



ARCHDIOCESE OF BOSTON

2020 Financial Report

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**Archdiocese of Boston Financial Report for the Year Ending
June 30, 2020**

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SECTION 1 – Chancellor’s Annual Overview

John E. Straub, Chancellor

This Annual Financial Report presented for review includes the audited financial results for the Roman Catholic Archbishop of Boston, A Corporation Sole (RCAB) for the fiscal year ended June 30, 2020. This report, found in Section 3, provides the financial position, changes in net assets and cash flow of RCAB, fulfilling an ongoing commitment to financial transparency. This financial information and that of RCAB’s related organizations can be found on the Archdiocesan website, www.bostoncatholic.org, by clicking on the “Annual Report” link at the top of the home page.

Fiscal 2020 was a challenging year, daunted by the enormous impact COVID-19 has had on our parishes, schools, and ministries. As was the case across the Commonwealth, the Church experienced extreme hardship in maintaining operations in light of the need to temporarily halt public Masses, shut down schools and move to virtual engagement. The response to the pandemic required us to prioritize the safety of our people, while maintaining pastoral care for the people of God. With this in mind, the Archdiocese reacted quickly by enacting a series of steps that involved establishing a crisis team for the purpose of developing policies, providing guidance and engaging support for parishes, schools and ministries as the impact of COVID-19 was felt and evolved.

The following steps highlight the comprehensive response of the Archdiocese begun in the initial days of the pandemic:

1. Early on, a Pandemic Response team was established, which involved all the key ministries and administrative offices of the Archdiocese.
2. The Office of Risk Management established a dedicated website www.rcabrisk.org/covid/ that quickly became the clearing house to upload and review protocols for our parishes, schools and the Pastoral Center.
3. A designated email, corona@rcab.org, was created to receive and respond to questions from parishes and share information. More than 1,200 emails have been received in the six months since the start of the pandemic.
4. The Communications Office established a COVID-19 response email distribution system to provide updates to parishes, schools, and ministries.
5. During the early weeks of the pandemic, daily conference calls were established to discuss the emerging and fast-moving impact of the virus. These included calls with Regional Bishops, Vicars and Pastoral Center staff to provide COVID-19 updates and address any related questions, concerns or needs.
6. Online giving was expanded through the 90-Days Now initiative to provide opportunities for our parishioners and donors to continue supporting their parishes. The 90-Days Now initiative raised nearly \$0.6 million in total for our parishes.
7. In March 2020 the Archdiocese quickly made plans for students to continue their studies at home with virtual instruction from their teachers and administrators. Many textbooks were already available online and many schools were already utilizing Google

Classroom, which assisted in the rapid transition. Investments were made in technology to ensure that students were able to effectively learn remotely. Goals included keeping students engaged in high-quality learning, ensuring they could interact virtually with school friends and continuing to create opportunities for their faith to grow and maintaining a sense of community.

8. For Central Ministries, committees were established that included lay volunteers who were willing to give their time and talent to assist in identifying new or enhanced giving opportunities for our donors or driving cost saving initiatives all in an effort to combat the loss of revenue due to COVID-19 and to think of creative ways of moving forward in a changed world.
9. A Re-opening Work Group was created in Spring 2020, and which continues to meet. Comprised of Central Ministries staff as well as deacons and lay volunteers, the Work Group develops guidance for parish-based liturgies and pastoral activities that are cognizant of and consistent with the ever-changing public health directives with which we must be in compliance.
10. A major push was made to prepare faith formation materials to assist parishes to continue the faith formation of children in an online forum, with a focus on the involvement of the whole family.

In early 2021, we look back with pride for the tremendous leadership and enormous commitment of our priests, religious, deacons, principals, teachers, staff, and volunteers who have contributed to our response.

We have been blessed that our priests have been able to provide pastoral care to COVID-19 patients in hospitals and comfort for loved ones. In the Spring of 2020, Cardinal Seán appointed a team of priests designated with providing the Sacrament of the Sick for patients in COVID-19 hospital wards. This was made possible with the training and support of clergy personnel and the pandemic response team. The initiative was featured in a New York Times story in June 2020. We are grateful that more than 1,100 pastoral visits were made to COVID-19 patients without a single priest having been infected.

Our Catholic schools reopened with in person classes in September 2020. At a time when most public schools transitioned primarily to remote learning, we have been able to re-open our schools and have in place a formidable plan to be able to address issues related to cases where employees or students have tested positive for COVID-19. This is an incredible success for our Catholic schools understanding that students learn best when they are engaged together in the classroom.

In March 2020, Cardinal Seán announced the suspension of public Masses and issued a dispensation from the obligation to attend Mass during this time. Parishes adjusted by livestreaming Masses and implementing virtual programs. As churches slowly began to re-open with public Masses, we have seen great examples of creative ways parishes are engaging their parishioners and planning for the future. In many cases, hard decisions have been made with a number of parishes merging in order to maintain and strengthen parish life. For this, we are very grateful for the willingness of pastors and parishioners to work together for the good of their faith communities.

Difficult days remain in our response to the pandemic. However, with God's grace as well as the advancement of vaccines and by continuing to implement safety protocols, we believe we will emerge from the pandemic able to meet the pastoral needs of the Archdiocese.

I'm pleased to provide the fiscal 2020 financial highlights below. The Management's Discussion and Analysis of Financial Position and Results of Activities, found in Section 2, offers additional analysis.

FISCAL 2020 FINANCIAL HIGHLIGHTS

An important measure of financial stability for a not for profit includes the change in net assets year over year. During fiscal 2020, net assets increased \$12.4 million or 1.6%. The Combined Statement of Activities explains the changes in net assets. While our financial stability is evidenced by the change in net assets, our consolidated operating results, which include our 280 parishes and 55 schools, were adversely affected by a number of factors but most substantively by the effect of the COVID-19 pandemic.

Operating income decreased from \$0.4 million in fiscal 2019 to a \$6.0 million operating loss in fiscal 2020. The COVID-19 pandemic and the suspension of Masses and other activities resulted in reductions in parish offertory collections, the annual Catholic Appeal and other revenue. Prior to the onset of the COVID-19 virus, a number of parishes were experiencing operating deficits on a regular basis and began pursuing mergers with collaborative parishes. In doing so, they reduced their operating expenses and pooled their resources to revitalize a new parish community. In addition, Catholic school enrollment had declined prior to the pandemic which is reflected in the 2020 operating results. Those same schools have regained a large number of enrolled students since September as they returned students to the classroom while the majority of other schools did not.

The change in the beneficial interest in The Catholic Community Fund of the Archdiocese of Boston, Inc. (CCF) decreased primarily due to contributions exceeding distributions by a narrower margin than the prior year. CCF receives, manages, and distributes gifts on behalf of Corporation Sole and other related organizations within the Archdiocese of Boston.

Total operating expenses decreased from \$343.1 million in fiscal 2019 to \$330.1 million in fiscal 2020. Savings were experienced in the parish life, leadership and evangelization and the Catholic education program expense line items, primarily due to the impact of COVID-19 and the resulting closure or limited use of our buildings.

Nonoperating income, which includes transactions not driven by operations, increased from \$12.3 million in fiscal 2019 to \$18.3 million in fiscal 2020. This was impacted by an increase in gain on sale of land and buildings of \$16.8 million in fiscal 2020 compared to a gain of \$1.4 million in fiscal 2019. Fiscal 2020 also included a clergy pension non-cash charge of \$13.9 million as compared to a \$4.3 million charge in fiscal 2019.

Nonoperating expenses include \$2.3 million expended to administer abuse prevention efforts and fund outreach to promote healing and reconciliation among survivors and others harmed by sexual abuse.

The accrued clergy pension and post retirement obligations of \$48.7 million, \$35.1 million in debt owed to St. John's Seminary and the \$22.0 million net unfunded liability of the lay pension plan related to RCAB continue to represent the significant long-term liabilities.

Central Operations, parishes, parish schools and youth centers benefitted from 305 Small Business Association (SBA) Paycheck Protection Program (PPP) loans totaling \$35.0 million. The proceeds from those loans allowed the Corporation Sole to avoid layoffs due to declining revenues including offertory, that were directly impacted by COVID-19. Management anticipates that the Corporation Sole will meet the SBA criteria in order to receive full forgiveness of the loans in fiscal 2021.

BEST PRACTICES AND INTERNAL CONTROLS FOR PARISHES AND AFFILIATED ORGANIZATIONS

The Archdiocese follows generally accepted accounting principles (GAAP). Accordingly, the Archdiocesan financial statements are prepared on an accrual basis of accounting. To provide the Archdiocese with reasonable assurance that its financial resources are safeguarded against waste, loss and misuse, and that reliable accounting and financial data are timely, complete, relevant, accurate and fairly disclosed in reports, the Archdiocese has in place a system of internal controls. These internal controls provide the Archdiocese with financial and accounting records from which financial statements are prepared. The Archdiocese's accounting, finance and internal audit functions maintain oversight of the key areas of the Archdiocesan business and financial processes and controls. In addition, the Archdiocese's Finance Council's Audit Committee plays an important role in the oversight of the internal control structure. This committee meets with senior staff of the Archdiocese and has regular communication with the Archdiocese's independent certified public accountants, Grant Thornton, LLP.

Management continually reviews the Archdiocese's controls and procedures and believes that existing controls and procedures provide reasonable assurance as to the integrity and accuracy of the financial statements, in all material respects. The concept of reasonable assurance is based on management's assessment of financial risk as well as the recognition that the cost of controls should not exceed the relative benefit of such controls and requires estimates and judgment by management.

CONCLUSION

Many thanks to all of the Clergy, Religious and laity who assist Cardinal Seán and his leadership team by serving faithfully on committees and councils that assist the financial management team, including Cardinal Seán's Cabinet and the Finance Council and its subcommittees.

John E. Straub, Chancellor
Secretary for Financial and Administrative Services

SECTION 2 – Management’s Discussion and Analysis of Financial Position and Results of Activities

Discussion & Analysis of the Financial Statements

The following discussion and analysis should be read in conjunction with the Chancellor’s Annual Overview presented in Section 1 and the fiscal year 2020 financial statements and report of independent certified public accountants contained in Section 3 of this financial report. The Chancellor’s Annual Overview includes the fiscal 2020 financial highlights. Dollar amounts are presented in this Section 2 in millions for ease of viewing the graphical information. Dollar amounts in the financial statements are presented in thousands.

Introduction

The Roman Catholic Archbishop of Boston, A Corporation Sole (the “Corporation Sole”), is a legal entity created under Massachusetts civil law in 1897 to provide the Roman Catholic Archbishop of Boston with a means to operate within the public statutes of the Commonwealth of Massachusetts. The Corporation Sole, as an entity, is distinguishable from the Roman Catholic Archbishop of Boston whose powers and responsibilities are established by Canon Law.

The combined financial statements of the Corporation Sole include the results of the activities of the 280 parishes, 55 schools and 42 cemeteries located within the Archdiocese along with the central administrative activities and programs of the Archdiocese including Central Operations, Self-Insurance, the Revolving Loan Fund and Parish Reconfiguration. The financial statements include the net unfunded liabilities of the Clergy Retirement Trust, the Clergy Medical/Hospitalization Trust, the Clergy Benefit Funding Trust and the Regina Cleri Trust (collectively, the Archdiocese of Boston Clergy Health and Retirement Trust (“CHRT”). It should be noted that the financial activities of the CHRT, other than the net unfunded liabilities, are not included in the Corporation Sole financial statements.

The Revolving Loan Fund noted above provides parishes, as well as parish schools and other Catholic organizations operating under the auspices of the Archdiocese, with savings and loan services. The Revolving Loan Fund also provides a vehicle through which parishes and other institutions within the Archdiocese can aggregate funds to earn interest.

The Archbishop of Boston, by virtue of his office, serves as chairman or president of numerous separately incorporated Catholic organizations that operate within the Archdiocese of Boston. While these organizations are considered to be related organizations of the Corporation Sole, they are not under the direct control of the Corporation Sole and, accordingly, their financial activities are not presented as part of the Corporation Sole’s financial statements. In addition, the net unfunded liability and activities of the lay pension plan, which operates under a separate trust, are not required to be and therefore are not presented as part of the Corporation Sole financial statements because several other Catholic organizations participate in this plan. The listing of the related organizations that operate within the Archdiocese of Boston is included in Section 6 of this financial report. The financial information of those related organizations can

be found on the Archdiocesan website, www.bostoncatholic.org, by clicking on the “Annual Report” link at the top of the home page.

COVID-19 Pandemic

As noted in the Chancellor’s Annual Overview, the COVID-19 pandemic had a direct impact on the operating results of the Corporation Sole. From a revenue perspective, parish collections, the Catholic Appeal and other revenues all experienced declines as compared to the prior fiscal year. Those revenue streams were negatively impacted by the closure of our parishes on March 16, 2020 due to COVID-19. After careful and deliberate preparation and meeting all State, Municipal and Archdiocesan guidelines, our churches began to reopen for Masses on May 23, 2020 at a maximum capacity of 40%. Normal school tuition revenues weren’t negatively impacted by COVID-19, as learning transitioned quickly from an in-person to a virtual instruction model.

From a program expense perspective, Parish life, leadership and evangelization and Catholic education both experienced reductions as compared to prior fiscal years. As expected, savings were experienced due to our parishes being either closed or open on a limited basis from March 16, 2020 through fiscal year end June 30, 2020. Our school buildings were closed from March 16, 2020 through fiscal year end June 30, 2020.

305 Small Business Association (SBA) Paycheck Protection Program (PPP) loans totaling \$35.0 million were secured on behalf of Central Operations, parishes, parish schools and youth centers. The proceeds from those loans allowed the Corporation Sole to avoid layoffs due to declining revenues including offertory, that were directly impacted by COVID-19. Management anticipates that the Corporation Sole will meet the SBA criteria in order to receive full forgiveness of the loans in fiscal 2021. Through December 2020, seven parishes and two parish schools have received full forgiveness of their respective SBA PPP loans totaling \$0.9 million.

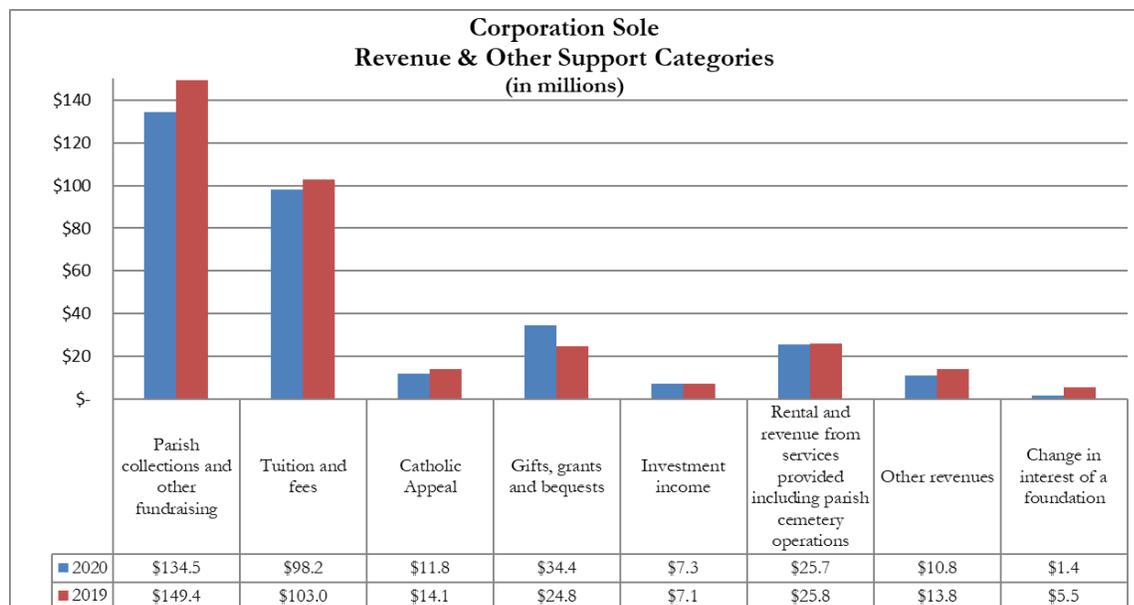
The key discussion points below further elaborate on fiscal 2020 operating results including the impact of COVID-19.

Key Discussion Points

1) *Operating Activities-Revenues*

Overall, total operating revenues decreased from \$343.5 million in fiscal 2019 to \$324.1 million in fiscal 2020, a \$19.4 million or 5.6% decrease.

The table below summarizes the comparable revenues, gains and other support for fiscal 2020 and 2019.



Parish collections and other fundraising revenues decreased from \$149.4 million in fiscal 2019 to \$134.5 million in fiscal 2020, a \$14.9 million or 10.0% decrease. Those revenues include parish offertory collections, the Clergy Benefit Trust collections, other special collections, parish fundraiser events and sacramental offerings.

Parish offertory collections decreased from \$115.4 million in fiscal 2019 to \$109.0 million in fiscal 2020, a \$6.4 million or 5.5% decrease. Parish offertory collections prior to the impact of COVID-19 had decreased 1.3% as compared to the same period in fiscal 2019. It should be noted that there was one less parish offertory collection during the pre-COVID-19 fiscal 2020 period as compared to the same period in fiscal 2019. Adjusting the fiscal 2020 total for the period to reflect the equivalent number of collections as fiscal 2019, using the fiscal 2019 average weekly collection, would result in parish offertory collections increasing 1.0% for the period. The fiscal year decrease of 5.5% can be directly attributed to the impact of COVID-19 and the inability of parishioners to attend Mass due to State, Municipal and Archdiocesan guidelines.

The collections to benefit the clergy and other special collections decreased from \$12.5 million to \$10.1 million, a \$2.4 million or 19.2% decrease. The majority of the decrease was the result of the Easter collection not being taken up due to parish closure resulting from the impact of COVID-19.

Parish fundraiser events and sacramental offerings decreased from \$21.5 million in fiscal 2019 to \$15.4 million in fiscal 2020, a \$6.1 million or 28.4% decrease. Parish fundraiser events include various events including bingo, galas and golf tournaments. Those events comprise \$5.3 million of the total decrease. The balance of \$0.8 million is the result of a decrease in sacramental offerings such as baptisms, weddings and funerals. Those reductions are also attributed to the impact of COVID-19.

Tuition and fees decreased from \$103.0 million in fiscal 2019 to \$98.2 million in fiscal 2020, a \$4.8 million or 4.7% decrease. While enrollment was down as compared to fiscal 2019, tuition rate increases slightly offset the decline. One school closure and a school merger with a related entity high school contributed to the decrease. Fees related to pre-school and after-school programs declined as they were negatively impacted by COVID-19.

The Catholic Appeal decreased from \$14.1 million in fiscal 2019 to \$11.8 million in fiscal 2020, a \$2.3 million or 16.3% decrease. The decrease is largely attributed to being unable to conduct an in-pew solicitation campaign in March 2020 due to church closures as the result of COVID-19. The in-pew campaign was conducted in the summer of 2020.

Gifts, grants and bequest income increased from \$24.8 million in fiscal 2019 to \$34.4 million in fiscal 2020, a \$9.6 million or 38.7% increase. Several parishes experienced an increase in bequest income and other donations as compared to the prior fiscal year.

Investment income increased from \$7.1 million in fiscal 2019 to \$7.3 million in fiscal 2020, an increase of \$0.2 million or 2.8%. Investment income includes the yield from the Fixed Income Fund, other investments and the 1% quarterly distribution made from the Common Investment Fund to its members (primarily parishes). Investment income excludes realized and unrealized gains and losses, which are a component of nonoperating income. The Common Investment Fund return generated a gain of 1.8% in fiscal 2020, following a gain of 3.0% in fiscal 2019.

Other revenues decreased \$3.0 million or 21.7% from \$13.8 million in fiscal 2019 to \$10.8 million in fiscal 2020. Other revenues consist primarily of all parish and school revenue that does not fall into other categories and are generated from a variety of sources including youth/adult ministries, athletic events, school cafeteria sales and candle and flower donations. Those revenues were also directly impacted by COVID-19.

The change in interest in net assets of a foundation, which represents The Catholic Community Fund of the Archdiocese of Boston, Inc. (The Catholic Community Fund), a separate but related entity, decreased by \$4.1 million or 74.6% from \$5.5 million in fiscal 2019 to \$1.4 million in fiscal 2020. The decrease is largely attributed to a reduction in capital campaign activity during fiscal 2020 that benefits Corporation Sole. For fiscal 2020, campaign contributions totaled \$12.7 million and related distributions totaled \$10.4 million. For fiscal 2019, campaign contributions totaled \$20.6 million and related distributions totaled \$15.6 million. Distributions of \$4.2 million were expended in fiscal 2020 on the Cathedral of the Holy Cross renovation project and are included in buildings and improvements within the statement of financial position.

2) *Operating Activities-Expenses*

Overall operating expenses decreased from \$343.1 million in fiscal 2019 to \$330.1 million in fiscal 2020, a \$13.0 million or 3.8% decrease. The composition of Corporation Sole's program and other expenses, which are incurred primarily at the parish level, includes the following:

Corporation Sole				
Program and other operating expenses				
(in millions)				
	2020		2019	
Parish life, leadership and evangelization	\$	172.3	\$	182.7
Catholic education		125.1		128.9
Health and social services		4.0		4.2
Central and regional services		3.0		3.1
Media and public relations		1.5		1.2
Parish cemetery operations		5.1		5.0
Total program expenses		311.0		325.1
Management and general		16.1		15.8
Fundraising		2.8		2.0
Parish reconfiguration		0.2		0.2
Total other expenses		19.1		18.0
Total operating expenses	\$	330.1	\$	343.1

Parish life, leadership and evangelization expense decreased from \$182.7 million in fiscal 2019 to \$172.3 million in fiscal 2020, a \$10.4 million or 5.7% decrease. The decrease includes a \$4.6 million reduction in expenses including pastoral and liturgical supplies, flowers, charitable works, hospitality, youth ministries, athletics, parish events, office expense and professional development. Those expenses were directly impacted by the closure or limited use caused by COVID-19. Parish maintenance and utility costs were also reduced by \$2.5 million due to the mild winter and closure or limited use due to COVID-19. The decrease also includes a \$1.4 million reduction in compensation and benefits that can be attributed to the impact of the ongoing Disciples in Mission initiative (grouping parishes into collaboratives) and parish mergers.

Catholic education expense decreased from \$128.9 million in fiscal 2019 to \$125.1 million in fiscal 2020, a \$3.8 million or 2.9% decrease. The decrease includes a \$1.6 million reduction in compensation and benefits, the majority of which relates to the two school closures referenced above. Program activities also decreased \$1.1 million, primarily due to COVID-19. Those include various after school activities such as athletics and student clubs. The balance of the decrease can be largely attributed to a reduction in maintenance and utilities costs due to a mild winter and closures resulting from COVID-19.

Fundraising expense increased from \$2.0 million in fiscal 2019 to \$2.8 million in fiscal 2020, a \$0.8 million or 40% increase. The increase relates to additional capital campaign fundraising expenses.

Media and public relations expense increased from \$1.2 million in fiscal 2019 to \$1.5 million in fiscal 2020, a \$0.3 million or 25.0% increase. This increase is comprised of costs related to our digital initiative, which includes the establishment of a common digital technology platform across Central Ministries, parishes, schools and related entities.

Parish reconfiguration expense remained stable at \$0.2 million in both fiscal 2020 and fiscal 2019. Due to few remaining properties, expenses related to property management, maintenance, insurance, utilities and real estate taxes have been consistent.

3) Nonoperating Income

Corporation Sole Nonoperating Income (in millions)		
	2020	2019
Nonoperating income (loss):		
Capital campaign contributions	\$ 16.1	\$ 15.8
Other contributions	(0.1)	0.1
Net realized and unrealized gain on investments	(0.4)	2.0
Gain on sale of land and buildings	16.8	1.4
Insurance and other recoveries	0.3	0.5
Investment in related organization	3.3	0.7
Settlements and related expenses	(3.8)	(3.9)
Pension-related charges other than periodic pension costs	(13.9)	(4.3)
Total nonoperating income	\$ 18.3	\$ 12.3

Net realized and unrealized gain on investments decreased from \$2.0 million in fiscal 2019 to a loss of \$0.4 in fiscal 2020, a \$2.4 million or 120.0% decrease. The decrease in total return reflected investment conditions during fiscal year 2020. The investment gains of 1.8% in fiscal 2020 were primarily related to investments in US large cap equities as well as strong performance of the fixed income portion of the portfolio.

Gain on sale of land and buildings increased from \$1.4 million in fiscal 2019 to a \$16.8 million loss in fiscal 2020, a \$15.4 million or 1100% increase. A significant portion of the increase relates to the \$9.1 million gain on the sale of former Pope John XXIII High School property in Everett. Property sales tend to fluctuate year to year.

Insurance and other recoveries decreased from \$0.5 million in fiscal 2020 to \$0.3 million in fiscal 2020, a \$0.2 million or 40.0% decrease. Insurance recoveries vary from year to year due to fluctuations in claim volume and dollar amount.

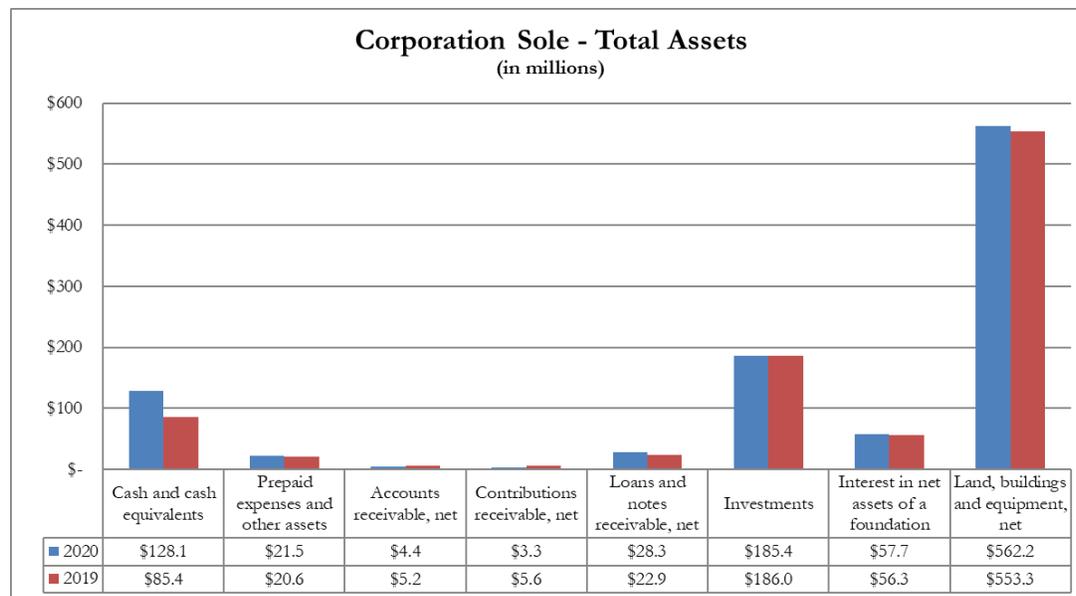
Investment in related organization increased from \$0.7 million in fiscal 2019 to \$3.3 million in fiscal 2020, a \$2.6 million or 371% increase. This represents the investment gain related to the Corporation Sole’s equity interest in Fides Insurance Group, Inc.

Settlement and related expenses decreased from \$3.9 million in fiscal 2019 to \$3.8 million in fiscal 2020, a \$0.1 million or 2.6% decrease. This is attributed to a decrease in the reserve for losses related to abuse settlements offset by an increase in sexual abuse claim settlements from 20 in fiscal 2019 to 33 in fiscal 2020.

Fiscal 2020 included a clergy pension actuarially determined loss of \$13.9 million vs. a \$4.3 million loss in fiscal 2019, resulting in a \$9.6 million change year over year. The year over year change is primarily due to a discount rate decrease and actual asset returns less than the assumed rate of return.

4) Assets

Total assets increased from \$935.3 million in fiscal 2019 to \$990.9 million in fiscal 2020, a \$55.6 million or 5.9% increase.



Explanation of changes - Fiscal 2020 versus Fiscal 2019

Cash and cash equivalents increased from \$85.4 million in fiscal 2019 to \$128.1 million in fiscal 2020, a \$42.7 million or 50.0% increase. This is largely attributed to the proceeds from the 305 Small Business Association (SBA) Paycheck Protection Program (PPP) loans totaling \$35.0 million that were secured on behalf of Central Operations, parishes, parish schools and youth centers in the last quarter of fiscal 2020. The increase also was also impacted by a \$10.0

million increase in Revolving Loan Fund cash and cash equivalents, the majority of which related to additional deposits from related organizations. The majority of cash and cash equivalents are the financial assets of the parishes and parish schools.

Accounts receivable decreased from \$5.2 million in fiscal 2019 to \$4.4 million in fiscal 2020, a \$0.8 million or 15.4% decrease. This is primarily attributed to a decrease in school tuition receivable, which was impacted by the closure of two schools in June 2019.

Contributions receivable decreased from \$5.6 million in fiscal 2019 to \$3.3 million in fiscal 2020, a \$2.3 million or 41.1% decrease. This was primarily driven by a reduction in parish capital campaigns receivables of \$1.0 million and Central Ministries Appeal receivables of \$0.9 million.

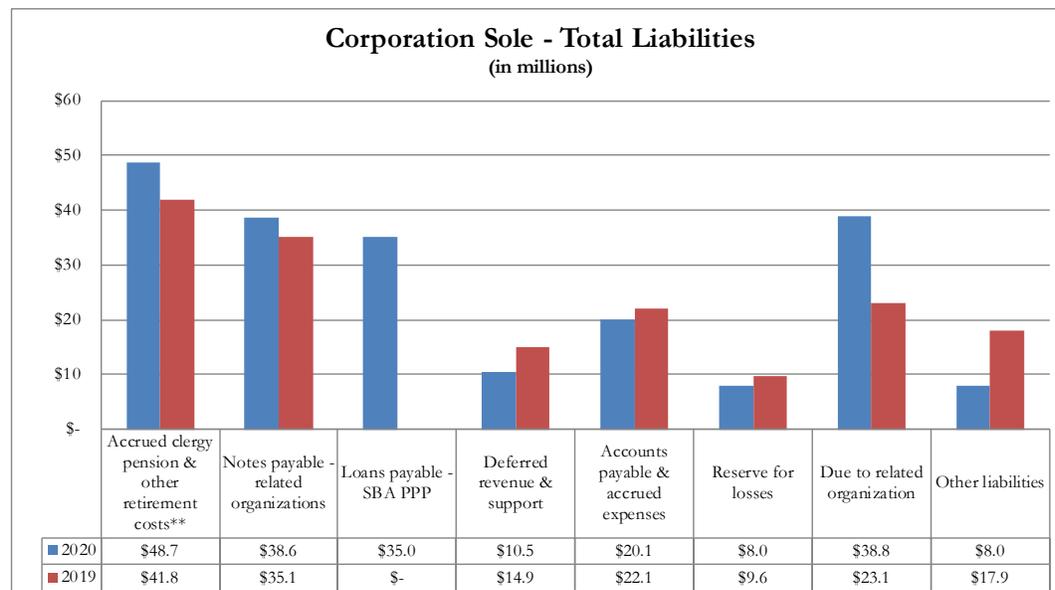
Loans and notes receivable increased from \$22.9 million in fiscal 2019 to \$28.3 million in fiscal 2020, a \$5.4 million or 23.6% increase. The is largely attributed to additional loans to related organizations by the Revolving Loan Fund including Bishop Fenwick High School and Regina Cleri. The additional borrowings are in the form of construction bridge loans and are supported by capital campaign pledges.

Investments remained stable at \$185.4 million in fiscal 2020 vs. \$186.0 million in fiscal 2019.

The interest in net assets of a foundation increased from \$56.3 million in fiscal 2019 to \$57.7 million in fiscal 2020, a \$1.4 million or 2.5% increase. The increase can be primarily attributed to 2020 capital campaign activity, which included contributions of \$12.7 million offset by distributions of \$10.4 million (previously discussed in the Operating Activities – Revenues section above).

5) **Liabilities**

Total liabilities increased from \$164.5 million in fiscal 2019 to \$207.7 million in fiscal 2020, a \$43.2 million or 26.3% increase.



**Please note: In accordance with US GAAP, liabilities do not include the Corporation Sole's portion of the net unfunded liability of the lay pension plan in the amount of \$ 22.0 million and \$23.3 million at June 30, 2020 and 2019, respectively.

Explanation of changes - Fiscal 2020 versus Fiscal 2019

Accrued clergy pension and other retirement costs increased from \$41.8 million in fiscal 2019 to \$48.7 million in fiscal 2020, a \$6.9 million or 16.5% increase. The overall increase in the net unfunded liability is attributable to decreases in the discount rate and CHRT net assets, which are somewhat offset by a decrease in net demographic and claims costs.

As noted in the introduction, the net unfunded liability of the lay pension plan, which operates under a separate trust as a multi-employer plan, is not required to be and therefore is not included in the Corporation Sole's liabilities because several other Catholic organizations participate in the plan. The unfunded liability was \$25.1 million and \$27.4 million at June 30, 2020 and 2019, respectively. The estimated allocation of the total liability attributable to Corporation Sole was \$ 22.0 million and \$23.3 million at June 30, 2020 and 2019, respectively.

Notes payable – related organizations increased from \$35.1 million in fiscal 2019 to \$38.6 million in fiscal 2020, a \$3.5 million or 10.0% increase. The increase is attributed to a new \$4.0 million unsecured note payable with a related entity, to support Central Ministries activities. Borrowings totaled \$3.7 million at June 30, 2020.

As previously discussed in the Assets section above, 305 Small Business Association (SBA) Paycheck Protection Program (PPP) loans totaling \$35.0 million were secured in fiscal 2020 on behalf of Central Operations, parishes, parish schools and youth centers.

Deferred revenue and support decreased from \$14.9 million in fiscal 2019 to \$10.5 million in fiscal 2020, a \$4.4 million or 29.5% decrease. This decrease is primarily due to fewer tuition prepayments for the 2020/2021 school year due to the COVID-19 impact. The reduction was also impacted by the closure of seven schools in June 2020.

Accounts payable and accrued expenses decreased from \$22.1 million in fiscal 2019 to \$20.1 million in fiscal 2020, a \$2.0 million or 9.1% decrease. The decrease is primarily due to a decrease in accounts payable related to the completed Cathedral of the Holy Cross renovation project.

Reserve for losses decreased from \$9.6 million in fiscal 2019 to \$8.0 million in fiscal 2020, a \$1.6 million or 16.7% decrease. The reserve for estimated future clergy misconduct claim settlements decreased from \$8.8 million in fiscal 2019 to \$7.5 million in fiscal 2020, a \$1.3 million or 14.8% decrease. The decrease was driven by the updated actuarial review and analysis of projected clergy misconduct claims and litigation exposure. The reserve for self-insurance losses decreased from \$0.8 million in fiscal 2019 to \$0.5 million in fiscal 2020, a \$0.3 million or 37.5% decrease. The decrease is driven by the transition of liability coverages to Fides Insurance Group, Inc., a captive insurance company domiciled in Vermont, which is a related organization.

Amounts due to related organizations increased from \$23.1 million in fiscal 2019 to \$38.8 million in fiscal 2020, a \$15.7 million or 68.0% increase. This is primarily due to additional

deposits in the Revolving Loan Fund by related organizations and the related increase in the obligation.

Other liabilities decreased from \$17.9 million in fiscal 2019 to \$8.0 million in fiscal 2020, a \$9.9 million or 55.3% decrease. This was primarily due to the decrease in the line of credit balance of \$6.6 million and principal payments on the five-year \$5.0 million unsecured note payable of \$1.0 million. In addition, agency obligations decreased \$0.5 million.

The Corporation Sole maintains a \$10.0 million unsecured line of credit agreement at the bank's prime rate minus 1.3% (1.95% at June 30, 2020) to support Central Ministries activities. Borrowings on the line totaled \$10.0 million during fiscal 2020. The agreement requires that the line of credit is paid down to a zero balance for at least thirty consecutive days annually. The outstanding line balance was paid off in June to satisfy that requirement.

On February 11, 2020, the Corporation Sole entered into a secured line of credit agreement with a bank to also support Central Ministries activities, which allows for borrowings up to \$8.0 million at the bank's prime rate minus 0.75%. Loan advances are capped at 50% of the value of pledged real estate owned by Central Ministries. Advances are secured by a first mortgage plus assignment of leases and rents on pledged real estate. The rate was 2.50% at June 30, 2020. There were no borrowings during the fiscal year.

6) Ongoing Survivor Care and Related Costs

In fiscal 2020, the Archdiocese of Boston expended a total of \$4.9 million associated with ongoing survivor care and related costs. Those costs include the funding of outreach to promote healing and reconciliation among survivors and others harmed by sexual abuse and administering abuse prevention efforts. It also includes the settlement of claims arising from sexual abuse. The \$4.9 million expended in total for fiscal 2020 is detailed below:

\$2.3 million was expended to administer abuse prevention efforts and fund outreach to promote healing and reconciliation among survivors and others harmed by sexual abuse. This includes the expenses incurred by two principal offices of the Archdiocese: the Office of Child Advocacy, Implementation, and Oversight (which oversees abuse prevention training) and the Office of Pastoral Support and Outreach (which administers the program of the Archdiocese to fund therapy and related services to survivors of abuse).

\$2.0 million was expended by the Archdiocese (net of insurance recoveries of \$0.3 million) to settle claims arising from sexual abuse, representing payments on 33 claims. An additional \$0.6 million in legal fees were incurred to facilitate the settlement of those claims. Please see note 10 of the fiscal 2020 financial statements for additional information.

Combined Financial Statements and
Report of Independent Certified Public
Accountants

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

June 30, 2020 and 2019

ROMAN CATHOLIC ARCHBISHOP OF BOSTON, A CORPORATION SOLE

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

His Eminence

Cardinal Sean Patrick O'Malley, O.F.M. Cap.

The Roman Catholic Archbishop of Boston

We have audited the accompanying combined financial statements of the Roman Catholic Archbishop of Boston, a Corporation Sole (the "Corporation Sole"), which comprise the combined statements of financial position as of June 30, 2020 and 2019, and the related combined statements of activities, functional expenses, 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 combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Corporation Sole as of June 30, 2020 and 2019, 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.

Grant Thornton LLP

Boston, Massachusetts
December 23, 2020

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

COMBINED STATEMENTS OF FINANCIAL POSITION

**June 30,
(in thousands)**

	2020	2019
ASSETS		
Cash and cash equivalents:		
Parish operations	\$ 107,204	\$ 74,302
Revolving loan fund	14,660	4,704
Central operations	4,260	4,877
Insurance operations	1,949	1,509
Parish reconfiguration	26	32
Total cash and cash equivalents	128,099	85,424
Interest and dividends receivable, net	2,606	2,338
Prepaid expenses and other assets	18,905	18,179
Accounts receivable, net	4,393	5,245
Contributions receivable, net (note 4)	3,310	5,573
Loans and notes receivable, net (note 4)	28,301	22,902
Land and buildings held for sale (note 6)	2,001	369
Investments (note 5)	185,376	186,040
Interest in net assets of a foundation (note 9)	57,686	56,335
Land, buildings and equipment, net (note 6)	560,233	552,924
Total assets	\$ 990,910	\$ 935,329
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 20,071	\$ 22,084
Agency obligations	2,241	2,685
Reserves for losses (note 10)	8,036	9,581
Due to related organizations	38,767	23,120
Deferred revenue and support	10,531	14,874
Accrued pension and other post-retirement benefits (note 13)	48,747	41,826
Other liabilities	5,707	15,251
Loans payable - Small Business Administration Paycheck Protection Program (note 7)	35,008	-
Notes payable - related organizations (note 7)	38,597	35,082
Total liabilities	207,705	164,503
Commitments and contingencies (note 11)		
NET ASSETS:		
Net assets without donor restrictions	658,870	652,327
Net assets with donor restrictions (note 8)	124,335	118,499
Total net assets	783,205	770,826
Total liabilities and net assets	\$ 990,910	\$ 935,329

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

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

COMBINED STATEMENT OF ACTIVITIES

**For the year ended June 30, 2020 (with summarized comparative total information for the year ended June 30, 2019)
(in thousands)**

	Net assets without donor restrictions	Net assets with donor restrictions	2020 Total	2019 Total
REVENUES AND OTHER SUPPORT:				
Collections	\$ 109,154	\$ 1,658	\$ 110,812	\$ 117,478
Collections - clergy benefits	-	8,296	8,296	10,445
Catholic Appeal	11,618	186	11,804	14,130
Contributions and bequests	23,924	10,472	34,396	24,845
Parish fundraiser events, net	8,714	-	8,714	13,989
Tuition and fees	98,185	-	98,185	102,952
Investment income	6,640	702	7,342	7,144
Rental income	16,099	-	16,099	16,524
Cemetery operations	4,893	-	4,893	4,807
Revenue from services provided (note 14)	4,701	-	4,701	4,459
Sacramental offerings	6,705	-	6,705	7,456
Other revenues	10,838	-	10,838	13,798
Change in interest in net assets of a foundation	-	1,351	1,351	5,519
Net assets released from restrictions and reclassifications (note 8)	23,230	(23,230)	-	-
Total revenues and other support	324,701	(565)	324,136	343,546
EXPENSES:				
Program:				
Parish life and leadership and evangelization	172,342	-	172,342	182,730
Catholic education	125,076	-	125,076	128,884
Health and social services	4,019	-	4,019	4,218
Central and regional services	3,053	-	3,053	3,134
Media and public relations	1,478	-	1,478	1,179
Cemetery operations	5,090	-	5,090	5,047
Total program expenses	311,058	-	311,058	325,192
Management and general	16,060	-	16,060	15,800
Fundraising (note 14)	2,819	-	2,819	1,978
Parish reconfiguration (note 6)	152	-	152	157
Total expenses	330,089	-	330,089	343,127
Operating (loss) income	(5,388)	(565)	(5,953)	419
NON-OPERATING INCOME (LOSS):				
Capital campaign contributions	-	16,108	16,108	15,845
Other contributions	27	(175)	(148)	96
Net assets released from restrictions (note 8)	9,202	(9,202)	-	-
Net realized and unrealized (loss) gain on investments	(42)	(330)	(372)	1,996
Gain on sale of land and buildings	16,846	-	16,846	1,352
Insurance and other recoveries	347	-	347	486
Investment in related organization (note 14)	3,317	-	3,317	741
Settlements and related expenses	(3,851)	-	(3,851)	(3,959)
Pension-related charges other than periodic pension costs	(13,915)	-	(13,915)	(4,294)
Non-operating income	11,931	6,401	18,332	12,263
CHANGE IN NET ASSETS	6,543	5,836	12,379	12,682
Net assets at beginning of year	652,327	118,499	770,826	758,144
Net assets at end of year	<u>\$ 658,870</u>	<u>\$ 124,335</u>	<u>\$ 783,205</u>	<u>\$ 770,826</u>

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

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

COMBINED STATEMENT OF ACTIVITIES

**For the year ended June 30, 2019
(in thousands)**

	Net assets without donor restrictions	Net assets with donor restrictions	2019 Total
REVENUES AND OTHER SUPPORT:			
Collections	\$ 115,541	\$ 1,937	\$ 117,478
Collections - clergy benefits	-	10,445	10,445
Catholic Appeal	13,785	345	14,130
Contributions and bequests	13,257	11,588	24,845
Parish fundraiser events, net	13,989	-	13,989
Tuition and fees	102,952	-	102,952
Investment income	6,429	715	7,144
Rental income	16,524	-	16,524
Cemetery operations	4,807	-	4,807
Revenue from services provided (note 14)	4,459	-	4,459
Sacramental offerings	7,456	-	7,456
Other revenues	13,791	7	13,798
Change in interest in net assets of a foundation	(13)	5,532	5,519
Net assets released from restrictions and reclassifications (note 8)	22,834	(22,834)	-
	335,811	7,735	343,546
EXPENSES:			
Program:			
Parish life and leadership and evangelization	182,730	-	182,730
Catholic education	128,884	-	128,884
Health and social services	4,218	-	4,218
Central and regional services	3,134	-	3,134
Media and public relations	1,179	-	1,179
Cemetery operations	5,047	-	5,047
Total program expenses	325,192	-	325,192
Management and general	15,800	-	15,800
Fundraising (note 14)	1,978	-	1,978
Parish reconfiguration (note 6)	157	-	157
Total expenses	343,127	-	343,127
Operating (loss) income	(7,316)	7,735	419
NON-OPERATING INCOME (LOSS):			
Capital campaign contributions	-	15,845	15,845
Other contributions	-	96	96
Net assets released from restrictions (note 8)	15,342	(15,342)	-
Net realized and unrealized (loss) gain on investments	2,028	(32)	1,996
Gain on sale of land and buildings	1,352	-	1,352
Insurance and other recoveries	486	-	486
Investment in related organization (note 14)	741	-	741
Settlements and related expenses	(3,959)	-	(3,959)
Pension-related charges other than periodic pension costs	(4,294)	-	(4,294)
Non-operating income	11,696	567	12,263
CHANGE IN NET ASSETS	4,380	8,302	12,682
Net assets at beginning of year	647,947	110,197	758,144
Net assets at end of year	\$ 652,327	\$ 118,499	\$ 770,826

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

Roman Catholic Archbishop of Boston,
A Corporation Sole

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2020 (with summarized comparative total information for the year ended June 30, 2019)
(in thousands)

	<u>Compensation Costs</u>	<u>Occupancy Costs</u>	<u>Office/Program Expenses</u>	<u>Professional Services</u>	<u>Professional Development</u>	<u>All Other</u>	<u>2020 Total Expenses</u>	<u>2019 Total Expenses</u>
Program:								
Parish life, leadership and evangelization	\$ 98,451	\$ 50,077	\$ 16,637	\$ 3,517	\$ 720	\$ 2,940	\$ 172,342	\$ 182,730
Catholic education	93,613	18,661	6,143	2,475	277	3,907	125,076	128,884
Health and social services	2,579	609	228	184	31	388	4,019	4,218
Central and regional services	2,223	24	104	89	149	464	3,053	3,134
Media and public relations	500	1	80	704	1	192	1,478	1,179
Cemetery operations	1,816	1,362	56	1,856	-	-	5,090	5,047
Total program expenses	<u>199,182</u>	<u>70,734</u>	<u>23,248</u>	<u>8,825</u>	<u>1,178</u>	<u>7,891</u>	<u>311,058</u>	<u>325,192</u>
Administrative Services:								
Management and general	7,369	2,322	431	3,065	28	2,845	16,060	15,800
Fundraising (note 14)	-	-	-	2,819	-	-	2,819	1,978
Parish reconfiguration (note 6)	-	152	-	-	-	-	152	157
Total administrative services expenses	<u>7,369</u>	<u>2,474</u>	<u>431</u>	<u>5,884</u>	<u>28</u>	<u>2,845</u>	<u>19,031</u>	<u>17,935</u>
Total operating expenses	<u>\$ 206,551</u>	<u>\$ 73,208</u>	<u>\$ 23,679</u>	<u>\$ 14,709</u>	<u>\$ 1,206</u>	<u>\$ 10,736</u>	<u>\$ 330,089</u>	<u>\$ 343,127</u>

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

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2019
(in thousands)

	<u>Compensation Costs</u>	<u>Occupancy Costs</u>	<u>Office/Program Expenses</u>	<u>Professional Services</u>	<u>Professional Development</u>	<u>All Other</u>	<u>2019 Total Expenses</u>
Program:							
Parish life, leadership and evangelization	\$ 101,195	\$ 51,732	\$ 20,914	\$ 3,388	\$ 1,170	\$ 4,331	\$ 182,730
Catholic education	95,376	20,088	7,365	2,720	280	3,055	128,884
Health and social services	2,629	689	209	146	48	497	4,218
Central and regional services	2,171	26	110	198	171	458	3,134
Media and public relations	465	2	127	392	3	190	1,179
Cemetery operations	1,817	1,296	153	1,780	1	-	5,047
Total program expenses	<u>203,653</u>	<u>73,833</u>	<u>28,878</u>	<u>8,624</u>	<u>1,673</u>	<u>8,531</u>	<u>325,192</u>
Administrative Services:							
Management and general	7,096	2,844	452	3,131	67	2,210	15,800
Fundraising (note 14)	-	-	-	1,978	-	-	1,978
Parish reconfiguration (note 6)	-	157	-	-	-	-	157
Total administrative services expenses	<u>7,096</u>	<u>3,001</u>	<u>452</u>	<u>5,109</u>	<u>67</u>	<u>2,210</u>	<u>17,935</u>
Total operating expenses	<u>\$ 210,749</u>	<u>\$ 76,834</u>	<u>\$ 29,330</u>	<u>\$ 13,733</u>	<u>\$ 1,740</u>	<u>\$ 10,741</u>	<u>\$ 343,127</u>

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

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

COMBINED STATEMENTS OF CASH FLOW

For the years ended June 30,
(in thousands)

	2020	2019
OPERATING ACTIVITIES:		
Change in net assets	\$ 12,379	\$ 12,682
Adjustments to reconcile the change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	24,108	23,712
Provision for doubtful accounts	533	189
Gain on sale of land and buildings	(16,846)	(1,352)
Net realized and unrealized loss (gain) on investments	372	(1,996)
Property related insurance recoveries	(347)	(486)
Nonoperating contributions	(15,960)	(15,941)
Change in interest in net assets of a foundation	(1,351)	(5,519)
Changes in operating assets and liabilities:		
Interest and dividends receivable	(304)	(438)
Prepaid expenses and other assets	(726)	(2,604)
Accounts receivable	357	(613)
Contributions receivable	2,261	1,689
Accounts payable and accrued expenses	(1,991)	2,210
Agency obligations	(444)	1,238
Reserves for losses	(1,545)	967
Due to related organizations	15,647	(4,995)
Deferred revenue and support	(4,344)	(1,625)
Accrued pension and other postretirement costs	6,922	(4,648)
Other liabilities	(1,954)	(890)
Net cash and cash equivalents provided by operating activities	16,767	1,580
INVESTING ACTIVITIES:		
Proceeds from sale of land, buildings and equipment	16,768	2,056
Purchase of land, buildings and equipment	(32,971)	(38,717)
Property related insurance recoveries	347	486
Proceeds from sale of investments and maturity of annuities	6,321	30,010
Purchase of investments	(6,030)	(15,829)
Net loan activity	(5,590)	(1,354)
Net cash and cash equivalents used in investing activities	(21,155)	(23,348)
FINANCING ACTIVITIES:		
Line of credit borrowings, net	(6,602)	702
Proceeds from note payable	3,706	5,000
Proceeds from SBA Paycheck Protection Program loans	35,008	-
Repayments on note payable	(1,009)	(774)
Non-operating contributions	15,960	15,941
Net cash and cash equivalents provided by financing activities	47,063	20,869
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	42,675	(899)
Cash and cash equivalents at beginning of year	85,424	86,323
Cash and cash equivalents at end of year	\$ 128,099	\$ 85,424
SUPPLEMENTAL CASH FLOW INFORMATION		
Noncash investing and financing activity:		
Purchase of land, buildings and equipment in accounts payable and accrued expenses	\$ 22	\$ 233

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

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

NOTES TO COMBINED FINANCIAL STATEMENTS

**June 30, 2020 and 2019
(Dollars in thousands)**

NOTE 1 - NATURE OF ORGANIZATION

The Roman Catholic Archbishop of Boston, a Corporation Sole (the "Corporation Sole") is a legal entity created under Massachusetts civil law in 1897 to provide the Roman Catholic Archbishop of Boston with a means to operate within, and be governed by, the public statutes of the Commonwealth of Massachusetts. The Corporation Sole, as an entity, is distinguishable from the Roman Catholic Archbishop of Boston, whose powers and responsibilities are established by Canon Law.

The accompanying combined financial statements of the Corporation Sole include the activities of all parishes and their controlled schools and cemeteries located within the Archdiocese of Boston (the "Archdiocese"), central operations (the Archdiocese administrative activities and programs) and the self-insurance program (as further described in Note 2).

The Roman Catholic Archbishop of Boston, by virtue of his office, serves as chairman of the board or president of numerous separately incorporated Catholic organizations that operate within the Archdiocese of Boston. While these organizations are considered to be related organizations of the Corporation Sole, management doesn't consider them to be under the control of the Corporation Sole and, accordingly, their financial activities are not presented as part of the accompanying combined financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The combined financial statements of the Corporation Sole have been prepared on the accrual basis of accounting and in accordance with the accounting and reporting principles applicable to not-for-profit entities under Generally Accepted Accounting Principles in the United States ("U.S. GAAP"). All intercompany balances and transactions have been eliminated in the consolidation of the combined statements.

In fiscal year 2020, the Corporation Sole adopted the Financial Accounting Standards Board's ("FASB's") Accounting Standards Update ("ASU") 2018-08, *Not-for-Profit Entities: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08"), to clarify and improve the scope and accounting guidance for contributions received and contributions made. The amendment provides: (1) a framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction, including how to evaluate whether a resource provider is receiving commensurate value in an exchange transaction; and (2) guidance to assist entities in determining whether a contribution is either conditional or unconditional. Guidance applies to both recipients and resource providers. For contributions received, the new standard is effective for annual financial statements beginning after December 15, 2018. The Corporation Sole adopted the guidance during the year ended June 30, 2020 using the modified retrospective method and has determined that there is no effect on net assets in connection with the adoption of ASU 2018-08.

In fiscal year 2020, the Corporation Sole also adopted the FASB's ASU No 2017-07, *Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. The guidance requires the service cost component of net periodic benefit cost for pension and other postretirement benefits be presented as a component of employee benefit expenses. The other components of net periodic benefit cost, such as interest, expected return on plan assets, and amortization of actuarially determined amounts, are required to be presented as a nonoperating change in net assets without restrictions. The Corporation Sole adopted the guidance during the year ended June 30, 2020 using the retrospective method. Adopting the standard increased program expenses by \$2,048 and

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2020 and 2019
(Dollars in thousands)**

\$1,914 for the years ended June 30, 2020 and 2019, respectively, with corresponding decreases to non-operating expenses, with no impact to change in net assets. ASU 2017-07 does not impact the combined statements of financial position or combined statements of cash flows.

In fiscal year 2019, the Corporation Sole adopted the FASB's ASU 2016-14, *Not-for-Profit Entities: Presentation of Financial statements of Not-for-Profit Entities* ("ASU 2016-14"). In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources, and functional allocation of expenses.

The Corporation Sole reports two classes of net assets and the changes in those net assets in the combined statements of financial position and combined statements of activities, respectively. The two classes of net assets - net assets without donor restriction and net assets with donor restrictions - are based on the existence or absence of donor-imposed restrictions. The two classifications are defined as follows:

Net assets without donor restrictions - Net assets and contributions that are not restricted by the donor or for which restrictions have expired.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions that permit the Corporation Sole to use or expend the donated assets as specified and that are satisfied by either the passage of time or by actions of the Corporation Sole. Also included are the net assets that are subject to donor-imposed stipulations that they be maintained permanently by the Corporation Sole or by a third-party foundation or trustee for the benefit of the Corporation Sole. Generally, the donors of these assets permit the Corporation Sole to use, all or in part, the income earned on related investments for general or specific purposes.

The Corporation Sole reports gifts of cash and other assets as restricted support if there are donor restrictions as to purpose or time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the combined statement of activities as net assets released from restrictions.

The Corporation Sole reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used, in which case they are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Corporation Sole reports expirations of donor restrictions in the period the asset is placed in service. Donor-restricted gifts intended for capital projects received through parish fundraising campaigns are reported as nonoperating contributions and are released from net assets with donor restrictions to be presented as net assets without donor restricted support when the asset is placed in service.

Cash and Cash Equivalents

Financial instruments with original maturities of three months or less at the purchase date are classified as cash equivalents.

The Corporation Sole deposits its cash in major financial institutions. Deposits in transaction accounts are fully insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250 per institution. At times, funds deposited in banks are in excess of FDIC insured limits. The Corporation Sole reviews and monitors the strength of the financial institutions and as such has not experienced any losses as a result of the use of uninsured deposit accounts.

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2020 and 2019
(Dollars in thousands)**

Accounts and Loans Receivable

Accounts receivable include amounts due for tuition and amounts due from related organizations for insurance and other central services and are reduced to their estimated net realizable value through an allowance for doubtful accounts. Loans receivable represent loans made to related organizations.

Loans receivable are stated at the amount of unpaid principal, reduced by an allowance for loan losses. Generally, loans are granted for specific periods of time and contain specific provisions regarding payment terms and collateral. Interest income on performing loans is accrued on the respective unpaid principal balance. Lending rates on new loans typically ranged from 3.75% to 4.375% for the years ended June 30, 2020 and 2019. These loans were approved and funded by the Revolving Loan Fund (“RLF”), a central administrative activity of the Corporation Sole. RLF provides parishes, as well as parish schools and other Catholic organizations operating under the auspices of the Archdiocese, with savings and loan services. RLF also provides a vehicle through which parishes and other institutions within the Archdiocese can aggregate funds to earn interest.

Loans are generally classified as nonperforming when payment is deemed to be doubtful. Loans are restored to performing status when the obligation is brought current, has performed in accordance with the contractual terms for a reasonable period of time and the ultimate collectability of the total contractual principal and interest is no longer in doubt.

Allowances for Accounts Receivable and Loan Losses

The allowances for accounts receivable and loan losses are maintained at a level believed by management to be representative of inherent losses estimated on the basis of factors such as the risk characteristics of the borrowers, underlying collateral and current economic conditions that may affect the borrower’s ability to pay. Loans and accounts receivable are written-off in whole or in part when, in management’s opinion, collectability is considered remote. Subsequent recoveries, if any, are recorded as an increase to income.

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

Fair Value Measurements

The Corporation Sole measures the fair values of certain assets and liabilities at an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value hierarchy is used to prioritize the inputs to valuation techniques used to measure fair value. The Corporation Sole classifies its assets and liabilities into Level 1 (securities valued using quoted prices from active markets for identical assets and liabilities), Level 2 (securities not traded on an active market for which observable market inputs are readily available), and Level 3 (securities valued based on significant unobservable inputs). A qualifying asset or liability’s level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

The fair value of the Corporation Sole’s investments is discussed in Note 12. The following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value, as well as the general classification pursuant to the valuation hierarchy.

Investments

Investments are carried at fair value. Changes in fair values are reflected in the combined statements of activities as unrealized gains or losses on investments.

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**June 30, 2020 and 2019
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Included in investments are holdings in the Common Investment Fund, Roman Catholic Archbishop of Boston (the "Common Investment Fund") and the Fixed Income Investment Fund, Roman Catholic Archbishop of Boston (the "Fixed Income Fund"). Both are related organizations established to provide common investment pools in which the Corporation Sole and other Catholic organizations may participate. The participants own units based upon a per-unit value at the time of purchase. It is the policy of the Common Investment Fund to distribute a dividend to its members on a quarterly basis of 1% of its net assets as of the previous quarter-end. The Fixed Income Fund does not have a policy of making automatic distributions. These dividend policies are subject to change at the discretion of the Roman Catholic Archbishop of Boston. The Common Investment Fund incurs service fees from the Corporation Sole for administrative and clerical services performed on their behalf (Note 14).

The Common Investment Fund invests all of its funds in the Collective Investment Partnership, Roman Catholic Archbishop of Boston (the "Partnership"), the underlying investments of which include equity and fixed-income securities owned either directly or indirectly through mutual funds and separately managed accounts.

The fair value of the Fixed Income Fund's and the Partnership's investments in domestic and foreign securities listed on securities exchanges is valued at the last reported sale price. For those securities whose prices are not available through independent pricing services, bid price quotations are obtained by the investment custodian from principal market makers in those securities or at fair value as determined in good faith by investment managers. Securities whose prices are not available through independent pricing services are recorded at fair value based on the net asset value per share on the valuation date as reported by the individual investment managers.

There are no unfunded commitments or redemption restrictions related to these investments at June 30, 2020 and 2019. Redemptions from funds with notification requirements of more than one day are permitted on a monthly basis.

Limited Duration Bond Fund

Represents an investment in a non-publicly traded fund primarily focused on conservative bond issues. The fair value of this investment is determined using the net asset value ("NAV") per share. The investment is redeemable at year-end at NAV per unit.

Short-Term and Other Investments

Short-term and other investments consist of certificates of deposit, mutual funds, fixed income and equity securities. Mutual funds are valued based on quoted prices in active markets and are classified within Level 1 of the fair value hierarchy. Fixed income and equity securities listed on securities exchanges are valued at the last sale price or official closing price on each business day or if there is no such reported sale or official closing price at the most recent quoted bid price. Fixed income securities not listed on securities exchanges are classified as Level 2 of the fair value hierarchy. Certificates of deposit are valued at original cost plus accrued interest, which approximates fair value, and are classified within Level 2 of the fair value hierarchy.

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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2020 and 2019
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Beneficial Interest in Trusts

The Corporation Sole is the beneficiary of several trusts maintained by third-party trustees. These beneficial interests are included in prepaid expense and other assets in the combined statements of financial position. The Corporation Sole records the fair value of the trusts on a recurring basis based on the Corporation Sole's share of the underlying investment portfolio that consists of actively traded equities, bonds and money market funds. The trusts are managed by financial institutions and investment managers who provide statements on a regular basis presenting the market value of the portfolio holdings.

The Corporation Sole believes that these valuations are a reasonable estimate of fair value as of June 30, 2020 and 2019, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed. Investment securities, in general, are exposed to various risks, such as interest rate, credit, currency exchange and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect amounts reported in the combined financial statements.

Interest in Net Assets of a Foundation

The Corporation Sole is a designated beneficiary in certain endowments, capital campaign contributions and charitable gift annuities held by The Catholic Community Fund of the Archdiocese of Boston, Inc. ("The Catholic Community Fund"), a related organization. The beneficial interest in net assets of The Catholic Community Fund is reflected on the combined statements of financial position as an interest in net assets of a foundation. The Corporation Sole receives quarterly distributions on certain endowments to support central ministries and parish programs, distributions from charitable gift annuities when the annuity obligation is satisfied and capital campaign distributions. Changes to this beneficial interest for distributions, new contributions and investment activity are reflected in the combined statements of activities.

Land, Buildings and Equipment

Land and land improvements, buildings and building improvements, and furniture and equipment are carried at cost, or if donated, at fair market value at the time of donation. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets, which range from five years for furniture and equipment to forty years for buildings. Expenditures for maintenance and repairs are charged to expense, whereas major betterments are capitalized.

Land and buildings held for sale are accounted for at the lower of cost or market. When buildings are classified as held for sale, depreciation is no longer recorded.

Reserves for Losses

Self Insurance and Reinsurance

The Corporation Sole is partially self-insured for various risks incidental to the normal course of its activities. Such risks include general liability claims (up to \$250 per occurrence), theft losses and sudden accidental occurrences to boilers and related equipment. In addition, the Corporation Sole participates with other Catholic organizations in a separate workers' compensation self-insurance group, Massachusetts Catholic Self-Insurance Group, Inc.

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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2020 and 2019
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The Corporation Sole also permits related organizations within the Archdiocese of Boston as well as other Catholic organizations to participate in its risk management program. A contribution is assessed to these entities based on the type of risks shared among these organizations. The typical risk areas that the other organizations participate in include automobile liability, physical property damage and general liability. The Corporation Sole provides coverage for the peril of all fire, sudden and accidental occurrences, catastrophic umbrella liability and other miscellaneous coverage through the direct purchase of insurance.

Most coverage for the aforementioned risks is obtained through Fides Insurance Group, Inc. ("Fides"), a captive insurance company domiciled in Vermont, which is a related organization. Fides currently provides the first \$500 (per occurrence) of property insurance and the first \$250 of general, professional and directors and officers liability for the parishes and institutions. Fides also provides auto, employment practices liability, boiler and machinery and additional liability coverages.

Clergy Misconduct Claims

The Corporation Sole estimates a reserve for settlement of reported misconduct claims and direct related litigation costs based on its historical settlement experience. An additional reserve is accrued using the same historical settlement data for incurred but not reported claims based on an independent analysis performed by an actuary.

The reserves for losses are based on losses reported, historical experience and estimates of future trends in loss severity and frequency and other factors, which could vary as claims are ultimately settled. The actual amount of losses and loss adjustment expenses may vary significantly from the estimated amounts included in the combined financial statements. The methods used to develop these reserves are subject to continuing review and refinement, and any necessary adjustments to these reserves are reflected in the combined statement of activities in the year identified.

Deferred Revenue and Support

Deferred revenue and support represents payments received and amounts billed but unpaid for tuition, fees and support for program services to be provided in future periods and other revenues received but not earned in the current fiscal year.

Pension Benefits for Clergy

Pension obligations and other post-retirement benefits are actuarially determined and are affected by several assumptions, including the discount rate used to present value expected future benefit payments and the annual rates of return on plan assets. Changes in discount rate and differences from expected results will affect the amounts of pension and other post-retirement expense recognized in future periods. These assumptions may also have an effect on the amount and timing of future cash contributions. The Corporation Sole recognizes the over-funded or under-funded status of defined benefit post-retirement plans in its combined statement of financial position measured as the difference between the fair value of plan assets and the benefit obligation. The change in the funded status of the plan is recognized in the year in which the change occurs through nonoperating income (loss) in the combined statement of activities. These provisions also require plan assets and obligations to be measured as of the Corporation Sole's statement of financial position date.

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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2020 and 2019
(Dollars in thousands)**

Collections

Collections represent contributions received by Archdiocesan parishes for general and specified purposes. These funds are raised for parish operations and other purposes such as hunger, homelessness, disaster relief and other human welfare programs and are reported as revenue in the combined statement of activities. Collections at Archdiocesan parishes for specified beneficiary organizations are not recorded as revenues, but are reflected as agency obligations until such time as the funds are remitted to the specified organizations.

Catholic Appeal

The Catholic Appeal represents an annual solicitation by Boston Catholic Development Services, Inc. ("BCDS"), on behalf of the Corporation Sole, through both direct mailings and Archdiocesan parishes in support of the central ministry activities and programs of the Archdiocese of Boston.

The funds raised from the Catholic Appeal are reflected separately from the change in interest in net assets of a foundation in the combined statements of activities and from the interest in net assets of a foundation in the combined statements of financial position.

The funds raised from the Catholic Appeal are reported on a fiscal year basis, which differs from the actual Catholic Appeal year (February through January). Consequently, the results reported include overlapping Catholic Appeal years.

Contributions

Unconditional promises to give are recognized as support on the date the promise is verifiably committed. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is calculated as the present value of their estimated future cash flows.

Unconditional promises to give are reported as contributions receivable. Conditional promises to give are not recognized as support until the conditions are substantially met.

Parish Fundraiser Events

Parish fundraising events are reflected in the combined statements of activities net of \$5,006 and \$7,304 of direct fundraising expenses for the years ended June 30, 2020 and 2019, respectively.

Tuition and Fees

Tuition and fees are recognized as revenue in the period to which they relate. Student deposits and tuition paid in advance are included in deferred revenue and support in the accompanying combined statements of financial position. Tuition and fee revenues are reported net of the discount attributable to reduction in amounts charged to students. Accounts receivable and deferred revenue related to subsequent fiscal years are netted for financial statement presentation purposes.

Rental Income

External parties, and to a limited extent related organizations, are charged rent for the use of property owned and operated by the Corporation Sole. Rental income is recognized on a straight-line basis.

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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2020 and 2019
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Parish Cemetery Operations

Future care funds include only such funds for cemeteries operated by parishes within the Archdiocese of Boston. They do not include the future care funds of cemeteries that are owned and operated by The Catholic Cemetery Association of the Archdiocese of Boston, Inc. ("Cemetery Association"), a related organization.

Revenue from Services Provided

The Corporation Sole provides various administrative, technology and clerical services to related Catholic organizations for which it charges fees. Such services include risk and benefits management, treasury and investment management, financial management, information technology and property management services. Such revenue is recognized when services are provided. Fees and other revenue are also generated by pastoral and ministerial workshops and retreats.

Sacramental Offerings

Revenues from sacramental offerings related to baptisms, marriages and funerals are recognized when received.

Other Revenues

Other revenue primarily represents income from various goods sold and services provided by the parishes and parish schools. Such revenues are recognized when the goods are sold or as services are provided.

Beneficiary in Wills and Estates

The Corporation Sole is named as a beneficiary in numerous wills and estates. The Corporation Sole deems these to be intentions to give and not unconditional promises to give. The Corporation Sole recognizes contribution revenue and a receivable for its interest in the estate based upon a probate court having declared an individual will to be valid and the Corporation Sole having the ability to determine the fair value of the estate.

Income Taxes

The Corporation Sole is included in the annual United States Conference of Catholic Bishops Internal Revenue Service Group Ruling and is a not-for-profit organization as described in Section 501(c) (3) of the Internal Revenue Code, as amended (the "Code"), and is generally exempt from income taxes pursuant to Section 501(a) of the Code. The Corporation Sole is required to assess uncertain tax positions and has determined that there were no such positions that are material to the combined financial statements.

Functional Allocation of Expenses

The cost of providing the various programs and other activities have been summarized on the combined statements of functional expenses. The combined statements of functional expenses presents the natural classification detail of expenses by program. Costs have been allocated among the programs and supporting services based on an estimate of the relative effort expended for the related functions. Depreciation has been allocated to the various programs using the weighted average of individual program expenses to total program expenses and is included in occupancy costs.

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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2020 and 2019
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Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant items presented herein affected by the use of estimates are the allowances for uncollectible loans and accounts receivable, the fair value of investments, depreciable lives of buildings and equipment, reserves for losses, the accrued pension and other post-retirement obligations and the functional allocation of expenses. Actual results could vary from those estimates.

Reclassifications

Certain information in the fiscal 2019 combined financial statements has been reclassified to conform to the fiscal 2020 presentation. There were no changes in total revenues, total expenses or changes in net assets as reflected in the fiscal 2019 combined financial statements as a result of the reclassifications.

NOTE 3 - LIQUIDITY AND AVAILABILITY

The following schedule reflects the Corporation Sole's financial assets at June 30, 2020 and 2019, reduced by amounts not available for general use within one year of the combined statements of financial position date because of contractual or donor-imposed restrictions, or internal special designation of funds. These financial assets available for general expenditure, such as without donor restrictions or other restrictions limiting their use, within one year of the combined statements of financial position include the following:

	2020	2019
Cash and cash equivalents	\$ 128,099	\$ 85,424
Interest and dividends receivable, net	2,606	2,338
Accounts receivable, net	4,393	5,245
Contributions receivable, net (due in one year)	3,310	4,366
Investments	185,376	186,040
Interest in net assets of a foundation	57,686	56,335
Total financial assets	381,470	339,748
Contractual or donor-imposed restrictions:		
Endowment funds	(45,894)	(44,630)
Other donor restrictions	(78,441)	(70,428)
Funds held for others	(41,924)	(28,731)
Board designations:		
Quasi-endowment funds	(6,025)	(6,159)
Financial assets available to meet cash needs for general expenditures within one year	\$ 209,186	\$ 189,800

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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2020 and 2019
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The majority of the financial assets available to meet cash needs for general expenditures within one year are parish, school and cemetery financial assets and are not available to Central Ministries. The Corporation Sole maintains lines of credit (see Note 7) for Central Ministries working capital needs should they arise. Cash and cash equivalents include the proceeds from the Small Business Association ("SBA") Paycheck Protection Program ("PPP") loans secured for Corporation Sole entities including central operations, parishes, parish schools and youth centers (Note 7).

NOTE 4 - CONTRIBUTIONS, LOANS AND NOTE RECEIVABLE

Contributions Receivable, Net

Contributions receivable consisted of the following at June 30:

	2020	2019
Contributions receivable	\$ 3,689	\$ 5,950
Less: allowance for uncollectible pledges	(379)	(377)
Contributions receivable, net	\$ 3,310	\$ 5,573

All pledges are expected to be collected over the next five years with the majority to be collected in one year or less.

Loans and Notes Receivable, Net

Loans and notes receivable, authorized and funded by RLF (Note 2), consisted of the following at June 30 and are due from various related organizations (including but not limited to St. John's Seminary, Inc., The Fund for Catholic Schools, Inc., Bishop Fenwick High School, Inc. and Cathedral High School, Inc.):

	2020	2019
Loans and notes receivable	\$ 30,013	\$ 24,614
Allowance for loan losses	(1,712)	(1,712)
Loans receivable, net	\$ 28,301	\$ 22,902

Accrued interest on these loans and notes receivable is included in interest and dividends receivable on the combined statements of financial position.

Changes in the allowance for loan losses were as follows for the years ended June 30:

	2020	2019
Balance at beginning of year	\$ 1,712	\$ 1,715
Provision for (recovery of) loan losses	-	(3)
Balance at end of year	\$ 1,712	\$ 1,712

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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2020 and 2019
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At June 30, the following loan amounts were past due:

	1-60 days past due	60-90 days past due	90+ days past due	Total past due
2020	\$ -	\$ -	\$ -	\$ -
2019	\$ -	\$ -	\$ 368	\$ 368

NOTE 5 - INVESTMENTS

Investments consisted of the following at June 30:

	2020	2019
Common investment fund	\$ 99,732	\$ 102,208
Fixed income fund	22,603	24,472
Limited duration bond fund	18,941	21,240
Short-term investments	11,519	11,123
Other investments:		
Common stock securities	12,686	9,597
Money market funds	961	2,588
Fixed income securities	18,934	14,812
Total investments	<u>\$ 185,376</u>	<u>\$ 186,040</u>

NOTE 6 - LAND BUILDINGS AND EQUIPMENT

Land, buildings and equipment consisted of the following at June 30:

	2020	2019
Land and land improvements	\$ 63,298	\$ 63,745
Buildings and improvements	1,359,166	1,344,835
Furniture and equipment	100,548	97,471
Total	1,523,012	1,506,051
Less accumulated depreciation	<u>(962,779)</u>	<u>(953,127)</u>
Land, buildings and equipment, net	<u>\$ 560,233</u>	<u>\$ 552,924</u>

Land and buildings held for sale totaling \$2,001 and \$369 at June 30, 2020 and 2019, respectively, are carried at cost, net of accumulated depreciation at the date the property was classified as held for sale, which is less than estimated net realizable value.

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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

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The Corporation Sole leases certain of its properties primarily to unrelated third parties. At June 30, 2020, scheduled receipts for the next five years and thereafter under non-cancelable long-term rental agreements are as follows:

Year ending June 30,		
2021	\$	8,386
2022		7,010
2023		6,551
2024		5,221
2025		4,803
Thereafter		<u>71,268</u>
Total	\$	<u><u>103,239</u></u>

Parish Reconfiguration

In 2004, the Corporation Sole entered into a reconfiguration plan that included the suppression of certain parishes within the Archdiocese of Boston. This plan was in response to significant changes occurring within the Archdiocese of Boston, including changing demographics, a decline in the number of clergy and the impact of deferred maintenance on parish properties. Seventy-six parishes have been closed and consolidated with adjoining parishes.

The land and buildings associated with fifty suppressed parishes have been sold through June 30, 2020. There were no sales of reconfiguration properties for the years ended June 30, 2020 and 2019. Assets held for sale are recorded at the lower of cost or fair market value less estimated costs to sell.

The costs of maintaining the suppressed parish properties are included in the accompanying combined statements of activities as parish reconfiguration expenses.

NOTE 7 - NOTES PAYABLE, LINES OF CREDIT AND LOANS PAYABLE

Notes Payable - Related Organizations

In October 2008, the Corporation Sole entered into a 10-year promissory note with St. John’s Seminary (the “Seminary”) for \$36,408 in connection with the August 2007 joint sale of property. This note is non-interest bearing and subordinated to all other liabilities, obligations and indebtedness of the Corporation Sole. This promissory note was originally due and payable in one lump sum payment on August 23, 2017. On September 22, 2014, the Seminary Board of Trustees voted to extend the due date to August 23, 2027. The Theological Institute for the New Evangelization (“TINE”), a Seminary-related program, moved from the former St. Gabriel School property to the Archdiocese of Boston Pastoral Center in Braintree on August 9, 2017. TINE leases space for both administrative and classroom activities. Annual rent totals \$22 and the agreement is tenant at will. In lieu of payment, rent is offset against the Seminary promissory note. During the years ended June 30, 2020 and 2019, intercompany receivables of \$192 and \$1,285 were also offset against the Seminary promissory note. The note payable balance totaled \$34,891 and \$35,082 at June 30, 2020 and 2019, respectively.

In October 2019, the Corporation Sole entered into an unsecured note payable with a related entity which allows for borrowings up to \$4,000. Interest accrues at 2.0% and is due and payable on a monthly basis. Outstanding borrowings totaled \$3,706 at June 30, 2020. The outstanding principal and accrued interest balance is due and payable on June 30, 2021.

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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

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Lines of Credit

The Corporation Sole maintains an unsecured line of credit agreement with a bank which allows for borrowings up to \$10,000 at the bank's prime rate minus 1.3%. On June 28, 2019, the principal amount was increased from \$8,000 to the current \$10,000 cap. The rate was 1.95% and 4.20% at June 30, 2020 and 2019, respectively. Outstanding borrowings totaled \$0 and \$6,602 at June 30, 2020 and 2019, respectively, and are included in other liabilities. The line of credit is subject to a review annually in February. Based upon the results of such annual review, the bank, at its sole discretion, may agree to extend the term of the line of credit or demand payment.

On February 11, 2020, the Corporation Sole entered into a secured line of credit agreement with a bank, which allows for borrowings up to \$8,000 at the bank's prime rate minus 0.75%. Loan advances are capped at 50% of the value of pledged real estate owned by Central Operations. Advances are secured by a first mortgage plus assignment of leases and rents on the pledged real estate. The rate was 2.50% at June 30, 2020. Outstanding borrowings totaled \$0 at June 30, 2020.

Notes Payable - Bank

On August 17, 2018, the Corporation Sole entered into a five-year \$5,000 unsecured note payable with a bank. The loan accrues interest at 3.53% per annum and requires monthly payments of \$91 including principal and interest through August 17, 2023. The note payable balance totaled \$3,268 and \$4,277 at June 30, 2020 and 2019, respectively, and is included in other liabilities.

Loans Payable - Small Business Association Paycheck Protection Program

The Corporation Sole applied for and received Small Business Association ("SBA") Paycheck Protection Program ("PPP") loans totaling \$35,008 from various lenders. These loans were guaranteed by the SBA as authorized by the U.S. Government's stimulus package in response to the economic fallout of the COVID-19 pandemic, which was titled the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. 305 loans were secured for Corporation Sole entities including central operations, parishes, parish schools and youth centers. These entities will be eligible for partial or complete forgiveness if they meet certain criteria related to maintaining employment and salary levels and they use the loan proceeds for payroll and occupancy costs over an 8 or 24-week period from the time the loans were obtained. Should any of the loans not be forgiven, those loans will be payable over a 2-year term at 1% per year, with interest and any unforgiven portion of the loans deferred for the ten month period defined by the SBA.

Management anticipates that the Corporation Sole will meet the criteria and be granted full forgiveness of the loans in the next fiscal year. However, there can be no guarantee at this time that this will occur or in what amount. The full amount of the loans has been recorded and presented as debt in the accompanying statement of financial position at June 30, 2020, until such time as some, or all, of the amount is repaid or forgiven by the SBA, and the Corporation Sole is legally released from the respective loan .

Subsequent to year end, nine Corporation Sole entities received full forgiveness of their respective loans and were legally released from their respective loan obligations (Note 16).

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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

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NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions - purpose restricted (including appreciation on endowments) were available for the following purposes at June 30:

	2020	2019
Buildings and equipment	\$ 28,287	\$ 24,729
Special collections	74	70
Parish life and leadership and evangelization	33,339	31,653
Catholic education	6,310	6,283
Health and social services	799	796
Central ministries	9,632	10,368
Total	\$ 78,441	\$ 73,899

Net assets released from donor restrictions were expended for the following purposes for the years ended June 30:

	2020	2019
Buildings and equipment	\$ 13,399	\$ 19,600
Special collections	1,474	1,947
Parish life and leadership and evangelization	13,968	15,215
Catholic education	2,218	1,058
Health and social services	67	67
Central ministries	1,306	289
Total	\$ 32,432	\$ 38,176

Net assets restricted in perpetuity for the following purposes consist of the following at June 30:

	2020	2019
Parish life and leadership and evangelization	\$ 32,499	\$ 31,236
Catholic education	4,507	4,491
Health and social services	175	175
Central ministries	8,713	8,698
Total	\$ 45,894	\$ 44,600

NOTE 9 - ENDOWMENTS

The Corporation Sole's endowment, including endowments held by The Catholic Community Fund and presented herein as interest in net assets of a foundation, consists of 176 individual funds established for the support of various programs and central ministries. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

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Interpretation of Relevant Law

In accordance with the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), the Corporation Sole has continued to follow its policy of preserving the corpus of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation Sole classifies as net assets with donor restrictions - corpus all of the following: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, if any, 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, if any. This is regarded as the “historic dollar value” of the endowed fund.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions - corpus and is regarded as “net appreciation” is classified as net assets with donor restrictions - time and/or purpose restricted until they are appropriated for expenditure in a manner consistent with the donor’s intentions and the Corporation Sole’s spending policy.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below their “historic dollar value”. Losses on the investments of donor-restricted endowment funds reduce net assets with donor restrictions. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level are classified as an increase in net assets with donor restrictions. As of June 30, 2020, there were deficiencies of this nature in sixteen donor restricted endowment funds, which together have an original value of \$2,970, a current fair value of \$2,601 and a deficiency of \$369. As of June 30, 2019, there were deficiencies of this nature in eleven donor restricted endowment funds, which together have an original value of \$2,470, a current fair value of \$2,185 and a deficiency of \$285.

Endowment Investment Policy

The Corporation Sole has adopted an investment policy which attempts to provide a predictable stream of investment returns thereby making funds available annually to programs that are supported by its endowment, while at the same time seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Corporation Sole must hold in perpetuity or for donor-specified periods. Under the Corporation Sole’s investment policy and spending policy, both of which are approved by the Roman Catholic Archbishop of Boston, the endowment assets are invested in a manner that is intended to produce an inflation-adjusted return in excess of the approved quarterly spending rate over a long period of time. Actual returns in any given year will vary and actual spending may exceed the quarterly dividend distributions.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Corporation Sole 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 majority of endowment investments are invested in the Common Investment Fund, which in turn invests in the Collective Investment Partnership. The Investment Committee of the Roman Catholic Archbishop of Boston’s Finance Council is responsible for selecting the investment managers of the Collective Investment Partnership. The Investment Committee’s investment rationale is to include an array of different strategies and investment managers for the Collective Investment Partnership’s portfolio to reduce overall volatility while providing investment returns above industry benchmarks.

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**June 30, 2020 and 2019
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Spending Policy

It is the policy of the Roman Catholic Archbishop of Boston to appropriate for distribution on a quarterly basis 1% of the net assets of the endowment as of the previous quarter-end. In establishing this policy, the Corporation Sole considered the long-term expected return on its endowments. Accordingly, over the long term, the Corporation Sole expects the impact of the current spending policy to allow its endowments (including unspent appreciation) to grow at a nominal rate. This is consistent with the Corporation Sole'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. Actual distributions from the endowments may exceed the quarterly dividend.

Endowment net asset composition as of June 30 is as follows:

	June 30, 2020		
	With donor restrictions - time and/or purpose restricted	With donor restrictions - corpus	Total
Donor restricted endowments			
Endowments	\$ 2,752	\$ 9,418	\$ 12,170
Beneficial interest in The Catholic Community Fund	6,125	30,812	36,937
Beneficial interest in perpetual trusts	-	5,664	5,664
	<u>\$ 8,877</u>	<u>\$ 45,894</u>	<u>\$ 54,771</u>
	June 30, 2019		
	With donor restrictions - time and/or purpose restricted	With donor restrictions - corpus	Total
Donor restricted endowments			
Endowments	\$ 2,970	\$ 9,126	\$ 12,096
Beneficial interest in The Catholic Community Fund	6,912	29,635	36,547
Beneficial interest in perpetual trusts	-	5,839	5,839
	<u>\$ 9,882</u>	<u>\$ 44,600</u>	<u>\$ 54,482</u>

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Changes in endowment net assets for the years ended June 30 are as follows:

	June 30, 2020		
	With donor restrictions - time and/or purpose restricted	With donor restrictions - corpus	Total
Endowment net assets, beginning of year	\$ 9,882	\$ 44,600	\$ 54,482
Contributions and bequests	-	292	292
Change in interest in net assets of a foundation	(82)	1,177	1,095
Change in beneficial interest in perpetual trusts	(706)	(175)	(881)
Investment return			
Investment income	196	-	196
Net depreciation	(136)	-	(136)
Total investment return	60	-	60
Appropriation of endowment assets for operations (draw)	(277)	-	(277)
Endowment net assets, end of year	<u>\$ 8,877</u>	<u>\$ 45,894</u>	<u>\$ 54,771</u>
	June 30, 2019		
	With donor restrictions - time and/or purpose restricted	With donor restrictions - corpus	Total
Endowment net assets, beginning of year	\$ 10,207	\$ 42,517	\$ 52,724
Contributions and bequests	-	655	655
Change in interest in net assets of a foundation	(193)	1,570	1,377
Change in beneficial interest in perpetual trusts	-	96	96
Investment return			
Investment income	321	-	321
Net depreciation	(4)	-	(4)
Total investment return	317	-	317
Appropriation of endowment assets for operations (draw)	(687)	-	(687)
Net asset reclassification	238	(238)	-
Endowment net assets, end of year	<u>\$ 9,882</u>	<u>\$ 44,600</u>	<u>\$ 54,482</u>

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NOTE 10 - RESERVES FOR LOSSES

The Corporation Sole has substantially exhausted its insurance coverage for clergy misconduct claims and is self-insured for this risk of loss. The ultimate cost to defend or settle these claims is subject to uncertainty and the estimated liability is subject to change. The nature and the magnitude of the potential effects of these claims could have a material impact on the Corporation Sole's financial condition and cash flows.

At June 30, 2020 and 2019, the Corporation Sole's reserve for estimated future settlements was \$7,500 and \$8,800, respectively, which is included in the reserves for losses in the accompanying combined statements of financial position. During the years ended June 30, 2020 and 2019, the Corporation Sole entered into settlement agreements with 33 and 20 individuals, respectively, who had brought sexual misconduct claims requiring aggregate payments of \$2,315 and \$1,190, respectively.

The Corporation Sole and related organizations are partially self-insured for various risks incidental to the normal course of its activities. Such risks include general liability claims, theft losses and sudden accidental occurrences to boilers and related equipment. At June 30, 2020 and 2019, the Corporation Sole's reserve for these self-insurance losses was \$536 and \$781, respectively, which is included in the reserves for losses in the accompanying combined statements of financial position.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Construction

The Corporation Sole has commitments to fund future construction and other contracted costs in the amount of \$5,455 and \$17,018 at June 30, 2020 and 2019, respectively.

Other Legal Proceedings

The Corporation Sole is involved in various legal proceedings arising out of and incidental to its activities other than claims of sexual misconduct discussed in Note 10. In management's opinion, the ultimate liability which may arise from these proceedings is not expected to have a material effect on the Corporation Sole's net assets, changes in net assets and cash flows.

Guarantees

Certain related entity high schools have entered into loan agreements with banks to finance leasehold improvements to buildings owned by the Corporation Sole and lines of credit for working capital purposes. Performance on these loan agreements is guaranteed by the Corporation Sole under non-recourse guarantee agreements secured by the properties owned by the Corporation Sole. The outstanding balances on the loans totaled \$13,331 and \$14,620 at June 30, 2020 and 2019, respectively. The estimated fair value of the respective land and buildings exceeds the respective loan amounts. The related high schools are current on their debt payments. As such, the fair value of the loan guarantees is zero and has not been recorded as a liability by the Corporation Sole.

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NOTE 12 - FAIR VALUE MEASUREMENTS

The Corporation Sole's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2020 and 2019 are presented in the tables below. Financial assets and liabilities measured at fair value on a non-recurring basis are excluded from the tables.

	June 30, 2020				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at Net Asset Value	Total
Short-term investments	\$ 4,527	\$ 6,992	\$ -	\$ -	\$ 11,519
Investments in common investment fund	-	-	-	99,732	99,732
Investment in fixed income fund	-	-	-	22,603	22,603
Investment in limited duration bond fund	-	-	-	18,941	18,941
Common stock securities	12,686	-	-	-	12,686
Fixed income securities	-	18,934	-	-	18,934
Money market funds	-	961	-	-	961
Total investments	17,213	26,887	-	141,276	185,376
Beneficial interest in trusts	-	-	6,941	-	6,941
Total	\$ 17,213	\$ 26,887	\$ 6,941	\$ 141,276	\$ 192,317
	June 30, 2019				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at Net Asset Value	Total
Short-term investments	\$ 5,061	\$ 6,062	\$ -	\$ -	\$ 11,123
Investments in common investment fund	-	-	-	102,208	102,208
Investment in fixed income fund	-	-	-	24,472	24,472
Investment in limited duration bond fund	-	-	-	21,240	21,240
Common stock securities	9,597	-	-	-	9,597
Fixed income securities	-	14,812	-	-	14,812
Money market funds	-	2,588	-	-	2,588
Total investments	14,658	23,462	-	147,920	186,040
Beneficial interest in trusts	-	-	7,097	-	7,097
Total	\$ 14,658	\$ 23,462	\$ 7,097	\$ 147,920	\$ 193,137

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Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy above. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the combined statements of financial position.

The Corporation Sole recognizes transfers between fair value hierarchy levels at the measurement date. There were no transfers between levels within the fair value during the year.

NOTE 13 - BENEFIT PLANS

Lay Employee Pension Plan

The Corporation Sole is a participant with other related Archdiocesan organizations in a pension plan covering substantially all lay employees, the Roman Catholic Archdiocese of Boston Pension Plan (the "Pension Plan"), that has been characterized for financial accounting purposes as a multiemployer pension plan, a noncontributory benefit plan established by the Corporation Sole. The risks of participating in a multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating entity stops contributing to the multiemployer plan, the unfunded obligations of the plan may be borne by the remaining participating entities.
- If an entity petitions to stop participating in the multiemployer plan, the entity may be required to pay the plan a withdrawal liability based on the funded status of the plan.

These aspects of multiemployer plan participation are consistent with the manner of administration of the Pension Plan. These aspects are not required by law but are part of the Pension Plan's administrative practices. Neither the financial accounting treatment of the Pension Plan, nor its administrative practices, nor this footnote shall be deemed a representation that the Pension Plan is subject to any laws that require the multiemployer attributes that are set forth above.

The Pension Plan is designed to provide retirement benefits for eligible lay employees of Corporation Sole and participating related Archdiocesan organizations. Effective December 31, 2011, per a vote of the Pension Plan Trustees, the Pension Plan was amended to freeze the accrual of additional benefits. Under the provision of the amendment, employees hired after December 1, 2010 are not eligible to become participants in the Pension Plan. Employees with five or more years of service as of December 31, 2011 remain vested. Employees with at least one year of service as of December 31, 2011 were allowed to continue to add years of service towards vesting after the freeze date.

The Corporation Sole's retirement plan expense is included in the required annual contributions to the Pension Plan, which is calculated based upon actuarially determined methods. Amounts charged to pension costs for the years ended June 30, 2020 and 2019 totaled \$4,604 and \$4,612, respectively. Required annual contributions represent greater than 5% of total net contributions to the Pension Plan.

During fiscal year 2020, the Board of Trustees of the Pension Plan voted to allow a suspension of contributions for the months of April through June for participating employers experiencing financial hardship due to COVID-19, including certain Corporation Sole entities. Amounts not remitted in fiscal year 2020 totaled \$369 and will be remitted to the Pension Plan by December 31, 2020.

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The following table discloses the name and funded status of the Pension Plan as of June 30, 2020 (the date of the latest actuarial valuation), inclusive of the fair value of plan assets as of June 30, 2020:

Plan Number	Plan EIN	Actuarial Present Value of Accumulated Plan Benefits	Fair Value of Plan Assets	Total Net Contributions	Funded Status
Roman Catholic Archdiocese of Boston Pension Plan, Number 001	04-2777359	\$ 162,633	\$ 137,551	\$ 6,226	Greater than 84%

The Corporation Sole reserves the right to discontinue contributions at any time and terminate the Pension Plan. In the event of termination and discontinuance, the assets of the Pension Plan remaining after paying all administrative expenses of the Pension Plan will be allocated in accordance with the terms of the Roman Catholic Archdiocese of Boston Pension Plan for the purpose of paying benefits provided under the Pension Plan.

The accumulated benefit obligation net of the plan assets of the Pension Plan is not required to be and therefore is not reflected in the accompanying combined statements of financial position.

Employee 401(k) Plan

On January 1, 2012, the Corporation Sole created a 401(k) defined contribution plan (the "Plan"). The Corporation Sole participates with other Catholic organizations in this plan, for whom the record keeper is TIAA-CREF. Eligible lay employees and incardinated priests of the Archdiocese of Boston may elect to make retirement savings contributions to the Plan, which were matched by the Corporation Sole up to 4% of employee compensation for the years ended June 30, 2020 and 2019. Employee benefit costs associated with this plan amounted to \$3,329 and \$3,353 for the years ended June 30, 2020 and 2019, respectively.

Lay Employee Health and Dental Benefit Plan

The Corporation Sole participates with other related Archdiocesan organizations in a health and dental plan that is offered to all eligible lay employees known as the Roman Catholic Archdiocese of Boston Health Benefit Plan (the "Health Plan"). The Corporation Sole's employees represent approximately 58% of all lay employees covered under the Health Plan. The Health Plan agreement provides that the participating employers make monthly contributions to the Health Plan of a specified amount for each class of employee. The Corporation Sole's contributions to the Health Plan amounted to \$17,549 and \$18,909 for the years ended June 30, 2020 and 2019, respectively.

In March 2020, the Health Plan Board of Trustees voted to suspend billing for the month of April for participating employers with extreme financial hardship due to COVID-19, including certain Corporation Sole entities. The employee portion of the suspension was fully forgiven by the Board. The suspended employer portion of \$280 is considered a non-interest bearing loan until such time as the Board establishes repayment terms.

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At June 30, 2020, the audited financial statements of the Health Plan reflected \$2,878 in health and dental benefit obligations and \$28,378 in net assets available for benefits. At June 30, 2019, the audited financial statements of the Health Plan reflected \$3,012 in health and dental benefit obligations and \$25,383 in net assets available for benefits.

Clergy Health and Retirement Plans

Archdiocese of Boston Clergy Health and Retirement Trust

Benefits for priests incardinated in the Archdiocese of Boston who are in good standing within the norms of Canon Law ("Eligible Priests") are provided through the Archdiocese of Boston Clergy Health and Retirement Trust (the "CHRT"), which represents collectively all trusts, as they may exist from time to time, that provide for the health, welfare, disability, and retirement of Eligible Priests. The CHRT includes the financial position and activities of the Archdiocese of Boston Clergy Benefit Funding Trust (the "Funding Trust"), the Archdiocese of Boston Clergy Retirement Trust (the "Retirement Trust"), the Archdiocese of Boston Clergy Medical/Hospitalization Trust (the "Medical Trust") and the Archdiocese of Boston Regina Cleri Trust ("Regina Cleri Trust"). None of the included trusts are subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Roman Catholic Archbishop of Boston, by virtue of his office, is responsible for providing for health, welfare, disability and retirement for Eligible Priests. He appoints the Board of Trustees of the CHRT, but does not serve as a Trustee.

The Board of Trustees of the CHRT assists the Archbishop of Boston in his responsibilities to Eligible Priests by administering the CHRT. The Trustees are authorized and empowered to manage the assets of and benefits provided by the CHRT as deemed necessary.

The Roman Catholic Archbishop of Boston has elected to fulfill his obligation to Eligible Priests through the Retirement Trust by offering a single-employer, noncontributory, defined benefit retirement and disability plan. Benefits for priests who are on administrative leave and who are in canonical process as a result of accusations of misconduct with a minor are not covered by the Retirement Trust, but are paid directly by the Corporation Sole and the obligation is reflected in the Administrative Leave obligation.

The Clergy Health and Retirement Trust also offers other post-retirement benefits, including health, dental and subsistence benefits which are expected to be paid to or on behalf of currently retired clergy and active clergy after retirement.

The Clergy Health and Retirement Trust's primary source of funding benefits is from special collections from parishes in the Archdiocese of Boston and health assessments to parishes and other Catholic organizations within the Archdiocese of Boston. The collections are initially held in the Funding Trust. Funds are transferred from the Funding Trust to the Medical Trust, the Retirement Trust and the Regina Cleri Trust at the discretion of the Trustees.

Reserve for Health Insurance Claims

At June 30, 2020 and 2019, the audited financial statements of the Clergy Health and Retirement Trust reflected \$550 and \$533, respectively, of health and dental benefit obligations.

The reserve for health insurance claims consists of medical and dental claims payable for benefits provided to Eligible Priests. Obligations for health claims incurred by Eligible Priests but not reported are estimated by management based on historical experience.

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Benefit Trust for Non-Incardinated Priests Duly Assigned for Service in the Archdiocese of Boston

The Corporation Sole sponsors a noncontributory pension benefit plan covering ordained priests who were not incardinated in the Archdiocese of Boston, but who had been duly assigned by the Roman Catholic Archbishop of Boston for service within the Archdiocese of Boston for a minimum period of at least 10 years and who are in good standing within the norms of Canon Law. Benefits are provided through The Benefit Trust for Non-Incardinated Priests Duly Assigned for Service in the Archdiocese of Boston (the "Non-Incardinated Trust"). The Non-Incardinated Trust is not subject to the provisions of the ERISA. Effective July 1, 2010, the accrual of benefits under the Non-Incardinated Trust were frozen. Any non-incardinated priest receiving a pension or entitled to receive a pension from the Archdiocese of Boston will be paid under the terms of the Non-Incardinated Trust documents dated April 14, 1992 and frozen, effective July 1, 2010. Non-incardinated priests that began service in the Archdiocese of Boston after July 1, 2010 or did not have a minimum of 10 years of service in the Archdiocese of Boston at that time shall not be entitled to a pension for the years he is present or assigned. Rather, his own superior must make suitable provision for his pension.

The assets and obligations of the Corporation Sole's clergy retirement and other post-retirement benefits were as follows as of June 30:

Benefit Obligations

	For the year ended June 30, 2020				
	Pension Benefits		Other Benefits		Total
	CHRT	Admin Leave	CHRT	Admin Leave	
Change in benefit obligation:					
Benefit obligation at beginning of year	\$ 74,355	\$ 2,871	\$ 33,088	\$ 1,083	\$ 111,397
Service cost	1,145	-	903	-	2,048
Interest cost	2,592	98	1,213	39	3,942
Plan amendment	-	(804)	-	(201)	(1,005)
Actuarial losses	6,929	133	2,795	43	9,900
Benefits and other expenses paid	(6,544)	(385)	(1,391)	(109)	(8,429)
Benefit obligation at end of year	<u>\$ 78,477</u>	<u>\$ 1,913</u>	<u>\$ 36,608</u>	<u>\$ 855</u>	<u>\$ 117,853</u>

* In addition to the above, the Non-Incardinated Benefit Obligation is \$601.

	For the year ended June 30, 2019				
	Pension benefits		Other benefits		Total
	CHRT	Admin leave	CHRT	Admin leave	
Change in benefit obligation:					
Benefit obligation at beginning of year	\$ 71,551	\$ 3,828	\$ 34,077	\$ 1,785	\$ 111,241
Service cost	1,047	-	867	-	1,914
Interest cost	2,955	154	1,447	74	4,630
Actuarial losses	5,311	(585)	(1,889)	(650)	2,187
Benefits and other expenses paid	(6,509)	(526)	(1,414)	(126)	(8,575)
Benefit obligation at end of year	<u>\$ 74,355</u>	<u>\$ 2,871</u>	<u>\$ 33,088</u>	<u>\$ 1,083</u>	<u>\$ 111,397</u>

* In addition to the above, the Non-Incardinated Benefit Obligation is \$798.

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The weighted average assumptions used to determine all benefit obligations were as follows:

	Pension benefits		Other benefits	
	2020	2019	2020	2019
Discount rate	2.74%	3.64%	3.14%	3.75%
Rate of compensation increase	N/A	N/A	N/A	N/A
Health care cost trend rate assumed for next year	N/A	N/A	5.50%	5.75%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	N/A	N/A	4.50%	4.50%
Year that the rate reaches the ultimate trend rate	N/A	N/A	2025	2025

Plan Assets

	For the year ended June 30, 2020					
	Pension benefits			Other benefits		
	CHRT	Non- incardinated trust	Admin leave	CHRT	Admin leave	Total
Change in plan assets						
Fair value of plan assets at beginning of year	\$ 70,834	\$ 68	\$ -	\$ -	\$ -	\$ 70,902
Actual return on plan assets, net of administrative expense	(921)	-	-	-	-	(921)
Employer contributions	6,809	95	385	1,391	109	8,789
Benefits and other expenses paid	(6,544)	(85)	(385)	(1,391)	(109)	(8,514)
Fair value of plan assets at end of year	<u>\$ 70,178</u>	<u>\$ 78</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,256</u>
	For the year ended June 30, 2019					
	Pension benefits			Other benefits		
	CHRT	Non- incardinated trust	Admin leave	CHRT	Admin leave	Total
Change in plan assets						
Fair value of plan assets at beginning of year	\$ 66,714	\$ 65	\$ -	\$ -	\$ -	\$ 66,779
Actual return on plan assets, net of administrative expense	1,698	-	-	-	-	1,698
Employer contributions	8,931	100	526	1,414	126	11,097
Benefits and other expenses paid	(6,509)	(97)	(526)	(1,414)	(126)	(8,672)
Fair value of plan assets at end of year	<u>\$ 70,834</u>	<u>\$ 68</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,902</u>

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The asset allocation for the Clergy Health and Retirement Trust as of June 30, and the target allocation for 2020, by asset category, are as follows:

	Target 2020	% of plan assets at year end	
		2020	2019
Mutual funds	60.0%	63.2%	63.7%
Real estate	25.0%	24.9%	20.4%
Cash and cash equivalents	15.0%	11.9%	15.9%
Total	100.0%	100.0%	100.0%

The investment policy and strategy is to provide for long-term growth relative to the long-term liabilities while seeking to earn returns consistent with conservative management by investing assets based on the target allocations stated above. The Clergy Health and Retirement Trust will reallocate its investments periodically to meet the above target allocations. The Clergy Health and Retirement Trust also reviews its investments periodically to determine if the policy or allocations should be changed.

Included in The Clergy Health and Retirement Trust investments are the Collective Investment Partnership, the Fixed Income Fund and other investments with values of \$32,558, \$1,310 and \$5,066, respectively, at June 30, 2020. Other assets and liabilities included in plan assets that are not measured at fair value include cash and cash equivalents and real estate.

Included in The Clergy Health and Retirement Trust investments are the Collective Investment Partnership, the Fixed Income Fund and other investments with values of \$33,844, \$1,356 and \$4,766, respectively, at June 30, 2019. Other assets and liabilities included in plan assets that are not measured at fair value include cash and cash equivalents and real estate.

Reconciliation of Funded Status

	As of June 30, 2020					
	Pension benefits			Other benefits		Total
	CHRT	Non-incardinated trust	Admin leave	CHRT	Admin leave	
Fair value of plan assets	\$ 70,178	\$ 78	\$ -	\$ -	\$ -	\$ 70,256
Benefit obligation	(78,477)	(601)	(1,913)	(37,157)	(855)	(119,003)
Unfunded status - obligation	<u>\$ (8,299)</u>	<u>\$ (523)</u>	<u>\$ (1,913)</u>	<u>\$ (37,157)</u>	<u>\$ (855)</u>	<u>\$ (48,747)</u>

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	As of June 30, 2020					
	Pension benefits			Other benefits		Total
	CHRT	Non- incardinated trust	Admin leave	CHRT	Admin leave	
Fair value of plan assets	\$ 70,834	\$ 68	\$ -	\$ -	\$ -	\$ 70,902
Benefit obligation	(74,355)	(798)	(2,871)	(33,621)	(1,083)	(112,728)
Unfunded status - obligation	<u>\$ (3,521)</u>	<u>\$ (730)</u>	<u>\$ (2,871)</u>	<u>\$ (33,621)</u>	<u>\$ (1,083)</u>	<u>\$ (41,826)</u>

Components of Net Periodic Pension Cost

	For the year ended June 30, 2020				
	Pension benefits		Other benefits		Total
	CHRT	Admin leave	CHRT	Admin leave	
Service cost for benefits earned during the period	\$ 1,145	\$ -	\$ 903	\$ -	\$ 2,048
Interest cost on projected benefit obligation	2,592	97	1,213	39	3,941
Expected return on plan assets	(4,400)	-	-	-	(4,400)
Net amortization and deferral	(345)	103	(1,590)	(9)	(1,841)
Net periodic pension cost (benefit)	<u>\$ (1,008)</u>	<u>\$ 200</u>	<u>\$ 526</u>	<u>\$ 30</u>	<u>\$ (252)</u>

	For the year ended June 30, 2019				
	Pension benefits		Other benefits		Total
	CHRT	Admin leave	CHRT	Admin leave	
Service cost for benefits earned during the period	\$ 1,047	\$ -	\$ 867	\$ -	\$ 1,914
Interest cost on projected benefit obligation	2,955	154	1,447	74	4,630
Expected return on plan assets	(4,131)	-	-	-	(4,131)
Net amortization and deferral	(795)	162	(1,573)	34	(2,172)
Net periodic pension cost (benefit)	<u>\$ (924)</u>	<u>\$ 316</u>	<u>\$ 741</u>	<u>\$ 108</u>	<u>\$ 241</u>

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Accumulated Amounts Charged (Credited) to Net Assets Without Restrictions

	As of June 30, 2020				
	Pension benefits		Other benefits		Total
	CHRT	Admin leave	CHRT	Admin leave	
Net actuarial loss (gain)	\$ 27,445	\$ 1,192	\$ (18,934)	\$ (133)	\$ 9,570
Prior service credit	(543)	-	(212)	-	(755)
Total	\$ 26,902	\$ 1,192	\$ (19,146)	\$ (133)	\$ 8,815

	As of June 30, 2019				
	Pension benefits		Other benefits		Total
	CHRT	Admin leave	CHRT	Admin leave	
Net actuarial loss (gain)	\$ 15,698	\$ 1,162	\$ (22,890)	\$ (185)	\$ (6,215)
Prior service credit	(1,390)	-	(641)	-	(2,031)
Total	\$ 14,308	\$ 1,162	\$ (23,531)	\$ (185)	\$ (8,246)

During the year ended June 30, 2020, \$848 of the prior year service credits were amortized and credited to non-operating income.

The weighted average assumptions used to determine the Clergy Health and Retirement Trust benefit plan costs were as follows:

	Pension benefits		Other benefits	
	2020	2019	2020	2019
Discount rate	3.64%	4.32%	3.75%	4.35%
Rate of compensation increase	N/A	N/A	N/A	N/A
Expected return on plan assets	N/A	N/A	N/A	N/A
Health care cost trend rate assumed for next year	N/A	N/A	5.50%	5.75%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	N/A	N/A	4.5%	4.5%
Year that the rate reaches the ultimate trend rate	N/A	N/A	2025	2025

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The weighted average assumptions used to determine the Administrative Leave benefit plans costs were as follows:

	Pension benefits		Other benefits	
	2020	2019	2020	2019
Discount rate	3.64%	4.32%	3.75%	4.35%
Rate of compensation increase	N/A	N/A	N/A	N/A
Expected return on plan assets	6.50%	6.50%	N/A	N/A
Health care cost trend rate assumed for next year	N/A	N/A	5.50%	5.75%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	N/A	N/A	4.5%	4.5%
Year that the rate reaches the ultimate trend rate	N/A	N/A	2025	2025

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one percentage point change in assumed health care cost trend rates would have the following effects on the Clergy Health and Retirement Trust:

	Other benefits one percentage point increase		Other benefits one percentage point decrease	
	2020	2019	2020	2019
Effect on service and interest cost	\$ 471	\$ 471	\$ (356)	\$ (362)
Effect on benefit obligation	6,069	5,177	(4,823)	(4,150)

To determine the expected long-term rate of return on plan assets, the Clergy Health and Retirement Trust considered the historical returns of the major market indicators relating to the target asset allocation, as well as the current economic and financial market conditions.

Expected Benefit Payments

Year ending June 30,	Clergy Funds Pension Benefits	Clergy Funds Other Benefits	Admin Leave Pension Benefits	Admin Leave Other Benefits	Total
2021	\$ 6,047	\$ 1,509	\$ 285	\$ 76	\$ 7,917
2022	5,927	1,588	263	74	7,852
2023	5,756	1,650	240	72	7,718
2024	5,550	1,691	219	68	7,528
2025 - 2030	28,978	10,752	933	335	40,998

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2020 and 2019
(Dollars in thousands)**

NOTE 14 - RELATED PARTY TRANSACTIONS

Revenue from Service Provided

The Corporation Sole provides administrative, accounting, technology and clerical services to related Catholic organizations. Fees charged for providing these services were \$4,701 and \$4,459 during the years ended June 30, 2020 and 2019, respectively. The revenue from these services is included in revenue from services provided in the accompanying combined statements of activities.

Boston Catholic Development Services

The Corporation Sole utilizes BCDS to provide all centralized fundraising services, including the annual Catholic Appeal, planned giving and other fundraising activities. Amounts paid for these services amounted to \$2,819 and \$1,978 for the years ended June 30, 2020 and 2019, respectively.

The Corporation Sole also advances funds to BCDS to support the fundraising and administrative needs related to the Inspiring Hope capital campaign. Those advances are repaid as related campaign fees are collected. The outstanding balances total \$4,032 and \$5,552 at June 30, 2020 and 2019, respectively.

Catholic Schools Foundation

The Catholic Schools Foundation, Inc., a related organization, provides support to Catholic schools located in the Archdiocese of Boston. During the years ended June 30, 2020 and 2019, this foundation awarded \$4,112 and \$3,353, respectively, in inner city scholarships and support to schools that are operated by the Corporation Sole's parishes. The foundation also awarded grants totaling \$1,403 and \$935 for the years ended June 30, 2020 and 2019, respectively, to the Corporation Sole's Catholic Schools Office to further support school programs coordinated by that office.

Fides Insurance Group, Inc.

When insurance liability coverage was transferred to Fides Insurance Group, Inc. (as previously discussed in Note 2), the Corporation Sole contributed capital of \$400 for the year ended June 30, 2019. The Corporation Sole recognized a nonoperating gain of \$3,317 and \$741 for the years ended June 30, 2020 and 2019, respectively, related to its investment in Fides. The Corporation Sole also remitted property and liability insurance premiums totaling \$6,669 and \$5,837 for the years ended June 30, 2020 and 2019, respectively.

Discounted Rent

The Corporation Sole leases properties to several related Catholic high schools, academies and other organizations well below market rates. Management estimates the market value of those rentals to be approximately \$7,600 for both the years ended June 30, 2020 and 2019.

NOTE 15 - COVID-19 PANDEMIC

The COVID-19 pandemic, whose effects first became apparent in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of COVID-19 on the Corporation Sole's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Corporation Sole's future financial position and changes in net assets and cash flows is uncertain.

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2020 and 2019
(Dollars in thousands)**

NOTE 16 - SUBSEQUENT EVENTS

In connection with the preparation of these combined financial statements, the Corporation Sole has evaluated events and transactions through December 23, 2020, which is the date these combined financial statements were available for issuance.

Subsequent to year end, nine Corporation Sole entities received full forgiveness of their respective SBA PPP loans (Note 7) totaling \$855 and were legally released from their respective loan obligations. Those entities included seven parishes and two parish schools.

Subsequent to year end, the Corporation Sole increased an existing loan performance guarantee by \$3,000 for a certain related entity high school under a non-recourse guarantee agreement secured by the property owned by the Corporation Sole (Note 11).

SECTION 4 – Lay Compensation and Vendor Expenditure Disclosure

Included this year with the release of this report is the Lay Compensation and Vendor Expenditure Disclosure which is modeled after the Internal Revenue Service Form 990. This report provides visibility into the compensation of the Corporation Sole's Lay Officers, Cabinet Members, and five highest compensated employees, as well as the five highest paid vendors. Compensation data is provided for the calendar year which ends within the fiscal period reported in the consolidated financial statements. Therefore, for the fiscal year ending June 30, 2020, the compensation information presented is for calendar year 2019.

This report also includes the compensation data of Boston Catholic Development Services, Inc. (BCDS). BCDS is a related organization that provides centralized fundraising services to the Corporation Sole and other related organizations. The Corporation Sole engages BCDS to provide fundraising services for the annual Catholic Appeal and other fundraising activities (please see Note 14 included in the financial statements and reports of independent certified public accountants in Section 3 of this financial report).

Reportable Compensation from Corporation Sole and BCDS represents the gross wages for the named individual. Amount of Other Compensation Not Included in W-2/1099 includes medical premiums paid by Corporation Sole and BCDS for the benefit of the lay employees, and the employer portion of life and LTD insurance and 401(k) costs paid by Corporation Sole and BCDS for lay employees.

Central Ministries and BCDS lay employees received merit increases effective July 1, 2019, averaging 3.3%.

**Lay Compensation and Vendor Expenditure Disclosure
December 31, 2019**

Name and Title	Average Hours per Week	Position	Employing Entity	Reportable Compensation	Amount of Other Compensation Not Included on W-2/1099
Officers:					
Mr. John E. Straub	40+	Assistant Clerk, Chancellor	Central Ministries	\$281,576	\$24,270
Mr. F. Beirne Lovely, Jr., Esq. [1]	40+	Assistant Clerk, General Counsel	Central Ministries	\$300,701	\$27,458
Cabinet (Other than Officers):					
Mr. Terrence Donilon	40+	Secretary for Communications & Public Affairs	Central Ministries	\$175,301	\$21,491
Mr. Thomas Carroll [2]	40+	Secretary for Education	Central Ministries	\$209,903	\$9,077
Former Officers and Cabinet Members Whose Reportable Compensation is Greater Than \$100,000: One					
Ms. Kathleen Mears [3]	40+	Secretary for Education	Central Ministries	\$151,583	\$6,777
Five Highest Compensated Employees (Other than Officers and Cabinet Members):					
Ms. Patricia Bartram	40+	President - Catholic Community Fund	Boston Catholic Development Services, Inc.	\$231,980	\$17,903
Ms. MC Sullivan, RN, MTS, JD [4]	40+	Chief Healthcare Ethicist	Central Ministries	\$218,810	\$17,236
Ms. Maureen Creedon	40+	Executive Director of Finance and Treasurer	Central Ministries	\$213,937	\$17,094
Mr. Mark Dunderdale	40+	Director of the Office of Professional Standards and Oversight	Central Ministries	\$209,958	\$24,002
Mr. Francis O'Connor	40+	Asst. General Counsel	Central Ministries	\$205,728	\$23,632

CY2019 Total number of individuals other than current officers, council members, former council members and highest compensated employees who received more than \$100,000 in reportable compensation from Corporation Sole: 53

Five Highest Compensated Independent Contractors Who Received More Than \$100,000:

Vendor	Services Provided	Amount of Other Compensation Not Included on Form 1099
1. Suffolk Construction Co., Inc.	Construction	\$0
2. Santini, Inc.	Construction	\$0
3. Wise Construction Corporation	Construction	\$0
4. Delulis Brothers Construction, Co Inc.	Construction	\$0
5. Willis of Massachusetts	Insurance Broker	\$0

Total number of compensated independent contractors who received more than \$100,000: 147

[1] Mr. Lovely passed away on June 7, 2020.

[2] Mr. Carroll assumed the role of Secretary for Education on April 8, 2019.

[3] Ms. Mears relinquished the role of Secretary for Education on April 5, 2019.

[4] Central Ministries is fully reimbursed for Ms. Sullivan's compensation and benefit costs by Steward Health Care System LLC pursuant to a Stewardship agreement entered into in connection with Steward's 2010 acquisition of substantially all of the assets of the Caritas Christi Health Care System.

SECTION 5 – Related Organizations

Compendium of Audited Financial Statements of Corporation Sole Related Organizations

Set forth below is a list of organizations sponsored by the Corporation Sole or for which the Corporation Sole or the Roman Catholic Archbishop of Boston (the “Archbishop”) has the direct or indirect right (whether alone or in conjunction with others) to elect or appoint officers, directors, trustees, governors and/or members (collectively, “Related Organizations”). Each Related Organization is separately incorporated or constitutes a separate trust or partnership and none of them are consolidated with Corporation Sole for financial statement purposes.

For financial reports provided by the Related Organizations, please visit our [website](http://www.bostoncatholic.org) at <http://www.bostoncatholic.org> and click on the About tab, Annual Report tab, listed by category. Thank you.

Listing of Related Organizations

Catholic Media and Evangelization

iCatholic Media, Inc.

Cemeteries

Catholic Cemetery Association of the Archdiocese of Boston, Inc. (The)

Catholic Cemetery Association Perpetual Care Trust (The)

Education

Archbishop Williams High School, Inc.

Bishop Fenwick High School, Inc.

Boston Boy Choir, Inc.

Cardinal Spellman High School, Inc.

Cathedral High School, Inc.

Cristo Rey Boston High School, Inc.

Lawrence Catholic Academy of Lawrence, Massachusetts, Inc.

Lowell Catholic High School, Inc.

Matignon High School, Inc.

Quincy Catholic Academy of Quincy, Massachusetts, Inc.

St. Columbkille School, Inc.

St. John Paul II Catholic Academy, Inc.

St. Mary's High School, Inc.

St. Sebastian's School, Inc.

Ste. Jean d'Arc School of Lowell, Massachusetts, Inc.

Trinity Catholic Academy, Inc.

Development

Boston Catholic Development Services, Inc.
Catholic Community Fund of the Archdiocese of Boston, Inc. (The)
Catholic Health Foundation of Greater Boston, Inc.
Catholic Schools Foundation, Inc. (The)
Cristo Rey Work Study Program, Inc.
Fund for Catholic Schools, Inc. (The) (aka Campaign for Catholic Schools)
St. Mary's High School Foundation, Inc.
St. Sebastian's School Fund, Inc.

Health, Retirement & Investment Trusts

Benefit Trust for Non-Incardinated Priests Duly Assigned for Service in the Archdiocese of Boston
Common Investment Fund, Roman Catholic Archbishop of Boston
Fixed Income Investment Fund, RCAB
Pension Plan & Trust of the Roman Catholic Archdiocese of Boston
RCAB Collective Investment Partnership
RCAB 401k Retirement Savings Plan
Roman Catholic Archdiocese of Boston Health Benefit Trust
Roman Catholic Archdiocese of Boston Life Insurance and Accidental Death, Dismemberment & Long-Term Disability Insurance Trust
Roman Catholic Archdiocese of Boston Transition Assistance Program Trust

Ministerial

Pope St. John XXIII National Seminary, Inc.
Redemptoris Mater House of Formation, Inc.
St. John's Seminary

Mission Related

Missionary Society of St. James the Apostle (The)
Society for Propagation of the Faith of Boston, Inc. (The)

Social Service

Catholic Charitable Bureau of the Archdiocese of Boston, Inc.
Catholic Social Services, Inc.
Irish Pastoral Centre of the Archdiocese of Boston, Inc. (The)
Life Resources, Inc.
Office of Outreach, Assistance, Education and Prevention of the Archdiocese of Boston, Inc. (The)
Planning Office for Urban Affairs, Inc.
St. Ann's Home, Inc.
St. Mary's Center for Women and Children, Inc.
*TAS-CC, Inc.
*TAS-CSEMCB, Inc.
*TAS-CSH, Inc.
*St. Margaret's Hospital for Women

Insurance

Fides Insurance Group, Inc.
Massachusetts Catholic Self-Insurance Group, Inc.
Ratio Risk Services, LLC

Other Related Organizations

Archdiocese of Boston Clergy Benefit Funding Trust
Archdiocese of Boston Clergy Medical / Hospitalization Trust
Archdiocese of Boston Clergy Retirement Trust
Archdiocese of Boston Regina Cleri Trust
Regina Cleri, Inc.
Massachusetts Catholic Conference, Inc.
RCAB-CCL, Inc.

*As of November 5, 2010, TAS-CC, Inc. (formerly Caritas Christi) and its affiliated health care entities sold substantially all of their assets used in the operation of a health care system to Steward Healthcare System LLC (“Steward”). As a result, although the assets were transferred to Steward, almost all of the corporate entities initially remained directly or indirectly under the control of Corporation Sole or the Archbishop. Prior to June 30, 2015, certain of those corporate entities were either merged or dissolved. Each of the asterisked entities that were formerly Caritas Christi entities remain in existence. Each of the asterisked entities is separately incorporated and none of them is consolidated with Corporation Sole for financial reporting purposes.

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SECTION 6 – Corporation Sole Parishes

COMPENDIUM OF FINANCIAL REPORTS OF CORPORATION SOLE PARISHES

For financial reports provided by the parishes of the Archdiocese of Boston, please visit our [website](http://www.bostoncatholic.org) at <http://www.bostoncatholic.org> and click on the Offices & Services tab and click on Finance, listed alphabetically. Thank you.

Parishes of the Archdiocese of Boston

<u>City/Town</u>	<u>Parish</u>
Abington	Saint Bridget Parish
Acton	Saint Elizabeth of Hungary Parish
Allston	Saint Anthony Parish
Amesbury	Holy Family Parish
Andover	Saint Augustine Parish
Andover	Saint Robert Bellarmine Parish
Arlington	Saint Agnes Parish
Arlington	Saint Camillus Parish
Ashland	Saint Cecilia Parish
Avon	Saint Michael Parish
Ayer	Saint Mary Parish
Bedford	Saint Michael Parish
Bellingham	Saint Brendan Parish
Bellingham	Saint Blaise Parish
Belmont	Saint Joseph Parish
Belmont	Saint Luke Parish
Beverly	Saint Mary Star of the Sea Parish
Beverly	Saint John the Evangelist Parish
Beverly Farms	Saint Margaret Parish
Billerica	Saint Mary Parish
Billerica	Saint Theresa of Lisieux Parish
Boston	Cathedral of the Holy Cross Parish
Boston	Saint Cecilia Parish
Boston	Saint James the Greater Parish
Boston	Saint Leonard of Port Maurice Parish
Boston	Saint Joseph Parish
Bradford	Sacred Hearts Parish
Braintree	Saint Clare Parish
Braintree	Saint Francis of Assisi Parish
Braintree	Saint Thomas More Parish
Bridgewater	Saint Thomas Aquinas Parish
Brighton	Saint Columbkille Parish
Brockton	Our Lady of Lourdes Parish
Brockton	Saint Patrick Parish
Brockton	Saint Edith Stein Parish
Brockton	Christ the King Parish

Brookline	Saint Mary of the Assumption Parish
Burlington	Saint Margaret Parish
Burlington	Saint Malachy Parish
Cambridge	Saint Anthony Parish
Cambridge	Saint Francis of Assisi Parish
Cambridge	Saint John the Evangelist Parish
Cambridge	Saint Mary of Annunciation Parish
Cambridge	Saint Paul Parish
Cambridge	Saint Peter Parish
Cambridge	Sacred Heart of Jesus Parish
Canton	Saint Gerard Majella Parish
Canton	Saint John the Evangelist Parish
Carlisle	Saint Irene Parish
Carver	Our Lady of Lourdes Parish
Charlestown	Saint Francis de Sales Parish
Charlestown	St Mary - St Catherine
Chelmsford	Saint Mary Parish
Chelsea	Our Lady of Grace Parish
Chelsea	Saint Rose of Lima Parish
Chelsea	Saint Stanislaus Parish
Cohasset	Saint Anthony Parish
Concord	Holy Family Parish
Danvers	Saint Mary of the Annunciation Parish
Danvers	Saint Richard of Chichester Parish
Dedham	Saint Mary Parish
Dedham	Saint Susanna Parish
Dorchester	Saint Ambrose Parish
Dorchester	Saint Ann Parish
Dorchester	Saint Brendan Parish
Dorchester	Saint Christopher Parish
Dorchester	Saint Gregory Parish
Dorchester	Saint Mark Parish
Dorchester	Saint Matthew Parish
Dorchester	Holy Family Parish
Dorchester	Saint Peter Parish
Dorchester	Blessed Mother Teresa of Calcutta Parish
Dover	Most Precious Blood Parish
Dracut	Saint Francis of Assisi Parish
Dracut	Saint Marguerite D'Youville Parish
Duxbury	Holy Family Parish
E Bridgewater	Saint John the Evangelist Parish
East Boston	Saint Joseph - St Lazarus Parish
East Boston	Most Holy Redeemer Parish
East Boston	Our Lady of the Assumption Parish
East Boston	Sacred Heart Parish
East Walpole	Saint Mary Parish
East Weymouth	Saint Albert the Great Parish
East Weymouth	Immaculate Conception Parish
Essex	Saint John the Baptist Parish
Everett	Saint Anthony of Padua Parish
Everett	Immaculate Conception Parish

Foxboro	Saint Mary Parish
Framingham	Saint Bridget Parish
Framingham	Saint George
Framingham	Saint Stephen Parish
Framingham	Saint Tarcisius Parish
Franklin	Saint Mary Parish
Georgetown	Saint Mary Parish
Gloucester	Our Lady of Good Voyage Parish
Gloucester	Holy Family Parish
Green Harbor	Our Lady of the Assumption Parish
Hanover	Saint Mary Sacred Heart Parish
Hanson	Saint Joseph the Worker Parish
Haverhill	Saint James Parish
Haverhill	Saint John the Baptist Parish
Haverhill	All Saints Parish
Hingham	Saint Paul Parish
Hingham	Resurrection Parish
Holbrook	Saint Joseph Parish
Holliston	Saint Mary Parish
Hopkinton	Saint John the Evangelist Parish
Hudson	Saint Michael Parish
Hull	Saint Mary of the Assumption Parish
Hyde Park	Most Precious Blood Parish
Ipswich	Our Lady of Hope Parish
Jamaica Plain	Our Lady of Lourdes Parish
Jamaica Plain	Saint Thomas Aquinas Parish
Kingston	Saint Joseph Parish
Lakeville	Saints Martha and Mary Parish
Lawrence	Saint Patrick Parish
Lawrence	Saint Mary of the Assumption Parish
Lawrence	Corpus Christi Parish
Lexington	Saint Brigid Parish
Lexington	Sacred Heart Parish
Littleton	Saint Anne Parish
Lowell	Saint Anthony Parish
Lowell	Holy Trinity Parish
Lowell	Immaculate Conception Parish
Lowell	Saint Margaret Parish
Lowell	Holy Family Parish
Lowell	Saint Michael Parish
Lowell	Saint Patrick Parish
Lowell	Saint Rita Parish
Lynn	Holy Family Parish
Lynn	Saint Joseph Parish
Lynn	Saint Mary Parish
Lynn	Saint Pius V Parish
Lynnfield	Saint Maria Goretti Parish
Lynnfield	Our Lady of the Assumption Parish
Malden	Immaculate Conception Parish
Malden	Saint Joseph Parish
Malden	Sacred Hearts Parish

Manchester-by-the-Sea	Sacred Heart Parish
Manomet	Saint Bonaventure Parish
Marblehead	Our Lady Star of the Sea Parish
Marlboro	Immaculate Conception Parish
Marlboro	Saint Matthias Parish
Marshfield	Saint Ann By the Sea Parish
Marshfield	Saint Christine Parish
Mattapan	Saint Angela Merici Parish
Maynard	Saint Bridget Parish
Medfield	Saint Edward the Confessor Parish
Medford	Saint Francis of Assisi Parish
Medford	Saint Joseph Parish
Medford	Saint Raphael Parish
Medford	Saint Clement Parish
Medway	Saint Joseph Parish
Melrose	Incarnation Parish
Melrose	Saint Mary of the Annunciation Parish
Merrimac	Holy Redeemer Parish
Methuen	Our Lady of Good Counsel Parish
Methuen	Saint Lucy Parish
Methuen	Saint Monica Parish
Middleboro	Sacred Heart Parish
Middleton	Saint Agnes Parish
Millis	Saint Thomas the Apostle Parish
Milton	Saint Agatha Parish
Milton	Saint Elizabeth Parish
Milton	Saint Mary of the Hills Parish
Milton	Saint Pius Tenth Parish
Monponsett	Our Lady of the Lake Parish
Nahant	Saint Thomas Aquinas Parish
Natick	Saint Linus Parish
Natick	Saint Patrick Parish
Needham	Saint Bartholomew Parish
Needham	Saint Joseph Parish
Newburyport	Immaculate Conception Parish
Newton	Corpus Christi-Saint Bernard Parish
Newton	Saint Ignatius Loyola Parish
Newton	Our Lady Help of Christians Parish
Newton	Sacred Heart Parish
Newton	Saint Antoine Daveluy
Newton Upper Falls	Mary Immaculate of Lourdes Parish
Norfolk	Saint Jude Parish
North Andover	Saint Michael Parish
North Billerica	Saint Andrew Parish
North Chelmsford	Saint John the Evangelist Parish
North Reading	Saint Theresa of Lisieux Parish
North Weymouth	Saint Jerome Parish
Norwell	Saint Helen Parish
Norwood	Saint Catherine of Siena Parish
Norwood	Saint Timothy Parish
Peabody	Saint Adelaide Parish

Peabody	Saint Ann Parish
Peabody	Saint John the Baptist Parish
Peabody	Saint Thomas the Apostle Parish
Peabody	Our Lady of Fatima Parish
No Pembroke	Saint Thecla Parish
Pepperell	Our Lady of Grace
Plainville	Saint Martha Parish
Plymouth	Saint Mary Parish
Plymouth	Saint Peter Parish
Plymouth	Saint Kateri Tekakwitha Parish
Point Shirley	Holy Rosary Parish
Quincy	Saint John the Baptist Parish
Quincy	Saint Joseph Parish
Quincy	Sacred Heart Parish
Quincy	Holy Trinity Parish
Randolph	Saint Bernadette Parish
Randolph	Saint Mary Parish
Reading	Saint Agnes Parish
Reading	Saint Athanasius Parish
Readville	Saint Anne Parish
Revere	Immaculate Conception Parish
Revere	Saint Mary of the Assumption Parish
Revere	Saint Anthony of Padua Parish
Rockland	Holy Family Parish
Roslindale	Sacred Heart Parish
Roxbury	Saint Mary of the Angels Parish
Roxbury	Our Lady of Perpetual Help Parish
Roxbury	Saint Patrick Parish
Roxbury	St. Katharine Drexel Parish
Salem	Saint Anne Parish
Salem	Mary, Queen of the Apostles
Salisbury	Star of the Sea Parish
Saugus	Blessed Sacrament Parish
Saugus	Saint Margaret Parish
Scituate	Saint Mary of the Nativity Parish
Sharon	Our Lady of Sorrows Parish
Sherborn	Saint Theresa of Lieieux Parish
Shirley	Saint Anthony Parish
Somerville	Saint Anthony Parish
Somerville	Saint Benedict Parish
Somerville	Saints Louis & Zelie Martin Parish
South Boston	Saint Brigid Parish
South Boston	Gate of Heaven Parish
South Boston	Our Lady of Czestochowa Parish
South Boston	Saint Peter Parish
South Hamilton	Saint Paul Parish
South Weymouth	Saint Francis Xavier Parish
Stoneham	Saint Patrick Parish
Stoughton	Immaculate Conception Parish
Stoughton	Saint James Parish
Stow	Saint Isidore Parish

Sudbury	Our Lady of Fatima Parish
Sudbury	St. Anselm Rectorate
Swampscott	Saint John the Evangelist Parish
Tewksbury	Saint William Parish
Topsfield	Saint Rose of Lima Parish
Townsend	Saint John the Evangelist Parish
Tyngsboro	Saint Mary Magdalen Parish
Wakefield	Saint Florence Parish
Wakefield	Saint Joseph Parish
Wakefield	Most Blessed Sacrament Parish
Walpole	Blessed Sacrament Parish
Waltham	Saint Charles Borromeo Parish
Waltham	Saint Jude Parish
Waltham	Saint Mary Parish
Waltham	Our Lady Comforter of Afflicted Parish
Waltham	Sacred Heart Parish
Watertown	Saint Patrick Parish
Watertown	Sacred Heart Parish
Wayland	Good Shepherd Parish
Wellesley	Saint Paul Parish
Wellesley Hills	Saint John the Evangelist Parish
West Bridgewater	Saint Ann Parish
West Lynn	Sacred Heart Parish
West Quincy	Saint Mary Parish
West Roxbury	Holy Name Parish
West Roxbury	Saint John Chrysostom Parish
West Roxbury	Saint Theresa of Avila Parish
Westford	Saint Catherine of Alexandria Parish
Weston	Saint Julia Parish
Westwood	Saint Denis Parish
Westwood	Saint Margaret Mary Parish
Weymouth	Sacred Heart Parish
Whitman	Holy Ghost Parish
Wilmington	Parish of the Transfiguration
Winchester	Saint Eulalia Parish
Winchester	Saint Mary Parish
Winthrop	Saint John the Evangelist Parish
Woburn	Saint Anthony of Padua Parish
Woburn	Saint Barbara Parish
Woburn	Saint Charles Borromeo Parish
Wollaston	Saint Ann Parish
Wrentham	Saint Mary Parish