

DIOCESE OF SYRACUSE – CENTRAL
ADMINISTRATIVE OFFICE

FINANCIAL STATEMENTS

June 30, 2011 and 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 statements of financial position of the **DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE** as of June 30, 2011 and 2010 and the related statements of activities, changes in net assets and the cash flows for the years then ended. These financial statements are the responsibility of Diocesan management. 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 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 audits provide 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, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted 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 27 and 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 related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of 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 basic financial statements taken as a whole.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, New York

October 27, 2011

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DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

June 30, 2011 and 2010

	2011	2010
ASSETS		
Cash	\$ 3,452,239	\$ 4,623,193
Accounts Receivable - Net	3,909,418	4,181,192
Unconditional Promises to Give - Net	1,403,090	1,389,633
Mortgages and Notes Receivable -Net	131,391	361,640
Prepaid Expenses and Other Assets	122,993	498,610
Due from Affiliated Organizations	1,162,699	1,366,275
Investments	32,523,175	31,956,955
Property and Equipment, Net of Accumulated Depreciation and Amortization	<u>2,409,671</u>	<u>2,538,792</u>
TOTAL ASSETS	<u><u>\$ 45,114,676</u></u>	<u><u>\$ 46,916,290</u></u>
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 650,422	\$ 1,201,700
Accrued Insurance Claims	7,190,695	8,004,321
Post Retirement Obligations	15,900,020	15,900,020
Deferred Income	328,794	304,295
Liability for Custodial Accounts	349,300	234,504
Mortgages and Notes Payable	0	41,080
Unfunded Pension Obligation	<u>1,961,491</u>	<u>2,100,791</u>
Total Liabilities	26,380,722	27,786,711
NET ASSETS		
Unrestricted	721,924	626,900
Temporarily Restricted	8,342,602	7,149,809
Permanently Restricted	<u>9,669,428</u>	<u>11,352,870</u>
Total Net Assets	<u>18,733,954</u>	<u>19,129,579</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 45,114,676</u></u>	<u><u>\$ 46,916,290</u></u>

See notes to financial statements.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2011 and 2010

	2011	2010
REVENUE AND SUPPORT		
Contributions	\$ 5,592,958	\$ 6,055,435
Insurance Fees	21,528,258	21,357,928
Fees - Other Services	2,329,259	2,422,603
Investment Activity - Net	7,513,341	6,862,063
Other Income and Assessments	1,939,008	1,247,045
Tribunal Income	86,370	99,521
	<hr/>	<hr/>
Total Revenue and Support	38,989,194	38,044,595
EXPENSES		
Program Services	6,020,320	6,878,945
Supporting Services	27,522,714	27,835,233
	<hr/>	<hr/>
Total Expenses	33,543,034	34,714,178
CHANGE IN NET ASSETS		
Net Assets at Beginning of Year	19,129,579	17,899,953
Prior Period Adjustment - Unfunded Pension Obligation	0	(2,100,791)
Unfunded Pension Obligation - Current Year Adjustment	139,300	0
Net Assets Transferred - Catholic School Office	86,203	0
Net Assets Transferred - Related Entity	(6,067,288)	0
	<hr/>	<hr/>
Net Assets at End of Year	<u>\$ 18,733,954</u>	<u>\$ 19,129,579</u>

See notes to financial statements.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

STATEMENTS OF CHANGES IN NET ASSETS

Years Ended June 30, 2011 and 2010

	2011	2010
CHANGES IN UNRESTRICTED NET ASSETS		
Total Revenue and Support	\$ 32,426,808	\$ 39,511,572
Total Operating Expenses	(33,543,034)	(34,714,178)
Net Assets Released from Restrictions	4,475,465	4,500,070
	<hr/>	<hr/>
Change in Operating Unrestricted Net Assets	3,359,239	9,297,464
Unrestricted Net Assets, Beginning of Year	626,900	189,081
Prior Period Adjustment - Unfunded Pension Obligation	0	(2,100,791)
Unfunded Pension Obligation Adjustment	139,300	0
Net Assets Transferred to Related Entity	(4,406,335)	0
Net Assets Transferred to Catholic School Office	86,203	0
Net Assets Reclassification - Endowment Deficiency	916,617	(6,758,854)
	<hr/>	<hr/>
Unrestricted Net Assets, End of Year	721,924	626,900
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions	4,894,955	4,828,448
Investment Activity - Net	847,188	(7,004,102)
Other Income and Assessments	820,243	708,677
Net Assets Released from Restrictions	(4,475,465)	(4,500,070)
	<hr/>	<hr/>
Change in Temporarily Restricted Net Assets	2,086,921	(5,967,047)
Temporarily Restricted Net Assets, Beginning of Year	7,149,809	6,358,002
Net Assets Released - Endowment Deficiency	(916,617)	6,758,854
Net Assets Reclassification - Endowment Principal	22,489	0
	<hr/>	<hr/>
Temporarily Restricted Net Assets, End of Year	8,342,602	7,149,809
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS		
Permanently Restricted Net Assets, Beginning of Year	11,352,870	11,352,870
Net Assets Transferred to Related Entity	(1,660,953)	0
Net Assets Reclassification - Endowment Principal	(22,489)	0
	<hr/>	<hr/>
Permanently Restricted Net Assets, End of Year	9,669,428	11,352,870
TOTAL NET ASSETS, END OF YEAR	\$ 18,733,954	\$ 19,129,579
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See notes to financial statements.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 5,446,160	\$ 3,330,417
Adjustments to Reconcile Change in Net Assets to Net Cash Used In Operating Activities:		
Depreciation Expense	254,215	212,051
Unrealized (Gain) Loss on Investments	(1,990,641)	(8,186,277)
Investment in D.J. Curley - Transfer of Assets	0	(883,636)
Forgiveness of Note Receivable	55,724	744,502
(Increase) Decrease in Operating Assets:		
Accounts Receivable	271,774	2,219,228
Pledges Receivable	(13,457)	73,697
Prepaid Expenses and Other Assets	375,617	(208,730)
Due from Affiliated Organizations	203,576	117,216
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Insurance Claims	(1,346,904)	820,811
Accrued Post Retirement Benefits	0	20
Deferred Income	24,499	36,247
Liability for Custodial Accounts	114,796	18,817
Deposits Payable	(32,715,834)	(3,038,763)
Net Cash Used In Operating Activities	<u>(29,320,475)</u>	<u>(4,744,400)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Building and Equipment Additions	(125,094)	(190,495)
Investments – Net Change	28,141,170	7,609,704
Principal Reduction of Notes and Mortgage Receivables	174,525	453,900
Net Cash Provided By Investing Activities	<u>28,190,601</u>	<u>7,873,109</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments – Debt	(41,080)	(4,630)
Net Cash Used In Financing Activities	<u>(41,080)</u>	<u>(4,630)</u>
Net Change in Cash	(1,170,954)	3,124,079
Cash, Beginning of Year	<u>4,623,193</u>	<u>1,499,114</u>
Cash, End of Year	<u>\$ 3,452,239</u>	<u>\$ 4,623,193</u>
SUPPLEMENTAL INFORMATION		
Unfunded Pension Obligation	<u>\$ 139,300</u>	<u>\$ (2,100,791)</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 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.

Basis of Accounting and Presentation

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

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, 2011 and 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.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

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

Accounts Receivable – Net

At June 30, 2011 and 2010, accounts receivable amounted to \$8,529,157 and \$9,882,178, respectively. A summary of these receivables and related allowances for uncollectibility is presented as follows:

	2011	2010
General Receivables	\$ 1,703,497	\$ 1,691,650
Insurance Premiums	5,218,883	5,647,405
Retirement Assessments	311,237	928,040
Educational Loans	<u>1,295,540</u>	<u>1,615,083</u>
Gross Accounts Receivable	8,529,157	9,882,178
Less: Allowance for Uncollectibility	<u>4,619,739</u>	<u>5,700,986</u>
Total Accounts Receivable - Net	<u><u>\$ 3,909,418</u></u>	<u><u>\$ 4,181,192</u></u>

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

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.

Unconditional Promises to Give

Pledges outstanding as of June 30 consist of the following:

	2011	2010
Diocesan Hope Appeal	\$ 1,459,090	\$ 1,499,633
Less: Allowance for Uncollectible Pledges	<u>56,000</u>	<u>110,000</u>
Total	<u><u>\$ 1,403,090</u></u>	<u><u>\$ 1,389,633</u></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, 2011 are payable in 2011. There are no long-term pledges outstanding.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

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

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, 2011 and 2010, the allowance for uncollectible pledges was estimated to be \$56,000 and \$110,000, respectively. 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 2010-2011 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 \$103,007 and \$101,025 at June 30, 2011 and 2010, respectively.

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.

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.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

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

Land, Buildings and Equipment – Continued

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

	2011	2010
Land and Sites for Future Parishes	\$ 387,917	\$ 387,917
Land - D.J. Curley Building	350,000	350,000
Furniture and Fixtures	1,301,208	1,282,236
Buildings and Improvements	8,184,300	8,137,865
Buildings and Improvements - D.J. Curley Building	1,557,535	1,557,535
Equipment	955,015	895,328
Automobiles	<u>208,368</u>	<u>216,587</u>
Total Land, Buildings and Equipment	12,944,343	12,827,468
Less: Accumulated Depreciation	<u>10,534,672</u>	<u>10,288,676</u>
Net Land, Buildings and Equipment	<u>\$ 2,409,671</u>	<u>\$ 2,538,792</u>

Depreciation expense for the years ended June 30, 2011 and 2010 totaled \$254,215 and \$212,051, respectively.

Third Party Contractual Deposits Payable

At June 30, 2010, the Diocese of Syracuse – Central Administrative Office operated a cooperative investment and deposit and lending program for the mutual benefit of Diocesan organizations, parishes, and related organizations. Deposits that were held and invested under contractual agreement for Diocesan entities outside the Central Administrative Office totaled \$32,715,834 at June 30, 2010. In 2011 the Central Administrative Office ended this program. Deposits were returned to the designated owner for reinvestment.

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.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

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

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. The assets are recognized at fair value when received, and an annuity liability is recognized at the present value of future cash flows expected to be paid. 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, 2011 and 2010, segregated assets identified for use within the program totaled \$160,987 and \$136,459, respectively, with a liability to donors of \$136,459 and \$129,151, respectively.

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 provide 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.

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, 2011 and 2010 was \$180,186 and \$171,637, respectively.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 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, 2011 and 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 standard 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. For tax exempt entities, their tax exempt status itself is deemed to be an uncertainty, since events could potentially occur to jeopardize their tax exempt status. 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 October 27, 2011, which is the date the financial statements were available to be issued.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 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	
	2011	2010
Cash Equivalents	\$ 1,361,120	\$ 4,858,200
Equity Securities	18,836,953	15,771,599
Governmental and Corporate Bonds	10,804,226	37,825,075
Mutual Funds	913,240	6,022,540
Other Investments	607,636	195,375
	<hr/>	<hr/>
Total	32,523,175	64,672,789
Less: Third Party Contractual Deposits	0	32,715,834
	<hr/>	<hr/>
Net Investments	<u>\$ 32,523,175</u>	<u>\$ 31,956,955</u>
Unrestricted	\$ 31,655,952	\$ 29,830,771
Temporarily Restricted	160,987	148,832
Permanently Restricted	706,236	1,977,352
	<hr/>	<hr/>
Total	<u>\$ 32,523,175</u>	<u>\$ 31,956,955</u>

As discussed in Note 1, the Diocese had operated a cooperative investment and deposit and lending program for the benefit of Diocesan organizations, parishes and related organizations. For 2010, included in the above listed investment categories were funds invested under contractual agreement under these programs. The deposits of these entities totaled \$32,715,834 as of June 30, 2010. This investment program was eliminated during 2011.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

NOTE 2 – INVESTMENTS – Continued

Net investment activity consists of the following:

	2011	2010
Dividends and Interest	\$ 2,657,909	\$ 2,205,878
Realized Gains, at Original Cost	2,864,791	2,887,309
Unrealized Gains	<u>1,990,641</u>	<u>1,768,876</u>
Total	<u>\$ 7,513,341</u>	<u>\$ 6,862,063</u>

Total fees paid to investment managers amounted to \$279,771 and \$375,625 as of June 30, 2011 and 2010, respectively. These fees are included in supporting services on the statements 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. 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. Generally accepted accounting principles establish a hierarchy for inputs used in measuring fair value that maximized the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Diocese. Unobservable inputs are inputs that reflect the Diocese’s assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

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.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

NOTE 2 – INVESTMENTS – Continued

Fair Value Measurements – Continued

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.

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

Description	June 30, 2011		Fair Value Measurements
	Level 1	Level 3	
Cash	\$ 240,635	\$ 0	\$ 240,635
Equity Securities	18,836,952	0	18,836,952
Government and Agency Fixed Income	5,282,717	0	5,282,717
Money Market	1,195,255	0	1,195,255
Corporate Bonds	5,446,740	0	5,446,740
Index Mutual Funds	913,238	0	913,238
Other Assets	0	607,638	607,638
Total	<u>\$ 31,915,537</u>	<u>\$ 607,638</u>	<u>\$ 32,523,175</u>

Description	June 30, 2010		Fair Value Measurements
	Level 1	Level 3	
Cash	\$ 290,791	\$ 0	\$ 290,791
Equity Securities	15,771,598	0	15,771,598
Government and Agency Fixed Income	36,104,360	0	36,104,360
Money Market	4,567,408	0	4,567,408
Corporate Bonds	1,720,715	0	1,720,715
Index Mutual Funds	6,022,540	0	6,022,540
Other Assets	0	195,377	195,377
Total	<u>\$ 64,477,412</u>	<u>\$ 195,377</u>	<u>\$ 64,672,789</u>

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

NOTE 3 – MORTGAGES AND NOTES RECEIVABLE

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

	2011	2010
Loans to Diocesan Organizations at Various Interest Rates and Terms of Repayment	\$ 1,803,613	\$ 2,184,144
Noninterest Bearing Loans	<u>0</u>	<u>58,478</u>
	1,803,613	2,242,622
Less: Allowance for Uncollectible Loans	<u>1,672,222</u>	<u>1,880,982</u>
Total	<u>\$ 131,391</u>	<u>\$ 361,640</u>

NOTE 4 – NOTES PAYABLE

A summary of notes payable are presented as follows:

	2011	2010
Installment notes payable at an interest rate of 6%, paid in full during 2011.	<u>\$ 0</u>	<u>\$ 41,080</u>

Cash paid for interest expense on these loans during the 2011 and 2010 fiscal years amounted to \$1,215 and \$2,638, respectively. Prime rate at June 30, 2011 and 2010 was 3.25%.

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.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

NOTE 5 – INSURANCE FUNDING – Continued

Accrued liabilities of \$7,190,695 and \$8,004,320 have been established to cover 2011-10 and 2010-09 claims in the various self-insured programs incurred prior to June 30, 2011 and 2010, 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 2011 or 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.

Subsequent to the year end the Southern Tier of New York State experienced severe flooding. A number of affiliated organizations participating in the Diocesan Self Insurance Program sustained losses. In September and October 2011 a number of claims have been filed by various Diocesan entities for flood damage. Reserves for these claims are not reflected in the insurance reserve shown above, but will be reflected in the 2012 operating results.

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 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.

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 for interest bearing accounts is \$250,000 per depositor. As of December 31, 2010, the insurable limit for non-interest bearing accounts has been changed to unlimited coverage through December 31, 2012. From time to time throughout the year bank balances exceeded insurance limits and management considered those circumstances to be a normal business risk. Concentrations of credit risk with respect to tuition receivable are limited due to dispersion among numerous individuals.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

NOTE 6 – FINANCIAL INSTRUMENTS – Continued

Concentrations of Credit Risk – Continued

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, 2011 and 2010 totaled approximately \$31,915,540 and \$64,477,413, 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 \$830,732 at June 30, 2011 (\$1,311,106 in 2010). 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 pledged \$4,606,518 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 was made in December 2010. As a result of the guarantee of payments the Diocese is holding a receivable from the Foundation in the amount of \$680,273. The Diocese is working closely with the partners of the Foundation to liquidate its partnership interests and apply these funds against the receivable.
- 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, 2011 amounted to \$482,852 (\$562,234 in 2010).

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

NOTE 7 – RELATED PARTY TRANSACTIONS

Lease Obligation

The Central Administrative Office had entered into a lease arrangement with D. J. Curley Corp. for office space. 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 \$6,803 to the Campaign at June 30, 2011 (\$9,841 in 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 was a ten-year, six percent loan with yearly interest and principal payments of \$11,990, which was paid in full during 2011.

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, 2011 amounted to \$283,198 (\$125,025 in 2010).

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

NOTE 7 – RELATED PARTY TRANSACTIONS – Continued

Advances – Other Affiliated Entities – Continued

D.W. Barry Foundation

The Barry Foundation was established to handle special projects and gifting programs. Advances of \$680,273 have been made to this entity as of June 30, 2011 (\$1,119,081 in 2010). 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 \$260,639 as of June 30, 2011 (\$266,243 in 2010) have been made in prior years to the Syracuse Catholic Press Association, Inc.

NOTE 8 – LITIGATIONS AND CLAIMS

The Roman Catholic Diocese of Syracuse is currently defending three active lawsuits against the Diocese and current and former Diocesan priests relating to alleged acts of sexual misconduct and associated investigations. Since the last audit statement, a number of cases have been dismissed, in some cases based on the statute of limitations. The aggregate monetary demands associated with the currently active pending cases, is less than one million dollars, although demands have not been made in each case. 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 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.

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

NOTE 9 – LEASES

The Diocese leases three vehicles and copy machines under operating leases expiring in various years through March 2013. Future minimum lease payments amount to:

2012	\$ 17,712
2013	<u>8,208</u>
Total	<u><u>\$ 25,920</u></u>

Total lease expense for June 30, 2011 and 2010 amounted to \$25,152 each year.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

The Diocese of Syracuse Defined Benefit Pension Plan (the Plan) is a church plan which allows participating parishes, schools, cemeteries and other affiliated Diocesan organizations to enroll all eligible lay employees. It is the participating employers' responsibility to contribute to the Plan such amounts as may be required to meet minimum funding standards.

The overall Diocesan Plan is underfunded by approximately \$29,000,000. During 2011 the Plan's actuary initiated a study to determine each individual employer's portion of the unfunded position. As of June 30, 2010 the Dioceses' estimated portion of the overall liability totaled \$2,100,791 calculated as follows:

Pension Liability

Estimated Present Value of Accrued Benefits	\$ 4,282,192
Less: Allocated Value of Assets	<u>2,181,401</u>
Pension Liability	<u><u>\$ 2,100,791</u></u>

This potential obligation has been established as a liability. Changes to the unfunded obligation are accounted for as an adjustment to unrestricted net assets.

A summary of the unfunded pension liability is presented below:

Pension Liability Adjustment

Unfunded Liability (as determined by actuarial study)	\$ 2,100,791
Less: Current Year Contributions	<u>139,300</u>
Balance as of June 30, 2011	<u><u>\$ 1,961,491</u></u>

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

NOTE 10 – DEFINED BENEFIT PENSION PLAN – Continued

To address this situation the Plan has instituted the following changes to be effective in the fiscal year beginning July 1, 2011:

- Participation in the Plan for new employees has been frozen as of the above mentioned effective date. New employees will be eligible to participate in a Diocesan sponsored 403(b) plan.
- The benefit formula for benefits accumulates after July 1, 2011 and will change from 1.5% to 1.0% of annual pay.
- Employer contributions will be increased to 8% of eligible wages for the 2011 Plan year. In 2010 the contribution percentage was 7%.

NOTE 11 – 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.

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	3.00%

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. In 2011 the distribution totaled \$1,869,000 (\$1,638,000 in 2010).

During 2011 assessments of participating Diocesan entities and individual priests totaled \$2,052,508 (\$2,102,743 in 2010). Benefits paid from the fund amounted to \$1,606,749 in 2011 and \$2,102,743 in 2010. The accumulated, unfunded post retirement obligation at June 30, 2011 and 2010 was \$15,900,020.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

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 thirteen 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.

Interpretation of Relevant Law

The Finance Council of the Diocese of Syracuse has interpreted the applicable provisions 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 in September 2010.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

NOTE 12 – ENDOWMENT – Continued

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level required by New York Not for Profit Corporation Law. In accordance with generally accepted accounting principles, deficiencies of this nature that are reported in unrestricted net assets were \$5,842,237 and \$6,758,854, respectively as of June 30, 2011 and 2010. The balance of the endowment deficiency was \$5,842,237 and \$6,758,754 for the years ended June 30, 2011 and 2010, respectively.

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 2011 and 2010 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, 2011 and 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, 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
Other Revenue and Support	0	359,637	0	359,637
Reclassification - Past Investment Returns and Losses - Net	0	(9,155,923)	0	(9,155,923)
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	(6,758,854)	157,497	11,352,870	4,751,513
Investment Income	0	381,314	0	381,314
Net Appreciation	0	410,232	0	410,232
Other Revenue and Support	0	181,194	0	181,194
Amounts Appropriated for Expenditures	0	(117,217)	0	(117,217)
Reclassification - Endowment Principal	0	22,489	(22,489)	0
Net Assets Transferred to Related Entity	0	0	(1,660,953)	(1,660,953)
Reclassification Due to Endowment Appreciation	<u>916,617</u>	<u>(916,617)</u>	<u>0</u>	<u>0</u>
Endowment Net Assets, June 30, 2011	<u><u>\$ (5,842,237)</u></u>	<u><u>\$ 118,892</u></u>	<u><u>\$ 9,669,428</u></u>	<u><u>\$ 3,946,083</u></u>

DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

NOTE 13 – DIOCESAN RETIREMENT PLANS

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 \$377,222 in compensation and stipends during 2011 (\$1,086,208 in 2010). Priests who were younger than sixty-one as of the designated date participate in the Retirement Plan for the Secular Priests of the Roman Catholic Diocese.

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 7.0% (6.5% in 2010) of employee's compensation. The current year's contribution for all eligible employees totaled \$2,173,822 (\$1,729,229 in 2010). 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 2011, benefit payments totaled \$1,976,175 (\$1,873,701 in 2010).

The following sets forth the plan's funded status as of June 30, 2011 from the most recent actuarial study, which was prepared for the July 1, 2010 plan year:

Actuarial Present Value Obligations:	
All Future Benefit Obligations	<u>\$ 69,247,365</u>
Actuarial Accrued Obligations	<u>\$ 60,072,272</u>
Plan Assets at Fair Value	<u>\$ 30,601,650</u>
Normal Cost Calculation:	
Unfunded Actual Present Value of Future Benefits	<u>\$ 9,175,093</u>
Average Temporary Annuity Factor	<u>8.069</u>
Estimated Costs for 2010-2011 Plan Year	<u>\$ 203,278</u>
Covered Payroll	<u>\$ 28,783,207</u>
Normal Cost Calculation	<u>\$ 1,340,357</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, 2011 and 2010

NOTE 13 – DIOCESAN RETIREMENT PLANS – Continued

As of July 1, 2010 the lay pension plan is underfunded by \$29,470,000. The Diocese of Syracuse and the participating related organizations have a responsibility to contribute to the Plan such amounts as may be required to meet minimum funding standards. A proforma statement of financial position of the Roman Catholic Diocese of Syracuse Pension Plan is presented as follows:

ASSETS

Investments at Actuarial Value:	
Equity Securities and Mutual Funds	\$ 13,770,752
General Investments	12,240,645
Fixed Income Funds	<u>4,590,253</u>
 Total Assets	 30,601,650

LIABILITIES

Actuarial Accrued Benefits Payable	<u>60,072,272</u>
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UNFUNDED ACTUARIAL OBLIGATIONS	<u><u>\$ (29,470,622)</u></u>
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OTHER FINANCIAL INFORMATION

SCHEDULE OF UNRESTRICTED PROGRAM AND SUPPORTING EXPENSES

Year Ended June 30, 2011 with Comparative Totals for June 30, 2010

	General Operating
EXPENSES	
Program Services:	
Educational Programs	\$ 1,768,091
Community Service	811,633
Parish Pastoral	761,734
Persons in Ministry	414,184
Hospital Ministry	260,648
Tribunal	114,258
Extended Care	0
Retirement Benefits	0
Subsidies - Other	19,050
	<hr/>
Total Program Services	4,149,598
Supporting Services:	
Administrative and Operational	852,921
Executive Management	175,641
Insurance Programs	0
Diocesan Development	412,862
Earnings Distributed	323,200
Building and Grounds	1,219,189
Other Administrative	71,197
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Total Supporting Services	3,055,010
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TOTAL EXPENSES	\$ 7,204,608
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DIOCESE OF SYRACUSE – CENTRAL ADMINISTRATIVE OFFICE

Insurance Programs	Investment Programs	Health, Welfare and Education Programs	Total	
			2011	2010
\$ 0	\$ 0	\$ 115,854	\$ 1,883,945	\$ 1,056,463
0	0	0	811,633	708,455
0	0	0	761,734	775,538
0	0	0	414,184	363,511
0	0	0	260,648	242,279
0	0	0	114,258	122,598
0	0	1,754,868	1,754,868	2,470,550
0	0	0	0	892,151
0	0	0	19,050	2,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
0	0	1,870,722	6,020,320	6,633,545
1,973,205	122,403	134,300	3,082,829	2,692,142
0	0	0	175,641	368,102
18,245,794	0	0	18,245,794	20,111,442
0	0	0	412,862	354,491
0	3,525,772	0	3,848,972	1,511,314
0	0	117,174	1,336,363	981,584
320,892	0	28,164	420,253	2,061,558
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20,539,891	3,648,175	279,638	27,522,714	28,080,633
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<u>\$ 20,539,891</u>	<u>\$ 3,648,175</u>	<u>\$ 2,150,360</u>	<u>\$ 33,543,034</u>	<u>\$ 34,714,178</u>

See notes to financial statements.