

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON  
PENSION PLAN**

**FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON PENSION PLAN**

Contents  
June 30, 2022 and 2021

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	<u>Pages</u>
<b>Independent Auditor’s Report</b> .....	1 - 1A
<b>Financial Statements:</b>	
Statements of Net Assets Available for Benefits .....	2
Statements of Accumulated Plan Benefits .....	3
Statements of Changes in Net Assets Available for Benefits.....	4
Statements of Changes in Accumulated Plan Benefits .....	5
Notes to Financial Statements .....	6 - 14

## Independent Auditor's Report

To the Board of Trustees of the  
Roman Catholic Archdiocese of Boston Pension Plan:

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Roman Catholic Archdiocese of Boston Pension Plan (the Plan), which comprise the statements of net assets available for benefits and accumulated plan benefits as of June 30, 2022 and 2021, and the related statements of changes in net assets available for benefits and statements of changes in accumulated plan benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits and accumulated plan benefits as of June 30, 2022 and 2021, and the changes in net assets available for benefits and changes in accumulated plan benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

***Auditor's Responsibilities for the Audit of the Financial Statements*** (Continued)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Roman Catholic Archdiocese of Boston Pension Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the Roman Catholic Archdiocese of Boston Pension Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*AAFCPA's, Inc.*

Westborough, Massachusetts  
December 14, 2022

## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON PENSION PLAN

Statements of Net Assets Available for Benefits  
June 30, 2022 and 2021

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<b>Assets</b>	<b>2022</b>	<b>2021</b>
Investments, at fair value:		
Roman Catholic Archbishop of Boston Collective Investment Partnership Income Opportunity Fund	\$ 51,677,760 4,301,084	\$ 112,399,475 -
Total investments, at fair value	55,978,844	112,399,475
Cash and cash equivalents	10,753,175	51,524,721
Prepaid expenses	2,557,698	3,799,213
Participating employers' receivables, less allowance for uncollectible accounts	17,995	42,732
Total assets	69,307,712	167,766,141
<b>Liabilities</b>		
Accounts payable and accrued expenses	64,433	50,544,500
<b>Net Assets Available for Benefits</b>	<b>\$ 69,243,279</b>	<b>\$ 117,221,641</b>

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON PENSION PLAN**

Statements of Accumulated Plan Benefits  
June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Actuarial Present Value of Accumulated Plan Benefits:</b>		
Vested benefits:		
Participants currently receiving benefits	\$ 69,178,159	\$ 88,821,183
Other participants	<u>23,967,943</u>	<u>32,448,708</u>
Total vested benefits	<u>93,146,102</u>	<u>121,269,891</u>
<b>Total Actuarial Present Value of Accumulated Plan Benefits</b>	<u><u>\$ 93,146,102</u></u>	<u><u>\$ 121,269,891</u></u>

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON PENSION PLAN**Statements of Changes in Net Assets Available for Benefits  
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Additions to Net Assets Attributed to:</b>		
Participating employers' contributions	\$ 8,550,219	\$ 6,717,249
Interest income	8,786	21,203
Total additions	<u>8,559,005</u>	<u>6,738,452</u>
<b>Deductions to Net Assets Attributed to:</b>		
Benefits paid to participants	12,079,093	15,195,579
Net depreciation (appreciation) in fair value of investments	13,120,631	(39,374,869)
Employer withdrawals and annuity purchases	30,542,107	50,470,966
General and administrative expenses	774,075	726,170
Provision for uncollectible assessments	21,461	26,026
Total deductions	<u>56,537,367</u>	<u>27,043,872</u>
Net decrease	(47,978,362)	(20,305,420)
<b>Net Assets Available for Benefits:</b>		
Beginning of year	<u>117,221,641</u>	<u>137,527,061</u>
End of year	<u>\$ 69,243,279</u>	<u>\$ 117,221,641</u>

## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON PENSION PLAN

Statements of Changes in Accumulated Plan Benefits  
For the Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Actuarial Present Value of Accumulated Plan Benefits,</b>		
Beginning of Year	\$ 121,269,891	\$ 162,633,137
<b>Increase (Decrease) During the Year Attributable to:</b>		
Benefits accumulated (including noninvestment experience)	(24,946)	(1,923,207)
Interest (decrease in the discount period)	7,471,669	10,077,304
Benefits paid	(12,642,243)	(15,195,579)
Change in actuarial assumptions	276,402	(348,201)
Change in plan provisions	(18,637)	(205,572)
Employer withdrawals and annuity purchases	(23,186,034)	(33,767,991)
	<u>(28,123,789)</u>	<u>(41,363,246)</u>
Net decrease		
<b>Actuarial Present Value of Accumulated Plan Benefits,</b>		
End of Year	<u>\$ 93,146,102</u>	<u>\$ 121,269,891</u>

## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON PENSION PLAN

Notes to Financial Statements  
June 30, 2022 and 2021

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### NOTE A - DESCRIPTION OF THE PLAN

The following description of the Roman Catholic Archdiocese of Boston Pension Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

#### General

The Plan is a non-contributory (while no employee contributions are currently made, the Plan document suggests there were such contributions before 1976) defined benefit pension plan originally covering substantially all lay employees who work for a participating employer. All participating employers are Catholic organizations, the majority of which operate within the Archdiocese of Boston. The Plan provides benefits for normal, early, disability, and postponed retirement.

The original effective date of the Plan was January 1, 1963. The Plan was last amended and restated effective January 1, 2016.

Effective December 31, 2011, the Plan was frozen and no additional benefits accrue.

#### Eligibility

For all employees, participation began on the first day of the month following the later of (a) the date the employer joined the Plan, or (b) the earlier of the completion of three years of service or attaining age 21, with one year of service. Employees of participating employers which froze participation in the Plan ceased to be eligible to become participants effective on the agreed freeze date. Employees hired by an active participating employer after December 1, 2010, were not eligible to participate in the Plan. For participating employers that were already frozen as of December 1, 2010, employees hired at these participating employers on or after their effective freeze dates were not eligible to participate in the Plan for accrual purposes at those participating employers. As of December 31, 2011, all participants stopped accruing benefits. Employees with five or more years of service remained vested. Employees with at least one year of service as of December 31, 2011, were allowed to continue to add years of service towards vesting after the freeze date.

#### Benefits

The total annual amount of accrued pension benefits beginning at normal retirement age of 65 with five years of service is equal to the sum of the following:

- (a) 133-1/3% of the annual amount of pension, if any, accrued by such participant through June 30, 1987, under the terms of the Plan as constituted on that date;
- (b) 2% of eligible earnings for each year of service completed between June 30, 1987, and/or before December 31, 2003, plus 0.47% of the eligible earnings after 1994 that exceed twice the covered compensation; and
- (c) 2% of eligible earnings for each year of service completed after December 31, 2003, up to a maximum of \$20,000 per year, plus 1% of the amount by which the eligible earnings for each year of service after December 31, 2003, exceed \$20,000.

## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON PENSION PLAN

Notes to Financial Statements  
June 30, 2022 and 2021

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### NOTE A - DESCRIPTION OF THE PLAN (Continued)

#### Benefits (Continued)

A participant is eligible for early retirement by election or disability. A participant who is 55 years of age and has five years of service credit may elect to receive early pension benefits. A participant who has five years of service credit, who is at least 55 years of age and who is totally and permanently disabled is entitled to early pension benefits. The annual amount of early pension benefits payable to an eligible participant contains an actuarial reduction in normal benefits because of the earlier retirement age.

A 50% Survivor Spouse Pension is applicable to all vested participants who have been married to their spouse for at least one year at the date of death. The monthly pension will commence on the first day of the month following the participant's death, if the participant died after attaining age 55, or on the first day of the month following the date on which the participant would have attained age 55, and will continue as payable on the first day of each month during the spouse's lifetime, terminating with the payment made on the first day of the month in which the spouse's death occurs.

The Plan includes a post-retirement life insurance benefit whereby participants terminating from active employment after the age of 55 and receiving monthly pension benefits are entitled to designate a beneficiary to receive a benefit of up to a maximum of \$10,000. This benefit is pro-rated for retiring participants with service of less than ten years. The Trustees voted in September 2018 to implement changes to the post-retirement life insurance benefit including: (1) for eligible retirees in payment status as of a set date, the purchase of a group insurance contract, and (2) for all other eligible participants not in payment status as of a set date, an actuarially equivalent adjustment (increase) to the normal retirement benefit in lieu of a one-time life insurance benefit payment.

Beginning in December 2010, the Plan's Trustees initiated the option to allow eligible participants to voluntarily elect to receive lump-sum payments. The Plan has made payments to eligible participants according to rules outlined in the Plan document since that date.

#### Plan Expenses

Fees related to the administration of the Plan are generally paid by the Plan. Brokerage fees and commissions are included in the cost of investments when purchased and in determining the net proceeds on sales of investments. Investment management fees are paid from the respective assets of the investment option.

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The Plan prepares its financial statements in accordance with generally accepted accounting principles established by the Financial Accounting Standards Board (FASB). References to generally accepted accounting principles (GAAP) in these notes are to the FASB Accounting Standards Codification (ASC).

#### Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated Plan benefits at the date of the financial statements and changes therein. Actual results may differ from those estimates.

## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON PENSION PLAN

Notes to Financial Statements  
June 30, 2022 and 2021

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Cash and Cash Equivalents

For purposes of presentation of the statements of net assets available for benefits, cash includes all bank accounts and overnight investments from the accounts. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less and are reported at cost, which approximates fair value.

The Plan deposits its cash in major financial institutions, which are insured within the limits of the Federal Deposit Insurance Corporation (FDIC). At certain times during the year, cash balances may exceed the insured amounts. The Plan has not experienced any losses in such accounts. The Plan believes it is not exposed to any significant credit risk on cash and cash equivalents.

#### Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. Changes in fair value are reflected in the accompanying statements of changes in net assets available for benefits as net appreciation (depreciation) in fair value of investments.

The Plan invests in the Roman Catholic Archbishop of Boston Collective Investment Partnership (the Collective Investment Partnership) and the Income Opportunity Fund, an investment operating unit consolidated under the Roman Catholic Archbishop of Boston, a Corporation Sole (the Fund). The fair value of the Collective Investment Partnership and the Fund's investments in domestic and foreign securities listed on security exchanges is valued at the last reported sales price, or if there is no such reported sale or official closing price, at the most recent quoted bid price. For those securities, whose prices are not available through independent pricing services, bid price quotations are obtained by State Street Bank and Trust Company from the principal market makers in those securities or at fair value as determined in good faith by management. Investment holdings of price investment entities that are not actively traded are valued based on the net asset value (NAV) per share on the valuation date as reported by the individual investment managers. The Fund was established to provide a common investment pool in which the Plan and other Catholic related organizations may participate. The participating organizations and plans own units based upon a per-unit value at the time of purchase. The underlying investments of the Income Opportunity Fund are primarily equity and fixed income securities owned either directly or indirectly through mutual funds and private investment entities.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value investments includes the Plan's gains and losses on investments bought and sold, as well as held during the year. See Note C for discussion of fair value measurements.

#### Participating Employers' Receivables

Amounts receivable from participating employers are stated net of an allowance for uncollectible accounts, which are reported on the Plan's statements of net assets available for benefits. The allowance is established through a provision for uncollectible assessments. On a periodic basis, management evaluates its receivables and establishes or adjusts its allowance to an amount that it believes will be adequate to absorb possible losses on accounts that may become uncollectible based on evaluations of the collectability of individual accounts.

## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON PENSION PLAN

Notes to Financial Statements  
June 30, 2022 and 2021

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Funding Policy**

The Plan's funding policy is for the employers to contribute an amount which will meet or exceed the annual minimum funding requirement. During fiscal years 2022 and 2021, the employers made contributions of \$8,550,219 and \$6,717,249, respectively.

Although it has not expressed any intention to do so, the Trustees have the right under the Plan to discontinue its employer contributions at any time and to terminate the Plan subject to the provisions of the Plan document.

#### **Payment of Benefits**

Benefit payments to participants are recorded upon distribution.

#### **Administrative Expenses**

The Plan pays office and other administrative expenses that consist primarily of fees paid to third-party administrators, accounting fees, and actuary services. The Plan also pays a service fee for administrative, technology, and clerical services which are charged to the Plan by the Roman Catholic Archbishop of Boston, A Corporation Sole (see Note F). These expenses are reported in the statements of changes in net assets available for benefits as general and administrative expenses.

#### **Actuarial Method and Present Value of Accumulated Plan Benefits**

Accumulated Plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated Plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from Plan assets are excluded from accumulated Plan benefits.

The computation of the actuarial present value of accumulated Plan benefits was determined by Buck Global, LLC (the Actuary) (see Note H), and is the amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits to reflect the time value of money and the probability of payment (by means of decrements, such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON PENSION PLAN**

Notes to Financial Statements  
June 30, 2022 and 2021

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (Continued)**

**Actuarial Method and Present Value of Accumulated Plan Benefits (Continued)**

The significant actuarial assumptions used in the valuations as of July 1, 2022 and 2021, are as follows:

	<b>2022</b>		<b>2021</b>	
Investment return	6.50%		6.50%	
Salary increases	0.00%		0.00%	
Cost of living increases	N/A		N/A	
Future expenses	2.00%		2.00%	
Mortality	RP2014 Mortality Table with MP2021		RP2014 Mortality Table with MP2020	
Termination	<u>Age</u>	<u>Annual Rate</u>	<u>Age</u>	<u>Annual Rate</u>
	25	0.318	25	0.318
	35	0.17	35	0.17
	45	0.089	45	0.089
	55	0	55	0
	65	0	65	0
Retirement age	Age 65		Age 65	
Form of payment	Life annuity		Life annuity	
Actuarial cost method	Unit credit		Unit credit	

The mortality assumption was changed from the RP2014 Mortality Table with mortality improvement scale MP2020 to the RP2014 Mortality Table with mortality improvement scale MP2021, effective July 1, 2022. The effect of this change was to increase the liability by \$276,402.

The mortality assumption was changed from the RP2014 Mortality Table with mortality improvement scale MP2019 to the RP2014 Mortality Table with mortality improvement scale MP2020, effective July 1, 2021. The effect of this change was to decrease the liability by \$348,201.

As disclosed in Note A, the Plan is frozen and the foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

**Subsequent Events**

Subsequent events have been evaluated through December 14, 2022, which is the date the financial statements were available to be issued. There were no events that met the criteria for disclosure.

## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON PENSION PLAN

Notes to Financial Statements  
June 30, 2022 and 2021

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### NOTE C - FAIR VALUE MEASUREMENT

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. *Fair Value Measurement* establishes a hierarchy of the valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs).

The fair value hierarchy is as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for the asset measured at fair value:

*Collective Investment Partnership and Income Opportunity Fund:* The Plan's unit holdings in the Collective Investment Partnership and the Fund do not have quoted prices in active markets or significant other observable inputs that have quoted market prices, although the Plan can redeem its investment at NAV per share at June 30, 2022 and 2021. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. The NAV is used as a practical expedient to estimate the fair value, unless it is probable that all or a portion of the Collective Investment Partnership and the Fund will be sold for an amount different from NAV. As of June 30, 2022 and 2021, the Plan had no plans to sell the Funds at an amount different from NAV. The Plan evaluates the Collective Investment Partnership's and Fund's estimate of the fair value of the Plan's unit holdings in the Collective Investment Partnership and the Fund based on the Plan's share of the underlying investment portfolio that mainly consists of actively traded equities, bonds and money market funds.

Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON PENSION PLAN**

Notes to Financial Statements  
June 30, 2022 and 2021

**NOTE C - FAIR VALUE MEASUREMENT (Continued)**

The following tables summarize an investment measured at fair value based on NAV per share as of June 30, 2022 and 2021:

<u>2022</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Collective Investment Partnership (a)	\$ 51,677,760	N/A	Monthly	15 days
Income Opportunity Fund (b)	<u>4,301,084</u>	N/A	Monthly	15 days
Total investments, at fair value	<u>\$ 55,978,844</u>			

<u>2021</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Collective Investment Partnership (a)	\$ 112,399,475	N/A	Monthly	15 days

(a) The investment objective of the Collective Investment Partnership is to maximize long-term total return, primarily by investing in equity securities, investment grade debt and fixed income securities, owned either directly or indirectly through mutual funds and private investment entities.

(b) The investment objective of the Income Opportunity Fund is to maximize long-term return by investing in equity, fixed income, or cash securities.

Appreciation (depreciation), including gains and losses on investments bought and sold, as well as held during the year from the Collective Investment Partnership consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Total unrealized loss	\$ (50,878,164)	\$ (5,799,796)
Total realized gain	<u>37,757,533</u>	<u>45,174,665</u>
Net appreciation (depreciation)	<u>\$ (13,120,631)</u>	<u>\$ 39,374,869</u>

**NOTE D - INCOME TAX STATUS**

The Plan received a favorable determination letter from the Internal Revenue Service (IRS) dated July 8, 2016, stating that the Plan, with amendments made through January 21, 2016, meets the requirements of Section 401(a) of the Internal Revenue Code (IRC) and is, therefore, exempt from Federal income taxes under IRS Section 501(a). The plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC, and therefore, believes that the Plan is qualified as tax exempt. The Plan received a private letter ruling from the IRS in 1997 that it was a church plan under Section 414(e) of the IRC.

## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON PENSION PLAN

Notes to Financial Statements  
June 30, 2022 and 2021

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### NOTE E - PLAN TERMINATION

Although they have not expressed any intention to do so, the Trustees may completely or partially amend or terminate the Plan at any time. Upon termination, the Plan allows available Plan assets to be allocated in accordance with any reasonable method selected by the Trustees, including the reversion of any excess monies remaining after satisfaction of all liabilities to each participating employer on the date of termination in a manner determined by the Trustees.

### NOTE F - RELATED PARTY TRANSACTIONS

A service fee for administrative, technology and clerical services is charged to the Plan by the Roman Catholic Archbishop of Boston, A Corporation Sole. The fees charged for the years ended June 30, 2022 and 2021, were \$368,018 and \$334,032, respectively, and are included in general and administrative expenses in the accompanying statements of changes in net assets available for benefits.

### NOTE G - RISKS AND UNCERTAINTIES

The Plan 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 certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that these changes could materially affect the amounts reported in the accompanying statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near-term would be material to the financial statements.

### NOTE H - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The actuarially determined value of the accumulated Plan benefits as of July 1 is as follows:

	<u>2022</u>	<u>2021</u>
Net assets available for benefits	\$ 69,243,279	\$ 117,221,641
Actuarial present value of accumulated Plan benefits:		
Vested benefits:		
Participants currently receiving payments	69,178,159	88,821,183
Other participants	<u>23,967,943</u>	<u>32,448,708</u>
Present value of accumulated Plan benefits	<u>93,146,102</u>	<u>121,269,891</u>
Actuarial present value of accumulated Plan benefits in excess of net assets available for benefits	\$ (23,902,823)	\$ (4,048,250)

## ROMAN CATHOLIC ARCHDIOCESE OF BOSTON PENSION PLAN

Notes to Financial Statements  
June 30, 2022 and 2021

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### NOTE I - OTHER MATTERS

#### **Employer Withdrawals**

Periodically, a separately-incorporated employer will request that the Plan purchase annuity contracts for its participants using Plan assets allocated to that employer and that the employer then be permitted to withdraw those assets from the Plan following such purchase. Annuities purchased are for the purpose of fully and finally transferring to an insurer all liabilities associated with the requesting employers' Plan benefits accrued by its current and former employees. The Trustees retain an outside consultant to advise them on the qualifications of a panel of insurers, using US Department of Labor Interpretive Bulletin 95-1 as a guide despite the Plan's status as a church plan (within the meaning of Section 33(3) of the Employee Retirement Income Security Act of 1974).

During the Plan year ended June 30, 2022, Plan assets valued at \$8,148,236 were used to purchase annuities for three separately-incorporated employers. During the Plan year ended June 30, 2021, Plan assets valued at \$1,449,282 were used to purchase annuities for two separately-incorporated employers.

#### **Annuity Purchases**

During the Plan year ended June 30, 2022, Plan assets valued at \$22,134,596 were used to purchase annuities for a portion of the Archdiocese of Boston Pension Plan's liability.

#### **Lump-Sum Payments**

Eligible participants may voluntarily elect to receive lump-sum payments. The total amount of lump-sum payments made in fiscal years 2022 and 2021 was approximately \$522,000 and \$1,040,000, respectively. These amounts are included in benefits paid to participants in the accompanying statements of changes in net assets available for benefits.