

**Audited
Financial Statements**

**Roman Catholic Archdiocese
of Boston Insurance Plan**

June 30, 2008

Roman Catholic Archdiocese of Boston Insurance Plan

Audited Financial Statements and Other Financial Information

June 30, 2008

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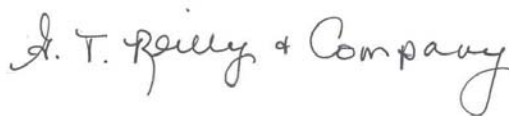
INDEPENDENT AUDITORS' REPORT

To the Trustees
Roman Catholic Archdiocese of Boston Insurance Plan

We have audited the accompanying statements of benefit obligations and net assets available for benefits of the Roman Catholic Archdiocese of Boston Insurance Plan as of June 30, 2008 and 2007, and the related statements of changes in benefit obligations and net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Roman Catholic Archdiocese of Boston Insurance Plan at June 30, 2008 and 2007, and the changes in its financial status for the years then ended, in conformity with accounting principles generally accepted in the United States of America.



G. T. Reilly & Company

Milton, Massachusetts
December 19, 2008

Roman Catholic Archdiocese of Boston Insurance Plan

Statements of Benefit Obligations and Net Assets Available for Benefits

June 30

	<u>2008</u>	<u>2007</u>
BENEFIT OBLIGATIONS		
Liability for coverage on waivers of premium (Notes 1 & 2)	<u>\$ 481,500</u>	<u>\$ 504,000</u>
NET ASSETS AVAILABLE FOR BENEFITS		
<u>Assets</u>		
Cash and cash equivalents (Note 2)	2,714,291	2,549,351
Participating employers' contributions receivable, less allowance for uncollectibles of \$19,330 in 2008 and 2007 (Note 2)	<u>24,905</u>	<u>29,953</u>
Total Assets	<u>2,739,196</u>	<u>2,579,304</u>
<u>Liabilities</u>		
Accounts payable for administrative expenses	<u>250</u>	<u>435</u>
Total Liabilities	<u>250</u>	<u>435</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>2,738,946</u>	<u>2,578,869</u>
EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS		
Board-designated (Note 4)	1,282,800	1,236,053
Excess of Board-designated	<u>974,646</u>	<u>838,816</u>
	<u>\$ 2,257,446</u>	<u>\$ 2,074,869</u>

Roman Catholic Archdiocese of Boston Insurance Plan

Statements of Changes in Benefit Obligations and Net Assets Available for Benefits

Year Ended June 30

	<u>2008</u>	<u>2007</u>
NET DECREASE IN BENEFIT OBLIGATIONS		
Liabilities for coverage on waivers of premium	\$ <u>(22,500)</u>	\$ <u>0</u>
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS		
ADDITIONS		
Assessments to participating employers	855,200	824,035
Interest income	81,611	95,997
Miscellaneous income	16,451	0
TOTAL ADDITIONS	<u>953,262</u>	<u>920,032</u>
DEDUCTIONS		
Payments to insurance company:		
Life insurance premium	577,930	557,797
Accidental death and dismemberment premium	20,091	23,487
Claims	109,500	26,500
	<u>707,521</u>	<u>607,784</u>
General and administrative expenses (Note 3)	85,664	97,155
TOTAL DEDUCTIONS	<u>793,185</u>	<u>704,939</u>
NET INCREASE IN NET ASSETS	<u>160,077</u>	<u>215,093</u>
INCREASE IN EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS:	182,577	215,093
EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS:		
BEGINNING OF YEAR	<u>2,074,869</u>	<u>1,859,776</u>
END OF YEAR	<u>\$ 2,257,446</u>	<u>\$ 2,074,869</u>

Roman Catholic Archdiocese of Boston Insurance Plan

Notes to Financial Statements

June 30, 2008

Note 1 - Description of Plan

The following brief description of the Roman Catholic Archdiocese of Boston Insurance Plan ("the Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

General - The Plan provides life and accidental death and dismemberment insurance coverage for substantially all lay employees who work for a participating employer. All participating employers are separately incorporated Catholic organizations that operate within the Archdiocese of Boston.

Eligibility for Participation - For all employees, participation begins on the first of the month following the completion of at least 1,000 hours of service during a one-year period. Those who are employed by participating schools are eligible provided they have been scheduled to work at least 24 hours per week for an entire academic year.

Benefits - The amount of life and accidental death and dismemberment coverage is based upon 150% of the employee's annual earnings to a maximum coverage of \$200,000. The percentage of coverage is reduced to 120% upon reaching age 65, and reduced to 90% upon reaching age 70. The minimum benefit payable under the Plan is \$10,000.

The amount of accidental death and dismemberment coverage during total disability is reduced to 100% of the employee's annual earnings and reduced to zero upon reaching age 65.

Contributions - The Plan agreement provides that the participating employers make monthly contributions to the Plan of a specified amount based on the annual salaries of the eligible employees. The employer's contribution rate is determined annually by the Plan's trustees, and is primarily set based upon the insurance contract premiums paid by the Plan. The contribution rate for the year ended June 30, 2008 and 2007 was \$.35 per \$1,000 of eligible salaries per month.

Funding - The Plan is fully insured through insurance contracts. Accordingly, the statement of changes in net assets available for benefits is charged with the cost of current insurance premiums, and there are generally no recorded benefit obligations (see Note 2, "Provision for Coverage on Waivers of Premium"). These insurance contracts automatically renew during October of 2008, unless directed otherwise by the Plan. Subsequent to year-end, the Plan entered into a contract with a new insurance provider, which expires on September 30, 2010, with the option to renew for an additional year.

Note 2 - Summary of Significant Accounting Policies

Accounting 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 certain reported amounts and disclosures of assets, liabilities, benefit obligations and changes therein. Actual results could differ from those estimates.

Roman Catholic Archdiocese of Boston Insurance Plan

Notes to Financial Statements (Cont.)

June 30, 2008

Note 2 - Summary of Significant Accounting Policies (Cont.)

Cash and Cash Equivalents – For purposes of presentation of the statement of net assets, cash includes all bank accounts and overnight investments from the accounts. The Plan deposits its cash in major financial institutions, which are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$100,000. At times, such cash is in excess of FDIC insured limits. At June 30, 2008, the excess approximated \$14,000 based on bank balances. Cash equivalents consist of investments in uninsured money market mutual funds approximating \$1,781,000 at June 30, 2008. The Plan has not experienced any losses as a result of uninsured amounts.

Participating Employers’ Contributions Receivable – Amounts receivable from participating employers are stated net of an allowance for uncollectible accounts, which is reported on the face of the Plan’s statement of benefit obligations and net assets available for benefits. The allowance is established via 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 collectibility of individual accounts.

Provision for Coverage on Waivers of Premium - The Plan's financial statements include provisions for estimated future benefits payable to participants qualifying for premium waivers under the Plan document. Such provisions generally apply to participants whose employment terminated due to disability.

Note 3 - 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, 2008 and 2007 were approximately \$67,000 and \$87,000, respectively.

Note 4 – Board-Designated Net Assets

In a prior year, the Board of Trustees voted to establish a targeted reserve of net assets equaling 150% of the current year’s assessments. At June 30, 2008 and 2007, the net assets available is sufficient to satisfy this reserve and is presented in net assets as board-designated net assets.

Note 5 - Financial Instruments and Concentrations of Credit Risk

The Plan's financial instruments that are potentially subject to concentrations of credit risk consist primarily of cash, cash equivalents and contributions receivable from participating employers, which are periodically evaluated for their collectibility.

OTHER FINANCIAL INFORMATION

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INDEPENDENT AUDITORS' REPORT

To the Trustees
Roman Catholic Archdiocese of Boston Insurance Plan

The audited financial statements of the Plan, and our report thereon, are presented in the preceding section of this report.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of general and administrative expenses for the years ended June 30, 2008 and 2007, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

G. T. Reilly & Company

G. T. Reilly & Company

Milton, Massachusetts
December 19, 2008

Roman Catholic Archdiocese of Boston Insurance Plan

Schedules of General and Administrative Expenses

Year Ended June 30

	<u>2008</u>	<u>2007</u>
SERVICE FEES		
Professional	\$ 17,835	\$ 9,758
Administration - Roman Catholic Archbishop of Boston, A Corporation Sole	<u>67,075</u>	<u>86,774</u>
	84,910	96,532
Office and other administrative expenses	<u>754</u>	<u>623</u>
	<u>\$ 85,664</u>	<u>\$ 97,155</u>