

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON
TRANSITION ASSISTANCE PROGRAM**

**FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON
TRANSITION ASSISTANCE PROGRAM**

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JUNE 30, 2009 AND 2008**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Roman Catholic Archdiocese of Boston Transition Assistance Program:

We have audited the accompanying statement of benefit obligations and net assets available for benefits of Roman Catholic Archdiocese of Boston Transition Assistance Program (the Plan) as of June 30, 2009, and the related statement of changes in benefit obligations and changes in net assets available for benefits for the year 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 audit. The financial statements of the Plan as of June 30, 2008, were audited by other auditors. Their report, dated December 19, 2008, indicated that the financial statements, referred to above present fairly, in all material respects, the financial status of the Plan as of June 30, 2008, and the changes in its financial status for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the benefit obligations and net assets available for benefits of Roman Catholic Archdiocese of Boston Transition Assistance Program as of June 30, 2009, and the changes in benefit obligations and net assets available for benefits for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Alexander, Aronson, Finning & Co., P.C.

Wellesley, Massachusetts
July 29, 2010

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON
TRANSITION ASSISTANCE PROGRAM**

**STATEMENTS OF BENEFIT OBLIGATIONS AND
NET ASSETS AVAILABLE FOR BENEFITS
JUNE 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
BENEFIT OBLIGATIONS -		
Claims payable	\$ <u>77,832</u>	\$ <u>20,693</u>
NET ASSETS AVAILABLE FOR BENEFITS:		
ASSETS -		
Cash and cash equivalents	2,431,692	2,903,205
LIABILITIES -		
Accounts payable and administrative expenses	<u>4,835</u>	<u>264</u>
Net assets available for benefits	<u>2,426,857</u>	<u>2,902,941</u>
EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS	<u>\$ 2,349,025</u>	<u>\$ 2,882,248</u>

The accompanying notes are an integral part of these statements.

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON
TRANSITION ASSISTANCE PROGRAM**

**STATEMENTS OF CHANGES IN BENEFIT OBLIGATIONS AND
CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
NET INCREASE (DECREASE) IN BENEFIT OBLIGATIONS -		
Claims payable	\$ 57,139	\$ (31,350)
NET DECREASE IN NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS:		
ADDITIONS TO NET ASSETS -		
Interest income	44,130	126,809
DEDUCTIONS FROM NET ASSETS -		
Claims	475,861	311,068
General and administrative expenses:		
Administration - Roman Catholic Archbishop of Boston, A Corporation Sole	29,539	26,850
Office and other administrative expenses	14,814	7,132
Total general and administrative expenses	44,353	33,982
Total deductions	520,214	345,050
Net decrease in net assets available for benefits over benefit obligations	(533,223)	(186,891)
EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS, beginning of year	<u>2,882,248</u>	<u>3,069,139</u>
EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS, end of year	<u>\$ 2,349,025</u>	<u>\$ 2,882,248</u>

The accompanying notes are an integral part of these statements.

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON
TRANSITION ASSISTANCE PROGRAM**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008**

(1) DESCRIPTION OF PLAN

The following description of the Roman Catholic Archdiocese of Boston Transition Assistance Program (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

a. General

The Plan provides unemployment benefits for all eligible employees who work for a participating employer. All participating employers are Catholic organizations within the Archdiocese of Boston.

b. Eligibility

For all employees, participation begins on the first day of the month following the completion of one year of service in which at least 1,000 hours of service were worked. Those who are employed by participating schools are eligible provided they have worked at least 24 hours per week for an entire academic year.

c. Benefits

The full amount of unemployment benefits is based upon 50% of the employee's base weekly wage to a maximum coverage of \$575 (gross) per week. Benefits are payable for a maximum duration of 30 calendar weeks. Weekly maximum benefit amounts are adjusted annually to reflect the Massachusetts statutory unemployment maximum. Continued benefits are contingent upon proof of active job search.

d. Contributions

The Plan document 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. No contribution was deemed necessary for the years ended June 30, 2009 and 2008.

(2) SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Plan prepares its financial statements in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to U. S. GAAP in these footnotes are to the FASB Accounting Standards Codification.

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008
(Continued)**

(2) **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Cash and Cash Equivalents

For purposes of presentation of the statement of benefit obligations and net assets available for benefits, cash and cash equivalents includes all checking and savings 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 certain amounts. At certain times during the year, cash balances may exceed the insured amounts. The Plan has not experienced any losses in such accounts. The Plan believes it is not exposed to any significant credit risk on cash and cash equivalents.

For purposes of presentation of the statement of benefit obligations and net assets available for benefits, cash equivalents includes short-term, highly liquid investments with original maturities of three months or less and are reported at cost, which approximates fair value. The Plan deposits its cash equivalents in major financial institutions, which are not insured. The Plan has not experienced any losses in such accounts. The Plan believes it is not exposed to any significant credit risk on cash equivalents.

Benefit Obligations

Benefit obligations consist solely of claims payable for involuntary job loss. Claims payable represent actual claims received and payable, as well as an estimate by management of future amounts payable for claims incurred through the end of each year. There are no post-retirement benefit obligations associated with this Plan.

Income Recognition

Interest income is recorded on the accrual basis.

Subsequent Events

The preparation of financial statements in accordance with U.S. GAAP requires management to disclose the date through which subsequent events have been evaluated for possible recognition or disclosure in the accompanying financial statements. Subsequent events are transactions or events that occur after the statement of benefit obligation and net assets available for benefits date, but before the financial statements are issued or available to be issued. The accompanying financial statements include the evaluation of subsequent events that have occurred through July 29, 2010, which is the date the financial statements were available to be issued.

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008
(Continued)**

(3) FAIR VALUE MEASUREMENT

The Plan has adopted the concept of *Fair Value Measurements* which establishes a framework for measuring fair value. This framework 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 this framework are described as follows:

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

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- 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 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Plan's qualifying assets consist of cash and cash equivalents which are valued at the U.S. currency of the dollar and are all considered to be of Level 1 inputs.

(4) 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 year ended June 30, 2009, were approximately \$29,500 and \$26,850, respectively.

(5) RISKS AND UNCERTAINTIES

The Plan invests in various cash related instruments that are potentially subject to various risks such as interest rate, market, and credit risk. Due to the minimal level of risk associated with cash related instruments, it is reasonably possible that changes in the values of these cash related instruments in the near term would not materially affect the amounts reported in the statements of benefit obligations and net assets available for benefits.

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON
TRANSITION ASSISTANCE PROGRAM**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008
(Continued)**

(5) **RISKS AND UNCERTAINTIES** (Continued)

The actuarial present value of benefit obligations is reported based on certain assumptions pertaining to interest rates, health care inflation rates, and employee 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.

(6) **OTHER MATTERS**

The Trust was established under the Plan to hold the Plan's assets to qualify pursuant to Section 501(c)9 of the Internal Revenue Code (IRC) and, accordingly, the Trust's net investment income is exempt from income taxes. The Trust has obtained a favorable tax determination from the Internal Revenue Service, and the Plan sponsor believes that the Trust continues to qualify and to operate in accordance with applicable provisions of the IRC. Therefore, no provisions for income taxes have been included in the financial statements.