Highlights of the 2021 Audited Financial Statement of the Central Administrative Offices

The following pages present, in its entirety, the audited financial statements for the Central Administrative Offices of the Diocese of Buffalo for the period ended August 31, 2021. The financial statements were audited by Bonadio & Co., LLP, the independent accounting firm retained by the Diocese of Buffalo. The statements reflect functions performed exclusively by the Central Administrative Offices and do not include any other functions performed by other entities within the diocese (parishes, schools, etc.). In the opinion of the auditors, “the statements present fairly, in all material respects, the financial position of the Central Administrative Offices of the Diocese of Buffalo as of August 31, 2021 and the changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted”.

The statements are designated as “Debtor in Possession”, reflecting the fact that the Diocese is currently operating under the reorganization provisions of Chapter 11 of the Federal Bankruptcy Code. The decision by the Diocese to file under Chapter 11 was necessitated as the most equitable way to respond to the multiple claims filed against the Diocese, resulting from the passage of New York State’s Child Victims Act. The outcome of the Chapter 11 proceeding is undeterminable and as a result the auditors further express a “going concern” opinion. All of this is detailed in the footnotes of the audited financial statements.

Putting aside the above comments, the financial statements reflect positive results for the Central Administrative Offices for the period ending August 31, 2021. During this period total assets increased by approximately $5.6 million. This was due to a variety of factors, including a significant $3.1 million unrealized gain on investments (due to the unprecedented improvement in the stock market), $1.0 million collection of past-due assessments from the parishes (resulting from the successful implementation of a past-due assessment program) and $1.1 million of COVID-19 related governmental assistance. Outside of these positive one-time events, the Central Administrative Offices is continuing to run its operations within budget.

Despite the many financial challenges, the Diocese continues to provide support to the parishes and the entire Catholic community in its various ministries. While the outcome of the Chapter 11 process and other governmental litigation is impossible to determine, the Diocese is committed to navigating though these legal processes in a way that should lead to a more stable and sustainable Diocesan financial condition.

Please contact the Diocesan Financial Office at (716-847-5500) for any questions about the audited statements.

Sincerely,
James J. Beardi
Chair, Diocesan Finance Council