

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

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*FINANCIAL STATEMENTS*

June 30, 2019 and 2018

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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, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the statement of functional expenses for the year ended June 30, 2019, 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, 2019 and 2018, 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 30 to 36 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 24, 2019

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

**AUDITED FINANCIAL STATEMENTS**

**STATEMENTS OF FINANCIAL POSITION**

June 30, 2019 and 2018

**ASSETS**

	<b>2019</b>	<b>2018</b>
Cash	\$ 2,041,244	\$ 2,315,775
Accounts Receivable, Net	2,501,423	2,346,582
Mortgages and Notes Receivable, Net	2,442,687	2,412,562
Prepaid Expenses and Other Assets	427,898	419,690
Investments:		
Collateral Held by Others	14,342,777	14,481,177
Designated for Specific Use	2,605,750	2,817,890
Investment in Non-Affiliated Entity	195,376	195,376
Designated for Self-Insurance Program	11,038,058	15,379,347
Total Investments	28,181,961	32,873,790
Land, Buildings and Equipment, Net of Accumulated Depreciation	2,614,501	2,736,936
<b>TOTAL ASSETS</b>	<b>\$ 38,209,714</b>	<b>\$ 43,105,335</b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable and Accrued Expenses	\$ 687,255	\$ 1,276,561
Accrued Insurance Reserves	5,854,733	6,646,508
Deferred Income	414,291	344,670
Due to Affiliated Organizations	3,425,682	4,033,382
Liability for Custodial Accounts	291,474	257,062
Lines-of-Credit	6,500,000	0
Accrued Independent Reconciliation Compensation Program	60,000	10,927,500
Pension Obligation	18,561,302	18,715,949
Total Liabilities	35,794,737	42,201,632

**NET ASSETS**

Without Donor Restrictions	2,414,977	903,703
Total Net Assets	2,414,977	903,703

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 38,209,714</b>	<b>\$ 43,105,335</b>
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See notes to financial statements.

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

**STATEMENTS OF ACTIVITIES**

Years Ended June 30, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>REVENUE AND SUPPORT</b>		
Contributions	\$ 1,030,154	\$ 735,933
Hope Appeal Grant from Foundation	3,579,753	3,911,372
Fees and Other Services	<u>127,661</u>	<u>180,548</u>
Total Revenue and Support from Program Services	4,737,568	4,827,853
<b>PROGRAM SERVICES</b>		
Faith Formation	237,240	254,778
Tuition Assistance	650,000	675,000
Catholic School Office Support, Net of Revenue of \$562,442 and \$632,927 in 2019 and 2018, Respectively	319,476	284,827
Community Service	875,420	908,017
Pastoral	525,705	304,949
Evangelization	161,030	217,201
Hospital Ministry	193,996	226,237
Family and Respect for Life	375,888	357,290
Youth and Young Adult	678,111	811,341
Retreat House	50,000	71,000
Communications	329,919	361,833
Vicar for Parishes	111,002	111,743
Marriage Tribunal	139,533	65,093
Other	<u>90,248</u>	<u>178,562</u>
Total Program Service Expenses	<u>4,737,568</u>	<u>4,827,871</u>
Change in Net Assets Without Donor Restrictions from Program Services	0	(18)
<b>OPERATIONS</b>		
Syracuse Catholic Insurance Fund, Net	3,637,725	2,997,209
Catholic School Fund, Net	231,083	419,271
Plant Fund, Net	(592,044)	(593,271)
Central Administration Support Services, Net	<u>(509,661)</u>	<u>(513,836)</u>
Total Operations	<u>2,767,103</u>	<u>2,309,373</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE NON-OPERATING ACTIVITY</b>	<u><u>\$ 2,767,103</u></u>	<u><u>\$ 2,309,355</u></u>

See notes to financial statements.

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

**STATEMENTS OF ACTIVITIES**

Years Ended June 30, 2019 and 2018

	<b>2019</b>	<b>2018</b>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE NON-OPERATING ACTIVITY	\$ 2,767,103	\$ 2,309,355
NON-OPERATING ACTIVITY		
Investment Fund, Net	1,237,434	2,637,658
Lay Pension Plan Contributions	(750,000)	(4,100,000)
Capital Contributions	(67,648)	(210,296)
Depreciation	(235,774)	(727,973)
Bad Debt Recoveries	39,330	96,848
Total Non-Operating Activity	223,342	(2,303,763)
Change in Net Assets Without Donor Restrictions before Pension Obligation Adjustment and Independent Reconciliation Compensation Program	2,990,445	5,592
Pension Obligation Adjustment	154,647	4,463,657
Independent Reconciliation Compensation Program	(722,929)	(11,606,133)
Change in Net Assets Without Donor Restrictions	2,422,163	(7,136,884)
Net Assets, Beginning of Year	903,703	12,051,566
Transfer from Clerical Fund	150,358	0
Transfer of Land, Building and Equipment - Diocesan High Schools	0	(4,028,517)
Transfer of Net Assets - Diocesan Elementary Schools	(1,061,247)	0
Transfer of Net Assets - Diocesan Foundation to Catholic School Fund	0	17,538
Net Assets, End of Year	\$ 2,414,977	\$ 903,703

See notes to financial statements.

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**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended June 30, 2019 with Comparative Totals  
for Year Ended June 30, 2018

	<b>Salaries and Wages</b>	<b>Payroll Taxes and Benefits</b>	<b>Occupancy Costs</b>	<b>Office Expenses</b>
Program Services:				
Faith Formation	\$ 179,994	\$ 34,061	\$ 508	\$ 9,013
Tuition Assistance	0	0	0	0
Catholic School Office Support	543,987	62,304	6,924	6,093
Community Service	211,026	63,917	14,537	5,225
Pastoral	220,847	81,291	0	15,239
Evangelization	86,050	26,770	0	7,479
Hospital Ministry	152,787	41,209	0	0
Family and Respect for Life	187,059	41,396	0	2,534
Youth and Young Adult	331,229	73,992	50,613	18,720
Retreat House	0	0	0	0
Communications	101,459	37,197	2,139	3,891
Vicar for Parishes	68,726	29,621	0	3,640
Marriage Tribunal	114,474	22,323	0	2,450
Other	0	0	0	321
	<hr/>	<hr/>	<hr/>	<hr/>
Total Program Services	2,197,638	514,081	74,721	74,605
Management and General:				
Plant Fund	321,743	62,878	350,141	14,694
Central Administration				
Supportive Services	1,317,340	330,300	42,256	284,407
	<hr/>	<hr/>	<hr/>	<hr/>
Total Management and General	1,639,083	393,178	392,397	299,101
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 3,836,721</b>	<b>\$ 907,259</b>	<b>\$ 467,118</b>	<b>\$ 373,706</b>



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

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Program Expenses	Advertising	Administrative Expenses	Depreciation Expense	Total	
				2019	2018
\$ 4,523	\$ 0	\$ 9,141	\$ 0	\$ 237,240	\$ 254,778
650,000	0	0	0	650,000	675,000
179,835	38,636	44,139	0	881,918	917,754
574,872	0	5,843	0	875,420	908,017
169,938	0	38,390	0	525,705	304,949
28,144	1,259	11,328	0	161,030	217,201
0	0	0	0	193,996	226,237
142,654	0	2,245	0	375,888	357,290
192,603	0	10,954	0	678,111	811,341
50,000	0	0	0	50,000	71,000
117,817	63,984	3,432	0	329,919	361,833
5,158	0	3,857	0	111,002	111,743
204	0	82	0	139,533	65,093
74,790	0	15,137	0	90,248	178,562
<u>2,190,538</u>	<u>103,879</u>	<u>144,548</u>	<u>0</u>	<u>5,300,010</u>	<u>5,460,798</u>
1,005	0	125,525	235,774	1,111,760	1,842,022
<u>195,304</u>	<u>0</u>	<u>344,318</u>	<u>0</u>	<u>2,513,925</u>	<u>2,738,316</u>
<u>196,309</u>	<u>0</u>	<u>469,843</u>	<u>235,774</u>	<u>3,625,685</u>	<u>4,580,338</u>
<u>\$ 2,386,847</u>	<u>\$ 103,879</u>	<u>\$ 614,391</u>	<u>\$ 235,774</u>	<u>\$ 8,925,695</u>	<u>\$ 10,041,136</u>

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See notes to financial statements.

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

**STATEMENTS OF CASH FLOWS**

Years Ended June 30, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 2,422,163	\$ (7,136,884)
Adjustments to Reconcile Change in Net Assets to Net Cash Used In Operating Activities:		
Depreciation Expense	235,774	727,973
Realized Gain on Investments	(538,271)	(2,578,884)
Unrealized (Gain) Loss on Investments	(254,873)	432,563
Bad Debt Recoveries	(100,116)	(257,373)
Pension Obligation Adjustment	(154,647)	(4,463,657)
Pension Plan Contribution Paid Directly from Investments	0	4,100,000
Transfer to Elementary Schools	(558,386)	0
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(109,710)	(446,426)
Prepaid Expenses and Other Assets	(8,223)	81,832
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	(508,664)	301,546
Accrued Insurance Reserves	(791,775)	143,885
Deferred Income	69,621	19,625
Due to Affiliated Organizations	(607,700)	(3,138,453)
Liability for Custodial Accounts	34,412	(37,359)
Accrued Independent Reconciliation Compensation Program	<u>(10,867,500)</u>	<u>10,927,500</u>
Net Cash Used In Operating Activities	(11,737,895)	(1,324,112)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Building and Equipment Additions	(151,645)	(41,072)
Proceeds from Disposal of Land	0	93,211
Withdrawal from Investments to Fund IRCP Expenses	6,425,111	0
Investment Activity - Net	(1,356,639)	400,463
Mortgages and Notes Receivable - Net Change	<u>46,537</u>	<u>(330,981)</u>
Net Cash Provided By Investing Activities	4,963,364	121,621
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Line of Credit	<u>6,500,000</u>	<u>0</u>
Net Cash Provided By Financing Activities	<u>6,500,000</u>	<u>0</u>
Net Change in Cash	(274,531)	(1,202,491)
Cash, Beginning of Year	<u>2,315,775</u>	<u>3,518,266</u>
Cash, End of Year	<u>\$ 2,041,244</u>	<u>\$ 2,315,775</u>

See notes to financial statements.

## ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

#### NOTE 1 – NATURE OF OPERATIONS

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The Roman Catholic Diocese of Syracuse, New York (the “Diocese”) was originally incorporated under New York Law in 1886 to serve the Catholic Community in Central and South Central New York. The Diocese was reincorporated in 1968 under a Legislative Act of the New York State Senate and Assembly. The Diocese serves approximately 227,000 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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##### **Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting.

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

The financial statements of the Diocese have been prepared in accordance with U.S. generally accepted accounting principles, which require the Diocese to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Diocese. These net assets may be used at the discretion of the Diocese’s management and the finance council.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Diocese or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Diocese has no net assets with donor restrictions at June 30, 2019 and 2018.

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

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

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**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. There were no cash equivalents included in cash at June 30, 2019 and 2018.

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.

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.

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

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

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

**Investments – Continued**

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. See also Notes 9 and 10.

Description	2019			
	Debt Available	Maximum Collateral Required	Outstanding Debt at June 30	Collateral Required at June 30
Letters-of-Credit	\$ 6,401,600	\$ 6,401,600	\$ 0	\$ 6,401,600
Line-of-Credit	5,000,000	5,000,000	4,000,000	4,000,000
Line-of-Credit	<u>2,500,000</u>	<u>2,941,177</u>	<u>2,500,000</u>	<u>2,941,177</u>
Total	<u>\$ 13,901,600</u>	<u>\$ 14,342,777</u>	<u>\$ 6,500,000</u>	<u>\$ 13,342,777</u>

Description	2018			
	Debt Available	Maximum Collateral Required	Outstanding Debt at June 30	Collateral Required at June 30
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	<u>2,500,000</u>	<u>2,941,177</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 14,040,000</u>	<u>\$ 14,481,177</u>	<u>\$ 0</u>	<u>\$ 6,540,000</u>

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

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

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

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**Investments – Continued**

- Designated for Specific Use – This consists mainly of investments restricted for Hope Appeal Ministries, the elementary schools and various other departments within the Diocese.
- Investment in Non-Affiliated Entity – This consists of an investment in the National Catholic Risk Retention Group, Inc.
- Self-Insurance Program – This consists of investments designated for potential uninsured losses.

**Non-Cash Investing and Financing Activities**

At June 30, 2019 and 2018, non-cash investing and financing activities are as follows:

	<b>2019</b>	<b>2018</b>
Building Improvement Transferred from Clerical Fund	\$ (150,358)	\$ 0
Investments Used to Pay Down Notes Payable	<u>0</u>	<u>(2,500,000)</u>
Total Non-Cash Investing and Financing Activities	<u>\$ (150,358)</u>	<u>\$ (2,500,000)</u>

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

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

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**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.

**Functional Allocation of Expenses**

The costs of providing programs have been charged directly and summarized on a functional basis in the statement of functional expenses.

**Contributions**

Contributions are considered available for general use unless specifically restricted by the donor and recorded when received. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying financial statements.

**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.

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

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

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**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 believes that substantially all of the Diocese's income during the years ended June 30, 2019 and 2018 was related to the Diocese's exempt purpose.

**Reclassifications**

Certain 2018 amounts have been reclassified to conform with the 2019 financial statement presentation. Total assets, liabilities, and net assets are unchanged due to the reclassification.

**New Accounting Pronouncement**

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Diocese has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively.

**Subsequent Events**

Subsequent to year end, the Diocese has received a number of claims under the Child Victims Act. See also Note 13.

Management has evaluated subsequent events through October 24, 2019, which is the date the financial statements were available to be issued.



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

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

**NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

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The following table reflects the Diocese’s financial assets as of June 30, 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

**Financial Assets:**

Cash	\$ 2,041,244
Accounts Receivable, Net	2,501,423
Mortgages and Notes Receivable, Net	2,442,687
Investments	<u>28,181,961</u>
 Total Financial Assets	 35,167,315

**Financial Assets Not Available in One Year:**

Long-Term Portion of Mortgages and Notes Receivable	(2,164,423)
 Investments:	
Collateral Held by Others	(14,342,777)
Designated for Specific Use	(2,605,750)
Investment in Non-Affiliated Entity	(195,376)
Designated for Self Insurance Program	<u>(11,038,058)</u>
 Total Investments	 (28,181,961)
 Due to Affiliated Organizations	 <u>(3,425,682)</u>
 Total Financial Assets Not Available in One Year	 <u>(33,772,066)</u>

<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	 <u><u>\$ 1,395,249</u></u>
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**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK**

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

**NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS – Continued**

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The Diocese's financial assets held are primarily for budgeted operating expenses and to satisfy bank debt.

The Diocese's defined benefit pension plan is underfunded by \$18,561,302 as of June 30, 2019. As a result, the Diocese may need to provide additional funding in future years.

While the Diocese has established reserves to cover claims for its self-insured programs, there is still a risk of unpredicted or catastrophic claims which could have a significant financial impact on its financial assets.

**NOTE 4 – 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 \$379,817 and \$707,977 at June 30, 2019 and 2018, respectively.

**NOTE 5 – 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 \$512,121 and \$614,195 at June 30, 2019 and 2018, respectively.

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

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

**NOTE 6 – 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.

Investments by category are summarized below:

	<b>2019</b>	<b>2018</b>
Cash Equivalents	\$ 667,901	\$ 4,150,589
Equity Securities	12,374,304	11,916,222
Governmental and Corporate Bonds	6,924,981	9,097,184
Exchange-Traded and Closed-Ended Funds	5,413,649	4,824,583
Other Investments	<u>2,801,126</u>	<u>2,885,212</u>
Total	<u><u>\$ 28,181,961</u></u>	<u><u>\$ 32,873,790</u></u>

Net investment activity consists of the following:

	<b>2019</b>	<b>2018</b>
Dividends and Interest	\$ 651,820	\$ 837,845
Realized Gain	538,271	2,578,884
Investment and Affiliation Fees	(207,530)	(295,185)
Unrealized Gain (Loss)	254,873	(432,563)
Interest Expense	<u>0</u>	<u>(51,323)</u>
Total	<u><u>\$ 1,237,434</u></u>	<u><u>\$ 2,637,658</u></u>

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

**NOTE 6 – 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.

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

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

**NOTE 6 – INVESTMENTS – Continued**

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**Fair Value Measurements – Continued**

Fair values of assets measured utilizing the levels of the fair value hierarchy as of June 30, 2019 and 2018:

**Fair Value Measurements at June 30, 2019**

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 667,901	\$ 0	\$ 0	\$ 667,901
Mutual Funds	469,351	0	0	469,351
Equity Securities	12,374,304	0	0	12,374,304
Governmental and Corporate Bonds	6,924,981	0	0	6,924,981
Exchange Traded Funds and Close Ended Funds	4,944,298	0	0	4,944,298
Syracuse Diocesan Investment Funds	0	2,493,410	0	2,493,410
Other Investments	0	0	307,716	307,716
	<hr/>	<hr/>	<hr/>	<hr/>
Total Investments	<u>\$ 25,380,835</u>	<u>\$ 2,493,410</u>	<u>\$ 307,716</u>	<u>\$ 28,181,961</u>

**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	0	0	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	0	0	266,287	266,287
	<hr/>	<hr/>	<hr/>	<hr/>
Total Investments	<u>\$ 29,988,578</u>	<u>\$ 2,618,925</u>	<u>\$ 266,287</u>	<u>\$ 32,873,790</u>

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

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

**NOTE 6 – INVESTMENTS – Continued**

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**Fair Value Measurements – Continued**

Following is a summary of activity in Level 3 Investments:

	<b>2019</b>	<b>2018</b>
Level 3 Investments - Beginning of Year	\$ 266,287	\$ 314,565
D.W. Barry Foundation - Net Activity	0	(119,189)
Net Investment Activity	<u>41,429</u>	<u>70,911</u>
Level 3 Investments - End of Year	<u>\$ 307,716</u>	<u>\$ 266,287</u>

**NOTE 7 – LAND, BUILDINGS AND EQUIPMENT**

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

	<b>2019</b>	<b>2018</b>
Land	\$ 755,100	\$ 755,100
Furniture and Fixtures	220,171	220,171
Buildings and Improvements	5,791,929	6,248,538
Equipment	512,725	785,189
Automobiles	<u>165,003</u>	<u>165,003</u>
Total Land, Buildings and Equipment	7,444,928	8,174,001
Less: Accumulated Depreciation	<u>4,830,427</u>	<u>5,437,065</u>
Net Land, Buildings and Equipment	<u>\$ 2,614,501</u>	<u>\$ 2,736,936</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, 2019 and 2018 totaled \$235,774 and \$727,973, respectively.

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

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

**NOTE 8 – INSURANCE RESERVES**

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The Diocese maintains self-insurance plans for property and general liability, workers' compensation, 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 \$5,854,733 and \$6,646,508 at June 30, 2019 and 2018, 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.

**NOTE 9 – 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. 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 the LIBOR overnight rate. There was an outstanding balance of \$4,000,000 and \$-0- at June 30, 2019 and 2018, respectively.

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 an outstanding balance of \$2,500,000 and \$-0- at June 30, 2019 and 2018, respectively.

The LIBOR overnight rate was 2.37% and 1.93% at June 30, 2019 and 2018, respectively. The LIBOR one-month rate was 2.40% and 2.09% at June 30, 2019 and 2018, respectively.

Cash paid for interest was \$230,326 and \$51,323 for the years ended June 30, 2019 and 2018, respectively.

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

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

**NOTE 10 – LETTERS-OF-CREDIT**

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The Diocese has a workers' compensation letter-of-credit in the amount of \$5,300,000 which matures on February 28, 2020. The Diocese also has a health insurance standby letter-of-credit in the amount of \$1,101,600, which was no longer required as of July 1, 2019 and therefore was not renewed. No balances were outstanding on the letters-of-credit as of June 30, 2019 and 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, 2019.

**NOTE 11 – 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. The Diocese has accrued an estimated liability in settlements amounting to \$60,000 and \$10,927,500 at June 30, 2019 and 2018, respectively.

**NOTE 12 – TRANSFERS TO DIOCESAN ELEMENTARY SCHOOLS**

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The financial statements reflect the activities of Trinity Catholic, Rome Catholic and St. Patrick's schools for years ended June 30, 2019 and 2018. On June 30, 2019, net assets of \$1,061,247 were transferred to the respective stand-alone legal entity.

**NOTE 13 – 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.



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

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

**NOTE 13 – LITIGATIONS AND CLAIMS – Continued**

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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. The potential financial impact of this matter on the Diocese, if any, is not presently determinable.

On February 14, 2019, the Child Victims Act was signed into law in New York opening up a one-year, one-time-only period where alleged victims of child sexual abuse can file claims regardless of how long ago the alleged abuse took place. The Act gives accusers one year to file their previously expired claims starting on August 14, 2019. The Diocese has received a number of claims under the Act. The potential financial impact of this matter on the Diocese, if any, is not presently determinable.

**NOTE 14 – LEASES**

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The Diocese leases vehicles and copy machines under operating leases expiring in various years through July 2023. Future minimum lease payments at June 30, 2019 are:

2020	\$ 90,152
2021	82,423
2022	31,090
2023	<u>1,173</u>
Total	<u>\$ 204,838</u>

Total lease expense amounted to \$77,849 and \$31,525 for the years ended June 30, 2019 and 2018, 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 called for monthly payments of \$38,000 commencing July 1, 2016 and ending on August 31, 2018. Rent received was \$76,000 and \$456,000 for the years ended June 30, 2019 and 2018, respectively.

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

**NOTE 15 – 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. As a means of reducing the underfunded status of the plan, the Diocese paid \$750,000 and \$4,100,000 in contributions for the years ended June 30, 2019 and 2018, respectively. 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 underfunded status of the plan is described below:

- Active and retired participants in the plan at the end of 2019 and 2018 totaled 1,091 and 1,098, 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.
- Total contribution for all eligible employees totaled \$1,030,234 and \$4,952,374 in 2019 and 2018, 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 \$2,381,079 and \$2,202,400 in 2019 and 2018, respectively.

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

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

**NOTE 15 – MULTIEMPLOYER RETIREMENT BENEFIT PLANS – Continued**

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The following sets forth the plan’s funded status as of June 30, 2019 and 2018 from the most recent actuarial study, which was prepared for the June 30, 2019 and 2018 plan years. 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>2019</b>	<b>2018</b>
<b>CHANGE IN BENEFIT OBLIGATION</b>		
Projected Benefit Obligation at the Beginning of the Year:	\$ 46,788,848	\$ 46,633,023
Service Cost	417,697	466,061
Interest Cost	1,934,862	1,930,149
Actuarial Gain	(1,155,787)	(37,985)
Benefits Paid	<u>(2,381,079)</u>	<u>(2,202,400)</u>
Projected Benefit Obligation at the End of the Year	<u>\$ 45,604,541</u>	<u>\$ 46,788,848</u>
<b>CHANGE IN PLAN ASSETS</b>		
Fair Value of Plan Assets at the Beginning of the Year:	\$ 28,072,899	\$ 23,453,417
Actual Return on Plan Assets	321,185	1,869,508
Contributions	1,030,234	4,952,374
Benefits Paid	<u>(2,381,079)</u>	<u>(2,202,400)</u>
Fair Value of Plan Assets at the End the Year	<u>\$ 27,043,239</u>	<u>\$ 28,072,899</u>
<b>FUNDED STATUS:</b>		
Underfunded Status of Plan	<u>\$ 18,561,302</u>	<u>\$ 18,715,949</u>

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

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

**NOTE 15 – MULTIEMPLOYER RETIREMENT BENEFIT PLANS – Continued**

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For the fiscal years ending June 30, 2019 and 2018, the net periodic pension cost included the following components:

	<b>2019</b>	<b>2018</b>
Service Cost	\$ 417,697	\$ 466,061
Interest Cost	1,934,862	1,930,149
Expected Return on Assets	(1,922,027)	(1,677,485)
Amortization of Net Loss	<u>28,083</u>	<u>373,850</u>
Net Periodic Pension Cost	<u>\$ 458,615</u>	<u>\$ 1,092,575</u>

The accumulated benefit obligation totaled \$44,334,940 and \$45,333,011 at June 30, 2019 and 2018, respectively.

The total amount recognized in net periodic cost and unrestricted net assets totaled \$875,587 and \$488,717 in 2019 and 2018, respectively.

The total change recognized in unrestricted net assets amounted to \$416,972 and \$(603,858) in 2019 and 2018, 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, 2019 and 2018

**NOTE 15 – MULTIEMPLOYER RETIREMENT BENEFIT PLANS – Continued**

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The Diocese's share of plan assets as of June 30, 2019 and 2018 were as follows:

	2019	2018
Investments at Fair Value (Level 1):		
Cash and Money Market Fund	\$ 929,428	\$ 808,736
Emerging Markets	2,733,149	2,657,136
International Core Equity	3,924,475	4,527,040
Real Estate Securities	1,572,381	1,542,359
U.S. Core Equity	7,549,090	8,934,583
Short-Term Government	<u>10,334,716</u>	<u>9,603,045</u>
Total	<u>\$ 27,043,239</u>	<u>\$ 28,072,899</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 2019 and 2018. The expected long-term return on plan assets was 7% in both 2019 and 2018. The rate of compensation increase was 2.0% and 2.5% in 2019 and 2018, respectively. The discount rates were selected to reflect the interest rate environment at the respective measurement dates. The expected long-term rate of return assumptions was selected to represent reasonable expectations of future experience.

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

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**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

**NOTE 15 – 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:

2020	\$ 2,585,977
2021	2,643,417
2022	2,695,600
2023	2,752,671
2024	2,851,657
2025-2029	<u>14,752,004</u>
Total	<u>\$ 28,281,326</u>

Plan contributions expected to be paid by the Diocese in 2020 amount to \$1,000,000.

**Mortality Assumption**

As of June 30, 2019, 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-2018 mortality improvement scale on a generational basis. This assumption was based on a review of published mortality tables and the demographics and industry of the Plan.

Prior to June 30 2019, 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.

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019 and 2018

**NOTE 15 – MULTIEMPLOYER RETIREMENT BENEFIT PLANS – Continued**

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**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, 2019, the Priests Plan has an underfunded post-retirement pension liability of approximately \$16,200,000 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 underfunded liability of approximately \$14,000,000 related to post-retirement health care benefits for retired priests. It is anticipated that the majority of the \$30,200,000 of underfunded 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 \$1,556,193 and \$1,172,006 in 2019 and 2018, respectively. Distributions from the Foundation to the Clerical Fund was \$746,566 and \$915,657 in 2019 and 2018, respectively. The Foundation has the funds available to meet these liabilities as of June 30, 2019. The Diocese would be required to meet these liabilities if the Foundation was unable to meet these liabilities.

**NOTE 16 – 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, 2019.
- \$100,000 M&T Bank line-of-credit to Bishop Grimes Jr./Sr. High School – no amount outstanding at June 30, 2019.

The Diocese has determined that no liability is necessary for the guarantee of debt at June 30, 2019 and 2018.

OTHER FINANCIAL INFORMATION

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**SCHEDULE OF SYRACUSE CATHOLIC INSURANCE FUND**

Year Ended June 30, 2019 with Comparative Totals for June 30, 2018

	PSI	Health
REVENUE		
Insurance Premiums	\$ 4,800,437	\$ 17,961,153
Rebates	<u>0</u>	<u>1,752,897</u>
Total Revenue	4,800,437	19,714,050
EXPENSES		
Administrative and Operational	736,196	1,296,995
Insurance - Outside Carrier	1,573,531	443,387
Insurance - Claims Paid	1,328,536	14,721,486
Insurance - Claims Accrued	(559,077)	(218,055)
Program Expense - Departments	<u>1,028,913</u>	<u>621,936</u>
Total Expenses	<u>4,108,099</u>	<u>16,865,749</u>
CHANGE IN NET ASSETS	692,338	2,848,301
Net Assets at Beginning of Year	3,912,672	3,847,971
Net Asset Rebalancing	0	0
Independent Reconciliation Compensation Program	<u>(722,929)</u>	<u>0</u>
Net Assets at End of Year	<u><u>\$ 3,882,081</u></u>	<u><u>\$ 6,696,272</u></u>



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

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<b>Unemployment</b>	<b>Disability</b>	<b>2019</b>	<b>Total</b>	<b>2018</b>
\$ 524,983	\$ 332,489	\$ 23,619,062		\$ 23,757,781
<u>0</u>	<u>0</u>	<u>1,752,897</u>		<u>1,939,503</u>
524,983	332,489	25,371,959		25,697,284
110,878	272,709	2,416,778		1,753,527
0	0	2,016,918		2,007,098
259,786	117,013	16,426,821		17,183,530
0	0	(777,132)		149,075
<u>0</u>	<u>0</u>	<u>1,650,849</u>		<u>1,606,845</u>
<u>370,664</u>	<u>389,722</u>	<u>21,734,234</u>		<u>22,700,075</u>
154,319	(57,233)	3,637,725		2,997,209
74,910	40,882	7,876,435		23,194,794
0	0	0		(6,709,435)
<u>0</u>	<u>0</u>	<u>(722,929)</u>		<u>(11,606,133)</u>
<u>\$ 229,229</u>	<u>\$ (16,351)</u>	<u>\$ 10,791,231</u>		<u>\$ 7,876,435</u>

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See notes to financial statements.

**SCHEDULE OF CATHOLIC SCHOOL FUND**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2019

	Trinity
<b>REVENUE</b>	
Tuition Billed	\$ 786,208
Tuition Waivers and Discounts	(127,917)
Net Tuition	<u>658,291</u>
Foundation Grants	33,833
Hope Appeal and Other Grants	55,956
Other Income	122,906
Total Revenue	<u>870,986</u>
<b>EXPENSES</b>	
Personnel (S&B)	970,624
Instructional	33,638
Building/Occupancy	81,951
Other Expenses	31,353
Total Expenses	<u>1,117,566</u>
Operating Income (Loss) before Parish Assessments and Hope Appeal	(246,580)
Parish Assessments	<u>255,411</u>
Operating Income (Loss) before Hope Appeal	8,831
Hope Appeal	<u>0</u>
OPERATING INCOME (LOSS)	8,831
<b>OTHER INCOME</b>	
Investment Activity, Net	7,228
Net Fundraising	<u>126,633</u>
Total Other Income	<u>133,861</u>
TOTAL INCOME (LOSS)	142,692
Net Assets, Beginning of Year	668,500
Transfer of Net Assets to Diocesan Elementary Schools	<u>(811,192)</u>
Net Assets, End of Year	<u><u>\$ 0</u></u>

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

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Rome	St. Patrick's	CSO Support	Total
\$ 542,042	\$ 375,500	\$ 0	\$ 1,703,750
(29,919)	(109,760)	0	(267,596)
<u>512,123</u>	<u>265,740</u>	<u>0</u>	<u>1,436,154</u>
7,141	11,285	0	52,259
15,682	28,300	0	99,938
63,447	27,717	517,794	731,864
<u>598,393</u>	<u>333,042</u>	<u>517,794</u>	<u>2,320,215</u>
671,236	589,605	606,291	2,837,756
22,555	21,524	0	77,717
55,269	37,963	0	175,183
43,772	75,424	275,627	426,176
<u>792,832</u>	<u>724,516</u>	<u>881,918</u>	<u>3,516,832</u>
(194,439)	(391,474)	(364,124)	(1,196,617)
<u>240,778</u>	<u>193,135</u>	<u>0</u>	<u>689,324</u>
46,339	(198,339)	(364,124)	(507,293)
<u>0</u>	<u>0</u>	<u>319,476</u>	<u>319,476</u>
46,339	(198,339)	(44,648)	(187,817)
1,336	567	97,529	106,660
<u>17,727</u>	<u>131,822</u>	<u>36,058</u>	<u>312,240</u>
<u>19,063</u>	<u>132,389</u>	<u>133,587</u>	<u>418,900</u>
65,402	(65,950)	88,939	231,083
54,149	196,454	0	919,103
(119,551)	(130,504)	0	(1,061,247)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 88,939</u>	<u>\$ 88,939</u>

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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, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>REVENUE</b>		
Assessments	\$ 28,411	\$ 30,752
Service Fees	<u>255,531</u>	<u>490,026</u>
Total Revenue	283,942	520,778
<b>EXPENSES</b>		
Facilities Management	378,968	399,627
Plant Fund	50,049	180,643
Building Occupancy Cost	<u>446,969</u>	<u>533,779</u>
Total Expenses	<u>875,986</u>	<u>1,114,049</u>
<b>PLANT FUND ACTIVITY BEFORE TRANSFER</b>	(592,044)	(593,271)
Transfer from Investment Fund for Capital Expenses	<u>60,364</u>	<u>0</u>
<b>PLANT FUND ACTIVITY AFTER TRANSFER, NET</b>	<u>\$ (531,680)</u>	<u>\$ (593,271)</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, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>REVENUE</b>		
Fees - Other Services	\$ 28,276	\$ 49,869
Affiliation Fees	1,372,573	1,645,365
Parish Administration Fees	<u>603,415</u>	<u>529,246</u>
Total Revenue	2,004,264	2,224,480
<b>EXPENSES</b>		
Executive Management	653,808	702,979
Development and Fundraising	330,060	502,928
Information Technology	489,179	528,158
Finance	601,742	577,928
Banking Fees	35,282	67,076
Parish Services	43,941	48,587
Chancery Support Services	104,140	118,307
Central Purchasing	117,750	132,853
Archives	59,372	59,500
National Assessments	<u>78,651</u>	<u>0</u>
Total Expenses	<u>2,513,925</u>	<u>2,738,316</u>
<b>CENTRAL ADMINISTRATION SUPPORT SERVICES, NET</b>	<u><u>\$ (509,661)</u></u>	<u><u>\$ (513,836)</u></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, 2019 with Comparative Totals for June 30, 2018

	<b>Investment Pool</b>	<b>Deposit and Loan</b>	<b>Total 2019</b>	<b>Total 2018</b>
<b>REVENUE</b>				
Investment Earnings	\$ 644,646	\$ 7,174	\$ 651,820	\$ 837,845
Realized Gains	538,271	0	538,271	2,578,884
Unrealized Gains (Losses)	<u>254,873</u>	<u>0</u>	<u>254,873</u>	<u>(432,563)</u>
Total Revenue	1,437,790	7,174	1,444,964	2,984,166
<b>EXPENSES</b>				
Investment Fees	89,530	0	89,530	115,185
Affiliation Fees - Support Services	118,000	0	118,000	180,000
Interest Expense	<u>0</u>	<u>0</u>	<u>0</u>	<u>51,323</u>
Total Expenses	<u>207,530</u>	<u>0</u>	<u>207,530</u>	<u>346,508</u>
CHANGE IN NET ASSETS BEFORE BAD DEBT RECOVERY	1,230,260	7,174	1,237,434	2,637,658
Bad Debt Recovery	<u>0</u>	<u>28,449</u>	<u>28,449</u>	<u>112,940</u>
<b>CHANGE IN NET ASSETS</b>	1,230,260	35,623	1,265,883	2,750,598
Net Assets, Beginning of Year	21,837,156	197,093	22,034,249	19,283,651
Transfer to Plant Fund for Capital Expenses	<u>(60,364)</u>	<u>0</u>	<u>(60,364)</u>	<u>0</u>
Net Assets, End of Year	<u>\$ 23,007,052</u>	<u>\$ 232,716</u>	<u>\$ 23,239,768</u>	<u>\$ 22,034,249</u>

See notes to financial statements.