

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON  
LIFE INSURANCE PLAN AND LONG-TERM DISABILITY PLAN**

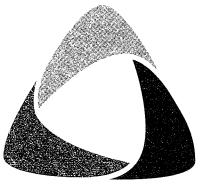
**FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014**

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON  
LIFE INSURANCE PLAN AND LONG-TERM DISABILITY PLAN**

Contents  
June 30, 2015 and 2014

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Independent Accountants' Review Report

To the Board of Trustees of the  
Roman Catholic Archdiocese of Boston  
Life Insurance Plan and Long-Term Disability Plan:

We have reviewed the accompanying statements of benefit obligations and net assets available for benefits of the Roman Catholic Archdiocese of Boston Life Insurance Plan and Long-Term Disability Plan (the Plan) as of June 30, 2015 and 2014, and the related statements of changes in benefit obligations and changes in net assets available for benefits for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Roman Catholic Archdiocese of Boston management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Alexander, Brown, Fenning & Co., P.C.*

Boston, Massachusetts  
December 16, 2015

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON  
LIFE INSURANCE PLAN AND LONG-TERM DISABILITY PLAN**

Statements of Benefit Obligations and Net Assets Available for Benefits  
June 30, 2015 and 2014  
(See Independent Accountants' Review Report)

	<u>2015</u>	<u>2014</u>
<b>Benefit Obligations:</b>		
Liability for coverage on waivers of premium (see Notes A and B)	\$ 181,033	\$ 182,139
<b>Net Assets Available for Benefits:</b>		
Assets:		
Cash and cash equivalents	998,729	1,065,487
Employers' contributions receivable, net of allowance for uncollectible assessments	<u>3,379</u>	<u>5,105</u>
Total assets	1,002,108	1,070,592
Accounts payable and accrued expenses	<u>7,555</u>	<u>18,826</u>
Net assets available for benefits	<u>994,553</u>	<u>1,051,766</u>
<b>Excess of Net Assets Available for Benefits Over Benefit Obligations:</b>		
Board-designated	559,499	509,580
Excess of board-designated	<u>254,021</u>	<u>360,047</u>
Total excess of net assets available for benefits over benefit obligations	<u>\$ 813,520</u>	<u>\$ 869,627</u>

The accompanying notes are an integral part of these statements.

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON  
LIFE INSURANCE PLAN AND LONG-TERM DISABILITY PLAN**

Statements of Changes in Benefit Obligations and Changes in Net Assets Available for Benefits  
For the Years Ended June 30, 2015 and 2014  
(See Independent Accountants' Review Report)

	<u>2015</u>	<u>2014</u>
<b>Changes in Benefit Obligations:</b>		
Liabilities for coverage on waivers of premium (see Notes A and B)	\$ (1,106)	\$ (22,959)
<b>Changes in Net Assets Available for Benefits Over Benefit Obligations:</b>		
Additions to net assets:		
Assessments to participating employers:		
Life Insurance Plan	\$ 839,748	\$ 815,791
Long-Term Disability Plan	453,469	440,049
Total assessments to participating employers	1,293,217	1,255,840
Interest income	2,022	2,408
Total additions	1,295,239	1,258,248
Deductions from net assets:		
Payments to insurance company:		
Life Insurance premiums	852,216	634,152
Long-Term Disability premiums	322,726	356,310
Accidental Death and Dismemberment premiums	37,846	36,816
Total payments to insurance company	1,212,788	1,027,278
General and administrative expenses:		
Administration - Roman Catholic Archbishop of Boston, A Corporation Sole	111,484	105,039
Office and other administrative expenses	14,015	19,179
Professional fees	12,193	27,312
Total general and administrative expenses	137,692	151,530
Provision for (recovery of) uncollectable assessments	(240)	437
Total deductions	1,350,240	1,179,245
Net increase (decrease) in net assets available for benefits over benefit obligations	(56,107)	56,044
<b>Excess of Net Assets Available for Benefits Over Benefit Obligations:</b>		
Beginning of year	869,627	813,583
End of year	<u>\$ 813,520</u>	<u>\$ 869,627</u>

The accompanying notes are an integral part of these statements

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON  
LIFE INSURANCE PLAN AND LONG-TERM DISABILITY PLAN**

Notes to Financial Statements  
June 30, 2015 and 2014  
(See Independent Accountants' Review Report)

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**NOTE A - DESCRIPTION OF PLAN**

The following description of the Roman Catholic Archdiocese of Boston Life Insurance Plan (the Life Insurance Plan) and Long-Term Disability Plan (the Disability Plan) (collectively, the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

**General**

The Plan provides life, accidental death, dismemberment, and disability insurance coverage for eligible employees who work for a participating employer. All participating employers are Catholic organizations within the Archdiocese of Boston.

**Eligibility**

For all employees, participation begins on the first day of the month following the completion of one year of service during 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.

**Payment of Benefits**

Premiums paid by the Plan are recorded as premium payments in the accompanying statements of changes in benefit obligations and changes in net assets available for benefits.

Claim payments are recorded when paid by the third-party claims processor. Amounts due to claims processors that have yet to be reimbursed by the Plan are recorded as payable to claims administrators in the accompanying statements of benefit obligations and net assets available for benefits.

**Life Insurance Benefits**

The amount of life, accidental death, and dismemberment coverage is based upon 200% of the employee's annual earnings to a maximum coverage of \$300,000. The percentage of coverage is reduced to 160% upon reaching age 65, and reduced to 120% upon reaching age 70. The minimum benefit payable under the Life Insurance 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.

**Disability 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 Disability Plan is the greater of \$50 or 15% of a participating employee's gross disability payment.

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June 30, 2015 and 2014  
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**NOTE A - DESCRIPTION OF PLAN (Continued)**

**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 employers' 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 years ended June 30, 2015 and 2014, was \$0.221 per \$1,000 of eligible salaries, per month for the Life Insurance Plan. The contribution rate for the years ended June 30, 2015 and 2014, was \$0.26 per \$100 of eligible salaries for the Disability Plan.

**Funding**

The Plan is fully insured through insurance contracts. Accordingly, the statements of changes in benefit obligations and changes in net assets available for benefits are charged with the cost of current insurance premiums, and there are generally no recorded benefit obligations (see Note B).

**NOTE B - SUMMARY OF 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 notes are to the FASB Accounting Standards Codification (ASC).

**Use of 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, liabilities, benefit obligations and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of presentation of the statements of benefit obligations and net assets available for benefits, cash and cash equivalents include all checking and savings accounts and overnight investments from the accounts. The Plan deposits a portion of 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 statements 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.

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June 30, 2015 and 2014  
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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Experience-rated Contracts**

Certain insurance contracts are subject to experience-rating adjustments. Experience ratings (calculated as the difference between premiums paid and the total of claims paid and fees charged by the insurance company) are determined by the insurance company in the following year and may result in a premium surplus or deficit.

**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.

In fiscal years 2015 and 2014, there was a change in the estimate of the liability for benefits coverage on these waivers of premium participants. The effect of the change in estimate was a decrease in the liability of \$1,106 and \$22,959 for the years ended June 30, 2015 and 2014, respectively.

**Administrative Expenses**

The Plan pays office and other administrative expenses that consist primarily of fees paid to third-party claims administrators and accounting fees. The Plan also pays a service fee for administrative, technology, and clerical services, which is charged to the Plan by the Roman Catholic Archbishop of Boston, A Corporation Sole (see Note C) (the Plan Sponsor). These expenses are reported on the statements of changes in benefit obligations and changes in net assets available for benefits as general and administrative expenses.

**Employers' Contributions Receivable**

Amounts receivable from participating employers are stated net of an allowance for uncollectible assessments of \$505 and \$745 as of June 30, 2015 and 2014, respectively, which are reported on the Plan's statements 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 collectability of individual accounts.

**Provision for Income Taxes**

The Plan is included in the United States Catholic Conference Group Ruling and in the Official Catholic Directory and is therefore exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). The Plan adopted guidance recognizing the financial statement benefit of a tax position only after determining that the relevant tax authority would more-likely-than-not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Plan's management has reviewed the tax positions for open periods and determined that no provision for income tax is required in the Plan's financial statements.



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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Subsequent Events**

Subsequent events have been evaluated through December 16, 2015, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

**NOTE C - 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 total fees charged for the years ended June 30, 2015 and 2014, were \$111,484 and \$105,039, respectively.

**NOTE D - BOARD-DESIGNATED NET ASSETS**

The Board of Trustees established a targeted reserve for net assets equaling 50% of current year's insurance premiums. At June 30, 2015 and 2014, the net assets available are sufficient to satisfy this reserve and are presented in the accompanying statements of benefit obligations and net assets available for benefits as Board-designated net assets.

**NOTE E - 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.

**NOTE F - TAX STATUS**

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

**NOTE G - PLAN TERMINATION**

Although they have not expressed any intention to do so, the Trustees may completely or partially amend or terminate the Plan at any time. Upon termination, the Plan 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 in a manner determined by the Trustees.

**NOTE H - RECLASSIFICATION**

Certain accounts previously reported in the 2014 financial statements have been reclassified to facilitate comparability with the current year presentation. These reclassifications had no effect on the 2014 net income previously reported.