

Combined Financial Statements and  
Report of Independent Certified Public  
Accountants

**Chancery Offices of the Roman Catholic  
Bishop of Worcester (A Corporation Sole)**

August 31, 2021

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Most Reverend Robert J. McManus  
Chancery Offices of the Roman Catholic Diocese of Worcester (a Corporation Sole)

We have audited the accompanying combined financial statements of Chancery Offices of the Roman Catholic Diocese of Worcester (a Corporation Sole), which comprise the combined statement of financial position as of August 31, 2021 and the related combined statement of activities, statement of functional expenses, and cash flows for the year 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 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Chancery Offices of the Roman Catholic Diocese of Worcester (a Corporation Sole) as of August 31, 2021, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Grant Thornton LLP*

Boston, Massachusetts  
July 28, 2022

**Chancery Offices of the Roman Catholic Bishop of Worcester  
(A Corporation Sole)**

**COMBINED STATEMENT OF FINANCIAL POSITION**

**August 31,**

	<b>2021</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 21,990,045
Investments	90,574,685
Accounts receivable from parishes and others, net	2,063,362
Loans receivable from parishes and others, net	5,273,480
Pledges receivable, net	10,983,092
Other assets	1,018,158
Land, buildings and equipment, net	9,795,472
	<hr/>
Total assets	\$ 141,698,294
	<hr/>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Liabilities</b>	
Accounts payable and accrued expenses	\$ 947,001
Deferred revenue	2,557,585
Deferred tuition and fees revenue	2,129,787
Due to related parties (parishes) - Legacy of Hope	6,448,344
Deposits payable to related parties - Diocesan Expansion Fund	51,594,772
Annuities payable	1,210,444
Funds held for others	7,782,006
	<hr/>
Total liabilities	72,669,939
	<hr/>
<b>Net assets</b>	
Without donor restrictions	
Designated	10,633,881
Undesignated	6,142,338
	<hr/>
Total net assets without donor restrictions	16,776,219
	<hr/>
With donor restrictions	52,252,136
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Total net assets	69,028,355
	<hr/>
Total liabilities and net assets	\$ 141,698,294
	<hr/>

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

**Chancery Offices of the Roman Catholic Bishop of Worcester  
(A Corporation Sole)**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

Year ended August 31, 2021

	Without Donor Restrictions	With Donor Restrictions	2021 Total
<b>Support and revenue</b>			
Contributions			
Partners in charity	\$ 4,469,155	\$ -	\$ 4,469,155
Contributions- other	986,136	-	986,136
Partners in charity - other	1,145,122	-	1,145,122
Central Catholic Schools tuition and fees	6,021,250	-	6,021,250
Central Catholic Schools other	608,615	-	608,615
Cemetery fees	2,160,461	-	2,160,461
Interest on loans - Diocesan Expansion Fund	495,361	-	495,361
Central administration			
Cathedraticum	1,912,356	-	1,912,356
Priest retirement assessments	949,582	-	949,582
Insurance program fees	1,095,678	-	1,095,678
Investment income	855,930	293,026	1,148,956
Use of funds as designated			
Restricted funds released	-	(1,389,777)	(1,389,777)
Support of ministries and education	11,918	-	11,918
Forward in faith commitments	846,868	-	846,868
Donor restricted support of ministries	530,991	-	530,991
<b>Total support and revenues</b>	<b>22,089,423</b>	<b>(1,096,751)</b>	<b>20,992,672</b>
<b>Expenses</b>			
Programs			
General administration	4,897,917	-	4,897,917
Partners in Charity program expense	4,075,223	-	4,075,223
Priest retirement	2,198,437	-	2,198,437
Diocesan Expansion Fund interest and other expenses	1,280,038	-	1,280,038
St. John Cemetery Group	2,295,273	-	2,295,273
Central Catholic Schools	7,847,842	-	7,847,842
Fundraising	354,659	-	354,659
<b>Total expenses</b>	<b>22,949,389</b>	<b>-</b>	<b>22,949,389</b>
Change in net assets before realized and unrealized gain (loss) on investments and campaign	(859,666)	(1,096,751)	(1,956,717)
Legacy of Hope contributions	1,573,929	4,074,873	5,648,802
Legacy of Hope fundraising expenses	(1,573,929)	-	(1,573,929)
Change in value of split interest agreements	(399,284)	-	(399,284)
Realized gain (loss) on investments	381,152	1,611,691	1,992,843
Unrealized gain (loss) on investments	3,092,976	5,125,822	8,218,798
Gain on property sales	287,283	-	287,283
<b>Total</b>	<b>3,362,127</b>	<b>10,812,386</b>	<b>14,174,513</b>
<b>CHANGE IN NET ASSETS</b>	<b>2,502,161</b>	<b>9,715,635</b>	<b>12,217,796</b>
Net assets, beginning*	14,274,058	42,536,501	56,810,559
Net assets, ending	<u>\$ 16,776,219</u>	<u>\$ 52,252,136</u>	<u>\$ 69,028,355</u>

\* An adjustment was made to the 2020 amounts reported related to a correction of an error.  
Refer to Note 2 for additional details.

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

**Chancery Offices of the Roman Catholic Bishop of Worcester  
(A Corporation Sole)**

**COMBINED STATEMENT OF CASH FLOWS**

**Years ended August 31,**

	<b>2021</b>
<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 12,217,796
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation expense	572,141
Investment (gains) losses	(10,211,641)
Provision for bad debt expense	725,004
Provision for loan losses	240,000
Provision for uncollectible pledges	668,065
(Increase) decrease in accounts receivable	(33,363)
(Increase) in pledges receivable	(3,402,023)
(Increase) decrease in other assets	(50,094)
Increase (decrease) accounts payable and accrued expenses	518,482
Increase in deferred revenue	114,248
Increase in Legacy of Hope due to parishes	2,397,444
Decrease in annuities payable	(62,731)
Increase (decrease) in deferred tuition and fees	266,204
Increase (decrease) in funds held for others	842,473
Net cash provided by (used in) operating activities	<u>4,802,005</u>
<b>Cash flows from investing activities:</b>	
Purchases of land, buildings and equipment	(893,181)
Purchases of investments	(31,174,496)
Proceeds from sales of investments	18,111,002
Loans Issued	(601,362)
Loans repaid	<u>1,020,293</u>
Net cash (used in) provided by investing activities	<u>(13,537,744)</u>
<b>Cash flows from financing activities:</b>	
Increase in deposits payable	<u>8,636,423</u>
Net cash provided by (used in) financing activities	<u>8,636,423</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(99,316)
<b>Cash and cash equivalents, beginning of year</b>	<u>22,089,361</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 21,990,045</u></u>

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

Chancery Offices of the Roman Catholic Bishop of Worcester  
(A Corporation Sole)

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

Year ended August 31, 2021

	General Administration	Partners in Charity	Priest Retirement	Diocesan Expansion Fund	St John's Cemetery Group	Central Catholic Schools	Fundraising	Subtotal Operating Expenses	Legacy of Hope Campaign	Total
Salary and benefits	\$ 1,782,972	\$ 2,577,270	\$ -	\$ -	\$ 1,238,899	\$ 5,507,755	\$ 196,203	\$ 11,303,099	\$ 47,541	\$ 11,350,640
Retired priests benefits	-	-	2,113,555	-	-	-	-	2,113,555	-	2,113,555
Occupancy	344,265	60,635	-	-	456,413	830,095	507	1,691,915	6,840	1,698,755
Professional services	290,740	60,975	13,750	14,482	196,830	71,354	14,553	662,684	1,362,077	2,024,761
Professional development	19,443	161,040	-	-	85,451	18,805	100	284,839	16,670	301,509
Office/program expenses	883,129	548,971	1,340	248,941	209,787	516,741	143,296	2,552,205	140,801	2,693,006
Grants and other assistance	323,298	666,332	-	30,306	3,445	610,173	-	1,633,554	-	1,633,554
Insurance expense	451,147	-	69,792	-	-	-	-	520,939	-	520,939
Annuity and other	628,149	-	-	-	-	-	-	628,149	-	628,149
Total expenses before depreciation and interest expense	4,723,143	4,075,223	2,198,437	293,729	2,190,825	7,554,923	354,659	21,390,939	1,573,929	22,964,868
Depreciation expense	174,774	-	-	-	104,448	292,919	-	572,141	-	572,141
Interest expense	-	-	-	986,309	-	-	-	986,309	-	986,309
Total expenses	<u>\$ 4,897,917</u>	<u>\$ 4,075,223</u>	<u>\$ 2,198,437</u>	<u>\$ 1,280,038</u>	<u>\$ 2,295,273</u>	<u>\$ 7,847,842</u>	<u>\$ 354,659</u>	<u>\$ 22,949,389</u>	<u>\$ 1,573,929</u>	<u>\$ 24,523,318</u>

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

**Chancery Offices of the Roman Catholic Bishop of Worcester  
(A Corporation Sole)**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**August 31, 2021**

**NOTE 1 - ORGANIZATION**

The accompanying combined financial statements include the administrative and program offices and departments of the Diocese of Worcester (the "Diocese"), which are either located at the Chancery offices or come under its direct jurisdiction. The financial statements also include the accounts of the Partners in Charity campaign, the Diocesan Expansion Fund, the Central Catholic Schools, the St John's Cemetery Group, the Legacy of Hope campaign, and the Monsignor Griffin Fund.

During 2020, the Central Catholic Schools included St. Peter Marian Junior/Senior High School (SPM), Holy Name Junior/Senior High School (Holy Name), St. Bernard's High School, and St. Peter Elementary School. Effective August 1, 2020, SPM and Holy Name were merged to form St Paul's Diocesan Jr/Sr High School and St. Bernard's became an independent Catholic school excluded from these combined financial statements in fiscal year 2021.

The St. John's Cemetery Group encompasses thirteen Catholic cemeteries whose operations are the responsibility of the Diocese.

The accompanying combined financial statements do not reflect nor include information relating to other activities of the Diocese of Worcester such as Diocesan parishes, parish cemeteries and schools, and Catholic Charities. The Chancery Offices administer the various employee benefit programs of the Diocese, including the retirement plans, medical and dental insurance programs, and other purchased insurance coverages in addition to providing administrative, legal, and human resources support as needed. In addition, the Chancery Offices provides loans to and holds deposits of excess funds for the parishes, schools, cemeteries and other affiliated agencies and entities of the Diocese. Substantially all program fee revenue is derived from parishes, schools, cemeteries and other affiliated agencies and entities of the Diocese.

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

***Basis of Accounting***

The accompanying combined financial statements of the Diocese have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). All intercompany balances and transactions have been eliminated in the preparation of the combined statements.

***Adjustments of beginning net assets***

During the FY21 close process, management identified several errors in the amounts reported as of and for the year ended August 31, 2020 which impacted beginning net assets as of September 1, 2020. The first adjustment related to the allowance for doubtful accounts associated with accounts receivable (Adjustment #1) and the second adjustment related to accounting for annuities (Adjustment #2). Beginning net assets as of September 1, 2020 were adjusted for these two items as follows:

	<u>As Reported</u>	<u>AR Allowance Adjustment #1</u>	<u>Annuities Adjustment #2</u>	<u>As Adjusted</u>
Financial statement line items impacted:				
Net assets - without donor restrictions (undesignated) as of August 31, 2020	\$ 6,393,571	\$ (1,600,597)	\$ 629,467	\$ 5,422,441

**Chancery Offices of the Roman Catholic Bishop of Worcester  
(A Corporation Sole)**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**August 31, 2021**

***Use of Estimates***

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Significant estimates made by management include the allowance for losses on accounts receivable, loans receivable and pledges receivable, fair value of certain investments, accruals for insurance programs and loss contingencies, and the allocation of common expense over program functions. Actual results could vary from the estimates that were used.

***Basis of Presentation***

The Diocese reports two classes of net assets and the changes in those net assets in the statements of financial position and 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. These unrestricted net assets may be designated for a specific purpose by action of the Bishop or may otherwise be limited by contractual agreements with outside parties. As it relates to cemetery operations there are net assets set aside to fund perpetual care, as required contractually and by state law, which are considered assets whose use is limited. Net assets whose use is limited were \$3,380,926 at August 31, 2021.

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

***Cash and Cash Equivalents***

The Diocese considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents held by investment managers are considered part of investments.

The Diocese maintains its cash and cash equivalents in various financial institutions in accounts, which at times, may exceed federally insured limits. Management monitors the risks associated with these accounts and the Diocese has not experienced any losses in such accounts.

***Investments***

Investments are stated at fair value based on quotations from a national securities exchange or based upon estimated net asset value for non-traded securities. Unrealized gains and losses are allocated to net assets with and without donor restrictions.

The Diocese's investments are pooled to facilitate their management. Investment income is allocated among net assets with and without donor restrictions, based on donor restrictions, or in the absence thereof, using the percentage of investment balances. Investment income is recognized as operating revenue. Realized and unrealized gains and losses are recorded as other income.

**Chancery Offices of the Roman Catholic Bishop of Worcester  
(A Corporation Sole)**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**August 31, 2021**

Dividends, interest, and gains/losses on investments are reported as change in net assets with donor restrictions if the terms of the underlying gift require that they be added to principal. Income and net gains on other funds are reported as change in net assets without donor restrictions.

The Diocese invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the combined statement of financial position.

***Accounts Receivable***

The Diocese has accounts and interest receivables from parishes and schools related to collections for Cathedraticum, advances and premiums for general insurance. An allowance for receivables is established for all accounts considered doubtful as to collection based on management's review of past due accounts.

***Loans Receivable***

The Diocese has outstanding loans to certain parishes for capital improvements and other needs. Loans receivable represent unsecured term or demand loans and related unpaid interest, and carry an average interest rate of 5.30% for the year ended August 31, 2021. An allowance for loans receivable is established for loans considered doubtful as to collection based upon management's review of past due accounts.

***Pledges Receivable***

Pledges receivable, less an appropriate allowance, are recorded at estimated net present value.

***Land, Buildings and Equipment***

Land, buildings and equipment are recorded at acquisition cost, or fair market value at date of receipt, if donated. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. The Diocese capitalizes property with a useful life of more than one year and a cost of \$10,000 or more.

***Deferred Revenue (Including Tuition and Fees)***

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. Funds received in advance of interment or entombment is recorded as deferred revenue until interment or entombment occurs.

***Due to Related Parties (Parishes) - Legacy of Hope***

Certain amounts raised in connection with the Legacy of Hope campaign are collected on behalf of related parties, primarily parishes. Amounts collected by the Diocese that will be remitted to parishes and other related parties are reported as amounts due to related parties (parishes) - Legacy of Hope. The amounts collected are not reported as revenue, because the Diocese does not have variance power related to those collections.

**Chancery Offices of the Roman Catholic Bishop of Worcester  
(A Corporation Sole)**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**August 31, 2021**

***Deposits Payable to Related Parties - Diocesan Expansion Fund***

The Diocese operates a central financing program, the Diocesan Expansion Fund ("DEF"), as an independent revolving fund. In connection with Diocesan policy, a Board of Governors is charged with the responsibility for recommending all loans, all interest rates and generally monitoring all of the activities of the fund. Deposits payable to related parties - Diocesan Expansion Fund represents amounts on deposit from related parties, primarily parishes.

***Annuities Payable***

The Diocese has entered into several charitable gift annuity agreements with various contributors. The agreements call for the Diocese to make annuity payments over the lives of the donors or their designated beneficiaries at rates ranging from 7% to 9%. The present value of the total future payments anticipated to be made under these agreements is reported as annuities payable in the accompanying combined statement of financial position. The present value has been determined using life expectancy and discount rates (ranging from 5.6% and 7.2%) as issued by the Internal Revenue Service. The change in value of this liability was \$399,284 for the year ended August 31, 2021 and is reported as change in fair value of split interest agreements in the accompanying combined statements of activities.

***Funds Held for Others***

Custodian funds are held as assets and offsetting liabilities. As of August 31, 2021, such funds consist primarily of amounts for the pension plan for the lay employees of the parishes of the Diocese of Worcester, Diocesan collections, parish endowments and clergy benefits, among others. Refer to Note 10 for further discussion of the pension plan for the lay employees of the parishes of the Diocese.

***Fair Value Measurements***

U.S. GAAP has a single definition of fair value, with a framework for measuring fair value and an expansion of disclosure requirements regarding assets and liabilities measured at fair value. They also require fair value to be determined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

In determining fair value, the Diocese uses various valuation approaches. U.S. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and maximizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Diocese. Unobservable inputs reflect the Diocese's assumption about the inputs market participants would use in pricing the asset or liability developed on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Diocese has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- Level 2 - Valuations based on quoted prices in the markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

**Chancery Offices of the Roman Catholic Bishop of Worcester  
(A Corporation Sole)**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**August 31, 2021**

***Revenue Recognition***

Revenues are broadly categorized as follows:

*Contributions:* Unconditional promises to give cash and other assets to the Diocese are reported at fair value at the date the promise is verifiably committed. Conditional promises to give and indications of intentions to give are reported at their fair value at the date the actual gift is received, or the conditional promise becomes unconditional. Gifts are reported as revenue with donor restrictions 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 released to net assets without donor restrictions in the combined statements of activities. Net assets are typically restricted for various operating activities of the Diocese, such as the promotion of educational and evangelical activities. Net assets with donor restrictions that are restricted in perpetuity are subject to donor-imposed stipulations that they be maintained by the Diocese in perpetuity. Generally, all or part of the income can be used for specific purposes.

Contributions to be received after one year are discounted at a risk adjusted rate of 3% in 2021, commensurate with the duration of future payments. Amortization of the discount is recorded as additional contribution revenue. An allowance is made for uncollectible contributions based upon management's judgement in its review of the creditworthiness of the donors.

Partners in Charity is an annual appeal that provides support for various programs and agencies. Accordingly, the funds are accounted for as not subject to donor restrictions. Certain of these gifts are further restricted by the donor.

Legacy of Hope is a capital campaign focused on parish support, priest retirement and custodial care, Catholic education, parish-based charitable outreach, parish-based evangelization, and renovation of the Cathedral of St. Paul. Diocesan parishes will benefit from the campaign with a minimum of 40% of funds collected returning to them as a parish share. The parish share totaled \$6,448,344 for the year ended August 31, 2021 and is not included in the statements of activities, but rather in the due to related parties (parishes) - Legacy of Hope liability.

*Central Catholic Schools Tuition and Fees:* Tuition and fee revenue is recognized over a period of time consistent with the academic year to which they relate.

*Cemetery Fees:* Sales of graves and crypts are recorded when interment agreements are signed. The cost of graves and crypts are expensed when the sales are recognized. Twenty-five percent (25%) of the proceeds from the sale of crypts and lot sales are set aside for perpetual care and reported as perpetual care income at the time of receipt and deposited into an interest bearing account at the end of every month.

***Central Administration:***

- Cathedralricum represents assessments on all Diocesan parishes of 8.5% of their unrestricted support. These funds are used by the Diocese to carry on the mission of the Church, pay the operating expenses of the Diocese Chancery Office, provide support for priest retirement programs, provide for donations to Church-related organizations, and to fund extraordinary expenses.
- To support priest retirement, annual fees are assessed
- Premiums are charged for property/liability and medical programs. Insurance premiums charged by the Diocese are principally the result of the Diocese having implemented a partially self-insured central insurance program. Fees and premiums are recognized as revenue as they are earned.

**Chancery Offices of the Roman Catholic Bishop of Worcester  
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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**August 31, 2021**

***Expense Recognition***

The costs of program and supporting services activities have been summarized on a functional basis in the combined statements of activities. The combined statement of functional expenses presents the natural classification detail of expenses by function. Certain costs are attributed to more than one program or supporting function and, therefore, require allocation among the programs and supporting services benefited. Occupancy costs are allocated on a square footage basis. Most personnel costs, office expenses, professional services, travel and professional development costs, and grants and other assistance are identified with a specific program or supporting function at the time they are incurred and are reported accordingly. However, some of these expenses require allocation, which is done on the basis of estimates of time and effort.

The Diocese provides support to various Diocesan parishes, schools, programs and agencies. The expenditures related to support are recognized at the time the conditions associated with the subsidies are satisfied.

***Income Taxes***

The Diocese is a religious 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 Diocese is included in the United States Conference of Catholic Bishops ("USCCB") group ruling and listed in the Official Catholic Directory. The Diocese is required to assess uncertain tax positions and has determined that there were no such positions that are material to the financial statements.

***Implementation of Accounting Pronouncements***

Effective September 1, 2020, the Diocese adopted Financial Accounting Standards Board ASU 2014-09, *Revenue from Contracts with Customers* ("Topic 606"). The core principle of the guidance is that an entity recognizes revenue to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. As appropriate, organizations are asked to (1) identify contracts with customers (2) identify any performance obligations in the contract (3) determine the transaction price (4) allocate the transaction price to the performance obligations in the contract (5) recognize the revenue when (or as) the organization satisfies the performance obligations. Topic 606 did not materially affect the accounting for the Diocese's revenues.

**Chancery Offices of the Roman Catholic Bishop of Worcester  
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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**August 31, 2021**

**NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following table reflects the Diocese's financial assets at August 31 reduced by amounts not available for general use within one year of the combined statement of financial position date because of contractual or donor-imposed restrictions. These financial assets available for general expenditure, such as without donor restrictions or other restrictions limiting their use, within one year of the combined statement of financial position include the following at August 31:

	<u>2021</u>
Cash and cash equivalents	\$ 21,990,045
Accounts receivable, net	2,063,362
Pledges receivable, net (due in one year)	5,104,313
Other receivables	203,590
Investments	<u>90,574,685</u>
 Total financial assets	 119,935,995
 Less financial assets with contractual or donor-imposed restrictions	
Diocesan expansion fund deposits payable	51,594,772
Endowment funds	52,252,136
Funds held for others	<u>7,782,006</u>
 Total restricted assets	 <u>111,628,914</u>
 Financial assets available to meet cash needs for general expenditures within one year	  <u>\$ 8,307,081</u>

The Diocese manages its liquidity by developing and adopting annual operating and capital budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they come due. Actual performance is reported and monitored in comparison to the budgets. Adjustments are made to plan as needed to ensure adequate liquidity. As part of our liquidity management plan, cash balances are invested in short-term investments. Requests to withdraw money from accounts on deposit greater than \$10,000 are subject to review by management.

**Chancery Offices of the Roman Catholic Bishop of Worcester  
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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**August 31, 2021**

**NOTE 4 - INVESTMENTS**

The following is a summary of investments as of August 31:

	<u>2021</u>
Level 1	
Money market funds	\$ 1,342,296
Government debt securities	24,319,939
Domestic corporate stock	23,816,695
Foreign corporate stock	<u>22,054,917</u>
Total stocks and bonds	<u>71,533,847</u>
Level 2	
Corporate debt securities	<u>17,014,966</u>
Investments at Net Asset Value (NAV)	
Real estate limited partnership	<u>2,025,872</u>
Total	<u>\$ 90,574,685</u>

The real estate investment partnership measured at NAV represents an investment in a Delaware limited partnership. It operates as a commingled open-end real estate fund structured as a private real estate investment trust and operating partnership. The Diocese may contribute capital from time to time based upon the partnership admission policy, which is within the sole discretion of the partnership's manager, the General Partner. The Diocese receives units based upon the unit value of the partnership at its immediately preceding valuation date. The units are not registered nor approved, disapproved, or passed by any federal or state agency, commission or exchange. The units are not publicly traded and have limited transferability. The Diocese may redeem units with 60 days' notice from quarter end to the General Partner and restricted to the availability of funds on the next valuation date.

**NOTE 5 - ACCOUNTS, LOANS AND PLEDGES RECEIVABLE**

***Accounts Receivable, Net***

Accounts receivable consisted of the following at August 31 and are due from various related organizations:

	<u>2021</u>
Accounts receivable	\$ 6,327,030
Less: allowance for uncollectible accounts	<u>(4,263,668)</u>
Accounts receivable, net	<u>\$ 2,063,362</u>

**Chancery Offices of the Roman Catholic Bishop of Worcester  
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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**August 31, 2021**

Changes in the allowance for doubtful accounts were as follows for the year ended August 31:

	<u>2021</u>
Balance at beginning of year	\$ 3,887,251
Provision for uncollectible accounts	725,004
Write-offs	<u>(348,587)</u>
Balance at end of year	<u>\$ 4,263,668</u>

***Loans Receivable, Net***

Loans receivable consisted of the following at August 31 and are due from various related organizations:

	<u>2021</u>
Loans receivable	\$ 9,461,625
Less: allowance for loan losses	<u>(4,188,145)</u>
Loans receivable, net	<u>\$ 5,273,480</u>

Accrued interest on loans receivable is included in the loan receivable balance above. Loans totaling \$1,155,746 as of August 31, 2021 were accounted for on a non-accrual basis based on payment history.

Changes in the allowance for loan losses were as follows for the year ended August 31:

	<u>2021</u>
Balance at beginning of year	\$ 3,951,577
Provision for loan losses	240,000
Write-offs	<u>(3,432)</u>
Balance at end of year	<u>\$ 4,188,145</u>

The Diocese considers loans to be current if the lender made substantially all loan repayments due during the previous 12-month period. At August 31, the following loan amounts, including accrued interest, were past due:

	<u>1-60 Days Past Due</u>	<u>60-90 Days Past Due</u>	<u>90+ Days Past Due</u>	<u>Total Past Due</u>
2021	\$ -	\$ -	\$ 3,526,826	\$ 3,526,826

**Chancery Offices of the Roman Catholic Bishop of Worcester  
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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**August 31, 2021**

***Pledges Receivable, Net***

Pledges receivable consisted of the following at August 31:

	2021
Due within one year	\$ 5,104,313
Due in one to five years	7,898,959
Total	13,003,272
Less: unamortized discount to present value	(799,614)
Allowance for uncollectible pledges	(1,220,566)
Pledges receivable, net	<u>\$ 10,983,092</u>

**NOTE 6 - LAND, BUILDINGS AND EQUIPMENT**

Land, buildings and equipment consisted of the following at August 31:

	Estimated Useful Life	2021
Land, buildings and improvements	15-40 years	\$ 24,265,536
Equipment	10-15 years	1,567,841
Furniture and fixtures	5-7 years	151,029
Construction in process		1,538,052
Total		27,522,458
Less: accumulated depreciation		(17,726,986)
Net		<u>\$ 9,795,472</u>

**NOTE 7 - DEPOSITS PAYABLE TO RELATED PARTIES - DIOCESAN EXPANSION FUND**

The Diocese operates a central financing program, the Diocesan Expansion Fund ("DEF"), as an independent revolving fund. In connection with Diocesan policy, a Board of Governors is charged with the responsibility for recommending all loans, all interest rates and generally monitoring all of the activities of the fund.

At August 31, 2021, the interest rate paid on savings accounts was 2.00%, and the interest rate charged on variable rate loans was 5.25%. The interest differential is designed to enable the Diocese to cover administrative costs and losses on collection. Loans totaling \$1,155,746 as of August 31, 2021 were accounted for on a non-accrual of interest basis. Outstanding loans to parishes and institutions amounted to \$9,461,625 at August 31, 2021.

**Chancery Offices of the Roman Catholic Bishop of Worcester  
(A Corporation Sole)**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**August 31, 2021**

The following is a summary of DEF interest income and expense as of August 31:

	<u>2021</u>
Gross interest income on loans receivable	\$ 1,299,577
Interfund eliminations	<u>(804,216)</u>
Net interest income	<u>\$ 495,361</u>
Gross interest expense on deposits payable	\$ 1,177,649
Interfund eliminations	<u>(191,340)</u>
Net interest expense	<u>\$ 986,309</u>

The following is a summary of DEF assets and liabilities, including interfund receivables due from the Diocese to the DEF of \$21,104,815 and deposits payable due to the Diocese from the DEF of \$13,686,870 as of August 31, 2021 that have been eliminated in the accompanying combined statement of financial position:

	<u>2021</u>
Cash and cash equivalents	\$ 9,372,693
Investments	37,881,713
Receivables, net	<u>26,536,718</u>
Total assets	<u>73,791,124</u>
Deposits payable	<u>(65,281,642)</u>
Net assets without donor restrictions	<u>\$ 8,509,482</u>

**NOTE 8 - CENTRAL INSURANCE PROGRAM**

A central insurance program is operated by the Diocese in an effort to secure uniformity and adequacy of coverage at minimum cost for all the institutions and parishes of the Diocese. This coverage extends to all insurance risks. Fire and extended coverage and general liability are written on a self-insured basis on the first \$50,000 of each loss with an aggregate of \$450,000; losses in excess of this amount are covered by the insurance carrier. Claim expense under the terms of coverage amounted to \$183,744 in 2021.

**NOTE 9 - PRIEST RETIREMENT PROGRAMS**

The Diocese, through an unwritten plan, provides a benefit for retired priests in good standing who are incardinated in the Diocese and had been in active ministry immediately prior to their retirement. Retirement is ordinarily at age 75 for all diocesan priests in active ministry for the Diocese. Each retired priest received a stipend of \$2,600 per month in 2021.

The Diocese, through an unwritten plan, also provides certain health care benefits for retired priests.

**Chancery Offices of the Roman Catholic Bishop of Worcester  
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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**August 31, 2021**

Funding for benefits for retired priests is derived from parish and agency assessments, Partners in Charity contributions, Celebrate Priesthood contributions, bequests, and income on net assets with donor restrictions and endowment funds.

For reporting purposes within these financial statements, priest retirement and health care is accounted for as a multiemployer plan and, as such, the accumulated benefit obligation is not reflected in the accompanying statements of financial position.

The Partners in Charity campaign allocated \$500,000 in fiscal year 2021. The total payment to retired clergy was \$1,369,499 in fiscal year 2021.

At August 31, 2021, the priest retirement and custodial care programs had a benefit obligation of \$36,119,997. These amounts are not included in the liabilities of the accompanying combined statement of financial position. They were calculated using the SOA RP-2006 Total Dataset Mortality with Scale-MP2021 mortality tables, and assuming a discount rate of 2.4% for the priest retirement stipend and 2.35% for independent living and custodial care at August 31, 2021. The calculations also assume 1% annual cost of living adjustments for retirement payments and 3% annual cost of living adjustments for custodial care costs.

See Note 12 for information on net assets restricted for priests' care.

**NOTE 10 - LAY EMPLOYEES' RETIREMENT PLANS**

The Diocese provides a 403(b) salary deferral plan that covers all eligible employees of the Diocese. Those who have at least three years of credited service at the beginning of a plan year are eligible to receive an employer matching contribution to their account in the 403(b) plan. The employer will contribute an equal amount for deferrals up to 2%. For deferrals of 3% or more, the employer will contribute 4%. Diocesan contributions to the plan totaled \$203,361 in 2021.

The Diocese also provided a Pension Plan for the Lay Employees of the Parishes of the Diocese of Worcester. As of August 31, 2013, this Plan was frozen. The Plan's employer identification number is 04-1590850. The risks of participating in multiemployer plans differ from single-employer plans in various ways:

Assets contributed to multiemployer plans by one employer may be used to provide benefits to employees of other participating employers.

If a participating employer stops contributing to a multiemployer plan, generally the unfunded obligations of the multiemployer plan may be borne by the remaining participating employers, on a case-by-case basis.

If a participating entity chooses to stop participating in a multiemployer plan, the participating entity may be required to pay the multiemployer plan an amount based on the underfunded status of the multiemployer plan, referred to as a withdrawal liability.

For reporting purposes within these financial statements, the Pension Plan for the Lay Employees of the Parishes of the Diocese of Worcester is accounted for as a multiemployer plan, and as such, the accumulated benefit obligation is not reflected in the accompanying statements of financial position.

**Chancery Offices of the Roman Catholic Bishop of Worcester  
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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**August 31, 2021**

The following is a summary of the plan information as of August 31:

	<u>2021</u>
Present value of accumulated plan benefits	\$ 5,996,327
Fair value of plan assets	<u>5,186,240</u>
Accumulated unfunded benefit obligation	<u>\$ 810,087</u>
Funding ratio	86.50%

The present value of accumulated plan benefits was calculated using the SOA RP-2014 Adjusted to 2006 Total Dataset Mortality with Scale-2021 and Scale-2020 mortality tables, and assuming a discount rate of 6%, with no cost-of-living adjustment.

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

The Chancery Offices of the Roman Catholic Bishop of Worcester (a Corporation Sole) is involved in various legal proceedings in the normal course of business that are generally incidental to its business, including claims related to clergy misconduct. The Diocese carries insurance which covers most liability and misconduct claims. Management is not aware of any uninsured claims or other matters that would have a material effect on the financial statements or its liability coverage.

Diocesan parishes, whose finances are not included in the accompanying financial statements, are an integral part of the Diocese. Extraordinary financial obligations that are beyond an individual parish's ability to pay could occur and they could ultimately become the obligation of the Diocese.

At August 31, 2021, the Diocesan Expansion Fund had total open loan commitments outstanding of \$487,146.

**Chancery Offices of the Roman Catholic Bishop of Worcester  
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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**August 31, 2021**

**NOTE 12 - NET ASSETS INCLUDING ENDOWMENTS**

Net assets with donor restrictions as of August 31 consist of:

	2021
Purpose and/or time restrictions	
School support and scholarships	\$ 3,713,351
Priests' care	14,252,357
Religious education	1,812,043
Seminarian education	1,042,275
Other	313,685
	<hr/>
Total net assets with donor restrictions – purpose and/or time restricted	21,133,711
	<hr/>
Endowments restricted in perpetuity for	
School support and scholarships	14,687,557
Priest care	11,827,550
Religious education	1,500,000
Seminarian education	707,404
Outreach	1,211,339
Evangelization	660,731
Other	523,844
	<hr/>
Total net assets with donor restrictions – restricted in perpetuity	31,118,425
	<hr/>
Total net assets with donor restrictions	\$ 52,252,136

Designated net assets without donor restrictions consists principally of Partners in Charity funding that has been designated for expenditure in the following fiscal year.

Endowment funds consist of donor-restricted endowments and funds designated by management as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of amounts available for general use. All endowments are subject to an annual spending rate of 5% of the most recent December 31st three-year market average, as prescribed by the Diocese. Only the funds available for distribution in accordance with the Diocese spending rate policy are included above.

The Diocese follows a version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as enacted by the Commonwealth of Massachusetts. Although UPMIFA offers short-term spending flexibility, the explicit consideration of the preservation of the endowed funds among factors for prudent investment and spending suggests that a donor-restricted endowment fund is still perpetual in nature. As is the case in the current financial environment, there is no guarantee that the amount of an endowed fund's original gift corpus will remain intact at all times.

Under UPMIFA, the Diocese is permitted to determine and continue a prudent payout amount, even if the value of the fund is below the "historic-dollar-value". There is an expectation that, over time, the endowment gift corpus amount will generally remain intact. This perspective is aligned with the accounting standards definition that donor restricted endowment funds are those that must be held in perpetuity even though the historic-dollar-value may be spent on a temporary basis. Any portion of the donor-restricted endowment fund above the original corpus amount is regarded as net appreciation and is classified as net assets with donor restriction until those amounts are appropriated for expenditure by the Diocese in a manner consistent with the Diocese's spending policy.

**Chancery Offices of the Roman Catholic Bishop of Worcester  
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**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**August 31, 2021**

Changes in endowment net assets for the year ended August 31 are as follows:

	<u>2021</u>
Purpose and/or time restrictions	
Quasi endowment net assets, beginning of year	\$ 15,492,950
Contributions	6,963
Investments	7,023,575
Amounts appropriated for expenditure	<u>(1,389,777)</u>
 Quasi endowment net assets, end of year	 <u>21,133,711</u>
 Restricted in perpetuity	
Endowment net assets, beginning of year	27,043,551
Contributions	4,074,873
Investment return	<u>341</u>
 Endowment net assets, end of year	 <u>31,118,425</u>
 Total net assets with donor restrictions	 <u><u>\$ 52,252,136</u></u>

**NOTE 13 - PAYROLL PROTECTION PROGRAM**

In an effort to reduce the negative economic impact of the pandemic, the United States Government provided economic stimulus under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. Part of the CARES Act included a forgivable loan program administered by the Small Business Administration ("SBA") called the Paycheck Protection Program (PPP). The Diocese applied for a PPP loan on April 28, 2020 and received proceeds of \$2,386,700 shortly thereafter. The revenue was recorded as a grant in fiscal year 2021, as the barriers were overcome and right of return was eliminated as of August 31, 2021. The Diocese was granted forgiveness for the full amount of the loan on June 10, 2021. Qualified disbursements may be subject to audit by the SBA.

**NOTE 14 - SUBSEQUENT EVENTS**

The Diocese has evaluated the impact of all subsequent events through July 28, 2022, the date the combined financial statements were available to be issued, and has determined that there were no subsequent events requiring adjustment or disclosure in the combined financial statements other than the following:

- A Diocesan property associated with the former St. Peter-Marian Central Catholic Diocesan High School located in Worcester, MA was sold on December 31, 2021, with a contract sales price of \$4,750,000. Net cash to the Diocese from the sale totaled \$4,416,238.
- A Diocesan property located in Worcester, MA was sold on January 12, 2022, with a contract sales price of \$1,750,000. Net cash to the Diocese from the sale totaled \$1,690,993. Prior to the sale the Diocese leased the property to a third party.

## SUPPLEMENTAL INFORMATION

Chancery Offices of the Roman Catholic Bishop of Worcester  
(A Corporation Sole)

SUPPLEMENTAL COMBINING SCHEDULE OF ACTIVITIES

Year ended August 31, 2021

	General Administration	Partner in Charity	Priest Retirement	Diocesan Expansion Fund	Cemeteries	Central Catholic Schools	Fundraising	Eliminations	Without Donor Restrictions	With Restrictions	Total
<b>Support and revenue</b>											
Contributions											
Partners in charity	\$ -	\$ 4,469,155	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,469,155	\$ -	\$ 4,469,155
Contributions- Other	200,000	-	1,486,136	-	-	-	-	(700,000)	986,136	-	986,136
Bequests	-	-	-	-	-	-	-	-	-	-	-
Partners in charity - other	-	1,145,122	-	-	-	-	-	-	1,145,122	-	1,145,122
Central Catholic Schools tuition and fees	-	-	-	-	-	6,342,107	-	(320,857)	6,021,250	-	6,021,250
Central Catholic Schools other	-	-	-	-	-	608,615	-	-	608,615	-	608,615
Cemetery fees	-	-	-	-	2,264,704	-	-	(104,243)	2,160,461	-	2,160,461
Interest on loans - Diocesan Expansion Fund	-	-	-	1,299,577	-	-	-	(804,216)	495,361	-	495,361
Central administration											
Cathedralium	1,912,356	-	-	-	-	-	-	-	1,912,356	-	1,912,356
Priest retirement assessments	1,067	-	1,023,265	-	-	-	-	(74,750)	949,582	-	949,582
Insurance program income	2,674,441	-	-	-	-	-	-	(1,578,763)	1,095,678	-	1,095,678
Investment income with restrictions	5,415	38,427	130,047	-	-	119,137	-	-	-	293,026	293,026
Investment income	120,078	-	78,918	702,164	-	-	-	(45,230)	855,930	-	855,930
Other revenue	1,032,510	-	-	-	-	-	-	(1,032,510)	-	-	-
Use of funds as designated											
Restricted funds released	(79,004)	(100,600)	(600,000)	-	-	(610,173)	-	-	-	(1,389,777)	(1,389,777)
Support of ministries and education	-	-	-	-	-	11,918	-	-	11,918	-	11,918
Forward in faith commitments	-	100,000	200,000	-	-	546,868	-	-	846,868	-	846,868
Donor designated support of ministries	79,004	600	400,000	-	-	51,387	-	-	530,991	-	530,991
<b>Total support and revenue</b>	<b>5,945,867</b>	<b>5,652,704</b>	<b>2,718,366</b>	<b>2,001,741</b>	<b>2,264,704</b>	<b>7,069,859</b>	<b>-</b>	<b>(4,660,569)</b>	<b>22,089,423</b>	<b>(1,096,751)</b>	<b>20,992,672</b>
<b>Expenses</b>											
Programs											
General administration	7,134,262	-	-	-	-	-	-	(2,236,345)	4,897,917	-	4,897,917
Partners in Charity program expense	-	5,110,389	-	-	-	-	-	(1,035,166)	4,075,223	-	4,075,223
Priest retirement	-	-	2,798,437	-	-	-	-	(600,000)	2,198,437	-	2,198,437
Diocesan Expansion Fund interest and other expenses	-	-	-	1,567,378	-	-	-	(287,340)	1,280,038	-	1,280,038
St. John Cemetery Group	-	-	-	-	2,389,543	-	-	(94,270)	2,295,273	-	2,295,273
Central Catholic Schools	-	-	-	-	-	8,229,703	-	(381,861)	7,847,842	-	7,847,842
Fundraising	-	-	-	-	-	-	380,246	(25,587)	354,659	-	354,659
<b>Total expenses</b>	<b>7,134,262</b>	<b>5,110,389</b>	<b>2,798,437</b>	<b>1,567,378</b>	<b>2,389,543</b>	<b>8,229,703</b>	<b>380,246</b>	<b>(4,660,569)</b>	<b>22,949,389</b>	<b>-</b>	<b>22,949,389</b>
Change in net assets before realized and unrealized gain (loss) on investments, bequests and campaign	(1,188,395)	542,315	(80,071)	434,363	(124,839)	(1,159,844)	(380,246)	-	(859,966)	(1,096,751)	(1,956,717)
Realized gain (loss) on investments	421,212	59,007	-	(99,067)	-	-	-	-	381,152	-	381,152
Realized gain (loss) on investments with restrictions	7,161	186,692	807,725	-	-	610,113	-	-	-	1,611,691	1,611,691
Unrealized gain (loss) on investments	1,449,776	187,279	170,889	1,285,032	-	-	-	-	3,092,976	-	3,092,976
Unrealized gain (loss) on investments with restrictions	22,254	589,885	2,579,513	-	-	1,934,170	-	-	-	5,125,822	5,125,822
Change in value of split interest agreements	(399,284)	-	-	-	-	-	-	-	(399,284)	-	(399,284)
Gain on property sales	287,283	-	-	-	-	-	-	-	287,283	-	287,283
Legacy of hope contributions	-	-	-	-	-	-	5,648,802	-	1,573,929	4,074,873	5,648,802
Legacy of hope fundraising expenses	-	-	-	-	-	-	(1,573,929)	-	(1,573,929)	-	(1,573,929)
<b>Total</b>	<b>1,788,402</b>	<b>1,022,863</b>	<b>3,558,127</b>	<b>1,185,965</b>	<b>-</b>	<b>2,544,283</b>	<b>4,074,873</b>	<b>-</b>	<b>3,362,127</b>	<b>10,812,386</b>	<b>14,174,513</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 600,007</b>	<b>\$ 1,565,178</b>	<b>\$ 3,478,056</b>	<b>\$ 1,620,328</b>	<b>\$ (124,839)</b>	<b>\$ 1,384,439</b>	<b>\$ 3,694,627</b>	<b>\$ -</b>	<b>\$ 2,502,161</b>	<b>\$ 9,715,635</b>	<b>\$ 12,217,796</b>