

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC  
DIOCESE OF OGDENSBURG**

**FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2019 AND 2018**

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

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## INDEPENDENT AUDITOR'S REPORT

Most Reverend Terry R. LaValley  
Bishop of the Roman Catholic Diocese of Ogdensburg  
Ogdensburg, New York

We have audited the accompanying financial statements of the Central Administrative Offices of the Roman Catholic Diocese of Ogdensburg (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

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

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

### ***Opinion***

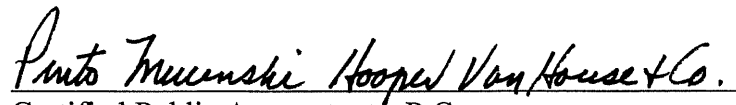
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Central Administrative Offices of the Roman Catholic Diocese of Ogdensburg as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 20 to the financial statements, the Central Administrative Offices of the Roman Catholic Diocese of Ogdensburg is a defendant in multiple lawsuits alleging sexual misconduct by certain members of the clergy. It is not possible to predict at this time the extent of the Diocese's liability. Our opinion is not modified with respect to this matter.

### ***Report on Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Program and Other Expenses on Pages 36 and 37 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

 Piotr Mucinski Hooper Van House & Co.

Certified Public Accountants, P.C.

October 29, 2019

**CENTRAL ADMINISTRATIVE OFFICES OF THE  
ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2019 AND 2018**

	6/30/2019	6/30/2018
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,813,541	\$ 3,080,257
Accounts Receivable	571,312	633,827
Accrued Interest Receivable	182,169	153,196
Due from Lay Employees' Retirement Obligation	615,461	318,579
Inventories	17,018	19,625
Prepaid Expenses	299,562	398,088
Investments at Fair Value	74,961,662	78,071,072
Other Investments	444,099	462,934
Loans Receivable - Ministry - Net of Loan Loss Reserve	805,857	446,080
Loans Receivable - Parishes and Affiliates - Net of Loan Loss Reserve	2,303,080	1,974,294
Land, Building, and Equipment - Net of Accumulated Depreciation	1,922,679	2,096,866
Restricted Assets	27,406,902	27,727,187
<b>TOTAL ASSETS</b>	<b>\$ 112,343,342</b>	<b>\$ 115,382,005</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 252,209	\$ 213,927
Accrued Compensation	94,562	92,537
Collections Payable	211,513	252,307
Accrued Interest Payable	117,085	111,512
Deferred Revenue	504,960	599,507
Insurance Claims Payable	2,714,373	2,969,618
Reserve for Insurance Claims	1,292,522	1,517,771
IRCP Claims Payable	-	5,495,000
Deposits Payable	27,925,937	25,465,479
Diocesan Trust Fund	26,016,901	25,340,119
Charitable Gift Annuities Payable	464,493	515,202
Disaster Relief Funds Collected	12,371	12,006
Accrued Pension Obligation	374,110	382,517
Lay Employees' Retirement Obligations	27,406,902	27,727,187
Total Liabilities	87,387,938	90,694,689
 <b>NET ASSETS</b>		
Without Donor Restriction	10,474,596	10,275,418
With Donor Restriction	14,480,808	14,411,898
Total Net Assets	24,955,404	24,687,316
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 112,343,342</b>	<b>\$ 115,382,005</b>

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

**CENTRAL ADMINISTRATIVE OFFICES OF THE  
ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

	Without Donor Restriction	With Donor Restriction	2019 Totals
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Diocesan Assessments	\$ 1,972,566	\$ 73,313	\$ 2,045,879
Contributions	2,595,012	963,037	3,558,049
Bequests	-	26,907	26,907
Contributed Services	58,986	-	58,986
Investment Income (Net)	924,186	391,839	1,316,025
Net Realized and Unrealized Gains and (Losses) on Investments	1,005,846	501,641	1,507,487
Grants	51,509	32,500	84,009
Management Fees	432,021	-	432,021
Other Revenue	363,661	22,975	386,636
Auxiliary Services	2,366,766	-	2,366,766
Gain or (Loss) on Disposal of Assets	(106,826)	-	(106,826)
Change in the Value of Charitable Gift Annuity	-	(28,272)	(28,272)
Net Assets Released from Restrictions			
Satisfaction of Program Restrictions	1,915,030	(1,915,030)	-
Total Revenues, Gains, and Other Support	<u>11,578,757</u>	<u>68,910</u>	<u>11,647,667</u>
<b>EXPENSES</b>			
Pastoral	523,154	-	523,154
Religious Personnel Development	2,290,131	-	2,290,131
Education	1,515,739	-	1,515,739
Social Services	298,356	-	298,356
Cemeteries	5,321	-	5,321
Diocesan Administration	3,064,302	-	3,064,302
Auxiliary Services	3,690,983	-	3,690,983
Total Expenses	<u>11,387,986</u>	<u>-</u>	<u>11,387,986</u>
<b>CHANGE IN NET ASSETS</b>	190,771	68,910	259,681
<b>CHANGE IN FUNDED STATUS OF EMPLOYEE BENEFIT PLAN</b>	8,407	-	8,407
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>10,275,418</u>	<u>14,411,898</u>	<u>24,687,316</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 10,474,596</u>	<u>\$ 14,480,808</u>	<u>\$ 24,955,404</u>

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

**CENTRAL ADMINISTRATIVE OFFICES OF THE  
ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

	Without Donor Restriction	With Donor Restriction	2018 Totals
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Diocesan Assessments	\$ 1,952,768	\$ 74,130	\$ 2,026,898
Contributions	1,526,951	425,330	1,952,281
Bequests	423,075	-	423,075
Contributed Services	92,025	-	92,025
Investment Income (Net)	1,007,266	380,693	1,387,959
Net Realized and Unrealized Gains and (Losses) on Investments	1,091,516	797,603	1,889,119
Grants	73,811	39,078	112,889
Management Fees	464,786	-	464,786
Other Revenue	427,306	28,099	455,405
Auxiliary Services	2,360,506	-	2,360,506
Gain or (Loss) on Disposal of Assets	(10)	-	(10)
Change in the Value of Charitable Gift Annuity	-	(12,963)	(12,963)
Net Assets Released from Restrictions			
Satisfaction of Program Restrictions	1,669,812	(1,669,812)	-
Total Revenues, Gains, and Other Support	11,089,812	62,158	11,151,970
<b>EXPENSES</b>			
Pastoral	521,398	-	521,398
Religious Personnel Development	2,043,492	-	2,043,492
Education	1,550,418	-	1,550,418
Social Services	309,205	-	309,205
Cemeteries	4,819	-	4,819
Diocesan Administration	8,580,464	-	8,580,464
Auxiliary Services	3,332,425	-	3,332,425
Total Expenses	16,342,221	-	16,342,221
<b>CHANGE IN NET ASSETS</b>	(5,252,409)	62,158	(5,190,251)
<b>CHANGE IN FUNDED STATUS OF EMPLOYEE BENEFIT PLAN</b>	(140,230)	-	(140,230)
<b>NET ASSETS - BEGINNING OF YEAR</b>	15,668,057	14,349,740	30,017,797
<b>NET ASSETS - END OF YEAR</b>	\$ 10,275,418	\$ 14,411,898	\$ 24,687,316

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

**CENTRAL ADMINISTRATIVE OFFICES OF THE  
ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019**

	Pastoral	Religious Personnel Development	Education	Social Services	Cemeteries	Diocesan Administration	Auxiliary Services	2019 Totals
Salaries	\$ 210,458	\$ 162,044	\$ 392,975	\$ 105,886	\$ -	\$ 1,002,755	\$ 219,986	\$ 2,094,104
Retirement Benefit Payments	15,803	884,307	25,168	4,894	-	89,931	17,388	1,037,491
Payroll Taxes	13,090	3,902	23,013	8,071	-	71,527	16,284	135,887
Employee Benefits	23,404	345,538	23,775	4,613	-	104,649	21,501	523,480
<b>Total Salaries and Related Expenditures</b>	<b>262,755</b>	<b>1,395,791</b>	<b>464,931</b>	<b>123,464</b>	<b>-</b>	<b>1,268,862</b>	<b>275,159</b>	<b>3,790,962</b>
Travel and Mileage	19,050	14,568	11,326	4,217	-	11,252	970	61,383
Postage	2,680	2,654	802	196	-	15,496	2,572	24,400
Printing and Photocopying	1,531	4,061	328	141	-	42,727	273	49,061
Newspaper Print	-	-	-	-	-	-	50,165	50,165
Insurance	9,664	450	1,200	100	-	24,040	1,032,292	1,067,746
Insurance Claims	-	-	-	-	-	-	964,424	964,424
Utilities	4,247	-	-	-	-	25,456	-	29,703
Telephone and Fax	2,572	129	5,378	2,766	-	19,886	789	31,520
Repairs and Maintenance	11,799	-	874	369	-	43,886	902	57,830
Office Supplies	1,180	298	1,450	274	-	54,389	629	58,220
Advertising	80	1,855	51	210	-	2,511	3,539	8,246
Dues and Memberships	310	14,128	1,441	706	510	53,447	751	71,293
Meetings and Conferences	9,357	40,771	18,739	1,622	65	22,513	466	93,533
Grants	106,791	22,350	899,900	101,506	-	214,534	-	1,345,081
Professional Services	69,001	68,639	10,281	30,003	4,746	1,009,466	180,516	1,372,652
Awards and Gifts	1,547	4,274	372	1,553	-	8,978	-	16,724
Books, Periodicals and Subscriptions	2,248	2,994	834	46	-	5,960	388	12,470
Residence and Building Supplies	463	-	-	1,743	-	4,958	-	7,164
Workshops	12,066	22,601	31,441	4,517	-	1,686	-	72,311
Licensing Fees	415	487	-	-	-	17,304	-	18,206
Liturgical Supplies	1,274	45	-	-	-	154	-	1,473
Special Care of Priests	-	122,378	-	-	-	-	-	122,378
Program Supplies	4,124	4,221	60,608	24,923	-	6,631	-	100,507
Bad Debt Expenses/Forgiveness of Debt	-	234,418	-	-	-	-	225,602	460,020
Depreciation and Amortization	-	-	-	-	-	121,332	-	121,332
Independent Reconciliation and Compensation Program Claims	-	-	-	-	-	15,000	-	15,000
Interest and Dividends	-	-	-	-	-	66,907	951,296	1,018,203
Taxes	-	-	-	-	-	-	250	250
Charter Audit	-	-	-	-	-	6,927	-	6,927
Tuition	-	333,019	5,783	-	-	-	-	338,802
<b>Total Expenditures</b>	<b>\$ 523,154</b>	<b>\$ 2,290,131</b>	<b>\$ 1,515,739</b>	<b>\$ 298,356</b>	<b>\$ 5,321</b>	<b>\$ 3,064,302</b>	<b>\$ 3,690,983</b>	<b>\$ 11,387,986</b>

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



**CENTRAL ADMINISTRATIVE OFFICES OF THE  
ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2018**

	Pastoral	Religious Personnel Development	Education	Social Services	Cemeteries	Diocesan Administration	Auxiliary Services	2018 Totals
Salaries	\$ 187,950	\$ 168,492	\$ 374,087	\$ 95,236	\$ -	\$ 834,040	\$ 251,780	\$ 1,911,585
Retirement Benefit Payments	16,667	882,662	22,990	4,248	-	116,023	23,208	1,065,798
Payroll Taxes	12,490	5,013	21,717	7,250	-	65,914	19,582	131,966
Employee Benefits	40,991	334,592	48,439	14,768	-	218,802	53,872	711,464
<b>Total Salaries and Related Expenditures</b>	<b>258,098</b>	<b>1,390,759</b>	<b>467,233</b>	<b>121,502</b>	<b>-</b>	<b>1,234,779</b>	<b>348,442</b>	<b>3,820,813</b>
Travel and Mileage	20,644	9,982	12,780	2,987	-	9,522	2,089	58,004
Postage	2,894	1,126	1,028	214	-	15,293	2,387	22,942
Printing and Photocopying	1,710	1,073	630	227	-	51,917	273	55,830
Newspaper Print	-	-	-	-	-	-	60,762	60,762
Insurance	8,823	263	900	100	-	23,767	982,439	1,016,292
Insurance Claims	-	-	-	-	-	-	337,600	337,600
Utilities	4,600	-	-	-	-	26,465	-	31,065
Telephone and Fax	2,038	167	5,518	2,807	-	14,780	813	26,123
Repairs and Maintenance	11,970	16	1,449	1	-	70,532	844	84,812
Office Supplies	1,570	1,421	2,349	787	-	49,126	824	56,077
Advertising	419	2,265	297	899	-	16,294	2,336	22,510
Dues and Memberships	1,089	5,011	9,526	70	-	50,832	811	67,339
Meetings and Conferences	8,453	15,733	20,703	4,450	-	13,491	174	63,004
Grants	125,015	25,911	882,400	92,819	180	200,384	500,000	1,826,709
Professional Services	23,916	77,235	7,055	4,777	4,639	1,104,886	88,825	1,311,333
Awards and Gifts	1,648	1,088	535	7,794	-	16,769	-	27,834
Books, Periodicals and Subscriptions	7,703	7,327	893	65	-	14,711	344	31,043
Residence and Building Supplies	568	-	245	1,628	-	5,914	-	8,355
Workshops	35,105	42,780	58,623	25,892	-	10,394	-	172,794
Licensing Fees	836	555	9	-	-	15,920	61	17,381
Liturgical Supplies	1,087	869	-	113	-	390	-	2,459
Ordination	-	4,497	-	-	-	-	-	4,497
Special Care of Priests	-	111,965	-	-	-	-	-	111,965
Program Supplies	3,212	7,786	78,245	42,073	-	7,267	-	138,583
Bad Debt Expenses/Forgiveness of Debt	-	23,904	-	-	-	-	-	23,904
Depreciation and Amortization	-	-	-	-	-	131,019	-	131,019
Independent Reconciliation and Compensation Program Claims	-	-	-	-	-	5,495,000	-	5,495,000
Interest and Dividends	-	-	-	-	-	-	1,003,151	1,003,151
Taxes	-	-	-	-	-	-	250	250
Charter Audit	-	-	-	-	-	1,012	-	1,012
Tuition	-	311,759	-	-	-	-	-	311,759
<b>Total Expenditures</b>	<b>\$ 521,398</b>	<b>\$ 2,043,492</b>	<b>\$ 1,550,418</b>	<b>\$ 309,205</b>	<b>\$ 4,819</b>	<b>\$ 8,580,464</b>	<b>\$ 3,332,425</b>	<b>\$ 16,342,221</b>

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

**CENTRAL ADMINISTRATIVE OFFICES OF THE  
ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	6/30/2019	6/30/2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 259,681	\$ (5,190,251)
<b>ADJUSTMENTS TO RECONCILE CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Depreciation	121,332	131,019
Net Realized and Unrealized (Gains) Losses on Investments	(1,507,487)	(1,889,119)
(Gain) Loss on Sale of Fixed Assets	106,826	10
Change in the Value of Charitable Gift Annuity (CGA)	28,272	37,127
Decrease (Increase) In:		
Accounts and Loans Receivable	(297,262)	(163,636)
Accrued Interest Receivable	(28,973)	10,434
Due from Lay Employees' Retirement Obligations	(296,882)	84,857
Inventories	2,607	2,376
Prepaid Expenses	98,526	6,999
Increase (Decrease) In:		
Accounts Payable	38,282	37,191
Accrued Compensation	2,025	5,772
Accrued Interest Payable	5,573	3,033
Deferred Revenue	(94,547)	(30,977)
Insurance Claims Payable	(255,245)	26,439
Reserve for Insurance Claims	(225,249)	(660,825)
IRCP Claims Payable	(5,495,000)	5,495,000
Other Liabilities	(40,429)	(64)
Net Cash Provided (Used) by Operating Activities	(7,577,950)	(2,094,615)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Equipment	6,255	12,000
Purchase of Furnishings and Equipment	(60,226)	(170,984)
Net Change In:		
Restricted Assets	320,285	(1,293,289)
Investments	4,635,732	1,712,596
Loans Receivable - Parishes and Affiliates	(328,786)	195,728
Deposits Payable	2,460,458	(234,266)
Diocesan Trust Fund	676,782	1,304,272
Lay Employees' Retirement Trust	(320,285)	1,293,289
Net Cash Provided (Used) by Investing Activities	7,390,215	2,819,346
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from New Annuities	-	-
Annuity Payments and Payoffs	(78,981)	(185,653)
Net Cash Provided (Used) by Financing Activities	(78,981)	(185,653)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(266,716)	539,078
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	3,080,257	2,541,179
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 2,813,541	\$ 3,080,257

**SUPPLEMENTAL CASH FLOW DISCLOSURES  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

<b>Cash Paid During the Year for</b>		
Interest	\$ 951,296	\$ 1,003,151

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 - ORGANIZATION**

The Roman Catholic Diocese of Ogdensburg (Diocese) was incorporated in 1945 to oversee the theological and financial affairs of the parishes and missions within the northern counties of New York State. The accompanying financial statements include the assets, liabilities, net assets and financial activities of the offices and departments directly under the control of the Bishop of the Roman Catholic Diocese of Ogdensburg.

The accompanying financial statements do not include the assets, liabilities, net assets, and financial activities of certain entities which operate within the Diocese such as Catholic Charities, parishes, schools, cemeteries, etc. Each is an operating entity distinct from the Diocesan administrative offices.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

**Use of Estimates**

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

**Financial Statement Presentation**

The Diocese has adopted FASB ASC 958-205. Under this standard, the Diocese is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net Assets Without Donor Restrictions:* Net assets not subject to donor-imposed stipulations.

*Net Assets With Donor Restrictions:* Net assets whose use is limited by donor-imposed time and/or purposes restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. When restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributions and Bequests**

Contributions are generally available for use unless specifically restricted by the donor. Pledges not received at year end are deemed uncollectible and are not reflected in these financial statements.

Other contributions of cash and other assets are reported as net assets with donor restriction support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Endowment contributions and investments are classified as net assets with donor restriction. Investment earnings available for distribution are recorded in net assets with donor restrictions until used for their designated purpose.

The Board of Trustees of the Diocese have interpreted the current state law as requiring the preservation of the original gift as of the gift date of the donor as restricted endowment funds, absent donor stipulations to the contrary. As a result of this interpretation, the Diocese classifies the original value of the gift donated to net assets with donor restriction endowments and the original value of subsequent gifts to the restricted endowment. The donor restricted endowment fund earnings are classified in net assets with donor restrictions, until those amounts are appropriated for expenditure by the Diocese.

Bequests are recorded as revenue at the time an unassailable right to the gift has been established and the proceeds are measurable.

**Allowance for Doubtful Accounts**

Management reviews the status of accounts receivable due from parishes, related entities, and others. If an account is determined to be uncollectible, it is written off. Therefore, all accounts in this category of receivable as outlined in Note 4 are considered to be fully collectible.

**Loan Loss Reserve**

Management also reviews the outstanding loans receivable. As a result of this review, a Loan Loss Reserve has been set up for loans whose repayments are doubtful (see Note 5 and 13).

**Investments**

Marketable securities are recorded at their fair value. Other investments as outlined in Note 6 are carried at cost or book value.

The Diocese invests in various types of marketable securities. These securities are exposed to various risks, such as interest rates, market conditions and credit risks. Due to these risks, it is at least reasonably possible that changes in values could occur in the near term and such changes could materially affect the market values reported in the accompanying financial statements.

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Inventories**

Inventories are stated at the lower of cost or market using the first-in, first-out method. Inventories consist of various religious items and publications related to the work of the Catholic Church.

**Land, Buildings, and Equipment**

Land, buildings, and equipment acquired before June 30, 1977 are reflected at their appraisal value as of June 30, 1977. All acquisitions subsequent to that date are reflected at cost.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

- Land Improvements 10 years
- Buildings and Improvements 10 – 40 years
- Furnishings and Equipment 5 – 15 years

**Insurance Claims Reserve**

The Diocese and participating entities are self-insured for certain risks associated with their operations. These self-insured programs are as follows:

- General Insurance - This program includes property and auto physical damage, general liability, workers' compensation, and sexual misconduct.
- New York State Disability Insurance
- New York State Unemployment Insurance

Each of the participating entities are assessed their portion of the estimated expense of these programs. The accompanying financial statements reflect claims currently payable and an estimated amount for incurred but not reported claims.

**Contributed Services**

The contributed services of clergy and religious who work for the Diocese have been recognized in the accompanying financial statements. The computation of the value of these services represents the difference between the compensation paid to religious personnel and the comparable compensation which would have been paid to lay persons if lay persons were to occupy these positions. No computation is made for positions which can be held only by religious personnel. For the years ending June 30, 2019 and 2018, the recognized value of these services was \$ 58,986 and \$ 92,025, respectively.

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Income Taxes**

The Roman Catholic Diocese of Ogdensburg qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. The Diocese is also classified by the Internal Revenue Service as an entity that is not a private foundation. Similar tax exempt status has been obtained under New York State tax laws.

Accounting principles generally accepted in the United States of America requires management to evaluate all significant tax positions. Management believes their tax positions are appropriate based on current facts and circumstances. As of June 30, 2019, the Diocese does not believe that it has taken any positions that would require the recording of any tax liability.

**Cash and Cash Equivalents**

For the purposes of cash flows, the Diocese considers all highly liquid unrestricted investments available for current use with an initial maturity of three months or less to be a cash equivalent.

The Diocese maintains cash deposits in bank accounts which may at times exceed the F.D.I.C. limit. The Diocese has not experienced any losses on such accounts and believes it is not exposed to any significant credit risks on these cash and cash equivalents.

**Functional Allocation of Expenses**

The cost of providing programs and services is summarized on a functional basis in the statement of functional expenses. Expenses directly supporting programs run or administered by the Diocese are allocated directly to program expenses. Costs common to multiple functions have been allocated among various functions benefited using a reasonable allocation method based on the total expenses of the program and administration costs.

**Subsequent Events**

The Diocese has reviewed and evaluated all subsequent events from July 1, 2019 through October 29, 2019, the date the financial statements were available to be issued, for possible disclosure and, or, recognition in the financial statements. Note 20 of the financial statements provides an update on legal proceedings. There were no other events or transactions that existed which would provide additional pertinent information about conditions at the balance sheet date which are required to be recognized in the accompanying financial statements.

**New Accounting Pronouncement**

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The Diocese adopted this new standard during the year ended June 30, 2019. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources and the functional allocation of expenses.

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 3 – LIQUIDITY**

The following reflects the Diocese’s financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date.

Cash and cash equivalents .....	\$	2,813,541
Accounts and interest receivable .....		753,481
Short-term loans receivable:		
Ministry .....		62,973
Parish and affiliates.....		<u>331,892</u>
	<b>\$</b>	<b><u>3,961,887</u></b>

The Roman Catholic Diocese of Ogdensburg has a goal to maintain financial assets on hand to meet 60 days of normal operating expenses, which is on average, \$ 750,000. The Diocese structures its financial assets to be available as its general expenditures, liabilities and other obligations come due.

In addition, as more fully described in Note 9, the Diocese has a letter of credit in the amount of \$ 1,598,910, which could be drawn upon in the event of unanticipated liquidity needed to pay claims in the self-insured New York state worker’s compensation program.

**NOTE 4 - ACCOUNTS RECEIVABLE**

Accounts receivable for the years ending June 30, 2019 and 2018 consists of the following:

	<u>6/30/2019</u>	<u>6/30/2018</u>
North Country Catholic .....	\$ 1,848	\$ 1,782
Excess Insurance Carriers.....	196,803	222,100
Due from Other Dioceses .....	-	202,500
Due from Parishes and Other Diocesan Entities:		
Protected Self-Insurance Premiums .....	58,600	17,153
Health Insurance Premiums .....	76,380	69,741
Parish Assessments.....	48,039	21,034
Other.....	<u>189,642</u>	<u>99,517</u>
Total.....	<b>\$ <u>571,312</u></b>	<b>\$ <u>633,827</u></b>

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 5 - LOANS RECEIVABLE – MINISTRY**

The Diocese provides financial assistance as needed to students attending Seminary College. Students receiving financial assistance sign a note guaranteeing repayment to the Diocese of one-half of the amount loaned. If a student leaves during the course of seminary study the student is responsible for repayment to the Diocese of the total amount of financial assistance. The indebtedness is payable over 15 years at 2% interest, and the minimum monthly payment is \$ 100. If a student proceeds to theological studies, the terms of the Diocese’s Major Seminary Tuition Policy will govern repayment of this indebtedness by the student.

The Diocese pays tuition, room, and board not covered by other sources for its students in an approved program for pre-theology or in theological studies. At time of payment, the seminarian signs a note guaranteeing repayment of the total amount paid for his theological education. The indebtedness shall be paid over 15 years at 2% interest, and the minimum monthly payment is \$ 100.

If a seminarian transfers to another diocese or religious community, then the Diocese of Ogdensburg shall request of the diocese or community the seminarian is joining reimbursement of the total amount paid by the Diocese for his theological education.

If a student is ordained a priest, the indebtedness shall be repaid over 20 years at 2% interest. The priest shall make monthly payments of \$ 100 on the first day of each month beginning January 1 following ordination. A balloon payment of the balance of principal and interest as of the last month of the repayment term shall be made by the priest. Priests may apply to the Diocese for assistance with or relief from payments on the promissory notes. The Diocese may grant assistance in the form of a gift, extension of the loan, reduction of interest rate, or forgiveness of all or part of the debt.

The loans receivable at June 30, 2019 and 2018 was \$ 1,239,780 and \$ 686,277, respectively. The loan loss reserve at June 30, 2019 and 2018 was \$ 433,923 and \$ 240,197, respectively.

Future maturities of the loans receivable are as follows:

June 30,		
2020.....	\$	62,973
2021.....		57,815
2022.....		52,225
2023.....		49,980
2024.....		47,424
Thereafter.....		<u>969,363</u>
		<u>\$ 1,239,780</u>



**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 6 - INVESTMENTS**

Investments carried at fair value at June 30, 2019 and 2018 consist of the following:

	Cost	Fair Value (Carrying Amount)
<b>June 30, 2019</b>		
U.S. Government and Agency Obligations .	\$ 20,844,430	\$ 21,465,993
Stocks.....	17,204,330	21,215,244
Mutual Funds .....	16,445,397	16,727,968
Corporate Obligations .....	5,186,742	5,258,038
Dimensional Fund Advisors .....	990,750	875,334
The Investment Fund for Foundations- Real Opportunity Fund .....	254,286	318,891
Christian Brothers Investment Services .....	7,674,494	9,100,194
Total.....	\$ 68,600,429	\$ 74,961,662
Investment income consists of the following		
Interest and Dividends .....		\$ 1,489,123
Unrealized Gain (Loss) on Investments...		927,774
Realized Gain (Loss) on Investments.....		579,713
Total Investment Income .....		2,996,610
Investment Fees .....		(173,098)
Net Investment Income .....		\$ 2,823,512
	Cost	Fair Value (Carrying Amount)
<b>June 30, 2018</b>		
U.S. Government and Agency Obligations .	\$ 21,509,364	\$ 21,004,212
Stocks.....	20,474,024	24,417,146
Mutual Funds .....	16,449,163	16,782,310
Corporate Obligations .....	5,809,926	5,671,246
Dimensional Fund Advisors .....	990,750	879,196
The Investment Fund for Foundations- Real Opportunity Fund .....	448,837	541,114
Christian Brothers Investment Services .....	7,674,494	8,775,848
Total.....	\$ 73,356,558	\$ 78,071,072
Investment income consists of the following		
Interest and Dividends .....		\$ 1,564,801
Unrealized Gain (Loss) on Investments...		419,052
Realized Gain (Loss) on Investments.....		1,470,067
Total Investment Income .....		3,453,920
Investment Fees .....		(176,842)
Net Investment Income .....		\$ 3,277,078

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 7 - OTHER INVESTMENTS**

At June 30, 2019 and 2018, other investments consisted of the following:

	<u>6/30/2019</u>	<u>6/30/2018</u>
The National Catholic Risk Retention Group (at cost).....	\$ 132,248	\$ 132,248
The Bishop's Plan Insurance Company.....	311,851	330,686
Total.....	\$ 444,099	\$ 462,934

**NOTE 8 - LAND, BUILDINGS, AND EQUIPMENT**

Land, buildings, and equipment as of June 30, 2019 and 2018 consist of the following:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Land and Improvements .....	\$ 957,034	\$ 957,034
Buildings and Improvements.....	2,351,773	2,414,599
Furnishings and Equipment.....	378,023	1,065,189
	3,686,830	4,436,822
Accumulated Depreciation.....	(1,764,151)	(2,339,956)
Land, Buildings, and Equipment - Net .....	\$ 1,922,679	\$ 2,096,866

Depreciation charged to operations for the years ended June 30, 2019 and 2018 was \$ 121,332 and \$ 131,019, respectively.

**NOTE 9 - GENERAL INSURANCE PLAN**

The Insurance Department of the Diocese manages a protected self-insurance program in conjunction with Arthur J. Gallagher and Co. and Gallagher Bassett Services, Inc. on behalf of the Diocese, parishes and other related entities of the Diocese. The protected self-insurance program consists of a combination of self-insurance retentions, participation in liability risk retention groups with other Dioceses, and the purchase of excess insurance coverage above the self-insured levels. Excess insurance coverage is provided by the purchase of various policies carried through Arthur J. Gallagher and Co.

The schedules below summarize the benefit structure for each line of coverage for the years ended June 30, 2019 and 2018.

	<u>Self-Insured Retention</u>	<u>Maximum Coverage</u>
<u>Coverage 2018 - 2019</u>		
All Risk, Property, Equipment, and Auto Physical Damage.....	\$ 250,000	\$ 100,000,000
Boiler and Machinery .....	2,500	50,000,000
General Liability, Auto Liability, Directors and Officers Liability ...	250,000	10,000,000
Workers' Compensation .....	200,000	Statutory
Sexual Misconduct .....	250,000	3,000,000

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9 - GENERAL INSURANCE PLAN (Continued)**

Coverage 2017 - 2018

All Risk, Property, Equipment, and Auto Physical Damage.....	\$ 250,000	\$ 100,000,000
Boiler and Machinery .....	2,500	50,000,000
General Liability, Auto Liability, Directors and Officers Liability ...	250,000	10,000,000
Workers' Compensation .....	200,000	Statutory
Sexual Misconduct .....	250,000	3,000,000

The Diocese has an accrued liability which is the difference between the maximum estimated claims less payments made against the open claims and an actuarially determined amount for claims incurred but not reported. For fiscal years ended June 30, 2019 and 2018, this accrued liability amounted to \$ 1,292,522 and \$ 1,517,771, respectively.

In the year ended June 30, 2016, the Diocese's insurance program received a significant payment from an excess insurance carrier in partial settlement of a claim. As the claimant expends monies for this claim, funds are transferred from the Diocesan program to the claimant. The balance of this claim remaining for fiscal years ended June 30, 2019 and 2018 amounted to \$ 2,714,373 and \$ 2,969,618 respectively, and is shown in the statement of financial position as a liability.

The Diocese had in place a letter of credit in the amount of \$ 1,598,910 as of June 30, 2019, and June 30, 2018. This letter of credit is required by the New York State Workers' Compensation Board, since the Diocese maintains a self-insured workers' compensation program. The letter of credit is not to be used for any other purpose. There was no outstanding balance on this letter of credit at June 30, 2019 and 2018.

Diocesan entities are billed premiums to defray the cost of the protected self-insurance program. A summary of the insurance activities for the years ended June 30, 2019 and 2018 follows:

	<u>2019</u>	<u>2018</u>
For the Years Ended June 30,		
Premium Revenue .....	\$ 2,004,982	\$ 1,896,398
Investment Earnings.....	36,373	115,837
Other .....	55,000	-
Total Revenues .....	<u>2,096,355</u>	<u>2,012,235</u>
Net Claims and Reserve Expense .....	899,035	311,938
Administrative Costs .....	342,325	232,585
Departmental Grants .....	125,062	816,032
Commercial Insurance Premiums .....	985,351	928,239
Total Expenses.....	<u>2,351,773</u>	<u>2,288,794</u>
Net Insurance Activity .....	(255,418)	(276,559)
Net Assets – Beginning of Year .....	<u>1,530,616</u>	<u>1,807,175</u>
Net Assets – End of Year .....	<u>\$ 1,275,198</u>	<u>\$ 1,530,616</u>

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 10 - INDEPENDENT RECONCILIATION AND COMPENSATION PROGRAM**

On March 1, 2018, the Diocese of Ogdensburg established a voluntary Independent Reconciliation and Compensation Program (“IRCP”) to assist victims of clergy sex abuse in their healing process. The IRCP moves beyond the long-standing diocesan programs that offer professional counseling and other assistance to victims of abuse.

Mr. Kenneth Feinberg and Ms. Camille Biros serve as the independent administrators of the program. Mr. Feinberg and Ms. Biros have vast experience in administering voluntary compensation programs including the World Trade Center compensation program and IRCP’s undertaken in other NYS dioceses. The independent administrators evaluate claims submitted by those who previously reported incidents of clergy sex abuse to the diocese and determine what compensation will be awarded.

The Diocese mailed letters to known victims which informed them of their potential eligibility to participate in IRCP. Additionally, some previously unreported claims were submitted to the IRCP when they were reported to the Diocese in response to the IRCP. The claims were reported to the appropriate district attorney. Participation in the IRCP by the victim is voluntary. The independent administrator determined whether the victims were eligible for compensation and the amount of compensation awarded.

The program ended in the 2018-19 fiscal year. 38 claimants have received \$ 5,510,000 in compensation through IRCP.

**NOTE 11 - NEW YORK STATE DISABILITY INSURANCE**

The Diocese has a self-insurance program for New York State disability benefits which is administered by Association Plan Administrators, Inc. This program covers the employees of the Diocese, parishes, and other related entities of the Diocese.

**NOTE 12 - NEW YORK STATE UNEMPLOYMENT INSURANCE**

The Diocese has a self-insurance program for New York State unemployment insurance benefits. The Diocese assumes the responsibility for reimbursing the State of New York for unemployment insurance benefits paid by the State to former employees of the Diocese, parishes, and other related entities.

**NOTE 13 - DIOCESAN DEPOSIT AND LOAN FUND**

**Loans Receivable**

The Diocesan Deposit and Loan Fund receives deposits from the Diocese, parishes, and other related entities that in turn are loaned or become available for loan to parishes and other related entities. As of June 30, 2019 and 2018, the loans receivable outstanding totaled \$ 2,972,340 and \$ 2,417,952, respectively. The loan loss reserve at June 30, 2019 and 2018 was \$ 669,260 and \$ 443,658, respectively.

**CENTRAL ADMINISTRATIVE OFFICES  
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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 13 - DIOCESAN DEPOSIT AND LOAN FUND (Continued)**

The Diocese's policy is to loan funds for a period of ten years with interest and principal payable quarterly, or in the case of autos five years, unless other terms are agreed upon. The interest rate charged was 4% for the years ended June 30, 2019 and 2018, unless agreed upon otherwise. Interest received on outstanding loans amounted to \$ 77,378 and \$ 67,779 for the years ended June 30, 2019 and 2018, respectively.

Future maturities of the loans receivable are as follows:

June 30,		
2020.....	\$	331,892
2021.....		317,596
2022.....		296,481
2023.....		287,044
2024.....		281,996
Thereafter.....		<u>1,457,331</u>
	<u>\$</u>	<u>2,972,340</u>

**Deposits Payable**

Deposits payable are due to the Diocese, parishes, and other related entities on demand. As of June 30, 2019 and 2018 these deposits payable totaled \$ 27,925,937 and \$ 25,465,479, respectively. Interest on deposits was paid at 3% for the years ended June 30, 2019 and 2018 and amounted to \$ 951,296 and \$ 1,003,151, respectively.

**NOTE 14 - DIOCESAN TRUST FUND**

The Diocesan Trust Fund is a mutual fund operated by the Diocese for the investment of endowment and other similar long-term investments of the Diocese, parishes, and related entities. The fund is designed to pay quarterly dividends and to grow the principal to offset inflation. As of June 30, 2019 and 2018, the Diocesan Trust Fund balance was \$ 26,016,901 and \$ 25,340,119, respectively.

Total dividends paid from the Diocesan Trust Fund for the years ended June 30, 2019 and 2018 were \$ 876,251 and \$ 751,251, respectively.

The value per share is determined quarterly based upon the number of shares outstanding in the fund and the market value of the fund at the end of the quarter. As of June 30, 2019 and 2018, the value per share was \$ 37.330 and \$ 36.409, respectively. The original per share value in 1977 was \$ 10 per share.

**NOTE 15 - CHARITABLE GIFT ANNUITY PAYABLE**

A Charitable Gift Annuity is a contract between the donor and the Diocese. The beneficiaries of the Charitable Gift Annuity program can be designated by the donor to benefit the Diocese, parishes, or other related entities of the Diocese. In exchange for an irrevocable gift of cash, securities, or other assets, the Diocese agrees to pay the annuitants a fixed sum each year for life. The annuity payments are guaranteed by the general resources of the Diocese.

**CENTRAL ADMINISTRATIVE OFFICES  
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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 15 - CHARITABLE GIFT ANNUITY PAYABLE (Continued)**

The Diocese was granted a permit by the State of New York Insurance Department to operate a Charitable Gift Annuity program. This permit authorizes the Diocese to receive gifts of money conditioned upon, or in return for, its agreement to pay an annuity to the donor, or his/her nominee, and to make and carry out such annuity agreements within New York State as specified in Section 1110 of the New York State Insurance Law. In accordance with New York State law, the Diocese maintains assets of at least 126.5% and reserves of at least 105% of the annuity payable. The Diocese uses the United States Internal Revenue Service's discount rate and mortality table 80 CNSMT to compute the annuity payable. In addition, the Diocese has been granted approval by the State of Florida to operate a Charitable Gift Annuity program.

**NOTE 16 - LAY EMPLOYEES' RETIREMENT TRUST**

The Lay Employees' Retirement Trust is a qualified multi-employer defined benefit plan which includes lay employees of the Diocese, parishes, and other related entities under Diocesan control. The current funding policy of the plan is to collect 9% of eligible wages from the employer since this Plan is entirely employer funded. The contributions are used to pay current pensions, overhead costs and provide funding for the actuarial present value of accumulated plan benefits as well as to fund future benefit enhancements.

The Bishop of the Diocese of Ogdensburg serves as the Trustee of the Plan. The pension funds are invested by Manning and Napier, Dimensional Fund Advisors, the Investment Fund for Foundations, and Christian Brothers Investment Services as investment managers of the Plan. NBT Bank is the custodian bank for assets invested by Manning and Napier.

A summary of the lay employees' pension activities for the years ended June 30, 2019 and 2018 follows:

	2019	2018
For the Years Ended June 30,		
Employer Contributions.....	\$ 1,372,320	\$ 1,462,221
Realized and Unrealized Investment Gains	979,417	1,918,407
Investment Earnings.....	560,055	566,437
Department Grants .....	-	500,000
Total Revenues .....	2,911,792	4,447,065
Pension Payments .....	2,977,611	2,876,483
Administrative Costs .....	254,466	277,293
Total Expenses.....	3,232,077	3,153,776
Net Lay Employees' Pension Activity.....	(320,285)	1,293,289
Restricted Assets – Beginning of Year....	27,727,187	26,433,898
Restricted Assets – End of Year.....	\$ 27,406,902	\$ 27,727,187

For the year ended June 30, 2019, the fund received contributions of \$ 1,372,320 of which \$ 137,278 were for Diocesan employees.

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 16 - LAY EMPLOYEES' RETIREMENT TRUST (Continued)**

The assets and liabilities of the fund at June 30, 2019 and 2018 are as follows:

	2019	2018
Cash and Cash Equivalents .....	\$ 1,090,556	\$ 265,165
Investments at Fair Value .....	26,855,941	27,597,023
Employers' Receivable .....	40,344	37,795
Accrued Investment Income .....	35,524	26,910
Prepaid Expenses .....	-	243,274
Due to Operating Fund .....	(615,463)	(318,579)
Deferred Revenue .....	-	(124,401)
 Restricted Assets .....	 \$ 27,406,902	 \$ 27,727,187
 Net Assets Available for Benefits .....	 \$ 27,406,902	 \$ 27,727,187

The net assets available for benefits of the Lay Employees Retirement Trust are classified as restricted assets on the accompanying statement of financial position.

Investments with readily determinable market value at June 30, 2019 and 2018 consist of the following:

	Cost	Fair Value
<b>June 30, 2019</b>		
U.S. Government and Agency Obligations .	\$ 3,391,817	\$ 3,553,508
Equities .....	8,572,229	10,097,688
Mutual Funds .....	4,587,688	4,515,850
Corporate Obligations .....	683,603	678,764
Dimensional Fund Advisors .....	1,034,250	937,449
The Investment Fund for Foundations- Real Opportunity Fund .....	191,684	240,385
Christian Brothers Investment Services .....	5,765,334	6,832,297
 Total .....	 \$ 24,226,605	 \$ 26,855,941

Investment income consists of the following

Interest and Dividends .....	\$ 560,055
Unrealized Gain (Loss) on Investments...	312,066
Realized Gain (Loss) on Investments .....	667,350
Total Investment Income .....	1,539,471
Investment Fees .....	(80,159)
Net Investment Income .....	\$ 1,459,312

**CENTRAL ADMINISTRATIVE OFFICES  
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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 16 - LAY EMPLOYEES' RETIREMENT TRUST (Continued)**

	Cost	Fair Value
<b>June 30, 2018</b>		
U.S. Government and Agency Obligations .	\$ 3,186,928	\$ 3,118,469
Equities .....	9,658,831	11,300,371
Mutual Funds .....	4,514,882	4,496,341
Corporate Obligations .....	764,894	743,576
Dimensional Fund Advisors .....	1,034,250	941,585
The Investment Fund for Foundations- Real Opportunity Fund .....	338,339	407,899
Christian Brothers Investment Services .....	5,765,334	6,588,782
Total.....	\$ 25,263,458	\$ 27,597,023
Investment income consists of the following		
Interest and Dividends .....		\$ 566,437
Unrealized Gain (Loss) on Investments...		594,883
Realized Gain (Loss) on Investments.....		1,323,524
Total Investment Income .....		2,484,844
Investment Fees .....		(134,712)
Net Investment Income .....		\$ 2,350,132

Generally accepted accounting principles requires an employer to recognize the funded status (i.e. difference between the fair value of Plan assets and projected benefit obligations) of its defined benefit pension plan as an asset or liability in its balance sheet and to recognize changes in that funded status in the year in which the changes occur through changes in net assets without donor restrictions.

The funded status of the Plan and amounts recognized in the balance sheet at June 30, 2019, are as follows:

	2019
Total Plan Funded Status, End of Year	
Fair Value of Plan Assets .....	\$ 28,022,364
Projected Benefit Obligation .....	37,335,648
Prepaid (Accrued) Pension Obligation .....	\$ (9,313,284)
Total Central Office Pension Obligation Recorded in Unrestricted Net Assets, End of Year	
Net Actuarial Loss.....	\$ 374,110



**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 17 - PRIESTS' RETIREMENT PLAN**

The Diocese has a non-qualified retirement plan which covers all eligible Diocesan priests. During the years ended June 30, 2019 and 2018 the Plan paid retirement benefits and the total cost of health insurance premiums for the retired priests.

The Plan assesses the Diocese and its parishes and other related entities to fund the Plan. Other financial support includes bequests designating the Plan as beneficiary and investment income on accumulated funds.

The assets and liabilities of the fund at June 30, 2019 and 2018 are as follows:

	2019	2018
Cash and Cash Equivalents .....	\$ 481,986	\$ 461,854
Investments at Fair Value .....	11,664,735	11,727,200
Accounts Receivable .....	8,455	6,294
Accrued Investment Income .....	19,912	13,225
Due to Operating Fund .....	(2,238,427)	(2,003,667)
 Total Assets .....	 \$ 9,936,661	 \$ 10,204,906
 Net Assets with Donor Restrictions .....	 \$ 9,936,661	 \$ 10,204,906

Investments with readily determinable market values at June 30, 2019 and 2018 consist of the following:

	Cost	Fair Value (Carrying Amount)
<b>June 30, 2019</b>		
U.S. Government and Agency Obligations .	\$ 2,677,647	\$ 2,768,711
Corporate Obligations .....	637,699	646,984
Mutual Funds .....	2,420,177	2,459,651
Equities .....	2,097,745	2,632,910
Dimensional Fund Advisors .....	364,750	324,362
The Investment Fund for Foundations-		
Real Opportunity Funds .....	74,790	93,791
Christian Brothers Investment Services .....	2,309,545	2,738,327
 Total .....	 \$ 10,582,353	 \$ 11,664,735

Investment income consists of the following:

Interest and Dividends .....	\$ 237,123
Unrealized Gain (Loss) on Investments...	260,586
Realized Gain (Loss) on Investments .....	165,828
Total Investment Income .....	663,537
Investment Fees .....	(33,747)
Net Investment Income .....	\$ 629,790

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 17 - PRIESTS' RETIREMENT PLAN (Continued)**

	Cost	Fair Value (Carrying Amount)
<b>June 30, 2018</b>		
U.S. Government and Agency Obligations .	\$ 2,444,077	\$ 2,375,290
Corporate Obligations .....	532,024	516,987
Mutual Funds .....	2,312,525	2,374,798
Equities .....	2,802,866	3,334,453
Dimensional Fund Advisors .....	364,750	325,793
The Investment Fund for Foundations- Real Opportunity Funds.....	132,011	159,151
Christian Brothers Investment Services.....	2,309,545	2,640,728
Total.....	\$ 10,897,798	\$ 11,727,200
Investment income consists of the following:		
Interest and Dividends .....		\$ 252,711
Unrealized Gain (Loss) on Investments...		161,325
Realized Gain (Loss) on Investments,.....		524,390
Total Investment Income .....		938,426
Investment Fees .....		(33,118)
Net Investment Income .....		\$ 905,308

**NOTE 18 - FAIR VALUE MEASUREMENTS**

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described below:

*(a) Level 1:* Quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities. Level 1 includes fixed income and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.

*(b) Level 2:* Inputs, other than quoted prices in active markets, that are observable either directly or indirectly and fair value is determined through the use of models or other valuation methodologies. This category generally includes certain U.S. Government and agency obligations, fixed income securities and alternative investments.

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 18 - FAIR VALUE MEASUREMENTS (Continued)**

*(c) Level 3:* Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes private debt and equity instruments and alternative investments.

The following tables present the Diocese's investments at June 30, 2019 and 2018, that are measured at fair value on a recurring basis. Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurements:

	Total 2019	Quoted prices in markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)
U.S Government and Agency Obligations	\$ 25,019,501	\$ 12,273,852	\$ 12,745,649	\$ -
Stocks	31,312,932	31,312,932	-	-
Equity Funds	3,675,559	3,675,559	-	-
Bond Funds	15,995,324	-	15,995,324	-
Real Estate Investment Funds	1,572,935	-	1,572,935	-
Corporate Obligations	5,936,802	-	5,936,802	-
Dimensional Fund Advisors	1,812,783	1,812,783	-	-
The Investment Fund For Foundations – Real Opportunity Fund	559,276	-	-	559,276
Christian Brothers Investment Services	15,932,491	-	15,932,491	-
The National Catholic Risk Retention Group	132,248	-	-	132,248
The Bishop's Plan Insurance Company	311,851	-	-	311,851
	<u>\$ 102,261,702</u>	<u>\$ 49,075,126</u>	<u>\$ 52,183,201</u>	<u>\$ 1,003,375</u>

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 18 - FAIR VALUE MEASUREMENTS (Continued)**

The above fair value measurements consist of the following:

	Total 2019	Quoted prices in markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)
Diocesan Investments	\$ 75,405,761	\$ 35,429,581	\$ 39,213,190	\$ 762,990
Lay Employees' Retirement Trust	<u>26,855,941</u>	<u>13,645,545</u>	<u>12,970,011</u>	<u>240,385</u>
	<u>\$ 102,261,702</u>	<u>\$ 49,075,126</u>	<u>\$ 52,183,201</u>	<u>\$ 1,003,375</u>

The table below presents additional information about assets measured at fair value on a recurring basis by reliance on Level 3 inputs to determine fair value:

	Real Opportunity Fund	National Catholic Risk Retention	Bishop's Plan Insurance Company	Total
Balance at June 30, 2018	\$ 949,013	\$ 132,248	\$ 330,686	\$ 1,411,947
Purchases	16,100	-	-	16,100
Capital Distributions	(375,306)	-	-	(357,306)
Sales	-	-	-	-
Unrealized Gains (Losses)	(48,531)	-	-	(48,531)
Increase (Decrease) in Members Surplus	<u>-</u>	<u>-</u>	<u>(18,835)</u>	<u>(18,835)</u>
Balance at June 30, 2019	<u>\$ 559,276</u>	<u>\$ 132,248</u>	<u>\$ 311,851</u>	<u>\$ 1,003,375</u>

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 18 - FAIR VALUE MEASUREMENTS (Continued)**

	Total 2018	Quoted prices in markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)
U.S Government and Agency Obligations	\$ 24,122,681	\$ 9,815,750	\$ 14,306,931	\$ -
Stocks	35,717,517	35,717,517	-	-
Equity Funds	3,483,866	3,483,866	-	-
Bond Funds	16,236,267	-	16,236,267	-
Real Estate Investment Funds	1,558,518	-	1,558,518	-
Corporate Obligations	6,414,822	-	6,414,822	-
Dimensional Fund Advisors	1,820,781	1,820,781	-	-
The Investment Fund For Foundations – Real Opportunity Fund	949,013	-	-	949,013
Christian Brothers Investment Services	15,364,630	-	15,364,630	-
The National Catholic Risk Retention Group	132,248	-	-	132,248
The Bishop’s Plan Insurance Company	330,686	-	-	330,686
	<u>\$ 106,131,029</u>	<u>\$ 50,837,914</u>	<u>\$ 53,881,168</u>	<u>\$ 1,411,947</u>

The above fair value measurements consist of the following:

	Total 2018	Quoted prices in markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)
Diocesan Investments	\$ 78,534,006	\$ 36,730,736	\$ 40,799,222	\$ 1,004,048
Lay Employees’ Retirement Trust	27,597,023	14,107,178	13,081,946	407,899
	<u>\$ 106,131,029</u>	<u>\$ 50,837,914</u>	<u>\$ 53,881,168</u>	<u>\$ 1,411,947</u>

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 18 - FAIR VALUE MEASUREMENTS (Continued)**

The table below presents additional information about assets measured at fair value on a recurring basis by reliance on Level 3 inputs to determine fair value:

	<u>Real Opportunity Fund</u>	<u>National Catholic Risk Retention</u>	<u>Bishop's Plan Insurance Company</u>	<u>Total</u>
Balance at June 30, 2017	\$ 1,010,888	\$ 132,248	\$ 297,499	\$ 1,440,635
Purchases	-	-	-	-
Capital Distributions	(61,733)	-	-	(61,733)
Sales	-	-	-	-
Unrealized Gains (Losses)	(142)	-	-	(142)
Increase in Member's Surplus	<u>-</u>	<u>-</u>	<u>33,187</u>	<u>33,187</u>
Balance at June 30, 2018	<u>\$ 949,013</u>	<u>\$ 132,248</u>	<u>\$ 330,686</u>	<u>\$ 1,411,947</u>

Level 3 investments are non-traditional investments which are not listed on national exchanges or over the counter markets, and quoted market prices are not available. The fair values of these investments are measured based on a review of all available information provided by fund managers, general partners or the management of the respective investment. These fair value estimates are evaluated on a regular basis and are susceptible to revisions as more information becomes available. Because of these factors, it is reasonably possible that the estimated fair values of these investments may change materially in the near term.

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 19 - NET ASSETS AND ENDOWMENTS**

Net assets without donor restrictions at June 30, 2019 and 2018 are as follows:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Operating Funds .....	\$ 2,488,874	\$ 2,805,483
Board Designated:		
Capital Improvements .....	80,498	80,498
Charitable Needs of the Diocese .....	226,146	235,314
Catholic Education .....	4,907	4,907
Bishop's Discretionary.....	82,627	82,627
Guggenheim Maintenance .....	111,881	64,771
St. Joseph's Emergency Fund.....	31,416	31,416
St. Paul's.....	21,312	21,312
Bishop's Retirement .....	561,416	763,610
Bishop's Contingency .....	130,000	130,000
Bishop's Heritage Circle .....	89,756	98,100
Priests' Graduate Studies .....	72,704	66,786
Support of Priests Not in Ministry.....	340,678	398,630
Protected Self-Insurance .....	1,275,198	1,530,616
Unemployment .....	287,701	264,670
Disability .....	242,034	229,581
Deposit and Loan Fund .....	2,629,679	2,692,000
LEAD.....	1,243	2,677
Good Samaritan Fund - Housing.....	9,000	9,000
Clergy Education.....	5,000	5,000
World Youth Day .....	2,281	2,281
Special Care of Priests .....	38,219	38,219
Celebrate Christ .....	6,257	6,257
Archives .....	-	70
North Country Catholic .....	26,550	30,000
Support of Future Operating Budgets.....	40,000	40,000
Support of Action Plan Committee .....	166,031	172,736
Catholic School Financial Support .....	134,636	130,896
Catholic School Curriculum.....	12,681	13,816
Youth Ministry.....	3,789	4,130
Vocations (Youth) .....	3,789	4,130
Evangelization .....	4,905	4,905
Youth Adult Ministry.....	1,247	1,247
Respect Life.....	1,507	5,208
Solidarity (Diocese of Latakia, Syria) .....	250,110	302,125
Support from Capital Campaign		
Guggenheim.....	141,768	312
St. Mary's Cathedral.....	316,252	696
Benefits for Retired Priests .....	316,252	696
Education of Seminarians .....	<u>316,252</u>	<u>696</u>
	<u>\$ 10,474,596</u>	<u>\$ 10,275,418</u>

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 19 - NET ASSETS AND ENDOWMENTS (Continued)**

Net assets with donor restrictions at June 30, 2019 and 2018 are as follows:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Annuity Funds.....	\$ 150,247	\$ 150,247
Charitable Gift Annuities .....	152,107	135,551
Annie Peck .....	13,525	13,065
Indian .....	15,977	23,570
Missionary Projects .....	208,328	177,262
Priests' Disability .....	80,120	73,214
Bourdon Estate.....	118,953	115,605
Priests' Retirement.....	9,936,661	10,204,906
K of C Foundation Fellowship .....	100,419	96,476
Communications .....	10,192	8,355
Mallette Scholarship .....	17,662	17,960
Catholic Campaign for Human Development.	13,208	12,395
K of C for Handicap Children .....	1,585	1,585
Education of Seminarians .....	1,713,590	1,446,357
Mear Scholarship Endowment .....	42,505	42,505
Education Grants .....	5,706	5,705
Rachael's Vineyard.....	4,549	6,205
Spratt Memorial .....	10,627	5,081
Bishop's Good Samaritan Fund .....	3,624	3,029
Formation for Ministry.....	23,732	19,835
Vocation.....	3,545	3,796
Foundation Support for Education .....	56,837	50,879
Special Care of Priests.....	506,446	520,917
Continuing Formation of Priests.....	400	400
NYS Paid Family Leave .....	15,060	1,795
K of C Foundation Fellowship	20,000	20,000
Reverend O.L. Bentley Fund.....	11,781	11,781
Kelly-Rivette Trust Fund.....	4,703	4,703
Annie Peck Fund .....	5,000	5,000
Mallette Catholic School Endowment Fund ..	207,854	207,854
Youth Sports Camp Endowment Fund .....	58,665	58,665
Weidner Memorial Endowment.....	<u>967,200</u>	<u>967,200</u>
	<u>\$ 14,480,808</u>	<u>\$ 14,411,898</u>



**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 19 - NET ASSETS AND ENDOWMENTS (Continued)**

The Diocese endowments consist of seven individual funds established for a variety of purposes. The endowments are restricted by the donor. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported basically on the existence or absence of donor imposed restrictions.

**Interpretation of Relevant Law**

The New York Prudent Management of Institutional Funds Act (NYPMIFA) is New York State's version of the Uniform Management of Institutional Funds Act and governs the management and investment of funds held by not-for-profit corporations and other institutions.

Under the law, institutions are allowed to spend endowment funds below their original historic dollar value without government approval or attorney general review if the institution's Board concludes that such spending is prudent.

The Act also provides that each person responsible for managing and investing an institution's fund does so in good faith and with the care that an ordinarily prudent person would exercise under similar circumstances. The Act sets forth basic requirements for establishing the standard of prudence, including a requirement that an institution make a reasonable effort to verify facts relevant to the management and investment of the fund.

In deciding whether to appropriate from an endowment fund, the institution must act in good faith and must consider, if relevant, the following factors:

1. The duration and preservation of the endowment fund;
2. The purpose of the institution and the endowment fund;
3. General economic conditions;
4. Possible effect of inflation or deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the institution;
7. Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the institution; and
8. The investment policy of the institution.

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 19 - NET ASSETS AND ENDOWMENTS (Continued)**

Changes in endowment net assets for the fiscal year ended June 30, 2019:

With Donor Restriction:	
Endowment Net Assets, Beginning of Year.....	\$ 2,221,779
Investment Return:	
Interest and Dividends.....	64,101
Realized and Unrealized Gain (Losses) ...	56,191
Contributions .....	-
Appropriations for Expenditure .....	<u>(64,101)</u>
Endowment Net Assets, End of Year	<u>\$ 2,277,970</u>

Changes in endowment net assets for the fiscal year ended June 30, 2018:

With Donor Restriction:	
Endowment Net Assets, Beginning of Year.....	\$ 2,096,132
Investment Return:	
Interest and Dividends.....	54,457
Realized and Unrealized Gain (Losses) ...	125,647
Contributions .....	-
Appropriations for Expenditure .....	<u>(54,457)</u>
Endowment Net Assets, End of Year	<u>\$ 2,221,779</u>

**Return Objectives and Risk Parameters**

The Diocese has adopted an investment policy for endowment assets that will attempt to provide a predictable stream of funding to the beneficiaries supported by the various endowments, while seeking to maintain the purchasing power of the endowment assets, including those assets of donor restricted funds that the Diocese must hold in perpetuity or for a donor specified period. The Diocese utilizes the results of Morningstar U.S. Balance Universe, Wilshire 5000 Index and LB Aggregate Bond Index to evaluate performance. The Diocese expects its endowment funds over time to provide a total rate of return equal to or exceeding any approved distribution rate. Actual returns in any given year may vary from this amount.

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 19 - NET ASSETS AND ENDOWMENTS (Continued)**

**Strategies Employed for Achieving Objectives**

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

According to its distribution policy, the Diocese may make quarterly distributions from the total growth of each endowment in an amount up to 5% on an annualized basis of the fair market value of the total assets of that endowment at the beginning of each quarter. In no event shall the quarterly distribution exceed 5% on an annualized basis of the total growth of the fair market value of the total assets in that endowment at the beginning of the quarter. The Board of Directors shall review this limit on an annual basis.

**NOTE 20 - COMMITMENTS AND CONTINGENCIES**

**Legal Proceedings**

As of the date of these financial statements, various claims and lawsuits not related to the New York State Child Victims Act are pending against the Diocese. The outcome of these matters is not currently determinable. In the opinion of management, after consultation with counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Diocese.

In early 2019, the New York State Legislature passed the Child Victims Act to allow previously barred claims to be asserted against the abuser and their employer. The window for filing under this Act is scheduled to close on August 13, 2020.

As of the date of these financial statements, seventeen abuse claims have been filed against the Diocese with indications that fifteen more claims will be filed in the next month. In addition, the Diocese has been put on notice of eight claims that have not been filed, but are in the process of settlement/investigation. The potential financial impact of this matter on the Diocese is not presently determinable.

**Commitments**

On April 6, 2017, the Diocese of Ogdensburg announced a “twinning relationship” with the Diocese of Latakia, located in Syria. This relationship, named Solidarity in Faith, is established to allow the diocese to be a source of Christian gladness and hope to this Middle East diocese whose Christian faithful face tremendous challenges in the practice of their faith. War has wreaked havoc in the region. In addition to normal pastoral activities, the Diocese of Latakia must minister to thousands of displaced Syrians who seek safe refuge within its borders.

**CENTRAL ADMINISTRATIVE OFFICES  
OF THE ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 20 - CONTINGENCIES (Continued)**

**Commitments (Continued)**

The Diocese of Ogdensburg will encourage missionary animation highlighting the needs of the faithful in Latakia through presentations in our local Catholic schools, religious education programs, adult faith formation programs, and parishes. Such presentation shall share with our faithful information about the challenges facing the faithful of Latakia, their efforts in dealing with these challenges, and promote spiritual and financial support for the Diocese of Latakia.

One component of the Solidarity in Faith initiative is a charitable financial commitment by the Diocese of Ogdensburg to the Diocese of Latakia. Initial funding of designated net assets set aside by the diocese came from unrestricted bequests and contributions dedicated for program support. In 2017-18, the diocese announced a formal policy for support of the Diocese of Latakia in its Solidarity in Faith program. Included in this policy is a contingent commitment to contribute \$ 20,000 each calendar quarter over the next four years to the Diocese of Latakia. Additional contributions may be considered depending on the needs of the Diocese of Latakia and the funding available by the diocese for such support. The Diocese of Ogdensburg has designated 10% of unrestricted bequests or testamentary substitutes to provide this support. Additional appeals for charitable contributions may be made by the Diocese of Latakia as part of the Diocese of Ogdensburg's Mission Co-op Program. This policy will be reviewed every four years.

**NOTE 21 - RECLASSIFICATIONS**

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation. These reclassifications have no effect on the change in net assets.

**SUPPLEMENTAL SCHEDULES**

**CENTRAL ADMINISTRATIVE OFFICES OF THE  
ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**SCHEDULES OF PROGRAM AND OTHER EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	6/30/2019	6/30/2018
<b>PASTORAL</b>		
Respect Life	\$ 55,579	\$ 45,505
Pastoral Grants	45,330	60,703
Tribunal	71,802	73,055
Hospital Apostolate	13,856	13,368
Evangelization	83,930	76,057
Formation for Ministry	87,105	92,296
Department of Worship	25,861	22,587
Indian Apostolate	30,800	30,800
Missionary Projects of the Diocese	64,783	62,719
Guggenheim Center	43,491	43,900
Other Pastoral	617	408
Total Pastoral Expenses	523,154	521,398
<b>RELIGIOUS PERSONNEL DEVELOPMENT</b>		
Priest and Pastoral Personnel	40,424	20,509
Vicar for Religious	21,004	13,303
Council of Women Religious	990	733
Vocations	62,761	64,860
Education of Priests and Seminarians	694,598	429,466
Care of Clergy	1,400,016	1,421,359
Council of Priests	3,000	3,005
Permanent Diaconate Formation Program / Ordained Deacons	67,338	90,257
Total Religious Personnel Development Expenses	2,290,131	2,043,492
<b>EDUCATION</b>		
Education Grants	230,200	225,900
Catholic Schools	901,077	949,936
Communications	13,844	9
Christian Formation	157,516	159,296
Family Life/Natural Family Planning	117,152	122,751
Campus Ministry	95,950	92,526
Total Education Expenses	1,515,739	1,550,418
<b>SOCIAL SERVICES</b>		
Social Service Grants and Donations	101,570	96,993
Catholic Youth Ministry	196,786	212,212
Total Social Services Expenses	298,356	309,205
<b>CEMETERIES</b>		
Operations	5,321	4,819

**CENTRAL ADMINISTRATIVE OFFICES OF THE  
ROMAN CATHOLIC DIOCESE OF OGDENSBURG**

**SCHEDULES OF PROGRAM AND OTHER EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018 (CONTINUED)**

	6/30/2019	6/30/2018
<b>DIOCESAN ADMINISTRATION</b>		
Diocesan Administration	890,245	875,440
Solidarity in Faith	90,000	65,000
Independent Reconciliation and Compensation Program	409,508	5,857,489
Bishop's Residence	89,080	76,672
Planning	18,495	14,774
Development Office	783,829	953,252
Diocesan Fiscal Office	350,225	358,905
Catholic Charities Fiscal Office	89,395	88,051
Parish Services	96,673	86,903
Safe Environment	104,262	64,472
Information Technology	140,983	138,470
Archives	1,607	1,036
Total Diocesan Administration Expenses	3,064,302	8,580,464
<b>AUXILIARY SERVICES</b>		
Protected Self-Insurance Program	2,220,531	1,468,762
Disability Insurance	81,311	84,153
Unemployment Insurance	44,099	348,569
North Country Catholic	146,176	203,167
Diocesan Loan Fund	1,190,490	1,216,941
Charitable Gift Annuity Program	8,376	10,833
Total Auxiliary Services Expenses	3,690,983	3,332,425
<b>TOTAL</b>	\$ 11,387,986	\$ 16,342,221