



CLERGY TRUST

# *2021 Annual Report*







BOARD OF TRUSTEES

Mr. Mark Vachon

*Chair*

Most Rev. Mark O'Connell

*Vice-Chair*

Very Rev. Richard W. Fitzgerald

Very Rev. William P. Joy

Very Rev. Brian Kiely

Very Rev. Linh T. Nguyen

Ms. Ann Carter

Mr. Charles I. Clough, Jr.

Mr. Daniel T. Flatley

Mr. David Hegarty

Mr. James P. McDonough

Ms. Sharon McNally

Mr. Kevin C. Phelan

Mr. Michael P. Shaughnessy

Ms. Jean Tempel

TRUSTEE EMERITUS

Rev. Gerard Petringa

Mr. C. Michael Daley

We are pleased to include the Fiscal Year 2021 Report for the Clergy Trust. The Executive Director's report and commentary are included, along with the independent auditor's report.

Please know you have a committed Board of Trustees and a highly competent staff in your service. We were thrilled to welcome our new Executive Director, Mike Scannell, and we thanked Joe D'Arrigo for his incredible contributions over 13 years.

We continue to be challenged by reduced collections however are managing operations effectively while actively seeking additional sources of revenue.

Whether active or senior, both within and beyond the boundaries of our parishes, the service of all our priests makes our communities stronger.

It is the mission of the Clergy Trust to ensure health and well-being, so that all priests may continue this important work. Clergy Trust offers preventive health and wellness programs, provides one-on-one support and advocacy to priests with health concerns, and operates Regina Cleri. This is done to ensure that all priests are cared for throughout active and senior priesthood.

We welcome questions, comments and suggestions directly to either of us. Thank you for your continued prayers and generous support. May you continue to be blessed in all ways.

On behalf of the Board of Trustees,



# Programs



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

**2** | **the intentional living program:** preventive health and wellness programs for all diocesan priests in good standing.

**3** | **the care team:** one-on-one support and advocacy to priests with health concerns.





## Michael Scannell, Executive Director

### Executive Summary

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Ms. Jean Tempel

The mission of the Clergy Trust is to maintain high quality health, welfare and retirement needs for all of the eligible active and senior priests of the Archdiocese of Boston in a fiscally responsible manner. While the past year has been very challenging, our commitment to this mission continues to drive the Clergy Trust team's efforts. The COVID-19 pandemic has required us to think differently and innovate new ways to meet the health needs of all of our priests. Some examples of these new approaches in delivering services include introducing virtual exercise classes, providing additional access to telehealth services, continuing to promote and expand the use of Livongo, an on-line app that allows users to make pre-diabetes, diabetes and hypertension management easier, along with the Care Team increasing the number of telephone check-ins with all priests. Each of these efforts were aimed at keeping the good health of our priests a top priority.

#### TRUSTEE EMERITUS

Rev. Gerard Petringa

Mr. C. Michael Daley

The Clergy Trust team partnered with our Board of Trustees is focused on continuing to meet the health and wellness challenges faced by our priests in a fiscally prudent way. This has obviously been a challenge this past year as our key source of revenue- parish collections- have faced headwinds as attendance at mass has been directly impacted by the pandemic. Despite these challenges, we are pursuing a digital strategy that has bolstered our brand and created greater awareness and appreciation of the Clergy Trust and its programs. The Clergy Trust programs are so much more than administering benefits month to month. They include efforts focused on preventative health care and wellness while enabling our priests to self-advocate for their specific care needs. This can involve tracking their daily activity and mobility through our Fitbit program or self-monitoring their own blood sugar and blood pressure levels through the use of Livongo.



## **Fiscal Year 2021 Highlights**

While under obvious pressure, our financial discipline remains consistent as it has been year over year, and we continue to focus our attention on operations - both operating income and operating expenses. Our focus remains:

- Maximizing the funds received through three parish collections and the Celebration of Priesthood
- Growing our operating reserve to cover future benefit obligations
- Building the brand and awareness of the Clergy Trust programs

Remaining keenly focused on these objectives will enable the consistent level of care and security that generations of priests will enjoy well into the future. We are able to maintain a focus on these priorities because we have full and complete alignment among our key stakeholders. The Management Team and the Board of Trustees are in synch on our financial priorities and financial discipline. Our priests take a proactive role in advocating for their own care, and we have long time donors that are committed to our mission. These donors are willing to direct their financial support toward taking care of those men who have ministered and provided for their spiritual wellness through the sacraments for decades.

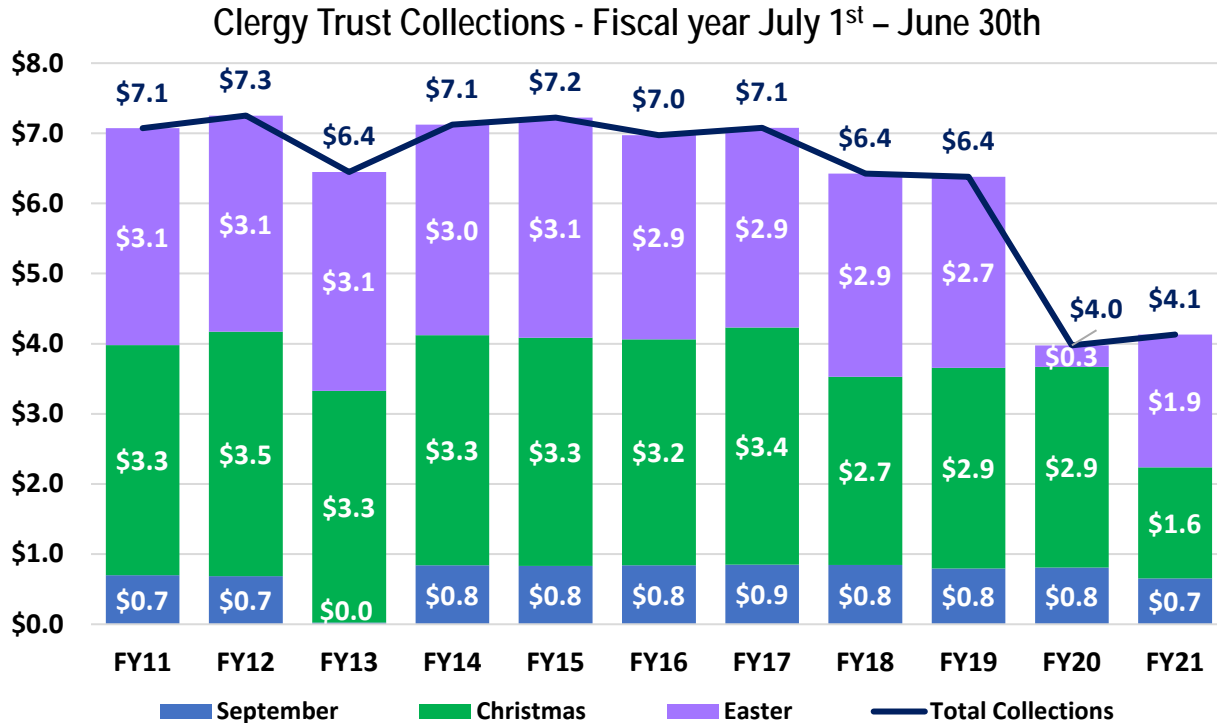
Despite the challenges that COVID has placed on mass attendance and downward pressure on collection revenue, the promotion and advocacy for funds paid off and parishioners across the Archdiocese responded quite favorably to these appeals for support. We appreciate the efforts of all priests in helping to promote the Clergy Trust and its programs.

## **Financial Highlights**

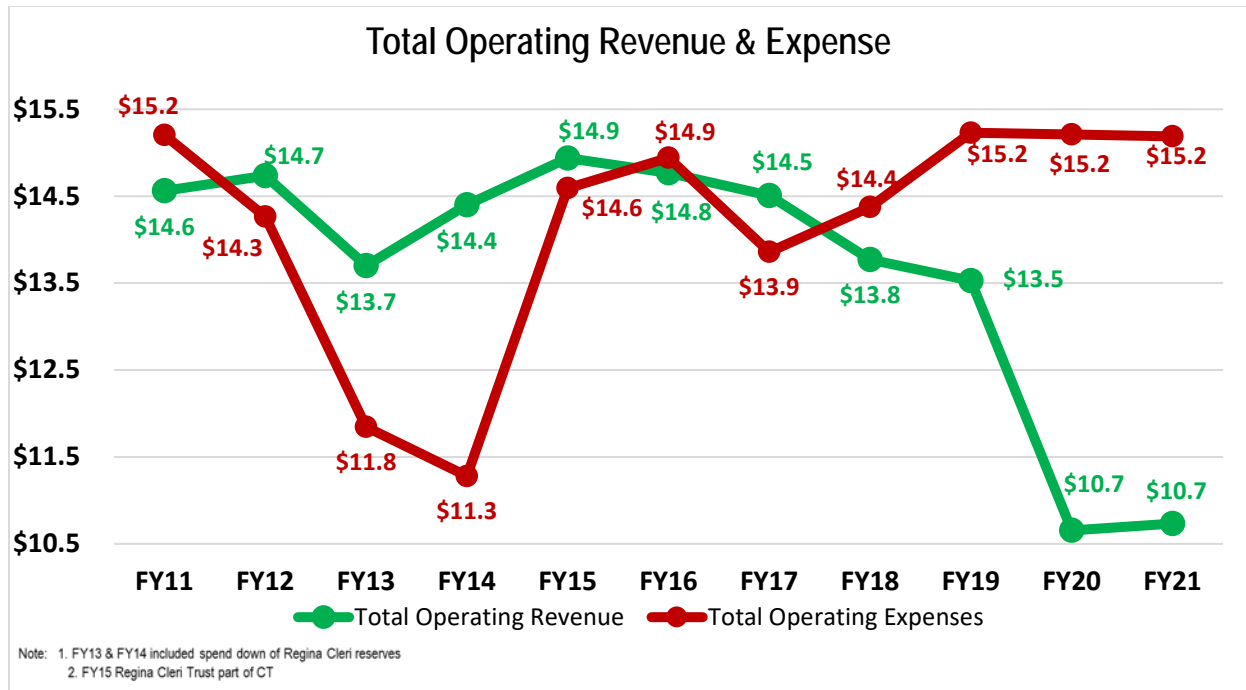
The Clergy Trust's diligence on operations continues to be Management's top priority. Operating Revenue is made up of the three annual collections, Celebration of Priesthood and assignment assessments from participating parishes. The lasting impact from the pandemic has placed continued pressure on these revenue sources. In FY21 the Clergy Trust generated \$4.1 million from the parish collections. In FY21 and FY20, we saw overall collection revenue decrease by 20.7% or \$2.8m from FY19, keeping in mind that in FY20 there was no Easter collection taken and in FY21 the September collection was



down by 18.5%, and the Christmas collection was down by 45% vs. the same collections pre-pandemic as many parishes were still limiting their capacity.



Beyond revenue, we are proactively managing operating expenses and making the most prudent decisions on how resources are utilized. Interestingly, FY21 Medical and related benefit expenses of \$4.7 million decreased by 4.5% or \$225,000 from FY20, approximately a 10% decrease from pre-pandemic. Despite the change in medical claims, we know that some important elective medical procedures were deferred by our priests and we are encouraging all priests to proactively pursue all necessary elective procedures. We continue to promote healthy practices and preventative measures through our Intentional Living Program which focuses on the critical health and wellness factors including sleep, nutrition, and exercise. Our total cost of benefits in FY21 was \$12.8 million including \$3.6 million of Regina Cleri operations costs. The overall FY21 financial results reflect an operating deficit of \$4.4 million.



The Operating deficit steers Management’s attention to our ‘Close the Gap’ strategy. This strategy requires us to creatively find new methods of raising income. We are pursuing a digital approach that will drive greater awareness of the Clergy Trust and its programs. Our digital strategy is driving greater brand awareness and introducing new ways in capturing a broader demographic of Catholics that want to support our priests and recognize the impact that members of the Clergy have had on them throughout their lives. We introduced this increased digital presence in January 2021 and since that time we have grown our e-mail contact base from 8,700 to close to 13,500 unique e-mail addresses representing a 60% increase in e-mail capture, a critical component of a successful digital strategy. Additionally, we now have established a sustained presence on social media channels, such as Facebook, LinkedIn and YouTube, with content from past Celebration of Priesthood events and stories highlighting the work of Archdiocesan priests ministering to their parishioners and contributing to creating stronger communities.

Our St. John Vianney annual appeal provides an opportunity for all priests to support their brethren and demonstrate, in a powerful way, their support for each other. 103 priests contributed to the St. John Vianney appeal donating \$142,000 this past year and we appreciate this extraordinary legacy of support.





Importantly, the FY21 overall change in net assets available for benefits (operating and non-operating) was a net surplus of \$8.7 million. In addition to the operating deficit of \$4.4 million, this surplus includes a one-time \$634,000 extinguishment of debt resulting from forgiveness of PPP Loans, a net \$1.7 million in gifts, bequests, capital campaign, and other non-operating revenue and expenses along with an unrealized investment gain of \$10.8 million from all investments. While this investment gain is quite impressive due to market performance over this past year, it is critically important to note that the non-operating revenue from gains on investments are set aside as a reserve for the future payments for priests currently in active ministry. This unique feature of the Clergy Trust must be underscored. This continuous cycle of support from one generation of priests to the next generation carries on in an incredible spirit of generosity. The Board of Trustees and Management take very seriously its fiduciary responsibility and long-term view in considering the future needs of our priests balanced with meeting our current financial commitments. While we successfully navigated through a difficult year, we recognize the fundamental changes in our operating revenue trends that have taken place and we anticipate that parish collection revenue will continue be under pressure in the future which is driving our need to exploit new fundraising opportunities.

### **Additional Highlights from the Clergy Trust Team**

The dedicated Care Team focused over the past year on continuing to prioritize exceptional care and professional advocacy for the health needs of all 325 active and 203 senior priests across the Archdiocese of Boston. This team represents over 80 years of professional experience and includes the Senior Care Manager, the Wellness Coordinator, the Director of Regina Cleri and the Director of Nursing of Regina Cleri. This team has done an exceptional job in providing resources and programs that allow all priests to live a healthy lifestyle, while improving overall quality of life. The Care team meets weekly to review all aspects of care including ways to engage all priests to utilize the resources available to them, while also delivering a high level of care to our priests. In the last year the Care Team conducted 148 in person visits along with 395 telephone calls/virtual check ins for a total of 543 outreaches to active and senior priests. Other examples of the exceptional care include the robust respite care program at Regina Cleri whereby 11 respite care residents were admitted and received combined care totaling over 650 days. This respite care also included emergency admissions as well as planned admissions for surgeries and procedures requiring extensive preparation and 24-hour post-op observation.



In coordination with Mass Department of Public Health, on-site vaccination clinics were provided for residents and employees ensuring 100 percent compliance of our residents for COVID 19, shingles, pneumonia, and annual flu vaccinations. Throughout the pandemic, Regina Cleri staff ensured timely transportation coordinating an average of 41 transports per week along with advocacy for hospital, emergency room, short term rehabilitation and medical office visits. The entire staff at Regina Cleri operated throughout the pandemic with a level of compassion and professionalism and maintained a healthy and continuously safe environment for both residents and staff and their efforts should be commended.

Our Senior Care Manager and Wellness Coordinator are completing their final courses in securing their Medical Assistant Certification, which will further their clinical knowledge and skills allowing them to provide additional support to the priests of the Archdiocese of Boston. The Care Team works collaboratively to employ best practices and develop care plans which ensure that the best quality of care is provided.

Our philosophy is to care for all our priests so that they in turn can care for their faithful's spiritual needs. This approach continues to guide our focus on promoting health and wellness along with leading treatments and prevention practices, as well as enhancing our programs so that they are appropriate to meet the physical and emotional needs that our priests require each day.

### **Looking Forward**

As we conclude a challenging year, we have in place a financial plan and strategy to address the operating revenue gap. We are actively pursuing new ways to cultivate and capture new donors committed to the mission of the Clergy Trust.

Beyond our digital strategy, we are stewarding new supporters and dedicated donors as major gift contributors including individuals who have been sustained contributors to the Clergy Trust. Our *Friends of Regina Cleri* major gift strategy provides a way that supporters can be identified and have their philanthropy recognized with a mass, tour, and reception at Regina Cleri. We see Regina Cleri residence as a unique and spiritual home that in many ways represents the physical manifestation of the Clergy Trust and we are taking full advantage of showcasing this unique community and the capital renovations that were recently completed. These renovations expanded the ability to provide broader respite care and improved the overall quality and accessibility for



residents. Major donors recognize the quality of care and the vibrant spiritual and social community that Regina Cleri represents.

As I close out my first ten months as the new Executive Director for the Clergy Trust, I feel honored and blessed to be carrying on the work that Joe D'Arrigo began thirteen years ago when the Clergy Trust was first established and when there were a different set of challenges to face. While the challenges that we face today may be different, the commitment to ensuring the health and wellness of our priests has not changed. This remains the ultimate priority for me and the Clergy Trust team, and you can be assured of my commitment to carry on this important mission.

Transparency has been a hallmark of the Clergy Trust. The budget outlook for FY22 will continue to project an operating deficit. It will be through the collective efforts of our team, members of the clergy, our Board of Trustees and committed donors that we will be successful in closing our revenue gap so that we can meet our key objectives.

Thank you for all that you do in support of the Clergy Trust and we seek your prayers and support as we fulfill our mission, and you can be assured of our prayers for your own wellbeing.

God Bless,

Michael J. Scannell  
Executive Director, Clergy Trust



# Salve Regina

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

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

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# Salve Regina Legacy Society

Anonymous (3)	Emilio S. Lobo †
Paul F. Bailey †	Paul V. MacDonald †
Laurence J. Borges †	John E. MacInnis
Charles J. Bourque	Francis J. McGann †
George F. Carlson	James J. McGowan †
John F. Carmichael	Frederick R. McGowan †
Peter J. Casey	Patrick J. McLaughlin
Donald P. Clifford	Martin J. McNulty
Edwin D. Condon †	Cornelius M. McRae
John G. Connolly †	Maurice P. Meade †
Leonard A. Coppentrath †	John A. Murray
John P. Culloty	Frederick W. O'Brien †
Henry M. Cunney †	William J. O'Connor †
James W. DeAdder †	John F. O'Donnell †
Richard S. DeVeer	David M. O'Leary
Dennis A. Dever †	Francis G. O'Sullivan †
Richard M. Erikson	Alfonso G. Palladino †
George P. Evans	Richard J. Perron †
Thomas C. Foley †	James H. Riley
John R. Giggi †	Lawrence J. Riley †
Richard R. Gosselin †	Stephen B. Rock
Michael F. Groden †	James J. Ronan
John M. Hannon †	Lawrence J. Rondeau
Joseph M. Hennessey	John J. Shea †
George G. Hogan †	Frank J. Silva
Francis X. Irwin †	Paul S. Sughrue
Joseph M. Kane †	James E. Tierney †
J. Michael Lawlor	Thomas F. Wyndham
John R. Lizio †	





# *Saint John Vianney Society*

---

Anonymous (4)	John P. Culloty
Michael A.J. Alfano	Thomas M. Curran
Richard C. Beaulieu	Robert J. Deehan
Raymond P. Benoit	John W. Delaney
Robert M. Blaney	Donald R. Delay
Derek J. Borek	Thomas S. Domurat
Thomas F. Bouton	Stephen S. Donohoe
Richard S. Bradford	Richard M. Erikson
James G. Burke	Scott A. Euvrard
Allan L.W. Butler	George P. Evans
David P. Callahan	William P. Fay
Kenneth V. Cannon	Patrick J. Fiorillo
George F. Carlson	Richard W. Fitzgerald
Peter J. Casey	Thomas S. Foley
Brian M. Clary	Paul V. Garrity
Donald P. Clifford	Vincent J. Gianni Jr.
Francis J. Cloherty	Francis M. Glynn
Darin V. Colarusso	John J. Healy
Peter V. Conley	Joseph M. Hennessey
John J. Connelly †	Kevin T. Hickey
Robert L. Connors	Paul K. Hurley
Richard P. Cornell	Robert T. Kickham
Ronald D. Coyne	Brian R. Kiely
Richard P. Crowley	Paul E. Kilroy
Robert J. Cullen	William T. Kremmell



# *Saint John Vianney Society*

---

William T. Leonard	Gerard Petringa
John E. MacInnis	Thomas F. Powers Jr.
Arthur T. MacKay	Thomas J. Powers
Daniel J. Mahoney	Lawrence E. Pratt
Leo E. Martel	Peter F. Quinn
John P. McDonough	Redmond M. Raux
John W. McElroy	Daniel J. Riley
Brian J. McHugh	Edward M. Riley
Martin J. McNulty	James H. Riley
Cornelius M. McRae	Joseph F. Scorzello Jr.
Vincent P. Mellone	Joseph P. Smyth †
Paul E. Miceli	Robert P. Soucy
Robert T. Milling	Jeremy P. St. Martin
John S. Morris	Eugene P. Sullivan
Joseph F. Mozer Jr.	Gabriel Troy
John F. Mulloy Jr.	Desmond A. Tynan
Robert W. Murray	Peter J. Uglietto
Thomas F. Nestor	John J. Unni
Joseph Chinh Nguyen	Gregory G. Vozzo
Henry P. Nichols	Christopher W. Wallace
Michael L. Nolan	Thomas J. Walsh
Mark L. Noonan	David P. White
Mark O'Connell	Matthew M. Williams
David M. O'Leary	Walter J. Woods
William B. Palardy	Arthur F. Wright



*Clergy Trust is forever  
grateful for the leadership of*

**John A. Kaneb**

*Dec. 14, 1934 – Aug. 29, 2021*

## *In Memoriam*

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Reverend Wallace E. Blackwood  
Reverend James M. Broderick  
Reverend John P. Carroll  
Reverend John J. Connelly  
Reverend Leo G. Cormier  
Reverend Paul E. Curran  
Reverend Henry F. Doherty  
Reverend Richard T. Donahue  
Reverend Vincent P. Doolan  
Reverend Joseph K. Fagan  
Reverend Arthur C. Flynn  
Reverend Edward L. Gallagher

Reverend Daniel J. Hickey  
Reverend George G. Hogan  
Reverend Harold F. Lawson  
Reverend Emilio S. Lobo  
Reverend Paul V. MacDonald  
Reverend Maurice J. O'Connor  
Reverend Gerard J. O'Meara  
Reverend C. Paul Rouse  
Reverend Msgr Dennis F. Sheehan  
Reverend Joseph P. Smyth  
Reverend Lawrence E. Pratt  
Reverend George D. Vartzelis













## Finance & Audit Committee

Financial Report for the Year Ending June 30, 2021

### BOARD OF TRUSTEES

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Mr. James P. McDonough

Ms. Sharon McNally

Mr. Kevin C. Phelan

Mr. Michael P. Shaughnessy

Ms. Jean Tempel

### TRUSTEE EMERITUS

Rev. Gerard Petringa

Mr. C. Michael Daley

The Clergy Trust Finance & Audit Committee is pleased to present the audited financial statements of the Clergy Trust for the fiscal year ended June 30, 2021.

These statements are the responsibility of the management of the Clergy Trust and have been audited by Grant Thornton LLP. Our auditors have issued an unmodified opinion that the statements fairly present, in all material aspects, the financial position of the Clergy Trust in conformity with generally accepted accounting principles as of and for the year ended June 30, 2021.

The success of this organization is through the efforts of many but starts with the Clergy Trust team. This capable group has adapted incredibly well to the COVID-19 world we continue to find ourselves in today.

We would be remiss if we did not recognize the retirement of our former Executive Director Joe D'Arrigo. Joe led our team from September 2008 until June 2021. During those years he stabilized a financially troubled plan using his outstanding leadership, incredible communication skills, deep faith, and a passion to provide our priests the healthcare and retirement security they deserve.

We are blessed that our priests also play an important role through their leadership at the parish level and in their communities.

The Finance & Audit Committee consists of:

James P. McDonough (Chair)

Reverend Thomas S. Rafferty, Pastor, St. Oscar Romero Parish, Canton

Michael K. Devlin, CPA

David J. Hegarty, CPA

James Mullaney, CPA

Richard F. Reilly, CPA

Michael Shaughnessy

On behalf of the Finance & Audit Committee,



Combined Financial Statements and  
Report of Independent Certified Public  
Accountants

**ARCHDIOCESE OF BOSTON  
CLERGY TRUST  
Clergy Medical/Hospitalization Trust  
Clergy Retirement Trust  
Clergy Benefit Funding Trust  
Regina Cleri Trust**

June 30, 2021 and 2020





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GRANT THORNTON LLP

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Boston, MA 02019

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees  
Archdiocese of Boston Clergy Trust

We have audited the accompanying combined financial statements of the Archdiocese of Boston Clergy Trust (“CT”), formerly known as the Archdiocese of Boston Clergy Health and Retirement Trust, which comprise the combined statements of net assets available for benefits as of June 30, 2021 and 2020 and the related combined statements of changes in net assets available for benefits for the years then ended, and the combined statements of accumulated plan benefits as of June 30, 2021 and 2020 and the related combined statements of changes in accumulated plan benefits for the years then ended, and the related notes to the combined financial statements.

### **Management’s responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor’s responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to CT’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 CT’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Archdiocese of Boston Clergy Trust net assets available for benefits as of June 30, 2021 and 2020 and changes therein for the years then ended, and its financial status as of June 30, 2021 and 2020, and changes therein for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Supplementary information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary combining statements of net assets available for benefits as of June 30, 2021 and 2020, the combining statements of changes in net assets available for benefits and the combining statements of activities and changes in net assets available for benefits - Regina Cleri Trust for the years ended June 30, 2021 and 2020 are presented for purposes of additional analysis and are not a required part of the financial statements. Such supplementary information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Boston, Massachusetts  
October 26, 2021

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**Combined Statements of Net Assets Available for Benefits**  
**June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 7,674,349	\$ 8,590,109
Accounts receivable (Note 3)	317,801	196,088
Contributions receivable (Note 3)	2,434,963	3,582,289
Prepaid expenses (Note 3)	380,257	319,109
Investments, at fair value (Notes 3, 6 and 11)	53,241,130	44,345,982
Land, building and equipment, net (Notes 3 and 7)	17,994,089	17,464,613
Total assets	<u>\$ 82,042,589</u>	<u>\$ 74,498,190</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 747,926	\$ 367,877
Line of credit - related party (Note 8)	2,223,609	3,082,622
Notes payable (Note 12)	-	633,700
Deferred income (Note 3)	145,962	235,429
Total liabilities	<u>\$ 3,117,497</u>	<u>\$ 4,319,628</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>		
Without donor restrictions:		
Undesignated	\$ 64,801,984	\$ 56,307,779
Designated for Endowment (Note 9)	5,480,042	5,956,823
Total without donor restrictions	70,282,026	62,264,602
With donor restrictions (Note 15)	8,643,066	7,913,960
Total net assets available for benefits	<u>\$ 78,925,092</u>	<u>\$ 70,178,562</u>

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

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**Combined Statements of Changes in Net Assets Available for Benefits**  
**For the years ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUE</b>		
Collections from parishes (Note 3)	\$ 4,131,808	\$ 3,976,611
Assessments to participating entities	5,068,452	5,251,491
Special event, net of costs of \$158,586 in 2021 and \$352,257 in 2020	1,268,495	1,116,672
Room and board assessments	137,670	139,696
Medicare Reimbursement and miscellaneous income	124,908	170,034
Total operating revenue	<u>10,731,333</u>	<u>10,654,504</u>
<b>OPERATING EXPENSES</b>		
Benefits:		
Claims paid	4,758,860	4,983,693
Retirement benefits	3,419,991	3,578,363
Regina Cleri residence operations, including depreciation of \$176,767 in 2021 and \$201,291 in 2020 (Note 7)	3,635,459	3,545,890
Room and board	459,898	469,156
Unassigned and health leave benefits	266,975	398,569
Plan administrator	221,592	234,268
Disability benefits	40,761	40,763
Other benefits	8,207	208,824
Legal - estate planning	12,000	8,000
Total benefits	<u>12,823,743</u>	<u>13,467,526</u>
Administration:		
Salaries and benefits	1,088,575	964,104
Service fees (Note 8)	207,666	205,030
Contract services (Note 13)	582,004	26,219
Fundraising expenses (Note 8)	271,885	276,438
Professional fees	111,850	120,087
Other administrative expenses	102,958	150,405
Total administration	<u>2,364,938</u>	<u>1,742,283</u>
Total operating expenses	<u>15,188,681</u>	<u>15,209,809</u>
Change in net assets from operations	<u>(4,457,348)</u>	<u>(4,555,305)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Gifts, bequests and donations (Note 3)	1,501,941	1,715,996
Contributions - capital campaign (Note 4)	446,173	1,459,030
Interest and dividends	76,290	204,276
Gain on extinguishment of debt (Note 12)	633,700	
Grant income	32,000	15,500
Other income	137,618	-
Net realized and unrealized gains on investments	10,794,967	1,030,547
Transfer to related entity (Note 8)	-	(95,000)
Interest expense and stewardship fees - capital campaign (Note 4)	(82,628)	(90,103)
Depreciation expense (Note 7)	(336,183)	(340,565)
Total non-operating revenues (expenses)	<u>13,203,878</u>	<u>3,899,681</u>
Change in net assets available for benefits	8,746,530	(655,624)
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>		
Beginning of year	<u>70,178,562</u>	<u>70,834,186</u>
End of year	<u>\$ 78,925,092</u>	<u>\$ 70,178,562</u>

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

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**Combined Statements of Accumulated Plan Benefits**  
**June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ACTUARIAL PRESENT VALUE OF ACCUMULATED RETIREMENT PLAN BENEFITS</b>		
Retired and disabled participants currently receiving retirement benefits	\$ 46,547,660	\$ 44,827,243
Active participants	<u>32,120,234</u>	<u>33,650,657</u>
<b>TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED RETIREMENT PLAN BENEFITS</b>	<u>78,667,894</u>	<u>78,477,900</u>
<b>ACTUARIAL PRESENT VALUE OF OTHER POST-RETIREMENT BENEFIT OBLIGATIONS</b>		
Retired and disabled participants currently receiving health, dental and subsistence benefits	21,012,256	15,088,228
Active participants	<u>15,864,168</u>	<u>21,519,342</u>
<b>TOTAL ACTUARIAL PRESENT VALUE OF OTHER POST-RETIREMENT BENEFIT OBLIGATIONS</b>	<u>36,876,424</u>	<u>36,607,570</u>
<b>RESERVE FOR HEALTH INSURANCE CLAIMS</b>		
Claims payable and claims incurred but not reported for retired participants	146,366	167,711
Claims payable and claims incurred but not reported for active participants	<u>333,634</u>	<u>382,289</u>
<b>TOTAL RESERVE FOR HEALTH INSURANCE CLAIMS</b>	<u>480,000</u>	<u>550,000</u>
<b>TOTAL ACCUMULATED PLAN BENEFIT OBLIGATIONS</b>	<u>\$ 116,024,318</u>	<u>\$ 115,635,470</u>

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

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**Combined Statements of Changes in Accumulated Plan Benefits**  
**For the years ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
ACCUMULATED PLAN BENEFIT OBLIGATIONS AT THE BEGINNING OF YEAR	\$ 115,635,470	\$ 107,976,577
CHANGES IN ACCUMULATED RETIREMENT PLAN BENEFITS		
Actuarial present value of accumulated retirement plan benefits at beginning of year	<u>78,477,900</u>	<u>74,355,422</u>
Changes during the year attributable to:		
Benefits accumulated	2,894,781	2,339,168
Increase for interest due to the decrease in the discount period	2,067,470	2,592,008
Benefits paid	(6,347,309)	(6,543,901)
Changes in assumptions (Note 5)	<u>1,575,052</u>	<u>5,735,203</u>
Net increase	<u>189,994</u>	<u>4,122,478</u>
Actuarial present value of accumulated retirement plan benefits at end of year	<u>78,667,894</u>	<u>78,477,900</u>
CHANGES IN OTHER POST-RETIREMENT BENEFIT OBLIGATIONS		
Actuarial present value of other post-retirement benefit obligations at beginning of year	<u>36,607,570</u>	<u>33,088,155</u>
Changes during the year attributable to:		
Benefits accumulated	1,046,476	832,350
Increase for interest due to the decrease in the discount period	1,125,797	1,212,793
Benefits paid	(1,407,981)	(1,391,298)
Changes in assumptions (Note 5)	<u>(495,438)</u>	<u>2,865,570</u>
Net increase	<u>268,854</u>	<u>3,519,415</u>
Actuarial present value of other post-retirement benefit obligations at end of year	<u>36,876,424</u>	<u>36,607,570</u>
CHANGES IN RESERVE FOR HEALTH INSURANCE CLAIMS		
Reserve for health insurance claims at beginning of year	<u>550,000</u>	<u>533,000</u>
Changes during the year attributable to:		
Claims reported and approved and claims incurred but not yet reported	4,688,860	5,000,693
Claims paid	<u>(4,758,860)</u>	<u>(4,983,693)</u>
Net (decrease) increase	<u>(70,000)</u>	<u>17,000</u>
Reserve for health insurance claims at end of year	<u>480,000</u>	<u>550,000</u>
ACCUMULATED PLAN BENEFIT OBLIGATIONS AT THE END OF YEAR	<u>\$ 116,024,318</u>	<u>\$ 115,635,470</u>

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

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**

**June 30, 2021 and 2020**

**NOTE 1 - DESCRIPTION OF THE CLERGY TRUST**

**Description of the Trusts**

The Archdiocese of Boston Clergy Trust (the "CT"), formerly known as the Archdiocese of Boston Clergy Health and Retirement Trust, 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 CT combined financial statements include the financial position and activities of the Archdiocese of Boston Clergy Benefit Funding Trust (the "Funding Trust"), the Archdiocese of Boston Clergy Retirement Trust (the "Retirement Trust"), the Archdiocese of Boston Clergy Medical/Hospitalization Trust (the "Medical Trust") and the Archdiocese of Boston Regina Cleri Trust ("Regina Cleri Trust").

The CT 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 CT 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 CT, 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 CT. The Trustees are authorized and empowered to manage the assets of, and benefits provided by the CT as deemed necessary.

**Reporting and Disclosure by Corporation Sole**

The accounting and financial disclosures within this report for the CT are prepared under U.S. generally accepted accounting principles ("U.S. GAAP") applicable to defined benefit pension plans and health and welfare plans. The primary objective of the CT combined financial statements is to provide financial information that is useful in assessing the CT's present and future ability to pay benefits when due.

The CT 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 CT retirement and other post-retirement benefits.

**COVID-19**

The outbreak of COVID-19 has caused domestic and global disruption in the operations of religious organizations. Following a temporary suspension of all in-person masses on March 13, 2020, the Archdiocese of Boston began the process of reopening parishes on May 22, 2020. The Archdiocese gradually loosened restrictions and began to increase capacity over the course of fiscal 2021. As of June 2021, not all parishes had returned to their pre-pandemic mass schedule. The Archdiocese of Boston issued parishioners a dispensation from the obligation to attend Mass on March 13, 2020, which lasted 14 months, until the Mass obligation was reinstated on June 19, 2021.

COVID-19 adversely impacted CT's finances, resulting in lower collections for the second fiscal year in a row. Prior to the pandemic, the Collection totals for fiscal 2019 was approximately \$6.4 million, while fiscal 2020 was approximately \$4.0 million (with no Easter collection) and fiscal 2021 was approximately \$4.1 million.



**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

**NOTE 2 - DESCRIPTION OF THE PLANS**

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

**Funding and Benefits**

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

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

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

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

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

**Health Assessments**

The Medical Trust charges assessments to parishes and related Catholic organizations for medical and hospitalization coverage of Eligible Priests assigned thereto. 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 benefits 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. CT 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.

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Basis of Accounting**

The combined financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

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

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

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

**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 \$4,585,062 and \$5,664,479 at June 30, 2021 and 2020, respectively.

CT deposits its cash in major financial institutions that are significant in size and reputation. 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, CT 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 CT Investment Committee has elected to invest in the RCAB Collective Investment Partnership (the "Investment Partnership" or "CIP"), the RCAB Fixed Income Fund (the "Fixed Income Fund" or "FIF"), the Westwood Income Opportunity Fund (the "Income Opportunity Fund" or "IOF") and the Knights of Columbus Commingled Limited Duration Bond Fund (the "Knights of Columbus Fund" or "KoC"). The funds that are established and maintained by RCAB provide common investment pools in which CT and other organizations related to RCAB may participate. The underlying investments of the Investment Partnership, Fixed Income Fund, Income Opportunity Fund and the Knights of Columbus Fund are primarily equity and fixed-income securities (U.S. Government agency securities, asset-backed securities and corporate bonds) owned either directly or indirectly through mutual funds, private investment entities, and money market funds. The participants in these funds own units based upon a per-unit value at the time of purchase.

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

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

**Participating Entities Assessments and Accounts Receivable**

CT charges assessments to parishes and related Catholic organizations for medical, dental and hospitalization coverage of Eligible Priests who are assigned. The annual assessments are calculated based on the expected claims and the total number of priests. The annual assessment was \$1,470 per individual priest during both fiscal years 2021 and 2020.

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 CT 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 \$305,655 and \$292,177 for retirement benefits prepaid at June 30, 2021 and 2020, respectively.

**Collections from Parishes**

Collections from parishes are recognized in the combined statements of changes in net assets available for benefits as CT receives the contributions. Any amounts reported but not yet received by June 30, 2021 and 2020 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 are reclassified to net assets without donor restrictions when an expenditure is incurred that satisfies the restriction or the designated time elapses. Pledges receivable are carried at estimated net present value, net of allowance for uncollectible amounts (if any). Conditional promises to give are not recognized until the conditions on which they depend are substantially met. There were no conditional promises to give at June 30, 2021 and 2020.

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

Pledges receivable as of June 30, 2021 and 2020 are presented below.

	2021	2020
Receivables due in less than one year	\$ 1,184,579	\$ 1,749,549
Receivables due in one to five years	1,258,252	1,845,779
Total unconditional promises to give	2,442,831	3,595,328
Less: present value discount and allowance for uncollectible promises to give	(7,868)	(13,039)
Contributions receivable, net	\$ 2,434,963	\$ 3,582,289

Pledges receivable have been discounted using a rate of 0.25% at each June 30, 2021 and 2020.

**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 CT 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 CT recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the combined financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The CT management has reviewed the tax positions for open periods and determined that no provision for income tax is required in the CT financial statements.

**Use of Estimates**

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

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

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

**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, and gain on extinguishment of debt.

**NOTE 4 - CAPITAL CAMPAIGN**

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 CT in caring for all eligible priests serving the Archdiocese of Boston. All assets, liabilities, revenues and expenses related to the CT's portion of the Campaign are included within the accounts of the Funding Trust.

The CT's portion of the Campaign is restricted to the Regina Cleri capital improvements construction project or Clergy Trust programs. Funds raised towards the Regina Cleri capital improvements construction project have been used to add 10 residential rooms to increase occupancy, rebuild the current chapel to facilitate the aging in place population and provide general building upgrades to the 50+ year old structure. The Clergy Trust programs were developed, in part, to care for priests through various wellness initiatives.

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

**NOTE 5 - SUMMARY OF ACTUARIAL ASSUMPTIONS**

**Actuarial Present Value of Accumulated Retirement Plan Benefits**

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

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

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

The significant actuarial assumptions used in the valuations are as follows at June 30, 2021 and 2020:

	2021	2020
Discount rate	2.81%	2.74%
Mortality before and after retirement	Society of Actuaries' Retirement Plans Experience Committee Headcount weighted Pri-2012 rates for healthy lives (no quartile or collar adjustment), with generational projection using Scale MP-2020. Separate retiree and active participant rates.	Society of Actuaries' Retirement Plans Experience Committee Headcount weighted Pri-2012 rates for healthy lives (no quartile or collar adjustment), with generational projection using Scale MP-2019. Separate retiree and active participant rates.
Retirement age	Age graded tables	Age graded tables
Asset valuation	Market value	Market value
Retirement benefit	\$1,432 average per month	\$1,514 average per month
Cost of living adjustment	None assumed	None assumed
Salary increases	5% increase effective July 2021, none thereafter	N/A

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

**Actuarial Present Value of Other Post-Retirement Benefit Obligations**

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

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

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 6.00% and 5.50% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2021 and 2020, respectively; the rate is assumed to decrease gradually to 4.5% by 2024.

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

The following were other significant assumptions used in the valuation as of June 30, 2021 and 2020:

	2021	2020
Discount rate	3.13%	3.14%
Retirement age	Age graded tables	Age graded tables
Mortality	Society of Actuaries' Retirement Plans Experience Committee Headcount weighted Pri-2012 rates for healthy lives (no quartile or collar adjustment), with generational projection using Scale MP-2020. Separate retiree and active participant rates.	Society of Actuaries' Retirement Plans Experience Committee Headcount weighted Pri-2012 rates for healthy lives (no quartile or collar adjustment), with generational projection using Scale MP-2019. Separate retiree and active participant rates.
Effect of 1% increase in healthcare cost trend rate on postretirement obligation	\$5,987,000	\$6,069,000

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, 2021 and 2020 for benefits provided to Eligible Priests. Obligations for health claims incurred by Eligible Priests but not reported are estimated by management based on historical experience.

**NOTE 6 - INVESTMENTS**

CT had the following investments as of June 30, 2021 and 2020.

	2021	2020
Collective Investment Partnership	\$ 41,218,234	\$ 32,558,043
Fixed Income Fund	1,239,564	1,309,974
Vanguard Short-Term Investment Grade Fund (mutual fund)	-	5,412,458
Knights of Columbus Commingled Limited Duration Bond Fund	5,006,711	-
Westwood Income Opportunity Fund	5,776,621	5,065,507
	<u>\$ 53,241,130</u>	<u>\$ 44,345,982</u>

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

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

**NOTE 7 - LAND, BUILDING AND EQUIPMENT**

Land, building and equipment consists of the following at June 30, 2021 and 2020:

	2021	2020
Land	\$ 4,036,578	\$ 4,036,578
Land improvements	529,925	529,925
Building	10,551,225	10,551,225
Building improvements	3,906,925	3,906,925
Construction in process	7,409,254	6,371,828
Furniture and equipment	731,691	731,691
Vehicles	-	27,137
	27,165,598	26,155,309
Less accumulated depreciation	(9,171,509)	(8,690,696)
	\$ 17,994,089	\$ 17,464,613

Depreciation expense totaled \$507,950 and \$541,856 for the fiscal years ended June 30, 2021 and 2020, respectively, which includes \$171,767 and \$201,291, respectively, of depreciation for operating assets of Regina Cleri and \$336,183 and \$340,565, 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.

The Regina Cleri capital improvements construction project was completed in August 2021.

**NOTE 8 - RELATED PARTY TRANSACTIONS**

Regina Cleri participates in lay employee health, dental, life, disability, and transition assistance plans through RCAB. Expenses incurred by Regina Cleri for the benefit of lay employees under these plans were \$225,351 and \$217,547 for the years ended June 30, 2021 and 2020, respectively.

**Service Fees**

A service fee based on the level of efforts provided for administrative, rent, technology and clerical services is charged to the CT by the RCAB. The fees charged for the years ended June 30, 2021 and 2020 were \$207,666 and \$205,030, respectively.

A service fee based on the level of efforts provided for fundraising is charged to the CT by Boston Catholic Development Services ("BCDS"). The fee charged for each of the years ended June 30, 2021 and 2020 were \$270,638, which are included in fundraising expense in the accompanying statements of changes in net assets available for benefits.

**Transfer to Non-Incardinated Trust**

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

The Archdiocese of Boston Benefit Trust for Non-Incardinated Priests Duly Assigned for Service in the Archdiocese of Boston was frozen in 2009. No transfer was required for fiscal year ended June 30, 2021.



**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

**Line of Credit**

On December 1, 2018, CT entered into a line of credit agreement with the Revolving Loan Fund of RCAB. CT may borrow up to a maximum principal amount of \$4,000,000, which CT may draw upon and repay at any time through the maturity of the agreement. The unpaid principal amount bears daily interest at the Applicable Rate as determined by RCAB (3.25% as of June 30, 2021). The line of credit matured April 1, 2020 but was verbally extended due to the COVID-19 pandemic with no stated maturity date. Accrued and unpaid interest are payable on the 15th day of each calendar month commencing on January 15, 2019 with final payment of principal and unpaid interest due upon maturity.

The Regina Cleri capital improvements construction project was completed in August 2021. Following the completion, CT requested that the line of credit be converted to a term note payable requiring monthly payments of principal and interest amortized over a three-year period. Principal will bear interest at the Applicable Rate as determined by RCAB, currently 3.25%. As of June 30, 2021 and 2020, the CT had \$2,223,609 and \$3,082,622 outstanding against the line of credit.

**NOTE 9 - ENDOWMENT**

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

**Interpretation of Relevant Law**

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

**Funds with Deficiencies**

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the historic-dollar-value. Deficiencies of this nature are reported by a decrease in net assets with donor restrictions. There were no funds with deficiencies as of June 30, 2021 and 2020.

**Endowment Investment Policy**

CT 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 CT'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.

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

**Endowment Spending Policy**

Under the CT spending policy, 6% of the current year's June market value of the qualifying donor restricted endowment investments at June 30, 2021 and 2020, was appropriated for expenditure. The appropriated amount has been reinvested with quasi-endowment funds.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, CT 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 CT 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, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2020	\$ 5,956,823	\$ 1,309,974	\$ 7,266,797
Contributions	-	-	-
Working capital withdrawal	(1,000,000)	-	(1,000,000)
Investment return	444,030	8,779	452,809
Spending policy appropriation	<u>79,189</u>	<u>(79,189)</u>	<u>-</u>
Balance, June 30, 2021	<u>\$ 5,480,042</u>	<u>\$ 1,239,564</u>	<u>\$ 6,719,606</u>

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, June 30, 2019	\$ 5,643,544	\$ 1,356,429	\$ 6,999,973
Contributions	-	-	-
Investment return	230,036	36,787	266,824
Spending policy appropriation	<u>83,243</u>	<u>(83,243)</u>	<u>-</u>
Balance, June 30, 2020	<u>\$ 5,956,823</u>	<u>\$ 1,309,974</u>	<u>\$ 7,266,797</u>

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

**NOTE 10 - BENEFICIAL INTERESTS**

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

**NOTE 11 - FAIR VALUE MEASUREMENTS**

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

As of June 30, 2021, and 2020, the CT held investments measured at fair value using the NAV per share (or its equivalent) practical expedient and have not been categorized in the fair value hierarchy. The value of these investments at June 30, 2021 and 2020 was \$53,241,130 and \$38,933,524, respectively.

The following table sets forth the liquidity, redemption policies and unfunded commitments of the CT's financial assets that were accounted for at fair values calculated by using NAV per share as practical expedient as of June 30, 2021.

<u>Investments</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>	<u>Liquidity Restrictions</u>
Collective Investment Partnership	\$ 41,218,234	\$ -	Monthly	30 days	None
Fixed Income Fund	1,239,564	-	Monthly	30 days	None
Westwood Income Opportunity Fund	5,776,621	-	Monthly	30 days	None
Knights of Columbus Limited Duration Bond Fund	<u>5,006,711</u>	<u>-</u>	Monthly	30 days	None
Total assets	<u>\$ 53,241,130</u>	<u>\$ -</u>			

**ARCHDIOCESE OF BOSTON CLERGY TRUST**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

The following table sets forth the liquidity, redemption policies and unfunded commitments of the CT's financial assets that were accounted for at fair values calculated by using NAV per share as a practical expedient as of June 30, 2020.

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

Vanguard Short-Term Investment Grade Funds (mutual fund) totaling \$5,412,458 are level 1 securities and as such are excluded from the table above.

**NOTE 12 - NOTES PAYABLE**

In April 2020, CT was granted two loans (the "Loans") by Century Bank in the aggregate amount of \$633,700, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act. The Loans, which were in the form of two notes dated April 22, 2020, were scheduled to mature on April 22, 2022 and bore interest at a rate of 1.00% per annum, payable monthly commencing on November 22, 2020.

CT utilized the Loans only for certain qualifying expenses, such as payroll costs and occupancy expenses, as described in the CARES Act. In March 2021, the U.S. Small Business Administration under the authority granted to it by the CARES Act granted CT full forgiveness on both Loans, which is reflected as a gain on extinguishment of debt in the accompanying statements of changes in net assets.

**NOTE 13 - OPERATING EXPENSES**

**Regina Cleri residence operating expenses**

Following is CT's operating expenses of the Regina Cleri facility classified by area of resident service for the year ended June 30, 2021:

	<u>Direct Care</u>	<u>Maintenance</u>	<u>Dining Services</u>	<u>Administration</u>	<u>Recreation</u>	<u>Total</u>
Salaries and related	\$ 1,185,270	\$ 349,974	\$ 533,396	\$ 375,266	\$ 144,128	\$ 2,588,034
Facility rental and related	157,883	9,930	19,860	57,482	993	246,148
Food, supplies and other	73,874	73,931	214,787	25,273	11,985	399,850
Utilities and communications	-	185,183	-	104,502	-	289,685
Contract labor	7,289	27,114	-	33,774	-	68,177
Repairs and maintenance	-	<u>40,332</u>	-	<u>3,233</u>	-	<u>43,565</u>
Total operating expenses	<u>\$ 1,424,316</u>	<u>\$ 686,464</u>	<u>\$ 768,043</u>	<u>\$ 599,530</u>	<u>\$ 157,106</u>	<u>\$ 3,635,459</u>

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

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

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

**Administration Contract Services**

For the year ended June 30, 2021, Administration Contract Services expense includes \$455,486 in nonrecurring costs related to the transition between Executive Directors.

**NOTE 14 - FINANCIAL INSTRUMENTS AND CONCENTRATIONS OF CREDIT RISK**

The CT financial instruments that are potentially subject to concentrations of credit risk consist of cash, cash equivalents (Note 3), and investments (Note 6).

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

**NOTE 15 - NET ASSETS**

*Net Assets Without Donor Restrictions*

Included in net assets without donor restrictions are \$5,480,042 and \$5,956,823 of board designated (quasi-endowment) funds as of June 30, 2021 and 2020, respectively.

*Net Assets With Donor Restrictions*

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

	2021	2020
Endowment gifts	\$ 1,073,745	\$ 1,073,745
Appreciation of endowment investments	165,819	236,229
Capital campaign	<u>7,403,502</u>	<u>6,603,986</u>
	<u>\$ 8,643,066</u>	<u>\$ 7,913,960</u>

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021 and 2020**

**NOTE 16 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 26, 2021, which is the date the combined financial statements were available to be issued. There were no subsequent events identified that would require recognition or additional disclosure in CT's combined financial statements.

SUPPLEMENTARY INFORMATION

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**Combining Statement of Net Assets Available for Benefits**  
**June 30, 2021**

	<u>Medical Trust</u>	<u>Retirement Trust</u>	<u>Funding Trust</u>	<u>Capital Campaign</u>	<u>Regina Cleri Trust</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS:</b>							
Cash and cash equivalents (Note 3)	\$ 1,198,244	\$ 977,865	\$ 4,104,784	\$ 897,979	\$ 495,477	\$ -	\$ 7,674,349
Accounts receivable (Note 3)	176,626	-	137,618	-	3,557	-	317,801
Contributions receivable (Note 3)	-	-	297,897	2,137,066	-	-	2,434,963
Prepaid expenses (Note 3)	5,100	305,655	59,260	-	10,242	-	380,257
Investments, at fair value (Notes 3, 6 and 11)	9,438,753	-	36,932,771	150,000	6,719,606	-	53,241,130
Land, building and equipment, net (Notes 3 and 7)	-	-	10,378,444	7,409,254	206,391	-	17,994,089
Due from/(to) related organizations	(870,311)	-	870,311	-	-	-	-
<b>Total Assets</b>	<u>\$ 9,948,412</u>	<u>\$ 1,283,520</u>	<u>\$ 52,781,085</u>	<u>\$ 10,594,299</u>	<u>\$ 7,435,273</u>	<u>\$ -</u>	<u>\$ 82,042,589</u>
<b>LIABILITIES:</b>							
Accounts payable and accrued expenses	\$ 40,989	\$ -	\$ 469,675	\$ -	\$ 237,262	\$ -	\$ 747,926
Line of credit - related party (Note 8)	-	-	-	2,223,609	-	-	2,223,609
Notes payable (Note 12)	-	-	-	-	-	-	-
Deferred income (Note 3)	-	-	135,000	-	10,962	-	145,962
<b>Total Liabilities</b>	<u>\$ 40,989</u>	<u>\$ -</u>	<u>\$ 604,675</u>	<u>\$ 2,223,609</u>	<u>\$ 248,224</u>	<u>\$ -</u>	<u>\$ 3,117,497</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS:</b>							
Without donor restrictions	\$ 9,907,423	\$ 1,283,520	\$ 52,176,410	\$ 967,188	\$ 5,947,485	\$ -	\$ 70,282,026
With donor restrictions (Note 15)	-	-	-	7,403,502	1,239,564	-	8,643,066
<b>Total net assets available for benefits</b>	<u>\$ 9,907,423</u>	<u>\$ 1,283,520</u>	<u>\$ 52,176,410</u>	<u>\$ 8,370,690</u>	<u>\$ 7,187,049</u>	<u>\$ -</u>	<u>\$ 78,925,092</u>



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

	<u>Medical Trust</u>	<u>Retirement Trust</u>	<u>Funding Trust</u>	<u>Capital Campaign</u>	<u>Regina Cleri Trust</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS:</b>							
Cash and cash equivalents (Note 3)	\$ 1,056,217	\$ 946,201	\$ 4,682,223	\$ 874,055	\$ 1,031,413	\$ -	\$ 8,590,109
Accounts receivable (Note 3)	183,472	2,400	-	-	10,216	-	196,088
Contributions receivable (Note 3)	-	-	244,159	3,338,130	-	-	3,582,289
Prepaid expenses (Note 3)	5,100	292,177	14,000	-	7,832	-	319,109
Investments, at fair value (Notes 3, 6 and 11)	7,557,029	-	29,422,156	100,000	7,266,797	-	44,345,982
Land, building and equipment, net (Notes 3 and 7)	-	-	10,714,627	6,371,828	378,158	-	17,464,613
Due from/(to) related organizations	(696,695)	-	696,695	-	-	-	-
<b>Total Assets</b>	<u>\$ 8,105,123</u>	<u>\$ 1,240,778</u>	<u>\$ 45,773,860</u>	<u>\$ 10,684,013</u>	<u>\$ 8,694,416</u>	<u>\$ -</u>	<u>\$ 74,498,190</u>
<b>LIABILITIES:</b>							
Accounts payable and accrued expenses	\$ 18,603	\$ 316	\$ 126,045	\$ 1,451	\$ 221,462	\$ -	\$ 367,877
Line of credit - related party (Note 8)	-	-	-	3,082,622	-	-	3,082,622
Notes payable (Note 12)	-	-	235,300	-	398,400	-	633,700
Deferred income (Note 3)	-	-	215,055	-	20,374	-	235,429
<b>Total Liabilities</b>	<u>\$ 18,603</u>	<u>\$ 316</u>	<u>\$ 576,400</u>	<u>\$ 3,084,073</u>	<u>\$ 640,236</u>	<u>\$ -</u>	<u>\$ 4,319,628</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS:</b>							
Without donor restrictions	\$ 8,086,520	\$ 1,240,462	\$ 45,197,460	\$ 995,954	\$ 6,744,206	\$ -	\$ 62,264,602
With donor restrictions (Note 15)	-	-	-	6,603,986	1,309,974	-	7,913,960
<b>Total net assets available for benefits</b>	<u>\$ 8,086,520</u>	<u>\$ 1,240,462</u>	<u>\$ 45,197,460</u>	<u>\$ 7,599,940</u>	<u>\$ 8,054,180</u>	<u>\$ -</u>	<u>\$ 70,178,562</u>

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
Combining Statements of Changes in Net Assets Available for Benefits  
For the year ended June 30, 2021

	<u>Medical Trust</u>	<u>Retirement Trust</u>	<u>Funding Trust</u>	<u>Capital Campaign</u>	<u>Regina Cleri Trust</u>	<u>Eliminations</u>	<u>Total</u>
<b>OPERATING REVENUE:</b>							
Collections from parishes (Note 3)	\$ -	\$ -	\$ 4,131,808	\$ -	\$ -	\$ -	\$ 4,131,808
Assessments to participating entities	4,994,251	27,600	46,601	-	-	-	5,068,452
Special event, net of cost of \$158,586	-	-	1,268,495	-	-	-	1,268,495
Room and board assessments military	-	-	-	-	137,670	-	137,670
Room and board for non-military	-	-	-	-	1,157,424	(1,157,424)	-
Medicare reimbursement and miscellaneous income	119,265	-	175	-	5,468	-	124,908
Total operating revenue	<u>5,113,516</u>	<u>27,600</u>	<u>5,447,079</u>	<u>-</u>	<u>1,300,562</u>	<u>(1,157,424)</u>	<u>10,731,333</u>
<b>OPERATING EXPENSES:</b>							
<b>Benefits:</b>							
Claims paid	4,758,860	-	-	-	-	-	4,758,860
Retirement benefits	-	3,419,991	-	-	-	-	3,419,991
Regina Cleri residence operations, including depreciation of \$171,767 (Note 7)	-	-	-	-	3,635,459	-	3,635,459
Room and board - Regina Cleri	-	-	1,157,424	-	-	(1,157,424)	-
Room and board	-	-	459,898	-	-	-	459,898
Unassigned and health leave benefits	-	-	266,975	-	-	-	266,975
Plan administrator	221,592	-	-	-	-	-	221,592
Disability benefits	-	40,761	-	-	-	-	40,761
Other Benefits	30,532	20,900	(43,225)	-	-	-	8,207
Legal - estate planning	-	-	12,000	-	-	-	12,000
Total benefits	<u>5,010,984</u>	<u>3,481,652</u>	<u>1,853,072</u>	<u>-</u>	<u>3,635,459</u>	<u>(1,157,424)</u>	<u>12,823,743</u>
<b>Administration:</b>							
Salaries and benefits	173,616	-	914,959	-	-	-	1,088,575
Service fees (Note 8)	-	-	207,666	-	-	-	207,666
Contract services (Note 13)	10,000	-	572,004	-	-	-	582,004
Fundraising expenses (Note 8)	-	-	271,885	-	-	-	271,885
Professional fees	-	-	111,850	-	-	-	111,850
Other administrative expenses	13,139	6,815	83,004	-	-	-	102,958
Total administration	<u>196,755</u>	<u>6,815</u>	<u>2,161,368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,364,938</u>
Total operating expenses	<u>5,207,739</u>	<u>3,488,467</u>	<u>4,014,440</u>	<u>-</u>	<u>3,635,459</u>	<u>(1,157,424)</u>	<u>15,188,681</u>
Change in net assets from operations	<u>(94,223)</u>	<u>(3,460,867)</u>	<u>1,432,639</u>	<u>-</u>	<u>(2,334,897)</u>	<u>-</u>	<u>(4,457,348)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>							
Gifts, bequests and donations (Note 3)	-	-	1,389,392	-	112,549	-	1,501,941
Contributions - capital campaign (Note 4)	-	-	-	446,173	-	-	446,173
Interest and dividends	13,106	3,925	12,838	3,936	42,485	-	76,290
Gain on extinguishment of debt (Note 12)	-	-	235,300	-	398,400	-	633,700
Grant income	32,000	-	-	-	-	-	32,000
Other income	-	-	137,618	-	-	-	137,618
Net realized and unrealized gains on investments	1,870,020	-	8,510,615	-	414,332	-	10,794,967
Interest expense and stewardship fees - capital campaign (Note 4)	-	-	-	(82,628)	-	-	(82,628)
Depreciation expense (Note 7)	-	-	(336,183)	-	-	-	(336,183)
Total non-operating revenues (expenses)	<u>1,915,126</u>	<u>3,925</u>	<u>9,949,580</u>	<u>367,481</u>	<u>967,766</u>	<u>-</u>	<u>13,203,878</u>
Change in net assets available for benefits	<u>1,820,903</u>	<u>(3,456,942)</u>	<u>11,382,219</u>	<u>367,481</u>	<u>(1,367,131)</u>	<u>-</u>	<u>8,746,530</u>
Net asset funding to/(from) Funding Trust	-	3,500,000	(4,403,269)	403,269	500,000	-	-
<b>NET ASSETS AVAILABLE FOR BENEFITS:</b>							
Beginning of year	8,086,520	1,240,462	45,197,460	7,599,940	8,054,180	-	70,178,562
End of year	<u>\$ 9,907,423</u>	<u>\$ 1,283,520</u>	<u>\$ 52,176,410</u>	<u>\$ 8,370,690</u>	<u>\$ 7,187,049</u>	<u>\$ -</u>	<u>\$ 78,925,092</u>

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
 Combining Statements of Changes in Net Assets Available for Benefits  
 For the year ended June 30, 2020

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

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**Regina Cleri Trust -**  
**Statement of Activities and Changes in Net Assets Available for Benefits**  
**For the year ended June 30, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>OPERATING REVENUE:</b>			
Room and board assessments	\$ 137,670	\$ -	\$ 137,670
Room and board for non-military	1,157,424	-	1,157,424
Miscellaneous income	5,468	-	5,468
Total operating revenue	<u>1,300,562</u>	<u>-</u>	<u>1,300,562</u>
<b>OPERATING EXPENSES:</b>			
Salaries and related	2,588,034	-	2,588,034
Facility rental and related	246,148	-	246,148
Food, supplies and other	399,850	-	399,850
Utilities and communications	289,685	-	289,685
Contract labor	68,177	-	68,177
Repairs and maintenance	43,565	-	43,565
Total operating expenses	<u>3,635,459</u>	<u>-</u>	<u>3,635,459</u>
Changes in net assets from operations	<u>(2,334,897)</u>	<u>-</u>	<u>(2,334,897)</u>
<b>NON-OPERATING ACTIVITY:</b>			
Net realized and unrealized gain on investments	484,742	8,779	493,521
Gifts, bequests and donations	112,549	-	112,549
Gain on extinguishment of debt	398,400	-	398,400
Interest and dividend income	42,485	-	42,485
Investment return designated for unrestricted	-	(79,189)	(79,189)
Total non-operating activity	<u>1,038,176</u>	<u>(70,410)</u>	<u>967,766</u>
Changes in net assets	<u>(1,296,721)</u>	<u>(70,410)</u>	<u>(1,367,131)</u>
Net asset funding from Funding Trust	500,000	-	500,000
Net assets, beginning of year	<u>6,744,206</u>	<u>1,309,974</u>	<u>8,054,180</u>
Net assets, end of year	<u>\$ 5,947,485</u>	<u>\$ 1,239,564</u>	<u>\$ 7,187,049</u>

**ARCHDIOCESE OF BOSTON CLERGY TRUST**  
**Regina Cleri Trust -**  
**Statement of Activities and Changes in Net Assets Available for Benefits**  
**For the year ended June 30, 2020**

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



*The Clergy Trust team congratulates*

## **Joe D'Arrigo**

*on his retirement and thanks him for  
his leadership and dedication to all the  
priests of the Archdiocese of Boston.*





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*The doors featured in this report are from churches across the Archdiocese of Boston.*

