

Combined Financial Statements and
Report of Independent Certified Public
Accountants

**ROMAN CATHOLIC BISHOP OF FALL RIVER
(A Corporation Sole) - Chancery Office**

June 30, 2022 and 2021

Contents

	Page
Report of Independent Certified Public Accountants	3
Combined Financial Statements	
Combined statements of financial position	5
Combined statement of activities	6
Combined schedule of functional expenses	8
Combined statements of cash flows	10
Notes to combined financial statements	11

GRANT THORNTON LLP

75 State Street, 13th Floor
Boston, MA 02109

D +1 617 723 7900

F +1 617 723 3640

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Most Reverend Edgar M. da Cunha, S.D.V.
Bishop of Fall River

Opinion

We have audited the financial statements of the Roman Catholic Bishop of Fall River (A Corporation Sole) - Chancery Office (the "Diocese"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Diocese as of June 30, 2022 and 2021, 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.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Diocese and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Diocese's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Diocese's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Diocese's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Boston, Massachusetts
December 15, 2022

**Roman Catholic Bishop of Fall River
(A Corporation Sole) - Chancery Office**

COMBINED STATEMENTS OF FINANCIAL POSITION

June 30,

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 4,260,127	\$ 7,592,865
Accounts receivable from parishes and other, net	2,988,599	2,919,404
Loans receivable from parishes and others, net	18,305,775	17,570,334
Other receivables, net	2,730,298	2,275,762
Accrued interest, net	553,165	1,028,636
Note receivable	-	35,471
Prepaid expenses	1,535,345	828,183
Investments	44,607,387	49,819,497
Land, buildings, and equipment, net	8,187,973	8,430,920
Total assets	\$ 83,168,669	\$ 90,501,072
 LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 2,354,386	\$ 2,166,407
Loans payable	759,521	559,020
Funds on deposit from parishes and others	55,627,099	52,717,869
Funds on deposit from cemetery perpetual care	19,215,645	18,503,321
Interest payable to parishes and others	64,490	68,990
Other payables	297,500	272,500
Agency funds	159,363	163,227
Total liabilities	\$ 78,478,004	\$ 74,451,334
 NET ASSETS		
Without donor restrictions:		
Designated for capital projects	228,173	228,173
Designated for Diocesan Endowment	152,115	152,115
Designated for Canon Law Fund	16,404	10,569
Designated for Bishop's Discretionary Fund	22,909	18,810
Designated for Faith Formation	160,296	-
Undesignated	(1,313,557)	10,399,096
With donor restrictions	5,424,325	5,240,975
Total net assets	4,690,665	16,049,738
Total liabilities and net assets	\$ 83,168,669	\$ 90,501,072

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

**Roman Catholic Bishop of Fall River
(A Corporation Sole) - Chancery Office**

COMBINED STATEMENT OF ACTIVITIES

Year ended June 30, 2022 (with summarized comparative information for the year ended June 30, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES AND OTHER SUPPORT				
Insurance program fees:				
Medical and dental premiums	\$ 13,757,810	\$ -	\$ 13,757,810	\$ 14,055,954
Other benefits and insurance premiums	3,622,307	-	3,622,307	4,233,706
Annual appeal	4,271,795	-	4,271,795	5,885,687
Special collections	419,013	-	419,013	350,410
Bequests and other contributions	900,903	315,278	1,216,181	340,395
Parish assessment	3,385,100	-	3,385,100	3,712,167
Interest on loans and notes	296,329	-	296,329	504,384
Investment return	(6,817,712)	72,830	(6,744,882)	9,526,402
Gain on sale of real estate	8,135	-	8,135	1,448,160
Other revenue	1,649,844	-	1,649,844	3,173,981
Net assets released from restriction	204,757	(204,757)	-	-
	<u>21,698,281</u>	<u>183,350</u>	<u>21,881,632</u>	<u>43,231,246</u>
Total revenues and other support				
EXPENSES AND LOSSES				
Insurance program expenses:				
Medical and dental premiums, claims, and expenses	12,856,804	-	12,856,804	13,590,616
Other insurance premiums, claims, and expenses	3,246,807	-	3,246,807	3,596,207
Program activities:				
Pastoral ministries	2,933,541	-	2,933,541	2,987,078
Education and grants	920,910	-	920,910	835,218
Communications and faith formation	938,207	-	938,207	670,973
Support for matriculating seminarians	412,873	-	412,873	422,284
Clergy retirement and other support costs	1,171,791	-	1,171,791	1,491,458
Supporting services:				
Chancery office	2,967,366	-	2,967,366	2,846,721
Professional fees and settlement costs	4,053,040	-	4,053,040	1,807,833
Development	99,278	-	99,278	25,674
Other supporting services	2,687,381	-	2,687,381	3,993,661
Interest on deposits and loans	1,438,557	-	1,438,557	1,309,764
Bad debt expense	(57,033)	-	(57,033)	84,975
Depreciation	258,274	-	258,274	258,157
Other expenses	228,400	-	228,400	181,841
	<u>34,156,197</u>	<u>-</u>	<u>34,156,197</u>	<u>34,102,460</u>
Total expenses and losses				
CHANGE IN NET ASSETS	(12,457,916)	183,350	(12,274,566)	9,128,785
Net assets, beginning of year	<u>10,808,763</u>	<u>5,240,975</u>	<u>16,049,738</u>	<u>6,920,952</u>
Transfer of net assets	<u>915,493</u>	<u>-</u>	<u>915,493</u>	<u>-</u>
Net assets, end of year	<u>\$ (733,660)</u>	<u>\$ 5,424,325</u>	<u>\$ 4,690,665</u>	<u>\$ 16,049,738</u>

The accompanying notes are an integral part of this combined financial statement.

**Roman Catholic Bishop of Fall River
(A Corporation Sole) - Chancery Office**

COMBINED STATEMENT OF ACTIVITIES

Year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Insurance program fees:			
Medical and dental premiums	\$ 14,055,954	\$ -	\$ 14,055,954
Other benefits and insurance premiums	4,233,706	-	4,233,706
Annual appeal	5,885,687	-	5,885,687
Special collections	350,410	-	350,410
Bequests and other contributions	340,395	-	340,395
Parish assessment	3,712,167	-	3,712,167
Interest on loans and notes	504,384	-	504,384
Investment return	9,232,268	294,134	9,526,402
Gain on sale of real estate	1,448,160	-	1,448,160
Other revenue	3,173,981	-	3,173,981
Net assets released from restriction	214,526	(214,526)	-
	43,151,638	79,608	43,231,246
EXPENSES AND LOSSES			
Insurance program expenses:			
Medical and dental premiums, claims, and expenses	13,590,616	-	13,590,616
Other insurance premiums, claims, and expenses	3,596,207	-	3,596,207
Program activities:			
Pastoral ministries	2,987,078	-	2,987,078
Education and grants	835,218	-	835,218
Communications and faith formation	670,973	-	670,973
Support for matriculating seminarians	422,284	-	422,284
Clergy retirement and other support costs	1,491,458	-	1,491,458
Supporting services:			
Chancery office	2,846,721	-	2,846,721
Professional fees and settlement costs	1,807,833	-	1,807,833
Development	25,674	-	25,674
Other supporting services	3,993,661	-	3,993,661
Interest on deposits and loans	1,309,764	-	1,309,764
Bad debt expense	84,975	-	84,975
Depreciation	258,157	-	258,157
Other expenses	181,841	-	181,841
	34,102,460	-	34,102,460
Total expenses and losses	34,102,460	-	34,102,460
CHANGE IN NET ASSETS	9,049,178	79,608	9,128,785
Net assets, beginning of year	1,759,585	5,161,367	6,920,952
Net assets, end of year	\$ 10,808,763	\$ 5,240,975	\$ 16,049,738

The accompanying notes are an integral part of this combined financial statement.

Roman Catholic Bishop of Fall River
(A Corporation Sole) - Chancery Office

COMBINED SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended June 30, 2022 with summarized comparative information for the year ended June 30, 2021

	2022						2021		
	Compensation Costs	Occupancy Costs	Professional Services	Professional Development	Stipends	Other Costs	Insurance Premiums and Claims	Total Expenses	Total Expenses
Expenses and losses									
Insurance program expenses									
Medical & dental claims, premiums and expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,856,804	\$ 12,856,804	\$ 13,590,616
Insurance premiums, claims and expenses	-	-	-	-	-	-	3,246,807	3,246,807	3,596,207
Total insurance program expenses	-	-	-	-	-	-	16,103,610	16,103,610	17,186,823
Program activities									
Pastoral ministries	1,072,411	-	4,800	-	1,846,805	9,525	-	2,933,541	2,987,078
Education and grants	-	-	-	-	920,910	-	-	920,910	835,218
Communications and faith formation	443,895	-	202,583	-	42,178	249,552	-	938,207	670,973
Support for matriculating seminarians	-	-	-	412,873	-	-	-	412,873	422,284
Clergy retirement and other support costs	164,328	24,442	399,882	-	583,140	-	-	1,171,791	1,491,458
Total program activities									
Supporting services									
Chancery office	2,967,366	-	-	-	-	-	-	2,967,366	2,846,721
Professional fees and settlement costs	-	-	4,053,040	-	-	-	-	4,053,040	1,807,883
Development	-	-	-	-	-	99,278	-	99,278	25,674
Other supporting services	-	686,748	1,165,803	-	-	834,830	-	2,687,381	3,993,661
Total administration expenses	2,967,366	686,748	5,218,843	-	-	934,107	-	9,807,065	8,673,939
Interest and deposits on loans	-	-	-	-	-	1,438,557	-	1,438,557	1,309,764
Bad debt expense	-	-	-	-	-	(57,033)	-	(57,033)	84,975
Depreciation	-	-	-	-	-	258,274	-	258,274	258,157
Other	-	-	50,000	-	-	178,400	-	228,400	181,793
Total expense	<u>\$ 4,648,000</u>	<u>\$ 711,190</u>	<u>\$ 5,876,108</u>	<u>\$ 412,873</u>	<u>\$ 3,393,032</u>	<u>\$ 3,011,383</u>	<u>\$ 16,103,610</u>	<u>\$ 34,156,197</u>	<u>\$ 34,102,460</u>

The accompanying notes are an integral part of this combined financial statement.

**Roman Catholic Bishop of Fall River
(A Corporation Sole) - Chancery Office**

COMBINED SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended June 30, 2021

	<u>Compensation Costs</u>	<u>Occupancy Costs</u>	<u>Professional Services</u>	<u>Professional Development</u>	<u>Stipends</u>	<u>Other Costs</u>	<u>Insurance Premiums and Claims</u>	<u>Total Expenses</u>
Expenses and losses								
Insurance program expenses								
Medical & dental claims, premiums and expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,590,616	\$ 13,590,616
Insurance premiums, claims and expenses	-	-	-	-	-	-	3,596,207	3,596,207
Total insurance program expenses	-	-	-	-	-	-	17,186,823	17,186,823
Program activities								
Pastoral ministries	893,893	-	971	-	2,084,672	7,542	-	2,987,078
Education and grants	-	-	-	-	835,218	-	-	835,218
Communications and faith formation	390,854	-	136,132	-	92,973	51,014	-	670,973
Support for matriculating seminarians	-	-	-	422,284	-	-	-	422,284
Clergy retirement and other support costs	121,131	-	715,727	-	654,600	-	-	1,491,458
Total program activities	1,405,878	-	852,830	422,284	3,667,463	58,556	-	6,407,011
Supporting services								
Chancery office	2,846,721	-	-	-	-	-	-	2,846,721
Professional fees and settlement costs	-	-	1,807,833	-	-	-	-	1,807,833
Development	-	-	-	-	-	25,674	-	25,674
Other supporting services	-	655,286	895,274	-	-	2,443,101	-	3,993,661
Total administration expenses	2,846,721	655,286	2,703,107	-	-	2,468,775	-	8,673,889
Interest and deposits on loans	-	-	-	-	-	1,309,764	-	1,309,764
Bad debt expense	-	-	-	-	-	84,975	-	84,975
Depreciation	-	-	-	-	-	258,157	-	258,157
Other	-	-	50,000	-	-	131,841	-	181,841
Total expense	<u>\$ 4,252,599</u>	<u>\$ 655,286</u>	<u>\$ 3,605,937</u>	<u>\$ 422,284</u>	<u>\$ 3,667,463</u>	<u>\$ 4,312,068</u>	<u>\$ 17,186,823</u>	<u>\$ 34,102,460</u>

The accompanying notes are an integral part of this combined financial statement.

**Roman Catholic Bishop of Fall River
(A Corporation Sole) - Chancery Office**

COMBINED STATEMENTS OF CASH FLOWS

Years ended June 30,

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (11,359,073)	\$ 9,128,786
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Unrealized losses (gains) on investments	7,599,537	(8,918,538)
Depreciation	258,274	258,157
PPP loan forgiveness	-	(749,914)
Bad debt write-offs	(52,340)	4,498,341
Change in allowance for bad debt	-	(4,191,364)
Changes in operating assets and liabilities		
Accounts receivable from parishes and others, net	(69,195)	2,940,828
Other receivables, net	(454,536)	(1,172,137)
Accrued interest receivable, net	475,472	683,669
Prepaid expenses	(707,162)	64,439
Land, buildings, and equipment, net	(15,327)	(15,407)
Accounts payable and accrued expenses	187,979	(761,812)
Interest payable to parishes and others	(4,500)	(246,701)
Agency funds	(3,863)	36,354
Other payables	25,000	(126,633)
	<u>(4,119,736)</u>	<u>1,428,068</u>
Net cash (used in)/provided by operating activities		
Cash flows from investing activities:		
Change in depository offsets	(633,977)	(107,035)
Payments received on notes receivable	35,471	48,915
Proceeds from sales of investments	14,026,551	25,046,138
Purchases of investments	(16,413,978)	(29,848,864)
	<u>(2,985,932)</u>	<u>(4,860,846)</u>
Net cash used in investing activities		
Cash flows from financing activities:		
Change in funds on deposit from parishes and others	2,909,230	5,589,927
Change in funds on deposit from cemetery perpetual care	712,324	410,171
New loans issued	(2,421,090)	(2,840,532)
Receipt of funds from new loans	200,501	659,220
Loan payments	2,371,966	2,626,410
	<u>3,772,930</u>	<u>6,445,196</u>
Net cash provided by financing activities		
Net change in cash and cash equivalents	<u>(3,332,738)</u>	<u>3,012,418</u>
Cash and cash equivalents, beginning of year	<u>7,592,865</u>	<u>4,580,447</u>
Cash and cash equivalents, end of year	<u>\$ 4,260,127</u>	<u>\$ 7,592,865</u>

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

**ROMAN CATHOLIC BISHOP OF FALL RIVER
(A Corporation Sole) - Chancery Office**

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE 1 - ORGANIZATION

The Roman Catholic Bishop of Fall River, a Massachusetts corporation sole, was founded in 1904, and together with the parishes, schools, cemeteries and other affiliated agencies and entities in southeast Massachusetts, operate as the Roman Catholic Diocese of Fall River (the "Diocese"). Refer to www.fallriverdiocese.org for a complete list of entities included in the Diocese.

The Chancery Office is an entity within the Diocese that provides administrative services and programmatic and financial support to those Diocesan entities, institutions, and affiliates identified above, each of which operate independently and account for their operations separately.

These financial statements include the assets, liabilities, and net assets of the Chancery Office only. These financial statements do not include the assets, liabilities, and net assets of the parishes, schools, cemeteries and other affiliated agencies and entities of the Diocese.

The Chancery Office administers the various employee benefit programs of the Diocese, including the medical and dental self-insurance programs, and other purchased insurance coverages in addition to providing administrative, legal and human resources support as needed. In addition, the Chancery Office provides loans to and holds deposits of excess funds for the parishes, schools, cemeteries and other affiliated agencies and entities of the Diocese. Substantially all program fee revenue is derived from parishes, schools, cemeteries and other affiliated agencies and entities of the Diocese.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the 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. Actual results could differ from those estimates.

Basis of Presentation

The Chancery Office reports its financial position and activities within two classes of net assets:

Net assets without donor restrictions - This includes net assets that are not subject to donor-imposed stipulations. These unrestricted net assets may be designated for a specific purpose by action of the Bishop or may otherwise be limited by contractual agreements with outside parties.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions includes what were formerly classified as temporarily or permanently restricted funds. This includes assets that are subject to donor-imposed stipulations.

**ROMAN CATHOLIC BISHOP OF FALL RIVER
(A Corporation Sole) - Chancery Office**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

Net asset transfers - An equity transfer between nonprofit organizations is a nonreciprocal transaction similar to an ownership transaction between a for-profit parent and its subsidiary (e.g., a capital contribution). In general, transactions are classified as equity transfers if (a) they occur between nonprofit organizations and one organization controls the other or they are both under common control, and (b) the transferor does not receive anything of immediate economic value and has no expectation of repayment. In a transaction that is an equity transfer, the transferee does not recognize a step-up in basis of the assets received; rather, the assets are measured using the basis of the assets transferred by the transferor. Equity transfers are reported separately as changes in net assets in the statement of activities.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor imposed stipulations. Additionally, gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Upon the expirations of restrictions on net assets due to time or purpose; that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, such net assets are released from restrictions and reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions.

Revenues are broadly categorized as follows:

Insurance Program Fees: The Chancery Office acts on behalf of participating parishes and other related entities to procure insurance coverage, including medical, dental, property/liability, automobile, and worker's compensation insurance. The costs of the premiums and related expenses are billed to the participating entities. To the extent collectability of revenues is not reasonably assured revenue may not be recognized.

Contributions and Bequests: Contributions and Bequests revenue include the following:

Annual Appeal: This was formerly noted as the "Catholic Charities Appeal" but has been re-branded to avoid any confusion with the nationally recognized Catholic Charities brand. The Annual Appeal typically begins in May and concludes in June at the end of the fiscal year. Cash gifts are recognized when received. An accrual for pledges made, but not received was \$473,900 and \$568,354 respectively at June 30, 2021 and 2022.

Special Collections: Special collections are contributions received during diocesan collections held periodically at each parish and used to support diocesan initiatives, including supporting the priest's retirement facility, and seminarians. The nature, purpose and timing of the diocesan collections are communicated to the parishes each year when the new collections schedule is released. Not included in these financial statements are special collections on behalf of and remitted to certain national and international agencies including the USCCB's Office of National Collections and the Apostolic Nunciature. Revenues are recognized as collection funds are remitted to the Chancery by the various parishes.

Bequests and Other Contributions: Bequests received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Revenues are recognized when the gifts are received.

**ROMAN CATHOLIC BISHOP OF FALL RIVER
(A Corporation Sole) - Chancery Office**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

Parish Assessment: Parishes within the Diocese are assessed a fee to help support the mission of the Diocese of Fall River as permitted by canon law. The annual parish assessment is based upon a percentage of all recurring revenue, including offertory, rent, and fundraising. Details on the history of the assessment, how it is calculated, and what it funds, are included on the Diocesan website at www.fallriverdiocese.org/chancery-finance-office/. 1/12th of annual assessment revenues are billed to parishes each month. Like insurance program fees, management reviews receivables and makes an appropriate adjustment to the allowance reserve as needed.

Interest on Loans and Notes: This includes interest paid on loans provided by the Chancery to parishes, schools, and other entities. As of June 30, 2022, the default rate on Chancery loans was 4.00% (The rate was last changed in July 2018 when it was increased from 3.35%). In select cases the Chancery may grant loans at reduced rates to assist parishes and schools in need.

Investment Return: Investment revenues include dividends, interest, and realized/unrealized gains/(losses) on diocesan money market and investment accounts, net of associated service fees. Investment earnings on funds with donor-imposed stipulations are classified as With Donor Restrictions, until the restrictions are satisfied, and the earnings are disbursed.

Rental Income: Includes rental income recognized by the Chancery including fees paid by retired priests housed at the Cardinal Medeiros Center.

Gain on Sale of Real Estate: This includes any gains on Diocesan properties. Note that as a corporation sole, all properties are owned by the Roman Catholic Bishop of Fall River; however, the financial statements of the Chancery Office generally do not include proceeds from the sale of properties at parishes, schools, or other related entities. Proceeds from liquidating these assets may be used to offset outstanding debt the local entity has with the Chancery or remitted to the local entity. Revenues are recognized upon sale of an asset.

Other Revenue: Includes miscellaneous revenues recognized by the Chancery Office, including service fees paid by related entities to the Chancery Office and rental income from retired priests in residence at the Cardinal Medeiros Center. Revenues are earned as goods or services are provided.

Expense Recognition

Expenses are reported as decreases in net assets. Chancery Office expenses are shown on a functional (i.e., programmatic) basis within the Statement of Activities. In the Schedule of Functional Expenses, the Chancery Office provides transparency into the natural expense breakdown (i.e. Compensation, Occupancy, etc.) of each functional expense unit.

The major functional expense units within the Chancery Office include:

Insurance Program Expenses: The Chancery Office acts on behalf of participating parishes and other related entities to procure insurance coverage, including medical, dental, property/liability, automobile, and worker's compensation insurance. The Diocese is self-insured for medical insurance, so costs are largely related to claims processed and stop-loss premiums. While the Diocese does have stop-loss provisions in its plans, a significant increase in claims costs could negatively impact financial results. The property/liability program also includes significant deductibles at the diocesan level and therefore acts similar to a self-insured program.

**ROMAN CATHOLIC BISHOP OF FALL RIVER
(A Corporation Sole) - Chancery Office**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

Program Activities: Includes programs largely supported by the Annual Appeal and Diocesan Special Collections. A complete list of ministries supported by the Annual Appeal are listed on the website of the Catholic Foundation at www.catholicfoundationsema.org/areas-supported-by-the-appeal/. Within the pastoral ministries, education and grants, and communications and faith formation programs, the Chancery Office incurs expenses directly or pays stipends to diocesan ministries that maintain their own books and records.

Supporting Services: Includes costs related to the central administration of the Diocese, including the following departments: Bishop's Office, Chancellor's Office, Finance, Human Resources, Payroll, Insurance, and Tribunal. Supporting services includes all professional fees, including legal, audit, information technology, and other consulting services. All costs related to running the annual Catholic Charities Appeal (outsourced to the Catholic Foundation of Southeast Massachusetts in FY19) are included in this category.

Other Expenses: Includes interest on parish, school, and other entity deposits held by the Chancery. As of June 30, 2022, the rate of interest paid on these deposits was 2.00% (In June of 2022 the Chancery announced that the rate paid on deposits would decrease to 1.75%, effective July 2022). Adjustments to the allowance for bad debt, depreciation and expenses related to assets released from restrictions are included in this category as well.

Cash and Cash Equivalents and Investments

Cash and cash equivalents consist of operating funds deposited in cash management accounts, and other investments with maturities at the time of purchase of 90 days or less and are carried at market value. Cash and cash equivalents held in the investment portfolio are reported as investments.

The Chancery maintains cash balances at several banks in excess of federally insured limits. The Chancery Office also maintains cash balances in money market funds which are not insured. The Chancery Office has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk.

The Chancery Office reports investments at fair value. The fair value of publicly traded securities is based upon quoted market prices as of the measurement date. Purchases and sales of investments are recorded on a trade-date basis. Gains or losses from the sale of investment securities are computed on the specific identification method, or on the average cost basis.

Investments are exposed to various risks, such as interest rate, credit, and overall market volatility. All Chancery Office investments are overseen by the Diocesan Investment Committee. The charter of the Investment Committee includes monitoring the return on Diocesan investments as well as ensuring that funds are invested in compliance with USCCB socially responsible investing guidelines.

Accounts Receivable, Loans Receivable, Other Receivables, and Accrued Interest

Accounts receivable from parishes and others include amounts due from related organizations for insurance and other central services and have been reduced to their estimated net realizable value through an allowance for doubtful accounts. Additionally, accounts receivable is shown net of any depository savings held on their behalf by the Chancery Office because there is a right of offset associated with these depository savings accounts.

Loans receivable from parishes and others represent advances to related organizations. Loans receivable are stated at the amount of unpaid principal, reduced by an allowance for loan losses. Generally, loans are granted for specific periods of time and contain specific provisions regarding payment terms and collateral.

**ROMAN CATHOLIC BISHOP OF FALL RIVER
(A Corporation Sole) - Chancery Office**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

Other receivables include cash advances and project-related costs extended to parishes and schools. Also included are real estate clearing costs, typically where expenses on closed buildings are incurred pending repayment when the asset is sold or re-purposed.

Accrued interest includes accrued interest on Chancery investments, as well as an accrued interest balance on a loan from a related party.

Allowance for Doubtful Accounts

The allowances for doubtful accounts for accounts receivable, loans receivable, and other receivables are maintained at a level believed by management to be representative of inherent losses estimated on the basis of factors such as risk characteristics of the borrowers, potential collateral and current economic conditions that may affect the borrower's ability to pay. Loans, accounts receivable, and other receivables are written off in whole or in part when, in management's opinion, collectability is considered remote and are reviewed on a case by case basis. The Chancery Office will continue to work with parishes, schools, and related entities to assess their ability to address outstanding debt. Proceeds from property sales by entities with delinquent account balances (including closed and merged parishes) may be applied against outstanding balances at the discretion of the Bishop. A listing of all property sales and the use of said funds are also reviewed with the Diocesan Finance Council. All transactions are reviewed to ensure compliance with civil and church (canon) law, and in consideration of canon law, select sales must first be approved by the Diocese of Fall River's College of Consultors. The allowance is reduced by an estimate for these planned recoveries. The Chancery Finance Office also works directly with select locations and parish finance councils to re-structure debt where appropriate.

There are numerous factors that make it difficult to assess the appropriateness of a reserve and in particular, an entities ability to service re-structured debt payments or long-term loans. These include future parish mergers or collaboratives that may result from ongoing parish planning initiatives, pastor transitions due to retirements or ministerial issues, general trends around church attendance, and socio-economic changes to the population demographic in southeast Massachusetts. Future fiscal years could be negatively impacted if some of the assumptions on payment of current receivables or recognition of various debt offsets (including asset sales and debt restructure agreements) are adversely impacted. The Chancery Finance Office will continue to evaluate the reserve and make adjustments in future periods as appropriate.

While management uses available information to establish the allowances for accounts receivable, loans receivable, and other receivables, future additions or reductions to the allowances may become necessary if circumstances differ from the assumptions used in making the evaluation as of each reporting date.

Land, Buildings, and Equipment

Select land, buildings and building improvements, and equipment are stated at cost at date of acquisition or, if donated, at the market value on the date of the gift, less accumulated depreciation.

Perpetual Care Funds on Deposit

The Chancery Office receives deposits from cemetery entities within the Diocese and pays a stated rate of interest on these deposits (2.00% as of June 30, 2022; effective July 2022 these rates have also been adjusted to 1.75%). The funds are available to pay for the future care of these cemeteries when needed.

**ROMAN CATHOLIC BISHOP OF FALL RIVER
(A Corporation Sole) - Chancery Office**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

Reserve for Losses

Property and General Liability Insurance

The Diocese is insured for various risks incidental to the normal course of its activities. Such risks include fire damage, general liability claims, theft losses and sudden accidental occurrences to boilers and related equipment. The Diocese also permits related organizations within the Diocese of Fall River to participate in its risk management program. A charge is assessed to these entities based on the type of risks shared among these organizations. The typical risk areas in which the other organizations participate include automobile liability, physical property damage and general liability.

Health and Dental Insurance

The Diocese is self-insured for losses related to health benefits for its employees. The program is administered by the Chancery Office. Medical claim losses in excess of the self-insured retention level are insured under a commercial excess policy ("stop-loss" insurance). A reserve for health and dental claims incurred but not reported is included in accounts payable and accrued expenses on the combined statement of financial position. The reserve is based on claims reported, historical experience and estimates of future trends claim severity and frequency and other factors, which could vary as claims are ultimately settled. The actual amount of losses and loss adjustment expenses may vary from the estimated amounts included in the combined financial statements.

Income Taxes

The Diocese is a religious organization as described in Section 501(c)(3) of the Internal Revenue Code, as amended (the "Code"), and is generally exempt from income taxes pursuant to Section 501(a) of the Code. The Diocese is included in the United States Conference of Catholic Bishops ("USCCB") group ruling and listed in the Official Catholic Directory. The Diocese is required to assess uncertain tax positions and has determined that there were no such positions that are material to the financial statements.

Subsequent Events

The Chancery Office has evaluated the impact of all subsequent events through December 15, 2022, the date the financial statements were available to be issued, and has determined that there were no subsequent events requiring adjustment or disclosure in the financial statements.

**ROMAN CATHOLIC BISHOP OF FALL RIVER
(A Corporation Sole) - Chancery Office**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

Chancery Office assets available within one year of the Statement of Financial Position date, without donor restrictions or Diocesan designations, include the following at June 30:

	2022	2021
Cash and cash equivalents	\$ 4,260,127	\$ 7,592,865
Investments	44,607,387	49,819,497
Pledges receivable, due within one year	568,354	473,900
Accounts receivable, due within one year	2,988,599	2,919,404
Loans receivable, due within one year	1,200,289	1,165,080
Other receivables, due within one year	598,214	847,941
	54,222,969	62,818,687
Less amounts unavailable within one year:		
Funds with donor restrictions	(5,424,325)	(5,240,975)
Assets available to meet cash needs for general expenditures or withdrawal of parish funds within one year	48,798,644	57,577,712
Less funds on deposit from parishes and other	(55,627,099)	(52,717,869)
Less funds on deposit from cemetery perpetual care	(19,215,645)	(18,503,321)
Assets available excluding Chancery depository funds	\$ (26,044,099)	\$ (13,643,478)

The Chancery Office manages liquidity by developing annual budgets which are updated and reviewed quarterly with the Diocesan Finance Council. Excess cash reserves are placed in investment accounts. Requests to withdraw money from accounts on deposit at the Chancery are subject to review and approval by the Bishop and Chancellor.

In September 2020, the Diocese secured a \$5,000,000 line of credit with a local bank to further insulate itself from any short-term liquidity issues. The line of credit was opened during the worldwide pandemic and renews annually each March. At June 30, 2022, the line of credit remained available to the Diocese. The Diocese has never drawn on this line of credit.

**ROMAN CATHOLIC BISHOP OF FALL RIVER
(A Corporation Sole) - Chancery Office**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

NOTE 4 - ACCOUNTS RECEIVABLE, LOANS RECEIVABLE, OTHER RECEIVABLES, ACCRUED INTEREST, AND NOTE RECEIVABLE

At June 30, the accounts receivable from parishes and others, net, consists of the following:

	2022				
	Accounts Receivable	Loans Receivable	Other Receivable	Accrued Interest	Note Receivable
Gross receivable	\$ 3,547,205	\$ 18,383,808	\$ 2,730,298	\$ 553,165	\$ -
Less: allowance for doubtful accounts	(421,213)	(78,033)	-	-	-
	3,125,993	18,305,775	2,730,298	553,165	-
Depository savings payable to those entities with accounts receivable	(137,393)	-	-	-	-
Net receivable	\$ 2,988,599	\$ 18,305,775	\$ 2,730,298	\$ 553,165	\$ -
	2021				
	Accounts Receivable	Loans Receivable	Other Receivable	Accrued Interest	Note Receivable
Gross receivable	\$ 3,820,777	\$ 18,282,344	\$ 2,289,035	\$ 1,074,476	\$ 35,471
Less: allowance for doubtful accounts	(837,426)	(78,033)	-	-	-
	2,983,351	18,204,311	2,289,035	1,074,476	35,471
Depository savings payable to those entities with accounts receivable	(63,946)	(633,977)	(13,273)	(45,840)	-
Net receivable	\$ 2,919,404	\$ 17,570,334	\$ 2,275,762	\$ 1,028,636	\$ 35,471

A roll forward of the allowance for doubtful accounts related to the above receivables for the years ended June 30, 2022 and 2021 is as follows:

	2022	
	Accounts Receivable	Loans Receivable
Beginning of the year	\$ 837,426	\$ 78,033
Write-offs net of recoveries	(416,213)	-
End of year	\$ 421,213	\$ 78,033

**ROMAN CATHOLIC BISHOP OF FALL RIVER
(A Corporation Sole) - Chancery Office**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

	2021			
	Accounts Receivable	Loans Receivable	Other Receivable	Accrued Interest
Beginning of the year	\$ 3,047,357	\$ 4,269,397	\$ 2,112,195	\$ 880,023
Current year provision	315,025	78,033	6,942	-
Write-offs net of recoveries	(2,524,956)	(4,269,397)	(2,119,137)	(880,023)
End of year	\$ 837,426	\$ 78,033	\$ -	\$ -

NOTE 5 - INVESTMENTS

Investments consist of the following at June 30:

	2022	2021
Money market funds	\$ 1,379,830	\$ 1,868,132
Mutual funds	6,365,589	9,782,356
Corporate bonds	10,293,003	11,701,808
Common stock	26,568,965	26,467,201
Total investments	\$ 44,607,387	\$ 49,819,497
	2022	2021
Interest and dividends	\$ 854,654	\$ 607,864
Realized gains (losses) on investments	1,166,509	3,533,226
Unrealized gains (losses) on investments	(8,766,046)	5,385,312
Total investment income	\$ (6,744,882)	\$ \$9,526,401

Per ASU 2016-14 investment income is shown net of investment management fees. For the years ended June 30, 2022 and 2021, the Chancery Office paid \$180,114 and \$143,599, respectively, in investment management fees.

**ROMAN CATHOLIC BISHOP OF FALL RIVER
(A Corporation Sole) - Chancery Office**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

NOTE 6 - LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment recorded by the Chancery Office at June 30 consist of the following:

	Estimated Useful Life	2022	2021
Land	N/A	\$ 4,175,827	\$ 4,175,827
Buildings and improvements	20 - 40 years	10,904,250	10,904,250
Equipment	3 years	65,888	121,036
Furniture	10 years	22,581	7,254
		<u>15,168,546</u>	<u>15,208,367</u>
Less: accumulated depreciation		<u>(6,980,573)</u>	<u>(6,777,447)</u>
		<u>\$ 8,187,973</u>	<u>\$ 8,430,920</u>

NOTE 7 - FAIR VALUE MEASUREMENTS

The Chancery Office measures the fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). A fair value hierarchy has been established to prioritize the inputs used in valuation techniques to measure fair value. The three levels of the fair value hierarchy are described below.

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets as of the measurement date.

Level 2 - inputs to the valuation methodology are other observable inputs, including quoted prices for similar assets and liabilities in active or non-active markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are not directly observable, but are corroborated by observable market data.

Level 3 - inputs to the valuation methodology are unobservable for the asset or liability. There are no level 3 fair value instruments as of June 30, 2022 and 2021.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. As of June 30, assets and liabilities measured at fair value on a recurring basis are summarized as follows:

	2022		
	Level 1	Level 2	Total
Money market funds	\$ 1,379,830	\$ -	\$ 1,379,830
Mutual funds	6,365,589	-	6,365,589
Corporate bonds	-	10,293,003	10,293,003
Common stock	26,568,965	-	26,568,965
	<u>\$ 34,314,384</u>	<u>\$ 10,293,003</u>	<u>\$ 44,607,387</u>
Total			

**ROMAN CATHOLIC BISHOP OF FALL RIVER
(A Corporation Sole) - Chancery Office**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

	2021		Total
	Level 1	Level 2	
Money market funds	\$ 1,868,132	\$ -	\$ 1,868,132
Mutual funds	9,782,356	-	9,782,356
Corporate bonds	-	11,701,808	11,701,808
Common stock	26,467,201	-	26,467,201
Total	\$ 38,117,690	\$ 11,701,808	\$ 49,819,497

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30 included the following:

	2022	2021
Restricted uses:		
Catholic Charities Appeal (Paul Duchaine Fund corpus)	\$ 4,343,294	\$ 4,028,016
Education of priests (Joseph O'Donnell Fund corpus)	406,720	406,720
Restricted in perpetuity	4,750,014	4,434,736
Catholic Charities Appeal (Monsignor Considine Fund)	282,680	347,453
Guild for the Blind (Regina Collopy Trust)	51,721	127,010
Education of priests (O'Donnell Fund appreciation)	81,787	73,652
Elderly in the Diocese	35,000	35,000
Various (Hurley, Conboy, St. Johns Day, Father Peyton)	173,124	173,124
Catholic Social Services - Carney donation	50,000	50,000
Total	\$ 5,424,325	\$ 5,240,975

**ROMAN CATHOLIC BISHOP OF FALL RIVER
(A Corporation Sole) - Chancery Office**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

NOTE 9 - ENDOWMENTS

The Chancery Office follows the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as adopted in the Commonwealth of Massachusetts and its own governing documents in handling permanently restricted gifts. The Chancery Office has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Chancery Office classifies as net assets restricted in perpetuity: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets restricted in perpetuity is classified as net assets restricted by time or purpose until those amounts are appropriated for expenditure by the Chancery Office in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Chancery Office considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds; (2) the purposes of the donor-restricted endowment funds; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the Chancery Office; (7) the Chancery Office’s investment policies and (8) any expressed wishes of the respective donors.

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2020	\$ 726,631	\$ 4,434,736	\$ 5,161,367
Income	294,134	-	294,134
Amounts appropriated for expenditure	(214,526)	-	(214,526)
Endowment net assets, June 30, 2021	806,239	4,434,736	5,240,975
Contributions received	-	315,278	315,278
Income	72,830	-	72,830
Amounts appropriated for expenditure	(204,757)	-	(204,757)
Endowment net assets, June 30, 2022	<u>\$ 674,311</u>	<u>\$ 4,750,014</u>	<u>\$ 5,424,325</u>

Investment Return Objectives, Risk Parameters and Strategies

The Chancery Office has adopted an investment policy for donor-restricted assets that attempts to provide a predictable stream of funding to programs supported by its funds while also maintaining the purchasing power of those endowment assets over the long term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds any distributions made, with acceptable levels of risk.

**ROMAN CATHOLIC BISHOP OF FALL RIVER
(A Corporation Sole) - Chancery Office**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

Spending Policy

Net assets released from restrictions for the years ending June 30, 2022, and 2021, included:

	2022	2021
Duchaine	\$ 81,168	\$ 80,563
Catholic Charities Appeal (Monsignor Considine Fund)	-	57,600
Guild for the Blind (Regina Collopy Trust)	73,590	26,363
Catholic Social Services - Carney donation	50,000	50,000
Total	\$ 204,757	\$ 214,526

NOTE 10 - CONTINGENCIES

The Diocese is involved in various other legal proceedings in the normal course of business that are generally incidental to its business, including claims related to clergy misconduct. The Diocese has recorded an estimate to reserve for loss based on misconduct claims. As it relates to any other potential unknown claims, while it is not feasible to predict or determine the outcome of the proceedings at this time, management does not believe that they will result in a material adverse effect on the Chancery's financial position, changes in net assets, or liquidity.

NOTE 11 - PENSION PLANS

Lay Plan

The Chancery Office previously participated with other Diocesan related and affiliated non-profit entities in a contributory, defined-benefit plan covering substantially all full-time lay employees. The risks of participating in multiemployer plans differ from single-employer plans in various ways:

- a. Assets contributed to multiemployer plans by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to a multiemployer plan, generally the unfunded obligations of the multiemployer plan may be borne by the remaining participating employers, on a case-by-case basis.
- c. If a participating entity chooses to stop participating in a multiemployer plan, the participating entity may be required to pay the multiemployer plan an amount based on the underfunded status of the multiemployer plan, referred to as a withdrawal liability.

The plan in which the Chancery Office participates is the Retirement Plan for Full-Time Lay Employees of Roman Catholic Bishop of Fall River, Corporation Sole (the "Lay Plan"). Benefits under the Lay Plan are provided through a pension plan administered by the Chancery Office.

Effective December 31, 2015, the Diocese froze this Lay Plan. Accordingly, no new participants could be admitted to the plan after this date, and current participants will not earn additional benefits.

**ROMAN CATHOLIC BISHOP OF FALL RIVER
(A Corporation Sole) - Chancery Office**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021

The Diocese works with an outside actuarial firm to regularly review if the plan has been appropriately funded to meet future payment obligations. As of January 2017, the Lay Plan included assets equal to 58.1% of the present value of accumulated benefits. In July 2017, the Chancery Office initiated billing for a “frozen pension” fee to each entity with covered participants. The Diocese applies proceeds from these bills to the unfunded liability. Additionally, the Chancery Office may make additional contributions to the plan each year. For the years ended June 30, 2022 and 2021, Chancery lay pension contributions were \$0 and \$721,865 respectively, and were reported as Chancery Office expenses.

For financial reporting purposes within these combined financial statements, the Lay Plan is accounted for as a multiemployer plan and as such, the accumulated benefit obligation is not reflected in the accompanying combined statement of financial position.

Defined Contribution Plan

The Diocese offers a defined contribution deferred retirement savings option to various Diocesan agencies and other related entities of the Diocese. The Roman Catholic Bishop of Fall River, Corporation Sole Voluntary 403(b) Plan and the Diocesan Separately-Incorporated Entities Voluntary 403(b) Plan (collectively the “Plans”) are administered by the Chancery Office. The Plans are based on total compensation and qualify under Section 403(b) of the Internal Revenue Service Code. All lay employees of the participating Diocesan agencies and other related entities are eligible to make contributions immediately upon employment. During the years ended June 30, 2022 and 2021, the Chancery contributed \$121,861 and \$126,466 to these plans, respectively.

Priests’ Plan

The Diocese has a pension plan (the “Priests’ Plan”) which is administered by the Chancery Office covering substantially all priests who are incardinated in the Diocese. As of October 31, 2013, accumulated funding was utilized to purchase annuity contracts for the retired clergy of the Diocese receiving benefit payments at that time. Effective November 1, 2013, a new plan was created for future retirees. Funding of the Priests’ Plan is assumed by the parishes or the affiliated agency or entity to which a priest is assigned. During the years ended June 30, 2022 and 2021, the Chancery contributed \$250,000 and \$360,933 respectively, to the new Priests’ Plan.

For financial reporting purposes within these financial statements, the Priests’ Plan is accounted for as multiemployer plans and as such, the accumulated benefit obligation is not reflected in the accompanying combined statement of financial position.