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

FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012
TOGETHER WITH
INDEPENDENT AUDITOR’S REPORT
ROMAN CATHOLIC ARCHDIOCESE OF BOSTON
LIFE INSURANCE PLAN AND LONG-TERM DISABILITY PLAN
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June 30, 2013 and 2012

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INDEPENDENT AUDITOR’S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Roman Catholic Archdiocese of Boston Life Insurance Plan and Long-Term Disability Plan (the Plan), which comprise the statements of benefit obligations and net assets available for benefits as of June 30, 2013 and 2012, and the related statements of changes in benefit obligations and changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion

In our opinion, the financial statements referred to on page one present fairly, in all material respects, the financial status of Roman Catholic Archdiocese of Boston Life Insurance Plan and Long-Term Disability Plan as of June 30, 2013 and 2012, and the changes in financial status for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Alexander, Acucci, Pinning & Co., PA.

Boston, Massachusetts
December 11, 2013
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, 2013 and 2012

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BENEFIT OBLIGATIONS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liability for coverage on waivers of premium (see Notes A and B)</td>
<td>$205,098</td>
<td>$206,261</td>
</tr>
<tr>
<td><strong>NET ASSETS AVAILABLE FOR BENEFITS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,043,893</td>
<td>1,001,807</td>
</tr>
<tr>
<td>Employers' contributions receivable, net of allowance for uncollectible assessments</td>
<td>1,738</td>
<td>7,121</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,045,631</td>
<td>1,008,928</td>
</tr>
<tr>
<td><strong>ACCOUNTS PAYABLE AND ACCRUED EXPENSES</strong></td>
<td>26,950</td>
<td>24,000</td>
</tr>
<tr>
<td>Net assets available for benefits</td>
<td>1,018,681</td>
<td>984,928</td>
</tr>
<tr>
<td><strong>EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board-designated</td>
<td>508,668</td>
<td>491,429</td>
</tr>
<tr>
<td>Excess of board-designated</td>
<td>304,915</td>
<td>287,238</td>
</tr>
<tr>
<td>Total excess of net assets available for benefits over benefit obligations</td>
<td>$813,583</td>
<td>$778,667</td>
</tr>
</tbody>
</table>

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, 2013 and 2012

| NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS: |
|-----------------------------|-------------|
| **ADDITIONS TO NET ASSETS:** |
| Assessments to participating employers: |
| Life Insurance Plan | $ 808,474 | $ 823,148 |
| Long-Term Disability Plan | 435,112 | 418,471 |
| Total assessments to participating employers | 1,243,586 | 1,241,619 |
| Interest income | 2,284 | 1,069 |
| Miscellaneous income | 117 | 16 |
| Total additions | 1,245,987 | 1,242,704 |

| **DEDUCTIONS FROM NET ASSETS:** |
| Payments to insurance company: |
| Life Insurance premiums | 650,407 | 615,908 |
| Long-Term Disability premiums | 354,479 | 331,706 |
| Accidental Death and Dismemberment premium | 36,808 | 34,867 |
| Total payments to insurance company | 1,041,694 | 982,481 |
| General and administrative expenses: |
| Administration - Roman Catholic Archbishop of Boston, A Corporation Sole | 142,005 | 157,707 |
| Professional fees | 15,261 | 14,980 |
| Office and other administrative expenses | 11,734 | 15,077 |
| Total general and administrative expenses | 169,000 | 187,764 |
| Distributions to participating employers | - | 1,458 |
| Provision for (recovery of) uncollectable assessments | 377 | (70) |
| Total deductions | 1,211,071 | 1,171,633 |
| Net increase in net assets available for benefits over benefit obligations | 34,916 | 71,071 |

**EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS**, beginning of year | 778,667 | 707,596 |

**EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS**, end of year | $ 813,583 | 778,667 |

*The accompanying notes are an integral part of these statements.*
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 separately incorporated Catholic organizations that operate 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.

Benefits

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 Plan

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.
NOTE A - DESCRIPTION OF PLAN – (Continued)

**Benefits** (Continued)

Disability Plan

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.

**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, 2013 and 2012, 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, 2013 and 2012, 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 - 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.

**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.
NOTE B - SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Cash and Cash Equivalents (Continued)

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.

Experienced-rated Contracts

For experience-rated contracts, premium surpluses are recorded as a receivable from the insurance company. To the extent that premium surpluses are attributable to premiums paid by the Plan, a payable to the Plan is also recorded for surplus amounts attributable to Plan-paid coverage.

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 2013 and 2012, 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 approximately a $1,000 increase in fiscal year 2013 and a $12,000 decrease in fiscal year 2012. Both changes are reflected in life insurance premiums on the accompanying statements of changes in benefit obligations and changes in net assets available for benefits for the years ended June 30, 2013 and 2012.

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 D). 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, 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.

Subsequent Events

Subsequent events have been evaluated through December 11, 2013, 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 B - SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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.

NOTE C - FAIR VALUE MEASUREMENT

The Plan follows the Fair Value Measurements and Disclosures standards. These standards define fair value, establish a framework for measuring fair value under U.S. GAAP, and mandate disclosures about fair value measurements. This policy establishes a fair value hierarchy that prioritizes the inputs and assumptions used to measure fair value. The Plan values its qualifying assets and liabilities using Level 1 inputs. Level 1 input reflects unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date. A qualifying asset or liability’s level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. 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 Level 1 inputs.

NOTE D - 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, 2013 and 2012, were approximately $142,000 and $158,000, respectively.

NOTE E - 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, 2013 and 2012, 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 F - 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 G - 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 H - 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 I - RECLASSIFICATIONS

Certain amounts in the June 30, 2012 financial statements have been reclassified to conform with the June 30, 2013 presentation.