

**Audited  
Financial Statements**

**Roman Catholic Archdiocese  
of Boston Long-Term Disability Plan**

**June 30, 2006**

# Roman Catholic Archdiocese of Boston Long-Term Disability Plan

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## Audited Financial Statements and Other Financial Information

June 30, 2006

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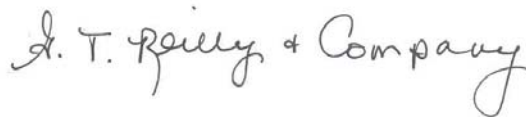
## INDEPENDENT AUDITORS' REPORT

To the Trustees  
Roman Catholic Archdiocese of Boston Long-Term Disability Plan

We have audited the accompanying statements of benefit obligations and net assets available for benefits of the Roman Catholic Archdiocese of Boston Long-Term Disability Plan as of June 30, 2006 and 2005, 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 Long-Term Disability Plan 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

Milton, Massachusetts  
October 16, 2006

# Roman Catholic Archdiocese of Boston Long-Term Disability Plan

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## Statements of Benefit Obligations and Net Assets Available for Benefits

June 30

	<u>2006</u>	<u>2005</u>
<b>BENEFIT OBLIGATIONS</b>	\$ <u>0</u>	\$ <u>0</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>		
<b><u>Assets</u></b>		
Cash and cash equivalents (Note 2)	1,530,190	1,803,728
Participating employers' contributions receivable, less allowance for uncollectibles of \$24,891 in 2006 and \$24,899 in 2005 (Note 2)	<u>17,319</u>	<u>73,218</u>
Total Assets	<u>1,547,509</u>	<u>1,876,946</u>
<b><u>Liabilities</u></b>		
Accounts payable for administrative expenses	1,403	2,837
Due to affiliate	4,800	0
Dividends payable	<u>0</u>	<u>665,355</u>
Total Liabilities	<u>6,203</u>	<u>668,192</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<u>1,541,306</u>	<u>1,208,754</u>
<b>EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS</b>		
Board-designated (Note 4)	915,206	908,973
Excess of Board-designated	<u>626,100</u>	<u>299,781</u>
	<u>\$1,541,306</u>	<u>\$1,208,754</u>

## Roman Catholic Archdiocese of Boston Long-Term Disability Plan

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

Year Ended June 30

	<u>2006</u>	<u>2005</u>
<b>NET INCREASE IN BENEFIT OBLIGATIONS</b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>
<b>NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS</b>		
ADDITIONS		
Assessments to participating employers	<b>610,137</b>	605,982
Interest income	<b><u>47,489</u></b>	<u>31,141</u>
TOTAL ADDITIONS	<b><u>657,626</u></b>	<u>637,123</u>
DEDUCTIONS		
Payments to insurance company:		
Long-term disability insurance premiums	<b>218,830</b>	256,232
General and administrative expenses	<b>106,244</b>	78,284
Dividends to participating employers	<b><u>0</u></b>	<u>665,355</u>
TOTAL DEDUCTIONS	<b><u>325,074</u></b>	<u>999,871</u>
<b>NET INCREASE (DECREASE) IN NET ASSETS</b>	<b>332,552</b>	(362,748)
<b>EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS:</b>		
<b>BEGINNING OF YEAR</b>	<b><u>1,208,754</u></b>	<u>1,571,502</u>
<b>END OF YEAR</b>	<b><u>\$1,541,306</u></b>	<u>\$1,208,754</u>

# Roman Catholic Archdiocese of Boston Long-Term Disability Plan

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## Notes to Financial Statements

June 30, 2006

### Note 1 - Description of Plan

The following brief description of the Roman Catholic Archdiocese of Boston Long-Term Disability Plan ("the Plan") is provided for general information purposes only. Participants should refer to the Summary Plan Description for more complete information.

General - The Plan provides long-term disability 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 12 months of continuous active employment. 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. All others must be working at least 20 hours per week during the calendar year.

Benefits - The amount of long-term disability coverage is based upon 60% of the employee's monthly earnings to a maximum benefit of \$5,000 per month. The minimum benefit payable under the Plan is the greater of \$50 or 15% of a participating employee's gross disability payment.

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. The contribution rate for the year ended June 30, 2006 and 2005 was \$.50 per \$100 of eligible salaries per month.

Funding - The Plan is fully insured through an insurance contract. Accordingly, the statement of changes in net assets available for benefits is charged with the cost of current insurance premiums.

### 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.

Cash and Cash Equivalents - For purposes of presentation on the statement of net assets, cash includes all bank accounts. Cash equivalents consist of investments in uninsured money market mutual funds approximating \$20,400 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 \$350,000 based on bank balances. The Plan has not experienced any losses as a result of the use 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.

# Roman Catholic Archdiocese of Boston Long-Term Disability Plan

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## Notes to Financial Statements (Cont.)

June 30, 2006

### 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, 2006 and 2005 were approximately \$79,800 and \$67,600, respectively.

### Note 4 - Board-Designated Net Assets

In 2005, the Board of Trustees voted to establish a targeted reserve for net assets equaling 150% of current year's assessments.

### 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 and cash equivalents (Note 2), and contributions receivable from participating employees, which are periodically evaluated for their collectibility.

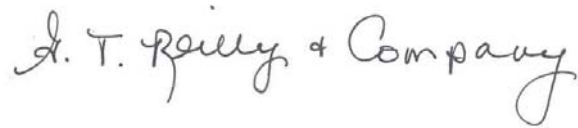
G.T. Reilly & Company  
Internationally,  
Moore Stephens Reilly, P.C.  
Reilly Consulting Group, Inc.  
ReillyTech  
Reilly Benefits  
Reilly Small Business Group

## INDEPENDENT AUDITORS' REPORT

To the Trustees  
Roman Catholic Archdiocese of Boston Long-Term Disability 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, 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

Milton, Massachusetts  
October 16, 2006

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## Roman Catholic Archdiocese of Boston Long-Term Disability Plan

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### Schedules of General and Administrative Expenses

Year Ended June 30

	<u>2006</u>	<u>2005</u>
SERVICE FEES		
Professional	\$ 19,634	\$ 3,310
Administration - Roman Catholic Archbishop of Boston, A Corporation Sole	<u>79,801</u>	<u>67,621</u>
	99,435	70,931
Office and other administrative expenses	<u>6,837</u>	<u>7,353</u>
	<u>\$ 106,272</u>	<u>\$ 78,284</u>