

DIOCESE OF SYRACUSE – CENTRAL
ADMINISTRATIVE OFFICE

FINANCIAL STATEMENTS

June 30, 2010

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Dermody, Burke & Brown, CPAs, LLC

INDEPENDENT AUDITORS' REPORT

MOST REVEREND ROBERT CUNNINGHAM, D.D. DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

We have audited the accompanying statement of financial position of the **DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE** as of June 30, 2010 and the related statement of activities for the year then ended and the statements of cash flows for the years ended June 30, 2010 and 2009. These financial statements are the responsibility of Diocesan management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Diocese of Syracuse – Central Administrative Office as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Diocese of Syracuse – Central Administrative Office taken as a whole. The accompanying supplemental schedule on pages 30 and 31 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in this schedule has been subjected to procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, New York

November 23, 2010

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AUDITED FINANCIAL STATEMENTS**STATEMENT OF FINANCIAL POSITION**

June 30, 2010 with Comparative Totals for June 30, 2009

	Unrestricted
ASSETS	
Cash	\$ 4,623,193
Accounts Receivable - Net	4,731,875
Pledges Receivable - Net	0
Investments - Net of Third Party Contractual Deposits	29,830,771
Mortgages and Notes Receivable	361,640
Land, Buildings and Equipment - Net	2,538,792
Interfund Advances (Payables)	(7,548,780)
Other Assets	498,610
Due to (from) Affiliated Organizations	<u>(6,703,685)</u>
TOTAL ASSETS	<u><u>\$ 28,332,416</u></u>
LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 1,249,655
Accrued Insurance Claims	8,004,321
Post Retirement	15,900,020
Liability for Custodial Accounts	105,354
Deferred Income	304,295
Notes and Mortgages Payable	<u>41,080</u>
Total Liabilities	25,604,725
NET ASSETS	
Unrestricted:	
Undesignated	122,470
Program Designated	(9,702,875)
Insurance Reserves	16,528,158
Equity in Land, Buildings and Equipment	2,538,792
Endowment Deficiency	<u>(6,758,854)</u>
Total Unrestricted	2,727,691
Temporarily Restricted	0
Permanently Restricted	<u>0</u>
Total Net Assets	<u><u>2,727,691</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 28,332,416</u></u>

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

Temporarily Restricted	Permanently Restricted	2010	Restated 2009
\$ 0	\$ 0	\$ 4,623,193	\$ 1,499,114
760,423	0	5,492,298	7,711,526
1,389,633	0	1,389,633	1,463,330
148,832	1,977,352	31,956,955	28,403,536
0	0	361,640	1,498,127
0	0	2,538,792	1,676,712
4,923,739	2,625,041	0	0
0	0	498,610	289,878
157,497	6,601,357	55,169	172,385
<u>\$ 7,380,124</u>	<u>\$ 11,203,750</u>	<u>\$ 46,916,290</u>	<u>\$ 42,714,608</u>
\$ 101,165	\$ (149,120)	\$ 1,201,700	\$ 1,998,861
0	0	8,004,321	6,386,346
0	0	15,900,020	15,900,000
129,150	0	234,504	215,687
0	0	304,295	268,048
0	0	41,080	45,710
<u>230,315</u>	<u>(149,120)</u>	<u>25,685,920</u>	<u>24,814,652</u>
0	0	122,470	(1,654,308)
0	0	(9,702,875)	(21,370,948)
0	0	16,528,158	21,537,628
0	0	2,538,792	1,676,712
0	0	(6,758,854)	0
<u>0</u>	<u>0</u>	<u>2,727,691</u>	<u>189,084</u>
7,149,809	0	7,149,809	6,358,002
0	11,352,870	11,352,870	11,352,870
<u>7,149,809</u>	<u>11,352,870</u>	<u>21,230,370</u>	<u>17,899,956</u>
<u>\$ 7,380,124</u>	<u>\$ 11,203,750</u>	<u>\$ 46,916,290</u>	<u>\$ 42,714,608</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2010 with Comparative Totals for June 30, 2009

	Unrestricted
REVENUE AND SUPPORT	
Contributions	\$ 1,226,987
Insurance Fees	21,357,928
Fees - Other Services	2,422,603
Investment Activity - Net	13,866,165
Other Income and Assessments	538,368
Tribunal Income	99,521
Net Assets Released from Restrictions	<u>4,500,070</u>
Total Revenue and Support	44,011,642
EXPENSES	
Program Services	6,878,945
Supporting Services	<u>27,835,233</u>
Total Expenses	<u>34,714,178</u>
CHANGE IN NET ASSETS	9,297,464
Net Assets at Beginning of Year	189,081
Net Assets Transferred - Catholic School Office	0
Net Asset Reclassification - Endowment Deficiency	<u>(6,758,854)</u>
Net Assets at End of Year	<u>\$ 2,727,691</u>

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

Temporarily Restricted	Permanently Restricted	2010	Total	Restated 2009
\$ 4,828,448	\$ 0	\$ 6,055,435		\$ 5,769,090
0	0	21,357,928		20,523,188
0	0	2,422,603		2,450,893
(7,004,102)	0	6,862,063		(5,443,929)
708,677	0	1,247,045		(675,519)
0	0	99,521		84,006
<u>(4,500,070)</u>	<u>0</u>	<u>0</u>		<u>0</u>
(5,967,047)	0	38,044,595		22,707,729
0	0	6,878,945		7,620,937
<u>0</u>	<u>0</u>	<u>27,835,233</u>		<u>25,015,473</u>
<u>0</u>	<u>0</u>	<u>34,714,178</u>		<u>32,636,410</u>
(5,967,047)	0	3,330,417		(9,928,681)
6,358,002	11,352,870	17,899,956		29,510,074
0	0	0		(1,681,437)
<u>6,758,854</u>	<u>0</u>	<u>0</u>		<u>0</u>
<u>\$ 7,149,809</u>	<u>\$ 11,352,870</u>	<u>\$ 21,230,370</u>		<u>\$ 17,899,956</u>

See notes to financial statements.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2010 and 2009

	2010	Restated 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 3,330,417	\$ (9,928,681)
Adjustments to Reconcile Change in Net Assets to Net Cash Used In Operating Activities:		
Depreciation Expense	212,051	122,717
Unrealized (Gain) Loss on Investments	(8,186,277)	2,614,956
Investment in D.J. Curley - Transfer of Assets	(883,636)	0
Forgiveness of Note Receivable	744,502	0
(Increase) Decrease in Operating Assets:		
Accounts Receivable	2,219,228	(2,652,996)
Pledges Receivable	73,697	(94,433)
Other Assets	(208,730)	236,759
Due to (from) Affiliated Organizations	117,216	(314,060)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Insurance Claims	820,811	1,152,337
Accrued Post Retirement Benefits	20	823,880
Liability for Custodial Accounts	18,817	(11,040)
Deferred Income	36,247	144,759
Deposits Payable	(3,038,763)	(907,614)
Net Cash Used In Operating Activities	(4,744,400)	(8,813,416)
CASH FLOWS FROM INVESTING ACTIVITIES		
Building and Equipment Additions	(190,495)	(332,709)
Investments – Net Change	7,671,619	11,049,668
Advances of Notes and Mortgage Receivables	(61,915)	(1,075,000)
Principal Reduction of Notes and Mortgage Receivables	453,900	233,594
Net Cash Provided By Investing Activities	7,873,109	9,875,553
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments – Debt	(4,630)	(184,630)
Net Cash Used In Financing Activities	(4,630)	(184,630)
Net Increase in Cash	3,124,079	877,507
Cash, Beginning of Year	1,499,114	621,607
Cash, End of Year	<u>\$ 4,623,193</u>	<u>\$ 1,499,114</u>

See notes to financial statements.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 1 – STANDARDS FOR REPORTING AND SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Diocese of Syracuse – Central Administrative Office (the “Diocese”) have been prepared in accordance with Accounting Principles and Reporting Practices for Churches and Church-Related Organizations, adopted by the National Conference of Catholic Bishops, the Leadership Conference of Women Religious, and the Conference of Major Superiors of Men.

Basis of Presentation

The financial statements include the administrative and program offices and departments of the Roman Catholic Diocese of Syracuse, which are under the control of the Central Administrative Office. The Central Administrative Office is not a legal entity, but an operating unit within the Diocesan Corporation. The financial statements do not include other activities of the Diocese, such as parishes, schools, cemeteries, group homes, hospitals, Catholic Charities, Foundations and other Diocesan centralized services. These activities may or may not be separately incorporated under civil law. Each is a distinct operating entity from the Central Administrative Office, maintaining separate accountability and carrying on its own services and programs.

Financial Statement Presentation

The Diocese of Syracuse – Central Administrative Office reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Temporarily restricted net assets primarily account for the activity of the Diocese's annual gifting campaign, the Diocesan Hope Appeal. Contributions to this campaign are designated to fund specific programs in the subsequent fiscal period.

Permanently restricted net assets include endowed monies, the income of which is designated to subsidize seminarian education, priest care, scholarship programs and other Diocesan activities.

The financial statements include prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Diocese's financial statements for the year ended June 30, 2009, from which the summarized information was derived. During 2010, the operations of the Catholic School Office were extracted out of the financial statements of the Diocese of Syracuse – Central Administrative Office and will be reported on separately. As a result, the June 30, 2009 summarized financial statements have been restated to extract the operations of the Central School Office as of June 30, 2009.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 1 – STANDARDS FOR REPORTING AND SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial Statement Presentation – Continued

As a result of this restatement as of June 30, 2009, revenue and support was reduced by \$6,387,938, program service expenses were reduced by \$6,532,700 and net assets were reduced by \$1,681,437.

Investments

The Diocese reports investments at fair value with any realized and unrealized gains and losses being reported in the statement of activities. Investments are valued at fair value at June 30, 2010. If available, quoted market prices are used to arrive at these values. Such investments are valued at the mean bid and ask prices, as obtained from one or more market makers in these securities. Adjustments for unrealized investment income or loss are accounted for in the investment pools in which they are managed.

Accounts Receivable – Net

At June 30, 2010, accounts receivable amounted to \$12,692,917 (\$14,867,593 in 2009). A summary of these receivables and related allowances for uncollectibility is presented as follows:

	2010	2009
General Receivables	\$ 1,691,650	\$ 1,872,392
Due from Affiliated Organizations	1,311,106	2,148,864
Insurance Premiums	5,647,405	6,564,401
Retirement Assessments	928,040	1,151,840
Educational Loans	<u>1,615,083</u>	<u>1,386,766</u>
Gross Accounts Receivable	11,193,284	13,124,263
Less: Allowance for Uncollectibility	<u>5,700,986</u>	<u>5,412,737</u>
Total Accounts Receivable - Net	<u><u>\$ 5,492,298</u></u>	<u><u>\$ 7,711,526</u></u>

An allowance for uncollectible accounts is maintained, which is based on management's assessment of the collectability of accounts receivable. The Diocese administers an educational program, which makes loans to seminarians for theology studies as well as other general school expenses.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 1 – STANDARDS FOR REPORTING AND SIGNIFICANT ACCOUNTING POLICIES – Continued

Accounts Receivable – Net – Continued

It is the policy of the Central Administrative Office to forgive loans for theology studies upon the ordination of a seminarian. The expense associated with this debt forgiveness is recognized in the year that the forgiveness occurs.

Pledges Receivable

Pledges outstanding as of June 30 consist of the following:

	2010	2009
Diocesan Hope Appeal	\$ 1,499,633	\$ 1,743,330
Less: Allowance for Uncollectible Pledges	<u>110,000</u>	<u>280,000</u>
Total	<u>\$ 1,389,633</u>	<u>\$ 1,463,330</u>

The Diocese of Syracuse records the net present value of long-term pledges receivable as income in the year the pledge is made. Pledges outstanding at June 30, 2010 are payable in 2010. There are no long-term pledges outstanding.

Diocesan Hope Appeal

The Diocese of Syracuse conducts an annual gifting campaign, known as the Diocesan Hope Appeal. Pledges outstanding at the end of a fiscal year are reviewed for collectability by analyzing remittances subsequent to year-end and application of collection ratios generated from prior campaigns and similar campaigns conducted throughout the country. Allowances are estimated to reflect the net pledges expected to be realized. At June 30, 2010, the allowance for uncollectible pledges was estimated to be \$110,000 (\$280,000 in 2009). Collections realized in excess of the net pledge receivable figure are recognized as income in the year collected. The annual campaigns share with individual parishes cash collections in excess of parish pledge goals. The 2009-2010 campaign provisions call for 50% of the excess to be returned to parishes. The parishes' share of excess cash collections over pledge goals is estimated to be \$101,025 at June 30, 2010 (\$164,633 in 2009).

Liability for Custodial Accounts

The liability for custodial accounts represents monies collected for third-party beneficiary organizations and balances due to participants in a Diocesan sponsored gift annuity program.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 1 – STANDARDS FOR REPORTING AND SIGNIFICANT ACCOUNTING POLICIES – Continued

Land, Buildings and Equipment

Plant acquisitions are capitalized at cost when purchased or at fair value at date of donation. Depreciation on buildings and equipment is calculated using the straight-line method over the estimated useful life of the respective asset. All acquisitions of land, buildings and equipment in excess of \$2,000 and all expenditures for repairs and maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. Maintenance and repairs are charged to expense when incurred.

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

	2010	2009
Land and Sites for Future Parishes	\$ 387,917	\$ 387,917
Land - D.J. Curley Building	350,000	0
Furniture and Fixtures	1,282,236	1,261,474
Buildings and Improvements	8,137,865	8,064,654
Buildings and Improvements - D.J. Curley Building	1,557,535	0
Equipment	895,328	759,591
Automobiles	<u>216,587</u>	<u>176,682</u>
Total Land, Buildings and Equipment	12,827,468	10,650,318
Less: Accumulated Depreciation	<u>10,288,676</u>	<u>8,973,606</u>
Net Land, Buildings and Equipment	<u><u>\$ 2,538,792</u></u>	<u><u>\$ 1,676,712</u></u>

Depreciation expense for the year ended June 30, 2010 totaled \$212,051 (\$122,717 in 2009).

Third Party Contractual Deposits Payable

The Diocese of Syracuse – Central Administrative Office operates a cooperative investment and deposit and lending program for the mutual benefit of Diocesan organizations, parishes, and related organizations. Deposits held and invested under contractual agreement for Diocesan entities outside the Central Administrative Office totaled \$32,715,834 as of June 30, 2010 (\$35,754,597 in 2009).

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 1 – STANDARDS FOR REPORTING AND SIGNIFICANT ACCOUNTING POLICIES – Continued

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Gift Annuities

The Diocese of Syracuse is trustee and beneficiary of several one and two life annuities. Under terms of the split-interest agreements, the Diocese is to pay the donor an annuity until the donor's death, at which time; the remaining assets are to be distributed to the designated beneficiary. In calculating present values of the amount to be received at termination of the annuities, the discount rate and assumptions specified by governmental regulations were used. At June 30, 2010, segregated assets identified for use within the program totaled \$136,459 with a liability to donors of \$129,151.

Contributed Services

Clergy and religious employees of the Central Administrative Office receive a monthly support payment. Contributed services of clergy and religious personnel are not deemed to have a material monetary effect on the financial statements and have not been recognized as contributions in-kind and monthly support payment expense.

Pension Plans

Employees of the Central Administrative Office are participants within the Diocese of Syracuse Pension Plan. This plan is noncontributory and covers lay employees of the Diocese, its affiliated organizations and parish units who meet certain minimum service requirements. The Central Administrative Office's annual contribution to the Diocesan plan for the year ended June 30, 2010 was approximately \$171,637 (\$164,633 in 2009).

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 1 – STANDARDS FOR REPORTING AND SIGNIFICANT ACCOUNTING POLICIES – Continued

Contributions

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

Cash Flows

For purposes of the statements of cash flows, the Diocese uses the indirect method of reporting net cash flows from operating activities and considers all short-term investments with an original maturity of three months or less to be cash equivalents. At June 30, 2010, there were no cash equivalents included in cash.

Tax Exempt Status

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

Accounting standards prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. These interpretations apply to all types of entities, including nonprofit organizations. The new method requires an organization to recognize for financial statement purposes the impact of a tax position, if a tax return position is “more likely than not” to prevail. It also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The adoption of this new standard did not have a material effect on the Diocese. Management is unaware of any unrelated business activities that may be subject to unrelated business income tax or any activities that would jeopardize the Diocese’s exempt status

Subsequent Events

Management has evaluated subsequent events through November 23, 2010, which is the date the financial statements were available to be issued.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 2 – INVESTMENTS

The Diocese of Syracuse – Central Administrative Office investments consist of corporate equity securities, government and corporate debt securities, debt security mutual funds and cash equivalents. These investments are subject to market and credit risks due to changes in market conditions and interest rates. Common stock is subject to market value changes associated with publicly held equity securities. Government and corporate debt security investment values will fluctuate due to interest rate changes. The Diocese utilizes the services of outside money managers for the majority of its investments.

Investments by category and net asset class are summarized below:

	Market	
	2010	2009
Cash Equivalents	\$ 4,858,200	\$ 8,010,978
Equity Securities	15,771,599	16,839,683
Governmental and Corporate Bonds	37,825,075	31,507,949
Mutual Funds	6,022,540	6,589,038
Other Investments	<u>195,375</u>	<u>1,210,485</u>
Total	64,672,789	64,158,133
Less: Third Party Contractual Deposits	<u>32,715,834</u>	<u>35,754,597</u>
Net Investments	<u><u>\$ 31,956,955</u></u>	<u><u>\$ 28,403,536</u></u>
Unrestricted	\$ 29,830,771	\$ 26,518,239
Temporarily Restricted	148,832	177,344
Permanently Restricted	<u>1,977,352</u>	<u>1,707,953</u>
Total	<u><u>\$ 31,956,955</u></u>	<u><u>\$ 28,403,536</u></u>

As discussed in Note 1, the Diocese operates a cooperative investment and deposit and lending program for the benefit of Diocesan organizations, parishes and related organizations. Included in the above listed investment categories are funds invested under contractual agreement under these programs. The deposits of these entities totaled \$32,715,834 as of June 30, 2010 (\$35,754,597 in 2009).

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 2 – INVESTMENTS – Continued

Net investment activity consists of the following:

	2010	2009
Dividends and Interest	\$ 2,205,878	\$ 3,172,524
Realized Gains and (Losses), at Original Cost	2,887,309	(6,001,497)
Unrealized Gains and (Losses)	<u>1,768,876</u>	<u>(2,614,956)</u>
Total	<u>\$ 6,862,063</u>	<u>\$ (5,443,929)</u>

Total fees paid to investment managers amounted to \$375,625 and \$409,519 in June 30, 2010 and 2009, respectively. These fees are included in supporting services on the statement of activities.

Fair Value Measurements

The Diocese has adopted the provisions of an accounting standard, which pertains to certain statement of financial position items measured at fair value on a recurring basis and defines fair value, establishes a framework for measuring fair value and expands disclosures about such measurements.

This accounting standard establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows: Level 1 – Quoted prices in active markets for identical assets or liabilities; Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data; and Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Inputs broadly refer to the assumptions that market participants use to make valuation decisions. A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value instrument.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 2 – INVESTMENTS – Continued

Fair Value Measurements – Continued

Assets measured at fair value on a recurring basis are summarized below by input level:

Description	June 30, 2010		Fair Value Measurements
	Level 1	Level 3	
Investments	\$ 64,536,330	\$ 0	\$ 64,536,330
Gift Annuity Investments	136,459	0	136,459
Investment in Real Property	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 64,672,789</u>	<u>\$ 0</u>	<u>\$ 64,672,789</u>

Description	June 30, 2009		Fair Value Measurements
	Level 1	Level 3	
Investments	\$ 62,833,498	\$ 0	\$ 62,833,498
Gift Annuity Investments	125,750	0	125,750
Investment in Real Property	<u>0</u>	<u>1,198,885</u>	<u>1,198,885</u>
Total	<u>\$ 62,959,248</u>	<u>\$ 1,198,885</u>	<u>\$ 64,158,133</u>

The change in Level 3 investments is due to the liquidation of a related entity, in which the Diocese was the sole shareholder. In 2010, this related entity was liquidated and all assets were transferred to the Diocese of Syracuse, Inc.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 3 – MORTGAGES AND NOTES RECEIVABLE

A summary of mortgages and notes receivable are presented as follows:

	2010	2009
Loans to Diocesan Organizations at Various Interest Rates and Terms of Repayment	\$ 2,184,144	\$ 2,630,520
Noninterest Bearing Loans	<u>58,478</u>	<u>4,086</u>
	2,242,622	2,634,606
Less: Allowance for Uncollectible Loans	<u>1,880,982</u>	<u>1,136,479</u>
Total	<u>\$ 361,640</u>	<u>\$ 1,498,127</u>

NOTE 4 – NOTES PAYABLE

A summary of notes payable are presented as follows:

	2010	2009
Installment notes payable at an interest rate of 6%, maturing at various dates through 2015.	<u>\$ 41,080</u>	<u>\$ 45,710</u>

The following is a schedule of future maturities as of June 30, 2010:

2011	\$ 4,650
2012	4,650
2013	4,650
2014	4,650
2015	4,650
Thereafter	<u>17,830</u>
Total	<u>\$ 41,080</u>

Cash paid for interest expense on these loans during the 2010 fiscal year amounted to \$2,638 (\$7,930 in 2009). Prime rate at June 30, 2010 was 3.25%.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 5 – INSURANCE FUNDING

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

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

Accrued liabilities of \$8,004,320 and \$6,386,346 have been established to cover 2010-09 and 2009-08 claims in the various self-insured programs incurred prior to June 30, 2010 and 2009, respectively, but not yet paid.

Reserve estimates for reported claims are determined by evaluation of individual reported claims by the plan administrator. No reserve estimates for claims incurred but not reported have been included in the 2010 year end accruals or reserve balances. Procedures for establishing the resulting liabilities are periodically reviewed and updated. Any adjustments resulting there from are reflected in current operations.

NOTE 6 – FINANCIAL INSTRUMENTS

Concentrations of Credit Risk

Financial instruments that potentially subject the Diocese of Syracuse – Central Administrative Office to concentrations of credit risk consist principally of cash, accounts receivable, investments, accounts payable, accrued liabilities and Diocesan loans. All financial instruments are held for purposes other than trading. The fair values of cash, receivables, accounts payables, accrued expenses and Diocesan loans approximate their carrying amounts as reflected in the statements of financial position due to their short term availability, maturity and settlement.

The Diocese of Syracuse – Central Administrative Office places its operating cash holdings with several financial institutions and thus all cash held in excess of the FDIC insurable limit is subject to the solvency of those particular financial institutions. The FDIC insurable limit is \$250,000 per depositor. From time to time throughout the year bank balances exceeded insurance limits and management considered those circumstances to be a normal business risk. The Diocese monitors its cash position and deposits money only in institutions with strong financial position and which have been identified as having a top ranking by an independent rating service. Investments at brokerage houses as of June 30, 2010 totaled approximately \$64,477,413. Insurance coverage on these balances varies according to the extent of coverage established by each institution.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 6 – FINANCIAL INSTRUMENTS – Continued

Off-Balance Sheet Risks and Guarantees

Loans to parishes and affiliated organizations total \$1,311,106. Most of these loans are unsecured. Receivables for insurance programs and other services are uncollateralized. Like the Diocesan loans, the payment of these outstanding balances is dependent upon the financial strength of the borrower/customer.

The Diocese has assumed off-balance sheet risk by extending unconditional guarantees with regard to the following transactions:

- The Diocese of Syracuse had pledged bonds from its investment portfolio as collateral for loan obligations of Diocesan high schools. A \$300,000 loan was entered into during 2005, which the Diocese was the guarantor. This loan was held by a Diocesan high school. The proceeds of the loan were used to finance an addition to the existing building as well as to pay off a preexisting loan in the amount of \$162,175. The loan was paid in full during 2010.
- The Diocese has pledged \$4,546,716 in bonds and other investments to operate the self-insurance programs for workers' compensation and unemployment insurance.
- A foundation affiliated with the Diocese of Syracuse has entered into an agreement to purchase approximately \$3,000,000 worth of stock holdings and partnership interests. The terms of the agreement call for a scheduled lifetime payment term based on a formula predicated on either a predetermined return on equity investment or a minimum flat fee. The Diocese of Syracuse is a guarantor of these payments owned by the Foundation. The Diocese has negotiated with the partners of the Foundation and the last payment will be made December 2010. As a result of the guarantee of payments the Diocese is holding a receivable from the Foundation in the amount of \$1,119,081. The Diocese is working closely with the partners of the Foundation to liquidate its partnership interests and apply these funds against the receivable. In October 2010 \$380,000 was received for the Diocese' portion of proceeds from the sale of one of the properties contained in this foundation.
- The Diocese is a guarantor on a \$1,800,000 installment loan that is directly held by a Diocesan parish. The proceeds of this loan were used to construct a parish ministry center. The loan will be payable over a ten year period, commencing upon completion of the building. The balance of this loan as of June 30, 2010 amounted to \$562,234.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 7 – RELATED PARTY TRANSACTIONS

D. J. Curley Corp.

The Roman Catholic Diocese of Syracuse was the sole shareholder of the related entity D. J. Curley Corp. In 2010, this Corporation was liquidated and all assets were transferred to the Diocese of Syracuse. D. J. Curley Corp. owned an office building located at 421-25 South Warren Street in Syracuse, New York.

Lease Obligation

The Central Administrative Office had entered into a lease arrangement with D. J. Curley Corp. for office space. As discussed above, D. J. Curley Corp. was liquidated in 2010. The Central Administrative Office lease was terminated upon the transfer of title of the building to the Diocese of Syracuse. The Central Administrative office has assumed all the rights and responsibilities as lessor of the leases previously held by D. J. Curley Corp.

Heritage Campaign, Inc.

The Development Office of the Diocese of Syracuse conducted a major capital campaign designated as the Heritage Campaign. Heritage Campaign Inc. is a stand-alone entity created to account for the investment of the resources and the expenditure of funds according to the plan set forth by the Campaign's case statement objectives. The Diocese of Syracuse owes \$9,841 to the Campaign at June 30, 2010 for stock gifts received by the Diocese on behalf of the Heritage Campaign, the proceeds of which will be transferred by the Diocese once the stocks are redeemed.

Joseph O'Keefe, Inc.

Joseph O'Keefe, Inc. was established as a holding company for Catholic Charities properties. The Corporation owns property and a building that it rents to Catholic Charities of Cortland County. The Diocese advanced money to the Corporation to fund the purchase of the property and building. This loan is a ten-year, six percent loan with yearly interest and principal payments of \$11,990. The balance outstanding at June 30, 2010 amounted to \$15,327.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 7 – RELATED PARTY TRANSACTIONS – Continued

Advances – Other Affiliated Entities

Christ the King Retreat House

Christ the King Retreat House owns property and a building used as a retreat facility. The organization is owned 100% by the Diocese of Syracuse and the investment in the organization is carried in the investment pool utilizing the equity basis of valuation. The total invested in the property has aggregated \$692,000 over the years. Total receivable due from Christ the King Retreat House at June 30, 2010 amounted to \$125,025.

D.W. Barry Foundation

The Barry Foundation was established to handle special projects and gifting programs. Advances of \$1,119,081 have been made to this entity. No repayment terms have been established.

Syracuse Catholic Press Association, Inc.

Syracuse Catholic Press Association, Inc. is responsible for the publication of the Diocesan newspaper and is separately incorporated with the Diocese as the sole shareholder. Advances of \$266,243 have been made in prior years to the Syracuse Catholic Press Association, Inc.

In August 2007, Syracuse Catholic Press Association, Inc. began renting office space from the Diocese on a month-to-month lease. Monthly rents amount to \$591.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 8 – LITIGATIONS AND CLAIMS

The Roman Catholic Diocese of Syracuse has been named as a codefendant in nine lawsuits against current and former Diocesan priests for alleged acts of sexual abuse, some of which have been dismissed on the basis of the statute of limitations. The aggregate monetary claim associated with these cases is two hundred million dollars. It is the intent of the Diocese to vigorously defend itself in each individual case. Two lawsuits remain in the various stages of the litigation process and no assessment can be made at this time as to the probable outcome.

The Diocese is party to several property and casualty claims and litigations brought against entities that participate in the Property Self-Insurance Program. These claims and litigations are at various stages of the legal process. Legal counsel cannot determine the extent of any liability to the Diocese. As part of the self-insurance administration, each claim is assigned an estimated reserve figure, which is included as part of the designated portion of the Property Self-Insurance net asset balance. The various wrap-around-insurance coverage within the self-insurance fund is also available to settle potentially large claims.

NOTE 9 – DEFINED BENEFIT PENSION PLAN

Priests' Retirement Stipends

Priests who were sixty-one years of age or older as of January 1, 2000 are paid a retirement stipend. The stipend obligation is unfunded and paid from resources of the Clerical Fund. Compensation is also paid by the Clerical Fund for Chartered and Unassigned Clergy. The Clerical Fund paid \$1,086,208 in compensation and stipends during 2010 (\$1,002,510 in 2009). Priests who were younger than sixty-one as of the designated date are provided an annual amount of compensation whose purpose is to fund individual retirement accounts. Stipends range from \$89 to \$896 a month and are adjusted for changes in cost of living. Subsequent to June 30, 2010 the Diocese adopted a new retirement plan for its priests. (See note 13)

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 9 – DEFINED BENEFIT PENSION PLAN – Continued

Lay Pension Plan

The Diocese of Syracuse has a defined benefit pension plan covering substantially all lay employees in its schools, cemeteries and other related organizations. Participants in the plan number in excess of one thousand two hundred employees. The Central Administrative Office administers the plan. Benefits are based on years of service and the employee's compensation during their years of employment. The Diocese of Syracuse and its related affiliates contribute annually 6.5% of employee's compensation. The current year's contribution for all eligible employees totaled \$1,729,229. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. During 2010, benefit payments totaled \$1,873,701.

The following sets forth the plan's funded status as of June 30, 2010 from the most recent actuarial study, which was prepared for the 2010 plan year:

Actuarial Present Value Obligations:	
All Future Benefit Obligations	<u>\$ 66,881,515</u>
Actuarial Accrued Obligations	<u>\$ 55,479,514</u>
Plan Assets at Fair Value	<u>\$ 27,407,677</u>
Normal Cost Calculation:	
Unfunded Actual Present Value of Future Benefits	<u>\$ 11,402,001</u>
Average Temporary Annuity Factor	<u>8,205.000</u>
Estimated Costs for 2009-2010 Plan Year	<u>\$ 191,926</u>
Covered Payroll	<u>\$ 28,869,850</u>
Normal Cost Calculation	<u>\$ 1,581,567</u>
Rate of Investment Return	<u>7%</u>
Rate of Salary Increase	<u>3.0%</u>

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 9 – DEFINED BENEFIT PENSION PLAN

Lay Pension Plan – Continued

As of June 30, 2010 the lay pension plan is underfunded by \$28,071,837. This unfunded actuarial liability is the responsibility of the Roman Catholic Diocese of Syracuse and the various corporate entities that participate in the multi-employer plan.

A proforma statement of financial position of the Roman Catholic Diocese of Syracuse Multi-Employer Pension Plan is presented as follows:

ASSETS

Investments at Actuarial Value:	
Equity Securities	\$ 13,789,967
Fixed Income Obligations	<u>13,617,710</u>
 Total Assets	 27,407,677

LIABILITIES

Actuarial Accrued Benefits Payable	<u>55,479,514</u>
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UNFUNDED ACTUARIAL OBLIGATIONS	<u><u>\$ (28,071,837)</u></u>
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The various Diocesan corporations and affiliated organizations participating in the plan share the unfunded benefit obligation proportionately. Accounting standards require companies to move off balance sheet items onto the financial statements and have also changed required footnote disclosures. Because the plan is a multi-employer plan, the amount of the accumulated benefits and net assets available for benefits related solely to the Central Administrative Office is not determinable.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 10 – POSTRETIREMENT BENEFITS

The Diocese, through the Clerical Fund, provides medical premium coverage for retired priests. It also provides disability stipends and payments of uninsured medical expenses and out of pocket maximums for medical and dental plans for all priests, including retirees.

The components of net periodic post employment benefit expense for the current year are estimated as follows:

Service Cost	\$ 162,000
Interest Cost	540,000
Loss Amortization	<u>480,000</u>
Net Periodic Post Retirement Benefit Expense	<u><u>\$ 1,182,000</u></u>

Accounting standards require an employer to recognize the funded status of a defined benefit pension and other post-retirement plan as either a net asset or liability in its statement of financial position. The standards also require an employer to measure the funded status of its post-retirement plans as of the Diocese's fiscal year end.

The Diocese has obtained actuarial information to allow them to estimate the unfunded portion of this obligation. Actuarial assumptions were based upon data and statistics generated by a third party consultant. The assumptions used to develop the net periodic post-employment benefit expense were:

Discount Rate	6.00%
Annual Cost of Living Adjustment	2.50%

Benefit obligations will be funded from the assessments, contributions and investment activities of the Clerical Fund. In 2010 the Clerical Fund became the benefactor of an annual distribution from a trust. During 2010 assessments of participating Diocesan entities and individual priests totaled \$2,102,743 (\$2,119,278 in 2009). Benefits paid from the fund amounted to \$2,102,743 in 2010 and \$1,952,137 in 2009. The accumulated, unfunded post retirement obligation at June 30, 2010 and 2009 was \$15,900,020.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 11 – LEASES

The Diocese leases three vehicles and copy machines under operating leases expiring in various years through March 2010. Future minimum lease payments amount to:

2011	\$ 25,152
2012	17,712
2013	<u>8,208</u>
Total	<u>\$ 51,072</u>

Total lease expense for June 30, 2010 amounted to \$25,152.

NOTE 12 – ENDOWMENT

The Diocese has adopted an accounting standard that provides guidance on the net asset classification of donor-restricted endowment funds, whether or not it is subject to an enacted version of Uniform Prudent Management of Institutional Funds Act (UPMIFA).

The Diocese has about fourteen individual endowment funds. These endowment funds are all donor-restricted, and the net assets associated with them have been classified as follows:

Permanently Restricted – the original value of gifts donated to the permanent endowment by explicit donor stipulation.

Temporarily Restricted – the accumulated unspent earnings associated with the endowment gifts, in accordance with the direction of the applicable donor gift instrument.

Unrestricted – the deficit amount of any endowment assets in underwater situations due to cumulative investing and spending decisions.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 12 – ENDOWMENT – Continued

Interpretation of Relevant Law

The Finance Council of the Diocese of Syracuse has interpreted the relevant state laws under the Uniform Management of Institutional Funds Act (UMIFA) and the New York Not-for-Profit Corporation Law as requiring preservation of endowment funds' historic dollar value. Historic dollar value is comprised of (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 permanently restricted net assets is classified as temporarily restricted net assets until these amounts are appropriated for expenditure to the Diocese in a manner consistent with the standard of prudence prescribed by the relevant state law. The *New York Prudent Management of Institutional Funds Act* (NYPMIFA) was enacted after year end.

The Diocese currently considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

1. The duration and preservation of the 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 Diocese.
7. Where appropriate and where circumstances would otherwise warrant, alternatives to expenditure of endowment fund, giving due consideration to the effect that such alternatives may have on the Diocese.
8. The investment policies of the Diocese.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Diocese to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, \$6,758,854 and \$-0- were reclassified to unrestricted net assets as of June 30, 2010 and 2009, respectively. The balance of the endowment deficiency was \$6,758,854 and \$-0- for the years ended June 30, 2010 and 2009, respectively.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 12 – ENDOWMENT – Continued

Return Objectives and Risk Parameters

The Diocese's Finance Council has adopted an investment and spending policy for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets with an overall moderate level of risk. The total return objective for the endowment taken as a whole shall be to exceed a rate of return (net of fees and expenses) equal to the Diocese's established spending rate, plus the annualized change in the Consumer Price Index. Under the policy, the Finance Council and the Investment Committee recognizes that market performance can vary widely in the short-term, and that any specified rate of return will not be obtained during all periods. It is the Investment Committee's responsibility to establish relative performance benchmarks and monitor investment performance.

Performance comparisons with benchmarks and peer investment funds will be made over various time periods, with particular attention focused on rolling, one, three and five year periods.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Diocese relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Diocese targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relates to Spending Policy

The Diocese has a policy of annually appropriating for distribution a percentage of its endowment funds' average fair value over the prior twelve months. This is consistent with the Diocese's objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return.

Investment losses suffered in 2010 and 2009 are considered temporary, and the Diocese's Finance Council and Investment Committee are actively monitoring investment activities so as to continue responding in a prudent fashion.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 12 – ENDOWMENT – Continued

Endowment net asset composition by type of fund is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, June 30, 2008	\$ 0	\$ 557,102	\$ 11,344,580	\$ 11,901,682
Investment Income	0	89,993	0	89,993
Net Depreciation	0	(448,589)	0	(448,589)
Other Revenue and Support	0	547,973	8,290	556,263
Amounts Appropriated for Expenditures	<u>0</u>	<u>(199,521)</u>	<u>0</u>	<u>(199,521)</u>
Endowment Net Assets, June 30, 2009	0	546,958	11,352,870	11,899,828
Investment Income	0	77,178	0	77,178
Net Appreciation	0	1,830,657	0	1,830,657
Reclassification - Past Investment Returns and Losses - Net	0	(9,155,923)	0	(9,155,923)
Other Revenue and Support	0	359,637	0	359,637
Amounts Appropriated for Expenditures	0	(259,864)	0	(259,864)
Reclassification Due to Endowment Deficiency	<u>(6,758,854)</u>	<u>6,758,854</u>	<u>0</u>	<u>0</u>
Endowment Net Assets, June 30, 2010	<u>\$ (6,758,854)</u>	<u>\$ 157,497</u>	<u>\$ 11,352,870</u>	<u>\$ 4,751,513</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 13 – SUBSEQUENT EVENTS

Retirement Plan for Priests

As of July 1, 2010 a new retirement plan for Diocesan priests was adopted by the Roman Catholic Diocese of Syracuse. The plan is designed to cover retired clergy and active working clergy who are seventy years of age or older and will be administered by a stand-alone trust.

The new plan is to be funded by Diocesan Parishes and Operating Entities that are the designated employers of the priests. The amount of funding is the portion of the priest's compensation that was previously identified as an individual retirement account (IRA) contribution. Priests with less than ten years of service will continue to be paid a monthly IRA stipend. Upon attaining ten years of service these priests will become eligible for this new retirement plan.

Benefits paid from the plan will be based upon years of service, adjusted for an annualized value for Diocesan allowances paid for individual retirement accounts. Benefit payments are the responsibility of the newly established trust.

Endowments

Subsequent to year end, New York Not-for-Profit Corporation Law was amended to add a new article known as the "New York Prudent Management of Institution Fund Act", which became effective in September 2010. The Diocese is currently assessing the impact of this legislation, but does not believe there will be a material impact on the previously reported net asset balances or their classifications.

OTHER FINANCIAL INFORMATION

SCHEDULE OF UNRESTRICTED PROGRAM AND SUPPORTING EXPENSES

Year Ended June 30, 2010 with Comparative Totals for June 30, 2009

	General Operating	Insurance Programs
EXPENSES		
Program Services:		
Educational Programs	\$ 455,090	\$ 0
Community Service	317,027	0
Tuition Assistance	490,148	0
Parish Pastoral	775,538	0
Persons in Ministry	363,511	0
Hospital Ministry	242,279	0
Tribunal	122,598	0
Extended Care	0	0
Retirement Benefits	0	0
Subsidies - Other	2,000	0
Subsidies - Supported by Restricted Net Assets	<u>636,828</u>	<u>0</u>
Total Program Services	3,405,019	0
Supporting Services:		
Administrative and Operational	1,663,134	1,735,199
Insurance Programs	0	20,111,442
Diocesan Development	354,491	0
Earnings Distributed	662,790	0
Other Administrative and Occupancy	<u>509,908</u>	<u>1,709,710</u>
Total Supporting Services	<u>3,190,323</u>	<u>23,556,351</u>
TOTAL EXPENSES	<u><u>\$ 6,595,342</u></u>	<u><u>\$ 23,556,351</u></u>

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

Investment Programs	Extended Care	Educational Programs	Total 2010	Restated 2009
\$ 0	\$ 0	\$ 111,225	\$ 566,315	\$ 695,426
0	0	0	317,027	297,756
0	0	0	490,148	490,151
0	0	0	775,538	751,544
0	0	0	363,511	307,573
0	0	0	242,279	253,154
0	0	0	122,598	105,285
0	2,470,550	0	2,470,550	3,262,803
0	892,151	0	892,151	809,594
0	0	0	2,000	3,000
0	0	0	636,828	644,651
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
0	3,362,701	111,225	6,878,945	7,620,937
52,323	(9,672)	70,704	3,511,688	3,737,431
0	0	0	20,111,442	18,468,439
0	0	0	354,491	340,504
848,524	0	0	1,511,314	1,166,905
0	126,680	0	2,346,298	1,302,194
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
900,847	117,008	70,704	27,835,233	25,015,473
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\$ 900,847	\$ 3,479,709	\$ 181,929	\$ 34,714,178	\$ 32,636,410
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See notes to financial statements.