,134
Repairs and maintenance	<u>87,418</u>	<u>-</u>	<u>-</u>	<u>87,418</u>
Total operating expenses	<u>3,468,237</u>	<u>-</u>	<u>-</u>	<u>3,468,237</u>
Changes in net assets from operations	<u>(2,257,208)</u>	<u>-</u>	<u>-</u>	<u>(2,257,208)</u>
NON-OPERATING ACTIVITY				
Net realized and unrealized gain on investments	111,769	15,505	-	127,274
Gifts, bequests and donations	342,731	-	-	342,731
Grant income	1,000	-	-	1,000
Interest and dividend income	71,665	-	-	71,665
Investment return designated for unrestricted	<u>-</u>	<u>(89,378)</u>	<u>-</u>	<u>(89,378)</u>
Total non-operating activity	<u>527,165</u>	<u>(73,873)</u>	<u>-</u>	<u>453,292</u>
Changes in net assets	(1,730,043)	(73,873)	-	(1,803,916)
Net asset funding from clergy benefit trust	1,500,000	-	-	1,500,000
Net assets, beginning of year	<u>7,091,738</u>	<u>401,517</u>	<u>1,073,745</u>	<u>8,567,000</u>
Net assets, end of year	<u>\$ 6,861,695</u>	<u>\$ 327,644</u>	<u>\$ 1,073,745</u>	<u>\$ 8,263,084</u>

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

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

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



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