Audited
Financial Statements

Caritas Christi
Retirement Plan and Trust

June 30, 2006

G.T. Reilly
& Company
Certified Public Accountants/Business Consultants

Caritas Christi Retirement Plan and Trust

Audited Financial Statements and Other Financial Information

June 30, 2006

G.T. Reilly & Company
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G.T. Reilly & Company
Internationally,
Moore Stephens Reilly, P.C.
Reilly Consulting Group, Inc.
ReillyTech
Reilly Benefits
Reilly Small Business Group

INDEPENDENT AUDITORS' REPORT

To the Trustees
Caritas Christi Retirement Plan and Trust

We have audited the accompanying statements of net assets available for benefits and of accumulated plan benefits of the Caritas Christi Retirement Plan and Trust as of June 30, 2006 and 2005, and the related statements of changes in net assets available for benefits and of changes in accumulated plan 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 Caritas Christi Retirement Plan and Trust at June 30, 2006 and 2005, 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

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Milton, Massachusetts
October 19, 2006

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Statements of Net Assets Available for Benefits

June 30

	2006	2005
Assets		
Investments, at fair value (Notes 2 & 3)		
Roman Catholic Archbishop of Boston		
Collective Investment Partnership	**$266,798,963**	$248,323,710
Metropolitan Life Group Annuity Contracts:		
Pooled separate accounts	**8,285,572**	8,552,159
Investment contract	**54,971**	12,815
	275,139,506	256,888,684
Receivable from participating employers	**22,997**	49,340
Due from related organization (Note 6)	**43,615**	0
Prepaid expense	**601,535**	0
Cash and cash equivalents	**2,064,368**	4,710,727
TOTAL ASSETS	**277,872,021**	261,648,751
Liabilities		
Accounts payable and accrued expenses	**77,618**	149,774
NET ASSETS AVAILABLE FOR BENEFITS	**$277,794,403**	$261,498,977

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

Statements of Changes in Net Assets Available for Benefits

Year Ended June 30

	2006	2005
ADDITIONS		
Investment income:		
Interest	$ 394,069	$ 306,475
Net appreciation in fair value of investments (Note 3)	21,047,359	16,644,750
	21,441,428	16,951,225
Employer contributions (Note 4)	5,690,659	3,700,584
	27,132,087	20,651,809
DEDUCTIONS		
Benefits paid directly to participants	10,320,956	9,520,917
General and administrative expenses	515,705	620,630
TOTAL DEDUCTIONS	10,836,661	10,141,547
NET INCREASE IN NET ASSETS	16,295,426	10,510,262
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	261,498,977	250,988,715
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$277,794,403	$261,498,977

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

Statements of Accumulated Plan Benefits

June 30

	2006	2005
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS		
Vested benefits:		
Retired participants currently receiving payments	**$ 98,542,861**	$ 89,263,613
Other participants	**202,718,756**	207,421,264
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	**$301,261,617**	$296,684,877

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

Statements of Changes in Accumulated Plan Benefits

Year Ended June 30

	2006	2005
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT BEGINNING OF YEAR	**$296,684,877**	$282,632,786
INCREASE (DECREASE) DURING THE YEAR ATTRIBUTABLE TO:		
Benefits accumulated (Note 1)	**(4,062,172)**	2,166,072
Increase for interest, due to the decrease in the discount period	**18,949,425**	18,066,587
Benefits paid	**(10,310,513)**	(9,520,917)
Change in actuarial assumptions (Note 2)	**0**	3,340,349
NET INCREASE	**4,576,740**	14,052,091
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT END OF YEAR	**$301,261,617**	$296,684,877

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

Notes to Financial Statements

June 30, 2006

Note 1 - Description of Plan

The following brief description of the Caritas Christi Retirement Plan and Trust ("the Plan") is provided for general information purposes only. Participants should refer to the Plan for more complete information.

General – The Plan was established on July 1, 1997 as a successor plan for Archdiocese-related health care institutions that previously participated in the Roman Catholic Archdiocese of Boston Pension Plan. The Plan is a non-contributory defined benefit pension plan covering substantially all lay employees who work for a participating health care institution affiliated with the Roman Catholic Archdiocese of Boston. The Plan provides benefits for normal, early, disability and postponed retirement.

Plan Suspension - Effective January 1, 2004, participant benefits were frozen and any additional benefits for future service were suspended. As a result, all participants became fully vested.

Eligibility for Participation - 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 the predecessor Plan, or (b) the earlier of the completion of three years of service or the attaining of age 21, with one year of service. No new participants will become eligible for the Plan effective January 1, 2004.

Pension 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 predecessor Plan as constituted on that date;

(b) 2% of annual earnings for each year of service completed between June 30, 1987 and December 31, 2003, plus 0.47% of the earnings that exceed twice the covered compensation. No future benefits will accrue after December 31, 2003;

(c) With respect to a participant who became covered on the date his or her employer became a participating employer and such date occurred on or after the Plan restatement date, 2% of his or her annual rate of earnings on such date multiplied by the number of full years occurring after the date he or she would have completed three years of service credit had the employer always been a participating employer (or, if earlier, the date he or she had attained age 21 and would have completed one year of service credit), and before the date the employer became a participating employer.

A participant is eligible for early retirement by election or disability. A participant who is 55 years of age and has 5 years of service credit may elect to receive early pension benefits. A participant who has 5 years of service credit, who is at least 55 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 an earlier retirement age. As of July 1, 1984, a 50% Survivor Spouse Pre-Retirement Death Benefit is applicable to all vested participants who have been married to their spouse for at least one year at the date of death.

Notes to Financial Statements (Cont.)

June 30, 2006

Note 1 - Description of Plan (Cont.)

A participant may continue in the employ of the participating employer after the normal retirement age. The participant continued to accrue pension benefits until the earlier of actual retirement, or the date the plan was frozen, January 1, 2004.

All participants are fully vested effective January 1, 2004.

The Plan includes a post-retirement life insurance benefit whereby participants retiring from active employment are entitled 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 10 years.

Note 2 - Summary of Significant Accounting Policies

The significant accounting policies followed by the Plan are described below:

Basis of Accounting – The financial statements have been prepared on the accrual basis of accounting.

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 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. Accordingly, actual results may differ from those estimates.

Cash and Cash Equivalents – Cash Equivalents consist of investments in uninsured money market mutual funds approximating $ 828,000 at June 30, 2006.

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, 2006, the excess approximated $1,065,000 based on bank balances. The Plan has not experienced any losses as a result of the use of uninsured amounts.

Valuation of Investments - Investments are stated at values which are based on the latest quoted market prices as of the financial statement date. Units of participation in separate investment accounts are valued at fair value based upon the market values of the underlying assets in the separate accounts. The investment contract account is stated at contract value which represents contributions made under contract, plus earnings, less withdrawals and investment fees.

Securities Transactions and Investment Income - Securities transactions are recorded on a settlement date basis. Interest income is recorded on the accrual basis and dividend income is recorded on the payable date.

Participating Employers’ Receivables – When considered necessary by management, amounts receivable from participating employers are stated net of an allowance for uncollectible accounts, which would be reported on the face of the Plan’s statement of 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. No allowance is considered necessary by management at June 30, 2006 and 2005.

Notes to Financial Statements (Cont.)

June 30, 2006

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

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 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.

The actuarial present value of accumulated plan benefits is determined by an actuary from CCA-Strategies for 2006, and Towers Perrin Co. for 2005, 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 June 30 are as follows:

		2006		2005	
1.	Investment return	6.5%		6.5%	
2.	Salary increases	N/A		N/A	
3.	Cost of living increases	N/A		N/A	
4.	Future expenses	4%		4%	
5.	Mortality	RP-2000, projected to 2020, sex distinct no collar adjustments		RP-2000, projected to 2020, sex distinct, no collar adjustments	
6.	Termination	**Age**	**Annual Rate**	Age	Annual Rate
		25	**.318**	25	.318
		30	**.234**	30	.234
		35	**.170**	35	.170
		40	**.125**	40	.125
		45	**.089**	45	.089
		50	**.057**	50	.057
		55	**.000**	55	.000
		60	**.000**	60	.000
		65	**.000**	65	.000
7.	Retirement age	**Age 67**		Age 67	
8.	Form of payment	**Life annuity**		Life annuity	

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.

Effective July 1, 2004, the mortality table was changed to the RP-2000 Mortality Table, which increased accumulated plan benefits by approximately $3 million. The effect of the change in assumption is reflected in the accompanying financial statements for the year ended June 30, 2005.

Notes to Financial Statements (Cont.)

June 30, 2006

Note 3 - Investments

The following table presents the fair value of investments at June 30:

	2006	2005
Roman Catholic Archbishop of Boston		
Collective Investment Partnership	**$266,798,963**	$248,323,710
Metropolitan Life Group Annuity Contracts:		
Investment contract	**54,971**	12,815
Pooled separate accounts	**8,285,572**	8,552,159
	$275,139,506	$256,888,684

During the years ended June 30, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

	2006	2005
Based on fair value as determined by quoted market price:		
Collective Investment Partnership	**$20,975,254**	$16,288,152
Metropolitan Life Group Annuity Contracts	**72,105**	356,598
	$21,047,359	$16,644,750

Roman Catholic Archbishop of Boston Collective Investment Partnership is an investment fund whose assets consist primarily of equity and fixed-income securities. The Plan is a partner in this partnership, along with other partners who are related organizations within the Archdiocese of Boston.

Note 4 - Funding Policy

Effective July 1, 2004, a funding policy was implemented such that a calculated (or target) contribution level for each funding location would be equal to an amortization of the deficit, if any, as of the valuation date. Benefit accruals are frozen in the Plan, so the normal cost for each funding location is zero. The amortization is intended to eliminate any funding deficits by January 1, 2015.

During the year ended June 30, 2006, the participating employers were assessed an additional $1.8 million over their current contribution rate. A change in actuarial assumptions, including mortality, in a prior year helped create a gap between the current rate assessed and the calculated rate. Participating employers agreed to pay a one-time adjustment assessment now in lieu of increasing their rate for one year.

Note 5 - Plan Termination

Although they have not expressed any intention to do so, the Trustees may terminate the Plan at any time. The Trustees may also amend the Plan, subject to such provisions (see Note 1, “Plan Suspension",). In the event the Plan terminates, the Trust 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.

Notes to Financial Statements (Cont.)

June 30, 2006

Note 6 - 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, 2006 and 2005 were approximately $231,100 and $243,400, respectively.

Due from Related Organization - At June 30, 2006, the Plan has a receivable of $43,615 from the RCAB Pension Plan and Trust representing amounts owed to the Plan to adjust for certain operating activities.

Note 7 - Financial Instruments and Concentrations of Credit Risk

The Plan's financial instruments that are potentially subject to concentration of credit risk consist of cash and cash equivalents (Note 2), investments and accounts receivable from participating employees.

Investments in the Collective Investment Partnership, $267 million (see Note 3) consist of both debt and equity investments in both corporate and U.S. Government entities. Corporate securities are invested in a broad range of diverse industries.

Investments within annuity contracts with Metropolitan Life approximate $8.3 million (see Note 3) and consist of fixed income separate accounts, a growth equity separate account, a capital appreciation separate account, a broad market separate account and an international bond fund separate account.

Accounts receivable from participating employers are periodically evaluated for their collectibility. At June 30, 2006, approximately $22,000 or 96% of the Plan’s accounts receivable are from one participating employer.

Note 8 – Tax Status

The Plan received a favorable determination letter from the Internal Revenue Service dated June 16, 2005 stating that the Plan, with amendments made through December 31, 2003, meets the requirements of a church plan and is, therefore, exempt from federal income taxes under IRS Section 501(a). The Plan has since been amended . The Trustees believe that the Plan is currently being operated in compliance with applicable requirements of the Internal Revenue Code and remains, therefore, exempt from federal income taxes.

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INDEPENDENT AUDITORS' REPORT

To the Trustees
Caritas Christi Retirement Plan and Trust

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, 2006 and 2005, 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
October 19, 2006

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Schedules of General and Administrative Expenses

Year Ended June 30

	2006	2005
Service Fees:		
Actuarial and consulting	$ 76,748	$ 157,955
Investment	69,440	69,676
Professional	107,164	119,256
Administration - Roman Catholic Archbishop of Boston, A Corporation Sole	231,112	243,422
	484,464	590,309
Office and other administrative expenses	31,241	30,321
	$ 515,705	$ 620,630

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