

Financial Statements and Report of Independent  
Certified Public Accountants

**Fixed Income Investment Fund, Roman Catholic  
Archbishop of Boston, A Corporation Sole**

Year ended June 30, 2009

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Grant Thornton

**Report of Independent Certified Public Accountants**

To the Trustee  
Fixed Income Investment Fund,  
Roman Catholic Archbishop of Boston, A Corporation Sole

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We have audited the accompanying statement of net assets of the Fixed Income Investment Fund, Roman Catholic Archbishop of Boston, A Corporation Sole (the "Fund") as of June 30, 2009, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Fixed Income Investment Fund, Roman Catholic Archbishop of Boston, A Corporation Sole, as of June 30, 2009, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

*Grant Thornton LLP*

Boston, Massachusetts  
October 22, 2009

**FIXED INCOME INVESTMENT FUND, ROMAN CATHOLIC ARCHBISHOP OF BOSTON,  
A CORPORATION SOLE**

Financial Highlights

(For a unit outstanding throughout the year)

	Year Ended June 30				
	2009	2008	2007	2006	2005
Net asset value - beginning of year	\$ 0.879	\$ 1.079	\$ 1.081	\$ 1.137	\$ 1.125
Investment operations:					
Net investment income <sup>(1)</sup>	0.008	0.032	0.051	0.044	0.035
Net realized and unrealized gains (losses) on investments	0.006	(0.200)	(0.002)	(0.056)	0.012
Total income (loss) from investment operations	0.014	(0.168)	0.049	(0.012)	0.047
Dividend distributions	(0.012)	(0.032)	(0.051)	(0.044)	(0.035)
Net asset value - end of year	\$ 0.881	\$ 0.879	\$ 1.079	\$ 1.081	\$ 1.137
Average total return <sup>(2) (3)</sup>	1.6%	(15.5%)	4.5%	(1.0%)	4.2%
Ratios / Supplemental Data: <sup>(3)</sup>					
Net assets at end of year (in thousands)	\$ 6,966	\$ 6,955	\$ 8,532	\$ 8,547	\$ 9,058
Ratio of expenses to average net assets	1.3%	1.2%	1.0%	1.0%	0.8%
Ratio of net investment income to average net assets	0.9%	3.5%	4.7%	4.0%	3.1%
Ratio of net realized and unrealized gains (losses) on investments to average net assets	0.6%	(21.8%)	(.2%)	(5.0%)	1.1%

(1) Net investment income per unit has been calculated using average units outstanding during the period.

(2) Average total return represents the percentage increase or decrease of net asset value per unit at the end of the year over the net asset value per unit at the beginning of the year assuming reinvestment of dividends.

(3) An individual member's return and ratios may vary based on the timing of their capital transactions.

The accompanying notes are an integral part of the financial statements.

**FIXED INCOME INVESTMENT FUND, ROMAN CATHOLIC ARCHBISHOP OF BOSTON,  
A CORPORATION SOLE**

Statement of Net Assets

June 30, 2009

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**Assets:**

Investment in State Street Prime Money Market Fund, at fair value (cost of \$6,958,381)	\$ 6,958,381
Cash and cash equivalents	16,375
Interest receivable	2,314
Total assets	<u>6,977,070</u>

**Liabilities:**

Dividend distribution payable to members	1,001
Other payables	9,775
Total liabilities	<u>10,776</u>

Net assets	<u>\$ 6,966,294</u>
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Units outstanding at end of year	<u>7,910,098</u>
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Net asset value per unit	<u>\$ 0.881</u>
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The accompanying notes are an integral part of the financial statements.

**FIXED INCOME INVESTMENT FUND, ROMAN CATHOLIC ARCHBISHOP OF BOSTON,  
A CORPORATION SOLE**

Statement of Operations  
Year Ended June 30, 2009

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**Income:**

Investment income \$ 153,701

**Expenses:**

Investment advisory and custodial fees 8,438

Administrative and service fees 82,520

Total expenses 90,958

**Net investment income 62,743**

**Net realized and unrealized gain on investments:**

Net realized loss on investments (1,811,963)

Change in net unrealized loss on investments 1,857,122

**Net realized and unrealized gain on investments 45,159**

**Net increase in net assets resulting from operations \$ 107,902**

The accompanying notes are an integral part of the financial statements.

**FIXED INCOME INVESTMENT FUND, ROMAN CATHOLIC ARCHBISHOP OF BOSTON,  
A CORPORATION SOLE**

Statements of Changes in Net Assets

Years ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>Operations:</b>		
Net investment income	\$ 62,743	\$ 253,033
Realized loss on investments sold	(1,811,963)	(78,294)
Change in net unrealized loss on investments	1,857,122	(1,500,015)
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>107,902</u>	<u>(1,325,276)</u>
<b>Dividend distributions from net investment income</b>	(97,571)	(253,033)
<b>Unit transactions:</b>		
Proceeds from units sold	719	1,385
<b>Net increase in net assets resulting from unit transactions</b>	<u>719</u>	<u>1,385</u>
<b>Net increase (decrease) in net assets</b>	11,050	(1,576,924)
Net assets at beginning of year	<u>6,955,244</u>	<u>8,532,168</u>
Net assets at end of year	<u>\$ 6,966,294</u>	<u>\$ 6,955,244</u>

The accompanying notes are an integral part of the financial statements.

**FIXED INCOME INVESTMENT FUND, ROMAN CATHOLIC ARCHBISHOP OF BOSTON,  
A CORPORATION SOLE**

Notes to Financial Statements  
June 30, 2009

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**NOTE A - THE FUND**

The Fixed Income Investment Fund, Roman Catholic Archbishop of Boston, A Corporation Sole (the "Fund") is a Massachusetts trust established on January 10, 1991 to act and serve as an investment pool for corporations, organizations, associations, trusts or other legal entities which are under the direction and control of, or related to, the Roman Catholic Archbishop of Boston, A Corporation Sole. These organizations are exempt from taxation under section 501(c)(3) of the Internal Revenue Code.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed by the Fund are described below:

**Investment Valuation**

The investment in the State Street Prime Money Market Fund is valued based on the underlying net asset value of the Fund, as valued by State Street Global Advisors, the investment manager of the Fund.

**Cash and Cash Equivalents**

The Fund considers highly liquid investments with original maturities of three months or less at purchase to be cash equivalents.

**Distribution to Members**

The Fund distributes all net investment income to its members on a quarterly basis. It is the Fund's policy not to distribute realized gains. Expenses of the Fund exceeded investment income during the last two quarters of the year ended June 30, 2009 and as a result, there were no distributions for that period.

**Taxes**

The Fund is organized as a Massachusetts trust, which serves as an investment pool for tax-exempt entities under the direction and control of, or related to, the Roman Catholic Archbishop of Boston. As a grantor trust, all items of income and expense of the trust are reported on the grantees' reports. Accordingly, no provision for income taxes is included in these financial statements.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 income and expense in net assets from operations during the reporting period. Actual results could differ from those estimates.



**FIXED INCOME INVESTMENT FUND, ROMAN CATHOLIC ARCHBISHOP OF BOSTON,  
A CORPORATION SOLE**

Notes to Financial Statements - Continued  
June 30, 2009

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**NOTE C - INVESTMENT**

The Fund is solely invested in the State Street Prime Money Market Fund. The money market fund seeks to maximize current income to the extent consistent with the preservation of capital and liquidity, and the maintenance of a stable \$1.00 per share net asset value, by investing in U.S. dollar denominated securities.

The Fund was invested in the State Street Intermediate Bond Common Trust Fund (the "CTF") for the first eight months of fiscal year 2009. In March 2009, the CTF position was liquidated and the assets were transferred to the State Street Prime Money Market Fund.

**NOTE D - FEES AND RELATED-PARTY TRANSACTIONS**

The investment advisory fees are based upon the fair value of the Fund following a set fee schedule. The custodial fees are based upon the fair value of the Fund, the income collected, the number of transactions and a base fee. The Fund utilizes an unrelated investment manager and a custodian bank.

During the year ended June 30, 2009, the Fund incurred service fees from the Roman Catholic Archbishop of Boston, A Corporation Sole, a related organization, in the amount of \$65,519 for administrative and clerical services performed on behalf of the Fund which are included in administrative and service fees in the statement of operations.

**NOTE E - MEMBERS' UNITS**

The Fund's trust agreement authorized the issuance of an unlimited number of units. Transactions in units of the Fund were as follows for the years ended June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Units at beginning of year	7,909,277	7,907,808
Units issued/subscribed	<u>821</u>	<u>1,469</u>
Units at end of year	<u><u>7,910,098</u></u>	<u><u>7,909,277</u></u>

**NOTE F - FAIR VALUE MEASUREMENTS**

The Fund adopted Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" (FAS 157) effective July 1, 2008. FAS 157 clarifies that fair value is 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.

FAS 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

**FIXED INCOME INVESTMENT FUND, ROMAN CATHOLIC ARCHBISHOP OF BOSTON,  
A CORPORATION SOLE**

Notes to Financial Statements - Continued  
June 30, 2009

**NOTE F – FAIR VALUE MEASUREMENTS - Continued**

The three levels of the fair value hierarchy under FAS 157 are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical investments;

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the perceived risk of that investment.

The following table summarizes the Fund's assets at fair value within the FAS 157 fair value hierarchy levels as of June 30, 2009:

	Level 1	Level 2	Level 3	Total
State Street Prime Money Market Fund	\$ -	\$ 6,958,381	\$ -	\$ 6,958,381

At June 30, 2008, the Fund was invested in the State Street Intermediate Bond Common Trust Fund (CTF), a Level 3 security. The following table presents a roll-forward of the investment in CTF measured at fair value on a recurring basis for the year ended June 30, 2009:

Beginning balance, July 1, 2008	\$ 6,935,455
Net realized gain	45,159
Proceeds on sale	<u>(6,980,614)</u>
Ending balance, June 30, 2009	<u>\$ -</u>

**NOTE G - SUBSEQUENT EVENTS**

The Fund adopted FAS No. 165, "Subsequent Events" (FAS 165) in fiscal 2009. FAS 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In connection with the preparation of these financial statements, the Fund has evaluated events and transactions through October 22, 2009, which is the date the financial statements were available for issuance.