

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

**COMBINING FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

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June 30, 2016 and 2015

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Independent Auditor's Report

To the Boards of Trustees of
The Catholic Community Fund of the Archdiocese of Boston, Inc. and
The Catholic Health Foundation of Greater Boston, Inc.:

Report on the Combining Financial Statements

We have audited the accompanying combining financial statements of The Catholic Community Fund of the Archdiocese of Boston, Inc. and The Catholic Health Foundation of Greater Boston, Inc. (Massachusetts corporations, not for profit), which comprise the combining statements of financial position as of June 30, 2016 and 2015, and the related combining statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the combining financial statements.

Management's Responsibility for the Combining Financial Statements

Management is responsible for the preparation and fair presentation of these combining 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 combining 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 combining 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 combining financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combining financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combining 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 combining 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 combining 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 combining financial statements referred to on page one present fairly, in all material respects, the combining financial position of The Catholic Community Fund of the Archdiocese of Boston, Inc. and The Catholic Health Foundation of Greater Boston, Inc. as of June 30, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended are in accordance with accounting principles generally accepted in the United States of America.

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

Boston, Massachusetts
October 25, 2016

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

Combining Statement of Financial Position
June 30, 2016

Assets	Catholic Community Fund	Catholic Health Foundation	Total
Cash and cash equivalents	\$ 599,438	\$ 36,727	\$ 636,165
Interest and dividends receivable	463,322	101,717	565,039
Accounts receivable	30,595	-	30,595
Investments	46,866,792	9,860,065	56,726,857
Funds held for others	1,726,271	-	1,726,271
Assets held under split-interest agreements	1,157,256	-	1,157,256
Beneficial interest in charitable remainder trusts	1,147,986	-	1,147,986
Total assets	<u>\$ 51,991,660</u>	<u>\$ 9,998,509</u>	<u>\$ 61,990,169</u>
Liabilities and Net Assets			
Liabilities:			
Funds held for others	\$ 1,726,271	\$ -	\$ 1,726,271
Annuity obligations	808,767	71,788	880,555
Due to related organizations	70,490	15,194	85,684
Total liabilities	<u>2,605,528</u>	<u>86,982</u>	<u>2,692,510</u>
Net Assets:			
Unrestricted	3,089,404	(104,779)	2,984,625
Temporarily restricted	12,036,606	1,364,674	13,401,280
Permanently restricted	34,260,122	8,651,632	42,911,754
Total net assets	<u>49,386,132</u>	<u>9,911,527</u>	<u>59,297,659</u>
Total liabilities and net assets	<u>\$ 51,991,660</u>	<u>\$ 9,998,509</u>	<u>\$ 61,990,169</u>

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

Combining Statement of Financial Position
June 30, 2015

Assets	Catholic Community Fund	Catholic Health Foundation	Total
Cash and cash equivalents	\$ 425,713	\$ 45,781	\$ 471,494
Interest and dividends receivable	507,664	113,830	621,494
Accounts receivable	60,786	-	60,786
Investments	50,555,146	10,689,080	61,244,226
Funds held for others	1,878,065	-	1,878,065
Assets held under split-interest agreements	1,381,417	-	1,381,417
Beneficial interest in charitable remainder trusts	1,148,400	-	1,148,400
	\$ 55,957,191	\$ 10,848,691	\$ 66,805,882
Liabilities and Net Assets			
Liabilities:			
Funds held for others	\$ 1,878,065	\$ -	\$ 1,878,065
Annuity obligations	927,017	74,861	1,001,878
Due to related organizations	75,901	15,953	91,854
	2,880,983	90,814	2,971,797
Net Assets:			
Unrestricted	3,233,394	(33,541)	3,199,853
Temporarily restricted	16,186,644	2,139,786	18,326,430
Permanently restricted	33,656,170	8,651,632	42,307,802
	53,076,208	10,757,877	63,834,085
	\$ 55,957,191	\$ 10,848,691	\$ 66,805,882

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

Combining Statement of Activities
For the Fiscal Year Ended June 30, 2016

	<u>Catholic Community Fund</u>	<u>Catholic Health Foundation</u>	<u>Total</u>
Changes in Unrestricted Net Assets:			
Revenues, Gains and Other Support:			
Interest and dividend income	\$ 32,599	\$ 304	\$ 32,903
Change in value of split-interest agreements	28,114	(5,903)	22,211
Net assets released through satisfaction of program restrictions	<u>1,988,430</u>	<u>588,204</u>	<u>2,576,634</u>
Total revenues, gains and other support	<u>2,049,143</u>	<u>582,605</u>	<u>2,631,748</u>
Expenses:			
Program grants	1,798,605	528,507	2,327,112
Administrative fees	278,360	59,697	338,057
Other	<u>31,493</u>	<u>-</u>	<u>31,493</u>
Total expenses	<u>2,108,458</u>	<u>588,204</u>	<u>2,696,662</u>
Changes in unrestricted net assets from operations	(59,315)	(5,599)	(64,914)
Non-Operating Loss:			
Net realized and unrealized loss on investments	<u>(84,675)</u>	<u>(65,639)</u>	<u>(150,314)</u>
Changes in unrestricted net assets	<u>(143,990)</u>	<u>(71,238)</u>	<u>(215,228)</u>
Changes in Temporarily Restricted Net Assets:			
Interest and dividend income	1,869,791	410,597	2,280,388
Contributions	36,740	219,425	256,165
Clarification of donor intent	(56,865)	-	(56,865)
Change in value of split-interest agreements	(80,547)	-	(80,547)
Net assets released through satisfaction of program restrictions	(1,988,430)	(588,204)	(2,576,634)
Net realized and unrealized loss on investments	<u>(4,031,885)</u>	<u>(816,930)</u>	<u>(4,848,815)</u>
Changes in temporarily restricted net assets	<u>(4,251,196)</u>	<u>(775,112)</u>	<u>(5,026,308)</u>
Changes in Permanently Restricted Net Assets:			
Contributions	211,675	-	211,675
Change in value of split-interest agreements	67,277	-	67,277
Clarification of donor intent	<u>56,865</u>	<u>-</u>	<u>56,865</u>
Changes in permanently restricted net assets	<u>335,817</u>	<u>-</u>	<u>335,817</u>
Total changes in net assets	<u>\$ (4,059,369)</u>	<u>\$ (846,350)</u>	<u>\$ (4,905,719)</u>

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

Combining Statement of Activities
For the Fiscal Year Ended June 30, 2015

	<u>Catholic Community Fund</u>	<u>Catholic Health Foundation</u>	<u>Total</u>
Changes in Unrestricted Net Assets:			
Revenues, Gains and Other Support:			
Interest and dividend income	\$ 36,861	\$ 27	\$ 36,888
Change in value of split-interest agreements	126,730	(5,665)	121,065
Net assets released through satisfaction of program restrictions	<u>2,787,801</u>	<u>772,351</u>	<u>3,560,152</u>
Total revenues, gains and other support	<u>2,951,392</u>	<u>766,713</u>	<u>3,718,105</u>
Expenses:			
Program grants	2,579,425	710,303	3,289,728
Administrative fees	301,317	62,048	363,365
Other	<u>19,777</u>	<u>-</u>	<u>19,777</u>
Total expenses	<u>2,900,519</u>	<u>772,351</u>	<u>3,672,870</u>
Changes in unrestricted net assets from operations	50,873	(5,638)	45,235
Non-Operating Loss:			
Net realized and unrealized loss on investments	<u>(19,406)</u>	<u>-</u>	<u>(19,406)</u>
Changes in unrestricted net assets	<u>31,467</u>	<u>(5,638)</u>	<u>25,829</u>
Changes in Temporarily Restricted Net Assets:			
Interest and dividend income	1,993,897	427,030	2,420,927
Contributions	233,597	609,285	842,882
Change in value of split-interest agreements	(1,347)	(115,944)	(117,291)
Net assets released through satisfaction of program restrictions	(2,787,801)	(772,351)	(3,560,152)
Net realized and unrealized loss on investments	<u>(1,088,547)</u>	<u>(217,958)</u>	<u>(1,306,505)</u>
Changes in temporarily restricted net assets	<u>(1,650,201)</u>	<u>(69,938)</u>	<u>(1,720,139)</u>
Changes in Permanently Restricted Net Assets:			
Contributions	483,800	-	483,800
Change in value of split-interest agreements	<u>(32,352)</u>	<u>-</u>	<u>(32,352)</u>
Changes in permanently restricted net assets	<u>451,448</u>	<u>-</u>	<u>451,448</u>
Total changes in net assets	<u>\$ (1,167,286)</u>	<u>\$ (75,576)</u>	<u>\$ (1,242,862)</u>

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

Combining Statements of Changes in Net Assets
For the Fiscal Years Ended June 30, 2016 and 2015

	<u>Catholic Community Fund</u>	<u>Catholic Health Foundation</u>	<u>Total</u>
Unrestricted Net Assets, June 30, 2014	\$ 3,201,927	\$ (27,903)	\$ 3,174,024
Changes in net assets	<u>31,467</u>	<u>(5,638)</u>	<u>25,829</u>
Unrestricted Net Assets, June 30, 2015	3,233,394	(33,541)	3,199,853
Changes in net assets	<u>(143,990)</u>	<u>(71,238)</u>	<u>(215,228)</u>
Unrestricted Net Assets, June 30, 2016	<u>\$ 3,089,404</u>	<u>\$ (104,779)</u>	<u>\$ 2,984,625</u>
Temporarily Restricted Net Assets, June 30, 2014	\$ 17,836,845	\$ 2,209,724	\$ 20,046,569
Changes in net assets	<u>(1,650,201)</u>	<u>(69,938)</u>	<u>(1,720,139)</u>
Temporarily Restricted Net Assets, June 30, 2015	16,186,644	2,139,786	18,326,430
Changes in net assets	(4,251,196)	(775,112)	(5,026,308)
Net asset transfer	<u>101,158</u>	<u>-</u>	<u>101,158</u>
Temporarily Restricted Net Assets, June 30, 2016	<u>\$ 12,036,606</u>	<u>\$ 1,364,674</u>	<u>\$ 13,401,280</u>
Permanently Restricted Net Assets, June 30, 2014	\$ 33,019,210	\$ 8,651,632	\$ 41,670,842
Changes in net assets	451,448	-	451,448
Net asset transfer	<u>185,512</u>	<u>-</u>	<u>185,512</u>
Permanently Restricted Net Assets, June 30, 2015	33,656,170	8,651,632	42,307,802
Changes in net assets	335,817	-	335,817
Net asset transfer	<u>268,135</u>	<u>-</u>	<u>268,135</u>
Permanently Restricted Net Assets, June 30, 2016	<u>\$ 34,260,122</u>	<u>\$ 8,651,632</u>	<u>\$ 42,911,754</u>

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

Combining Statements of Cash Flows
For the Fiscal Years Ended June 30, 2016 and 2015

	2016			2015		
	Catholic Community Fund	Catholic Health Foundation	Total	Catholic Community Fund	Catholic Health Foundation	Total
Operating Activities:						
Changes in net assets	\$ (4,059,369)	\$ (846,350)	\$ (4,905,719)	\$ (1,167,286)	\$ (75,576)	\$ (1,242,862)
Adjustments to reconcile changes in net assets to net increase (decrease) in cash from operating activities:						
Net realized and unrealized loss on investments	4,116,560	882,569	4,999,129	1,107,953	217,958	1,325,911
Permanently restricted contributions	(211,675)	-	(211,675)	(483,800)	-	(483,800)
Change in value of split-interest agreements and beneficial interest in charitable remainder trust	(14,846)	-	(14,846)	(93,031)	121,599	28,568
Changes in operating assets and liabilities:						
Interest and dividends receivable	44,342	12,113	56,455	(1,285)	(8,771)	(10,056)
Accounts receivable	30,191	-	30,191	24,977	-	24,977
Annuity obligations	7,078	29,591	36,669	(359,655)	(86,790)	(446,445)
Due to/from related organizations	(5,411)	(759)	(6,170)	(207,739)	419,051	211,312
Net increase (decrease) in cash from operating activities	<u>(93,130)</u>	<u>77,164</u>	<u>(15,966)</u>	<u>(1,179,866)</u>	<u>587,471</u>	<u>(592,395)</u>
Investing Activities:						
Proceeds from sale of investments held under split-interest agreements and beneficial interest in charitable remainder trust	239,420	-	239,420	172,683	36,477	209,160
Payments to annuitants	(125,328)	(32,664)	(157,992)	(163,712)	(41,347)	(205,059)
Proceeds from sale of investments	140,163	(29,334)	110,829	319,836	27,538	347,374
Purchase of investments	(199,075)	(24,220)	(223,295)	(148,770)	(674,297)	(823,067)
Net increase (decrease) in cash from investing activities	<u>55,180</u>	<u>(86,218)</u>	<u>(31,038)</u>	<u>180,037</u>	<u>(651,629)</u>	<u>(471,592)</u>
Financing Activities:						
Permanently restricted contributions	<u>211,675</u>	<u>-</u>	<u>211,675</u>	<u>483,800</u>	<u>-</u>	<u>483,800</u>
Net Change in Cash and Cash Equivalents	173,725	(9,054)	164,671	(516,029)	(64,158)	(580,187)
Cash and Cash Equivalents:						
Beginning of year	<u>425,713</u>	<u>45,781</u>	<u>471,494</u>	<u>614,318</u>	<u>27,245</u>	<u>641,563</u>
End of year	<u>\$ 599,438</u>	<u>\$ 36,727</u>	<u>\$ 636,165</u>	<u>\$ 425,713</u>	<u>\$ 45,781</u>	<u>\$ 471,494</u>
Supplemental Disclosure of Cash Flow Information:						
Transfer of investments	<u>\$ 369,293</u>	<u>\$ -</u>	<u>\$ 369,293</u>	<u>\$ 185,512</u>	<u>\$ -</u>	<u>\$ 185,512</u>

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

Notes to Combining Financial Statements
June 30, 2016 and 2015

1. NATURE OF ORGANIZATION

Catholic Community Fund

The Catholic Community Fund of the Archdiocese of Boston, Inc. (the "Fund" or "Catholic Community Fund") was organized as the Third Century Fund under Massachusetts law on November 15, 1989, and renamed The Catholic Foundation of the Archdiocese of Boston, Inc. (the "Catholic Foundation") in preparation for the Promise for Tomorrow Campaign in 2000. It was renamed The Catholic Community Fund of the Archdiocese of Boston, Inc. in July 2011. The purpose of the Catholic Foundation was to receive, manage, and distribute gifts and certain bequests principally on behalf of various Catholic organizations within the Archdiocese of Boston (the "Archdiocese").

During fiscal year 2010, the Roman Catholic Archbishop of Boston, A Corporation Sole (the Corporation Sole) reorganized the fundraising and development efforts of the Archdiocese. As part of the reorganization, the Archdiocese created Boston Catholic Development Services, Inc. (BCDS), which assumed development efforts of funds for the Corporation Sole and certain development efforts for other related organizations within the Archdiocese.

The purpose of the Fund is to develop institutional support, both by way of raising funds for endowment and other sources of financial support, in order to advance the ministries and programs of the Archdiocese and to receive gifts and bequests, whether restricted or unrestricted, endowment or non-endowment, and to manage and expend all such funds consistent with their purposes and the charitable intent of the donor. In so doing, the Fund is helping to fulfill and support the mission of the Archdiocese (see Note 7).

In accordance with the by-laws of the Fund, the Roman Catholic Archbishop of Boston, acting in his capacity as an individual, serves as the Chairman of the Fund. The Corporation Sole serves as the sole member of the Fund.

Catholic Health Foundation

The Catholic Health Foundation of Greater Boston, Inc. (the Foundation or Catholic Health Foundation) was organized under Massachusetts law on January 27, 2012. Through a Cy Pres judgment authorized by the Massachusetts Supreme Judicial Court on February 4, 2013, certain endowment and other related funds of the former Caritas Christi Healthcare System were approved for transfer to the Foundation. The transfer of the endowment funds was completed on October 1, 2013. Prior to the transfer of funds, the Foundation had no financial activity.

As a requirement of the Cy Pres judgment, the funds received were organized into nine categories of restriction in addition to an unrestricted category (Catholic Health). Those categories include Bereavement, Building/Equipment, Cancer, Education (Medical or Health), Employee Assistance, Hospice, Medical, Pediatric, and Social Needs. The Foundation will award grants related to each category.

The purpose of the Foundation is to provide financial support to organizations that provide health care and health care services consistent within the teachings of the Roman Catholic Church within the cities and towns that comprise the Archdiocese of Boston. The Fund serves as the sole member of the Foundation.

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

Notes to Combining Financial Statements
June 30, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fund and the Foundation's (collectively, the Organization) combining financial statements have been prepared in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Accounting Principle Adopted

In fiscal year 2016, the Organization adopted FASB Accounting Standards Update (ASU) 2015-07, *Fair Value Measurement (Topic 820), Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, removing the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value (NAV) per share practical expedient. As early application is allowed, the Organization has used the retrospective approach for all periods presented whereby investments for which fair value is measured using the NAV per share practical expedient have been removed from the fair value hierarchy. As early application is allowed for this ASU, the Organization used the retrospective approach for all periods presented. The material impact of adopting this ASU was to footnote disclosure only.

Principles of Combination

The accompanying combining financial statements include the activities of the Fund and the Foundation. There were no intercompany transactions as of or for the years ended June 30, 2016 and 2015.

Use of Estimates

The preparation of combining financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the combining financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for uncollectible accounts, the fair value of investments which are not traded in active markets and life expectancies for charitable gift annuities and charitable remainder trusts. Actual results could vary from those estimates.

Combining Financial Statement Presentation

The Organization classifies net assets and changes in those net assets based on the existence or absence of donor-imposed restrictions, either explicit or implicit. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Assets and contributions that are not restricted by the donor or for which restrictions have expired.

Temporarily restricted net assets - Net assets subject to donor-imposed restrictions that permit the Organization to use or expend the donated assets as specified and which are satisfied by either the passage of time or by actions of the Organization.

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

Notes to Combining Financial Statements
June 30, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Combining Financial Statement Presentation (Continued)

Temporarily restricted net assets consist of the following at June 30:

	<u>2016</u>	<u>2015</u>
Catholic Community Fund:		
Appreciation and unspent earnings on permanently restricted endowment	\$ 6,749,778	\$ 10,414,658
Purpose restricted	5,198,380	5,680,389
Charitable remainder trusts	<u>88,448</u>	<u>91,597</u>
Total temporarily restricted net assets	<u>\$ 12,036,606</u>	<u>\$ 16,186,644</u>
Catholic Health Foundation:		
Appreciation and unspent earnings on permanently restricted endowment	\$ 100,607	\$ 690,934
Purpose restricted	<u>1,264,067</u>	<u>1,448,852</u>
Total temporarily restricted net assets	<u>\$ 1,364,674</u>	<u>\$ 2,139,786</u>

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use, all or in part, the income earned on the underlying assets for general or specific purposes. Unexpended appreciation on permanently restricted net assets is classified as temporarily restricted net assets. Interest and dividends on permanently restricted net assets are classified as temporarily restricted until they are distributed to the beneficiary organization, which is generally within the same year earned.

Cash and Cash Equivalents

The Organization considers investments with original maturities of three months or less at purchase to be cash and cash equivalents. The Organization maintains its cash balances with the Revolving Loan Fund of the Corporation Sole (the Revolving Loan Fund). These deposits are not insured against losses. They are available for withdrawal on a daily basis. The balance on deposit with the Revolving Loan Fund consists of the following at June 30:

	<u>2016</u>	<u>2015</u>
Catholic Community Fund	\$ 599,438	\$ 425,713
Catholic Health Foundation	<u>36,727</u>	<u>45,781</u>
Total Revolving Loan Fund	<u>\$ 636,165</u>	<u>\$ 471,494</u>

Investments

The Organization's investments are carried at fair value. Changes in fair value are reflected in the accompanying combining statements of activities as net realized and unrealized gain (loss) on investments and change in value of split-interest agreements. Interest and dividend income are recorded when earned or declared.

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

Notes to Combining Financial Statements
June 30, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

Investments represent the Organization'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 Organization and other related organizations may participate. 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 through mutual funds and private investment entities.

The fair value of the Investment Partnership's investments in actively traded domestic securities is determined by State Street Corporation. Securities listed on a securities exchange for which market quotations are readily available are valued at the last sales price or official closing price on each business day, or, if there is no such reported sale or official closing price, at the most recent quoted bid price. Securities which are primarily traded on foreign exchanges are generally valued at the preceding closing values of such securities on their respective exchanges and those values are then translated into U.S. dollars at the current exchange rate. Investments in traded foreign securities are valued by State Street Corporation at the mean between bid and asked prices. For those securities whose prices are not available through independent pricing services, bid price quotations are obtained by State Street Corporation from principal 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 by the managers of these entities at the NAV per share. In accordance with such guidance, as a practical expedient, the Investment Partnership has the ability to measure the fair value of an investment in an investee based on the investee's NAV per share or its equivalent. At June 30, 2016 and 2015, securities whose prices are not available through independent pricing services are limited to less than 27% and 29%, respectively, of the total net assets of the investment fund.

Assets held under split-interest agreements consist of funds received under charitable gift annuities with the Organization having sole investment authority and are invested in cash and balanced mutual funds (equity and fixed-income) at June 30, 2016 and 2015.

Charitable Gift Annuities

The Organization records contribution revenue derived from charitable gifts based on the fair value of the assets associated with the instrument and the present value of the amount expected to be paid to beneficiaries under the arrangement. This requires the use of life expectancy estimates and discounting of cash flows in determining the amount to be recorded. In computing present value of annuity payments, the Organization has used a 3% discount rate as of June 30, 2016 and 2015.

If the Organization has control over the assets associated with the gift annuity, the assets and the liability associated with obligations under the instrument are recorded on a gross basis. If third parties control the assets associated with the gift annuity, only the present value of the net amount expected to be received is recorded as an asset.

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
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Notes to Combining Financial Statements
June 30, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Unconditional promises to give are reported at fair value on the date the promise is verifiably committed. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using a risk free interest rate based on the number of years over which the contributions are expected to be received. Amortization of discounts is reported in contributions revenue. Unconditional promises to give are reported as contributions receivable.

Conditional promises to give are not included as support until the conditions are substantially met. There were no conditional pledges at June 30, 2016 and 2015.

Contributions received by the Organization are recorded as revenue and are primarily for related Catholic organizations within the geographic territory of the Archdiocese of Boston. The Organization and these ultimate beneficiaries meet certain criteria under U.S. GAAP, permitting the Organization to recognize all contributions received as revenue.

The Organization reports gifts of cash and other assets as restricted support if they are restricted as to purpose or time. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combining statements of activities as net assets released from restrictions.

Agency Agreement

On April 1, 2013, the Corporation Sole appointed the Fund as its agent to administer endowments. The Fund has recorded these endowments as funds held for others in the accompanying combining statements of financial position. The funds held for others are invested in the Common Investment Fund (see page 11).

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is determined to approximate the portion of accounts receivable which will not be ultimately collected. The estimate made by management is based on a review of overdue accounts and projected total future collections based on historical experience. The allowance represents an estimate and actual uncollected accounts may vary significantly from the amount currently recorded with adjustments to be recorded in the period they become known. Accounts receivable are written off based either upon donor cancellation or a time lapse without donor activity. There was no allowance for uncollectible accounts as of June 30, 2016 and 2015.

Concentration of Credit Risk

The Organization's financial instruments that are subject to concentrations of credit risk consist primarily of cash and cash equivalents and investments. Cash deposited with the Revolving Loan Fund (see Page 10) is uninsured. Investments are also uninsured and are subject to ongoing market fluctuations.

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
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Notes to Combining Financial Statements
June 30, 2016 and 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Fund and the Foundation are included in the United States Conference of Catholic Bishops' Group Ruling and in the Official Catholic Directory and are therefore exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). The Fund and the Foundation follow 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 combining financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Fund and the Foundation's management have reviewed the tax positions for open periods and determined that no provision for income tax is required in the Fund and the Foundation's combining financial statements. The Foundation is required to file an annual Form 990 with the Massachusetts Attorney General's Office.

Subsequent Events

Subsequent events have been evaluated through October 25, 2016, which is the date the combining financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the combining financial statements.

3. INVESTMENTS

Investments consist of the Organization's interest in the Common Investment Fund, which had the following fair value at June 30:

	<u>2016</u>	<u>2015</u>
Catholic Community Fund	\$ 46,866,792	\$ 50,555,146
Catholic Health Foundation	<u>9,860,065</u>	<u>10,689,080</u>
Total investments	<u>\$ 56,726,857</u>	<u>\$ 61,244,226</u>

During the years ended June 30, 2016 and 2015, the Fund recorded \$140,163 and \$319,827, respectively, in realized gains on investments. The Fund also recorded unrealized losses of \$4,256,723 and \$1,427,780 as of June 30, 2016, and 2015, respectively.

During the years ended June 30, 2016 and 2015, the Foundation recorded realized losses of \$29,332 and realized gains of \$27,542, respectively. The Foundation also recorded unrealized losses of \$853,237 and \$245,500 as of June 30, 2016, and 2015, respectively.

4. ENDOWMENTS

The Fund's endowment consists of 97 individual funds established for the support of various Catholic organizations within the Archdiocese of Boston. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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Notes to Combining Financial Statements
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4. ENDOWMENTS (Continued)

The Foundation's endowment consists of 100 individual funds established for the support of various Catholic Health organizations within the Archdiocese of Boston. The original funds were awarded through a Massachusetts Judicial Court Cy Pres judgment on February 4, 2013. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. On October 1, 2013, these funds were transferred to the Foundation.

Interpretation of Relevant Law

During 2009, the Commonwealth of Massachusetts enacted a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Although UPMIFA offers short-term spending flexibility, the explicit consideration of the preservation of the endowed funds among factors for prudent investment and spending suggests that a donor-restricted endowment fund is still perpetual in nature. As is the case in the current financial environment, there is no guarantee that the permanently restricted amount of an endowed fund will remain intact at all times.

Under UPMIFA, the Organization is permitted to determine and continue a prudent payout amount, even if the value of the fund is below the historic-dollar-value. There is an expectation that, over time, the permanently restricted amount will generally remain intact. This perspective is aligned with the accounting standards definition that permanently restricted funds are those that must be held in perpetuity even though the historic-dollar-value may be spent on a temporary basis. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets and is regarded as net appreciation is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the Organization's spending policy.

Funds with Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the "historic-dollar-value". Deficiencies of this nature are reported by a change to unrestricted net assets and corresponding increase to temporarily restricted net assets. As of June 30, 2016 and 2015, the Fund had \$477,602 and \$170,172, respectively, of endowment funds that fell below the historic-dollar-value. As of June 30, 2016, the Foundation had \$167,624 of endowment funds that fell below the historic dollar-value.

Endowment Investment Policy

The Organization has adopted an investment philosophy, which combined with the spending rate, attempts to provide a predictable stream of returns thereby making funds available to programs that are supported by its endowment, while at the same time seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods. Under the Organization's investment policy and spending rate, both of which are approved by the respective Board of Trustees, the endowment assets are invested in a manner that is intended to produce an inflation-adjusted return in excess of the spending rate over a long period of time. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

Notes to Combining Financial Statements
June 30, 2016 and 2015

4. ENDOWMENTS (Continued)

Strategies Employed for Achieving Objectives (Continued)

From the time when the Fund and the Foundation were organized, the Fund and the Foundation have invested their investment portfolio in the Common Investment Fund, which in-turn invests in the Investment Partnership. The Investment Committee of Corporation Sole's Finance Council is responsible for selecting the investment managers of the Investment Partnership. The Investment Committee's investment rationale is to include an array of different strategies and investment managers for the Investment Partnership's portfolio to reduce overall volatility, while providing investment returns above industry benchmarks. See Note 2 for more details on the Fund and the Foundation's investments and how they are valued.

Catholic Community Fund

Endowment net asset composition by type of fund and change in those net assets as of and for the years June 30, 2016 and 2015, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2014	\$ -	\$ 11,902,491	\$ 33,019,210	\$ 44,921,701
Contributions	-	-	483,800	483,800
Transfer	-	-	185,512	185,512
Investment return:				
Investment income	-	1,797,732	-	1,797,732
Net depreciation	(170,172)	(981,687)	(32,352)	(1,184,211)
Total investment return	(170,172)	816,045	(32,352)	613,521
Appropriation of endowment assets for operations (draw)	-	(2,303,878)	-	(2,303,878)
Endowment net assets, June 30, 2015	(170,172)	10,414,658	33,656,170	43,900,656
Contributions	-	-	211,675	211,675
Transfers	-	101,158	325,000	426,158
Investment return:				
Investment income	-	1,681,010	-	1,681,010
Net depreciation	(307,430)	(3,638,966)	67,277	(3,879,119)
Total investment return	(307,430)	(1,957,956)	67,277	(2,198,109)
Appropriation of endowment assets for operations (draw)	-	(1,808,082)	-	(1,808,082)
Endowment net assets, June 30, 2016	\$(477,602)	\$ 6,749,778	\$ 34,260,122	\$ 40,532,298

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

Notes to Combining Financial Statements
June 30, 2016 and 2015

4. ENDOWMENTS (Continued)

Catholic Health Foundation

Endowment net asset composition by type of fund and change in those net assets as of and for the years June 30, 2016 and 2015, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2014	\$ -	\$ 946,383	\$ 8,651,632	\$ 9,598,015
Investment return:				
Investment income	-	383,776	-	383,776
Net depreciation	-	(201,007)	-	(201,007)
Total investment return	-	182,769	-	182,769
Appropriation of endowment assets for operations (draw)	-	(438,218)	-	(438,218)
Endowment net assets, June 30, 2015	-	690,934	8,651,632	9,342,566
Investment return:				
Investment income	-	354,382	-	354,382
Net depreciation	(167,624)	(763,443)	-	(931,067)
Total investment return	(167,624)	(409,061)	-	(576,685)
Appropriation of endowment assets for operations (draw)	-	(181,266)	-	(181,266)
Endowment net assets, June 30, 2016	\$(167,624)	\$ 100,607	\$ 8,651,632	\$ 8,584,615

Endowment Transfer

During fiscal year 2016, there was clarification of the donor's intent on certain endowment gifts. This clarification resulted in \$56,865 being transferred from temporarily restricted to permanently restricted endowment net assets as of and for the year ended June 30, 2016. See Note 8 for description of net asset transfer.

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

Notes to Combining Financial Statements
June 30, 2016 and 2015

5. TEMPORARILY RESTRICTED AND PERMANENTLY RESTRICTED NET ASSETS

Catholic Community Fund

Temporarily restricted net assets of the Fund were available for the following related organizations at June 30:

	<u>2016</u>	<u>2015</u>
Corporation Sole	\$ 6,042,762	\$ 8,856,417
Catholic Community Fund	2,112,379	2,212,983
Cardinal Medeiros Trust	1,325,424	1,634,650
Catholic School Endowments	837,654	1,119,022
St. John's Seminary	702,461	900,325
St. Mary's High School, Lynn	338,492	466,861
Family Counsel and Guidance Center	158,221	194,926
Clergy Retirement Funds	144,609	167,552
Catholic Charitable Bureau	122,187	192,366
Laboure College	69,120	72,695
Pope St. John XXIII National Seminary	27,321	22,622
St. Elizabeth's Hospital	25,946	26,831
Knights of the Holy Sepulchre	25,946	26,831
Saint John Paul II Academy	24,436	55,169
Pope John XXIII High School	24,343	30,041
Ste. Jeanne d'Arc School, Lowell	13,521	15,667
Laboure Center	12,998	15,204
Bread for the World Institute	10,379	10,733
Matignon High School	6,383	7,937
iCatholic Media, Inc.	4,776	1,541
Catholic Relief Services	2,596	3,313
Trinity Catholic Academy	2,193	2,625
Cardinal Spellman High School	1,538	1,877
Habitat for Humanity	921	2,756
St. Agnes School, Arlington	-	145,700
	<u>\$ 12,036,606</u>	<u>\$ 16,186,644</u>

Net assets released from restrictions through satisfaction of program and time restrictions were expended for the following purposes during the years ended June 30:

	<u>2016</u>	<u>2015</u>
Corporation Sole distributions	\$ 1,303,272	\$ 1,996,379
Other related organization distributions	<u>685,158</u>	<u>791,422</u>
	<u>\$ 1,988,430</u>	<u>\$ 2,787,801</u>

For purposes of this presentation, the Fund treats net assets released from time restrictions based on the related organization for which the related funds were used.

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
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Notes to Combining Financial Statements
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5. TEMPORARILY RESTRICTED AND PERMANENTLY RESTRICTED NET ASSETS (Continued)

Catholic Community Fund (Continued)

Permanently restricted net assets of the Fund are designated for the following related organizations at June 30:

	<u>2016</u>	<u>2015</u>
Corporation Sole	\$ 25,222,061	\$ 25,058,009
St. Agnes High School, Arlington	1,656,195	1,652,195
St. John's Seminary	1,329,037	1,332,768
Catholic School Endowments	1,067,605	1,067,605
St. Mary's High School, Lynn	1,000,000	1,000,000
Cardinal Medeiros Trust	988,835	988,835
Pope St. John XXIII National Seminary	924,000	923,001
Saint John Paul II Academy	532,451	293,819
The Philanthropic Initiative	482,692	482,692
Catholic Community Fund	433,260	233,260
Catholic Charitable Bureau	340,717	340,717
Family Counsel and Guidance Center	224,500	224,500
Pope John XXIII High School	35,645	35,645
Laboure Center	10,000	10,000
Matignon High School	10,000	10,000
Cardinal Spellman High School	2,000	2,000
iCatholic Media, Inc.	369	369
Clergy Retirement Funds	369	369
Massachusetts Citizens for Life Charitable Trust	<u>386</u>	<u>386</u>
Total permanently restricted net assets	<u>\$ 34,260,122</u>	<u>\$ 33,656,170</u>

Catholic Health Foundation

Temporarily restricted net assets of the Foundation were available for the following purpose categories at June 30:

	<u>2016</u>	<u>2015</u>
Medical	\$ 453,659	\$ 654,317
Catholic Health	334,637	632,446
Employee assistance	209,513	229,837
Education	197,621	390,480
Building/equipment	118,125	129,993
Cancer	42,897	82,807
Bereavement	6,331	9,324
Social needs	1,891	6,721
Hospice	<u>-</u>	<u>3,861</u>
Total temporarily restricted net assets	<u>\$ 1,364,674</u>	<u>\$ 2,139,786</u>

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

Notes to Combining Financial Statements
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5. TEMPORARILY RESTRICTED AND PERMANENTLY RESTRICTED NET ASSETS (Continued)

Catholic Health Foundation (Continued)

Net assets released from restrictions through satisfaction of program and time restrictions were expended for the following purpose categories during the years ended June 30:

	<u>2016</u>	<u>2015</u>
Catholic Health	\$ 327,683	\$ 323,772
Medical	130,649	222,230
Education	89,077	112,214
Cancer	18,731	83,862
Employee assistance	9,821	10,446
Building/equipment	6,357	7,310
Hospice	2,492	335
Social needs	1,903	10,559
Bereavement	<u>1,491</u>	<u>1,623</u>
Total release through restrictions	<u>\$ 588,204</u>	<u>\$ 772,351</u>

For purposes of this presentation, the Foundation treats net assets released from time restrictions based on the purpose for which the related funds were used.

Permanently restricted net assets of the Foundation are designated for the following purpose categories at June 30:

	<u>2016</u>	<u>2015</u>
Medical	\$ 2,488,240	\$ 2,488,240
Catholic Health	2,142,218	2,142,218
Education	1,981,425	1,981,425
Cancer	1,709,565	1,709,565
Social needs	216,912	216,912
Hospice	53,521	53,521
Bereavement	25,000	25,000
Building/equipment	24,509	24,509
Employee assistance	<u>10,242</u>	<u>10,242</u>
Total permanently restricted net assets	<u>\$ 8,651,632</u>	<u>\$ 8,651,632</u>

6. FAIR VALUE MEASUREMENTS

The Organization measures the fair values of assets and liabilities as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value hierarchy is used to prioritize the inputs to valuation techniques used to measure fair value. The Organization classifies its assets and liabilities into Level 1 (securities value using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which observable market inputs are readily available), and Level 3 (securities valued based on significant unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
THE CATHOLIC HEALTH FOUNDATION OF GREATER BOSTON, INC.**

Notes to Combining Financial Statements
June 30, 2016 and 2015

6. FAIR VALUE MEASUREMENTS (Continued)

Investments

The Organization's unit holdings in the Common Investment Fund do not have quoted prices in active markets or significant other observable inputs that have quoted market prices, although the Organization can redeem its investments at the NAV per share at June 30, 2016 and 2015. In accordance with ASC Subtopic 820-10, *Fair Value Measurements*, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying combining statements of financial position (see Note 2). The Organization estimates the fair value of its unit holdings in the Common Investment Fund based on the Organization's share of the underlying investment portfolio that consists of actively-traded equities, bonds, private investment entities, mutual funds, and money market funds.

There were no unfunded commitments on these investments as of June 30, 2016 and 2015. These investments are available for redemption on a monthly basis.

Beneficial Interest in Charitable Remainder Trusts

The Organization is not the custodian of the assets and liabilities of the charitable remainder trusts. This recurring fair value measurement has Level 3 inputs and is based on the fair value of the underlying trust assets, measured using quoted prices in active markets, less the present value of future cash flows.

There were no unfunded commitments on these investments as of June 30, 2016 and 2015. The beneficial interest in charitable remainder trusts is restricted from redemption for an extended period of time as established by the respective donors under the individual trust agreements.

Annuity Obligations

Annuity obligations are non-recurring fair value measurements. These instruments are initially recorded at the present value of future cash flows with a discounted rate adjusted for market conditions to determine fair value. Annuity obligations are valued using other observable inputs which are significant to their fair value including age, frequency of distributions, life expectancy, and discount rate.

The Organization's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2016 and 2015, by level within the fair value hierarchy, are presented in the tables on page 21. Financial assets and liabilities measured at fair value on a non-recurring basis, such as contributions receivable and annuity obligations, are excluded from the table.

**THE CATHOLIC COMMUNITY FUND OF THE ARCHDIOCESE OF BOSTON, INC. AND
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Notes to Combining Financial Statements
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6. FAIR VALUE MEASUREMENTS (Continued)

Catholic Community Fund

<u>Assets</u>	2016			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Investments - Common Investment Fund (CIF) *	\$ -	\$ -	\$ -	\$ 46,866,792
Funds held for others – CIF *	-	-	-	1,726,271
Investments held under split- interest agreements – CIF *	-	-	-	1,157,256
Beneficial interest in charitable remainder trusts	<u>-</u>	<u>-</u>	<u>1,147,986</u>	<u>1,147,986</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,147,986</u>	<u>\$ 50,898,305</u>

<u>Assets</u>	2015			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Investments - Common Investment Fund (CIF) *	\$ -	\$ -	\$ -	\$ 50,555,146
Funds held for others – CIF *	-	-	-	1,878,065
Investments held under split- interest agreements – CIF *	-	-	-	1,381,417
Beneficial interest in charitable remainder trusts	<u>-</u>	<u>-</u>	<u>1,148,400</u>	<u>1,148,400</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,148,400</u>	<u>\$ 54,963,028</u>

Catholic Health Foundation

<u>Assets</u>	2016			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Investments - Common Investment Fund *	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,860,065</u>

<u>Assets</u>	2015			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Investments - Common Investment Fund *	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,689,080</u>

* In accordance with ASC Subtopic 820-10, *Fair Value Measurements* certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying combining statements of financial position.

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Notes to Combining Financial Statements
June 30, 2016 and 2015

6. FAIR VALUE MEASUREMENTS (Continued)

The following table discloses a reconciliation of assets measured at fair value on a recurring basis using significant unobservable inputs during the years ended June 30:

<u>Catholic Community Fund</u>	Beneficial Interest in Charitable Remainder Trusts	
	<u>2016</u>	<u>2015</u>
Beginning Balance, July 1	\$ 1,148,400	\$ 1,161,511
Total loss (unrealized or realized)	<u>(414)</u>	<u>(13,111)</u>
Ending Balance, June 30	<u>\$ 1,147,986</u>	<u>\$ 1,148,400</u>

7. RELATED-PARTY TRANSACTIONS

Accounts receivable of \$30,595 and \$60,786 at June 30, 2016 and 2015, respectively, are due from a clergy members.

Amounts recorded in contributions revenue include amounts raised by the Organization on behalf of donor-specified beneficiary organizations that are related to the Archdiocese. Distributions to specified affiliates are recorded as expenses upon payment of these amounts.

Effective fiscal year 2014, Corporation Sole and BCDS charge an administrative fee that covers costs directly associated with the accounting, reporting, compliance, management, and administration of the Organization. The fee is based on a percentage of the market value of the endowments at the beginning of the fiscal year. The Fund owes Corporation Sole \$23,262 and BCDS \$47,228 for the year ended June 30, 2016. The Fund owed Corporation Sole \$25,047 and BCDS \$50,854 for the year ended June 30, 2015. The Foundation owes Corporation Sole \$5,329 and BCDS \$9,865 for the year ended June 30, 2016. The Foundation owed Corporation Sole \$5,265 and BCDS \$10,688 for the year ended June 30, 2015.

8. NET ASSET TRANSFER

During the years ended June 30, 2016 and 2015, scholarship endowments of \$268,135 and \$185,512, respectively, were transferred from the Fund for Catholic Schools, Inc., a related organization, to the Fund. These net asset transfers are reflected in the accompanying combining statements of changes in net assets. During the year ended June 30, 2016, \$101,158 was transferred from Corporation Sole, a related organization, to the Fund.