

Combined Financial Statements and  
Report of Independent Certified Public  
Accountants

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

June 30, 2024 and 2023

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**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, 2024 and 2023, 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, 2024 and 2023, 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 19, 2024

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

**COMBINED STATEMENTS OF FINANCIAL POSITION**

**June 30,**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,499,976	\$ 3,415,114
Accounts receivable from parishes and other, net	2,578,982	3,172,955
Loans receivable from parishes and others, net	17,212,005	18,409,921
Other receivables, net	3,652,473	3,159,835
Accrued interest, net	494,504	506,952
Prepaid expenses	202,978	566,281
Investments	54,981,403	48,898,176
Land, buildings, and equipment, net	12,105,279	10,210,252
Total assets	\$ 95,727,600	\$ 88,339,487
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 2,746,730	\$ 2,255,976
Interest payable to parishes and others	73,549	65,743
Other payables	261,667	282,500
Funds on deposit from parishes and others	60,343,374	59,938,075
Agency funds	283,060	185,013
Funds on deposit from cemetery perpetual care	20,259,493	19,800,967
Loans payable	1,825,401	1,431,865
Total liabilities	85,793,275	83,960,139
<b>Net assets</b>		
Without donor restrictions		
Designated for capital projects	228,173	228,173
Designated for Diocesan Endowment	152,115	152,115
Designated for Canon Law Fund	25,680	19,490
Designated for Bishop's Discretionary Fund	17,569	17,559
Designated for Faith Formation	239,253	184,898
Undesignated	3,640,469	(1,501,649)
With donor restrictions	5,631,066	5,278,761
Total net assets	9,934,325	4,379,348
Total liabilities and net assets	\$ 95,727,600	\$ 88,339,487

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, 2024 (with summarized comparative information for the year ended June 30, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUES AND OTHER SUPPORT</b>				
Insurance program fees:				
Medical and dental premiums	\$ 14,122,969	\$ -	\$ 14,122,969	\$ 13,246,570
Other benefits and insurance premiums	4,295,279	-	4,295,279	3,765,933
Contributions and bequests:				
Annual appeal	3,862,268	286,557	4,148,826	4,325,150
Special collections	504,843	-	504,843	502,388
Bequests and other contributions	1,130,551	-	1,130,551	419,456
Parish assessment	3,334,207	-	3,334,207	3,334,206
Interest on loans and notes	260,940	-	260,940	277,578
Investment return	6,934,724	119,957	7,054,681	5,467,240
Gain on sale of real estate	501,162	-	501,162	1,074,149
Other revenue	4,377,659	57,882	4,435,541	2,339,175
Net assets released from restriction	112,091	(112,091)	-	-
Total revenues and other support	<u>39,436,694</u>	<u>352,305</u>	<u>39,788,999</u>	<u>34,751,845</u>
<b>EXPENSES AND LOSSES</b>				
Insurance program expenses:				
Medical and dental premiums, claims, and expenses	14,010,839	-	14,010,839	13,817,592
Other insurance premiums, claims, and expenses	4,182,839	-	4,182,839	3,475,898
Program activities:				
Pastoral ministries	2,621,113	-	2,621,113	3,002,968
Education and grants	1,070,002	-	1,070,002	1,135,529
Communications and faith formation	1,022,330	-	1,022,330	996,329
Support for matriculating seminarians	155,392	-	155,392	294,902
Clergy retirement and other support costs	1,290,974	-	1,290,974	1,320,499
Supporting services:				
Chancery office	3,676,819	-	3,676,819	3,295,563
Professional fees and settlement costs	1,581,158	-	1,581,158	2,361,245
Development	91,233	-	91,233	96,529
Other supporting services	2,382,932	-	2,382,932	2,736,402
Interest on deposits and loans	1,558,330	-	1,558,330	1,331,524
Bad debt expense	85,752	-	85,752	740
Depreciation	398,028	-	398,028	264,472
Other expenses	106,278	-	106,278	932,972
Total expenses and losses	<u>34,234,021</u>	<u>-</u>	<u>34,234,021</u>	<u>35,063,162</u>
<b>CHANGE IN NET ASSETS</b>	5,202,673	352,305	5,554,978	(311,317)
<b>Net assets, beginning of year</b>	<u>(899,412)</u>	<u>5,278,760</u>	<u>4,379,348</u>	<u>4,690,665</u>
<b>Net assets, end of year</b>	<u>\$ 4,303,261</u>	<u>\$ 5,631,065</u>	<u>\$ 9,934,326</u>	<u>\$ 4,379,348</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, 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Insurance program fees:			
Medical and dental premiums	\$ 13,246,570	\$ -	\$ 13,246,570
Other benefits and insurance premiums	3,765,933	-	3,765,933
Contributions and bequests:			
Annual appeal	4,325,150	-	4,325,150
Special collections	502,388	-	502,388
Bequests and other contributions	419,456	-	419,456
Parish assessment	3,334,206	-	3,334,206
Interest on loans and notes	277,578	-	277,578
Investment return	5,359,811	107,429	5,467,240
Gain on sale of real estate	1,074,149	-	1,074,149
Other revenue	2,339,175	-	2,339,175
Net assets released from restriction	252,994	(252,994)	-
	<u>34,897,410</u>	<u>(145,565)</u>	<u>34,751,845</u>
Total revenues and other support			
<b>EXPENSES AND LOSSES</b>			
Insurance program expenses:			
Medical and dental premiums, claims, and expenses	13,817,592	-	13,817,592
Other insurance premiums, claims, and expenses	3,475,898	-	3,475,898
Program activities:			
Pastoral ministries	3,002,968	-	3,002,968
Education and grants	1,135,529	-	1,135,529
Communications and faith formation	996,329	-	996,329
Support for matriculating seminarians	294,902	-	294,902
Clergy retirement and other support costs	1,320,499	-	1,320,499
Supporting services:			
Chancery office	3,295,563	-	3,295,563
Professional fees and settlement costs	2,361,245	-	2,361,245
Development	96,529	-	96,529
Other supporting services	2,736,402	-	2,736,402
Interest on deposits and loans	1,331,524	-	1,331,524
Bad debt expense	740	-	740
Depreciation	264,472	-	264,472
Other expenses	932,972	-	932,972
	<u>35,063,162</u>	<u>-</u>	<u>35,063,162</u>
Total expenses and losses			
	(165,752)	(145,565)	(311,317)
<b>CHANGE IN NET ASSETS</b>			
<b>Net assets, beginning of year</b>	<u>(733,660)</u>	<u>5,424,325</u>	<u>4,690,665</u>
<b>Net assets, end of year</b>	<u>\$ (899,412)</u>	<u>\$ 5,278,760</u>	<u>\$ 4,379,348</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 FUNCTIONAL EXPENSES

Year ended June 30, 2024 (with summarized comparative information for the year ended June 30, 2023)

	2024							2023	
	Compensation Costs	Occupancy Costs	Professional Services	Professional Development	Stipends	Other Costs	Insurance Premiums and Claims	Total Expenses	Total Expenses
<b>Expenses and losses</b>									
Insurance program expenses									
Medical and dental claims, premiums and expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,010,839	\$ 14,010,839	\$ 13,817,592
Insurance premiums, claims and expenses	-	-	-	-	-	-	4,182,839	4,182,839	3,475,898
Total insurance program expenses	-	-	-	-	-	-	18,193,678	18,193,678	17,293,490
Program activities									
Pastoral ministries	1,190,357	-	-	-	1,420,856	9,900	-	2,621,113	3,002,968
Education and grants	-	-	-	-	1,070,002	-	-	1,070,002	1,135,529
Communications and faith formation	641,766	-	122,941	-	51,076	206,548	-	1,022,330	996,329
Support for matriculating seminarians	-	-	-	155,392	-	-	-	155,392	294,902
Clergy retirement and other support costs	156,766	47,129	360,678	1,400	725,000	-	-	1,290,974	1,320,499
Total program activities	1,988,889	47,129	483,619	156,792	3,266,934	216,448	-	6,159,811	6,750,227
Supporting services									
Chancery office	3,676,819	-	-	-	-	-	-	3,676,819	3,295,563
Professional fees and settlement costs	-	-	1,581,158	-	-	-	-	1,581,158	2,361,245
Development	-	-	-	-	-	91,233	-	91,233	96,529
Other supporting services	-	962,112	956,365	-	-	464,455	-	2,382,932	2,736,402
Total administration expenses	3,676,819	962,112	2,537,524	-	-	555,688	-	7,732,143	8,489,737
Interest and deposits on loans	-	-	-	-	-	1,558,330	-	1,558,330	1,331,524
Bad debt expense	-	-	-	-	-	85,752	-	85,752	740
Depreciation	-	-	-	-	-	398,028	-	398,028	264,472
Other	-	-	50,000	-	-	56,278	-	106,278	932,972
Total expense	<u>\$ 5,665,708</u>	<u>\$ 1,009,241</u>	<u>\$ 3,071,143</u>	<u>\$ 156,792</u>	<u>\$ 3,266,934</u>	<u>\$ 2,870,525</u>	<u>\$ 18,193,678</u>	<u>\$ 34,234,021</u>	<u>\$ 35,063,162</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 FUNCTIONAL EXPENSES**

Year ended June 30, 2023

	2023							
	Compensation Costs	Occupancy Costs	Professional Services	Professional Development	Stipends	Other Costs	Insurance Premiums and Claims	Total Expenses
<b>Expenses and losses</b>								
Insurance program expenses								
Medical and dental claims, premiums and expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,817,592	\$ 13,817,592
Insurance premiums, claims and expenses	-	-	-	-	-	-	3,475,898	3,475,898
Total insurance program expenses	-	-	-	-	-	-	17,293,490	17,293,490
Program activities								
Pastoral ministries	1,122,180	-	-	-	1,864,197	16,591	-	3,002,968
Education and grants	-	-	-	-	1,135,529	-	-	1,135,529
Communications and faith formation	474,990	-	175,110	-	51,482	294,746	-	996,328
Support for matriculating seminarians	-	-	-	294,902	-	-	-	294,902
Clergy retirement and other support costs	311,577	42,419	293,873	-	672,631	-	-	1,320,500
Total program activities	1,908,747	42,419	468,983	294,902	3,723,839	311,337	-	6,750,227
Supporting services								
Chancery office	3,295,563	-	-	-	-	-	-	3,295,563
Professional fees and settlement costs	-	-	2,361,245	-	-	-	-	2,361,245
Development	-	-	-	-	-	96,529	-	96,529
Other supporting services	-	900,628	999,648	-	-	836,125	-	2,736,402
Total administration expenses	3,295,563	900,628	3,360,893	-	-	932,654	-	8,489,737
Interest and deposits on loans	-	-	-	-	-	1,331,524	-	1,331,524
Bad debt expense	-	-	-	-	-	740	-	740
Depreciation	-	-	-	-	-	264,472	-	264,472
Other	-	-	50,000	-	-	882,972	-	932,972
Total expense	<u>\$ 5,204,310</u>	<u>\$ 943,048</u>	<u>\$ 3,879,876</u>	<u>\$ 294,902</u>	<u>\$ 3,723,839</u>	<u>\$ 3,723,698</u>	<u>\$ 17,293,490</u>	<u>\$ 35,063,162</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,

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 5,554,978	\$ (311,317)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Unrealized realized gains (losses) on investments	(5,932,405)	(4,535,726)
Depreciation	398,028	264,472
Bad debt provision	85,752	296,028
Gain on sale of land	(427,169)	-
Changes in operating assets and liabilities:		
Accounts receivable from parishes and others, net	585,584	(184,356)
Other receivables, net	(539,819)	(589,226)
Accrued interest receivable, net	12,448	46,212
Prepaid expenses	363,303	969,065
Accounts payable and accrued expenses	490,755	(98,410)
Interest payable to parishes and others	7,806	1,253
Agency funds	98,047	25,650
Other payables	(20,833)	(15,000)
	<u>676,473</u>	<u>(4,131,356)</u>
Net cash provided by (used in) operating activities		
<b>Cash flows from investing activities:</b>		
Proceeds from the sale of land	1,021,089	-
Purchase of land, buildings, and equipment	(2,886,975)	(2,286,751)
Proceeds from sales of investments	16,627,664	15,845,944
Purchases of investments	(16,778,485)	(15,601,008)
	<u>(2,016,707)</u>	<u>(2,041,815)</u>
Net cash used in investing activities		
<b>Cash flows from financing activities:</b>		
Change in funds on deposit from parishes and others	405,299	4,310,977
Change in funds on deposit from cemetery perpetual care	458,527	585,322
New loans issued	(3,819,967)	(2,062,994)
Receipt of funds from new loans	393,536	672,344
Payments on loans due	4,987,701	1,822,511
	<u>2,425,096</u>	<u>5,328,159</u>
Net cash provided by financing activities		
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>1,084,862</u>	<u>(845,013)</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>3,415,114</u>	<u>4,260,127</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 4,499,976</u>	<u>\$ 3,415,114</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, 2024 and 2023**

**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](http://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 three 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 include what were formerly classified as temporarily or permanently restricted funds. This includes assets that are subject to donor-imposed stipulations.

***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

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

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

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: 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 \$463,761 and \$461,188 respectively at June 30, 2023 and 2024.

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.

*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/](http://www.fallriverdiocese.org/chancery-finance-office/). One twelfth 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, 2024, the default rate on Chancery loans was 5.00%. The rate charged is reviewed regularly and is intended to provide entities a rate favorable to retail banks. 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.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

*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, any recovery of bad debt or affiliated entity debt that had been placed in abeyance, 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 like a self-insured program.

*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/](http://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, 2024, the rate of interest paid on these deposits was 2.00% (In April 2024 the Chancery announced that rates on depository savings accounts would increase to 3.00% effective July 2024.). Adjustments to the allowance for bad debt, depreciation and expenses related to assets released from restrictions are included in this category as well.

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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

***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 may be 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.

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 on a quarterly basis. All transactions are reviewed to ensure compliance with civil and church (canon) law, and in consideration of canon law, select sales must

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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

first be approved by the Diocese of Fall River's College of Consultors and the Diocesan Finance Council. 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 (1.75% as of June 30, 2024). The funds are available to pay for the future care of these cemeteries when needed.

***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.

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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

***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 19, 2024, 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.

***Reclassifications***

Certain information in the fiscal 2023 combined financial statements has been reclassified to conform to the fiscal 2024 presentation. There were no changes in total revenues, total expenses or changes in net assets as reflected in the fiscal 2023 combined financial statements as a result of the reclassifications.

***New Accounting Standards***

The Diocese adopted the Current Expected Credit Loss (CECL) standard as required and determined that the impact on its financial statements was not material, as the nature and volume of its financial assets resulted in minimal expected credit losses. The adoption did not result in significant changes to the Diocese's accounting policies, financial position, or results of operations.



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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

**NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

Chancery Office assets available within one year of the Statement of Financial Position date, without donor restrictions, include the following at June 30, 2024, (with comparative information from June 30, 2023):

	2024	2023
Cash and cash equivalents	\$ 4,499,976	\$ 3,415,114
Investments	54,981,403	48,898,176
Pledges receivable, due within one year	461,188	463,761
Accounts receivable, due within one year	2,578,982	3,172,955
Loans receivable, due within one year	1,230,330	1,194,301
Other receivables, due within one year	655,903	694,440
	64,407,783	57,838,747
Less amounts unavailable within one year:		
Funds with donor restrictions	(5,631,066)	(5,278,761)
Assets available to meet cash needs for general expenditures or withdrawal of parish funds within one year	58,776,717	52,559,987
Less funds on deposit from parishes and other	(60,343,374)	(59,938,075)
Less funds on deposit from cemetery perpetual care	(20,259,493)	(19,800,967)
Assets available excluding Chancery depository funds	\$ (21,826,151)	\$ (27,179,055)

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 Chancery 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 renews annually each March. At June 30, 2024 the line of credit remained available to the Chancery. The Chancery has never drawn from this line of credit.

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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

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

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

	2024			
	Accounts Receivable	Loans Receivable	Other Receivable	Accrued Interest
Gross receivable	\$ 2,826,724	\$17,456,559	\$ 3,801,665	\$ 494,504
Less: allowance for doubtful accounts	<u>(103,963)</u>	<u>(244,554)</u>	<u>(149,192)</u>	<u>-</u>
Subtotal	2,722,761	17,212,005	3,652,473	494,504
Depository savings payable to those entities with accounts receivable	<u>(143,779)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net receivable	<u>\$ 2,578,982</u>	<u>\$17,212,005</u>	<u>\$ 3,652,473</u>	<u>\$ 494,504</u>
	2023			
	Accounts Receivable	Loans Receivable	Other Receivable	Accrued Interest
Gross receivable	\$ 3,421,914	\$18,624,293	\$ 3,319,524	\$ 506,952
Less: allowance for doubtful accounts	<u>(105,180)</u>	<u>(214,372)</u>	<u>(159,689)</u>	<u>-</u>
Subtotal	3,316,734	18,409,921	3,159,835	506,952
Depository savings payable to those entities with accounts receivable	<u>(143,779)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net receivable	<u>\$ 3,172,955</u>	<u>\$18,409,921</u>	<u>\$ 3,159,835</u>	<u>\$ 506,952</u>

A roll forward of the allowance for doubtful accounts related to the above receivables for the years ended June 30, 2024 and 2023 is as follows:

	2024		
	Accounts Receivable	Loans Receivable	Other Receivable
Beginning of the year	\$ 105,180	\$ 214,372	\$ 159,689
Current year provision	8,388	30,183	47,181
Write-offs net of recoveries	<u>(9,605)</u>	<u>-</u>	<u>(57,679)</u>
End of year	<u>\$ 103,963</u>	<u>\$ 244,554</u>	<u>\$ 149,192</u>

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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

	2023		
	Accounts Receivable	Loans Receivable	Other Receivable
Beginning of the year	\$ 421,213	\$ 78,033	\$ -
Current year provision	-	136,339	159,689
Write-offs net of recoveries	(316,033)	-	-
End of year	<u>\$ 105,180</u>	<u>\$ 214,372</u>	<u>\$ 159,689</u>

**NOTE 5 - INVESTMENTS**

Investments consist of the following at June 30:

	2024	2023
Money market funds	\$ 3,636,853	\$ 2,517,512
Mutual funds	6,480,900	6,423,519
Corporate bonds	15,230,184	9,380,002
Common stock	29,633,466	30,577,143
	<u>\$ 54,981,403</u>	<u>\$ 48,898,176</u>

Net investment return for the year ended June 30, is as follows:

	2024	2023
Interest and dividends	\$ 1,122,276	\$ 931,514
Realized gains (losses) on investments	1,028,624	(712,896)
Unrealized gains (losses) on investments	4,903,781	5,248,623
Total investment income	<u>\$ 7,054,681</u>	<u>\$ 5,467,240</u>

For the years ended June 30, 2024 and 2023, the Chancery Office paid \$175,127 and \$160,468, respectively, in investment management fees.

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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

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

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

	Estimated Useful Life	2024	2023
Land	N/A	\$ 4,106,452	\$ 4,700,372
Buildings and improvements	20 - 40 years	15,139,597	11,118,736
Equipment	3 years	52,599	52,599
Furniture	10 years	227,165	135,454
Construction in progress	Varies	194,101	1,419,698
		<u>19,719,914</u>	<u>17,426,858</u>
Less: accumulated depreciation		<u>(7,614,634)</u>	<u>(7,216,606)</u>
Total land, buildings, and equipment		<u>\$ 12,105,279</u>	<u>\$ 10,210,252</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, 2024 and 2023.

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:

	2024		
	Level 1	Level 2	Total
Money market funds	\$ 3,636,853	\$ -	\$ 3,636,853
Mutual funds	6,480,900	-	6,480,900
Corporate bonds	-	15,230,184	15,230,184
Common stock	29,633,466	-	29,633,466
Total	<u>\$ 39,751,219</u>	<u>\$ 15,230,184</u>	<u>\$ 54,981,403</u>

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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

	2023		
	Level 1	Level 2	Total
Money market funds	\$ 2,517,512	\$ -	\$ 2,517,512
Mutual funds	6,423,519	-	6,423,519
Corporate bonds	-	9,380,002	9,380,002
Common stock	30,577,143	-	30,577,143
Total	<u>\$ 39,518,174</u>	<u>\$ 9,380,002</u>	<u>\$ 48,898,176</u>

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS**

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

	2024	2023
Restricted uses:		
Catholic Charities Appeal (Paul Duchaine Fund corpus)	\$ 4,343,294	\$ 4,343,294
Education of priests (Joseph O'Donnell Fund corpus)	406,720	406,720
Total restricted in perpetuity	4,750,014	4,750,014
Catholic Charities Appeal (Monsignor Considine Fund)	231,196	230,871
Guild for the Blind (Regina Collopy Trust)	-	441
Father Peyton cause for saint-hood	1,650	1,650
Education of priests (O'Donnell Fund appreciation)	97,293	89,311
Elderly in the Diocese	35,000	35,000
Various (Hurley, Conboy, St. Johns Day)	171,474	171,474
Our Lady of Aparacida Project	4,939	-
Programs benefiting children of the Diocese	52,943	-
Serving the Shepherds	286,557	-
Total	<u>\$ 5,631,066</u>	<u>\$ 5,278,761</u>

**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-

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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

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.

	With Donor Restrictions	Total
Endowment net assets, June 30, 2022	\$ 5,424,325	\$ 5,424,325
Income	107,429	107,429
Amounts appropriated for expenditure	(252,994)	(252,994)
Endowment net assets, June 30, 2023	5,278,761	5,278,761
Income	464,396	464,396
Amounts appropriated for expenditure	(112,091)	(112,091)
Endowment net assets, June 30, 2024	\$ 5,631,066	\$ 5,631,066

***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.

***Spending Policy***

The spend rate on assets with donor restrictions are based on a combination of direction provided by the donor and need each year. Net assets released from restrictions for the periods ending June 30, 2024, and June 30, 2023, included:

	2024	2023
Duchaine	\$ 85,237	\$ 80,351
Catholic Charities Appeal (Monsignor Considine Fund)	26,413	74,777
Guild for the Blind (Regina Collopy Trust)	441	47,865
Catholic Social Services - Carney donation	-	50,000
Total	\$ 112,091	\$ 252,994

**NOTE 10 - CONTINGENCIES**

The Diocese is involved in various 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 losses based on misconduct claims. At June 30, 2024 and June 30, 2023 this reserve totaled \$261,667 and \$282,500 respectively. 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.

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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

**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.

The Diocese works with an outside actuarial firm to regularly review if the plan has been appropriately funded to meet future payment obligations. 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. No Chancery contributions were made for the 2023 or 2024 plan years.

The following is a summary of the Lay Plan information as of June 30, 2024 and 2023:

	2024	2023
Present value of accumulated plan assets	\$ 69,703,368	\$ 71,488,774
Fair value of plan assets	(52,311,838)	(49,556,495)
Accumulated unfunded benefit obligation	\$ 17,391,530	\$ 21,932,279
Funding ratio	75.0%	69.3%

The present value of the accumulated benefit obligation was calculated using the Pri-2012 Total Dataset Mortality with Generational MP-2021 mortality tables, and assuming discount rates of 5.20% and 5.45% respectively for 2023 and 2024, with no cost-of-living adjustment.

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.

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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2024 and 2023**

In May of 2024 the Lay Plan was amended to offer a limited time voluntary lump sum payout option to Plan participants. Vested Plan participants were offered a payout at 75% of the present value of their accrued benefit. An initial announcement was sent to Participants in early May and the window for participants to opt for the buyout closed at the end of July. Approximately 45% of Plan participants accepted the buyout offer. Eligible participants were given the option to roll over buyout proceeds into the Diocesan 403(b) program. Those participants that chose not to accept the lump sum offering remain in the Plan with no change to their accrued benefit.

***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, 2024 and 2023, the Chancery contributed \$171,676 and \$155,652 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, 2024 and 2023, the Chancery contributed \$0 and \$0 respectively, to the new Priests’ Plan.

The following is a summary of Plan information as of June 30, 2024 and 2023:

	2024	2023
Present value of accumulated plan assets	\$ 12,925,661	\$ 13,851,187
Fair value of plan assets	(3,339,018)	(3,419,611)
Accumulated unfunded benefit obligation	\$ 9,586,643	\$ 10,431,576
Funding ratio	25.8%	24.7%

The present value of the accumulated benefit obligation was calculated using the Pri-2012 Total Dataset Mortality with Generational MP-2021 mortality tables, and assuming discount rates of 5.20% and 5.45% respectively for 2023 and 2024, with no cost-of-living adjustment.

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.