

**ROMAN CATHOLIC DIOCESE
OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

FINANCIAL STATEMENTS

June 30, 2014 and 2013

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Dermody, Burke & Brown, CPAs, LLC

INDEPENDENT AUDITORS' REPORT

MOST REVEREND ROBERT CUNNINGHAM, D.D. ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK – CENTRAL ADMINISTRATIVE OFFICE

Report on the Financial Statements

We have audited the accompanying financial statements of the **ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK – CENTRAL ADMINISTRATIVE OFFICE**, which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Roman Catholic Diocese of Syracuse, New York – Central Administrative Office as of June 30, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompany information on pages 25 to 28 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

DERMODY, BURKE & BROWN

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, New York

November 4, 2014

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

June 30, 2014 and 2013

ASSETS

| | 2014 | 2013 |
|--|-----------------------------|-----------------------------|
| Cash | \$ 728,861 | \$ 572,723 |
| Accounts Receivable - Net | 2,955,177 | 3,109,045 |
| Unconditional Promises to Give - Net | 1,492,968 | 1,213,232 |
| Mortgages and Notes Receivable - Net | 114,124 | 975,047 |
| Prepaid Expenses and Other Assets | 422,800 | 384,300 |
| Investments | 41,268,529 | 32,257,922 |
| Land, Building and Equipment, Net of Accumulated Depreciation | <u>2,837,965</u> | <u>2,514,193</u> |
| TOTAL ASSETS | <u><u>\$ 49,820,424</u></u> | <u><u>\$ 41,026,462</u></u> |

LIABILITIES AND NET ASSETS

LIABILITIES

| | | |
|---------------------------------------|-------------------|------------------|
| Accounts Payable and Accrued Expenses | \$ 1,404,193 | \$ 727,452 |
| Accrued Insurance Reserves | 6,653,476 | 5,776,295 |
| Deferred Income | 134,300 | 160,220 |
| Due to Affiliated Organizations | 2,123,608 | 2,483,960 |
| Liability for Custodial Accounts | 193,887 | 279,134 |
| Unfunded Pension Obligation | <u>22,423,852</u> | <u>3,074,304</u> |

| | | |
|-------------------|------------|------------|
| Total Liabilities | 32,933,316 | 12,501,365 |
|-------------------|------------|------------|

NET ASSETS

| | | |
|------------------------|------------------|------------------|
| Unrestricted | 9,617,800 | 20,695,759 |
| Temporarily Restricted | <u>7,269,308</u> | <u>7,829,338</u> |

| | | |
|------------------|-------------------|-------------------|
| Total Net Assets | <u>16,887,108</u> | <u>28,525,097</u> |
|------------------|-------------------|-------------------|

| | | |
|---|-----------------------------|-----------------------------|
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 49,820,424</u></u> | <u><u>\$ 41,026,462</u></u> |
|---|-----------------------------|-----------------------------|

See notes to financial statements.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2014 and 2013

| | 2014 | 2013 |
|--|---------------|---------------|
| REVENUE AND SUPPORT FROM OPERATIONS | | |
| Contributions | \$ 4,940,772 | \$ 5,093,756 |
| Insurance Fees | 24,506,530 | 22,528,471 |
| Fees - Other Services | 774,097 | 378,076 |
| Catholic School Office - Fees and Services | 969,442 | 0 |
| Affiliation Fees and Assessments | 1,905,441 | 1,147,975 |
| Foundation Grant Revenue | 917,400 | 889,600 |
| Total Revenue and Support from Operations | 34,013,682 | 30,037,878 |
| EXPENSES | | |
| Program Services | 6,189,694 | 5,272,999 |
| Supporting Services | 4,727,135 | 3,644,059 |
| Insurance Services | 21,291,430 | 19,422,930 |
| Total Expenses | 32,208,259 | 28,339,988 |
| CHANGE IN NET ASSETS BEFORE INVESTMENT ACTIVITY | 1,805,423 | 1,697,890 |
| REVENUE AND SUPPORT FROM INVESTMENT ACTIVITY | | |
| Net Investment Activity | 4,587,627 | 3,817,002 |
| CHANGE IN NET ASSETS | 6,393,050 | 5,514,892 |
| Net Assets at Beginning of Year | 28,525,097 | 30,325,189 |
| Unfunded Pension Obligation Adjustment | (690,233) | (1,769,512) |
| Assumption of Affiliated Entities Unfunded Pension Obligations | (18,641,314) | 0 |
| Net Asset Transfer - Related Entities | 1,300,508 | (5,545,472) |
| Net Assets at End of Year | \$ 16,887,108 | \$ 28,525,097 |

See notes to financial statements.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

STATEMENTS OF CHANGES IN NET ASSETS

Years Ended June 30, 2014 and 2013

| | 2014 | 2013 |
|--|-----------------------------|-----------------------------|
| CHANGES IN UNRESTRICTED NET ASSETS | | |
| Total Revenue and Support | \$ 28,474,815 | \$ 24,481,106 |
| Total Operating Expenses | (32,208,259) | (28,339,988) |
| Investment Activity | 4,587,642 | 3,817,871 |
| Net Assets Released from Restrictions | <u>6,098,882</u> | <u>4,979,560</u> |
| Change in Operating Unrestricted Net Assets | 6,953,080 | 4,938,549 |
| Other Activity: | | |
| Unfunded Pension Obligation Adjustment | (19,331,547) | (1,769,512) |
| Net Asset Transfer - Interfund Net Activity - Related Entities | <u>1,300,508</u> | <u>(5,545,472)</u> |
| Total Other Activity | (18,031,039) | (7,314,984) |
| Unrestricted Net Assets, Beginning of Year | <u>20,695,759</u> | <u>23,072,194</u> |
| Unrestricted Net Assets, End of Year | 9,617,800 | 20,695,759 |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS | | |
| Contributions | 4,621,467 | 4,667,172 |
| Investment Activity - Net | (15) | (869) |
| Foundation Grant Revenue | 917,400 | 889,600 |
| Net Assets Released from Restrictions | <u>(6,098,882)</u> | <u>(4,979,560)</u> |
| Change in Temporarily Restricted Net Assets | (560,030) | 576,343 |
| Temporarily Restricted Net Assets, Beginning of Year | <u>7,829,338</u> | <u>7,252,995</u> |
| Temporarily Restricted Net Assets, End of Year | <u>7,269,308</u> | <u>7,829,338</u> |
| TOTAL NET ASSETS, END OF YEAR | <u><u>\$ 16,887,108</u></u> | <u><u>\$ 28,525,097</u></u> |

See notes to financial statements.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2014 and 2013

| | 2014 | 2013 |
|---|------------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ 6,393,050 | \$ 5,514,892 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities: | | |
| Depreciation Expense | 388,812 | 388,476 |
| Unrealized (Gain) Loss on Investments | (3,971,832) | 90,359 |
| Realized Gain on Investments | 121,921 | 3,034,123 |
| Bad Debt Expense | 643,107 | 301,558 |
| Net Asset Transfer - Interfund Net Activity - Related Entities | 1,300,508 | (5,545,472) |
| (Gain) Loss on Disposal of Building and Equipment | (240,959) | 5,951 |
| (Increase) Decrease in Operating Assets: | | |
| Accounts Receivable | (489,239) | 147,779 |
| Unconditional Promises to Give | (279,736) | 438,205 |
| Prepaid Expenses and Other Assets | (38,500) | (384,300) |
| Increase (Decrease) in Operating Liabilities: | | |
| Accounts Payable and Insurance Reserves | 1,553,922 | 425,146 |
| Deferred Income | (25,920) | 9,383 |
| Due to Affiliated Organizations | 657,649 | 3,190,325 |
| Liability for Custodial Accounts | (85,247) | 13,316 |
| Net Cash Provided By Operating Activities | <u>5,927,536</u> | <u>7,629,741</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Building and Equipment Additions | (471,625) | (292,131) |
| Investments – Net Change | (5,160,696) | (5,991,893) |
| Notes and Mortgage Receivables - Net Change | 860,923 | (975,047) |
| Supplementary Contribution to Defined Benefit Pension Plan | <u>(1,000,000)</u> | <u>(500,000)</u> |
| Net Cash Used In Investing Activities | <u>(5,771,398)</u> | <u>(7,759,071)</u> |
| Net Change in Cash | 156,138 | (129,330) |
| Cash, Beginning of Year | <u>572,723</u> | <u>702,053</u> |
| Cash, End of Year | <u>\$ 728,861</u> | <u>\$ 572,723</u> |
| Supplemental Information: | | |
| Adjustment of Unfunded Pension Obligation | <u>\$ (690,233)</u> | <u>\$ (1,769,512)</u> |
| Assumption of Unfunded Pension Liability | <u>\$ (18,641,314)</u> | <u>\$ 0</u> |

See notes to financial statements.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

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

The financial statements of the Roman Catholic Diocese of Syracuse, New York – 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 of the Roman Catholic Diocese of Syracuse. 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 Diocese, maintaining separate accountability and carrying on its own services and programs.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting. The Roman Catholic Diocese of Syracuse, New York – 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. There are no permanently restricted net assets as of June 30, 2014 and 2013.

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.

Reclassification

Certain reclassifications have been made to the 2013 financial statement presentation to correspond to the current year's format.

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, 2014 and 2013, there were no cash equivalents included in cash.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

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

Investments

The Diocese reports investments at fair value with any realized and unrealized gains and losses being reported in the statements of activities. Investments are valued at fair value at June 30, 2014 and 2013. 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.

Contributions

The Roman Catholic Diocese of Syracuse, New York – 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.

Diocesan Hope Appeal

The Roman Catholic Diocese of Syracuse, New York 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, 2014 and 2013, the allowance for uncollectible pledges was estimated to be \$-0- each year. 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 2013-2014 campaign provisions call for the return of 50% to 100% of collections in excess of goal to be returned to parishes. The parishes' share of excess cash collections over pledge goals is estimated to be \$89,429 and \$110,413 at June 30, 2014 and 2013, respectively.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

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

Unconditional Promises to Give

Pledges outstanding as of June 30 consist of the following:

| | 2014 | 2013 |
|---|----------------------------|----------------------------|
| Diocesan Hope Appeal | \$ 1,492,968 | \$ 1,213,232 |
| Less: Allowance for Uncollectible Pledges | <u>0</u> | <u>0</u> |
| Total | <u><u>\$ 1,492,968</u></u> | <u><u>\$ 1,213,232</u></u> |

The Roman Catholic Diocese of Syracuse, New York records the net present value of long-term pledges receivable as income in the year the pledge is made. Pledges outstanding at June 30, 2014 are payable in 2015. There are no long-term pledges outstanding.

Accounts Receivable – Net

At June 30, 2014 and 2013, accounts receivable amounted to \$5,721,180 and \$6,767,810, respectively. A summary of these receivables and related allowances for uncollectibility is presented as follows:

| | 2014 | 2013 |
|--------------------------------------|----------------------------|----------------------------|
| General Receivables | \$ 1,707,561 | \$ 2,022,705 |
| Insurance Premiums | <u>4,013,619</u> | <u>4,745,105</u> |
| Gross Accounts Receivable | 5,721,180 | 6,767,810 |
| Less: Allowance for Uncollectibility | <u>2,766,003</u> | <u>3,658,765</u> |
| Total Accounts Receivable - Net | <u><u>\$ 2,955,177</u></u> | <u><u>\$ 3,109,045</u></u> |

An allowance for uncollectible accounts is maintained, which is based on management's assessment of the collectibility of accounts receivable.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

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

Due to Affiliated Organizations

In 2014, the Diocese assumed the accounting for the Catholic Schools Office of the Diocese, which had been functioning as a separate department in previous years. The transfer of prior years' net financial position is shown as a transfer from related entity of \$1,300,508 on the statements of activities.

In 2013, the Diocese assumed responsibility for billing, collections and bad debt exposure for three related entities: St. Thomas Preparatory Seminary Fund, Clerical Fund Society and Secular Priests Retirement Plan. As a result, the receivable balances were transferred to the Diocese and are now shown on the Diocese's statements of financial position along with an off-setting liability.

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 \$5,000 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:

| | 2014 | 2013 |
|-------------------------------------|----------------------------|----------------------------|
| Land and Sites for Future Parishes | \$ 387,917 | \$ 387,917 |
| Land | 350,000 | 350,000 |
| Furniture and Fixtures | 1,179,866 | 1,130,793 |
| Buildings and Improvements | 9,530,520 | 9,295,702 |
| Equipment | 426,379 | 310,331 |
| Automobiles | <u>167,759</u> | <u>149,114</u> |
| Total Land, Buildings and Equipment | 12,042,441 | 11,623,857 |
| Less: Accumulated Depreciation | <u>9,204,476</u> | <u>9,109,664</u> |
| Net Land, Buildings and Equipment | <u><u>\$ 2,837,965</u></u> | <u><u>\$ 2,514,193</u></u> |

Depreciation expense for the years ended June 30, 2014 and 2013 totaled \$388,812 and \$388,476, respectively.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

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

Use of Estimates

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

Risks and Uncertainties

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

Contributed Services

Contributions of services are recognized as revenues if the services received create or enhance nonfinancial assets (primarily property or other tangible assets) or require specialized skills, are provided by individuals possessing those skills would typically need to be purchased if not provided by the donation. Services donated to the Diocese generally include management functions performed by members of the clergy and various religious communities. 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.

Tax Exempt Status

No provision for income taxes is required since the Diocese is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, and under similar requirements of New York State law, no provision has been made for federal or state taxes. Management is not aware of any unrelated business activities that may be subject to unrelated business income tax or any activities that would jeopardize the Diocese's tax exempt status.

**ROMAN CATHLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

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

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 years ended June 30, 2014 and 2013 was \$226,782 and \$199,367, respectively (see Note 9).

Subsequent Events

Management has evaluated subsequent events through November 4, 2014, which is the date the financial statements were available to be issued.

NOTE 2 – INVESTMENTS

The Roman Catholic Diocese of Syracuse, New York – Central Administrative Office investments consist of corporate equity securities, government and corporate debt securities 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 | |
|----------------------------------|----------------------|----------------------|
| | 2014 | 2013 |
| Cash Equivalents | \$ 1,099,808 | \$ 1,759,447 |
| Equity Securities | 26,457,640 | 20,010,433 |
| Governmental and Corporate Bonds | 11,138,037 | 9,676,953 |
| Other Investments | <u>2,573,044</u> | <u>811,089</u> |
| Total | <u>\$ 41,268,529</u> | <u>\$ 32,257,922</u> |
| Unrestricted | <u>\$ 41,268,529</u> | <u>\$ 32,257,922</u> |

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 2 – INVESTMENTS – Continued

Net investment activity consists of the following:

| | 2014 | 2013 |
|-----------------------------|----------------------------|----------------------------|
| Dividends and Interest | \$ 797,800 | \$ 964,407 |
| Realized Gains | 121,921 | 3,034,123 |
| Investment Fees | (233,273) | (145,044) |
| Bad Debt Expense (Recovery) | (70,653) | 53,874 |
| Unrealized Gains (Losses) | <u>3,971,832</u> | <u>(90,359)</u> |
| Total | <u><u>\$ 4,587,627</u></u> | <u><u>\$ 3,817,002</u></u> |

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. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the “exit price”) in an orderly transaction between market participants at the measurement date.

The accounting standard establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. 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.

The assets or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use or unobservable inputs.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 2 – INVESTMENTS – Continued

Fair Value Measurements – Continued

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

June 30, 2014

| Description | Level 1 | Level 3 | Fair Value Measurements |
|-----------------------|-----------------------------|----------------------------|------------------------------------|
| Cash | \$ 66,800 | \$ 0 | \$ 66,800 |
| Equity Securities | 26,457,640 | 0 | 26,457,640 |
| Government and Agency | | | |
| Fixed Income | 0 | 0 | 0 |
| Money Market | 1,033,008 | 0 | 1,033,008 |
| Corporate Bonds | 11,138,037 | 0 | 11,138,037 |
| Other Assets | <u>0</u> | <u>2,573,044</u> | <u>2,573,044</u> |
| Total | <u>\$ 38,695,485</u> | <u>\$ 2,573,044</u> | <u>\$ 41,268,529</u> |

June 30, 2013

| Description | Level 1 | Level 3 | Fair Value Measurements |
|-----------------------|-----------------------------|--------------------------|------------------------------------|
| Cash | \$ 484,955 | \$ 0 | \$ 484,955 |
| Equity Securities | 20,010,433 | 0 | 20,010,433 |
| Government and Agency | | | |
| Fixed Income | 268,590 | 0 | 268,590 |
| Money Market | 1,274,493 | 0 | 1,274,493 |
| Corporate Bonds | 9,408,362 | 0 | 9,408,362 |
| Other Assets | <u>0</u> | <u>811,089</u> | <u>811,089</u> |
| Total | <u>\$ 31,446,833</u> | <u>\$ 811,089</u> | <u>\$ 32,257,922</u> |

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 2 – INVESTMENTS – Continued

Fair Value Measurements – Continued

Following is a summary of activity in Level 3 Investments:

| | 2014 | 2013 |
|--|---------------------|-------------------|
| Level 3 Investments - Beginning of Year | \$ 811,089 | \$ 851,329 |
| Transfer of Catholic School Office Investments | 1,865,208 | 0 |
| Distribution from D.W. Barry Foundation | 250,019 | 0 |
| Net Investment Activity | <u>(353,272)</u> | <u>(40,240)</u> |
| Level 3 Investments - End of Year | <u>\$ 2,573,044</u> | <u>\$ 811,089</u> |

NOTE 3 – MORTGAGES AND NOTES RECEIVABLE

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

| | 2014 | 2013 |
|--|-------------------|-------------------|
| Loans to Diocesan Organizations at Various Interest Rates and Terms of Repayment: | | |
| Schools | \$ 1,644,348 | \$ 1,559,704 |
| Parishes | 14,806 | 28,797 |
| Seminary | <u>152,165</u> | <u>1,341,538</u> |
| | 1,811,319 | 2,930,039 |
| Less: Allowance for Uncollectible Loans | <u>1,697,195</u> | <u>1,954,992</u> |
| Total | <u>\$ 114,124</u> | <u>\$ 975,047</u> |

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 4 – INSURANCE RESERVES

The Roman Catholic Diocese of Syracuse, New York 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 reserve liabilities of \$6,653,476 and \$5,776,295 have been established to cover 2014-13 and 2013-12 claims in the various self-insured programs.

Reserve estimates for reported claims are determined by evaluation of individual reported claims by the Plan Administrator. Procedures for establishing the resulting liabilities are periodically reviewed and updated. Any adjustments resulting therefrom are reflected in current operations.

In 2013, the Diocese transferred the administration of the worker's compensation claims to a third party administrator. In conjunction with this transfer, an actuarial study was conducted to determine the adequacy of claim reserves. Adjustments for worker's compensation claims incurred but not reported have been included in the reserve balances as of June 30, 2014 and 2013.

NOTE 5 – FINANCIAL INSTRUMENTS

Concentrations of Credit Risk

Financial instruments that potentially subject the Roman Catholic Diocese of Syracuse, New York – 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 following methods and assumptions were used to estimate the fair value of each instrument for which it is practicable to estimate that value. The fair values of cash, receivables, and accounts payable and accrued expenses approximate their carrying amounts as reflected in the statements of financial position due to their short-term availability, maturity, and settlement.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 5 – FINANCIAL INSTRUMENTS – Continued

Concentrations of Credit Risk – Continued

The Roman Catholic Diocese of Syracuse, New York – 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. 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, 2014 and 2013 totaled approximately \$38,695,485 and \$31,446,834, respectively. Insurance coverage on these balances varies according to the extent of coverage established by each institution.

Off-Balance Sheet Risks and Guarantees

Loans to parishes and affiliated organizations total \$1,811,319 at June 30, 2014 (\$2,930,039 in 2013). 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 has a \$5,300,000 letter of credit with a local financial institution for security to operate the self-insurance programs for worker's compensation and unemployment insurance.
- The D.W. Barry Foundation is a foundation affiliated with the Roman Catholic Diocese of Syracuse, New York. The Diocese is holding an investment in the Foundation in the amount of \$273,898 (\$575,017 in 2013).
- The Diocese is a guarantor on an 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 is payable over a ten year period. The balance of this loan as of June 30, 2014 amounted to \$52,500 (\$309,296 in 2013).

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 6 – RELATED PARTY TRANSACTIONS

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 Roman Catholic Diocese of Syracuse, New York and the investment in the organization is carried in the investment pool utilizing the equity basis of valuation. The entity has a deficit equity position. The investment is carried at a zero value on the books of the Diocese. 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, 2014 amounted to \$214,231 (\$237,181 in 2013). During 2013, the Diocese forgave \$185,988 of the outstanding receivable.

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 \$7,746 as of June 30, 2014 (\$46,022 in 2013) have been made in prior years to the Syracuse Catholic Press Association, Inc. During 2013, the Diocese forgave \$260,639 of the outstanding advances.

NOTE 7 – LITIGATIONS AND CLAIMS

The Roman Catholic Diocese of Syracuse, New York is currently defending two lawsuits relating to alleged acts of misconduct. The known aggregate monetary demands associated with the active pending cases are less than one million dollars, although demands have not been made in all the known cases. It is the intent of the Diocese to vigorously defend itself in each individual case. The pending lawsuits remain in various stages of the litigation process and no assessment can be made at this time as to the probable outcomes.

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. The various wrap-around-insurance coverage within the self-insurance fund is also available to settle potentially large claims.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 8 – LEASES

The Diocese leases a vehicle and copy machines under operating leases expiring in various years through October 2017. Future minimum lease payments for 2015 amount to \$44,050; \$23,457 for 2016; \$9,458 for 2017 and \$588 for 2018. Total lease expense for June 30, 2014 and 2013 amounted to \$21,225 and \$25,863, respectively.

**NOTE 9 – DIOCESE OF SYRACUSE DEFINED BENEFIT
PENSION PLAN**

The Roman Catholic Diocese of Syracuse Pension Plan (Lay Defined Benefit Plan) provides retirement income to the lay employees of the Diocese, Parishes, Cemeteries and Schools affiliated with the Diocese of Syracuse. The plan is non-contributory and covers lay employees who meet certain minimum service requirements. The plan is a “church plan” which exempts it from certain requirements enumerated by ERISA and the Department of Labor.

Participating organizations have a responsibility to contribute to the plan amounts as may be required to meet minimum funding standards. The Central Administrative Office’s current year’s contribution for all eligible employees totaled \$226,782 (\$199,367 in 2013). In addition, in 2014 the Central Administrative Office paid \$1,000,000 (\$500,000 in 2013) in additional contributions as a means of reducing the unfunded status of the plan.

Actuarial studies have determined that the plan has an unfunded pension obligation of approximately \$48,150,000 as of June 30, 2014. Prior to 2014, each participating organization was allocated a portion of this obligation based on employment data of individual employees. As of June 30, 2014, the Diocese has adopted a new reporting treatment for this obligation. The Diocese will assume the unfunded pension obligation for the following participating entities:

- Non-aligned parishes, closed prior to July 1, 2014
- Parish schools closed prior to July 1, 2014
- Diocesan regional schools

Active parishes, Diocesan cemeteries and other related entities will continue to be allocated their portion of the unfunded liability.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

**NOTE 9 – DIOCESE OF SYRACUSE DEFINED BENEFIT
PENSION PLAN – Continued**

As of June 30, 2014, the unfunded pension obligation which is recognized on the statements of financial position for each entity is allocated as follows:

| | |
|------------------------------------|----------------------|
| Roman Catholic Diocese of Syracuse | \$ 22,423,852 |
| Diocesan Cemeteries | 1,710,147 |
| Active Parishes and Other Entities | <u>24,015,587</u> |
| Total | <u>\$ 48,149,586</u> |

Plan Summary

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

- Active and retired participants in the plan at the end of 2014 totaled 3,319 (3,319 in 2013).
- 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 Roman Catholic Diocese of Syracuse, New York and its related affiliates contribute annually 8.5% of employee's compensation.
- The current year's contribution for all eligible employees totaled \$3,366,800 (\$2,696,415 in 2013).
- 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.
- In 2014, benefit payments totaled \$2,840,297 (\$2,577,148 in 2013).
- Participation in the plan for new employees has been frozen as of July 1, 2011. New employees are eligible to participate in a Diocesan sponsored 403 (b) plan.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 9 – DIOCESE OF SYRACUSE DEFINED BENEFIT

PENSION PLAN – Continued

The following sets forth the plan’s funded status as of June 30, 2014 from the most recent actuarial study, which was prepared for the July 1, 2014 plan year. The changes in the benefit obligation and fair value of plan assets, the funded status of the plan, the components of net periodic pension cost and the assumptions used in the measurement of the Diocese’s benefit obligation are as follows:

| | 2014 | 2013 |
|---|----------------------|----------------------|
| Change in Benefit Obligation: | | |
| Projected Benefit Obligation at the | | |
| Beginning of the Year | \$ 78,505,342 | \$ 65,147,369 |
| Service Cost | 1,471,590 | 1,571,026 |
| Interest Cost | 4,075,289 | 2,014,387 |
| Actuarial Loss | 8,968,182 | 12,349,708 |
| Benefits Paid | <u>(2,840,297)</u> | <u>(2,577,148)</u> |
| Projected Benefit Obligation at the | | |
| End of the Year | <u>\$ 90,180,106</u> | <u>\$ 78,505,342</u> |
| Change in Plan Assets: | | |
| Fair Value of Plan Assets at the | | |
| Beginning of the Year | \$ 37,593,881 | \$ 34,675,693 |
| Actual Return on Plan Assets | 3,910,136 | 3,040,953 |
| Contributions | 3,366,800 | 2,696,415 |
| Expenses | 0 | (242,032) |
| Benefits Paid | <u>(2,840,297)</u> | <u>(2,577,148)</u> |
| Fair Value of Plan Assets at the | | |
| End the Year | <u>\$ 42,030,520</u> | <u>\$ 37,593,881</u> |
| Funded Status: | | |
| Unfunded Status of Plan | <u>\$ 48,149,586</u> | <u>\$ 40,941,461</u> |

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 9 – DIOCESE OF SYRACUSE DEFINED BENEFIT

PENSION PLAN – Continued

The 2014 net periodic pension cost included the following components:

| | |
|--|-----------------------------|
| Service Cost | \$ 1,471,590 |
| Interest Cost | 4,075,289 |
| Expected Return on Assets | <u>(2,609,033)</u> |
| Net Periodic Pension Cost | 2,937,846 |
| One Time Change for Implementation of Full Accrual of Pension Obligations | <u>40,911,461</u> |
| Total | <u><u>\$ 43,849,307</u></u> |

The accumulated benefit obligation totaled \$86,415,285 at June 30, 2014.

The total amount recognized in net periodic cost and unrestricted net assets totaled \$51,516,386 in 2014.

The total change in unrestricted net assets of each participating entity during 2014 is as follows:

| | |
|--------------------|----------------------------|
| Actuarial Net Loss | <u><u>\$ 7,667,079</u></u> |
|--------------------|----------------------------|

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

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

**NOTE 9 – DIOCESE OF SYRACUSE DEFINED BENEFIT
PENSION PLAN – Continued**

Plan assets as of June 30, 2014 and 2013 were as follows:

| | 2014 | 2013 |
|--------------------------------------|----------------------|----------------------|
| Investments at Fair Value (Level 1): | | |
| Defined Benefit Guaranteed Portfolio | \$ 12,899,167 | \$ 12,782,903 |
| Emerging Markets | 3,131,274 | 2,631,467 |
| International Core Equity | 4,888,149 | 4,135,163 |
| Real Estate Securities | 2,450,379 | 1,879,620 |
| U.S. Core Equity | 9,393,821 | 7,894,402 |
| Short-Term Government | <u>9,267,730</u> | <u>8,270,326</u> |
| Total | <u>\$ 42,030,520</u> | <u>\$ 37,593,881</u> |

In 2014, custodianship of the plan assets was switched from First Great West to RJR Associates.

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

The discount rate used in determining the actuarial present value of the projected benefit obligation was 5% in 2014 and 2013. The expected long-term return on plan assets was 7% in 2014 and 2013. The rate of compensation increase was 3% for both years. The discount rates were selected to reflect the interest rate environment at the respective measurement dates. The expected long-term rate of return assumptions were selected to represent reasonable expectations of future experience.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE 9 – DIOCESE OF SYRACUSE DEFINED BENEFIT

PENSION PLAN – Continued

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

| | |
|-----------|--------------|
| 2015 | \$ 3,833,557 |
| 2016 | 4,106,348 |
| 2017 | 4,385,711 |
| 2018 | 4,875,429 |
| 2019 | 5,183,297 |
| 2020-2024 | 29,282,243 |

Plan contributions expected to be paid in 2015 amount to \$3,000,000.

In 2014, the plan changed an actuarial assumption adopting the sex-distinct RP-2000 mortality table for annuitants and non-annuitants with projected mortality improvements using Scale BB on a generational basis. Prior to 2014, the RP-2000 table using Scale AA was used.

In 2013, the plan changed an actuarial assumption that significantly impacted the calculation of the unfunded position. In prior years the availability of assets to satisfy accrued obligations was calculated by using a 7% return on investment. In 2013, the present value of anticipated obligation was calculated using a discount rate of 5%. This change in actuarial assumption resulted in an increase of the plan's unfunded position by approximately \$12,000,000.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

OTHER FINANCIAL INFORMATION

SCHEDULES OF UNRESTRICTED PROGRAM AND SUPPORTING EXPENSES

Years Ended June 30, 2014 and 2013

| EXPENSES | 2014 | 2013 |
|--|---------------|--------------|
| Program Services: | | |
| Educational Programs - Catholic Schools Office | \$ 1,267,361 | \$ 414,658 |
| Educational Programs - Tuition Assistance | 627,128 | 530,150 |
| Educational Programs - Religious Education | 450,291 | 444,528 |
| Community Service | 1,001,701 | 977,190 |
| Parish Pastoral | 512,309 | 659,196 |
| Ministry for Higher Education | 375,452 | 381,631 |
| Hospital Ministry | 224,905 | 229,576 |
| Family Life, Youth and Young Adult | 487,826 | 480,483 |
| Retreat House | 56,700 | 43,242 |
| Communications | 464,915 | 390,345 |
| Hope Appeal Expenses | 126,326 | 122,062 |
| McDevitt Grants | 348,774 | 390,560 |
| National Assessments | 126,790 | 112,184 |
| Strategic Planning | 22,192 | 0 |
| Vicar for Parishes | 97,024 | 97,194 |
| | 6,189,694 | 5,272,999 |
| Total Program Services | | |
| Supporting Services: | | |
| Administrative and Operational | 278,443 | 178,238 |
| Bad Debt Expense | 643,107 | 301,558 |
| Executive Management | 613,689 | 611,632 |
| Development and Fundraising | 546,397 | 427,260 |
| Finance | 861,187 | 702,768 |
| Parish Services | 229,610 | 127,082 |
| Building and Grounds | 1,301,225 | 1,046,450 |
| Information Technology | 253,477 | 249,071 |
| | 4,727,135 | 3,644,059 |
| Total Supporting Services | | |
| | \$ 10,916,829 | \$ 8,917,058 |
| TOTAL EXPENSES | | |

See notes to financial statements.

SCHEDULE OF INSURANCE FUND ACTIVITY

Year Ended June 30, 2014 with Comparative Totals for June 30, 2013

| | PSI | Health |
|---------------------------------|---------------------|----------------------|
| REVENUE | | |
| Insurance Premiums | \$ 4,522,537 | \$ 18,718,911 |
| Rebates | <u>51,594</u> | <u>477,671</u> |
| Total Revenue | 4,574,131 | 19,196,582 |
| EXPENSES | | |
| Administrative and Operational | 620,581 | 931,649 |
| Insurance - Outside Carrier | 1,332,282 | 725,932 |
| Insurance - Claims Paid | 1,765,544 | 13,597,825 |
| Insurance - Claims Accrued | 1,041,350 | (165,432) |
| Program Expense - Departments | <u>446,967</u> | <u>319,155</u> |
| Total Expenses | <u>5,206,724</u> | <u>15,409,129</u> |
| CHANGE IN NET ASSETS | (632,593) | 3,787,453 |
| Net Assets at Beginning of Year | <u>4,257,191</u> | <u>6,466,248</u> |
| Net Assets at End of Year | <u>\$ 3,624,598</u> | <u>\$ 10,253,701</u> |

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

| Unemployment | Disability | 2014 | Total | 2013 |
|---------------------|---------------------|----------------------|--------------|----------------------|
| \$ 419,358 | \$ 316,459 | \$ 23,977,265 | | \$ 22,418,253 |
| <u>0</u> | <u>0</u> | <u>529,265</u> | | <u>110,218</u> |
| 419,358 | 316,459 | 24,506,530 | | 22,528,471 |
| 11,875 | 18,000 | 1,582,105 | | (2,156) |
| 0 | 0 | 2,058,214 | | 1,941,503 |
| 489,922 | 155,780 | 16,009,071 | | 16,030,098 |
| 0 | 0 | 875,918 | | 700,653 |
| <u>0</u> | <u>0</u> | <u>766,122</u> | | <u>752,832</u> |
| <u>501,797</u> | <u>173,780</u> | <u>21,291,430</u> | | <u>19,422,930</u> |
| (82,439) | 142,679 | 3,215,100 | | 3,105,541 |
| <u>2,764,412</u> | <u>1,104,009</u> | <u>14,591,860</u> | | <u>11,486,319</u> |
| <u>\$ 2,681,973</u> | <u>\$ 1,246,688</u> | <u>\$ 17,806,960</u> | | <u>\$ 14,591,860</u> |

See notes to financial statements.

**ROMAN CATHOLIC DIOCESE OF SYRACUSE, NEW YORK –
CENTRAL ADMINISTRATIVE OFFICE**

SCHEDULE OF INVESTMENT FUND ACTIVITY

Year Ended June 30, 2014 with Comparative Totals for June 30, 2013

| | Investment Pool | Deposit and Loan | Total 2014 | Total 2013 |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| REVENUE | | | | |
| Investment Earnings | \$ 783,316 | \$ 14,484 | \$ 797,800 | \$ 964,407 |
| Realized Gains | 121,921 | 0 | 121,921 | 3,034,123 |
| Unrealized Gains (Losses) | <u>3,971,832</u> | <u>0</u> | <u>3,971,832</u> | <u>(90,359)</u> |
| Total Revenue | 4,877,069 | 14,484 | 4,891,553 | 3,908,171 |
| EXPENSES | | | | |
| Investment Fees | 143,273 | 0 | 143,273 | 145,044 |
| Affiliation Fees - Support Services | 90,000 | 0 | 90,000 | 0 |
| Bad Debt Expense | <u>0</u> | <u>70,653</u> | <u>70,653</u> | <u>(53,874)</u> |
| Total Expenses | <u>233,273</u> | <u>70,653</u> | <u>303,926</u> | <u>91,169</u> |
| CHANGE IN NET ASSETS | 4,643,796 | (56,169) | 4,587,627 | 3,817,002 |
| Net Assets at Beginning of Year | 11,148,224 | 295,899 | 11,444,123 | 7,627,121 |
| Transfer to Plant Fund for Capital Expenses | <u>(300,000)</u> | <u>0</u> | <u>(300,000)</u> | <u>0</u> |
| Net Assets at End of Year | <u><u>\$ 15,492,020</u></u> | <u><u>\$ 239,730</u></u> | <u><u>\$ 15,731,750</u></u> | <u><u>\$ 11,444,123</u></u> |

See notes to financial statements.