



2012

FINANCIAL REPORT

ARCHDIOCESE OF BOSTON

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**Archdiocese of Boston Financial Report for the Year Ending
June 30, 2012**

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SECTION 1 – Letter from the Cardinal

My Dear Friends in Christ,

The Archdiocese of Boston is blessed by the efforts of dedicated employees, the support of generous benefactors and the participation of almost two million Catholics who value the work of the Church in their communities and their lives. It is clear that the Archdiocese, though facing many of the challenges of the economic shortfalls of recent years, is very much present and active in the 144 cities and towns we serve.

Since its inception, the Church has been called to both respond to the needs of the present moment, through spiritual and pastoral ministries, and to build for the future through evangelization. As the Archdiocese prepares for the first phase of Disciples in Mission, the new Archdiocesan Pastoral Plan, this approach of providing for the current needs of the Catholic community today while establishing a strong foundation for growth will guide our efforts. It is a great encouragement that all of our consultative bodies have endorsed and expressed their enthusiasm for this plan.

As we prepare for implementation of Disciples in Mission, we are very much aware of the importance of holding fast to a path of fiscal stability. Our ability to sustain the important programs that will shape the future of the Archdiocese will be directly related to our stewardship of financial resources, particularly in the area of carefully managing our expenses in accord with the funding that is available.

There are many studies that cite the importance of continuing education and training of personnel for an organization to be able to thrive, particularly in an environment of changing circumstances. For that purpose, our pastoral plan includes training for staff members, at Central Ministries and all parishes, with a focus on skill development through the study and utilization of best practices. Under the guidance of Rev. Paul Soper, Director of Pastoral Planning, we look forward to the benefits of these programs.

Our mission follows from Jesus' call for us to love one another as He has loved us. We seek to bring the presence of the Lord to all people and to do so in a responsible and sustainable manner. With the help of God and one another, we are committed to continue the work of building up the Church in the Archdiocese of Boston.

With the assurance of my prayers for you and all your loved ones, I am,

Sincerely yours in Christ,

A handwritten signature in black ink, appearing to read "Sean O'Malley". The signature is written in a cursive, flowing style.

Archbishop of Boston

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SECTION 2 – Chancellor’s Annual Overview

John E. Straub, Chancellor

Secretary for Financial and Administrative Services

The Annual Financial Report presented for review includes financial results for the Roman Catholic Archbishop of Boston, A Corporation Sole (RCAB) for the fiscal year ended June 30, 2012. Corporation Sole is comprised of four parts; (1) Parishes, (2) Self -Insurance, (3) Endowments, and (4) Central Operations. Central Operations, in turn, is comprised of four parts; (1) Central Ministries, (2) Reconfiguration Activities, (3) Special Collections, and (4) Restricted Funds. This report seeks to provide the financial position and changes in net assets, fulfilling our ongoing commitment to financial transparency. This financial information and that of RCAB’s related organizations, [where available], can be found on our website, www.bostoncatholic.org by clicking on the “Annual Report” link at the top of the home page.

CENTRAL MINISTRIES

The financial objective for fiscal 2012 was to maintain financial stability within Central Ministries while building on our culture of service by providing support to parishes, and improving collaboration with affiliates and related entities within the Archdiocese. Within a challenging economic climate, we were careful to manage budgeted expenses to align with available revenue sources, though proceeds from estates and bequests were again relied upon to achieve this result. Our fiscal 2013 budget anticipates some targeted expense reductions, and includes no salary increases for any member of the senior lay executive group whose salary is at or above the median compensation level identified in our salary study. In addition, we have elected to limit the amount of estates and bequests which will be available to fund operating expenses, while still striving for break-even operating performance. With less reliance on revenue from estates and bequests for operations, the Archdiocese can begin to build back cash reserves for unforeseen, unbudgeted expenses which inevitably occur.

PARISHES

The Archdiocese continued to expand the Improved Financial Relationship Model (IFRM), which ultimately strives to strengthen parishes by increasing their offertory levels. This model simplifies the method of financial support between the parishes and Central Ministries, which consists of the Catholic Appeal Assessment and the Tithe, and is intended to be more equitable among parishes. Parish financial operations remained relatively stable during fiscal 2012, with many parishes under the Improved Financial Relationship Model (IFRM) benefiting from the increased offertory and Catholic Appeal rebate elements of the program. In fiscal 2012, the second year of the IFRM program was launched, with 78 parishes operating under that model. The results from these parishes were positive, with respect to both the implementation process and the financial benefits. To assist parishes in working through the transition to IFRM, and to provide the time and opportunity to benefit from increased giving programs, abatements provided to parishes during fiscal 2012 were approximately \$500,000. These abatements provide partial or full relief from the financial obligations of the tithe and/or Catholic Appeal Assessment.

During fiscal 2013, an additional 69 Phase Three parishes will be operating under IFRM, leaving 141 parishes for the final implementation phase during fiscal 2014.

Parish offertory was relatively stable when compared to the prior year, in spite of one less Sunday collection in fiscal 2012. With Christmas falling on a Sunday in fiscal 2012, offertory revenues were estimated to be about 2% lower than they would have been with the additional Sunday collection. Those parishes within the IFRM program were up 1% over fiscal 2011, while those not in the program were down 1%.

During fiscal 2012, Central Operations continued to provide financial support to several parishes and schools, including subsidies, emergency assistance for urgent, unanticipated needs, and construction aid, totaling approximately \$2.8 million. It is hoped that through the benefits of the increased offertory programs launched through IFRM, as well as anticipated financial benefits from the collaborative model, that parish operating performance will continue to improve.

SCHOOLS

Our Catholic Schools Office (CSO) provides support and service to 122 pre-kindergarten to grade 12 schools that enroll over 41,000 students. This number includes 87 parish and/or archdiocesan related entities enrolling approximately 29,000 students. Academic excellence and strong faith formation continue to define our schools. Our students outperform state and national averages on standardized tests such as the Stanford 10, PSAT, and SAT and our graduates attend college at far higher rates than their public and charter schools peers; 96 percent matriculate to college and 91 percent pursue four-year degrees. In fiscal 2012 tuition and fee revenue increased as schools continued to work toward narrowing the per-pupil cost differential.

The CSO supports our schools by offering strategic and tactical leadership, setting standards for faith formation, academic excellence, financial performance, and coordinating recurring professional development programs. Our schools are fortunate to benefit from the strong support provided by the Catholic Schools Foundation, the Campaign for Catholic Schools, the Lynch Foundation, the Mosakowski Family Foundation, and our five regional Catholic college presidents.

Our schools also benefit from the guidance of the Catholic Schools Council, which Cardinal Seán established in 2011. In 2012, the Catholic Schools Office collaborated with the Schools Council to fulfill Cardinal Seán's mandate of reinvigorating Catholic education across the Archdiocese by creating the Strategic Plan for Catholic Education. The Plan employs a series of programs and measurements to promote Catholic gospel values, improve academic performance, increase student enrollment, achieve long-term financial stability, and establish a system-wide reputation for innovative and creative learning environments. The first phase of the Plan, which has been approved by Cardinal Seán, focuses on our elementary schools; phase two will focus on our secondary schools.

The CSO will implement several initiatives in 2013 that address our schools' near-term needs while working toward achieving the Plan's long-term vision of establishing our schools as the benchmark for Catholic education in the United States.

AFFILIATED ORGANIZATIONS

During fiscal 2012 we began to collaborate more closely with our affiliated organizations, which include independent schools and social service agencies. Combined religiously affiliated social service agencies in the Archdiocese provide assistance to over 200,000 individuals on an annual basis. These services include basic needs services to over 169,000 people, including providing food for meals, rent and mortgage assistance, utilities assistance, clothing, infant supplies, holiday assistance, and grief counseling support. The first phase of enhanced collaboration was the launching of a series of workshops for affiliate Board members, Executive Directors, and Finance leaders focused on governance and internal control. These workshops enable sharing of information across the various affiliate organizations that face the daily challenge of balancing the mission of the organization with the need to maintain adequate internal controls and strive for fiscal stability. Affiliate leaders were able to create connections, learn about Archdiocesan resources available to them, discuss common challenges, and review operational best practices that increase organizational stability. These workshops will continue during fiscal 2013.

PASTORAL PLANNING

With the Cardinal's recent adoption of Disciples in Mission, the Pastoral Plan for the Archdiocese, which will ultimately group parishes into approximately 135 collaboratives, it is expected that the entire Pastoral Center staff will be involved in this important initiative to support renewed efforts of evangelization. Central Ministries will assist in developing the operational and financial models and business processes that support retention of the identity of each parish, while capitalizing on economies of scale and efficiencies within these parish groupings. It is expected that there will not be a "one size fits all" model, but rather that we would continue a consultative process that considers the specific circumstances of each of the collaboratives. The pilot phase, to be launched in fiscal 2014, should enable us to test different practices and processes and bring the lessons learned from this to the next phase of the Pastoral Plan.

INTERNAL CONTROLS

The Archdiocese follows generally accepted accounting principles (GAAP). Accordingly, the Archdiocesan financial statements are prepared on an accrual basis of accounting. To provide the Archdiocese with reasonable assurance that its financial resources are safeguarded against waste, loss and misuse, and that reliable accounting and financial data are timely, complete, relevant, accurate and fairly disclosed in reports, the Archdiocese has established a system of internal controls. These internal controls provide the Archdiocese with financial and accounting records from which financial statements are prepared. The Archdiocese's accounting and finance and internal audit function maintains oversight of the key areas of the Archdiocesan business and financial processes and controls. In addition, the Archdiocese's Finance Council's Audit Committee plays a critical role in the oversight of the internal control structure. This committee meets with senior staff of the Archdiocese and has regular communication with the Archdiocese's independent certified public accountants, Grant Thornton, LLP.

Management has reviewed the Archdiocese's current controls and procedures within the past 90 days and believes that such controls and procedures provide reasonable assurance as to the integrity and accuracy of the financial statements, in all material respects. The concept of reasonable assurance is based on the recognition that the cost of controls should not exceed the relative benefit of such controls, and requires estimates and judgment by management.

ACCOUNTABILITY AND TRANSPARENCY

Included again this year with the release of this report is the Compensation and Vendor Expenditure Disclosure which is similar to the Internal Revenue Service Form 990. This report provides visibility into the compensation of the RCAB's Officers, Council Members, Cabinet Members, and employees whose compensation is greater than \$150,000. This report also includes a list of the five highest paid vendors of the RCAB during fiscal 2012.

We continue to seek ways to enhance the transparency of our financial reporting. New to this year's Management Discussion and Analysis is an analysis of the operating budget for Central Ministries with the Statement of Activities. In addition, we have prepared a historical accounting of the proceeds raised from the sale of property through parish reconfiguration, and the use of those proceeds. In fiscal 2011, a Compensation Committee of the Finance Council was created to provide additional review in the areas of compensation and benefits for Central Ministries employees. This committee has the responsibility of reviewing the current compensation protocol and practices as well as the specific compensation for employees making greater than \$150,000. The first report from the committee is included in this Annual Report.

In fiscal 2011, a formal Code of Conduct and Conflict of Interest Policy (Code), which communicates key guidelines and assists in making ethical decisions that are in accordance with applicable legal requirements and other Archdiocesan policies, was developed and distributed to all Council Members, Committees, Cabinet Members and employees of the Pastoral Center. Additionally, the Archdiocese continues to use EthicsPoint Inc. to host a telephone and internet site which serve as a confidential hotline service for sources to anonymously report violations of the Code. Each of these steps demonstrates a continued commitment to provide maximum transparency of the day-to-day operations of the Archdiocese.

CONCLUSION

With the continued economic uncertainty, it is hoped that the full implementation of IFRM will increase financial stability for parishes and Central Ministries. Collaborative efforts with our affiliate organizations within the Archdiocese, as well as activities in support of our Disciples in Mission program will continue. During 2013 the entire Pastoral Center will be involved in several days of training related to this program. This training should provide a foundation to enable all employees of the Pastoral Center to provide service to the parish collaboratives, to embody the model of the New Evangelization, and assist with the operational aspects of the collaborative model.

Many thanks to all who assist Cardinal Seán and his leadership team including the- Clergy, Religious and laity serving faithfully on the following committees and councils that assist the financial management team:

- Cardinal Seán's Cabinet
- The Finance Council
 - Subcommittees including Audit, Compensation, Institutional Advancement, Investment, Legal, Parish Financial Services, and Real Estate.
- The Presbyteral Council
- The Improved Financial Relationship Committee
- The Priest's Budget Advisory Committee
- The Clergy and Religious Stipend Committees

Central Ministries remains committed to a culture of service, financial transparency and fiscally stable operations. With a foundation of fiscal stability and the acceptance of the Pastoral Plan, energies can be focused on a longer-term strategic financial and operating plan.

John E. Straub, Chancellor
Secretary for Financial and Administrative Services

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SECTION 3 – Management’s Discussion and Analysis of Financial Position and Result of Activities

Discussion & Analysis of the Financial Statements

The following discussion and analysis should be read in conjunction with the 2012 financial statements, supplemental schedules, and report of independent certified public accountants contained in Item 4 of this financial report. Amounts are presented here in millions for ease of viewing the graphical information. Amounts in the financial statements are presented in thousands.

Introduction

The Roman Catholic Archbishop of Boston, A Corporation Sole (the “Corporation Sole”), is a legal entity created under Massachusetts civil law in 1897 to provide the Roman Catholic Archbishop of Boston with a means to operate within the public statutes of the Commonwealth of Massachusetts. The Corporation Sole, as an entity, is distinguishable from the Roman Catholic Archbishop of Boston whose powers and responsibilities are established by Canon Law.

The financial statements of the Corporation Sole are grouped into four reporting units: the activities of all parishes located within the Archdiocese (“Parishes”), the central administrative activities and programs of the Archdiocese (“Central Operations”), central endowments (“Endowments”) and the Archdiocese self-insurance programs (“Self-Insurance”). The Parishes grouping includes the 289 parishes of the Archdiocese and the 68 schools and 42 cemeteries operated by these parishes. The Parishes grouping also includes the activities of the Revolving Loan Fund as well as the unfunded liabilities of the Clergy Retirement Trust, the Clergy Medical/Hospitalization Trust, and the Clergy Benefit Funding Trust. Included within the Central Operations grouping are the unrestricted and temporarily restricted assets and activities of the 2004 parish reconfiguration process.

The Archbishop of Boston, by virtue of his office, serves as chairman or president of numerous separately incorporated Catholic organizations that operate within the Archdiocese of Boston. While these organizations are considered to be related organizations of the Corporation Sole, they are not under the direct control of the Corporation Sole and, accordingly, their financial activities are not presented as part of the Corporation Sole’s financial statements. In addition, the unfunded liability of the lay pension plan, which operates under a separate trust, is not presented as part of the Corporation Sole because several other Catholic organizations participate in this plan. The listing of the related organizations that operate within the Archdiocese of Boston are included in Item 8 of this financial report.

The financial statement highlights for 2012 listed below summarize the financial picture of the Corporation Sole at June 30, 2012.

2012 Financial Highlights

- Net assets remained relatively stable at \$561.7 million, although unrestricted/undesignated net assets declined to a deficit position of \$3.9 million at June 30, 2012, as shown in the table in section 1.
- Operating income, as shown in the statement of activities within the financial statements, declined from \$5.1 million to \$0.6 million. While expenses were down by \$1.3 million year

over year, revenues were down by \$5.8 million. It is important to note that operating income excludes net realized and unrealized gain on investments, as well as other nonoperating items.

- A number of the 78 parishes that were in Phases I and II of the Improved Financial Relationship Model program at June 30, 2012 (a third phase was launched on July 1, 2012) experienced improved operating performance when compared to fiscal 2011.
- With the challenging financial market environment, average investment performance for the Common Investment Fund was -0.3%, following fiscal 2011 growth of 20%. This performance resulted in \$3.3 million in realized and unrealized losses in fiscal 2012, compared to a gain of \$15.4 million in fiscal 2011.
- Unfunded clergy pension and post retirement obligations of \$93.9 million and \$43.5 million in debt owed to St. John's Seminary are major liabilities.
- Central Operations revenues and other support were \$5.0 million below 2011 levels, while expenses were \$4.5 million lower.
- Although a reduction in the discount rate assumption used to determine the Clergy Trust Funds pension liability drove an increase in pension costs of \$6.1m, the unfunded liability declined \$1.9 million due to improved management of medical costs.

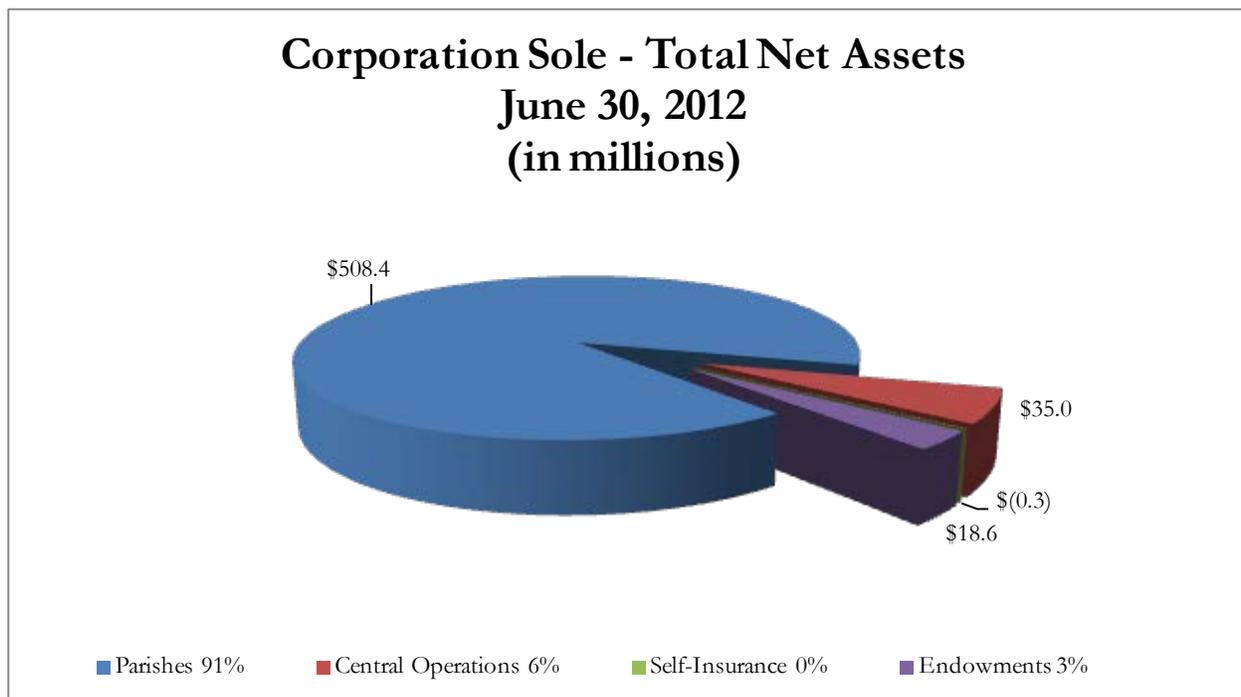
These highlights are explained more fully in response to the "Key Discussion Points" that follow.

Key Discussion Points

1) Net assets

Corporation Sole 2012 Statement of Financial Position (in millions)				
Assets		Liabilities		Net Assets
2012 \$ 762.7		2012 \$ 201.0	Minus	2012 \$ 561.7
2011 \$ 767.3		2011 \$ 203.8	Equals	2011 \$ 563.5

The pie chart below shows the \$561.7 million of Corporation Sole 2012 net assets separated into its four reporting units. Parishes at \$508.4 million account for about 91% of the total, with Central Operations, Self- Insurance Fund and Endowment Fund accounting for the remaining 9%.



Unrestricted net assets totaled \$489.5 million at June 30, 2012, per the chart below. The designated portion totals \$493.4 million and includes the net investment in land, buildings and equipment of \$478.8 million and amounts totaling \$14.6 million that are designated for parish reconfiguration, cemetery future care and the self-insurance program. This difference of \$3.9 million represents the unrestricted/undesignated deficit. A modest gain of \$.8 million was realized in fiscal 2011. A significant reduction in gains on sale of property contributed to the change.

Corporation Sole									
Net Assets as of June 30, 2012									
(In millions)									
	Central	Parish	Self						Total
	Parishes	Operations	Reconfig.	Insurance	Endowments	Eliminations			2011
Unrestricted Net Assets									
Unrestricted/Designated amounts for:									
(1) Net investment in land, buildings, equipment	\$ 432.7	\$ 43.4	\$ 2.7	\$ -	\$ -	\$ -	\$ -	\$ 478.8	\$ 467.9
Parish reconfiguration funds	-	-	3.0	-	-	-	-	3.0	4.4
Cemetery future care	11.9	-	-	-	-	-	-	11.9	12.6
Designated for self insurance programs	-	-	-	(0.3)	-	-	-	(0.3)	0.7
Unrestricted/Undesignated surplus (deficit)	32.1	(36.0)	-	-	-	-	-	(3.9)	0.8
Total Unrestricted Net Assets	476.7	7.4	5.7	(0.3)	-	-	-	489.5	486.4
Restricted Net Assets									
Temporarily restricted	22.4	11.1	-	-	3.2	-	-	36.7	42.1
Permanently restricted	9.3	10.8	-	-	15.4	-	-	35.5	35.0
Total Restricted Net Assets	31.7	21.9	-	-	18.6	-	-	72.2	77.1
TOTAL NET ASSETS	\$ 508.4	\$ 29.3	\$ 5.7	\$ (0.3)	\$ 18.6	\$ -	\$ -	\$ 561.7	\$ 563.5

(1) The recorded amount of land, buildings and equipment is less any related outstanding debt

Parish net assets increased by \$13.7 million, while Central Operations net assets declined by \$11.6 million. Positive operating and non-operating income at the parish level drove the net assets increases. The decline in Central Operations net assets was driven by an operating loss as well as losses at the non-operating level, as compared with modest operating net income in the prior year.

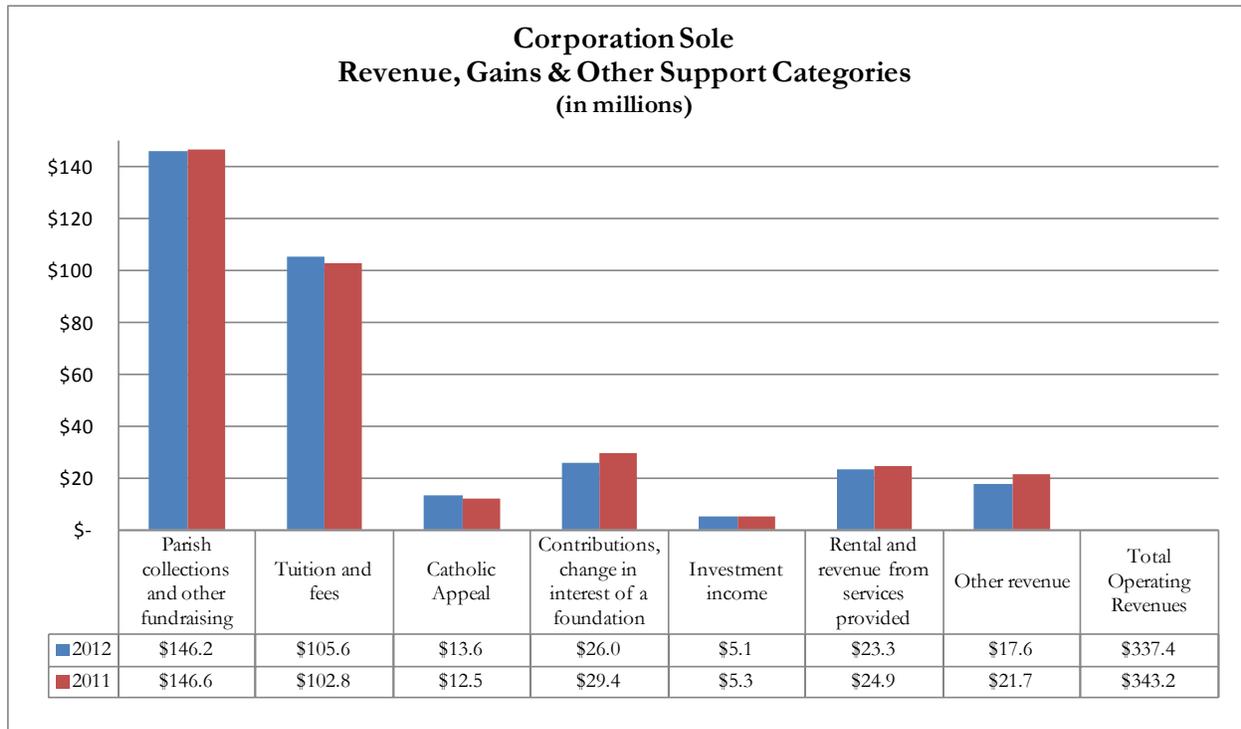
The Statement of Activities explains the changes in net assets. Changes in net assets result from operating and nonoperating activities of Corporation Sole, the components of which are shown below.

Corporation Sole 2012
Statement of Activities & Change in Net Assets
(in millions)

Net Operating			Net Nonoperating			Net Asset Change	
Revenues	\$ 337.4	Plus	Nonoperating	\$ 0.5	Equals		
Less			Less				
Expenses	\$ 336.8		Net asset transfer	\$ 2.9			
Net	\$ 0.6		Net	\$ (2.4)			
							Net \$ (1.8)

2) Operating Activities-Revenues

The table below summarizes the comparable revenues, gains and other support for fiscal 2012 and 2011.



Overall, revenues decreased \$5.8 million between the two years. Fiscal 2011 included the “Catholics Come Home” Campaign, which did not recur in fiscal 2012, which is the major reason for the decline in collections. Parish offertory collections were flat as compared to fiscal 2011, but this was impacted by the fact that Christmas fell on a Sunday in fiscal 2012. This resulted in 51 parish offertory collections in fiscal 2012 versus 52 in fiscal 2011. Tuition and fees increased largely due to additional fee revenue associated with religious education, athletics and extended day care.

Investment income of \$5.1 million, slightly below the prior year amount of \$5.3 million, includes the yield from the Common Investment Fund, Fixed Income Fund, short-term investments and outstanding loans to related organizations. This amount does not include the increase in realized and unrealized losses, which is included in the nonoperating section of the statement of activities.

Other revenues decreased by \$4.1 million from \$21.7 million in fiscal 2011 to \$17.6 million in fiscal 2012. Other revenues consist of all parish and school revenue that does not fall into other categories that come from a variety of sources.

3) *Operating Activities-Expenses*

Overall operating expenses declined \$1.4 million, or 0.4%, for fiscal year 2012. The composition of Corporation Sole's program and other expenses, which are incurred primarily at the parish level, includes:

Corporation Sole Program and other expenses (in millions)		
	<u>2012</u>	<u>2011</u>
Parish life and leadership	\$ 169.7	\$ 170.3
Catholic education	122.3	121.9
Faith formation and evangelization	6.2	7.6
Health and social services	2.9	2.5
Central and regional services	3.3	4.0
Media and public relations	0.5	0.5
Cemetery	4.2	4.3
Total program expenses	<u>309.1</u>	<u>311.1</u>
Management and general	24.1	23.5
Fundraising	2.3	2.0
Parish reconfiguration	1.3	1.6
Total other expenses	<u>27.7</u>	<u>27.1</u>
Total expenses	<u><u>\$ 336.8</u></u>	<u><u>\$ 338.2</u></u>

The decline in Faith Formation and Evangelization expenses is primarily due to the fiscal 2011 Catholics Come Home program, which did not recur in fiscal 2012.

4) *Nonoperating Activities*

Nonoperating income and expenses include capital campaigns, realized and unrealized gains or losses on investments, any gains or losses on the sale of property, insurance recoveries, provision costs related to clergy misconduct and nonoperating pension-related adjustments. These revenues and/or costs can fluctuate significantly from one year to the next as is shown for 2012 and 2011 in the following table and the accompanying explanations:

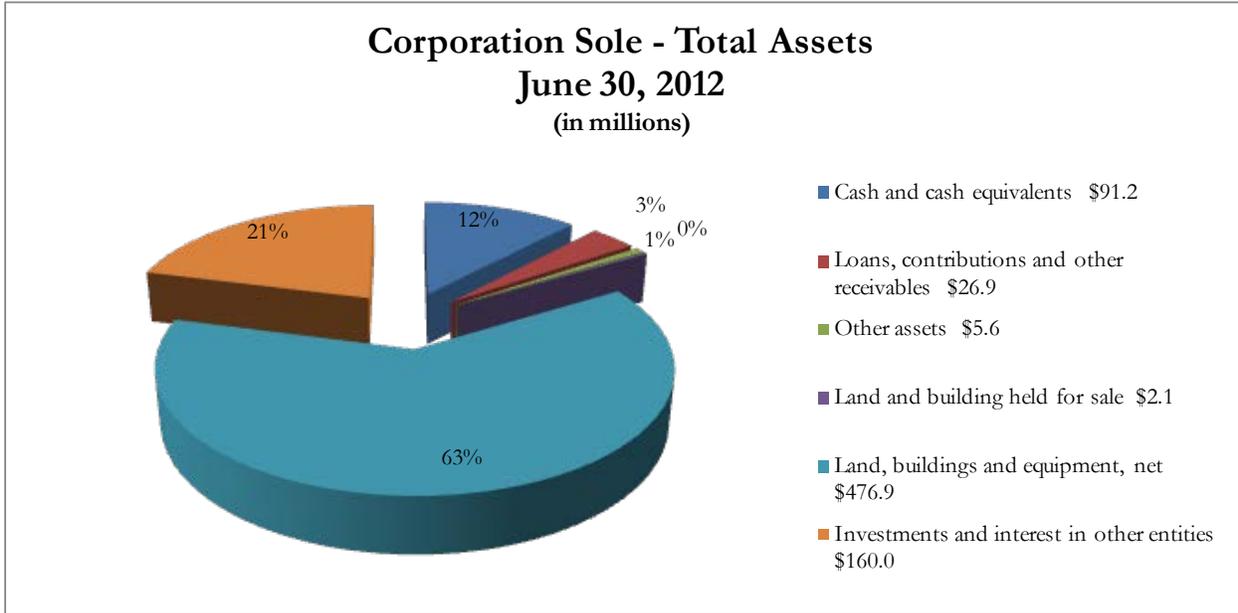
Corporation Sole		
Nonoperating Income (Loss) and Net Asset Transfers		
(in millions)		
	2012	2011
Nonoperating income (loss):		
Contributions	\$ 6.5	\$ 7.4
Contribution to related organization	-	(2.2)
Net realized and unrealized gain (loss) on investments	(3.3)	15.4
Gain on sale of land and buildings	5.3	9.3
Insurance and other recoveries	2.5	1.9
Settlements and related expenses	(4.3)	(4.4)
Pension-related charges other than periodic pension costs	(6.2)	(0.1)
	0.5	27.3
Net asset transfers to related organizations	(2.9)	(1.3)
	\$ (2.4)	\$ 26.0

The contribution to a related organization in fiscal 2011 consisted of a \$2.2 million contribution to support the operating and capital needs of Cristo Rey Boston High School. No such transfers occurred in fiscal 2012. The Common Investment Fund performance drove the net realized and unrealized losses on investments for fiscal 2012 and the corresponding gains in fiscal 2011. Both parish and Central Operations gains on sale of property are down from fiscal 2011, which benefited from gains on the sale of property at St. Ann's in Quincy and North Cambridge Catholic High School, respectively. The increase in pension-related charges other than periodic pension cost is largely due to an 80 basis point drop in the discount rate for pension liability, from 5.3% to 4.5%, as compared to a 10 basis point drop in the prior year. While this change in the discount rate caused a \$10.4 million increase to the liability, this impact was reduced by favorable changes in net demographics and medical trends.

Net asset transfers in fiscal 2012 totaled \$2.9 million. The largest net asset transfer included a \$1.2 million transfer to Quincy Catholic Academy. In Fiscal 2011, the governance and related operating assets and liabilities (excluding land and buildings held by Corporation Sole), totaling \$1.3 million, of the elementary school located at St. Rita's Parish in Lowell were transferred to a newly formed related organization, Ste. Jeanne d'Arc School of Lowell, Massachusetts, Inc.

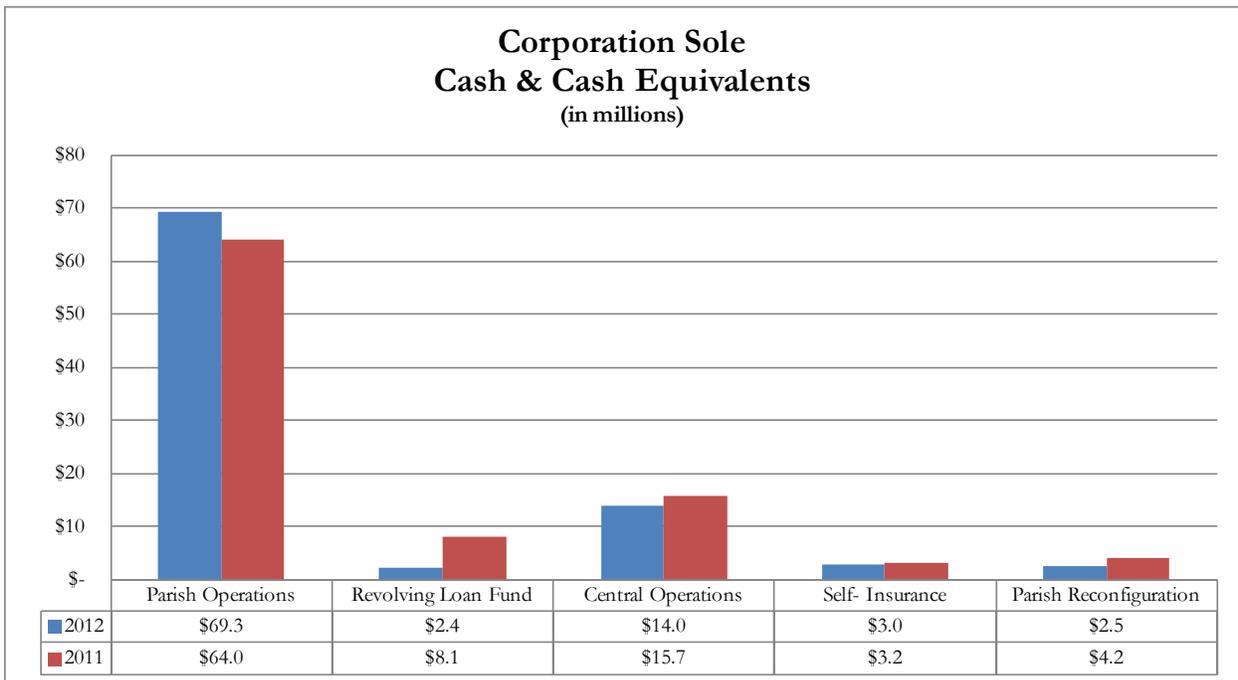
5) Total assets

For the fiscal years ending June 30, 2012 and 2011, total assets within Corporation Sole were \$762.7 million and \$767.3 million respectively, a decrease of \$4.6 million or .6%.



Asset Changes Fiscal 2012 versus Fiscal 2011

Cash and Cash Equivalents include the components shown in the table below. As of June 30, 2012, there were 289 parishes that have separate accounts for their regular operations.



The principal reason for the \$4.0 million reduction in cash and cash equivalents was the funding of operating activities for both Central Operations and Parish Reconfiguration.

Loans, contributions and other receivables, net, declined from \$34.5 million to \$26.9 million, primarily due to payments on loan balances by the Fund for Catholic Schools, Inc. (also known as the Campaign for Catholic Schools).

Corporation Sole		
Loans, Contributions & Other Receivables, net		
(in millions)		
	2012	2011
Loans receivable, net	\$ 18.6	\$ 24.8
Contributions receivable, net	2.5	3.0
Accounts receivable, net	4.6	5.1
Interest and dividends receivable, net	1.2	1.6
Total loans, contributions and other receivables, net	\$ 26.9	\$ 34.5

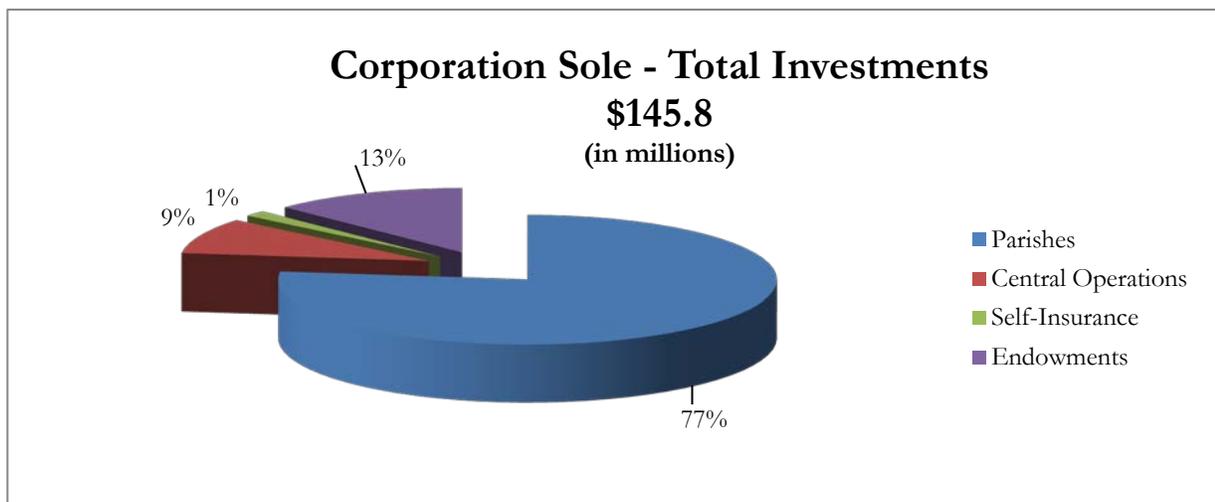
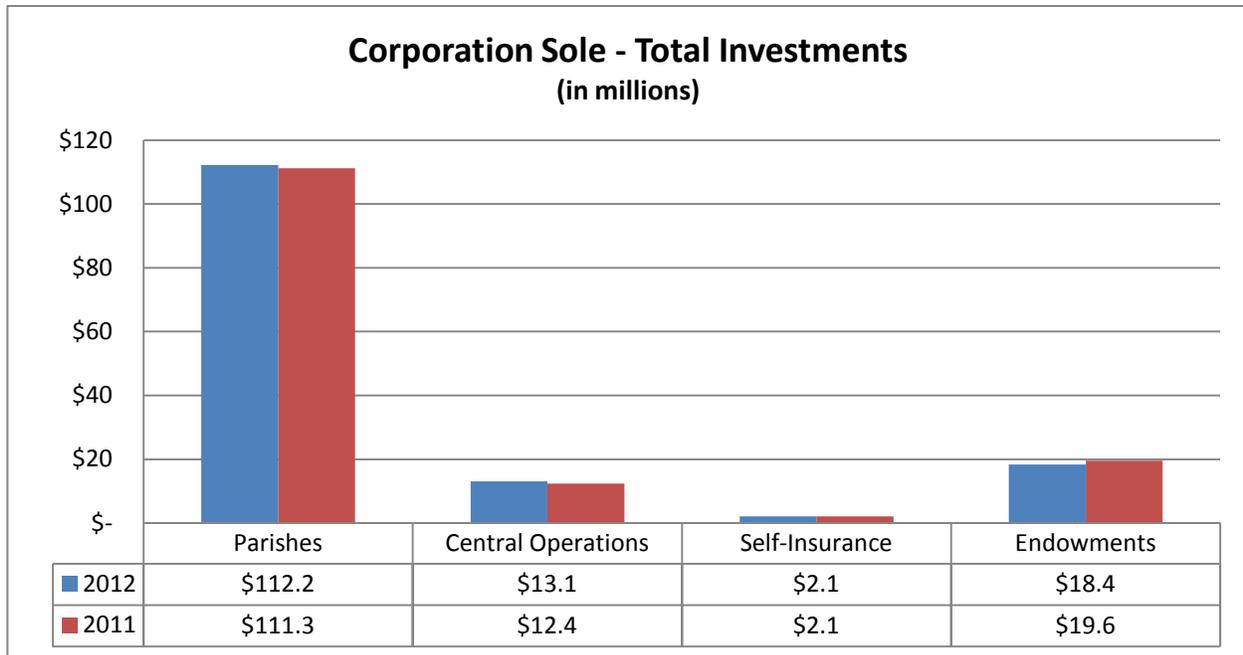
Land, buildings and equipment increased by \$10.7 million, driven by \$29.6 million of additions by parishes, offset by depreciation expense. The fiscal 2011 additions of \$38.8 million were impacted by the completion of one large church renovation project at St. Cecilia’s parish in Boston.

6) Investments

Investments increased slightly from \$145.3 million at June 30, 2011 to \$145.8 million at June 30, 2012. While some money is invested in the Fixed Income fund and in short-term investments, a significant portion of our investments represent holdings in the Common Investment Fund, a related organization established to provide a common investment pool in which the Corporation Sole and other Catholic organizations may participate. The Common Investment Fund invests all of its funds in the RCAB Collective 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.

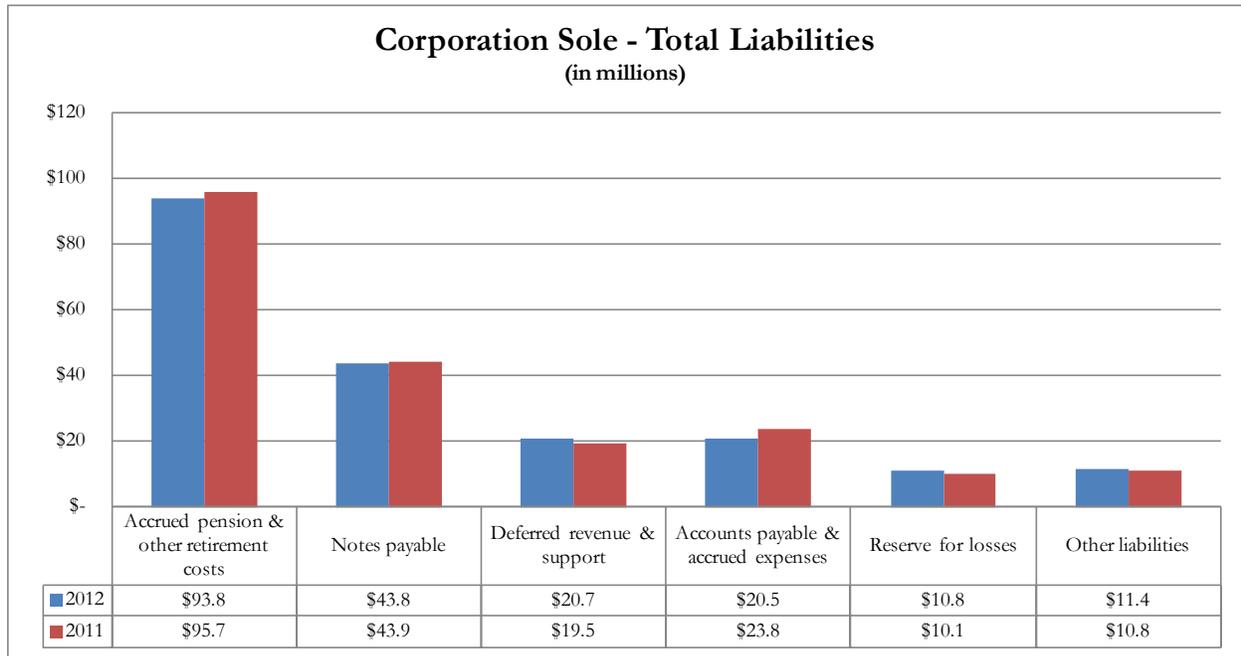
Average investment decline for the Common Investment Fund for the fiscal year ended June 30, 2012 was -0.3%, with a portfolio consisting of 60% equity securities, 38% fixed income and 2% cash. Performance in fiscal 2012 was negatively impacted by emerging market investments. The Investment Committee of the Archdiocese Finance Council continues to invest for the longer-term, and actively monitors our investment portfolio, seeking the best possible returns without incurring unnecessary risks.

As a component of total investments, Common Investment Fund declined from 73.3% at June 30, 2011 to 69.2% at June 30, 2012. The decline was driven by market performance in fiscal 2012 as well as redemption activity.



7) Liabilities

Total liabilities were \$201.0 million and \$203.8 million at June 30, 2012 and 2011, respectively.



Liability Changes Fiscal 2012 versus Fiscal 2011

Total liabilities declined by \$2.8 million year over the year. Of note is that accrued pension and other retirement costs declined by \$1.9 million. This liability represents the unfunded liability of the Clergy Trust Funds. The primary reasons for this change are demographic assumption changes and claims cost reduction, offset by a reduction in the discount rate.

8) Central Operations: Performance vs. Prior year and Performance vs. Budget

Below is a comparison of Central Operations operating activities with the prior year.

Corporation Sole - Central Operations		
Summary of Operating Activities		
(Unrestricted, Temporarily and Permanently Restricted)		
June 30, 2012 and 2011		
(in millions)		
	2012	2011
Revenue, Gains & Other Support		
Catholic Appeal	\$ 13.6	\$ 12.7
Collections, contributions, bequests and grants	4.6	7.9
Investment, interest and rental income	1.6	1.6
Revenue from services provided	8.8	8.9
Other revenues and net assets released	(0.1)	2.4
	<hr/>	<hr/>
Total revenues, gains & other support	28.5	33.5
Expenses:		
Parish life and leadership	2.3	2.5
Catholic education	1.7	1.8
Faith formation and evangelization	6.0	7.4
Health and social services	0.9	0.6
Central and regional services	3.4	4.1
Media and public relations	0.5	0.5
	<hr/>	<hr/>
Total program expenses	14.8	16.9
Management and general	16.8	19.2
Fundraising	2.3	2.0
Parish reconfiguration	1.4	1.7
	<hr/>	<hr/>
Total expenses	35.3	39.8
	<hr/>	<hr/>
Operating loss	\$ (6.8)	\$ (6.3)

Revenues, gains, and other support declined by \$5.0 million from the prior year, largely due to lower grants and bequests. At the same time, expenses declined by close to the same amount, at \$4.5 million. In addition to the previously noted reasons for the decline in Faith Formation and Evangelization and Central and Regional Services, Management and General declined by \$2.4 million, the components of which are noted below. The most significant reason for the reduction is the suspension of interest on the note payable to St. John’s Seminary during fiscal 2012.

Corporation Sole - Central Operations		
Management and general expenses are comprised of:		
(in millions)	2012	2011
Professional, legal & audit	\$ 2.9	\$ 3.0
Human resources	0.2	0.2
General services (archives and print & mail)	0.1	0.1
Chancellor's office, finance, MIS, Parish financial services, Insurance, Benefits	5.6	5.5
Building operations & maintenance	1.3	1.5
Facility & real estate management	0.7	0.6
General corporate	1.7	0.8
Parish support	2.1	2.7
Interest, depreciation & allowance	2.2	4.8
Total	\$ 16.8	\$ 19.2

Central Ministries: Performance vs. Budget

Central Ministries are comprised of almost fifty agencies and departments grouped by Cabinet Secretary who report to Cardinal Seán O’Malley and the Vicar General, Bishop-Elect Robert P. Deeley. Within these agencies and departments are additional cost centers stewarded by over two hundred Pastoral Center employees.

Central Ministries operates within Central Operations, which also includes Restricted Funds, Parish Reconfiguration activities and Special Collections. Central Operations is one of four units of the Corporation Sole along with Parishes, Self-Insurance and the Endowment Funds.

In June 2011, the Archdiocesan Finance Council approved a Central Ministries operating budget with planned operating revenues offsetting operating expenses. The table below highlights the Central Ministries operating results for Fiscal 2012 and also includes a reconciliation to the operating deficit from a budget perspective after adjusting for non-budgeted items:

Corporation Sole						
Fiscal 2012 Central Ministries Operating Loss to Budget Reconciliation						
(in millions)						
Adjustment for Non-Central Ministries Activity:						
	Central	Restricted	Parish	Special	Elim.	Central
	Operations	Funds	Reconfig.	Collections	Elim.	Ministries
Revenues and Other Support						
Catholic Appeal	\$ 13.6	\$ -	\$ -	\$ -	\$ -	\$ 13.6
Collections, contributions, bequests and grants	4.6	0.4	-	2.0	(0.6)	2.8
Investment, interest and rental income	1.6	0.1	-	-	-	1.5
Revenue from services provided	8.8	-	-	-	(0.1)	8.9
Other revenues	(0.1)	-	0.1	-	-	(0.2)
Total Revenues and Other Support	28.5	0.5	0.1	2.0	(0.7)	26.6
Program Expenses:						
Parish life and leadership	2.3	0.1	-	-	-	2.2
Catholic education	1.7	-	-	-	-	1.7
Faith formation and evangelization	6.0	0.3	-	1.9	(0.4)	4.2
Health and social services	0.9	0.1	-	-	-	0.8
Central and regional services	3.4	-	-	-	-	3.4
Media and public relations	0.5	-	-	0.3	(0.3)	0.5
Total Program Expenses	14.8	0.5	-	2.2	(0.7)	12.8
Management and general	16.8	0.1	-	-	-	16.7
Fundraising	2.3	-	-	-	-	2.3
Parish reconfiguration	1.4	-	1.3	-	-	0.1
Total Expenses	35.3	0.6	1.3	2.2	(0.7)	31.9
Operating Income (Loss)	\$ (6.8)	\$ (0.1)	\$ (1.2)	\$ (0.2)	\$ -	\$ (5.3)
Budgeted Operating Income						\$0.0
Budget Deficit Before Reconciling Items						\$ (5.3)
Non-Budgeted Reconciling Items:						
Depreciation					2.0	
Estate proceeds received in Fiscal 2012					1.7	
Revenue from change in interest in net assets of a foundation					0.7	
Reserve adjustments (operations allocation)					0.5	
Total Non-Budgeted Reconciling Items					4.9	
Budget Deficit after Non-Budgeted Reconciling Items						\$ (0.4)

In order to reconcile the operating results of Central Ministries to the budget, the operating loss of \$5.3 million must be adjusted for all non-cash and non-budgeted items. Non-cash items include depreciation and the revenue from change in interest in net assets of a foundation. Non-budgeted items include estate proceeds received in fiscal 2012, which aren't budgeted due to their lack of predictability. After adjusting for the reconciling items, the result is a \$0.4 million budget deficit.

9) Parish Reconfiguration: Sources and Uses of Funds

With the parish reconfiguration process drawing to a close, an analysis of the sources and uses of the proceeds of that activity has been provided. The table below covers the period July 1, 2004 (inception) through June 30, 2012:

Corporation Sole - Central Operations - Parish Reconfiguration Fund		
Sources and Uses of Funds Summary		
Since July 1, 2004 (Inception)		
(in millions)		
Sources of Funds:		Totals
Net proceeds from the sale of parish properties	\$ 73.1	
Cash and investments received from closed parishes	14.3	
Investment income	3.5	
Rental income	1.4	
Other miscellaneous sources of funds	1.5	
Total Sources of Funds		\$ 93.8
Uses of Funds:		
Restore equity to the Revolving Loan Fund and the Health Benefit Trust Funds for parish debts forgiven by the Jubilee Year debt forgiveness program	\$ 16.9	
Past pension service payments for parish employees	12.7	
Distributions to agencies and departments that provided program assistance and support to parishes	12.3	
Property maintenance expenses related to closed parishes	11.1	
Direct construction aid to parishes and schools	11.0	
Direct operating aid to parishes	5.8	
Forgiveness of parish loans and debt	5.7	
Creation of a quasi-endowment to support ministry to parishes	5.4	
Direct closing costs related to parish property sales	4.4	
Perpetual care fund transfers to a parish cemetery for operation and maintenance costs	3.0	
Cash contributed to parishes	3.0	
Total Uses of Funds		\$ 91.3
Surplus (Ending Cash Balance)		\$ 2.5

During the Reconfiguration process, 76 parishes closed or were merged. From this 76, 13 new parishes were established (7 by merger and 6 by creating new parishes), 10 parish properties were transferred to existing parishes, 3 have been designated as additional chapels/worship sites and 1 chapel was transferred into the Reconfiguration Fund (the Fund.) The Fund received \$14.3 million in cash and investments of the closed parishes and has realized nearly \$73.1 million in net proceeds from the sale of approximately 38 parish properties. The Fund also generated investment income totaling \$3.5 million, rental income of \$1.4 million and other miscellaneous income of \$1.5 million.

Substantially all of the assets realized by the Fund over this period have been for the benefit of our parishes. Approximately \$60.5 million was directed to or benefited parishes; \$16.9 million to restore equity, mostly to the Revolving Loan and Health Benefit Trust Funds for parish debts forgiven by the Jubilee Year debt forgiveness program; \$12.7 million paid for past pension service for parish employees; \$11 million in direct construction aid to parishes and schools; \$5.8 million in direct operating aid to parishes; \$5.7 million was used to pay parish loans and debts; \$5.4 million was used to create a quasi-endowment to support ministry to parishes and \$3 million in cash was contributed back to parishes.

In addition, \$11.4 million in property was contributed to parishes. This is a non-cash item that doesn't appear in the table.

During the closure process, aid was given in support of our cemeteries with four parish cemetery operations transferred to The Catholic Cemetery Association of the Archdiocese of Boston, Inc. and one parish cemetery receiving approximately \$3 million in primarily perpetual care funds for the continued operation and maintenance of those cemeteries.

Approximately \$4.4 million was spent in direct closing costs. For the parishes that closed, approximately \$11.1 million in property maintenance expenses such as utilities and repairs were incurred in order to maintain the property until it was sold. Additionally, within the Archdiocese, there are several agencies and departments that provide for program assistance and support to parishes. Approximately \$12.3 million was used to support the mission of those areas.

At the end of the 2012 fiscal year, there were 13 properties remaining within the Fund, eight of which are completing the process of relegation to profane use. The cost to maintain these properties in 2012 was \$1.3 million for the year. The Reconfiguration Fund had \$2.5 million in cash at June 30, 2012. The balance will be kept in reserve to provide for the maintenance needs of the remaining properties.

Below is a summary statement of changes in net assets for the Parish Reconfiguration Fund as extracted from within Central Operations.

Corporation Sole - Central Operations - Parish Reconfiguration Fund		
Summary of Changes in Net Assets		
June 30, 2012		
(in millions)		
		<u>Total</u>
Designated Net Assets at beginning of period	\$	7.7
Net asset transfers		(1.1)
<u>Operating activities:</u>		
Revenues	0.1	
Expenses	<u>(1.3)</u>	
Net operating loss		(1.2)
<u>Nonoperating activities:</u>		
Net realized/unrealized loss on investments	(0.1)	
Gain on sale of land, buildings & equipment	1.0	
Support to related organizations	<u>(0.7)</u>	
Total nonoperating loss		0.2
Designated Net Assets at end of period	<u><u>\$</u></u>	<u>5.6</u>

Below is a summary statement of financial position for the Parish Reconfiguration Fund at the respective June 30 year-ends.

Summary of Statement of Financial Position				
June 30, 2012 and 2011				
(in millions)				
	2012		2011	
Assets:				
Cash and cash equivalents	\$	2.5	\$	3.5
Deposits - Revolving loan		-		0.7
Land and building held for sale		0.4		0.6
Loans receivable, net		0.6		-
Investments		-		0.2
Land, buildings and equipment, net		2.2		2.7
Total assets		5.7		7.7
Liabilities:				
Accounts payable & accrued expenses		0.1		0.0
Total liabilities		0.1		0.0
Net Assets Unrestricted:				
Designated for Parish Reconfiguration		5.6		7.7
Total liabilities & net assets		5.7		7.7

10) Clergy Trust Funds

The Clergy Funds, including the Clergy Retirement Trust, the Clergy Medical/Hospitalization Trust and the Clergy Benefit Funding Trust, hold the assets used to pay various clergy benefits.

These three components of the Clergy Trust Funds provide monies for our eligible priests' health benefits; retirement stipends; nursing home and assisted-living costs; as well as stipends for priests unable to perform their duties. The unfunded liability of the Trusts was \$93.9 million as of June 30, 2012. While the estimated unfunded liability remains considerable, it has continued to decline through active management of both the sources of funding as well as identification of additional opportunities to reduce costs.

The future viability of the clergy programs relies heavily on the Christmas, Easter, and the Clergy Benefit Funding Trust Collections, as well as the annual Priests Dinner. As the primary financial support for the Trusts, these collections help to ensure that our active priests are able to receive adequate health care and support, as well as needed care in their retirement.

Financial Statements, Supplemental Schedules and
Report of Independent Certified Public Accountants

**The Roman Catholic Archbishop of Boston,
A Corporation Sole**

June 30, 2012 and 2011

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Report of Independent Certified Public Accountants

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His Eminence
Cardinal Sean Patrick O'Malley, O.F.M. Cap.
The Roman Catholic Archbishop of Boston

We have audited the accompanying statements of financial position of The Roman Catholic Archbishop of Boston, A Corporation Sole (the "Corporation Sole") as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation Sole's management. 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 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 Corporation Sole'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 referred to above present fairly, in all material respects, the financial position of The Roman Catholic Archbishop of Boston, A Corporation Sole as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Boston, Massachusetts
December 27, 2012

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Statements of Financial Position (in thousands)
June 30, 2012 and 2011

ASSETS	2012	2011
Cash and cash equivalents:		
Parish operations	\$ 69,273	\$ 64,041
Revolving loan fund	2,416	8,062
Central operations	14,015	15,642
Insurance operations	3,081	3,242
Parish reconfiguration	2,441	4,205
Total cash and cash equivalents	<u>91,226</u>	<u>95,192</u>
Interest and dividends receivable, net	1,208	1,559
Prepaid expenses and other assets	5,668	9,267
Accounts receivable, net	4,614	5,092
Contributions receivable, net	2,534	3,078
Loans and notes receivable, net (note C)	18,572	24,820
Land and buildings held for sale (note E)	2,066	2,141
Investments (note D)	145,793	145,346
Interest in net assets of a foundation	14,150	14,580
Land, buildings and equipment, net (note E)	<u>476,906</u>	<u>466,215</u>
 Total assets	 <u>\$ 762,737</u>	 <u>\$ 767,290</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 20,472	\$ 23,808
Agency obligations	1,599	2,126
Reserves for losses (note J)	10,810	10,091
Due to related organizations	6,299	5,971
Deferred revenue and support	20,697	19,454
Accrued pension and other post-retirement benefits (note M)	93,870	95,744
Other liabilities	3,506	2,683
Notes payable - related organization (note F)	43,516	43,516
Other notes payable (note F)	266	399
Total liabilities	<u>201,035</u>	<u>203,792</u>
 Commitments and contingencies (note K)		
 NET ASSETS:		
Unrestricted	489,519	486,390
Temporarily restricted (note G)	36,675	42,152
Permanently restricted (note G)	35,508	34,956
Total net assets	<u>561,702</u>	<u>563,498</u>
 Total liabilities and net assets	 <u>\$ 762,737</u>	 <u>\$ 767,290</u>

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

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Statement of Activities (in thousands)

For the year ended June 30, 2012

(With summarized comparative information for the year ended June 30, 2011)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Total	2011 Total
REVENUES AND OTHER SUPPORT:					
Collections	\$ 112,994	\$ 1,988	\$ -	\$ 114,982	\$ 115,679
Collections - clergy benefits	-	10,852	-	10,852	9,344
Catholic Appeal	12,443	1,191	-	13,634	12,544
Contributions and bequests	21,992	4,196	150	26,338	28,016
Parish fundraiser events, net	14,138	-	-	14,138	15,477
Tuition and fees	105,627	-	-	105,627	102,799
Investment income	3,764	1,305	1	5,070	5,268
Rental income	13,128	-	-	13,128	14,456
Cemetery operations	4,109	-	-	4,109	4,196
Revenue from services provided (note N)	4,688	-	-	4,688	4,425
Insurance premium revenue	1,438	-	-	1,438	1,818
Sacramental offerings	6,239	-	-	6,239	6,118
Other revenues	17,694	37	(132)	17,599	21,700
Change in interest in net assets of a foundation	-	(1,207)	775	(432)	1,399
Net assets released from restrictions and reclassifications (note G)	22,823	(22,581)	(242)	-	-
	<u>341,077</u>	<u>(4,219)</u>	<u>552</u>	<u>337,410</u>	<u>343,239</u>
EXPENSES:					
Program:					
Parish life and leadership	169,694	-	-	169,694	170,309
Catholic education	122,269	-	-	122,269	121,857
Faith formation and evangelization	6,178	-	-	6,178	7,604
Health and social services	2,875	-	-	2,875	2,588
Central and regional services	3,337	-	-	3,337	3,963
Media and public relations	533	-	-	533	519
Cemetery operations	4,243	-	-	4,243	4,273
Total program expenses	<u>309,129</u>	<u>-</u>	<u>-</u>	<u>309,129</u>	<u>311,113</u>
Management and general	24,185	-	-	24,185	23,526
Fundraising (note N)	2,305	-	-	2,305	1,996
Parish reconfiguration (note I)	1,225	-	-	1,225	1,553
Total expenses	<u>336,844</u>	<u>-</u>	<u>-</u>	<u>336,844</u>	<u>338,188</u>
Operating income (loss)	4,233	(4,219)	552	566	5,051
NONOPERATING INCOME (LOSS):					
Contributions	-	6,470	-	6,470	7,410
Contributions to related organizations (note N)	-	-	-	-	(2,254)
Net assets released from restrictions	6,833	(6,833)	-	-	-
Net realized and unrealized gain (loss) on investments	(2,397)	(895)	-	(3,292)	15,422
Gain on sale of land and buildings	5,304	-	-	5,304	9,284
Insurance and other recoveries	2,515	-	-	2,515	1,926
Settlements and related expenses	(4,276)	-	-	(4,276)	(4,350)
Pension-related charges other than periodic pension costs	(6,218)	-	-	(6,218)	(112)
Nonoperating income (loss)	<u>1,761</u>	<u>(1,258)</u>	<u>-</u>	<u>503</u>	<u>27,326</u>
CHANGE IN NET ASSETS	5,994	(5,477)	552	1,069	32,377
Net assets at beginning of year	486,390	42,152	34,956	563,498	532,444
Net asset transfers to related organizations (note N)	<u>(2,865)</u>	<u>-</u>	<u>-</u>	<u>(2,865)</u>	<u>(1,323)</u>
Net assets at end of year	<u>\$ 489,519</u>	<u>\$ 36,675</u>	<u>\$ 35,508</u>	<u>\$ 561,702</u>	<u>\$ 563,498</u>

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

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Statement of Activities (in thousands)

For the year ended June 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2011 Total</u>
REVENUES AND OTHER SUPPORT:				
Collections	\$ 114,044	\$ 1,635	\$ -	\$ 115,679
Collections - clergy benefits	-	9,344	-	9,344
Catholic Appeal	11,490	1,054	-	12,544
Contributions and bequests	21,773	6,243	-	28,016
Parish fundraiser events, net	15,477	-	-	15,477
Tuition and fees	102,799	-	-	102,799
Investment income	3,724	1,543	1	5,268
Rental income	14,456	-	-	14,456
Cemetery operations	4,196	-	-	4,196
Revenue from services provided (note N)	4,425	-	-	4,425
Insurance premium revenue	1,818	-	-	1,818
Sacramental offerings	6,118	-	-	6,118
Other revenues	21,249	29	422	21,700
Change in interest in net assets of a foundation	-	1,380	19	1,399
Net assets released from restrictions and reclassifications (note G)	25,755	(25,755)	-	-
	<u>347,324</u>	<u>(4,527)</u>	<u>442</u>	<u>343,239</u>
EXPENSES:				
Program:				
Parish life and leadership	170,309	-	-	170,309
Catholic education	121,857	-	-	121,857
Faith formation and evangelization	7,604	-	-	7,604
Health and social services	2,588	-	-	2,588
Central and regional services	3,963	-	-	3,963
Media and public relations	519	-	-	519
Cemetery operations	4,273	-	-	4,273
Total program expenses	<u>311,113</u>	<u>-</u>	<u>-</u>	<u>311,113</u>
Management and general	23,526	-	-	23,526
Fundraising (note N)	1,996	-	-	1,996
Parish reconfiguration (note I)	1,553	-	-	1,553
Total expenses	<u>338,188</u>	<u>-</u>	<u>-</u>	<u>338,188</u>
Operating income (loss)	9,136	(4,527)	442	5,051
NONOPERATING INCOME:				
Contributions	-	6,795	615	7,410
Contributions to related organizations (note N)	(2,254)	-	-	(2,254)
Net assets released from restrictions and reclassifications	875	(503)	(372)	-
Net realized and unrealized gain on investments	12,020	3,402	-	15,422
Gain on sale of land and buildings	9,284	-	-	9,284
Insurance and other recoveries	1,926	-	-	1,926
Settlements and related expenses	(4,350)	-	-	(4,350)
Pension-related charges other than periodic pension costs	(112)	-	-	(112)
Nonoperating income	<u>17,389</u>	<u>9,694</u>	<u>243</u>	<u>27,326</u>
CHANGE IN NET ASSETS	26,525	5,167	685	32,377
Net assets at beginning of year	461,188	36,985	34,271	532,444
Net asset transfers to related organizations (note N)	<u>(1,323)</u>	<u>-</u>	<u>-</u>	<u>(1,323)</u>
Net assets at end of year	<u>\$ 486,390</u>	<u>\$ 42,152</u>	<u>\$ 34,956</u>	<u>\$ 563,498</u>

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

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Statements of Cash Flow (in thousands)
For the years ended June 30, 2012 and 2011

	2012	2011
OPERATING ACTIVITIES:		
Change in net assets	\$ 1,069	\$ 32,377
Adjustments to reconcile the change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	18,026	16,856
Provision for uncollectible accounts, contributions and loans receivable	2,351	909
Interest accrued on note payable - related organization	-	1,503
Gain on sale of land and buildings	(5,304)	(9,284)
Net realized and unrealized loss (gain) on investments	3,292	(15,422)
Property related insurance recoveries	(1,775)	(612)
Contributions restricted for long term purposes	(6,470)	(7,410)
Change in interest in net assets of a foundation	432	(1,396)
Changes in operating assets and liabilities:		
Interest and dividends receivable	(567)	(1,204)
Prepaid expenses and other assets	3,599	(1,009)
Accounts receivable	514	7
Contributions receivable	438	2,026
Accounts payable and accrued expenses	(5,896)	(4,531)
Agency obligations	(527)	624
Reserves for losses	719	979
Due to related organizations	328	3,913
Deferred revenue and support	1,243	(337)
Accrued pension and other postretirement costs	(1,874)	(6,048)
Other liabilities	824	(645)
Net cash and cash equivalents provided by operating activities	<u>10,422</u>	<u>11,296</u>
INVESTING ACTIVITIES:		
Proceeds from sale of land, buildings and equipment	7,942	9,670
Purchase of land, buildings and equipment	(28,723)	(35,285)
Property related insurance recoveries	1,775	612
Proceeds from sale of investments and maturity of annuities	14,131	18,706
Purchase of investments	(17,870)	(9,891)
Net repayments on loans	4,885	4,148
Net cash and cash equivalents used in investing activities	<u>(17,860)</u>	<u>(12,040)</u>
FINANCING ACTIVITIES:		
Repayments of other notes payable	(133)	(231)
Contributions restricted for long term purposes	6,470	7,410
Net cash and cash equivalents provided by financing activities	<u>6,337</u>	<u>7,179</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,101)	6,435
Cash and cash equivalents at beginning of year	95,192	90,080
Cash transfers to related organizations (note N)	(2,865)	(1,323)
Cash and cash equivalents at end of year	<u>\$ 91,226</u>	<u>\$ 95,192</u>
<u>Supplemental disclosure of cash flow information:</u>		
Purchases of land, buildings and equipment in accounts payable	\$ 2,559	\$ 3,644

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

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Notes to Financial Statements
June 30, 2012 and 2011
(Dollars in thousands)

NOTE A - NATURE OF ORGANIZATION

The Roman Catholic Archbishop of Boston, A Corporation Sole (the "Corporation Sole") is a legal entity created under Massachusetts civil law in 1897 to provide the Roman Catholic Archbishop of Boston with a means to operate within, and be governed by, the public statutes of the Commonwealth of Massachusetts. The Corporation Sole, as an entity, is distinguishable from the Roman Catholic Archbishop of Boston whose powers and responsibilities are established by Canon Law.

The accompanying financial statements of the Corporation Sole include the activities of all parishes and their controlled schools and cemeteries located within the Archdiocese of Boston (the "Archdiocese"), central ministries (the Archdiocese administrative activities and programs), endowment funds and the self-insurance program (as further described in note B.)

The Roman Catholic Archbishop of Boston, by virtue of his office, serves as chairman of the board or president of numerous separately incorporated Catholic organizations that operate within the Archdiocese of Boston. While these organizations are considered to be related organizations of the Corporation Sole, they are not under the control of the Corporation Sole and, accordingly, their financial activities are not presented as part of the accompanying financial statements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Corporation Sole have been prepared on the accrual basis of accounting and in accordance with the accounting and reporting principles applicable to not-for-profit entities.

The Corporation Sole reports three classes of net assets and the changes in those net assets in the statements of financial position and statements of activities, respectively. The three classes of net assets - unrestricted, temporarily restricted and permanently restricted - are based on the existence or absence of donor-imposed restrictions. The three classifications are defined 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 Corporation Sole to use or expend the donated assets as specified and that are satisfied by either the passage of time or by actions of the Corporation Sole.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Corporation Sole or by a third party foundation or trustee for the benefit of the Corporation Sole. Generally, the donors of these assets permit the Corporation Sole to use, all or in part, the income earned on related investments for general or specific purposes. Unexpended appreciation on permanently restricted net assets is included in temporarily restricted net assets.

The Corporation Sole reports gifts of cash and other assets as restricted support if there are donor restrictions 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 statement of activities as net assets released from restrictions.

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
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Notes to Financial Statements - Continued

June 30, 2012 and 2011

(Dollars in thousands)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Corporation Sole reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Corporation Sole reports expirations of donor restrictions in the period the expenditure is made. Donor-restricted gifts intended for capital projects or for the endowment are reported as nonoperating contributions and are released from temporarily restricted net assets to be presented as unrestricted support when the related expenditures are incurred.

Cash Equivalents

Financial instruments with original maturities of three months or less at the purchase date are classified as cash equivalents.

The Corporation Sole deposits its cash in major financial institutions. Deposits in transaction accounts are 100% insured by the Federal Deposit Insurance Corporation ("FDIC") through December 31, 2012, while deposits in non-transaction accounts and deposits in transaction accounts after December 31, 2012 are insured by the FDIC up to \$250 per institution. While at times funds deposited in banks are in excess of FDIC insured limits, the Corporation Sole reviews and monitors the strength of the financial institutions and as such has not experienced any losses as a result of the use of uninsured deposit accounts.

Accounts and Loans Receivable

Accounts receivable include amounts due for tuition and amounts due from related organizations for insurance and other central services and are reduced by an allowance for doubtful accounts. Loans receivable represent advances made to related organizations.

Loans receivable are stated at the amount of unpaid principal, reduced by an allowance for loan losses. Generally, loans are granted for specific periods of time and contain specific provisions regarding payment terms. Loans are generally collateralized by specified assets of the related organization. Interest income on performing loans is accrued at rates ranging from 1.50% to 6.00% on the respective unpaid principal balance. Interest income is not accrued on nonperforming loans.

Loans are classified as nonperforming, and considered impaired, when they are over ninety days past due or when the payment of interest is deemed to be doubtful. Generally, loans are restored to performing status when the obligation is brought current, has performed in accordance with the contractual terms for a reasonable period of time and the ultimate collectability of the total contractual principal and interest is no longer in doubt.

Allowances for Accounts Receivable and Loan Losses

The allowances for accounts receivable and loan losses are maintained at a level believed by management to be representative of inherent losses estimated on the basis of factors such as the risk characteristics of the borrowers, underlying collateral and current economic conditions that may affect the borrower's ability to pay. Loans and accounts receivable are written-off in whole or in part when, in management's opinion, collectability is considered remote. Subsequent recoveries, if any, are recorded as an increase to the allowance.

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Notes to Financial Statements - Continued
June 30, 2012 and 2011
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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Allowances for Accounts Receivable and Loan Losses - Continued

While management uses available information to establish the allowances for accounts receivable and loan losses, future additions or reductions to the allowances may become necessary if circumstances differ from the assumptions used in making the evaluation.

Fair Value Measurements

The Corporation Sole measures the fair values of assets and liabilities at 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 Corporation Sole classifies its assets and liabilities into Level 1 (securities valued using quoted prices from active markets for identical assets and liabilities), 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). 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 fair value of the Corporation Sole's investments is discussed in Note L. The following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value, as well as the general classification pursuant to the valuation hierarchy.

Contributions Receivable

Contributions receivable are reported at fair value. Any multi-year pledges received are recorded at the present value of future cash flows with a discount rate adjusted for any market conditions to arrive at fair value, and as such are considered Level 3 inputs.

Alternative Investments

Alternative investments consist of investments in the Common Investment Fund and the Fixed Income Fund. The fair value of these investments is determined using the net asset value (NAV) per share. The investments, which are redeemable at year-end at NAV per share, are classified within Level 2 of the fair value hierarchy.

There are no unfunded commitments or redemption restrictions related to these investments at June 30, 2012 and 2011. Redemptions from the Fixed Income Fund are available on a daily basis and on a quarterly basis from the Common Investment Fund.

Short-Term and Other Investments

Short-term and other investments consist of certificates of deposit and mutual funds. Mutual funds are valued based on quoted prices in active markets and are classified within Level 1 of the fair value hierarchy. Certificates of deposit are valued based on quoted prices in active markets of similar instruments and are classified within Level 2 of the fair value hierarchy.

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
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Notes to Financial Statements - Continued

June 30, 2012 and 2011

(Dollars in thousands)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Beneficial Interest in Perpetual Trusts

The Corporation Sole is the beneficiary of two perpetual trusts maintained by third party trustees. These beneficial interests are included in prepaid expense and other assets in the statements of financial position at June 30, 2012 and 2011. These assets are classified as Level 3 because the Corporation Sole's share in the trusts does not have an active market. The Corporation Sole records the fair value of the trusts on a recurring basis based on the Corporation Sole's share of the underlying investment portfolio that consists of actively traded equities, bonds and money market funds. The trusts are managed by financial institutions and investment managers who provide statements on a regular basis presenting the market value of the portfolio holdings.

Conditional Asset Retirement Obligations

Conditional asset retirement obligations are recorded at fair value based on the present value of future obligations using a discount rate adjusted for any market conditions. Because fair value is based on significant unobservable inputs, it is considered to be valued with Level 3 inputs.

The valuation methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Corporate Sole believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date and that difference may be material to the Corporation Sole's financial statements.

Investments

Investments are carried at fair value. Changes in fair values are reflected in the statements of activities as unrealized gains or losses on investments.

Included in investments are holdings in the Common Investment Fund, Roman Catholic Archbishop of Boston (the "Common Investment Fund") and the Fixed Income Investment Fund, Roman Catholic Archbishop of Boston (the "Fixed Income Fund"). Both are related organizations established to provide common investment pools in which the Corporation Sole and other Catholic organizations may participate. The participants own units based upon a per-unit value at the time of purchase. It is the policy of the Common Investment Fund to distribute a dividend to its members on a quarterly basis of 1% of its net assets as of the previous quarter-end. The Fixed Income Fund does not have a policy of making automatic distributions. These dividend policies are subject to change at the discretion of the Roman Catholic Archbishop of Boston. The Common Investment Fund and the Fixed Income Fund incur service fees from the Corporation Sole for administrative and clerical services performed on their behalf (note N).

The Common Investment Fund invests all of its funds in the Collective Investment Partnership, Roman Catholic Archbishop of Boston (the "Partnership"), the underlying investments of which include equity and fixed-income securities owned either directly or indirectly through mutual funds and private investment entities.

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
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Notes to Financial Statements - Continued
June 30, 2012 and 2011
(Dollars in thousands)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investments - Continued

The fair value of the Fixed Income Fund's and the Partnership's investments in domestic and foreign securities listed on securities exchanges is valued at the last reported sale price. For those securities whose prices are not available through independent pricing services, bid price quotations are obtained by the investment custodian from principal market makers in those securities or at fair value as determined in good faith by investment managers. Securities whose prices are not available through independent pricing services are recorded at fair value based on the net asset value per share on the valuation date as reported by the individual investment managers.

The Corporation Sole believes that these valuations are a reasonable estimate of fair value as of June 30, 2012 and 2011, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed. Investment securities, in general, are exposed to various risks, such as interest rate, credit, currency exchange and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect amounts reported in the financial statements.

Interest in Net Assets of a Foundation

The Corporation Sole is a designated beneficiary in certain endowments and charitable gift annuities held by The Catholic Community Fund of the Archdiocese of Boston, Inc. (formerly The Catholic Foundation of the Archdiocese of Boston, Inc., "The Catholic Foundation"), a related organization (see note N). The Catholic Foundation was renamed The Catholic Community Fund of the Archdiocese of Boston, Inc. ("The Catholic Community Fund") in July 2011. The beneficial interest in The Catholic Community Fund is reflected on the statements of financial position as an interest in net assets of a foundation. The Corporation Sole receives quarterly distributions on these endowments to support central ministries and parish programs in addition to distributions from charitable gift annuities when the annuity obligation is satisfied. Changes to this beneficial interest for distributions, new contributions and investment activity are reflected in the statements of activities.

Land, Buildings and Equipment

Land and land improvements, buildings and building improvements, and furniture and equipment are carried at cost, or if donated, at fair market value at the time of donation. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets, which range from five years for furniture and equipment to forty years for buildings. Expenditures for maintenance and repairs are charged to expense, whereas major betterments are capitalized.

Land and buildings held for sale are accounted for at the lower of cost or market. When buildings are classified as held for sale, depreciation is no longer recorded.

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
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Notes to Financial Statements - Continued
June 30, 2012 and 2011
(Dollars in thousands)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Reserves for Losses

Self Insurance and Reinsurance

The Corporation Sole is partially self-insured for various risks incidental to the normal course of its activities. Such risks include fire damage (up to \$500 annually), general liability claims (up to \$250 per occurrence), theft losses and sudden accidental occurrences to boilers and related equipment. In addition, the Corporation Sole participates with other Catholic organizations in a separate workers' compensation self-insurance group, Massachusetts Catholic Self-Insurance Group, Inc., a related organization.

The Corporation Sole also permits related organizations within the Archdiocese of Boston as well as other Catholic organizations to participate in its risk management program. A premium is assessed to these entities based on the type of risks shared among these organizations. The typical risk areas that the other organizations participate in include automobile liability, physical property damage and general liability. The Corporation Sole provides additional coverage for the peril of all fire, sudden and accidental occurrences, catastrophic umbrella liability and other miscellaneous coverage through the direct purchase of insurance. The Corporation Sole has retained carriers for its auto insurance and these carriers cover losses up to \$1,000 with additional catastrophic limits.

Clergy Misconduct Claims

The Corporation Sole estimates a reserve for settlement of reported misconduct claims and direct related litigation costs based on its historical settlement experience. An additional reserve is accrued using the same historical settlement data for incurred but not reported claims based on an independent analysis performed by an actuary.

The reserves for losses are based on losses reported, historical experience and estimates of future trends in loss severity and frequency and other factors, which could vary as claims are ultimately settled. The ultimate amount of losses and loss adjustment expenses may vary significantly from the estimated amounts included in the financial statements. The methods used to develop these reserves are subject to continuing review and refinement, and any necessary adjustments to these reserves are reflected in the statement of activities in the year identified.

Deferred Revenue and Support

Deferred revenue and support represents payments received and amounts billed but unpaid for tuition, fees and support for program services to be provided in future periods.

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
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Notes to Financial Statements - Continued
June 30, 2012 and 2011
(Dollars in thousands)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Pension Benefits

Pension obligations and other post-retirement benefits are actuarially determined and are affected by several assumptions including the discount rate used to present value expected future benefit payments and the annual rates of return on plan assets. Changes in discount rate and differences from actual results will affect the amounts of pension and other post-retirement expense recognized in future periods. These assumptions may also have an effect on the amount and timing of future cash contributions. The Corporation Sole recognizes the over-funded or under-funded status of defined benefit post-retirement plans in its statement of financial position measured as the difference between the fair value of plan assets and the benefit obligation. The change in the funded status of the plan is recognized in the year in which the change occurs through nonoperating income (loss) in the statement of activities. These provisions also require plan assets and obligations to be measured as of the Corporation Sole's statement of financial position date.

Conditional Asset Retirement Obligations

The liability for conditional asset retirement obligations represents an estimate for future obligations to perform certain retirement activities in connection with the ultimate disposition of tangible long-lived assets due to the nature of material used in their construction or operation. The timing of the performance of these retirement activities is within the control of the Corporation Sole and, due to the nature of these assets, will be performed over an extended period of time. The Corporation Sole is able to estimate its conditional asset retirement obligation for long-lived assets that are expected to undergo major renovations or have been identified for demolition through June 30, 2022. The Corporation Sole is not able to reasonably estimate its asset retirement obligation for periods after June 30, 2022 due to the uncertainty related to long-term renovation and demolition plans.

Included in other liabilities in the accompanying statements of financial position is \$2,800 and \$2,300 at June 30, 2012 and 2011, respectively, representing management's estimate of its future obligation for such long-lived asset retirement activities.

Collections

Collections represent contributions received by Archdiocesan parishes for general and specified purposes. These funds are raised for parish operations and other purposes such as hunger, homelessness, and other human welfare programs and are reported as revenue in the statement of activities. Collections at Archdiocesan parishes for specified beneficiary organizations are not recorded as revenues, but are reflected as agency obligations until such time as the funds are remitted to the specified organization.

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
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Notes to Financial Statements - Continued
June 30, 2012 and 2011
(Dollars in thousands)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Catholic Appeal

The Catholic Appeal represents an annual solicitation by Boston Catholic Development Services, Inc. ("BCDS") through both direct mailings and Archdiocesan parishes in support of the central ministry activities and programs of the Archdiocese of Boston. BCDS was formed in July 2011 to aid, support and enhance all fundraising and development activities within the Archdiocese of Boston. The organization assumed the fundraising duties that were previously the responsibility of The Catholic Community Fund (formerly The Catholic Foundation).

The funds raised from the Catholic Appeal are reflected separately from the revenue and change in interest in net assets of a foundation in the statements of activities and from the interest in net assets of a foundation in the statements of financial position.

The funds raised from the Catholic Appeal are reported on a fiscal year basis, which differs from the actual Catholic Appeal year (March through February). Consequently, the results reported include overlapping Catholic Appeal years.

Contributions and Bequests

Unconditional promises to give are recognized as support 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. Unconditional promises to give are reported as contributions receivable. Conditional promises to give are not recognized as support until the conditions are substantially met.

Contributions receivable are reflected in the statements of financial position net of \$228 and \$121 of allowances for doubtful collections at June 30, 2012 and 2011, respectively.

Parish Fundraiser Events

Parish fundraising events are reflected in the statements of activities net of \$6,485 and \$6,931 of direct fundraising expenses for the years ended June 30, 2012 and 2011, respectively.

Rental Income

External parties and to a limited extent related organizations are charged rent for the use of property owned and operated by the Corporation Sole. Rental income is recognized on a straight-line basis.

Cemetery Operations

Future care funds include only such funds for cemeteries operated by parishes within the Archdiocese of Boston. They do not include the future care funds of cemeteries that are owned and operated by The Catholic Cemetery Association of the Archdiocese of Boston, Inc. ("Cemetery Association"), a related organization.

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
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Notes to Financial Statements - Continued
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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cemetery Operations - Continued

Corporation Sole sets aside 30% of proceeds from its cemetery mausoleum sales and 10% of its cemetery plot sales into future care funds that are included in unrestricted net assets. Investment earnings on the related segregated future care assets are used for the long-term care and maintenance of the Corporation Sole's mausoleums and lots.

Revenue from Services Provided

The Corporation Sole provides various administrative, technology and clerical services to related Catholic organizations for which it charges fees. Such services include risk and benefits management, treasury and investment management, financial management, information technology and property management services. Fees and other revenue are also generated by pastoral and ministerial workshops, retreats and tribunal services.

Other Revenues

Other revenue primarily represents income from various goods sold and services provided by the parishes and parish schools.

Beneficiary in Wills and Estates

The Corporation Sole is named as a beneficiary in numerous wills and estates. The Corporation Sole deems these to be intentions to give and not unconditional promises to give. When a probate court declares an individual will is valid and the fair value of the estate can be estimated, the Corporation Sole recognizes contribution revenue and a receivable for its interest in the estate.

Income Taxes

The Corporation Sole is included in the annual United States Conference of Catholic Bishops Internal Revenue Service Group Ruling and is therefore exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Corporation Sole follows guidance which requires recognition of the 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 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. Corporation Sole's management has reviewed its tax positions as of June 30, 2012 and 2011 and determined that no provision for income taxes is required in these financial statements.

It is the Corporation Sole's policy to record estimated interest and penalties (if any) as part of management and general expenses.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Costs have been allocated among the programs and supporting services based on an estimate of the relative effort expended for the related functions.

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
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Notes to Financial Statements - Continued
June 30, 2012 and 2011
(Dollars in thousands)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant items presented herein affected by the use of estimates are the allowances for uncollectible loans and accounts receivable, the fair value of investments, depreciable lives of buildings and equipment, reserves for losses, the accrued pension and other post-retirement obligations, the functional allocation of expenses and the reserve for conditional asset retirement obligations. Actual results could vary from those estimates.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

Subsequent Events

In connection with the preparation of these financial statements, the Corporation Sole has evaluated events and transactions through December 27, 2012, which is the date these financial statements were available for issuance.

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Notes to Financial Statements - Continued
June 30, 2012 and 2011
(Dollars in thousands)

NOTE C – LOANS AND NOTES RECEIVABLE

Loans and Notes Receivable

Loans and notes receivable consisted of the following at June 30 and are due from various organizations (primarily related organizations including The Fund for Catholic Schools, Inc.):

	<u>2012</u>	<u>2011</u>
Loans and notes receivable	\$ 25,068	\$ 29,361
Allowance for loan losses	<u>(6,496)</u>	<u>(4,541)</u>
Net loans receivable, net	<u>\$ 18,572</u>	<u>\$ 24,820</u>

Accrued interest on loans receivable is included in interest and dividends receivable on the statements of financial position.

Changes in the allowance for loan losses were as follows for the years ended June 30:

	<u>2012</u>	<u>2011</u>
Balance at beginning of year	\$ 4,541	\$ 4,493
Write-offs	(1,173)	-
Provision for loan losses, net	<u>3,128</u>	<u>48</u>
Balance at end of year	<u>\$ 6,496</u>	<u>\$ 4,541</u>

At June 30, 2012 and 2011, the following loan amounts were past due:

	<u>1-60 days past due</u>	<u>60-90 days past due</u>	<u>90+ days past due</u>	<u>Total past due</u>
2012	\$ 43	\$ -	\$ 2,317	\$ 2,360
2011	181	-	2,641	2,822

Loans to The Fund for Catholic Schools, Inc.

The Roman Catholic Archbishop of Boston, working in coordination with a group of donors, established The Fund for Catholic Schools, Inc., to raise contributions for improvements to Catholic elementary schools within the Archdiocese of Boston. At June 30, 2012, the Corporation Sole had \$17,878 of outstanding loans with The Fund for Catholic Schools, Inc. for construction and reorganization costs. These loans, which have no stated maturity date, have a fixed interest rate of 4.50%. At June 30, 2012 and 2011, these loans are on non-accrual status and any interest receivable on the loans is fully reserved. The Fund for Catholic Schools, Inc. has pledges that are expected to be collected over the next 5 years that will be used to paydown the loans to the Corporation Sole.

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Notes to Financial Statements - Continued

June 30, 2012 and 2011

(Dollars in thousands)

NOTE C – LOANS AND NOTES RECEIVABLE – Continued

Notes Receivable

In September 2011, the Corporation Sole entered into a \$1,800 note receivable with the St. Thomas Syro-Malabar Catholic Church located in Boston, which is affiliated with the St. Thomas Syro-Malabar Catholic Diocese of Chicago, in conjunction with the sale of the former St. Jeremiah parish property in Framingham. This note is non-interest bearing and payable in installments of \$180 due every five years, with the first payment becoming due on June 30, 2016.

Due to the interest free nature of the note, the Corporation Sole discounted the note to the estimated present value of the future scheduled payments using a rate of 5%. The rate utilized approximates the interest rate on loans made by the Corporation Sole to related Archdiocesan organizations. The note receivable balance, net of the unamortized discount of \$1,207, totaled \$593 at June 30, 2012.

NOTE D - INVESTMENTS

Investments consisted of the following at June 30:

	<u>2012</u>	<u>2011</u>
Common Investment Fund	\$ 100,901	\$ 106,536
Fixed Income Fund	32,193	27,008
Short-term investments	12,654	11,719
Other investments	<u>45</u>	<u>83</u>
Total investments	<u>\$ 145,793</u>	<u>\$ 145,346</u>

See note L for additional information regarding the determination of the fair value of investments.

NOTE E - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment consisted of the following at June 30:

	<u>2012</u>	<u>2011</u>
Land and land improvements	\$ 62,903	\$ 63,087
Buildings and improvements	1,183,737	1,177,850
Furniture and equipment	75,068	71,330
Construction in progress	<u>2,383</u>	<u>907</u>
	1,324,091	1,313,174
Less accumulated depreciation	<u>(847,185)</u>	<u>(846,959)</u>
Land, buildings and equipment, net	<u>\$ 476,906</u>	<u>\$ 466,215</u>

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Notes to Financial Statements - Continued

June 30, 2012 and 2011

(Dollars in thousands)

NOTE E - LAND, BUILDINGS AND EQUIPMENT – Continued

Land and buildings held for sale totaling \$2,066 and \$2,141 at June 30, 2012 and 2011, respectively, are carried at cost, net of accumulated depreciation at the date the property was classified as held for sale, which is less than estimated net realizable value.

The Corporation Sole leases certain of its properties primarily to unrelated third parties. Properties under lease include buildings leased to several related Catholic high schools for \$1 dollar per year for a term of 50 years. At June 30, 2012, scheduled receipts for the next five years and thereafter under non-cancelable long-term rental agreements are as follows:

Year ending <u>June 30,</u>	
2013	\$ 9,687
2014	7,469
2015	6,480
2016	5,588
2017	3,819
Thereafter	17,600

NOTE F - NOTES PAYABLE

Notes Payable - Related Organization

In April 2005, the Corporation Sole entered into a \$4,880 note payable to St. John's Seminary (the "Seminary"), a related organization. The loan principal, together with interest accrued from the date of the note, was scheduled to be repaid on January 1, 2011. During fiscal 2012, the Corporation Sole and the Seminary entered into a Memorandum of Understanding ("MOU") which outlined terms addressing the retirement of this note. In accordance with the terms of the MOU, the Corporation Sole ceased accruing interest on the note as of June 30, 2011. For the period from July 1, 2005 through June 30, 2011, interest on the note was accrued at a rate equivalent to the annual average total return of the Common Investment Fund. Accrued interest on this loan plus late fees amounted to \$2,228 at June 30, 2011, and is included in the balance of this loan as presented in the accompanying statements of financial position.

In accordance with the terms of the MOU, in exchange for complete discharge of the loan obligation, the Corporation Sole will canonically transfer all of its rights, title and interest in Our Lady of Presentation Church, Rectory and parking lots and the St. Gabriel rectory and school to the Seminary. The properties have a collective appraised value of approximately \$6,000 and a book value of \$566. The property transfer is expected to occur in fiscal year 2013, at which time the settlement of the note will be recorded.

In October 2008, the Corporation Sole entered into a 10-year promissory note with the Seminary for \$36,408 in connection with the August 2007 joint sale of property. This note is non-interest bearing and subordinated to all other liabilities, obligations and indebtedness of the Corporation Sole. This promissory note becomes due and payable in one lump sum payment on August 23, 2017.

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Notes to Financial Statements - Continued
June 30, 2012 and 2011
(Dollars in thousands)

NOTE F - NOTES PAYABLE - Continued

Notes Payable - Related Organization - Continued

The estimated fair value of the \$36,408 Seminary promissory note as of June 30, 2012 and 2011 is \$25,651 and \$23,918, respectively. This fair value is based on estimates using market interest rates available for similar debt with equivalent maturities and risk factors.

Other Notes Payable

Other notes payable consist of secured amounts, with interest rates ranging from 0% to 5.25%, due to third party lenders with principal balances of \$266 and \$399 at June 30, 2012 and 2011, respectively.

Scheduled principal payments on other notes payable as of June 30, 2012 are as follows:

<u>Year Ending June 30</u>	
2013	\$ 134
2014	10
2015	10
2016	11
2017	12
Thereafter	<u>89</u>
	<u>\$ 266</u>

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Notes to Financial Statements - Continued
June 30, 2012 and 2011
(Dollars in thousands)

NOTE G - TEMPORARILY RESTRICTED AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes at June 30:

	<u>2012</u>	<u>2011</u>
Buildings and equipment	\$ 9,407	\$ 9,756
Special collections	44	245
Parish life and leadership	9,017	12,917
Catholic education	5,364	5,029
Faith formation and evangelization	5,663	3,920
Health and social services	553	589
Central administration	<u>6,627</u>	<u>9,696</u>
Total	<u>\$ 36,675</u>	<u>\$ 42,152</u>

Net assets released from restrictions were expended for the following purposes for the years ended June 30:

	<u>2012</u>	<u>2011</u>
Buildings and equipment	\$ 6,833	\$ 4,288
Special collections	2,192	1,684
Parish life and leadership	15,383	12,014
Catholic education	511	1,039
Faith formation and evangelization	1,215	792
Health and social services	114	198
Central administration	<u>3,166</u>	<u>5,740</u>
Total	<u>\$ 29,414</u>	<u>\$ 25,755</u>

Permanently restricted net assets consist of the following at June 30. Income earned on these funds is available for the purposes described below:

	<u>2012</u>	<u>2011</u>
Parish life and leadership	\$ 8,631	\$ 7,834
Catholic education	2,960	3,540
Faith formation and evangelization	15,732	15,864
Health and social services	200	200
Central administration	<u>7,985</u>	<u>7,518</u>
Total	<u>\$ 35,508</u>	<u>\$ 34,956</u>

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
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NOTE H - ENDOWMENTS

The Corporation Sole's endowment consists of 167 individual funds established for the support of various programs and central ministries. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

On July 2, 2009, the Commonwealth of Massachusetts signed into law a Massachusetts version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA" or the "Act"). The Act applies to institutional funds existing on or established after June 30, 2009. The Act is codified as Chapter 180A of the Massachusetts General Laws. It replaces the prior statute, which had dealt with the same subject for approximately 35 years, known as the Massachusetts Uniform Management of Institutional Funds Act (UMIFA). Among other provisions, the new law provides greater flexibility to not-for-profit organizations to spend funds when the fair value is less than the original value of the donor's gift, commonly referred to as "underwater" funds.

The Corporation Sole has continued to follow its policy of preserving the corpus of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation Sole classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, if any, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, if any. This is regarded as the "historic dollar value" of the endowed fund. 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 they are appropriated for expenditure in a manner consistent with the donor's intentions and the Corporation Sole'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 their "historic dollar value". Deficiencies of this nature are accounted for and reported by a charge to unrestricted net assets and corresponding increase to temporarily restricted net assets. The aggregate balance of the funds that fell below corpus amounted to \$126 and \$87 as of June 30, 2012 and 2011, respectively.

Endowment Investment Policy

The Corporation Sole has adopted an investment policy which attempts to provide a predictable stream of investment returns thereby making funds available annually 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 Corporation Sole must hold in perpetuity or for donor-specified periods. Under the Corporation Sole's investment policy and spending policy, both of which are approved by the Roman Catholic Archbishop of Boston, the endowment assets are invested in a manner that is intended to produce an inflation-adjusted return in excess of the approved quarterly spending rate over a long period of time. Actual returns in any given year will vary and actual spending may exceed the quarterly dividend distributions.

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Notes to Financial Statements - Continued

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NOTE H - ENDOWMENTS – Continued

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Corporation Sole 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 majority of endowment investments are invested in the Common Investment Fund, which in-turn invests in the Collective Investment Partnership. The Investment Committee of the Roman Catholic Archbishop of Boston's Finance Council is responsible for selecting the investment managers of the Collective Investment Partnership. The Investment Committee's investment rationale is to include an array of different strategies and investment managers for the Collective Investment Partnership's portfolio to reduce overall volatility while providing investment returns above industry benchmarks.

Spending Policy

It is the policy of the Roman Catholic Archbishop of Boston to appropriate for distribution on a quarterly basis 1% of the net assets of the endowment as of the previous quarter-end. In establishing this policy, the Corporation Sole considered the long-term expected return on its endowments. Accordingly, over the long term, the Corporation Sole expects the impact of the current spending policy to allow its endowments (including unspent appreciation) to grow at a nominal rate. This is consistent with the Corporation Sole's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return. Actual distributions from the endowments may exceed the quarterly dividend.

Endowment net asset composition as of June 30, 2012 and 2011 is as follows:

<u>June 30, 2012</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowments:				
Endowments	\$ (126) *	\$ 5,134	\$ 22,909	\$ 27,917
Beneficial interest in The Catholic Community Fund	-	1,786	9,782	11,568
Beneficial interest in perpetual trusts	-	-	2,817	2,817
	<u>\$ (126)</u>	<u>\$ 6,920</u>	<u>\$ 35,508</u>	<u>\$ 42,302</u>
<u>June 30, 2011</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowments:				
Endowments	\$ (87) *	\$ 6,714	\$ 23,000	\$ 29,627
Beneficial interest in The Catholic Community Fund	-	2,475	9,007	11,482
Beneficial interest in perpetual trusts	-	-	2,949	2,949
	<u>\$ (87)</u>	<u>\$ 9,189</u>	<u>\$ 34,956</u>	<u>\$ 44,058</u>

* The deficit in unrestricted net assets represents the amounts by which the fair values of certain donor-restricted assets were below the amounts required to be retained permanently.

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June 30, 2012 and 2011
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NOTE H - ENDOWMENTS - Continued

Changes in endowment net assets for the years ended June 30, 2012 and 2011 are as follows:

<u>June 30, 2012</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (87)	\$ 9,189	\$ 34,956	\$ 44,058
Contributions and bequests	-	-	150	150
Change in interest in net assets of a foundation	-	(690)	775	85
Change in beneficial interest in perpetual trusts	-	-	(132)	(132)
Investment return:				
Investment income	-	1,025	1	1,026
Net depreciation	(39)	(1,118)	-	(1,157)
Total investment return	(39)	(93)	1	(131)
Appropriation of endowment assets for operations (draw)	-	(992)	-	(992)
Other changes:				
Net asset reclassification	-	-	(242)	(242)
Prior year reclassification	-	(494)	-	(494)
Endowment net assets, end of year	<u>\$ (126)</u>	<u>\$ 6,920</u>	<u>\$ 35,508</u>	<u>\$ 42,302</u>
<u>June 30, 2011</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (183)	\$ 4,676	\$ 34,271	\$ 38,764
Contributions and bequests	-	-	615	615
Change in interest in net assets of a foundation	-	799	19	818
Change in beneficial interest in perpetual trusts	-	-	422	422
Investment return:				
Investment income	-	1,580	1	1,581
Net appreciation	96	2,862	-	2,958
Total investment return	96	4,442	1	4,539
Appropriation of endowment assets for operations (draw)	-	(1,100)	-	(1,100)
Other changes:				
Net asset reclassification	-	372	(372)	-
Endowment net assets, end of year	<u>\$ (87)</u>	<u>\$ 9,189</u>	<u>\$ 34,956</u>	<u>\$ 44,058</u>

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Notes to Financial Statements - Continued
June 30, 2012 and 2011
(Dollars in thousands)

NOTE I - PARISH RECONFIGURATION

In May 2004, the Corporation Sole entered into a reconfiguration plan that included the suppression of certain parishes within the Archdiocese of Boston. This plan was in response to significant changes occurring within the Archdiocese of Boston, including changing demographics, a decline in the number of clergy, and the impact of deferred maintenance on parish properties. Seventy-six parishes have been closed and consolidated with adjoining parishes.

The Corporation Sole accounts for all financial activities of Archdiocesan parishes as a separate reporting unit in its financial statements. The Corporation Sole accounts for all closed reconfiguration parishes in Central Operations, another reporting unit of the Corporation Sole. At the time a parish was closed, the unrestricted net assets of the parish were transferred to Central Operations at their net book value.

The land and buildings associated with thirty-eight suppressed parishes have been sold through June 30, 2012. Gains of \$947 and \$141 were recognized during the years ended June 30, 2012 and 2011, respectively, for reconfiguration sales. These gains are included in the accompanying statements of activities as part of the gain on sale of land and buildings.

The costs of maintaining the suppressed parish properties are included in the accompanying statements of activities as parish reconfiguration expenses.

NOTE J - RESERVES FOR LOSSES

The Corporation Sole has substantially exhausted its insurance coverage for clergy misconduct claims and is now self-insured for this risk of loss. The ultimate cost to defend or settle these claims is subject to uncertainty and the estimated liability is subject to change. The nature and the magnitude of the potential effects of these claims could have a material impact on Corporation Sole's financial condition and cash flows.

At June 30, 2012 and 2011, the Corporation Sole's reserve for estimated future settlements was \$4,200 and \$4,543, respectively, which is included in the reserves for losses in the accompanying statements of financial position. During the years ended June 30, 2012 and 2011, the Corporation Sole entered into settlement agreements with 31 and 23 individuals who had brought sexual misconduct claims requiring aggregate payments of \$1,971 and \$1,695, respectively.

The Corporation Sole and related organizations are partially self-insured for various risks incidental to the normal course of its activities. Such risks include fire damage, general liability claims, theft losses and sudden accidental occurrences to boilers and related equipment. At June 30, 2012 and 2011, the Corporation Sole's reserve for these self-insurance losses was \$6,610 and \$5,548, respectively, which is included in the reserves for losses in the accompanying statements of financial position.

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Notes to Financial Statements - Continued

June 30, 2012 and 2011

(Dollars in thousands)

NOTE K - COMMITMENTS AND CONTINGENCIES - Continued

Construction

The Corporation Sole has commitments to fund future construction and other contracted costs in the amount of \$8,606 and \$13,175 at June 30, 2012 and 2011, respectively.

Other Legal Proceedings

The Corporation Sole is involved in various legal proceedings arising out of and incidental to its activities other than claims of sexual misconduct discussed in Note J. In management's opinion, the ultimate liability which may arise from these proceedings is not expected to have a material effect on the Corporation Sole's net assets, changes in net assets and cash flows.

Guaranty

On October 22, 2010, Cardinal Spellman High School, Inc., a related organization, entered into a \$3,200 loan agreement with a bank for leasehold improvements to a building owned by the Corporation Sole. Performance on this loan agreement is guaranteed by the Corporation Sole and is limited to the aforementioned land and building which it owns and leases to Cardinal Spellman High School, Inc. The estimated fair value of the land and building is well in excess of the loan amount.

NOTE L - FAIR VALUE MEASUREMENTS

The Corporation Sole's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2012 and 2011, by level within the fair value hierarchy, are presented in the table below. Financial assets and liabilities measured at fair value on a non-recurring basis are excluded from the tables.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	Balance as of June 30, 2012
Investment in Common Investment Fund	\$ -	\$ 100,901	\$ -	\$ 100,901
Investment in Fixed Income Fund	-	32,193	-	32,193
Short-term and other investments	5,272	7,427	-	12,699
Beneficial interest in perpetual trusts	-	-	2,817	2,817
Total	\$ 5,272	\$ 140,521	\$ 2,817	\$ 148,610

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June 30, 2012 and 2011
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NOTE L - FAIR VALUE MEASUREMENTS - Continued

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Balance as of June 30, 2011</u>
Investment in Common Investment Fund	\$ -	\$ 106,536	\$ -	\$ 106,536
Investment in Fixed Income Fund	-	27,008	-	27,008
Short-term and other investments	1,298	10,504	-	11,802
Beneficial interest in perpetual trusts	-	-	4,607	4,607
Total	<u>\$ 1,298</u>	<u>\$ 144,048</u>	<u>\$ 4,607</u>	<u>\$ 149,953</u>

The following table presents a reconciliation of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Balance at beginning of year	\$ 4,607	\$ 3,912
Distributions	(1,793)	(121)
Unrealized appreciation	<u>3</u>	<u>816</u>
Balance at end of year	<u>\$ 2,817</u>	<u>\$ 4,607</u>

NOTE M - BENEFIT PLANS

Lay Employee Pension Plan

The Corporation Sole participates with other related Archdiocesan organizations in a noncontributory, defined benefit multi-employer pension plan covering substantially all lay employees known as the Roman Catholic Archdiocese of Boston Pension Plan (the "Pension Plan"). The Corporation Sole's employees represent approximately 64% of all lay employees covered under the Pension Plan. The Pension Plan is not subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). Pension expense allocated to the Corporation Sole is based on payroll cost and amounted to \$6,572 and \$7,395 for the years ended June 30, 2012 and 2011, respectively.

Accumulated plan benefits information for Corporation Sole, as provided by actuaries, has not been distinguished from the benefits of the other organizations participating in the Pension Plan and, accordingly, such information is not presented herein. At June 30, 2012, the audited financial statements of the Pension Plan reflected \$207,943 in net assets available for benefits and \$260,714 in accumulated plan benefits. At June 30, 2011, the audited financial statements of the Pension Plan reflected \$284,476 in net assets available for benefits and \$328,907 in accumulated plan benefits. The fiscal 2012 reduction in the net assets available for benefits and accumulated plan benefits is primarily due to lump sum distributions to plan participants during the year.

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NOTE M - BENEFIT PLANS - Continued

Lay Employee Pension Plan - Continued

Effective December 31, 2011, per a vote of the Pension Plan Trustees, the Pension Plan was amended to freeze the accrual of additional benefits. Under the provision of the amendment, employees hired after December 1, 2010, are not eligible to become participants in the Pension Plan. Employees with five or more years of service as of December 31, 2011 remain vested. Employees with at least one year of service as of December 31, 2011, will be allowed to continue to add years of service towards vesting after the freeze date.

Lay Employee 401(k) Plan

On January 1, 2012, the Corporation Sole created a new 401(k) defined contribution plan (the "Plan"). The Corporation Sole participates with other related Archdiocesan organizations in this new plan, which is administered by TIAA-CREF. Eligible employees may elect to make retirement savings contributions to the Plan, which were matched by the Corporation Sole up to 2% of employee compensation for the period ended June 30, 2012. Employee benefit costs associated with this Plan amounted to \$733 for the period ended June 30, 2012.

Lay Employee Health and Dental Benefit Plan

The Corporation Sole participates with other related Archdiocesan organizations in a health and dental plan covering substantially all lay employees known as the Roman Catholic Archdiocese of Boston Health Benefit Plan (the "Health Plan"). The Corporation Sole's employees represent approximately 71% of all lay employees covered under the Health Plan. The Health Plan agreement provides that the participating employers make monthly contributions to the Health Plan of a specified amount for each class of employee. The Corporation Sole's contributions to the Health Plan amounted to \$20,777 and \$19,469 for the years ended June 30, 2012 and 2011, respectively.

At June 30, 2012, the audited financial statements of the Health Plan reflected \$2,948 in health and dental benefit obligations and \$20,115 in net assets available for benefits. At June 30, 2011, the audited financial statements of the Health Plan reflected approximately \$2,143 in health and dental benefit obligations and \$8,846 in net assets available for benefits. The fiscal 2012 increase in net assets available for benefits is primarily due to the return to the Health Plan of excess reserves that were previously distributed to a former participating employer in fiscal 2010. The Health Plan intends to use these funds for health benefit related expenditures for the benefit of the participants.

Clergy Health and Retirement Plans

Archdiocese of Boston Clergy Funds

Benefits for priests who are in good standing within the norms of canon law ("Eligible Priests") are provided benefits through the Archdiocese of Boston Clergy Funds (the "Clergy Funds"), which include those funds that provide for the health, welfare, disability, and retirement of Eligible Priests. The Clergy Funds include the Clergy Benefit Funding Trust (the "Funding Trust"), the Clergy Retirement Trust (the "Retirement Trust"), and the Clergy Medical/Hospitalization Trust (the "Medical Trust"). The Clergy Funds are not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

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(Dollars in thousands)

NOTE M - BENEFIT PLANS - Continued

The Archbishop of Boston, by virtue of his office, is responsible for providing for health, welfare, disability and retirement for Eligible Priests. He appoints the Board of Trustees of the Clergy Funds. The Board of Trustees assists the Archbishop of Boston in his responsibilities to Eligible Priests by administering the Clergy Funds. The Trustees are authorized and empowered to manage the assets of and benefits provided by the Clergy Funds as deemed necessary.

The Archbishop of Boston has elected to fulfill his obligation to Eligible Priests by offering a single-employer, noncontributory, defined benefit retirement and disability plan through the Corporation Sole. Benefits for priests who are on administrative leave and who are in canonical process as a result of accusations of misconduct with a minor are paid directly by Corporation Sole.

The Clergy Funds also offer other post-retirement benefits, including health, dental and subsistence benefits which are expected to be paid to or on behalf of currently retired clergy and active clergy after retirement. This obligation is unfunded.

The Clergy Funds primary source of funding benefits is from contributions, principally from special collections from parishes in the Archdiocese of Boston, and health assessments to parishes and other Catholic organizations within the Archdiocese of Boston. The collections are initially held in the Funding Trust. Funds are transferred to the Medical Trust and the Retirement Trust at the discretion of the Trustees.

Effective July 1, 2010, the Clergy Funds Board of Trustees adopted new trust agreements for the Funding Trust, Medical Trust and Retirement Trust. These new trust agreements continue the provision of the existing plans and trust with added clarification of benefits and provisions, including the clarification that the use of funds is only to support benefits to Eligible Priests.

Reserve for Health Insurance Claims

At June 30, 2012 and 2011, the audited financial statements of the Clergy Funds reflected \$568 and \$574, respectively, of health and dental benefit obligations.

The reserve for health insurance claims consists of medical and dental claims payable for benefits provided to Eligible Priests. Obligations for health claims incurred by Eligible Priests but not reported are estimated by management based on historical experience.

Non-Incardinated Priests

The Corporation Sole sponsors a noncontributory pension benefit plan covering ordained priests who were not incardinated in the Roman Catholic Archdiocese of Boston, but who have been duly assigned by the Roman Catholic Archbishop of Boston for service within the Archdiocese for a minimum period of at least ten years and who are in good standing within the norms of canon law. Benefits are provided through The Benefit Trust for Non-Incardinated Priests Duly Assigned for Service in the Archdiocese of Boston (the "Non-Incardinated Trust"). The Non-Incardinated Trust is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Effective July 1, 2010, the accrual of benefits under the Non-Incardinated Trust were frozen. Any non-incardinated priest receiving a pension or entitled to receive a pension from the Roman Catholic Archdiocese of Boston will be paid under the terms of the Non-Incardinated Trust documents dated April 14, 1992 and frozen, effective July 1, 2010. Non-incardinated priests that begin service in the Roman

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Notes to Financial Statements - Continued

June 30, 2012 and 2011

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NOTE M - BENEFIT PLANS - Continued

Catholic Archdiocese of Boston after July 1, 2010 shall not be entitled to a pension for the years he is present or assigned. Rather, his own superior must make suitable provision for his pension under the terms of the frozen plan.

The assets and obligations of Corporation Sole's clergy retirement and other post-retirement benefits were as follows as of June 30:

Benefit Obligations

	For the year ended June 30, 2012					
	Pension Benefits			Other Benefits		Total
	Non-			Clergy Funds	Admin Leave	
Clergy Funds	Incardinated Trust	Admin Leave				
Change in benefit obligation:						
Benefit obligation at beginning of year	\$ 75,709	\$ 960	\$ 5,962	\$ 44,363	\$ 2,821	\$ 129,815
Service cost	1,010	35	-	1,003	-	2,048
Interest cost	3,889	50	296	2,513	153	6,901
Actuarial (gain) loss	3,721	53	776	(4,318)	390	622
Benefits and other expenses paid	(6,356)	(106)	(1,205)	(1,709)	(407)	(9,783)
Benefit obligation at end of year	\$ <u>77,973</u>	\$ <u>992</u>	\$ <u>5,829</u>	\$ <u>41,852</u>	\$ <u>2,957</u>	\$ <u>129,603</u>

	For the year ended June 30, 2011					
	Pension Benefits			Other Benefits		Total
	Non-			Clergy Funds	Admin Leave	
Clergy Funds	Incardinated Trust	Admin Leave				
Change in benefit obligation:						
Benefit obligation at beginning of year	\$ 81,715	\$ 952	\$ 6,408	\$ 44,288	\$ 2,847	\$ 136,210
Service cost	1,016	33	-	910	-	1,959
Interest cost	4,261	50	324	2,560	159	7,354
Actuarial (gain) loss	(4,376)	7	472	(2,040)	273	(5,664)
Benefits and other expenses paid	(6,907)	(82)	(1,242)	(1,355)	(458)	(10,044)
Benefit obligation at end of year	\$ <u>75,709</u>	\$ <u>960</u>	\$ <u>5,962</u>	\$ <u>44,363</u>	\$ <u>2,821</u>	\$ <u>129,815</u>

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NOTE M - BENEFIT PLANS - Continued

The weighted average assumptions used to determine all benefit obligations were as follows:

	Pension Benefits		Other Benefits	
	2012	2011	2012	2011
Discount rate	4.50%	5.30%	4.80%	5.65%
Rate of compensation increase	N/A	N/A	N/A	N/A
Health care cost trend rate assumed for next year	N/A	N/A	8.00%	8.50%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	N/A	N/A	4.50%	5.00%
Year that the rate reaches the ultimate trend rate	N/A	N/A	2021	2020

Plan Assets

	For the year ended June 30, 2012					Total
	Pension Benefits			Other Benefits		
	Clergy Funds	Non-Incarnated Trust	Admin Leave	Clergy Funds	Admin Leave	
Change in Plan assets:						
Fair value of Plan assets at beginning of year	\$ 33,686	\$ 969	\$ -	\$ -	\$ -	\$ 34,655
Actual return on Plan assets, net of administrative expense	(1,026)	(5)	-	-	-	(1,031)
Employer contributions	9,143	-	1,205	1,709	407	12,464
Benefits and other expenses paid	(6,356)	(106)	(1,205)	(1,709)	(407)	(9,783)
Fair value of Plan assets at end of year	\$ 35,447	\$ 858	\$ -	\$ -	\$ -	\$ 36,305

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June 30, 2012 and 2011

(Dollars in thousands)

NOTE M - BENEFIT PLANS - Continued

	For the year ended June 30, 2011					Total
	Pension Benefits			Other Benefits		
	Clergy Funds	Non-Incarnated Trust	Admin Leave	Clergy Funds	Admin Leave	
Change in Plan assets:						
Fair value of Plan assets						
at beginning of year	\$ 34,111	\$ 1,081	\$ -	\$ -	\$ -	\$ 35,192
Actual return on Plan assets, net						
of administrative expense	(1,515)	(30)	-	-	-	(1,545)
Employer contributions	7,990	-	1,242	1,355	458	11,045
Benefits and other expenses paid	(6,900)	(82)	(1,242)	(1,355)	(458)	(10,037)
Fair value of Plan assets						
at end of year	\$ 33,686	\$ 969	\$ -	\$ -	\$ -	\$ 34,655

The asset allocation for the Clergy Funds at the end of 2011 and 2012, and the target allocation for 2012, by asset category, are as follows:

	Target 2012	Actual	
		% of Plan Assets at Year End 2012	% of Plan Assets at Year End 2011
Equity securities	0.0%	0.0%	0.0%
Debt securities	39.8%	28.5%	0.0%
Real estate*	29.6%	29.6%	31.3%
Cash and cash equivalents	30.6%	41.9%	68.7%
Total	100%	100%	100%

* Real estate is valued at book value and is leased to a related party.

The investment policy and strategy is to provide for growth of capital with a moderate level of volatility by investing assets based on the target allocations stated above. The Clergy Funds will reallocate its investments periodically to meet the above target allocations. The Clergy Funds also reviews its investment policy periodically to determine if the policy or allocations should be changed.

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
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Notes to Financial Statements - Continued

June 30, 2012 and 2011

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NOTE M - BENEFIT PLANS - Continued

The Clergy Funds short term bond mutual fund of \$10,094 is classified as level 1 in the fair value hierarchy at June 30, 2012. This is the first year of the investment. The Clergy Funds certificates of deposit of \$6,003 and \$8,252 at June 30, 2012 and June 30, 2011, respectively are classified as level 2 in the fair value hierarchy. Other assets and liabilities included in plan assets that are not measured at fair value include cash and cash equivalents (classified as level 1 in the fair value hierarchy), real estate and deferred lease income.

The target asset allocation for the Non-Incardinated Trust for fiscal year 2012 was 100% in cash and cash equivalents and the actual allocation at June 30, 2012 was 100% in cash and cash equivalents. Certificates of deposit of \$754 as of June 30, 2012 are accounted for as a level 2 in the fair value hierarchy at June 30, 2012.

Reconciliation of Funded Status

	As of June 30, 2012					
	Pension Benefits			Other Benefits		
	<u>Clergy Funds</u>	<u>Non- Incardinated</u>	<u>Admin Leave</u>	<u>Clergy Funds</u>	<u>Admin Leave</u>	<u>Total</u>
Fair value of plan assets	\$ 35,447	\$ 858	\$ -	\$ -	\$ -	\$ 36,305
Benefit obligation	<u>(77,973)</u>	<u>(992)</u>	<u>(5,829)</u>	<u>(42,420)</u>	<u>(2,957)</u>	<u>(130,171)</u>
Funded status - obligation	<u>\$ (42,526)</u>	<u>\$ (134)</u>	<u>\$ (5,829)</u>	<u>\$ (42,420)</u>	<u>\$ (2,957)</u>	<u>\$ (93,866)</u>

	As of June 30, 2011					
	Pension Benefits			Other Benefits		
	<u>Clergy Funds</u>	<u>Non- Incardinated</u>	<u>Admin Leave</u>	<u>Clergy Funds</u>	<u>Admin Leave</u>	<u>Total</u>
Fair value of plan assets	\$ 33,686	\$ 969	\$ -	\$ -	\$ -	\$ 34,655
Benefit obligation	<u>(75,709)</u>	<u>(959)</u>	<u>(5,962)</u>	<u>(44,937)</u>	<u>(2,822)</u>	<u>(130,389)</u>
Funded status - (obligation) asset	<u>\$ (42,023)</u>	<u>\$ 10</u>	<u>\$ (5,962)</u>	<u>\$ (44,937)</u>	<u>\$ (2,822)</u>	<u>\$ (95,734)</u>

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Notes to Financial Statements - Continued

June 30, 2012 and 2011

(Dollars in thousands)

NOTE M - BENEFIT PLANS - Continued

Components of Net Periodic Pension Cost

	For the year ended June 30, 2012					
	Pension Benefits			Other Benefits		Total
	Clergy Funds	Non- Incardinated Trust	Admin Leave	Clergy Funds	Admin Leave	
Service cost for benefits earned during the period	\$ 1,010	\$ 35	\$ -	\$ 1,003	\$ -	
Interest cost on projected benefit obligation	3,889	50	296	2,513	153	6,901
Expected return on Plan assets	(1,976)	(59)	-	-	-	(2,035)
Net amortization and deferral	(1,838)	12	55	(816)	50	(2,537)
Net periodic pension cost	\$ 1,085	\$ 38	\$ 351	\$ 2,700	\$ 203	\$ 4,377

	For the year ended June 30, 2011					
	Pension Benefits			Other Benefits		Total
	Clergy Funds	Non- Incardinated Trust	Admin Leave	Clergy Funds	Admin Leave	
Service cost for benefits earned during the period	\$ 1,016	\$ 33	\$ -	\$ 910	\$ -	
Interest cost on projected benefit obligation	4,261	50	324	2,560	159	7,354
Expected return on Plan assets	(1,969)	(67)	-	-	-	(2,036)
Net amortization and deferral	(1,802)	-	17	(649)	31	(2,403)
Net periodic pension cost	\$ 1,506	\$ 16	\$ 341	\$ 2,821	\$ 190	\$ 4,874

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Notes to Financial Statements - Continued

June 30, 2012 and 2011

(Dollars in thousands)

NOTE M - BENEFIT PLANS - Continued

Accumulated Amounts Charged (Credited) to Unrestricted Net Assets

	As of June 30, 2012					
	Pension Benefits			Other Benefits		Total
	Clergy Funds	Non- Incardinated Trust	Admin Leave	Clergy Funds	Admin Leave	
Net actuarial loss (gain) \$	(8,853)	\$ 237	\$ 2,031	\$ (13,625)	\$ 1,274	
Prior service cost (credit)	(13,886)	-	-	(3,644)	-	(17,530)
Total	\$ (22,739)	\$ 237	\$ 2,031	\$ (17,269)	\$ 1,274	\$ (36,466)

	As of June 30, 2011					
	Pension Benefits			Other Benefits		Total
	Clergy Funds	Non- Incardinated Trust	Admin Leave	Clergy Funds	Admin Leave	
Net actuarial loss (gain) \$	(16,167)	\$ 131	\$ 1,310	\$ (9,694)	\$ 936	
Prior service cost (credit)	(15,133)	-	-	(4,073)	-	(19,206)
Total	\$ (31,300)	\$ 131	\$ 1,310	\$ (13,767)	\$ 936	\$ (42,690)

During the year ending June 30, 2013, \$1,247 of the accumulated amounts credited to non-operating income will be amortized into operating expenses.

The weighted average assumptions used to determine all benefit plan costs were as follows:

	Pension Benefits		Other Benefits	
	2012	2011	2012	2011
Discount rate	4.50%	5.30%	4.80%	5.65%
Rate of compensation increase	N/A	N/A	N/A	N/A
Expected return on plan assets	6.50%	6.50%	N/A	N/A
Health care cost trend rate assumed for next year	N/A	N/A	8.0%	8.5%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	N/A	N/A	4.5%	5.0%
Year that the rate reaches the ultimate trend rate	N/A	N/A	2021	2020

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Notes to Financial Statements - Continued

June 30, 2012 and 2011

(Dollars in thousands)

NOTE M - BENEFIT PLANS - Continued

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one percentage point change in assumed health care cost trend rates would have the following effects on the Clergy Funds:

	Other Benefits One Percentage Point Increase		Other Benefits One Percentage Point Decrease	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Effect on service and interest cost	\$ 551	\$ 610	\$ (439)	\$ (489)
Effect on benefit obligation	5,884	6,007	(4,844)	(4,964)

To determine the expected long-term rate of return on plan assets, the Clergy Funds considered the historical returns of the major market indicators relating to the target asset allocation, as well as the current economic and financial market conditions.

Expected Benefit Payments

<u>Years ending June 30</u>	<u>Clergy Funds Pension Benefits</u>	<u>Clergy Funds Other Benefits</u>	<u>Non- Incarnated Pension Benefits</u>	<u>Admin Leave Pension Benefits</u>	<u>Admin Leave Other Benefits</u>	<u>Total</u>
2013	\$ 6,509	\$ 1,925	\$ 103	\$ 696	\$ 228	\$ 9,461
2014	6,483	2,108	97	659	232	9,579
2015	6,390	2,267	90	623	234	9,604
2016	6,261	2,412	86	587	231	9,577
2017	6,123	2,543	82	550	231	9,529
2018 - 2022	28,436	14,204	324	2,201	1,036	46,201

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Notes to Financial Statements - Continued
June 30, 2012 and 2011
(Dollars in thousands)

NOTE N - RELATED PARTY TRANSACTIONS

Revenue from Service Provided

The Corporation Sole provides administrative, accounting, technology and clerical services to related Catholic organizations. Fees charged for providing these services were \$4,688 and \$4,425 during the years ended June 30, 2012 and 2011, respectively. The revenue from these services is included in revenue from services provided in the accompanying statements of activities.

Boston Catholic Development Services

The Corporation Sole utilizes BCDS to provide all centralized fundraising services, including the annual Catholic Appeal, planned giving and other fundraising activities. These services were provided by The Catholic Foundation during the year ended June 30, 2011. Amounts paid for these services amounted to \$2,305 and \$1,996 for the years ended June 30, 2012 and 2011, respectively.

Net Assets Transfer To Related Organizations

During the year ended June 30, 2012, \$2,865 of cash was transferred to various related organizations. These were reflected as net asset transfers in the statement of activities, as follows:

On August 5, 2011, \$1,196 was transferred to Quincy Catholic Academy (QCA), a related organization, to support the operational and capital needs of QCA.

On August 29, 2011, \$350 was paid to a construction contractor on behalf of Pope John Paul II Academy (PJPII), a related organization, to assist PJPII with final payments to that contractor.

On January 11, 2012, \$614 was transferred to the Roman Catholic Archdiocese of Boston Pension Plan on behalf of the Catholic Charitable Bureau of the Archdiocese of Boston, Inc., a related organization.

On June 14, 2012, \$165 was paid to a construction contractor on behalf of Trinity Catholic Academy Brockton, Inc. (TCA), a related organization, to assist TCA with payments to that contractor.

During the year ended June 30, 2012, \$540 was transferred to iCatholic Media, Inc., a related organization, to assist in sustaining the work of the Digital Media Group.

On November 16, 2010, the Corporation Sole transferred the governance and related operating assets and liabilities (excluding land and buildings held by the Corporation Sole) of the elementary school at St. Rita's Parish in Lowell to a newly formed related organization, Ste. Jeanne d'Arc School. This transfer of \$1,323 is reflected as a net asset transfer in the statement of activities for the year ended June 30, 2011.

Cristo Rey Boston High School, Inc.

During fiscal 2011, Cristo Rey Boston High School, an unconsolidated related entity, transferred its operations from North Cambridge Catholic, which was owned by the Corporation Sole, to St. Williams High School owned by Blessed Mother Teresa of Calcutta parish. The excess of the selling price of the North Cambridge Catholic building over the purchase price of the St. Williams building was \$2,254. The receipt of these funds by Cristo Rey is presented as a contribution to related organization within nonoperating income in the statement of activities.

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Notes to Financial Statements - Continued
June 30, 2012 and 2011
(Dollars in thousands)

NOTE N – RELATED PARTY TRANSACTIONS - Continued

Catholic Schools Foundation

The Catholic Schools Foundation, Inc., a related organization, provides support to Catholic schools located in the Archdiocese of Boston. During the years ended June 30, 2012 and 2011, this foundation awarded \$2,769 and \$2,262 in inner city scholarships and support to elementary schools that are operated by the Corporation Sole's parishes.

SUPPLEMENTAL COMBINING INFORMATION

**Report of Independent Certified Public Accountants
on Supplemental Information**

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Cardinal Sean Patrick O'Malley, O.F.M. Cap.
The Roman Catholic Archbishop of Boston

We have audited, in accordance with auditing standards generally accepted in the United States of America (US GAAS) established by the American Institute of Certified Public Accountants the financial statements of The Roman Catholic Archbishop of Boston, A Corporation Sole ("the Corporation Sole") as of and for the years ended June 30, 2012 and 2011, and our report dated December 27, 2012 expressed an unqualified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Grant Thornton LLP

Boston, Massachusetts
December 27, 2012

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Combining Statement of Financial Position (in thousands)

June 30, 2012

(With summarized information as of June 30, 2011)

	Parishes	Central Operations	Self-Insurance	Endowments	Eliminations	2012 Total	2011 Total
ASSETS							
Cash and cash equivalents:							
Parish operations	\$ 69,273	\$ -	\$ -	\$ -	\$ -	\$ 69,273	\$ 64,041
Revolving loan fund	2,416	-	-	-	-	2,416	8,062
Central operations	-	13,912	-	103	-	14,015	15,642
Insurance operations	-	-	3,081	-	-	3,081	3,242
Parish reconfiguration	-	2,441	-	-	-	2,441	4,205
Deposits with the Revolving Loan Fund	-	2,773	-	-	(2,773)	-	-
Total cash and cash equivalents	71,689	19,126	3,081	103	(2,773)	91,226	95,192
Interest and dividends receivable	870	131	17	190	-	1,208	1,559
Prepaid expenses and other assets	900	2,950	1,818	-	-	5,668	9,267
Accounts receivable, net	3,960	701	27	-	(74)	4,614	5,092
Contributions receivable, net	1,249	1,285	-	-	-	2,534	3,078
Loans and notes receivable, net	17,975	606	3	-	(12)	18,572	24,820
Land and buildings held for sale	1,418	648	-	-	-	2,066	2,141
Investments	112,232	13,133	2,051	18,377	-	145,793	145,346
Interest in net assets of a foundation	2,097	12,053	-	-	-	14,150	14,580
Land, buildings and equipment, net	431,554	45,352	-	-	-	476,906	466,215
Total assets	\$ 643,944	\$ 95,985	\$ 6,997	\$ 18,670	\$ (2,859)	\$ 762,737	\$ 767,290
LIABILITIES AND NET ASSETS							
LIABILITIES:							
Accounts payable and accrued expenses	\$ 15,502	\$ 4,680	\$ 591	\$ -	\$ (301)	\$ 20,472	\$ 23,808
Agency obligations	1,010	589	-	-	-	1,599	2,126
Reserves for losses	-	4,200	6,610	-	-	10,810	10,091
Due to related organizations	9,832	(1,102)	155	-	(2,586)	6,299	5,971
Deferred revenue and support	20,538	159	-	-	-	20,697	19,454
Accrued pension and other post retirement benefits	85,079	8,791	-	-	-	93,870	95,744
Other liabilities	3,338	168	-	-	-	3,506	2,683
Note payable - related organization	-	43,516	-	-	-	43,516	43,516
Other notes payable	266	-	-	-	-	266	399
Total liabilities	135,565	61,001	7,356	-	(2,887)	201,035	203,792
NET ASSETS:							
Unrestricted	476,697	13,124	(359)	29	28	489,519	486,390
Temporarily restricted	22,391	11,066	-	3,218	-	36,675	42,152
Permanently restricted	9,291	10,794	-	15,423	-	35,508	34,956
Total net assets	508,379	34,984	(359)	18,670	28	561,702	563,498
Total liabilities and net assets	\$ 643,944	\$ 95,985	\$ 6,997	\$ 18,670	\$ (2,859)	\$ 762,737	\$ 767,290

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Combining Statement of Activities (in thousands)

For the year ended June 30, 2012

(With summarized information for the year ended June 30, 2011)

	Parishes	Central Operations	Self-Insurance	Endowments	Eliminations	2012 Total	2011 Total
REVENUES AND OTHER SUPPORT:							
Collections	\$ 112,927	\$ 2,274	\$ -	\$ -	\$ (219)	\$ 114,982	\$ 115,679
Collections - clergy benefits	10,852	-	-	-	-	10,852	9,344
Catholic Appeal	-	13,634	-	-	-	13,634	12,544
Contributions and bequests	24,016	2,322	-	-	-	26,338	28,016
Parish fundraiser events, net	14,138	-	-	-	-	14,138	15,477
Tuition and fees	105,253	374	-	-	-	105,627	102,799
Investment income	3,474	1,420	68	730	(622)	5,070	5,268
Rental income	12,954	174	-	-	-	13,128	14,456
Cemetery operations	4,109	-	-	-	-	4,109	4,196
Revenue from services provided	-	8,833	-	-	(4,145)	4,688	4,425
Insurance premium revenue	-	-	5,605	-	(4,167)	1,438	1,818
Sacramental offerings	6,239	-	-	-	-	6,239	6,118
Other revenues	20,490	143	40	-	(3,074)	17,599	21,700
Revenue from and change in interest in net assets of a foundation	234	(666)	-	-	-	(432)	1,399
Net assets released from restrictions and reclassifications	-	-	-	-	-	-	-
Total revenues and other support	<u>314,686</u>	<u>28,508</u>	<u>5,713</u>	<u>730</u>	<u>(12,227)</u>	<u>337,410</u>	<u>343,239</u>
EXPENSES:							
Program:							
Parish life and leadership	174,485	2,300	-	90	(7,181)	169,694	170,309
Catholic education	120,888	1,653	-	34	(306)	122,269	121,857
Faith formation and evangelization	-	6,038	-	593	(453)	6,178	7,604
Health and social services	2,022	819	-	34	-	2,875	2,588
Central and regional services	-	3,430	-	-	(93)	3,337	3,963
Media and public relations	-	533	-	-	-	533	519
Cemetery operations	4,241	-	-	2	-	4,243	4,273
Total program expenses	<u>301,636</u>	<u>14,773</u>	<u>-</u>	<u>753</u>	<u>(8,033)</u>	<u>309,129</u>	<u>311,113</u>
Management and general	3,711	16,864	6,521	-	(2,911)	24,185	23,526
Fundraising	-	2,305	-	-	-	2,305	1,996
Parish reconfiguration	-	1,373	-	-	(148)	1,225	1,553
Total expenses	<u>305,347</u>	<u>35,315</u>	<u>6,521</u>	<u>753</u>	<u>(11,092)</u>	<u>336,844</u>	<u>338,188</u>
Operating income (loss)	9,339	(6,807)	(808)	(23)	(1,135)	566	5,051
NONOPERATING INCOME (LOSS):							
Contributions	6,440	30	-	-	-	6,470	7,410
Contributions to related organizations	-	-	-	-	-	-	(2,254)
Net assets released from restrictions	-	-	-	-	-	-	-
Net realized and unrealized gain (loss) on investments	(1,271)	(899)	(227)	(895)	-	(3,292)	15,422
Gain on sale of other land and buildings	4,071	1,233	-	-	-	5,304	9,284
Insurance and other recoveries	1,443	-	2,515	-	(1,443)	2,515	1,926
Settlements and related expenses	-	(2,435)	(2,545)	-	704	(4,276)	(4,350)
Pension-related charges other than periodic pension costs	(5,159)	(1,059)	-	-	-	(6,218)	(112)
Nonoperating income (loss)	<u>5,524</u>	<u>(3,130)</u>	<u>(257)</u>	<u>(895)</u>	<u>(739)</u>	<u>503</u>	<u>27,326</u>
CHANGE IN NET ASSETS	14,863	(9,937)	(1,065)	(918)	(1,874)	1,069	32,377
Net assets at beginning of year	494,712	46,590	706	19,588	1,902	563,498	532,444
Net asset transfers to related organizations	(1,196)	(1,669)	-	-	-	(2,865)	(1,323)
Net assets at end of year	<u>\$ 508,379</u>	<u>\$ 34,984</u>	<u>\$ (359)</u>	<u>\$ 18,670</u>	<u>\$ 28</u>	<u>\$ 561,702</u>	<u>\$ 563,498</u>

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Combining Statement of Activities - Unrestricted (in thousands)

For the year ended June 30, 2012

(With summarized information for the year ended June 30, 2011)

	Parishes	Central Operations	Self-Insurance	Endowments	Eliminations	2012 Total	2011 Total
REVENUES AND OTHER SUPPORT:							
Collections	\$ 112,927	\$ 286	\$ -	\$ -	\$ (219)	\$ 112,994	\$ 114,044
Catholic Appeal	-	12,443	-	-	-	12,443	11,490
Contributions and bequests	19,966	2,026	-	-	-	21,992	21,773
Parish fundraiser events, net	14,138	-	-	-	-	14,138	15,477
Tuition and fees	105,253	374	-	-	-	105,627	102,799
Investment income	2,996	1,322	68	-	(622)	3,764	3,724
Rental income	12,954	174	-	-	-	13,128	14,456
Cemetery operations	4,109	-	-	-	-	4,109	4,196
Revenue from services provided	-	8,833	-	-	(4,145)	4,688	4,425
Insurance premium revenue	-	-	5,605	-	(4,167)	1,438	1,818
Sacramental offerings	6,239	-	-	-	-	6,239	6,118
Other revenues	20,466	262	40	-	(3,074)	17,694	21,249
Change in interest in net assets of a foundation	-	-	-	-	-	-	-
Net assets released from restrictions and reclassifications	15,938	6,132	-	753	-	22,823	25,755
Total revenues and other support	<u>314,986</u>	<u>31,852</u>	<u>5,713</u>	<u>753</u>	<u>(12,227)</u>	<u>341,077</u>	<u>347,324</u>
EXPENSES:							
Program:							
Parish life and leadership	174,485	2,300	-	90	(7,181)	169,694	170,309
Catholic education	120,888	1,653	-	34	(306)	122,269	121,857
Faith formation and evangelization	-	6,038	-	593	(453)	6,178	7,604
Health and social services	2,022	819	-	34	-	2,875	2,588
Central and regional services	-	3,430	-	-	(93)	3,337	3,963
Media and public relations	-	533	-	-	-	533	519
Cemetery operations	4,241	-	-	2	-	4,243	4,273
Total program expenses	<u>301,636</u>	<u>14,773</u>	<u>-</u>	<u>753</u>	<u>(8,033)</u>	<u>309,129</u>	<u>311,113</u>
Management and general	3,711	16,864	6,521	-	(2,911)	24,185	23,526
Fundraising	-	2,305	-	-	-	2,305	1,996
Parish reconfiguration	-	1,373	-	-	(148)	1,225	1,553
Total expenses	<u>305,347</u>	<u>35,315</u>	<u>6,521</u>	<u>753</u>	<u>(11,092)</u>	<u>336,844</u>	<u>338,188</u>
Operating income (loss)	9,639	(3,463)	(808)	-	(1,135)	4,233	9,136
NONOPERATING INCOME (LOSS):							
Contributions to related organizations	-	-	-	-	-	-	(2,254)
Net assets released from restrictions	6,833	-	-	-	-	6,833	875
Net realized and unrealized gain (loss) on investments	(1,271)	(899)	(227)	-	-	(2,397)	12,020
Gain on sale of land and buildings	4,071	1,233	-	-	-	5,304	9,284
Insurance and other recoveries	1,443	-	2,515	-	(1,443)	2,515	1,926
Settlements and related expenses	-	(2,435)	(2,545)	-	704	(4,276)	(4,350)
Pension-related charges other than periodic pension costs	(5,159)	(1,059)	-	-	-	(6,218)	(112)
Nonoperating income (loss)	<u>5,917</u>	<u>(3,160)</u>	<u>(257)</u>	<u>-</u>	<u>(739)</u>	<u>1,761</u>	<u>17,389</u>
CHANGE IN NET ASSETS	15,556	(6,623)	(1,065)	-	(1,874)	5,994	26,525
Net assets at beginning of year	462,337	21,416	706	29	1,902	486,390	461,188
Net asset transfers to related organizations	(1,196)	(1,669)	-	-	-	(2,865)	(1,323)
Net assets at end of year	<u>\$ 476,697</u>	<u>\$ 13,124</u>	<u>\$ (359)</u>	<u>\$ 29</u>	<u>\$ 28</u>	<u>\$ 489,519</u>	<u>\$ 486,390</u>

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Combining Statement of Activities - Temporarily Restricted (in thousands)

For the year ended June 30, 2012

(With summarized information for the year ended June 30, 2011)

	<u>Parishes</u>	<u>Central Operations</u>	<u>Self-Insurance</u>	<u>Endowments</u>	<u>Eliminations</u>	<u>2012 Total</u>	<u>2011 Total</u>
REVENUES AND OTHER SUPPORT:							
Collections	\$ -	1,988	-	-	-	\$ 1,988	\$ 1,635
Collections - clergy benefits	10,852	-	-	-	-	10,852	9,344
Catholic Appeal	-	1,191	-	-	-	1,191	1,054
Contributions and bequests	3,900	296	-	-	-	4,196	6,243
Parish fundraiser events, net	-	-	-	-	-	-	-
Tuition and fees	-	-	-	-	-	-	-
Investment income	477	98	-	730	-	1,305	1,543
Rental income	-	-	-	-	-	-	-
Cemetery operations	-	-	-	-	-	-	-
Revenue from services provided	-	-	-	-	-	-	-
Insurance premium revenue	-	-	-	-	-	-	-
Sacramental offerings	-	-	-	-	-	-	-
Other revenues	24	13	-	-	-	37	29
Change in interest in net assets of a foundation	(75)	(1,132)	-	-	-	(1,207)	1,380
Net assets released from restrictions and reclassification	(15,696)	(6,132)	-	(753)	-	(22,581)	(25,755)
Total revenues and other support	<u>(518)</u>	<u>(3,678)</u>	<u>-</u>	<u>(23)</u>	<u>-</u>	<u>(4,219)</u>	<u>(4,527)</u>
Operating loss	(518)	(3,678)	-	(23)	-	(4,219)	(4,527)
NONOPERATING INCOME (LOSS):							
Contributions	6,440	30	-	-	-	6,470	6,795
Net assets released from restrictions and reclassifications	(6,833)	-	-	-	-	(6,833)	(503)
Net realized and unrealized gain (loss) on investments	-	-	-	(895)	-	(895)	3,402
Gain on sale of land and buildings	-	-	-	-	-	-	-
Insurance and other recoveries	-	-	-	-	-	-	-
Settlements and related expenses	-	-	-	-	-	-	-
Pension-related charges other than periodic pension costs	-	-	-	-	-	-	-
Nonoperating income (loss)	<u>(393)</u>	<u>30</u>	<u>-</u>	<u>(895)</u>	<u>-</u>	<u>(1,258)</u>	<u>9,694</u>
CHANGE IN NET ASSETS	(911)	(3,648)	-	(918)	-	(5,477)	5,167
Net assets at beginning of year	<u>23,302</u>	<u>14,714</u>	<u>-</u>	<u>4,136</u>	<u>-</u>	<u>42,152</u>	<u>36,985</u>
Net assets at end of year	<u>\$ 22,391</u>	<u>\$ 11,066</u>	<u>\$ -</u>	<u>\$ 3,218</u>	<u>\$ -</u>	<u>\$ 36,675</u>	<u>\$ 42,152</u>

**THE ROMAN CATHOLIC ARCHBISHOP OF BOSTON,
A CORPORATION SOLE**

Combining Statement of Activities - Permanently Restricted (in thousands)

For the year ended June 30, 2012

(With summarized information for the year ended June 30, 2011)

	<u>Parishes</u>	<u>Central Operations</u>	<u>Self-Insurance</u>	<u>Endowments</u>	<u>Eliminations</u>	<u>2012 Total</u>	<u>2011 Total</u>
REVENUES AND OTHER SUPPORT:							
Collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Collections - clergy benefits	-	-	-	-	-	-	-
Catholic Appeal	-	-	-	-	-	-	-
Contributions and bequests	150	-	-	-	-	150	-
Parish fundraiser events, net	-	-	-	-	-	-	-
Tuition and fees	-	-	-	-	-	-	-
Investment income	1	-	-	-	-	1	1
Rental income	-	-	-	-	-	-	-
Cemetery operations	-	-	-	-	-	-	-
Revenue from services provided	-	-	-	-	-	-	-
Insurance premium revenue	-	-	-	-	-	-	-
Sacramental offerings	-	-	-	-	-	-	-
Other revenues	-	(132)	-	-	-	(132)	422
Change in interest in net assets of a foundation	309	466	-	-	-	775	19
Net assets released from restrictions and reclassifications	(242)	-	-	-	-	(242)	-
Total revenues and other support	<u>218</u>	<u>334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>552</u>	<u>442</u>
Operating income	218	334	-	-	-	552	442
NONOPERATING INCOME:							
Contributions	-	-	-	-	-	-	615
Net assets released from restrictions and reclassifications	-	-	-	-	-	-	(372)
Net realized and unrealized gain on investments	-	-	-	-	-	-	-
Gain on sale of land and buildings	-	-	-	-	-	-	-
Insurance and other recoveries	-	-	-	-	-	-	-
Settlements and related expenses	-	-	-	-	-	-	-
Pension-related credits (charges) other than periodic pension costs	-	-	-	-	-	-	-
Nonoperating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243</u>
CHANGE IN NET ASSETS	218	334	-	-	-	552	685
Net assets at beginning of year	<u>9,073</u>	<u>10,460</u>	<u>-</u>	<u>15,423</u>	<u>-</u>	<u>34,956</u>	<u>34,271</u>
Net assets at end of year	<u>\$ 9,291</u>	<u>\$ 10,794</u>	<u>\$ -</u>	<u>\$ 15,423</u>	<u>\$ -</u>	<u>\$ 35,508</u>	<u>\$ 34,956</u>

SECTION 5 – Compensation and Vendor Expenditure Disclosure

Corporation Sole's Compensation and Vendor Disclosure

December 31, 2011

Included again this year with the release of this report is the Compensation and Vendor Expenditure Disclosure which is modeled after the Internal Revenue Service Form 990. This report provides visibility into the compensation of the Corporation Sole's Officers, Council Members, Cabinet Members, and key employees whose compensation is greater than \$150,000, as well as the five highest paid vendors. Compensation data is provided for the calendar year which ends within the fiscal period reported in the consolidated financial statements. Therefore, for the fiscal year ending June 30, 2012, the compensation information presented is for calendar year 2011.

Reportable Compensation from Corporation Sole represents the gross wages for the named individual. Amount of Other Compensation Not Included in W-2/1099 includes medical premiums paid by Corporation Sole for the benefit of the Clergy and Lay employees, and the employer portion of life and LTD insurance and pension costs paid by Corporation Sole for lay employees.

All Central Ministries lay employees received a 3% cost of living increase effective July 1, 2011. The previous lay cost of living increase took place on July 1, 2007. In addition, lay salaries of \$150,000 and above were restored in fiscal 2011 for reductions that occurred during fiscal 2010, as noted in the footnotes to this disclosure. Calendar year 2011 includes a full year of the restored salaries. Calendar 2009 and 2010 each contain six months of reduced salaries, and six months of the non-reduced salary amount.

Corporation Sole's Compensation and Vendor Expenditure Disclosure
December 31, 2011

Name and Title	Average Hours per Week	Position	Reportable Compensation from Corporation Sole ^[1]	Reportable Compensation from Related Organizations	Amount of Other Compensation Not Included on W-2/1099
Officers:					
His Eminence Seán P. Cardinal O'Malley, O.F.M. Cap.	40+	Archbishop of Boston, President & Treasurer	\$42,310 ^[2]	\$0	\$16,800
Bishop Robert P. Deeley, J.C.D.	40+	Clerk, Vicar General & Moderator of the Curia	\$17,075		\$7,000
Mr. John E. Straub	40+	Assistant Clerk, Chancellor	\$229,606	\$0	\$10,860
Mr. F. Beirne Lovely, Jr., Esq.	40+	Assistant Clerk, General Counsel	\$311,219 ^[3]	\$0	\$29,367
Finance Council (Other than Officers):					
Mr. John H. McCarthy	^[4]	Vice Chair	\$0	\$0	\$0
Mr. John M. Connors, Jr.	^[4]	Member	\$0	\$0	\$0
Mr. Peter S. Lynch	^[4]	Member	\$0	\$0	\$0
Mr. Robert M. Mahoney	^[4]	Member	\$0	\$0	\$0
Rev. Brian Manning ^[5]	40+	Member	\$41,910	\$0	\$16,800
Mr. George E. Massaro	^[4]	Member	\$0	\$0	\$0
Mr. Sean P. McGrath	^[4]	Member	\$0	\$0	\$0
Mr. Robert J. Morrissey, Esq.	^[4]	Member	\$0	\$0	\$0
Mr. Kevin C. Phelan ^[6]	^[4]	Member	\$0	\$0	\$0
Ms. Mary L. Ryan	^[4]	Member	\$0	\$0	\$0
Paul W. Sandman, Esq.	^[4]	Member	\$0	\$0	\$0
Ms. Laura J. Sen	^[4]	Member	\$0	\$0	\$0
Mr. John Kaneb	^[4]	Life Member	\$0	\$0	\$0
Mr. William F. McCall, Jr.	^[4]	Life Member	\$0	\$0	\$0
Mr. James Mooney, Jr.	^[4]	Life Member	\$0	\$0	\$0
Mr. John A. McNeice	^[4]	Life Member	\$0	\$0	\$0
Mr. Giles Mosher, Jr.	^[4]	Life Member	\$0	\$0	\$0
Presbyteral Council (Other than Officers): ^[7]					
Rev. Oscar Pratt	40+	Member	\$39,710	\$0	\$16,800
Rev. Vincent E. Daily	40+	Member	\$40,310	\$0	\$16,800
Rev. John J. Unni	40+	Member	\$40,110	\$0	\$16,800
Rev. Msgr. William Fay	40+	Member	\$41,910	\$0	\$16,800
Rev. Timothy Harrison	40+	Member	\$40,210	\$0	\$16,800
Rev. Thomas Rafferty	40+	Member	\$39,259	\$0	\$16,800
Rev. Darin Colarusso	40+	Member	\$39,259	\$0	\$16,800
Rev. Gerald Osterman	40+	Member	\$42,610	\$0	\$16,800
Rev. Brian Mahoney	40+	Member	\$39,810	\$13,000	\$16,800
Rev. Shawn Allen	40+	Member	\$39,410	\$0	\$16,800
Rev. Marc Bishop	40+	Member	\$39,260	\$0	\$16,800

¹ Reportable Compensation from Corporation Sole for any Clergy does not include any nominal monies received from related organizations for ad hoc services.

² From Cardinal O'Malley's stipend, \$35,110 is paid to the Capuchin Priests and Brothers; \$7,200 is paid to the Cathedral of the Holy Cross, Boston for housing.

³ Salary was reduced 10% on July 1, 2009 in an effort to reduce Fiscal Year 2010 expenses. The 10% was restored effective July 1, 2010.

⁴ Less than 5 hours per week to Corporation Sole, does not include services to related entities, if any.

⁵ Compensation and health benefits paid to Fr. Manning are for his position as pastor of St. Mary Parish, Franklin.

⁶ Mr. Phelan is Co-Chairman of Colliers International. The RCAB does business with Colliers as a real estate entity. Through the course of real estate transactions, Corporation Sole has paid this firm \$83,250 for real estate commissions during the 2011 calendar year relating to the sale of the St. Joseph-St Lazarus property in East Boston. Mr. Phelan consistently abstains from voting on any real estate transactions involving this firm.

⁷ Compensation and health benefits paid are for services provided to Corporation Sole or other related entities and not for their services on the Council.

Corporation Sole's Compensation and Vendor Expenditure Disclosure
December 31, 2011

Name and Title	Average Hours per Week	Position	Reportable Compensation from Corporation Sole ^[1]	Reportable Compensation from Related Organizations	Amount of Other Compensation Not Included on W-2/1099
Rev. Robert Conole	40+	Member	\$40,210	\$0	\$16,800
Rev. George Evans	40+	Member	\$41,610	\$0	\$16,800
Rev. Gerard Petringa	40+	Member	\$40,510	\$0	\$16,800
Rev. Paul Sullivan	40+	Member	\$43,010	\$0	\$16,800
Rev. Brian Manning	40+	Member	\$41,910	\$0	\$16,800
Rev. Peter Casey	40+	Member	\$42,510	\$0	\$16,800
Rev. Paul Soper	40+	Member	\$40,310	\$0	\$16,800
Very Rev. Joseph Raeke	40+	Member	\$41,310	\$0	\$16,800
Very Rev. Charles J. Higgins	40+	Member	\$41,810	\$0	\$16,800
Rev. George Emerson	40+	Member	\$43,460	\$0	\$16,800
Rev. Edwin Condon	^[4]	Member	\$0 ^[8]	\$0	\$16,800
Most Rev. Emilio Allué	40+	Member	\$21,480	\$0	\$6,950
Most Rev. John Boles	40+	Member	\$21,483	\$0	\$6,950
Most Rev. John Dooher	40+	Member	\$42,410	\$0	\$16,800
Most Rev. Walter Edyvean	40+	Member	\$43,610	\$0	\$16,800
Most Rev. Robert Hennessey	40+	Member	\$41,510	\$0	\$16,800
Most Rev. Francis Irwin	40+	Member	\$28,683	\$0	\$6,950
Most Rev. Arthur Kennedy	^[4]	Member	\$0	\$43,060	\$16,800
Most Rev. Peter Uglietto	40+	Member	\$41,610	\$0	\$16,800
Rev. Msgr. Dennis Sheehan	40+	Member	\$43,010	\$0	\$16,800
Very Rev. Walter Carreiro	40+	Member	\$39,810	\$0	\$16,800
Very Rev. Arthur Coyle	40+	Member	\$42,310	\$0	\$16,800
Very Rev. Thomas Foley	40+	Member	\$40,710	\$0	\$16,800
Very Rev. Mark O'Connell	40+	Member	\$41,210	\$13,500	\$16,800
Very Rev. Bryan Parrish	40+	Member	\$41,210	\$0	\$16,800
Rev. Alonso Macias	40+	Member	\$40,510	\$0	\$16,800
Rev. Jason Makos	40+	Member	\$39,260	\$0	\$16,800
Rev. Joseph Mazzone	40+	Member	\$39,260	\$0	\$16,800
Rev. Linh Nguyen	40+	Member	\$39,310	\$0	\$16,800
Rev. Robert Oliver	40+	Member	\$39,260	\$1,500	\$16,800
Rev. Michael Boughton, SJ	^[4]	Member	\$0	\$0	\$0
Rev. William Brown, OMV	^[4]	Member	\$0	\$0	\$0
Rev. Ray Collins, CSSR	40+	Member	\$39,575 ^[9]	\$0	\$0
Rev. Peter Gori, OSA	40+	Member	\$38,322 ^[9]	\$0	\$0
Rev. William Waters, OSA	40+	Member	\$0	\$0	\$0
Rev. J. Patrick Kelly, OFM	^[4]	Member	\$0	\$0	\$0
Rev. Thomas Powers	40+	Member	\$39,810	\$0	\$16,800

¹ Reportable Compensation from Corporation Sole for any Clergy does not include any nominal monies received from related organizations for ad hoc services.

⁴ Less than 5 hours per week to Corporation Sole, does not include services to related entities, if any.

⁸ Fr. Condon's stipend is paid by the U.S. Military.

⁹ Stipends are paid in full to the respective religious orders.

Corporation Sole's Compensation and Vendor Expenditure Disclosure
December 31, 2011

Name and Title	Average Hours per Week	Position	Reportable Compensation from Corporation Sole ^[1]	Reportable Compensation from Related Organizations	Amount of Other Compensation Not Included on W-2/1099
Pastoral Council:					
Ms. Kathleen Allen	1.5	Member	\$0	\$0	\$0
Deacon Robert Breen	1.5	Member	\$0	\$0	\$0
Ms. Barbara Budak	1.5	Member	\$0	\$0	\$0
Mr. Leo Byron	1.5	Member	\$0	\$0	\$0
Mr. Kevin M. Casey	1.5	Member	\$0	\$0	\$0
Sr. Paula Coelho, SUSC	1.5	Member	\$0	\$0	\$0
Miss Ellen H. Connell	1.5	Member	\$0	\$0	\$0
Mr. Kevin Delehanty	1.5	Member	\$0	\$0	\$0
Ms. Jane Devlin	1.5	Member	\$800	\$0	\$0
Mr. Armand J. DiLando	1.5	Member	\$0	\$0	\$0
Dr. Patricia M. Dinneen	1.5	Member	\$0	\$0	\$0
Mr. Charles Famolare	1.5	Member	\$0	\$0	\$0
Ms. Michelle Feliz	1.5	Member	\$0	\$0	\$0
Mr. Joseph Gemmell	1.5	Member	\$0	\$0	\$0
Mr. Louis Geoffrion	1.5	Member	\$0	\$0	\$0
Mr. Michael F. Gilroy	1.5	Member	\$0	\$0	\$0
Mr. Andrew Griswold	1.5	Member	\$0	\$0	\$0
Br. John Kachinsky, FMS	1.5	Member	\$0	\$0	\$0
Deacon Philip H. LaFond	1.5	Member	\$0	\$0	\$0
Herb Lynch, Esq.	1.5	Member	\$0	\$0	\$0
Ms. Peggy Mann	1.5	Member	\$0	\$0	\$0
Mrs. Sharon M. Moore	1.5	Member	\$0	\$0	\$0
Mr. John F. Moran	1.5	Member	\$0	\$0	\$0
Mr. Philip Moran	1.5	Member	\$0	\$0	\$0
Ms. Susan Murphy	1.5	Member	\$0	\$0	\$0
Mr. Thomas J. Nuttall	1.5	Member	\$0	\$0	\$0
Ms. Maureen O'Brien	1.5	Member	\$0	\$0	\$0
Rev. Leonard F. O'Malley	40+	Member	\$41,910	\$0	\$16,800
Ms. Ann Paradis	1.5	Member	\$0	\$0	\$0
Sr. Teresa Stephen Pereira, O.Carm.	1.5	Member	\$0	\$0	\$0
Mr. Thong Phamduy	1.5	Member	\$0	\$0	\$0
Ms. Suzanne Robotham	20+	Member	\$45,353	\$0	\$0
Ms. Mary Ann Sadowski	1.5	Member	\$0	\$0	\$0
Mr. Joseph Sanon	1.5	Member	\$0	\$0	\$0
Dr. Kwasi Sarkodie-Mensah	1.5	Member	\$0	\$0	\$0
Ms Julie Seitter	1.5	Member	\$0	\$0	\$0
Deacon Louis W. Sheedy	1.5	Member	\$0	\$0	\$0
Rev. Msgr. Dennis Sheehan	40+	Member	\$43,010	\$0	\$16,800
Rev. Frank J.Silva	40+	Member	\$41,710	\$0	\$16,800
Mr. A. Kevin Smith	1.5	Member	\$0	\$0	\$0

¹ Reportable Compensation from Corporation Sole for any Clergy does not include any nominal monies received from related organizations for ad hoc services.

Corporation Sole's Compensation and Vendor Expenditure Disclosure
December 31, 2011

Name and Title	Average Hours per Week	Position	Reportable Compensation from Corporation Sole ^[1]	Reportable Compensation from Related Organizations	Amount of Other Compensation Not Included on W-2/1099
Ms. Betty Sniegowski	1.5	Member	\$0	\$0	\$0
Mr. Jim Sullivan	1.5	Member	\$0	\$0	\$0
Mr. Carmel Sullivan	1.5	Member	\$0	\$0	\$0
Ms. Jean Ulysse	1.5	Member	\$0	\$0	\$0
Mr. Charles Vernon	1.5	Member	\$0	\$0	\$0
Mr. David Vise	1.5	Member	\$0	\$0	\$0
Ms. Buffy Walsh	1.5	Member	\$0	\$0	\$0
Mr. Donald Ward	1.5	Member	\$0	\$0	\$0
Ms. Libby Yon	1.5	Member	\$0	\$0	\$0
Ms. Mary Young	1.5	Member	\$0	\$0	\$0
Ms. Lynn A. Zofchak	1.5	Member	\$0	\$0	\$0
Cabinet (Other than Officers):					
Most Rev. Emilio S. Allué, SDB	40+	Vicar for Hispanic Apostolate	\$21,480	\$0	\$6,950
Sr. Marian Batho, CSJ	40+	Delegate for the Religious	\$49,132 ^[9]	\$0	\$0
Ms. Janet Benestad	40+	Secretary for Faith Formation and Evangelization	\$154,160 ^[10]	\$0	\$16,409
Most Rev. John Boles	40+	Delegate for Senior Priests	\$21,483	\$0	\$6,950
Very Rev. Arthur M. Coyle	40+	Episcopal Vicar – Merrimack Region	\$42,310	\$0	\$16,800
Mr. Terrence Donilon	40+	Secretary for Media & Public Affairs	\$184,412 ^[10]	\$0	\$23,881
Most Rev. John Dooher	40+	Regional Bishop – South Region	\$42,410	\$0	\$16,800
Most Rev. Walter Edyvean	40+	Regional Bishop – West Region	\$43,610	\$0	\$16,800
Very Rev. Thomas Foley	40+	Secretary for Parish Life and Leadership	\$40,710	\$0	\$16,800
Dr. Mary Grassa O'Neill	40+	Secretary for Education	\$343,705 ^[3]	\$0	\$17,758
Rev. Bryan Hehir	40+	Secretary for Health and Social Services	\$0 ^[11]	\$0	\$16,800
Most Rev. Robert Hennessey	40+	Regional Bishop – Central Region	\$41,510	\$0	\$16,800
Most Rev. Francis X. Irwin	40+	Auxiliary Bishop	\$28,683	\$0	\$6,950
Most Rev. Arthur Kennedy	[4]	Saint John Seminary Rector	\$0	\$43,060	\$16,800
Rev. Robert Kickham	40+	Chief Secretary to the Cardinal	\$39,610	\$0	\$16,800
Very Rev. Mark O'Connell	40+	Judicial Vicar	\$41,210	\$13,500	\$16,800
Rev. Robert W. Oliver, BH	40+	Assistant to the Moderator of the Curia for Canonical Affairs	\$39,260	\$1,500	\$16,800
Very Rev. William B. Palardy	[4]	Rector, Blessed John XXIII Seminary	\$0	\$40,810	\$16,800
Very Rev. Bryan K. Parrish	40+	Assistant Vicar for Administration and Special Assistant to the Vicar General	\$41,210	\$0	\$16,800

¹ Reportable Compensation from Corporation Sole for any Clergy does not include any nominal monies received from related organizations for ad hoc services.

³ Salary was reduced 10% on July 1, 2009 in an effort to reduce Fiscal Year 2010 expenses. The 10% was restored effective July 1, 2010.

⁴ Less than 5 hours per week to Corporation Sole, does not include services to related entities, if any.

⁹ Stipends are paid in full to the respective religious orders.

¹⁰ Salary was reduced 5% on July 1, 2009 in an effort to reduce Fiscal Year 2010 expenses. The 5% was restored effective July 1, 2010.

¹¹ Fr. Hehir is paid as a faculty member of Harvard University.

Corporation Sole's Compensation and Vendor Expenditure Disclosure
December 31, 2011

Name and Title	Average Hours per Week	Position	Reportable Compensation from Corporation Sole ^[1]	Reportable Compensation from Related Organizations	Amount of Other Compensation Not Included on W-2/1099
Most Rev. Peter J. Uglietto	40+	Regional Bishop – North Region	\$41,610	\$0	\$16,800
Ms. Kathleen Driscoll	^[4]	Secretary for Institutional Advancement	\$0	\$294,755 ^[11]	\$3,572
Mr. Scot Landry	^[4]	Secretary for Catholic Media	\$0	\$250,000	\$30,487
Other Key Employees Whose Reportable Compensation is Greater than \$150,000					
Mr. Mark Dunderdale	40+	Director of the office of Professional Standards and Oversight	\$203,208	\$0	\$26,036
Mr. James Walsh	40+	Associate School Superintendent	\$188,139 ^[10]	\$0	\$24,939
Mr. Francis O'Connor	40+	Asst. General Counsel	\$183,307	\$0	\$24,586
Ms. Carol Gustavson	40+	Executive Director, Lay Benefits	\$169,190 ^[10]		\$23,268
Mr. Joseph McEnness	40+	Director of Risk Management	\$159,973 ^[10]	\$0	\$22,948
Total number of individuals other than current officers, council members and key employees who received more than \$100,000 in reportable compensation from Corporation Sole.					11
Former Officers or Employees Whose Reportable Compensation is Greater Than \$100,000					
Mr. James P. McDonough	40+	Assistant Clerk, Chancellor	\$255,614 ^[3]	\$0	\$25,574
Mr. William McKersie	40+	Associate School Superintendent	\$142,682 ^[10]	\$0	\$21,740
Mr. Scott Allison	40+	IT Technical Manager	\$101,511	\$0	\$13,484
Former Officers and Council Members Whose Reportable Compensation is Greater Than \$10,000					
Very Rev. Richard M. Erickson, Ph.D. VG	40+	Clerk, Vicar General & Moderator of the Curia	\$41,457	\$0	\$16,800
Rev. David Couturier, OFM Cap.	40+	Member – Cabinet/Presbyteral Council	\$39,825 ^[9]	\$0	\$7,035

Five Highest Compensated Vendors Who Received More Than \$100,000			
Vendor	Services Provided	Reportable compensation from Corporation Sole	Amount of other compensation not included on form 1099
1. Shawmut Design & Construction	Construction	\$5,499,667	\$0
2. Santini, Inc.	Construction	\$2,985,250	\$0
3. Deiulis Bros. Construction Co.	Construction	\$2,697,913	\$0
4. FM Global	Insurance Broker	\$1,357,075	\$0
5. The National Catholic Risk Retention Group, Inc.	Insurance Broker	\$1,143,084	\$0
Total number of compensated vendors who received more than \$100,000.			49

¹ Reportable Compensation from Corporation Sole for any Clergy does not include any nominal monies received from related organizations for ad hoc services.

³ Salary was reduced 10% on July 1, 2009 in an effort to reduce Fiscal Year 2010 expenses. The 10% was restored effective July 1, 2010.

⁴ Less than 5 hours per week to Corporation Sole, does not include services to related entities, if any.

⁹ Stipends are paid in full to the respective religious orders.

¹⁰ Salary was reduced 5% on July 1, 2009 in an effort to reduce Fiscal Year 2010 expenses. The 5% was restored effective July 1, 2010.

¹¹ Compensation includes retroactive salary of \$21,538 that relates to calendar year 2010.

SECTION 6 – Compensation Committee Report

ANNUAL REPORT OF THE COMPENSATION COMMITTEE OF THE ARCHDIOCESAN FINANCE COUNCIL Fiscal Year Ended June 30, 2012

I. COMPENSATION PHILOSOPHY

In February, 2012, at the recommendation of the Compensation Committee, the Finance Council adopted a Compensation Philosophy designed to express the objectives of the Archdiocese in setting compensation for its senior lay executives, those whose base salary exceeds \$150,000 annually. A copy of the Archdiocesan philosophy for compensating this group of employees is attached.

Our philosophy is based on the belief that senior lay executives are employed by the Archdiocese to advance the mission of the Church, and that accomplishing this goal requires competent, compassionate, efficient and effective leadership. The purpose of the compensation system is to enable the Archdiocese to attract and retain individuals whose personal goals and achievements are in harmony with the Church's teachings, and whose motivation, talents and capabilities will assist the Church in achieving its objectives. This means that our pay practices must be: (i) competitive, so that we are able to hire people with the requisite qualifications; (ii) equitable, so that our employees are paid fairly relative to one another; and (iii) realistic, so that they reflect economic conditions in the Archdiocese and in the wider world.

The Committee has devoted considerable effort to identifying the manner in which we will evaluate the competitiveness of our pay practices. The Archdiocese will not compete for talent on the basis of pay alone. The benefits of working for the Church are multidimensional, and they include spiritual and other advantages that cannot be quantified. Compensation is certainly a consideration that most prospective employees will take into account, however, and it is important that pay not be a disincentive to working for the Church. Moreover, simple justice requires that we pay people what they are worth. The fairest way to measure the worth of a job is to determine what other employers pay for similar positions. We are committed to gathering and evaluating these data so that we can compare our pay practices with those of other organizations with similar needs.

We also believe it is critical that compensation be linked to articulated job responsibilities and performance assessments. Individuals must know in advance what is expected of them, and their pay must reflect the extent to which they have achieved previously identified objectives.

II. COMPENSATION STUDY

The Archdiocese currently employs 16 senior lay executives. In order to ascertain how our compensation practices compare with those of other organizations with jobs similar to those of our senior lay executive group, we engaged Aon Hewitt, a leading international compensation consulting firm, to conduct a study of pay practices of relevant employers. We determined that the competitive environment varies by position. Depending on the job, the arena in which we compete for talent includes some or all of the following: other Catholic organizations, other not-for-profit groups, and for-profit organizations. The peer group against which we measure ourselves is tailored for each position. The consultants accessed numerous data bases containing applicable information, and conducted a custom survey of Catholic dioceses. They then consolidated and analyzed the data.

The results of the study are as follows:

- a. Six of the senior lay executives are paid between the 50th and the 75th percentiles;
- b. Five of the positions have attributes that are unique to our Archdiocese, and are paid comparably to peers in the Archdiocese with similar levels of responsibility; and
- c. Five of the senior lay executives are paid above the 75th percentile.

Based on the results of the salary study, the Committee, with the advice of its consultants, developed a set of recommended salary ranges for groups of positions within the senior lay executive population.

III. ACTIONS AND RECOMMENDATIONS

- A. The Committee believes that, over time, most senior lay executive positions should be paid at approximately the median compensation (or 50th percentile) identified in the salary study, as updated from time to time. There are, however, factors that may require pay at levels that differ from the median, and the amount any particular individual is paid should reflect such factors. These include the nature of an individual's experience to include the time and performance in the role, the uniqueness of an individual's qualifications, the scope of the position relative to those included in the salary study, the strategic importance of the position, and the urgency and seriousness of any problems that need to be addressed. All individuals in the group are currently paid at a level that is consistent with our compensation philosophy.
- B. At the Committee's recommendation, no merit increase was granted for FY 2013 to any member of the senior lay executive group whose salary was at or above the applicable median. In the future, compensation should be limited to levels that satisfy our compensation philosophy through tools

such as renegotiation of contracts, sunseting of current pay and/or salary freezes.

- C. The survey data and salary ranges developed by the Committee should be used in setting pay in connection with promotions and new hires. Since the Compensation Committee was formed, there has been one promotion within, and there have been two new hires into, the senior lay executive group. All three individuals are paid at the median for their positions.
- D. At the Committee's recommendation, the Archdiocese has introduced a performance appraisal process stressing measurable goals, thorough assessments and timely completion. For the current year, performance appraisals will be completed prior to decisions on merit increases, and performance will be taken into account in deciding on pay levels for the following year.

IV. CONCLUSION

During its first full year of operation, the Compensation Committee articulated a compensation philosophy consistent with the values of our Archdiocese, developed data on market compensation for senior lay executives that can be used in evaluating current pay practices and setting pay in the future, identified steps that can be taken to maintain consistency between our compensation philosophy and our pay practices, and sponsored the introduction of a system linking pay with performance. In the current year, we are overseeing the implementation of the performance appraisal system and advising on the utilization of market data in ongoing compensation decisions.

Members of the Compensation Committee:

Paul W. Sandman, <i>Chair</i>	
John H. McCarthy, <i>Vice Chair, Finance Council</i>	Rev. James J. Ronan
Brian P. Concannon	Mary L. Ryan
Rev. Michael E. Drea	Leo V. Sullivan

December 12, 2012

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SECTION 7 – Funding for Abuse Settlements and Related Costs

FISCAL YEAR 2012 FUNDING FOR ABUSE SETTLEMENTS AND RELATED COSTS

PASTORAL RESPONSE, ABUSE PREVENTION AND SETTLEMENTS RELATED TO SEXUAL ABUSE

Costs for Pastoral Response and Abuse Prevention and Training In fiscal year 2012, the Archdiocese expended \$2.58 million to cover the expenses associated with administering abuse prevention efforts and funding outreach to promote healing and reconciliation with survivors and others harmed by sexual abuse. That figure includes the expenses incurred by three principal offices of the Archdiocese: the Office of Volunteer Resources (which conducts annual CORI checks of clergy, employees and volunteers), the Office of Child Advocacy, Implementation, and Oversight (which oversees abuse prevention training), and the Office of Pastoral Support and Outreach (which administers the program of the Archdiocese to fund therapy and related services to survivors of abuse). Under the program administered by the Office of Pastoral Support and Outreach, the Archdiocese funds regular therapy and related medications. This support is available whether or not the survivor has brought a claim against the Archdiocese, and continues to be available after a claim has been settled. In fiscal year 2012, the program funded therapy for 271 individuals at a cost of \$1.65 million.

Sexual Abuse Settlements During fiscal year 2012, the total amount expended by the Archdiocese to settle claims arising from sexual abuse was \$1.97 million. This represents payments on 31 claims.

Other Costs Related to Sexual Abuse Matters In addition to the moneys paid in settlements and the costs of its pastoral response and abuse prevention programs, the Archdiocese incurred an additional \$676,000 in costs to respond to and facilitate the settlement of sexual abuse claims during the past fiscal year. These costs were comprised principally of legal costs as well as expenses for mediation and arbitration.

Summary of Costs Taking into account the total cost of the sexual abuse settlements (\$1.97 million) as well as the costs incurred by the Archdiocese related to the abuse prevention, outreach and other costs (\$3.26 million), the Archdiocese expended a total of \$5.23 million during the fiscal year 2012.

SOURCES OF FUNDS

The Archdiocese has funded the settlements and other costs related to the sexual abuse claims in fiscal 2012 from real estate property sales, rental income and insurance funds. These sources have been sufficient to cover the costs of settlement and related expenses described above. It should be made clear, consistent with past practices, that parish funds, money raised from the Promise for Tomorrow Campaign, the Annual Catholic Appeal, and proceeds from the parish reconfiguration process are not being used to fund settlements.

Self-Insurance In fiscal year 2012, the Archdiocese, through the Self-Insurance fund, expended \$46,000 to settle claims related to sexual abuse. The self-insurance program also provided \$2.55 million of funding to cover the expenses associated with administering abuse prevention efforts and outreach to promote healing and reconciliation with survivors and others harmed by sexual abuse.

Insurance Recoveries and Other Reimbursements In fiscal year 2012, the Archdiocese received insurance recoveries and other reimbursements totaling \$862,000 that were fully used to fund settlements.

Property Sales and Rental Income During fiscal year 2012, the Archdiocese used \$1.61 million from the proceeds of the 2007 administrative property sales to fund settlements related to sexual abuse claims and a portion of the legal fees and mediation costs related to claims. Rental income earned during the fiscal year was used to fund the remaining legal costs of \$134,000.

SECTION 8 – Related Organizations

Compendium of Audited Financial Statements of Corporation Sole Related Organizations

Set forth below is a list of organizations sponsored by the Corporation Sole or for which the Corporation Sole or the Roman Catholic Archbishop of Boston (the “Archbishop”) has the direct or indirect right (whether alone or in conjunction with others) to elect or appoint officers, directors, trustees, governors and/or members (collectively, “Related Organizations”). Each Related Organization is separately incorporated and none of them are consolidated with Corporation Sole for financial statement purposes.

For financial reports of the Related Organizations, if available, please visit our [website](http://www.bostoncatholic.org) at <http://www.bostoncatholic.org> and click on the Offices & Services tab and click on Finance, listed by category. Thank you.

Listing of Related Organizations

Catholic Media and Evangelization

iCatholic Media, Inc.

Cemeteries

The Catholic Cemetery Association of the Archdiocese of Boston, Inc.

Community Relations

Massachusetts Catholic Conference, Inc.

Education

Archbishop Williams High School, Inc.

Bishop Fenwick High School, Inc.

Boston Boy Choir, Inc.

Cardinal Spellman High School, Inc.

Cathedral High School, Inc.

Lawrence Catholic Academy of Lawrence, Massachusetts, Inc.

Lowell Catholic High School, Inc.

Marian High School, Inc.

Matignon High School, Inc.

Cristo Rey Boston High School, Inc.

Pope John Paul II Catholic Academy, Inc.

Pope John XXIII High School, Inc.

Quincy Catholic Academy of Quincy, Massachusetts, Inc.

St. Ann’s School of Cape Ann, Massachusetts Inc.

St. Columbkille School, Inc.

St. Mary's High School, Inc.

St. Sebastian's School, Inc.

Ste. Jean d’ Arc School of Lowell, Massachusetts, Inc.

Trinity Catholic Academy, Inc.

Development

Boston Catholic Development Services, Inc.
The Catholic Community Fund of the Archdiocese of Boston, Inc.
Catholic Health Foundation of Greater Boston, Inc.
The Catholic Schools Foundation, Inc.
Cristo Rey Work Study Program, Inc.
The Fund for Catholic Schools, Inc.
St. Mary's High School Foundation, Inc.
St. Sebastian's School Fund, Inc.

Health, Retirement & Investment Trusts

Archdiocese of Boston Clergy Benefit Funding Trust
Archdiocese of Boston Clergy Retirement Trust
Archdiocese of Boston Clergy Medical / Hospitalization Trust
Benefit Trust for Non-Incardinated Priests Duly Assigned for Service in the Archdiocese of Boston
Caritas Christi Retirement Plan and Trust
Common Investment Fund, Roman Catholic Archbishop of Boston
Fixed Income Investment Fund, RCAB
Massachusetts Catholic Self-Insurance Group, Inc.
RCAB Collective Investment Partnership
Roman Catholic Archdiocese of Boston Health Benefit Trust
Roman Catholic Archdiocese of Boston Life Insurance and Accidental Death, Dismemberment & Long-Term Disability Insurance Trust
Pension Plan & Trust of the Roman Catholic Archdiocese of Boston
Roman Catholic Archdiocese of Boston Transition Assistance Program Trust

Ministerial

Blessed John XXIII National Seminary, Inc.
St. John's Seminary
Regina Cleri, Inc.
Redemptoris Mater House of Formation, Inc.

Mission Related

Missionary Society of St. James the Apostle (The)
Society for Propagation of the Faith of Boston, Inc. (The)

Social Service

Catholic Charitable Bureau of the Archdiocese of Boston, Inc.
Catholic Social Services, Inc.
Irish Pastoral Centre of the Archdiocese of Boston, Inc. (The)
Life Resources, Inc.
Office of Outreach, Assistance, Education and Prevention of the Archdiocese of Boston, Inc. (The)
Planning Office for Urban Affairs, Inc.
St. Ann's Home, Inc.
St. Mary's Center for Women and Children, Inc.
*TAS-CC, Inc.
*TAS-CCDSS, Inc.
*TAS-CCH, Inc.

Social Service (continued)

*TAS-CCHF, Inc.
*TAS-CCL, Inc.

- *TAS-CCMG, Inc.
- *TAS-CCNS, Inc
- *TAS-CCPN, Inc.
- *TAS-CCSS, Inc.
- *TAS-CECL, Inc.
- *TAS-CGSMC, Inc.
- *TAS-CGSMPC, Inc.
- *TAS-CGSOHS, Inc.
- *TAS-CGSROC, Inc.
- *TAS-CHC, Inc.
- *TAS-CHFHF, Inc.
- *TAS-CHFHF, Inc.
- *TAS-CNEI, Inc.
- *TAS-CNH, Inc.
- *TAS-CSEHF, Inc.
- *TAS-CSEMFCB, Inc.
- *TAS-CSERC, Inc.
- *TAS-CSH, Inc.
- *TAS-CSJGH, Inc.
- *TAS-CSJNCC, Inc
- *TAS-CVRHS, Inc.
- *TAS-CVRMSC, Inc.
- *TAS-CVRSS, Inc.
- *TAS-CVRV, Inc.
- *TAS-FRMCS, Inc.
- *TAS-HCE, Inc.
- *TAS-SAHC, Inc.
- *TAS-SAHCMS, Inc.
- *TAS-SAHCS, Inc.
- *TAS-SAJCS, Inc.

*As of November 5, 2010, TAS-CC, Inc. (formerly Caritas Christi) and its affiliated health care entities sold substantially all of their assets used in the operation of a health care system to Steward Healthcare System LLC (“Steward”). As a result, although the assets were transferred to Steward, almost all of the corporate entities remained directly or indirectly under the control of Corporation Sole or the Archbishop. Each of the asterisked entities were formerly Caritas Christi entities. Each of the asterisked entities is separately incorporated and none of them are consolidated with Corporation Sole for financial reporting purposes.

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SECTION 9 – Corporation Sole Parishes

COMPENDIUM OF FINANCIAL REPORTS OF CORPORATION SOLE PARISHES

For financial reports of the parishes of the Archdiocese of Boston, if available, please visit our [website](http://www.bostoncatholic.org) at <http://www.bostoncatholic.org> and click on the Offices & Services tab and click on Finance, listed alphabetically. Thank you.

Parishes of the Archdiocese of Boston

<u>City/Town</u>	<u>Parish</u>
Abington	Saint Bridget Parish
Acton	Saint Elizabeth of Hungary Parish
Allston	Saint Anthony Parish
Amesbury	Holy Family Parish
Andover	Saint Augustine Parish
Andover	Saint Robert Bellarmine Parish
Arlington	Saint Agnes Parish
Arlington	Saint Camillus Parish
Ashland	Saint Cecilia Parish
Avon	Saint Michael Parish
Ayer	Saint Mary Parish
Bedford	Saint Michael Parish
Bellingham	Saint Brendan Parish
Bellingham	Saint Blaise Parish
Belmont	Saint Joseph Parish
Belmont	Saint Luke Parish
Beverly	Saint Mary Star of the Sea Parish
Beverly	Saint John the Evangelist Parish
Beverly Farms	Saint Margaret Parish
Billerica	Saint Mary Parish
Billerica	Saint Theresa of Lisieux Parish
Boston	Cathedral of the Holy Cross Parish
Boston	Saint Cecilia Parish
Boston	Saint James the Greater Parish
Boston	Saint Leonard of Port Maurice Parish
Boston	Our Lady of Victories Parish
Boston	Saint Joseph Parish
Bradford	Sacred Hearts Parish
Braintree	Saint Clare Parish
Braintree	Saint Francis of Assisi Parish
Braintree	Saint Thomas More Parish
Bridgewater	Saint Thomas Aquinas Parish
Brighton	Saint Columbkille Parish
Brockton	Our Lady of Lourdes Parish
Brockton	Saint Patrick Parish
Brockton	Saint Edith Stein Parish

Brockton	Christ the King Parish
Brookline	Saint Mary of the Assumption Parish
Burlington	Saint Margaret Parish
Burlington	Saint Malachy Parish
Cambridge	Saint Anthony Parish
Cambridge	Saint Francis of Assisi Parish
Cambridge	Saint John the Evangelist Parish
Cambridge	Saint Mary of Annunciation Parish
Cambridge	Saint Paul Parish
Cambridge	Saint Peter Parish
Cambridge	Sacred Heart of Jesus Parish
Canton	Saint Gerard Majella Parish
Canton	Saint John the Evangelist Parish
Carlisle	Saint Irene Parish
Carver	Our Lady of Lourdes Parish
Charlestown	Saint Francis de Sales Parish
Charlestown	St Mary - St Catherine
Chelmsford	Saint Mary Parish
Chelsea	Our Lady of Grace Parish
Chelsea	Saint Rose of Lima Parish
Chelsea	Saint Stanislaus Parish
Cohasset	Saint Anthony Parish
Concord	Holy Family Parish
Danvers	Saint Mary of the Annunciation Parish
Danvers	Saint Richard of Chichester Parish
Dedham	Saint Mary Parish
Dedham	Saint Susanna Parish
Dorchester	Saint Ambrose Parish
Dorchester	Saint Ann Parish
Dorchester	Saint Brendan Parish
Dorchester	Saint Christopher Parish
Dorchester	Saint Gregory Parish
Dorchester	Saint Mark Parish
Dorchester	Saint Matthew Parish
Dorchester	Holy Family Parish
Dorchester	Saint Peter Parish
Dorchester	Blessed Mother Teresa of Calcutta Parish
Dover	Most Precious Blood Parish
Dracut	Saint Francis of Assisi Parish
Dracut	Saint Marguerite D'Youville Parish
Duxbury	Holy Family Parish
E Bridgewater	Saint John the Evangelist Parish
East Boston	Saint Joseph - St Lazarus Parish
East Boston	Most Holy Redeemer Parish
East Boston	Our Lady of the Assumption Parish
East Boston	Sacred Heart Parish
East Walpole	Saint Mary Parish
East Weymouth	Saint Albert the Great Parish
East Weymouth	Immaculate Conception Parish
Essex	Saint John the Baptist Parish
Everett	Saint Anthony of Padua Parish

Everett	Immaculate Conception Parish
Foxboro	Saint Mary Parish
Framingham	Saint Bridget Parish
Framingham	Saint George
Framingham	Saint Stephen Parish
Framingham	Saint Tarcisius Parish
Franklin	Saint Mary Parish
Georgetown	Saint Mary Parish
Gloucester	Our Lady of Good Voyage Parish
Gloucester	Holy Family Parish
Green Harbor	Our Lady of the Assumption Parish
Hanover	Saint Mary Sacred Heart Parish
Hanson	Saint Joseph the Worker Parish
Haverhill	Saint James Parish
Haverhill	Saint John the Baptist Parish
Haverhill	All Saints Parish
Hingham	Saint Paul Parish
Hingham	Resurrection Parish
Holbrook	Saint Joseph Parish
Holliston	Saint Mary Parish
Hopkinton	Saint John the Evangelist Parish
Hudson	Saint Michael Parish
Hull	Saint Mary of the Assumption Parish
Hyde Park	Most Precious Blood Parish
Ipswich	Our Lady of Hope Parish
Jamaica Plain	Our Lady of Lourdes Parish
Jamaica Plain	Saint Thomas Aquinas Parish
Kingston	Saint Joseph Parish
Lakeville	Saints Martha and Mary Parish
Lawrence	Saint Patrick Parish
Lawrence	Saint Mary of the Assumption Parish
Lawrence	Corpus Christi Parish
Lexington	Saint Brigid Parish
Lexington	Sacred Heart Parish
Littleton	Saint Anne Parish
Lowell	Saint Anthony Parish
Lowell	Holy Trinity Parish
Lowell	Immaculate Conception Parish
Lowell	Saint Margaret Parish
Lowell	Holy Family Parish
Lowell	Saint Michael Parish
Lowell	Saint Patrick Parish
Lowell	Saint Rita Parish
Lynn	Holy Family Parish
Lynn	Saint Joseph Parish
Lynn	Saint Mary Parish
Lynn	Saint Pius V Parish
Lynnfield	Saint Maria Goretti Parish
Lynnfield	Our Lady of the Assumption Parish
Malden	Immaculate Conception Parish
Malden	Saint Joseph Parish

Malden	Sacred Hearts Parish
Manchester-by-the-Sea	Sacred Heart Parish
Manomet	Saint Bonaventure Parish
Marblehead	Our Lady Star of the Sea Parish
Marlboro	Immaculate Conception Parish
Marlboro	Saint Matthias Parish
Marshfield	Saint Ann By the Sea Parish
Marshfield	Saint Christine Parish
Mattapan	Saint Angela Merici Parish
Maynard	Saint Bridget Parish
Medfield	Saint Edward the Confessor Parish
Medford	Saint Francis of Assisi Parish
Medford	Saint Joseph Parish
Medford	Saint Raphael Parish
Medford	Saint Clement Parish
Medway	Saint Joseph Parish
Melrose	Incarnation Parish
Melrose	Saint Mary of the Annunciation Parish
Merrimac	Holy Redeemer Parish
Methuen	Our Lady of Good Counsel Parish
Methuen	Saint Lucy Parish
Methuen	Saint Monica Parish
Middleboro	Sacred Heart Parish
Middleton	Saint Agnes Parish
Millis	Saint Thomas the Apostle Parish
Milton	Saint Agatha Parish
Milton	Saint Elizabeth Parish
Milton	Saint Mary of the Hills Parish
Milton	Saint Pius Tenth Parish
Monponsett	Our Lady of the Lake Parish
Nahant	Saint Thomas Aquinas Parish
Natick	Saint Linus Parish
Natick	Saint Patrick Parish
Needham	Saint Bartholomew Parish
Needham	Saint Joseph Parish
Newburyport	Immaculate Conception Parish
Newton	Corpus Christi-Saint Bernard Parish
Newton	Saint Ignatius Loyola Parish
Newton	Our Lady Help of Christians Parish
Newton	Sacred Heart Parish
Newton Upper Falls	Mary Immaculate of Lourdes Parish
Norfolk	Saint Jude Parish
North Andover	Saint Michael Parish
North Billerica	Saint Andrew Parish
North Chelmsford	Saint John the Evangelist Parish
North Reading	Saint Theresa of Lisieux Parish
North Weymouth	Saint Jerome Parish
Norwell	Saint Helen Parish
Norwood	Saint Catherine of Siena Parish
Norwood	Saint Timothy Parish
Peabody	Saint Adelaide Parish

Peabody	Saint Ann Parish
Peabody	Saint John the Baptist Parish
Peabody	Saint Thomas the Apostle Parish
Peabody	Our Lady of Fatima Parish
No Pembroke	Saint Thecla Parish
Pepperell	Our Lady of Grace
Plainville	Saint Martha Parish
Plymouth	Saint Mary Parish
Plymouth	Saint Peter Parish
Plymouth	Saint Kateri Tekakwitha Parish
Point Shirley	Holy Rosary Parish
Quincy	Saint John the Baptist Parish
Quincy	Saint Joseph Parish
Quincy	Sacred Heart Parish
Quincy	Holy Trinity Parish
Randolph	Saint Bernadette Parish
Randolph	Saint Mary Parish
Reading	Saint Agnes Parish
Reading	Saint Athanasius Parish
Readville	Saint Anne Parish
Revere	Immaculate Conception Parish
Revere	Saint Mary of the Assumption Parish
Revere	Saint Anthony of Padua Parish
Rockland	Holy Family Parish
Roslindale	Sacred Heart Parish
Roxbury	Saint Mary of the Angels Parish
Roxbury	Our Lady of Perpetual Help Parish
Roxbury	Saint Patrick Parish
Roxbury	St. Katharine Drexel Parish
Salem	Saint Anne Parish
Salem	Immaculate Conception Parish
Salem	Saint James Parish
Salem	Saint John the Baptist Parish
Salisbury	Star of the Sea Parish
Saugus	Blessed Sacrament Parish
Saugus	Saint Margaret Parish
Scituate	Saint Mary of the Nativity Parish
Sharon	Our Lady of Sorrows Parish
Sherborn	Saint Theresa of Lieieux Parish
Shirley	Saint Anthony Parish
Somerville	Saint Ann Parish
Somerville	Saint Anthony Parish
Somerville	Saint Benedict Parish
Somerville	Saint Catherine of Genoa Parish
Somerville	Patronage of Saint Joseph Parish
South Boston	Saint Brigid Parish
South Boston	Gate of Heaven Parish
South Boston	Saint Monica-St Augustine Parish
South Boston	Our Lady of Czestochowa Parish
South Boston	Saint Peter Parish
South Boston	Saint Vincent De Paul Parish

South Hamilton	Saint Paul Parish
South Weymouth	Saint Francis Xavier Parish
Stoneham	Saint Patrick Parish
Stoughton	Immaculate Conception Parish
Stoughton	Saint James Parish
Stow	Saint Isidore Parish
Sudbury	Saint Anselm Parish
Sudbury	Our Lady of Fatima Parish
Swampscott	Saint John the Evangelist Parish
Tewksbury	Saint William Parish
Topsfield	Saint Rose of Lima Parish
Townsend	Saint John the Evangelist Parish
Tyngsboro	Saint Mary Magdalen Parish
Wakefield	Saint Florence Parish
Wakefield	Saint Joseph Parish
Wakefield	Most Blessed Sacrament Parish
Walpole	Blessed Sacrament Parish
Waltham	Saint Charles Borromeo Parish
Waltham	Saint Jude Parish
Waltham	Saint Mary Parish
Waltham	Our Lady Comforter of Afflicted Parish
Waltham	Sacred Heart Parish
Watertown	Saint Patrick Parish
Watertown	Sacred Heart Parish
Wayland	Good Shepherd Parish
Wellesley	Saint Paul Parish
Wellesley Hills	Saint John the Evangelist Parish
West Bridgewater	Saint Ann Parish
West Lynn	Sacred Heart Parish
West Quincy	Saint Mary Parish
West Roxbury	Holy Name Parish
West Roxbury	Saint John Chrysostom Parish
West Roxbury	Saint Theresa of Avila Parish
Westford	Saint Catherine of Alexandria Parish
Weston	Saint Julia Parish
Westwood	Saint Denis Parish
Westwood	Saint Margaret Mary Parish
Weymouth	Sacred Heart Parish
Whitman	Holy Ghost Parish
Wilmington	Saint Dorothy Parish
Wilmington	Saint Thomas of Villanova Parish
Winchester	Saint Eulalia Parish
Winchester	Saint Mary Parish
Winthrop	Saint John the Evangelist Parish
Woburn	Saint Anthony of Padua Parish
Woburn	Saint Barbara Parish
Woburn	Saint Charles Borromeo Parish
Wollaston	Saint Ann Parish
Wrentham	Saint Mary Parish