CLERGY SENIOR STATUS & SECURITY TRUST

AUDITED FINANCIAL STATEMENTS

June 30, 2021 and 2020

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CLERGY SENIOR STATUS & SECURITY TRUST
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To the Most Reverend Austin A. Vetter
Trustee, Clergy Senior Status & Security Trust
Helena, Montana

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the Clergy Senior Status & Security Trust (the "Plan"), which comprise the statements of net assets available for benefits and of accumulated plan benefits as of June 30, 2021 and 2020, 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.

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Clergy Senior Status & Security Trust as of June 30, 2021 and 2020, and changes in its financial status as of June 30, 2021 and 2020, in accordance with accounting principles generally accepted in the United States of America.

Junkermier, Clark, Campanella, Stevens, P.C.

Great Falls, Montana
November 30, 2021

CLERGY SENIOR STATUS & SECURITY TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
June 30,

	2021	2020
ASSETS		
Investments, at fair value:		
Cash - US Bank	$ 21,383	$ 230
Investment cash - Wells Capital Management	145,573	237,528
U.S. government securities	761,140	601,439
Corporate bonds and notes	773,101	535,337
Common stocks	2,512,403	1,926,792
Registered investment companies	1,637,907	1,159,374
Total investments	5,851,507	4,460,700
Receivables:		
General	3,997	56,753
Parishes	6,562	3,861
Accrued interest	11,011	8,437
Total receivables	21,570	69,051
Total Assets	5,873,077	4,529,751
LIABILITIES		
Payables:		
Benefits paid to retirees payable	4,072	-
Total Liabilities	4,072	-
NET ASSETS AVAILABLE FOR BENEFITS	$ 5,869,005	$ 4,529,751

See accompanying notes and independent auditors' report.

CLERGY SENIOR STATUS & SECURITY TRUST
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For The Years Ended June 30,

	2021	2020
ADDITIONS		
Additions to net assets attributable to:		
Net appreciation of investments	$ 1,210,899	$ 49,643
Interest and dividends	94,695	94,214
Total investment income	1,305,594	143,857
Other income	-	30
Total income	1,305,594	143,887
Contributions		
Clergy plan dues	217,890	205,688
Donations and bequests	500,380	654,678
Total contributions	718,270	860,366
Total additions	2,023,864	1,004,253
DEDUCTIONS		
Deductions from net assets attributable to:		
Agency fee	48,715	42,716
Administration and actuarial fee	12,525	13,525
Audit fee	9,200	8,800
Miscellaneous expenses	174	26
Benefits paid to retirees	613,996	743,411
Total deductions	684,610	808,478
NET INCREASE	1,339,254	195,775
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	4,529,751	4,333,976
End of year	$ 5,869,005	$ 4,529,751

See accompanying notes and independent auditors' report.

CLERGY SENIOR STATUS & SECURITY TRUST
STATEMENTS OF ACCUMULATED PLAN BENEFITS
June 30,

	2021	2020
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS		
Vested benefits:		
Participants currently receiving benefits	$ 5,115,276	$ 4,995,216
Other participants	3,471,208	3,388,540
	8,586,484	8,383,756
Non-vested benefits	510,614	494,540
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	$ 9,097,098	$ 8,878,296
Market Value of Assets	5,858,446	4,469,138
SHORTFALL	$ (3,238,652)	$ (4,409,158)

See accompanying notes and independent auditors' report.

CLERGY SENIOR STATUS & SECURITY TRUST
STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS
For The Years Ended June 30,

	2021	2020
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT THE BEGINNING OF THE YEAR	$ 8,878,296	$ 9,159,437
Increases (decreases) during the Plan Year due to:		
Change in actuarial assumptions	792,258	468,284
Increase for interest due to decrease in discount period	214,697	307,571
Benefits paid	(613,996)	(743,411)
Plan amendment	162,436	149,018
Additional benefits earned and experience gains and losses	(336,593)	(462,603)
Total change	218,802	(281,141)
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT THE END OF THE YEAR	$ 9,097,098	$ 8,878,296

See accompanying notes and independent auditors' report.

1. DESCRIPTION OF THE PLAN

The following description of the Clergy Senior Status & Security Trust (the Plan) provides only general information. Participants should refer to the Plan Document and Summary Plan Description (SPD) for a more complete description of the Plan's provisions.

General

The Plan is a defined benefit pension plan covering all priests and celibate transitory deacons incardinated in the Diocese of Helena or exercising their sacred ministry in the Diocese with the consent of their respective Ordinaries. The Plan is not qualified under the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan has been amended to bring the Trust into compliance with the final regulations under Internal Revenue Code Sections 411 and 415, the Pension Protection Act of 2006, Heroes Earnings Assistance Relief Tax Act of 2008 (HEART Act), and other law changes. The Plan was restated to comply with current regulations in 2012.

The Plan is administered by the Clergy Senior Status and Security Trust Advisory Board. The Board has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan's investment offerings and monitors investment performance.

There was a cost of living increase of $37.94 and $29.49 per qualified recipient effective for the calendar years ended December 31, 2020 and 2019, respectively.

Vesting

Priests will become 100% vested after ten years of service or 100% vested subsequent to the earliest of their base Senior Status Date, the date they meet the age requirement, or the date on which they become totally and permanently disabled.

Pension Benefits

Priests meeting the vesting provisions are entitled to monthly pension benefits beginning at the retirement age of seventy at standard amounts approved by the Board of Advisors. The Plan permits early retirement at age sixty-five. The Plan also provides an increase in monthly benefits for retirement beyond the normal retirement age. If a priest terminates before rendering ten years of service, he forfeits the right to receive pension benefits.

Disability Benefit

Active priests who become totally disabled prior to eligibility for early or normal retirement benefits receive a monthly benefit of $1,000 or their accrued vested benefit, whichever is greater, payable until one of these dates: his base senior status date, date of death, or the effective date of termination of the Plan, or the date he is no longer totally and permanently disabled.

Plan Contributions

Contributions into the Plan consist of clergy plan dues, donations and bequests to the Plan. The clergy plan dues are assessed based on an approved formula as reviewed and revised as necessary by the Clergy Senior Status & Security Trust Board.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is 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. The Plan's Advisory Committee determines the Plan's valuation policies utilizing information provided by its investment advisor and custodian. 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 appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefit payments are recorded upon distribution.

Plan Expenses

Expenses of the Plan are paid from Plan assets. For the Plan years ended June 30, 2021 and 2020, total Plan expenses paid by the Plan were $70,614 and $65,067, respectively.

3. FUNDING POLICY

Annual contributions to the Plan are set at levels which include the normal cost of the Plan and amortization of the funding shortfall, if any, over the future service of current active priests. The actuary recommended a minimum required contribution of $293,133 and $468,085 for 2021 and 2020 to fund the normal cost plus fifteen years of amortization of the funding shortfall.

Contributions and donations actually made to the Plan were $718,270 and $860,366, respectively. The Plan met the recommended minimum required contribution for both 2021 and 2020.

4. ACTUARIAL 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 priests and celibate transitory deacons. Accumulated plan benefits include benefits expected to be paid to (1) retired or terminated priests and celibate transitory deacons, (2) present priests and celibate transitory deacons, and (3) a terminated priest's spouse.

Benefits are paid at an amount determined by the Plan's Board of Advisors, as advised by the Plan's actuary. Benefits paid under all circumstances - retirement, disability and termination - are included, to the extent they are deemed attributable to service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary and is that 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 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. The significant actuarial assumptions used in the valuations as of 2021 and 2020, were (1) life expectancy of participants, (2) retirement age assumptions (the assumed average retirement age was 70), and (3) investment return. The 2021 Applicable Mortality Table and the 2020 Applicable Mortality Table published by the Society of Actuaries for determining pension liabilities with 20 year morality improvement was used for the valuation for the years ended June 30, 2021 and 2020, respectively. The 2021 and 2020 valuations included assumed average rates of return of 5.46% and 5.20% respectively. 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 computations of the actuarial present value of accumulated plan benefits were made as of July 1, 2021 and 2020.

5. PARTY-IN-INTEREST TRANSACTIONS

The following expenses were paid to parties-in-interest of the Plan. The Plan paid investment fees to the investment custodian, Wells Fargo Bank of $48,715 and $42,716 for the years ended June 30, 2021 and 2020, respectively. The Plan paid Randall Hurley, Inc, the third party administrator and actuarial services provider, $12,525 and $13,525 for the years ended June 30, 2021 and 2020, respectively. In addition, the Plan paid Junkermier, Clark, Campanella, Stevens, P.C., the auditor, $9,200 and $8,800 for the years ended June 30, 2021 and 2020, respectively.

6. FAIR VALUE MEASUREMENTS

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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

6. FAIR VALUE MEASUREMENTS (Continued)

Level 2 - inputs to the valuation methodology include: (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in inactive markets; (c) inputs other than quoted prices that are observable for the asset or liability; (d) 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 that 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 methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

U.S. government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Corporate bonds and notes: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing yields on comparable securities of issuers with similar credit ratings.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Registered investment companies: 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.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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.

6. FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's nonparticipant directed assets at fair value and type as of June 30, 2021 and 2020.

	Level 1	Level 2	Level 3	Total
June 30, 2021				
U.S. government securities	$ 709,187	$ 51,953	$ -	$ 761,140
Corporate bonds and notes	-	773,101	-	773,101
Common stock	2,244,730	267,673	-	2,512,403
Registered investment companies	1,637,907	-	-	1,637,907
Cash & cash equivalents	166,956	-	-	166,956
Total investments at fair value	$ 4,758,780	$ 1,092,727	$ -	$ 5,851,507
June 30, 2020				
U.S. government securities	$ 548,163	$ 53,276	$ -	$ 601,439
Corporate bonds and notes	-	535,337	-	535,337
Common stock	1,682,141	244,651	-	1,926,792
Registered investment companies	1,159,374	-	-	1,159,374
Cash & cash equivalents	237,758	-	-	237,758
Total investments at fair value	$ 3,627,436	$ 833,264	$ -	$ 4,460,700

7. 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 such changes could materially affect the amounts reported in the 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 participant 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.

8. PLAN TERMINATION

Although it has not expressed any intention to do so, the Trust, by resolution of its Board of Advisors, has the right to terminate the Plan as to its members as of any date. Upon any full termination, the accrued benefit of each affected Beneficiary shall become fully vested. In the event the Plan terminates, the net assets of the Plan will generally be allocated to provide the following benefits in the order indicated:

1. Provide pensions to retired beneficiaries who have retired under the Plan prior to its termination.
2. Provide senior status benefits to beneficiaries who have reached their base senior status dates.
3. Provide senior status benefits to beneficiaries who have not yet reached their base senior status date on the date of termination, in the order in which they will reach their base senior status date.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 30, 2021, the date on which the financial statements were available to be issued. Management determined there were no subsequent events that required reporting in the financial statements.