

**RETIREMENT PLAN FOR THE PRIESTS
OF THE DIOCESE OF PATERSON
FINANCIAL STATEMENTS**

June 30, 2017 and 2016

RETIREMENT PLAN FOR THE PRIESTS OF THE DIOCESE OF PATERSON

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INDEPENDENT AUDITORS' REPORT

To the Trustees
Retirement Plan for the Priests of the Diocese of Paterson
Clifton, New Jersey

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Retirement Plan for the Priests of the Diocese of Paterson ("Plan"), which comprise the statements of net assets available for benefits and of accumulated plan benefits as of June 30, 2017 and 2016, and the related statements of changes in net assets available for benefits and of changes in accumulated plan benefits 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 conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, Plan management instructed us not to perform, and we did not perform, any auditing procedures with respect to the information described in Note 4, which was certified by PNC Bank, the custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by Plan management that the custodian holds the Plan's investment assets and executes investment transactions. Plan management has obtained a certification from the custodian as of and for the years ended June 30, 2017 and 2016, that the information provided to Plan management by the custodian is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Sobel + Co., LLC

Certified Public Accountants

Livingston, New Jersey
September 25, 2018

**RETIREMENT PLAN FOR THE PRIESTS OF
THE DIOCESE OF PATERSON**
Statements of Net Assets Available for Plan Benefits

	June 30,	
ASSETS	<u>2017</u>	<u>2016</u>
Investments at fair value		
Mutual funds	\$ 15,129,730	\$ 14,674,767
Hedge fund	1,666,536	750,410
Total Investments at Fair Value	<u>16,796,266</u>	<u>15,425,177</u>
Contributions receivable, net	105,486	125,902
Prepaid expenses	-	9,281
	<u>105,486</u>	<u>135,183</u>
Cash - noninterest bearing	<u>60,722</u>	<u>86,245</u>
TOTAL ASSETS	<u>\$ 16,962,474</u>	<u>\$ 15,646,605</u>
LIABILITIES		
Other liabilities	<u>231</u>	<u>6,480</u>
TOTAL LIABILITIES	<u>231</u>	<u>6,480</u>
 NET ASSETS AVAILABLE FOR PLAN BENEFITS	 <u>\$ 16,962,243</u>	 <u>\$ 15,640,125</u>

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

**RETIREMENT PLAN FOR THE PRIESTS OF
THE DIOCESE OF PATERSON**
Statements of Changes in Net Assets Available for Plan Benefits

	Year Ended June 30,	
Additions in Net Assets Attributed to:	<u>2017</u>	<u>2016</u>
Contribution income, net of uncollectible	\$ 3,188,341	\$ 3,168,582
Interest and dividend income	427,325	458,676
Net appreciation (depreciation) in fair value of investments	<u>1,514,221</u>	<u>(527,088)</u>
Total Additions	<u><u>5,129,887</u></u>	<u><u>3,100,170</u></u>
 Deductions in Net Assets Attributed to:		
Benefits paid directly to participants	3,724,378	3,621,607
Administrative expenses	<u>83,391</u>	<u>60,268</u>
Total Deductions	<u><u>3,807,769</u></u>	<u><u>3,681,875</u></u>
 CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS	 1,322,118	 (581,705)
 NET ASSETS AVAILABLE FOR PLAN BENEFITS		
Beginning of year	<u>15,640,125</u>	<u>16,221,830</u>
End of year	<u><u>\$ 16,962,243</u></u>	<u><u>\$ 15,640,125</u></u>

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

**RETIREMENT PLAN FOR THE PRIESTS OF
THE DIOCESE OF PATERSON**
Statements of Accumulated Plan Benefits

Actuarial Present Value of Accumulated Plan Benefits

	June 30,	
	<u>2017</u>	<u>2016</u>
Vested Benefits:		
Participants currently receiving benefits	\$ 24,562,137	\$ 23,311,955
Other participants	<u>12,456,339</u>	<u>13,078,870</u>
	37,018,476	36,390,825
Non-vested Benefits	<u>1,506,735</u>	<u>684,690</u>
Actuarial Present Value of Accumulated Plan Benefits	<u>\$ 38,525,211</u>	<u>\$ 37,075,515</u>

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

**RETIREMENT PLAN FOR THE PRIESTS OF
THE DIOCESE OF PATERSON**
Statements of Changes in Accumulated Plan Benefits

	Year Ended June 30,	
	<u>2017</u>	<u>2016</u>
Actuarial Present Value of Accumulated Plan Benefits, Beginning of Year	<u>\$ 37,075,515</u>	<u>\$ 38,026,945</u>
Increase (Decrease) During the Year Attributed to:		
Benefits accumulated	3,213,897	1,871,477
Increase due to decrease in the discount period	2,290,772	2,355,823
Benefits paid	(3,724,378)	(3,624,070)
Change in assumptions	<u>(330,595)</u>	<u>(1,554,660)</u>
Net Increase(Decrease)	<u>1,449,696</u>	<u>(951,430)</u>
Actuarial Present Value of Accumulated Plan Benefits, End of Year	<u>\$ 38,525,211</u>	<u>\$ 37,075,515</u>

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

**RETIREMENT PLAN FOR THE PRIESTS OF
THE DIOCESE OF PATERSON**
Notes to Financial Statements – June 30, 2017 and 2016

NOTE 1 – DESCRIPTION OF THE PLAN

General:

The Retirement Plan for the Priests of the Diocese of Paterson ("Plan") was established by the Roman Catholic Diocese of Paterson on January 1, 1969, as a defined benefit pension plan. The Roman Catholic Diocese of Paterson is the Plan Sponsor ("Plan Sponsor"). The Plan was restated on July 1, 2010 and most recently amended on January 15, 2015. The Plan is a non-electing "church plan" as defined by the Employee Retirement Income Security Act of 1974 ("ERISA"). As a non-electing church plan, the Plan is not covered by the requirements of ERISA. The Plan covers all active, incardinated priests in the Diocese of Paterson. The Plan is administered by the Trustees of the Plan along with the Diocese of Paterson Pension Board. The Trustees of the Plan are the Bishop of the Diocese, the Vicar General, the Chancellor, and the Chief Financial Officer. The Pension Board is comprised of appointed members.

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan Document for more complete information.

Eligibility:

All priests who are incardinated and on approved assignment in the Diocese of Paterson as of July 1, 2010 are eligible to participate in the Plan. Eligible participants will be covered under the Plan beginning the first day of the month following the latter of the date of ordination or date of incardination.

Vesting:

A Diocesan priest shall be entitled to receive a vested interest in a retirement benefit at such time as the participant completes 10 years of service.

Plan Benefits:

Effective July 1, 2008, the Plan's Normal Retirement Amount is \$3,150. The Normal Retirement Amount is the monthly benefit priests are eligible to receive upon reaching their normal retirement date.

**RETIREMENT PLAN FOR THE PRIESTS OF
THE DIOCESE OF PATERSON**
Notes to Financial Statements – June 30, 2017 and 2016

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Normal Retirement Date is the earlier of the following:

- a. The first day of the month coinciding with or next following the participant's 70th birthday with no less than 20 years of service as a Diocesan priest on official assignment; or
- b. The first day of the month coinciding with or next following the participant's 65th birthday with no less than 40 years of service as a Diocesan priest on official assignment.

Early Retirement:

The Plan does offer an early retirement benefit for priests who have not yet reached age 70 with 20 years of service or age 65 with 40 years of service.

For each year under age 70 or age 65, the Normal Retirement Amount is reduced by 5%.

For each year of service less than 20 years of service or less than 40 years of service, the Normal Retirement Amount is reduced by 10%.

Disability:

Under certain circumstances, the Plan provides a benefit for participants with a disability. In order to be considered as disabled under the provisions of the Plan, the priest must apply to the Bishop of the Diocese of Paterson, in writing, asking for a determination of their "total and permanent disability." The Diocese shall publish, from time to time, the policies, practices, or procedures used to determine a priest's total and permanent disability. Applicants for disability must provide any and all necessary documentation and appear for a medical examination, as determined by the Diocesan Trustees or Diocesan Pension Board. Failure or refusal by a participant to comply with reasonable requirements may result in a denial or termination of disability benefits under the Plan.

No participant is eligible for disability benefits if such participant is earning any income from employment or receiving any retirement benefits under the Plan.

**RETIREMENT PLAN FOR THE PRIESTS OF
THE DIOCESE OF PATERSON**
Notes to Financial Statements – June 30, 2017 and 2016

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Participants may be covered under other employer-provided disability programs, such as long term disability. Disability pension benefits would be offset by the amount recovered under other employer-provided disability programs.

In-Service:

Upon reaching age 68, if still active with a full-time assignment within the Diocese of Paterson, participants are eligible to receive an in-service pension. In-service pension benefits are 50% of the accrued Normal Retirement Amount, which would have begun on the commencement date, had the priest retired from active ministry.

The Normal Retirement Amount shall be recalculated when either the Normal Retirement Amount changes or the participant accrues additional monthly retirement benefits. This recalculation shall occur annually.

In service pension benefits would continue until age 75. At age 75, the participant, if still active with an official assignment, will receive his Normal Retirement Amount without reduction.

Death Benefits:

Participants cease to be participants on the day of their death. When a priest selects life and ten year certain or life and five year certain forms of payment, death benefits may continue to be payable after the retiree's death.

Termination of Employment:

If a participant terminates employment after becoming vested, the participant may elect to receive his pension immediately, if eligible for retirement, in a reduced amount, or to defer payments until attainment of age 70.

Forms of Payment:

The Plan offers participants the following forms of payment upon retirement:

**RETIREMENT PLAN FOR THE PRIESTS OF
THE DIOCESE OF PATERSON**
Notes to Financial Statements – June 30, 2017 and 2016

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

- a. Life Annuity
- b. Life and Ten (10) Year Certain, or
- c. Life and Five (5) Year Certain

At the time of the participant's retirement, the option payment form must be elected in writing. Once selected, the option payment form may not be changed or modified.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Investments:

Investments are reported at fair value. Quoted market prices are used to value investments, if readily available. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation in the fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held, during the year.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

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

**RETIREMENT PLAN FOR THE PRIESTS OF
THE DIOCESE OF PATERSON**
Notes to Financial Statements – June 30, 2017 and 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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's 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2017 and 2016.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded (Level 1 inputs).

**RETIREMENT PLAN FOR THE PRIESTS OF
THE DIOCESE OF PATERSON**
Notes to Financial Statements – June 30, 2017 and 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Hedge fund: Valued based on the net asset value per share, without further adjustment.
Net asset value is based upon the fair value of the underlying investments (Other inputs).*

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Receivables and Payables:

Receivables and payables are stated at cost. Management has evaluated the collectability of contributions receivable and has established an allowance for uncollectible accounts of \$125,669 and \$39,000 for June 30, 2017 and 2016, respectively.

Benefit Payments:

Benefit payments to participants are recorded upon distribution.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Plan management to make estimates and assumptions that reflect certain reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities and the actuarial present value of accumulated Plan benefits at the date of the financial statements. Accordingly, actual results may differ from those estimates.

RETIREMENT PLAN FOR THE PRIESTS OF THE DIOCESE OF PATERSON

Notes to Financial Statements – June 30, 2017 and 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Administrative Expenses:

The Plan's expenses are paid either by the Plan or the Plan Sponsor, as provided by the Plan Document. Expenses that are paid directly by the Plan Sponsor are excluded from these financial statements. Certain expenses that are incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits. In addition, certain investment-related expenses are included in net appreciation (depreciation) of fair value of investments presented in the accompanying statements of changes in net assets available for benefits.

Subsequent Events:

The Plan has evaluated its subsequent events and transactions occurring after June 30, 2017 through September 25, 2018, the date the financial statements were available to be issued.

**RETIREMENT PLAN FOR THE PRIESTS OF
THE DIOCESE OF PATERSON**

Notes to Financial Statements – June 30, 2017 and 2016

NOTE 3 – FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2017 and 2016. The Plan's assets are segregated by investment class for the years ended June 30, 2017 and 2016.

	Assets at Fair Value as of June 30, 2017			Total
	Level 1	Level 2	Level 3	
Mutual Funds	\$ 15,129,730	\$ -	\$ -	\$ 15,129,730
Investments measured at net asset value (1)	-	-	-	1,666,536
	<u>\$ 15,129,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,796,266</u>

	Assets at Fair Value as of June 30, 2016			Total
	Level 1	Level 2	Level 3	
Mutual Funds	\$ 14,674,767	\$ -	\$ -	\$ 14,674,767
Investments measured at net asset value (1)	-	-	-	750,410
	<u>\$ 14,674,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,425,177</u>

(1) Certain investments measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of net assets available for plan benefits.

**RETIREMENT PLAN FOR THE PRIESTS OF
THE DIOCESE OF PATERSON**
Notes to Financial Statements – June 30, 2017 and 2016

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

Fair Value Measures of Investments in Certain Entities that Calculate Net Asset Value per Share

The following summarizes investments measured at fair value based on NAV per share as of June 30, 2017 and June 30, 2016.

	<u>Fair Value at June 30, 2017</u>	<u>Fair Value at June 30, 2016</u>
Fixed income hedge fund (a)	\$ 1,666,536	\$ 750,410

	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Fixed income hedge fund (a)	N/A	Daily	10 business days

- (a) This hedge fund invests in sovereign debt and currencies of countries in the Citigroup World Government Bond Index, as well as corporate bonds and mortgage-backed securities of those countries. The fund's objective is to capture interest income and generate additional principal growth through capital appreciation. This fund concentrates investment in 8-10 countries. The average credit quality of issues held is AA-.

NOTE 4 – INFORMATION PREPARED AND CERTIFIED BY THE CUSTODIAN

Plan management has elected the method of compliance as permitted by 29 CFR 2520.108-3 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA for 2017 and 2016. Accordingly, PNC Bank, the custodian of the Plan, has certified to the completeness and accuracy of all investments reported in the accompanying statements of net assets available for plan benefits as of June 30, 2017 and 2016, and the related investment activity reported in the statement of changes in net assets available for plan benefits for the years ended June 30, 2017 and 2016.

**RETIREMENT PLAN FOR THE PRIESTS OF
THE DIOCESE OF PATERSON**

Notes to Financial Statements – June 30, 2017 and 2016

NOTE 5 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated Plan benefits are those future periodic payments, including lump sum distribution, that are attributable under the Plan's provisions to the service employees who have rendered to the valuation date. Accumulated Plan benefits include benefits expected to be paid to (a) retired, disabled or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees and their beneficiaries.

The actuarial present value of accumulated Plan benefits is determined by an independent actuary from Arthur J. Gallagher & Co. for the years ended June 30, 2017 and June 30, 2016 and is the amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits to reflect the time value of money (through discounts for interest) and the possibility of payment (by means of decrements, such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The actuarial cost method used is the projected unit credit method.

The significant actuarial assumptions used in the valuation of accumulated Plan benefits as of July 1, 2017 and 2016 were (a) an assumed discount rate of 6.50%, (b) an assumed retirement age of 70 with 20 years of service or age 65 with 40 years of service, and (c) the life expectancy of participants under Internal Revenue Service Code Sections 430(h)(3)(A) and 430(h)(3)(D) using static table with separate mortality rates for annuitants and non-annuitants. The RP 2014 Mortality Table projected using scale MP-2017 was used for the year ended June 30, 2017. The RP 2014 Mortality Table projected using scale MP-2016 was used for the year ended June 30, 2016. 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.

The actuarial present value of benefits increased from \$37,075,515 at June 30, 2016 to \$38,525,211 at June 30, 2017. The increase is primarily related to data updates as well as coding changes related to in-service distributions. In addition, there was an increase due to benefits being earned during the year by active priests. This increase is somewhat offset by benefits paid from the Plan and the change in the mortality assumption that updated the projection scale from MP-2016 to MP-2017.

**RETIREMENT PLAN FOR THE PRIESTS OF
THE DIOCESE OF PATERSON**
Notes to Financial Statements – June 30, 2017 and 2016

NOTE 6 – FUNDING POLICY

The Plan's funding policy is to make contributions to the Plan in amounts that are sufficient to comply with, at a minimum, the recommended funding requirements as determined by the Plan actuary. The Plan's contributions for the years ended June 30, 2017 and 2016 were \$3,188,341 and \$3,168,582, respectively.

NOTE 7 - TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed the Diocese by letter dated July 16, 2015, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code ("Code") and the related trust is tax-exempt. Plan management and management of the Diocese believe that the Plan conforms to IRS requirements and continues to qualify as tax-exempt under the Code. Accordingly, no provisions have been made for federal income tax.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Plan management has analyzed the tax position taken by the Plan and has concluded that as of June 30, 2017 and 2016, there are no uncertain positions taken, or expected to be taken, that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan has recognized no interest or penalties related to uncertain tax positions.

NOTE 8 – RISKS AND UNCERTAINTIES

The assets of the Plan are invested in financial instruments that are liquid, readily tradable, and subject to fluctuations in fair value. General market and economic conditions have a significant impact on the Plan's investment performance. Investments are subject to risk conditions of the individual funds' objectives, equity market fluctuations, interest rates, economic conditions and world affairs.

RETIREMENT PLAN FOR THE PRIESTS OF THE DIOCESE OF PATERSON

Notes to Financial Statements – June 30, 2017 and 2016

NOTE 8 – RISKS AND UNCERTAINTIES (Continued)

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 the 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 could be material to the financial statements.

The Plan occasionally maintains cash balances in a financial institution that exceed the federally insured limit.

NOTE 9 – CONCENTRATIONS

For the years ended June 30, 2017 and 2016, four parishes account for 54% and 40% of the total accounts receivable respectively.

The Plan holds certain investments that represent 10% or more of the Plan's total investments at:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Vanguard 500 Index Admiral	\$ -	\$ 2,051,221
Loomis Sayles Core Plus Bond	\$ -	\$ 1,572,812
Vanguard Instl Index	\$ 2,850,071	\$ -
Dodge & Cox Intl.	\$ 1,682,833	\$ -

NOTE 10 – CONTINGENCIES

The Diocese is unaware of any current pending litigation against the Plan in this regard and believes the likelihood of such litigation to be remote.

NOTE 11 – PLAN TERMINATION

In the event the Plan terminates, the net assets of the Plan will be allocated generally to provide the following benefits in the order indicated:

RETIREMENT PLAN FOR THE PRIESTS OF

THE DIOCESE OF PATERSON

Notes to Financial Statements – June 30, 2017 and 2016

NOTE 11 – PLAN TERMINATION (Continued)

1. Benefits for retired participants, participants with a total and permanent disability, spouses of participants who died before retirement and for beneficiaries entitled to payments
2. Benefits for all participants then in service who have chosen postponed retirement
3. Benefits for participants who are eligible to elect early retirement
4. Benefits for participants who have met the vesting requirements
5. Benefits for all other participants