ROMAN CATHOLIC ARCHDIOCESE OF BOSTON
TRANSITION ASSISTANCE PROGRAM

FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012
TOGETHER WITH
INDEPENDENT AUDITOR’S REPORT
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**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON TRANSITION ASSISTANCE PROGRAM**

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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 Transition Assistance Program:

Report on the Financial Statements

We have audited the accompanying financial statements of the Roman Catholic Archdiocese of Boston Transitional Assistance Program (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 Transitional Assistance Program 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.

Boston, Massachusetts
December 11, 2013
ROMAN CATHOLIC ARCHDIOCESE OF BOSTON TRANSITION ASSISTANCE PROGRAM
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>CLAIMS PAYABLE</td>
<td>$125,124</td>
<td>$173,547</td>
</tr>
<tr>
<td><strong>NET ASSETS AVAILABLE FOR BENEFITS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>992,354</td>
<td>1,062,589</td>
</tr>
<tr>
<td>Investments at fair value</td>
<td>1,344,521</td>
<td>1,214,697</td>
</tr>
<tr>
<td>Interest and dividends receivable</td>
<td>13,679</td>
<td>12,671</td>
</tr>
<tr>
<td>Participating employers' contributions receivable</td>
<td>931</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>2,351,485</td>
<td>2,289,957</td>
</tr>
<tr>
<td><strong>LIABILITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>9,200</td>
<td>7,000</td>
</tr>
<tr>
<td>Net assets available for benefits</td>
<td>2,342,285</td>
<td>2,282,957</td>
</tr>
<tr>
<td><strong>EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS</strong></td>
<td>$2,217,161</td>
<td>$2,109,410</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
**NET DECREASE IN BENEFIT OBLIGATIONS:**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CLAIMS PAYABLE</strong></td>
<td>$ (48,423)</td>
<td>$ (483)</td>
</tr>
</tbody>
</table>

**NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS:**

**ADDITIONS TO NET ASSETS:**

- Participating employers' contributions: 443,339
- Net appreciation (depreciation) in fair value of investments: 79,109
- Interest and dividend income: 55,082

Total additions: 577,530

**DEDUCTIONS FROM NET ASSETS:**

- Claims: 458,860

General and administrative expenses:

- Administration - Roman Catholic Archbishop of Boston, A Corporation Sole: 45,383
- Office and other administrative expenses: 13,959

Total general and administrative expenses: 59,342

Total deductions: 518,202

Net increase (decrease) in net assets available for benefits over benefit obligations: 107,751

**EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS**, beginning of year: 2,109,410

**EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS**, end of year: $2,217,161

*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 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.

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.

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.

Benefits

The full amount of unemployment benefits is based upon 50% of the employee’s base weekly wage to a maximum coverage of $674 and $653 (gross) per week as of June 30, 2013 and 2012, respectively. Benefits are payable for a maximum duration of thirty calendar weeks. Weekly maximum benefit amounts are adjusted annually to reflect the Massachusetts statutory weekly unemployment benefit maximum. Continued benefits are contingent upon proof of active job search.

Contributions

The Plan document provides that the participating employers may make monthly contributions to the Plan of a specified amount based on the annual salaries of the eligible employees. Mandatory contributions were reinstated in fiscal year 2013. No contributions were required in fiscal year 2012. The employers’ contribution rate is determined annually by the Plan’s Trustees.

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.
NOTE B - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of presentation of the statements 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 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. 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.

Investment Valuation and Income Recognition

The Plan’s investments are carried at fair value. Changes in fair value are reflected in the statements of benefit obligations and changes in net assets available for benefits as net appreciation (depreciation) in fair value of changes in investments. The Plan’s financial statements are recorded on the accrual basis of accounting.

Investments represent the Plan’s unit holdings in the Common Investment Fund, Roman Catholic Archbishop of Boston (the “Common Investment Fund”), a separate related organization established to provide a common investment pool in which the Plan and other related organizations may participate. It is the Common Investment Fund’s policy to distribute to its members, on a quarterly basis, one percent of the total net assets as of the end of the first business day of the quarter. The Common Investment Fund invests nearly all of its funds in the RCAB Collective Investment Partnership (the “Investment Partnership”), the underlying investments of which are primarily equity and fixed-income securities (U.S. Government and agency securities, asset-backed securities and corporate bonds) owned either directly or indirectly though mutual funds, private investment entities, and money market funds.

The fair value of the Investment Partnership’s investments in domestic and foreign securities listed on security exchanges is valued at the last reported sales price, or if there is no such reported sale or official closing price, at the most recent quoted bid price. For those securities whose prices are not available through independent pricing services, bid price quotations are obtained by State Street from the principle market makers in those securities or at fair value as determined in good faith by management. Investment holdings of private investment entities that are not actively traded are valued based on the net asset value per share on the valuation date as reported by the individual investment managers.
NOTE B - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 E). 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.

Participating 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. No allowances were required in fiscal year 2013.

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 the Plan.

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.

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 MEASUREMENTS

Fair Value Measurements

The Plan has adopted the criteria for the Fair Value Measurements standard. This standard defines fair value, establishes a framework for measuring fair value under U.S. GAAP, and mandates disclosures about fair value measurements. The criterion establishes a fair value framework that prioritizes the inputs and assumptions used to measure fair value. The three levels of the fair value 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; or 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.

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 methods used for valuing the assets and liabilities are not necessarily an indication of the risks associated with those assets.

Following is a description of the valuation methodologies used for assets measured at fair value:

Common Investment Fund: The Plan’s unit holdings in the Partnership do not have quoted prices in active markets or significant other observable inputs that have quoted market prices, although the Plan can redeem its investment at the net asset value per share at June 30, 2013 and 2012. These assets are valued using Level 2 inputs under the fair value hierarchy. The Plan evaluates the Partnership’s estimate of the fair value of the Plan’s unit holdings in the Partnership based on the Plan’s share of the underlying investment portfolio that consists of actively traded equities, bonds and money market funds.
NOTE C – FAIR VALUE MEASUREMENTS (Continued)

*Fair Value Measurements (Continued)*

The following table presents by level, within the fair value hierarch, the Plan’s assets at fair value as of June 30, 2013:

<table>
<thead>
<tr>
<th>Description</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roman Catholic Archbishop of Boston Common Investment Fund</td>
<td>$ -</td>
<td>$1,344,521</td>
<td>$ -</td>
<td>$1,344,521</td>
</tr>
</tbody>
</table>

The following table presents by level, within the fair value hierarch, the Plan’s assets at fair value as of June 30, 2012:

<table>
<thead>
<tr>
<th>Description</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roman Catholic Archbishop of Boston Common Investment Fund</td>
<td>$ -</td>
<td>$1,214,697</td>
<td>$ -</td>
<td>$1,214,697</td>
</tr>
</tbody>
</table>

The following table summarizes investments measured at fair value based on net asset value (NAV) per share as of June 30, 2013 and 2012:

<table>
<thead>
<tr>
<th>June 30, 2013</th>
<th>Fair Value</th>
<th>Unfunded Commitments</th>
<th>Redemption Frequency (if currently eligible)</th>
<th>Redemption Notice Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roman Catholic Archbishop of Boston Common Investment Partnership</td>
<td>$1,344,521</td>
<td>N/A</td>
<td>Quarterly</td>
<td>90 days</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>June 30, 2012</th>
<th>Fair Value</th>
<th>Unfunded Commitments</th>
<th>Redemption Frequency (if currently eligible)</th>
<th>Redemption Notice Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roman Catholic Archbishop of Boston Common Investment Partnership</td>
<td>$1,214,697</td>
<td>N/A</td>
<td>Quarterly</td>
<td>90 days</td>
</tr>
</tbody>
</table>
NOTE D - CLAIMS INCURRED BY NOT REPORTED

Plan obligations at June 30, 2013 and 2012, for claims incurred but not reported are estimated by the Plan’s actuary in accordance with accepted actuarial principles based on claims data provided by the Plan’s third-party claims administrators. These amounts are paid by the Plan only if claims are submitted and approved for payment.

NOTE E - 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, 2013 and 2012, were $45,383 and $58,338, respectively.

NOTE F - 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 G - RISKS AND UNCERTAINTIES

The Plan invests in cash related instruments and various investment securities that are potentially subject to various risks such as interest rate, market, and credit risk. Due to 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.

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.

NOTE H - 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 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 accompanying financial statements.

NOTE I - RECLASSIFICATIONS

Certain amounts in the fiscal year 2012 financial statements have been reclassified to conform with the fiscal year 2013 presentation.