

**ROMAN CATHOLIC DIOCESE  
OF SYRACUSE, NEW YORK**

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*FINANCIAL STATEMENTS*

June 30, 2018 and 2017

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Dermody, Burke & Brown, CPAs, LLC

## **INDEPENDENT AUDITORS' REPORT**

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### **FINANCE COUNCIL ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the **ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**, which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 the entity'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.

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## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Roman Catholic Diocese of Syracuse, New York as of June 30, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying information on pages 25 to 31 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements and certain additional procedures, including comparing and reconciling such 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 information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*DERMODY, BURKE & BROWN*

**DERMODY, BURKE & BROWN, CPAs, LLC**

Syracuse, New York

October 25, 2018

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

**AUDITED FINANCIAL STATEMENTS**

**STATEMENTS OF FINANCIAL POSITION**

June 30, 2018 and 2017

**ASSETS**

	<b>2018</b>	<b>2017</b>
Cash	\$ 2,315,775	\$ 3,518,266
Accounts Receivable, Net	2,346,582	1,642,783
Mortgages and Notes Receivable, Net	2,412,562	2,081,581
Prepaid Expenses and Other Assets	419,690	501,522
Investments:		
Collateral Held by Others	14,481,177	30,240,300
Restricted for Specific Use	2,817,890	2,656,479
Investments in Non-Affiliated Entities	195,376	314,565
Designated for Self Insurance Program	15,379,347	4,516,588
Total Investments	32,873,790	37,727,932
Land, Buildings and Equipment, Net of Accumulated Depreciation	2,736,936	7,528,027
<b>TOTAL ASSETS</b>	<b>\$ 43,105,335</b>	<b>\$ 53,000,111</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 1,276,561	\$ 975,015
Accrued Insurance Reserves	6,646,508	6,502,623
Deferred Income	344,670	325,045
Due to Affiliated Organizations	4,033,382	7,171,835
Liability for Custodial Accounts	257,062	294,421
Notes Payable	0	2,500,000
Accrued Independent Reconciliation Compensation Program	10,927,500	0
Pension Obligation	18,715,949	23,179,606
Total Liabilities	42,201,632	40,948,545
<b>NET ASSETS</b>		
Unrestricted	903,703	12,051,566
Total Net Assets	903,703	12,051,566
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 43,105,335</b>	<b>\$ 53,000,111</b>

See notes to financial statements.

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**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

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**STATEMENTS OF ACTIVITIES**

Years Ended June 30, 2018 and 2017

	<b>2018</b>	<b>2017</b>
<b>REVENUE AND SUPPORT</b>		
Contributions	\$ 735,933	\$ 557,005
Hope Appeal Grant from Foundation	3,911,372	4,166,448
Fees and Other Services	<u>180,548</u>	<u>184,407</u>
 Total Revenue and Support from Program Services	 4,827,853	 4,907,860
 <b>PROGRAM SERVICES</b>		
Education	929,778	965,044
Catholic School Office Support	284,827	292,116
Community Service	908,017	946,010
Pastoral	304,949	347,441
Evangelization	217,201	187,403
Hospital Ministry	226,237	219,609
Family and Respect for Life	357,290	277,863
Youth and Young Adult	811,341	791,975
Retreat House	71,000	25,000
Communications	361,833	312,161
Vicar for Parishes	111,743	142,298
Marriage Tribunal	65,093	65,397
Other	<u>178,562</u>	<u>264,021</u>
 Total Program Service Expenses	 <u>4,827,871</u>	 <u>4,836,338</u>
 Change in Unrestricted Net Assets from Program Services	 (18)	 71,522
 <b>OPERATIONS</b>		
Syracuse Catholic Insurance Fund, Net	2,997,209	2,855,453
Catholic School Fund, Net	419,271	43,676
Plant Fund, Net	(593,271)	(649,655)
Central Administration Support Services, Net	<u>(513,836)</u>	<u>(247,977)</u>
 Total Operations	 <u>2,309,373</u>	 <u>2,001,497</u>
 Change in Unrestricted Net Assets before Non-Operating Activity	 2,309,355	 2,073,019

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See notes to financial statements.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

**STATEMENTS OF ACTIVITIES**

Years Ended June 30, 2018 and 2017

	<b>2018</b>	<b>2017</b>
CHANGE IN UNRESTRICTED NET ASSETS BEFORE NON-OPERATING ACTIVITY	\$ 2,309,355	\$ 2,073,019
NON-OPERATING ACTIVITY		
Investment Fund, Net	2,637,658	3,474,876
Lay Pension Plan Contributions	(4,100,000)	(4,231,736)
Capital Contributions	(210,296)	(313,281)
Transfer to Foundation	0	(71,939)
Depreciation	(727,973)	(305,383)
Bad Debt Recoveries	96,848	75,252
Total Non-Operating Activity	<u>(2,303,763)</u>	<u>(1,372,211)</u>
Change in Unrestricted Net Assets before Pension Obligation Adjustment and Independent Reconciliation Compensation Program	5,592	700,808
Pension Obligation Adjustment Independent Reconciliation Compensation Program	<u>4,463,657</u> <u>(11,606,133)</u>	<u>8,024,531</u> <u>0</u>
Change in Unrestricted Net Assets	(7,136,884)	8,725,339
Net Assets, Beginning of Year	12,051,566	7,558,146
Transfer of Land, Building and Equipment - Diocesan Schools	(4,028,517)	0
Transfer of Net Assets - Diocesan Foundation to Catholic School Fund	17,538	0
Transfer of Net Assets - Diocesan Foundation	<u>0</u>	<u>(4,231,919)</u>
Net Assets, End of Year	<u>\$ 903,703</u>	<u>\$ 12,051,566</u>

See notes to financial statements.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

**STATEMENTS OF CASH FLOWS**

Years Ended June 30, 2018 and 2017

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (7,136,884)	\$ 8,725,339
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation Expense	727,973	305,383
Unrealized Loss on Investments	432,563	3,608,879
Realized Gain on Investments	(2,578,884)	(6,579,988)
Bad Debt Recoveries	(257,157)	(82,876)
Pension Obligation Adjustment	(4,463,657)	(8,024,531)
Pension Plan Contribution Paid Directly from Investments	4,100,000	2,600,000
Donated Land	0	(92,000)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(446,642)	285,952
Prepaid Expenses and Other Assets	81,832	89,875
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	301,546	192,977
Accrued Insurance Reserves	143,885	(400,451)
Deferred Income	19,625	99,176
Due to Affiliated Organizations	(3,138,453)	584,007
Liability for Custodial Accounts	(37,359)	(46,235)
Accrued Independent Reconciliation Compensation Program	10,927,500	0
Net Cash Provided By (Used In) Operating Activities	(1,324,112)	1,265,507
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Building and Equipment Additions	(41,072)	(140,888)
Proceeds from Disposal of Land	93,211	4,500
Investment Activity - Net	400,463	(302,859)
Notes and Mortgage Receivables - Net Change	(330,981)	(46,024)
Net Cash Provided By (Used In) Investing Activities	121,621	(485,271)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Notes Payable	0	3,290,932
Payments on Notes Payable	0	(2,160,000)
Net Cash Provided By Financing Activities	0	1,130,932
Net Change in Cash	(1,202,491)	1,911,168
Cash, Beginning of Year	3,518,266	1,607,098
Cash, End of Year	\$ 2,315,775	\$ 3,518,266

See notes to financial statements.



## ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

#### NOTE 1 – NATURE OF OPERATIONS

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The Roman Catholic Diocese of Syracuse, New York (the “Diocese”) was established on October 28, 1886 to serve the Catholic Community in Central and South Central New York. The Diocese serves approximately 238,000 Catholics residing in the following seven New York State counties: Broome, Chenango, Cortland, Madison, Oneida, Onondaga and Oswego. The primary activity of the Diocese is to provide support to the other independent legal entities of the Diocese in achieving the mission of Evangelization.

#### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

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##### **Financial Statement Presentation**

The financial statements include the administrative and program offices of the Roman Catholic Diocese of Syracuse. On July 1, 2015, Trinity Catholic, Rome Catholic and St. Patrick’s schools were moved into the programs of the Diocese and net assets of \$470,425 were transferred to the Diocese. The financial statements reflect the activities of the schools for years ended June 30, 2018 and 2017.

##### **Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting. The Diocese reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. There are no temporarily or permanently restricted net assets as of June 30, 2018 and 2017.

##### **Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Diocese uses the indirect method of reporting net cash flows from operating activities and considers all short-term investments with an original maturity of three months or less to be cash equivalents. At June 30, 2018 and 2017, there were no cash equivalents included in cash.

The Diocese places its operating cash holdings with several financial institutions and thus all cash held in excess of the FDIC insurable limit is subject to the solvency of those particular financial institutions. From time to time throughout the year bank balances exceeded insurance limits and management considered those circumstances to be a normal business risk.

##### **Investments**

The Diocese reports investments at fair value. Fair value is determined principally on the basis of quoted market prices. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the net change in net assets.

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**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018 and 2017

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

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**Investments – Continued**

Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and obligations and the level of uncertainty related to changes in the value of these investments, it is at least reasonably possible that changes in risk in the near term would materially affect the amounts reported in the statements of financial position and the statements of activities.

Investment designations are as follows:

- Collateral Held by Others – This consists of the maximum amount of investments required to meet bank requirements for debt agreements. The table below outlines the maximum collateral required and collateral pledged. At June 30, 2018, the \$10,000,000 of debt available from the portfolio loan account facility has not been included in the table below as any borrowings require the permission of another financial institution. See also Notes 8 and 9.

Description	<b>2018</b>			
	Debt Available	Maximum Collateral Required	Outstanding Debt at June 30	Collateral Required at June 30
Portfolio Loan Account Facility	\$ 0	\$ 0	\$ 0	\$ 0
Letters of Credit	6,540,000	6,540,000	0	6,540,000
Line-of-Credit	5,000,000	5,000,000	0	0
Line-of-Credit	2,500,000	2,941,177	0	0
Total	<u>\$ 14,040,000</u>	<u>\$ 14,481,177</u>	<u>\$ 0</u>	<u>\$ 6,540,000</u>

Description	<b>2017</b>			
	Debt Available	Maximum Collateral Required	Outstanding Debt at June 30	Collateral Required at June 30
Portfolio Loan Account Facility	\$ 10,000,000	\$ 16,000,000	\$ 0	\$ 0
Letters of Credit	6,540,300	6,540,300	0	6,540,300
Line-of-Credit	2,500,000	3,850,000	0	0
Term Loan	2,500,000	3,850,000	2,500,000	3,850,000
Total	<u>\$ 21,540,300</u>	<u>\$ 30,240,300</u>	<u>\$ 2,500,000</u>	<u>\$ 10,390,300</u>

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**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018 and 2017

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

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**Investments – Continued**

- Restricted for Specific Use – This consists mainly of investments restricted for Hope Appeal Ministries, the elementary schools and various other departments within the Diocese.
- Investments in Non-Affiliated Entities – This consists of investments in the National Catholic Risk Retention Group, Inc. and the D.W. Barry Foundation. The investment in the D.W. Barry Foundation was sold in December 2017.
- Self-Insurance Program – This consists of investments designated for potential uninsured losses.

**Non-Cash Investing and Financing Activities**

At June 30, 2018 and 2017, non-cash investing and financing activities are as follows:

	<b>2018</b>	<b>2017</b>
Proceeds from Note Payable Deposited into Investments	\$ 0	\$ 1,000,000
Investments Used to Pay Down Notes Payable	(2,500,000)	(5,500,000)
Proceeds from Note Payable to Pay Financing Fees	0	2,934
Proceeds from Note Payable Loaned to Affiliate	<u>0</u>	<u>1,706,134</u>
Total Non-Cash Investing and Financing Activities	<u>\$ (2,500,000)</u>	<u>\$ (2,790,932)</u>

**Land, Buildings and Equipment**

Land, buildings and equipment are capitalized at cost when purchased or at fair value at date of donation. Depreciation on buildings and equipment is calculated using the straight-line method over the estimated useful life of the respective asset. All acquisitions of land, buildings and equipment in excess of \$25,000 and all expenditures for repairs and maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. Maintenance and repairs are charged to expense when incurred.

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018 and 2017

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

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**Contributions**

The Diocese recognizes contributions received as either unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reflected in the accompanying financials statements as unrestricted contributions.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Tax Exempt Status**

No provision for income taxes is required since the Diocese is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, and under similar requirements of New York State law, no provision has been made for federal or state taxes.

Management is not aware of any unrelated business activities that may be subject to unrelated business income tax or any activities that would jeopardize the Diocese's tax exempt status.

**Subsequent Events**

Management has evaluated subsequent events through October 25, 2018, which is the date the financial statements were available to be issued.

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018 and 2017

**NOTE 3 – ACCOUNTS RECEIVABLE**

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Accounts receivable consist mainly of amounts due for insurance premiums and program services provided to participating Diocesan entities. An allowance for uncollectible accounts is maintained, which is based on management's assessment of the collectability of accounts receivable. The allowance for uncollectible accounts was \$707,977 and \$997,456 at June 30, 2018 and 2017, respectively.

**NOTE 4 – MORTGAGES AND NOTES RECEIVABLE**

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Mortgages and notes receivable consist of loans to Diocesan entities at various interest rates and terms of repayment. An allowance for uncollectible accounts is maintained, which is based on management's assessment of the collectability of mortgages and notes receivable. The allowance for uncollectible accounts was \$614,195 and \$735,155 at June 30, 2018 and 2017, respectively. See also Note 9.

**NOTE 5 – INVESTMENTS**

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The Diocese's investments consist of corporate equity securities, government and corporate bonds, exchange-traded and closed-ended funds, and cash equivalents. These investments are subject to market and credit risks due to changes in market conditions and interest rates. Corporate equity securities are subject to market value changes associated with publicly held equity securities. Government and corporate values will fluctuate due to interest rate changes. The Diocese utilizes the services of outside money managers for the majority of its investments.

The Diocese operates a cooperative investment and deposit program for the mutual benefit of Diocesan organizations, parishes, and related organizations. The Syracuse Diocesan Investment Fund (SDIF) consists mainly of cash equivalents and mutual funds.

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**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018 and 2017

**NOTE 5 – INVESTMENTS – Continued**

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Investments by category are summarized below:

	<b>2018</b>	<b>2017</b>
Cash Equivalents	\$ 4,150,589	\$ 5,819,576
Equity Securities	11,916,222	12,773,541
Governmental and Corporate Bonds	9,097,184	8,022,339
Exchange-Traded and Closed-Ended Funds	4,824,583	8,117,458
Other Investments	<u>2,885,212</u>	<u>2,995,018</u>
Total	<u>\$ 32,873,790</u>	<u>\$ 37,727,932</u>

Net investment activity consists of the following:

	<b>2018</b>	<b>2017</b>
Dividends and Interest	\$ 837,845	\$ 816,466
Realized Gain	2,578,884	6,579,988
Investment and Affiliation Fees	(295,185)	(274,590)
Unrealized Loss	<u>(432,563)</u>	<u>(3,608,879)</u>
Total	<u>\$ 2,688,981</u>	<u>\$ 3,512,985</u>

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018 and 2017

**NOTE 5 – INVESTMENTS – Continued**

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**Fair Value Measurements**

Guidance provided by the Financial Accounting Standards Board defines 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 date. When measuring fair value, a fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability.

The three levels of the fair value hierarchy are described below:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018 and 2017

**NOTE 5 – INVESTMENTS – Continued**

**Fair Value Measurements – Continued**

Fair values of assets measured utilizing the levels of the fair value hierarchy as of June 30, 2018 and 2017:

**Fair Value Measurements at June 30, 2018**

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 4,150,589	\$ 0	\$ 0	\$ 4,150,589
Equity Securities	11,916,222			11,916,222
Governmental and Corporate Bonds	9,097,184	0	0	9,097,184
Exchange Traded Funds and Close Ended Funds	4,824,583	0	0	4,824,583
Syracuse Diocesan Investment Funds	0	2,618,925	0	2,618,925
Other Investments	<u>0</u>	<u>0</u>	<u>266,287</u>	<u>266,287</u>
Total Investments	<u>\$ 29,988,578</u>	<u>\$ 2,618,925</u>	<u>\$ 266,287</u>	<u>\$ 32,873,790</u>

**Fair Value Measurements at June 30, 2017**

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 5,819,576	\$ 0	\$ 0	\$ 5,819,576
Equity Securities	12,773,541			12,773,541
Governmental and Corporate Bonds	8,022,339	0	0	8,022,339
Exchange Traded Funds and Close Ended Funds	8,117,458	0	0	8,117,458
Syracuse Diocesan Investment Funds	0	2,680,453	0	2,680,453
Other Investments	<u>0</u>	<u>0</u>	<u>314,565</u>	<u>314,565</u>
Total Investments	<u>\$ 34,732,914</u>	<u>\$ 2,680,453</u>	<u>\$ 314,565</u>	<u>\$ 37,727,932</u>

Following is a summary of activity in Level 3 Investments:

	2018	2017
Level 3 Investments - Beginning of Year	\$ 314,565	\$ 350,230
D.W. Barry Foundation - Net Activity	(119,189)	(35,665)
Net Investment Activity	<u>70,911</u>	<u>0</u>
Level 3 Investments - End of Year	<u>\$ 266,287</u>	<u>\$ 314,565</u>



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**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018 and 2017

**NOTE 6 – LAND, BUILDINGS AND EQUIPMENT**

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The summary of land, buildings and equipment is as follows:

	<b>2018</b>	<b>2017</b>
Land	\$ 755,100	\$ 1,791,638
Furniture and Fixtures	220,171	1,218,818
Buildings and Improvements	6,248,538	20,833,655
Equipment	785,189	1,044,695
Automobiles	<u>165,003</u>	<u>185,621</u>
Total Land, Buildings and Equipment	8,174,001	25,074,427
Less: Accumulated Depreciation	<u>5,437,065</u>	<u>17,546,400</u>
Net Land, Buildings and Equipment	<u>\$ 2,736,936</u>	<u>\$ 7,528,027</u>

During 2018, land, buildings and equipment with a net book value of \$4,028,517 were transferred to Diocesan schools.

Depreciation expense for the years ended June 30, 2018 and 2017 totaled \$727,973 and \$305,383, respectively.

**NOTE 7 – INSURANCE RESERVES**

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The Diocese maintains self-insurance plans for property and general liability, workers' compensation, disability, unemployment compensation and health care insurance for participating Diocesan entities. The health care insurance plan maintains stop-loss coverage for individual claims. Each Diocesan entity is charged its share of the estimated costs of claims, administration fees and excess coverage insurance policy premiums.

The self-insurance plan for property and general liability coverage includes an excess of loss insurance coverage purchased from outside insurance carriers. Generally, amounts are recoverable under this coverage after the amount of a specific claim has exceeded a specified retention limit.

Accrued reserve liabilities of \$6,646,508 and \$6,502,623, respectively, have been established to cover claims in the various self-insured programs. Reserve estimates for reported claims are determined by evaluation of individual reported claims by the Plan Administrator. Procedures for establishing the resulting liabilities are periodically reviewed and updated. Any adjustments resulting therefrom are reflected in current operations.

## ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

#### NOTE 8 – LINES-OF-CREDIT

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On June 30, 2017, the Diocese entered into a secured line-of-credit agreement for \$2,500,000 with a financial institution. In April 2018, the line-of-credit was increased to \$5,000,000 and expires April 2019. The line-of-credit is wholly secured by the investments held by the financial institution. Under the terms of the new agreement, the Diocese may not borrow on a separate portfolio loan account facility with an investment broker without permission from the financial institution. The terms of the new agreement also call for monthly interest only payments at 2.00% over LIBOR overnight rate. There was no outstanding balance at June 30, 2018 and 2017.

On May 3, 2018, the Diocese entered into a secured line-of-credit agreement for \$2,500,000 with another financial institution. The line-of-credit is wholly secured by the investments held by the financial institution. The terms of the agreement call for monthly interest only payments at 1.50% over the one-month LIBOR. There was no outstanding balance at June 30, 2018.

The LIBOR overnight rate at June 30 2018 was 1.93%. The LIBOR one-month rate at June 30, 2018 and 2017 was 2.09% and 1.23%, respectively.

#### NOTE 9 – LETTERS OF CREDIT AND NOTES PAYABLE

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##### Letters of Credit

The Diocese has a workers compensation letter of credit in the amount of \$5,300,000 which matures on February 28, 2019. The Diocese also has a health insurance standby letter of credit in the amount of \$1,240,300, which was decreased to \$1,100,000 effective July 1, 2018. No balances were outstanding on the letters of credit as of June 30, 2018. The terms of the letters of credit require that the Diocese maintain a minimum cash and unrestricted investments balance greater than one times the letters of credit measured quarterly. The Diocese met this requirement for the year ended June 30, 2018.

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**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018 and 2017

**NOTE 9 – LETTERS OF CREDIT AND NOTES PAYABLE –**

Continued

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**Notes Payable**

The Diocese has a portfolio loan account facility with an investment broker. The maximum amount of credit available is based on the maximum lending value of pledged collateral. The amount outstanding bears interest at 1.25% over LIBOR and is collateralized by investments. The Diocese may not borrow on this portfolio loan account facility without the permission of the financial institution with whom they have the \$5,000,000 line-of-credit. There were no outstanding balances at June 30, 2018 and 2017. As of June 30, 2018, the amount of credit available was approximately \$10,000,000.

In June 2017, the Diocese entered into a term loan agreement for \$2,500,000 with another financial institution for the purpose of loaning \$2,000,000 to Catholic Cemeteries of the Roman Catholic Diocese of Syracuse, Inc. The \$2,000,000 loaned is included in mortgages and notes receivable on the statements of financial position. The \$2,500,000 loan was for sixty months and carried monthly interest only payments at 3.15% with all remaining principal due at maturity in June 2022. The loan was collateralized by properly margined cash and marketable securities held by the Diocese and housed with the financial institution. At June 30, 2017, there was an outstanding balance of \$2,500,000, which was paid in full as of June 30, 2018.

Cash paid for interest was \$51,323 and \$38,109 for the years ended June 30, 2018 and 2017, respectively.

**NOTE 10 – INDEPENDENT RECONCILIATION  
COMPENSATION PROGRAM**

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The Diocese has established an Independent Reconciliation Compensation Program to allow survivors of sexual abuse by priests or deacons of the Diocese to seek financial compensation. The effective date of the program was February 14, 2018. All claims were required to be submitted to an independent third-party administrator by May 16, 2018. At June 30, 2018, the Diocese has accrued an estimated liability of \$10,927,500 in settlements.

## **ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

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### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018 and 2017

#### **NOTE 11 – TRANSFERS TO DIOCESAN FOUNDATION**

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At June 30, 2017, temporarily restricted net assets of \$2,915,779 relating to the Hope Appeal's 2015 and prior campaigns were transferred to the Foundation and are included in the due to affiliated organizations on the statements of financial position.

Temporarily restricted net assets of \$250,000 relating to Trinity Catholic School's scholarship fund were transferred to the Foundation on June 30, 2017. This amount is also included in the due to affiliated organizations on the statements of financial position.

Also, at June 30, 2017, the Bishop's Discretionary Fund totaling \$1,066,140 was transferred to the Foundation. This amount is also included in the due to affiliated organizations on the statements of financial position.

As of June 30, 2018, these monies have been paid to the Foundation.

#### **NOTE 12 – LITIGATIONS AND CLAIMS**

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Various legal actions are pending against the Diocese. The outcome of these matters is not presently determinable, but in the opinion of management under current New York State law, the Diocese is adequately protected by purchased insurance coverage and by insurance reserves, and any ultimate resolution will not have a material adverse effect on the financial condition of the Diocese. Management will continue to monitor these matters and adjust insurance reserves as appropriate.

On September 6, 2018, the Diocese received a subpoena from the New York State Attorney General. A Memorandum of Understanding already exists with the local District Attorneys of the Diocese and they have been made aware of any allegation of abuse of a minor and have been provided with the names of those accused along with their status and any information they may request. The Diocese will continue to work closely with the local District Attorneys and will cooperate fully with the New York State Attorney General's investigation.

#### **NOTE 13 – LEASES**

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The Diocese leases vehicles and copy machines under operating leases expiring in various years through July 2021. Future minimum lease payments are \$31,649 for 2019, \$16,417 for 2020, and \$8,043 for 2021. Total lease expense for June 30, 2018 and 2017 amounted to \$31,525 and \$36,373, respectively.

On July 1, 2016, the Diocese entered into an agreement to lease a building to Rome City School District. The terms of the lease call for monthly payments of \$38,000 commencing July 1, 2016 and ending on August 31, 2018. Rent received was \$456,000 in each of the years ended June 30, 2018 and 2017. Minimum rental income is \$76,000 for the year ended June 30, 2019.

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018 and 2017

**NOTE 14 – MULTIEMPLOYER RETIREMENT BENEFIT PLANS**

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**Defined Benefit Pension Plan (Lay Plan)**

The Diocese contributes to the Roman Catholic Diocese of Syracuse Pension Plan which is a multi-employer defined benefit plan. This plan provides retirement income to the lay employees of the Diocese, Parishes, Cemeteries and Schools affiliated with the Diocese. The plan is non-contributory and covers lay employees who meet certain minimum service requirements. The plan is a “church plan” which exempts it from certain requirements enumerated by ERISA and the Department of Labor. Participation in the plan for new employees has been frozen as of July 1, 2011. New employees are eligible to participate in a Diocesan sponsored 403 (b) plan.

Participating organizations have a responsibility to contribute to the plan amounts as may be required to meet minimum funding standards. The Diocese’s current year’s contribution for all eligible employees totaled \$-0- and \$224,712 in 2018 and 2017, respectively. The Diocese also paid \$4,100,000 in additional contributions as a means of reducing the unfunded status of the plan for each year ended June 30, 2018 and 2017. The Trustees of the Plan have the option to terminate the Plan at any time and pay out all participants in the Plan at the then current funded rate.

**Plan Summary**

A summary of the actuarial information used in determining the unfunded status of the plan is described below:

- Active and retired participants in the plan at the end of 2018 and 2017 totaled 1,098 and 1,104, respectively.
- In conjunction with various third party administrators, the Diocese assists in administering the plan.
- Benefits are based on years of service and the employee’s compensation during their years of employment.
- The Roman Catholic Diocese of Syracuse, New York contributes annually a prorated share of the total liability as determined by the actuary.
- The contribution for all eligible employees totaled \$4,952,374 and \$5,179,313 in 2018 and 2017, respectively.
- Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future.
- Benefit payments totaled \$2,202,400 and \$3,703,971 in 2018 and 2017, respectively.

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**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018 and 2017

**NOTE 14 – MULTIEMPLOYER RETIREMENT BENEFIT**

**PLANS – Continued**

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The following sets forth the plan's funded status as of June 30, 2018 and 2017 from the most recent actuarial study, which was prepared for the June 30, 2018 and 2017 plan year. The changes in the benefit obligation and fair value of plan assets, the funded status of the plan, the components of net periodic pension cost and the assumptions used in the measurement of the Diocese's benefit obligation are as follows:

	<b>2018</b>	<b>2017</b>
<b>CHANGE IN BENEFIT OBLIGATION</b>		
Projected Benefit Obligation at the Beginning of the Year:	\$ 46,633,023	\$ 50,811,321
Service Cost	466,061	447,061
Interest Cost	1,930,149	2,030,667
Actuarial Gain	(37,985)	(2,952,055)
Benefits Paid	<u>(2,202,400)</u>	<u>(3,703,971)</u>
Projected Benefit Obligation at the End of the Year	<u>\$ 46,788,848</u>	<u>\$ 46,633,023</u>
<b>CHANGE IN PLAN ASSETS</b>		
Fair Value of Plan Assets at the Beginning of the Year:	\$ 23,453,417	\$ 19,607,184
Actual Return on Plan Assets	1,869,508	2,370,891
Contributions	4,952,374	5,179,313
Benefits Paid	<u>(2,202,400)</u>	<u>(3,703,971)</u>
Fair Value of Plan Assets at the End the Year	<u>\$ 28,072,899</u>	<u>\$ 23,453,417</u>
<b>FUNDED STATUS:</b>		
Unfunded Status of Plan	<u>\$ 18,715,949</u>	<u>\$ 23,179,606</u>

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018 and 2017

**NOTE 14 – MULTIEMPLOYER RETIREMENT BENEFIT**

**PLANS – Continued**

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For the fiscal years ending June 30, 2018 and 2017, the net periodic pension cost included the following components:

	<b>2018</b>	<b>2017</b>
Service Cost	\$ 466,061	\$ 447,061
Interest Cost	1,930,149	2,030,667
Expected Return on Assets	(1,677,485)	(1,358,372)
Amortization of Net Loss	<u>373,850</u>	<u>718,399</u>
Net Periodic Pension Cost	<u>\$ 1,092,575</u>	<u>\$ 1,837,755</u>

The accumulated benefit obligation totaled \$45,333,011 and \$45,071,526 at June 30, 2018 and 2017, respectively.

The total amount recognized in net periodic cost and unrestricted net assets totaled \$488,717 and \$(2,845,218) in 2018 and 2017, respectively.

The total change recognized in unrestricted net assets amounted to \$(603,858) and \$(4,682,973) in 2018 and 2017, respectively.

The plan assets are measured at fair value on a recurring basis. Fair value is defined as the price that would be received to sell an asset in an ordinary transaction between market participants at the measurement date. Accounting standards establish a three level hierarchy based upon the prioritization of inputs to measure fair value. All the plan assets have been designated as Level 1. Fair value at this level is determined by quoted prices in active markets for identical assets.

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**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018 and 2017

**NOTE 14 – MULTIEMPLOYER RETIREMENT BENEFIT**

**PLANS – Continued**

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The Diocese's share of plan assets as of June 30, 2018 and 2017 were as follows:

	<b>2018</b>	<b>2017</b>
Investments at Fair Value (Level 1):		
Cash and Money Market Fund	\$ 808,736	\$ 704,551
Emerging Markets	2,657,136	1,906,481
International Core Equity	4,527,040	3,844,908
Real Estate Securities	1,542,359	1,306,514
U.S. Core Equity	8,934,583	6,966,482
Short-Term Government	9,603,045	8,724,481
	<hr/>	<hr/>
Total	<u>\$ 28,072,899</u>	<u>\$ 23,453,417</u>

Long-term investment objectives are to maintain plan assets that will assist in covering long-term obligations and to generate a return on plan assets sufficient to off-set the growth of obligations. A diversified portfolio and various risk management techniques are used to achieve these objectives.

The discount rate used in determining the actuarial present value of the projected benefit obligation was 4.25% in both 2018 and 2017. The expected long-term return on plan assets was 7% in both 2018 and 2017. The rate of compensation increase was 2.5% in both 2018 and 2017. The discount rates were selected to reflect the interest rate environment at the respective measurement dates. The expected long-term rate of return assumptions were selected to represent reasonable expectations of future experience.



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**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018 and 2017

**NOTE 14 – MULTIEMPLOYER RETIREMENT BENEFIT PLANS** – Continued

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Plan benefits expected to be paid by the Diocese for the next ten years are as follows:

2019	\$ 2,493,595
2020	2,578,408
2021	2,643,961
2022	2,707,788
2023	2,770,072
2024-2028	<u>14,796,398</u>
Total	<u>\$ 27,990,222</u>

Plan contributions expected to be paid by the Diocese in 2019 amount to \$1,300,000.

For both 2018 and 2017, the sex-distinct RP-2014 mortality tables for employees and healthy annuitants, adjusted backward to 2006 with Scale MP-2014, and then adjusted for mortality improvements with the Scale MP-2015 mortality improvement scale on a generational basis.

**Other Post-Retirement Benefit Plans**

The Retirement Plan for Secular Priests of the Roman Catholic Diocese of Syracuse, New York (the Priests Plan) provides pension benefits to retired priests. As of June 30, 2018, the Priests Plan has an unfunded post-retirement pension liability of approximately \$17,400,000 that is recorded on that legal entity. In addition, the Clerical Fund Society of the Roman Catholic Diocese of Syracuse, New York, Inc. (the Clerical Fund) has recorded an unfunded liability of approximately \$16,300,000 related to post-retirement health care benefits for retired priests. It is anticipated that the majority of the \$33,700,000 of unfunded post-retirement liabilities in these two separate legal entities will be funded by The Robert L. McDevitt, K.S.G., K.C.H.S. and Catherine H. McDevitt, L.C.H.S. Foundation, Inc. (the Foundation). One of the stated purposes of the Foundation is to provide for the retirement and welfare of the priests of the Diocese of Syracuse. Distributions from the Foundation to the Priests Plan was \$1,172,006 and \$1,143,789 in 2018 and 2017, respectively. Distributions from the Foundation to the Clerical Fund was \$915,657 and \$1,222,111 in 2018 and 2017, respectively. As of June 30, 2018, the Foundation has the funds available to meet these liabilities. The Diocese would be required to meet these liabilities if the Foundation was unable to meet these liabilities.

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018 and 2017

**NOTE 15 – CONTINGENCIES**

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**Debt Guarantees**

The Diocese is a guarantor of the following debt:

- \$250,000 M&T Bank line-of-credit to Bishop Ludden Jr./Sr. High School – no amount outstanding at June 30, 2018.
- \$100,000 M&T Bank line-of-credit to Bishop Grimes Jr./Sr. High School – no amount outstanding at June 30, 2018.

The Diocese has determined that no liability is necessary for the guarantee of debt at June 30, 2018 and 2017.

OTHER FINANCIAL INFORMATION

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**SCHEDULE OF SYRACUSE CATHOLIC INSURANCE FUND**

Year Ended June 30, 2018 with Comparative Totals for June 30, 2017

	PSI	Health
REVENUE		
Insurance Premiums	\$ 4,720,222	\$ 18,204,287
Rebates	<u>0</u>	<u>1,051,436</u>
Total Revenue	4,720,222	19,255,723
EXPENSES		
Administrative and Operational	309,483	1,215,844
Insurance - Outside Carrier	1,582,111	424,987
Insurance - Claims Paid	1,444,834	14,352,513
Insurance - Claims Accrued	(65,092)	214,167
Program Expense - Departments	<u>935,819</u>	<u>671,026</u>
Total Expenses	<u>4,207,155</u>	<u>16,878,537</u>
CHANGE IN NET ASSETS	513,067	2,377,186
Net Assets at Beginning of Year	4,476,825	16,827,529
Transfer to Investment Fund for Lay Pension Plan Contribution	0	0
Net Asset Rebalancing	10,528,913	(15,356,744)
Independent Reconciliation Compensation Program	<u>(11,606,133)</u>	<u>0</u>
Net Assets at End of Year	<u>\$ 3,912,672</u>	<u>\$ 3,847,971</u>

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

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<b>Unemployment</b>	<b>Disability</b>	<b>2018</b>	<b>Total</b>	<b>2017</b>
\$ 509,878	\$ 323,394	\$ 23,757,781		\$ 23,869,871
<u>0</u>	<u>0</u>	<u>1,051,436</u>		<u>807,914</u>
509,878	323,394	24,809,217		24,677,785
110,200	118,000	1,753,527		1,994,749
0	0	2,007,098		2,048,591
303,057	195,059	16,295,463		16,452,330
0	0	149,075		(389,873)
<u>0</u>	<u>0</u>	<u>1,606,845</u>		<u>1,716,535</u>
<u>413,257</u>	<u>313,059</u>	<u>21,812,008</u>		<u>21,822,332</u>
96,621	10,335	2,997,209		2,855,453
1,198,832	691,608	23,194,794		22,939,341
0	0	0		(2,600,000)
(1,220,544)	(661,060)	(6,709,435)		0
<u>0</u>	<u>0</u>	<u>(11,606,133)</u>		<u>0</u>
<u>\$ 74,909</u>	<u>\$ 40,883</u>	<u>\$ 7,876,435</u>		<u>\$ 23,194,794</u>

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See notes to financial statements.

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**SCHEDULE OF CATHOLIC SCHOOL FUND**

Year Ended June 30, 2018

**STATEMENT OF NET ASSETS**

	<b>Trinity</b>
<b>ASSETS</b>	
Cash and Investments	\$ 589,879
Accounts Receivable, Net	2,880
Fixed Assets, Net	109,406
Other	<u>345</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 702,510</u></u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 1,192
Due to Foundation	0
Loans from Diocese	0
Other	<u>32,820</u>
Total Liabilities	34,012
<b>NET ASSETS</b>	<u>668,498</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 702,510</u></u>

**STATEMENT OF ACTIVITIES**

<b>REVENUE</b>	
Tuition Billed	\$ 743,830
Tuition Waivers and Discounts	<u>(121,608)</u>
Net Tuition	622,222
Foundation Grants	13,941
Net Fundraising	143,006
Hope Appeal and Other Grants	13,787
Investment Activity, Net	7,600
Other Income	<u>147,854</u>
Total Revenue	948,410
<b>EXPENSES</b>	
Personnel (S&B)	956,285
Instructional	51,160
Building/Occupancy	95,665
Other Expenses	<u>36,356</u>
Total Expenses	<u>1,139,466</u>
Operating Income (Loss) before Parish Assessments and Hope Appeal	(191,056)
Parish Assessments	<u>285,300</u>
Operating Income (Loss) before Hope Appeal	94,244
Hope Appeal	<u>0</u>
<b>OPERATING INCOME (LOSS)</b>	<u><u>\$ 94,244</u></u>

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**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

Rome	St. Patrick's	CSO/Support	Total
\$ 152,566	\$ 149,797	\$ 0	\$ 892,242
57,975	2,875	0	63,730
0	63,160	0	172,566
<u>0</u>	<u>0</u>	<u>0</u>	<u>345</u>
<u>\$ 210,541</u>	<u>\$ 215,832</u>	<u>\$ 0</u>	<u>\$ 1,128,883</u>
36,903	\$ 11,743	\$ 0	\$ 49,838
0	0	0	0
107,625	0	0	107,625
<u>11,864</u>	<u>7,635</u>	<u>0</u>	<u>52,319</u>
156,392	19,378	0	209,782
<u>54,149</u>	<u>196,454</u>	<u>0</u>	<u>919,101</u>
<u>\$ 210,541</u>	<u>\$ 215,832</u>	<u>\$ 0</u>	<u>\$ 1,128,883</u>
\$ 457,887	\$ 387,893	\$ 0	\$ 1,589,610
<u>(28,966)</u>	<u>(111,418)</u>	<u>0</u>	<u>(261,992)</u>
428,921	276,475	0	1,327,618
0	26,896	0	40,837
13,011	75,492	38,365	269,874
8,900	25,844	0	48,531
414	997	103,923	112,934
<u>409,294</u>	<u>39,493</u>	<u>490,639</u>	<u>1,087,280</u>
860,540	445,197	632,927	2,887,074
670,148	586,929	655,239	2,868,601
30,389	22,045	0	103,594
52,534	41,393	0	189,592
<u>33,279</u>	<u>29,998</u>	<u>262,515</u>	<u>362,148</u>
786,350	680,365	917,754	3,523,935
74,190	(235,168)	(284,827)	(636,861)
<u>276,005</u>	<u>210,000</u>	<u>0</u>	<u>771,305</u>
350,195	(25,168)	(284,827)	134,444
<u>0</u>	<u>0</u>	<u>284,827</u>	<u>284,827</u>
<u>\$ 350,195</u>	<u>\$ (25,168)</u>	<u>\$ 0</u>	<u>\$ 419,271</u>

See notes to financial statements.

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**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

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**SCHEDULES OF PLANT FUND**

Years Ended June 30, 2018 and 2017

	<b>2018</b>	<b>2017</b>
<b>REVENUE</b>		
Assessments	\$ 30,752	\$ 30,495
Service Fees	<u>490,026</u>	<u>284,164</u>
Total Revenue	520,778	314,659
<b>EXPENSES</b>		
Facilities Management	399,627	365,304
Plant Fund	236,345	101,805
Building Occupancy Cost	<u>478,077</u>	<u>497,205</u>
Total Expenses	<u>1,114,049</u>	<u>964,314</u>
<b>PLANT FUND ACTIVITY, NET</b>	<u><u>\$ (593,271)</u></u>	<u><u>\$ (649,655)</u></u>

The Plant Fund is used to account for the acquisition, construction, and maintenance of the physical plant of the Diocese.

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**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

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**SCHEDULES OF CENTRAL ADMINISTRATION SUPPORT SERVICES**

Years Ended June 30, 2018 and 2017

	<b>2018</b>	<b>2017</b>
<b>REVENUE</b>		
Contributions	\$ 0	\$ 250,262
Fees - Other Services	49,869	52,541
Affiliation Fees	1,645,365	1,668,820
Parish Administration Fees	<u>529,246</u>	<u>533,274</u>
Total Revenue	2,224,480	2,504,897
<b>EXPENSES</b>		
Executive Management	702,979	734,210
Development and Fundraising	502,928	505,177
Information Technology	528,158	442,531
Finance and Payroll	577,928	549,140
Banking Fees	67,076	64,954
Lay Pension Plan	0	80,436
Parish Services	48,587	44,555
Chancery Support Services	118,307	117,914
Central Purchasing	132,853	155,503
Archives	<u>59,500</u>	<u>58,454</u>
Total Expenses	<u>2,738,316</u>	<u>2,752,874</u>
<b>CENTRAL ADMINISTRATION SUPPORT SERVICES, NET</b>	<u>\$ (513,836)</u>	<u>\$ (247,977)</u>

Central administration support services provide support to the programs operated by the Diocese.



**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

**SCHEDULE OF INVESTMENT FUND**

Year Ended June 30, 2018 with Comparative Totals for June 30, 2017

	<b>Investment Pool</b>	<b>Deposit and Loan</b>	<b>Total 2018</b>	<b>Total 2017</b>
<b>REVENUE</b>				
Investment Earnings	\$ 837,845	\$ 0	\$ 837,845	\$ 816,466
Realized Gains	2,578,884	0	2,578,884	6,579,988
Unrealized Losses	<u>(432,563)</u>	<u>0</u>	<u>(432,563)</u>	<u>(3,608,879)</u>
Total Revenue	2,984,166	0	2,984,166	3,787,575
<b>EXPENSES</b>				
Investment Fees	115,185	0	115,185	163,988
Affiliation Fees - Support Services	180,000	0	180,000	110,602
Interest Expense	<u>51,323</u>	<u>0</u>	<u>51,323</u>	<u>38,109</u>
Total Expenses	<u>346,508</u>	<u>0</u>	<u>346,508</u>	<u>312,699</u>
<b>CHANGE IN NET ASSETS BEFORE BAD DEBT EXPENSE (RECOVERY)</b>				
	2,637,658	0	2,637,658	3,474,876
Bad Debt Expense (Recovery)	<u>0</u>	<u>112,940</u>	<u>112,940</u>	<u>(8,269)</u>
<b>CHANGE IN NET ASSETS</b>	2,637,658	112,940	2,750,598	3,466,607
Net Assets, Beginning of Year	19,199,498	84,153	19,283,651	16,196,941
Transfer from Insurance Fund for Lay Pension Plan Contribution	0	0	0	2,600,000
Transfer to Lay Pension Plan	0	0	0	(2,600,000)
Transfer to Plant Fund for Capital Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>(379,897)</u>
Net Assets, End of Year	<u>\$ 21,837,156</u>	<u>\$ 197,093</u>	<u>\$ 22,034,249</u>	<u>\$ 19,283,651</u>

See notes to financial statements.