

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**COMBINED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

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JUNE 30, 2008 AND 2007**

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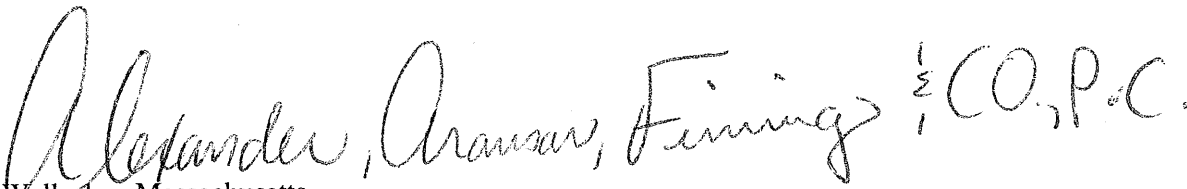
INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Catholic Charitable Bureau of the Archdiocese of Boston, Inc. and Affiliates:

We have audited the accompanying combined statements of financial position of Catholic Charitable Bureau of the Archdiocese of Boston, Inc. and Affiliates (Massachusetts corporations, not for profit) (collectively, the Organization) as of June 30, 2008 and 2007, and the related combined statements of activities and changes in net assets and cash flows for the years then ended. These combined financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Catholic Charitable Bureau of the Archdiocese of Boston, Inc. and Affiliates as of June 30, 2008 and 2007, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.


Wellesley, Massachusetts
November 7, 2008

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2008 AND 2007**

<u>ASSETS</u>	<u>2008</u>	<u>2007</u>
CASH AND CASH EQUIVALENTS	\$ 1,373,546	\$ 176,060
CASH HELD IN ESCROW - RESTRICTED AS TO USE	288,577	438,349
ACCOUNTS RECEIVABLE, net of allowance for doubtful accounts of approximately \$200,000 and \$231,000 at June 30, 2008 and 2007, respectively	3,086,287	3,266,436
PLEDGES RECEIVABLE, net	114,653	1,079,344
INVESTMENTS	9,708,853	13,271,576
BENEFICIAL INTERESTS IN PERPETUAL TRUSTS	4,398,260	4,831,035
PROPERTY AND EQUIPMENT, net	20,979,768	20,466,664
PENSION BENEFITS ASSET	-	264,000
OTHER ASSETS	<u>389,817</u>	<u>287,263</u>
Total assets	<u>\$ 40,339,761</u>	<u>\$ 44,080,727</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 3,373,870	\$ 3,460,341
Due to the Roman Catholic Archdiocese of Boston	414,483	175,989
Pension benefits liability	2,731,000	-
Notes payable -		
Banks and others	2,862,035	3,865,698
Roman Catholic Archdiocese of Boston	425,633	422,520
Obligations under capital leases	<u>353,701</u>	<u>456,554</u>
Total liabilities	<u>10,160,722</u>	<u>8,381,102</u>
 NET ASSETS:		
Unrestricted -		
Operating:		
Working capital	81,289	3,257,834
Pension plan	<u>(1,809,590)</u>	<u>264,000</u>
Total operating	<u>(1,728,301)</u>	<u>3,521,834</u>
Property and equipment Board designated	<u>18,800,820</u> <u>1,141,917</u>	<u>18,620,244</u> <u>792,283</u>
Total unrestricted	18,214,436	22,934,361
Temporarily restricted	5,068,733	5,436,619
Permanently restricted	<u>6,895,870</u>	<u>7,328,645</u>
Total net assets	<u>30,179,039</u>	<u>35,699,625</u>
Total liabilities and net assets	<u>\$ 40,339,761</u>	<u>\$ 44,080,727</u>

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

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008**

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
OPERATING SUPPORT, REVENUE AND GAINS:				
Contributions and fundraising -				
Contributions and fundraising	\$ 5,037,405	\$ 1,860,603	\$ -	\$ 6,898,008
Contributions from United Way organizations	1,332,312	-	-	1,332,312
Contributions from the Roman Catholic Archdiocese of Boston (including in-kind contributions of \$459,054)	579,495	-	-	579,495
Total contributions and fundraising	6,949,212	1,860,603	-	8,809,815
Program service fees and contract revenue -				
Individuals	2,772,025	-	-	2,772,025
Medicaid and Medicare	2,395,964	-	-	2,395,964
Commercial insurance fees	570,496	-	-	570,496
Other	43,754	-	-	43,754
Contract revenue from governmental and other agencies	20,834,602	-	-	20,834,602
Grants	1,873,774	593,450	-	2,467,224
Total program service fees, grants and contract revenue	28,490,615	593,450	-	29,084,065
Investment earnings used for operations under the spending policy	487,800	-	-	487,800
Miscellaneous revenue	131,322	-	-	131,322
Net assets released from restrictions used for operations	2,554,497	(2,554,497)	-	-
Subtotal	3,173,619	(2,554,497)	-	619,122
Total operating support, revenue and gains	38,613,446	(100,444)	-	38,513,002
OPERATING EXPENSES:				
Program services -				
Community social services	18,840,155	-	-	18,840,155
Day care services	12,865,066	-	-	12,865,066
Behavioral health and addiction treatment services	1,931,877	-	-	1,931,877
Total program services	33,637,098	-	-	33,637,098
Support services -				
Management and general	5,084,501	-	-	5,084,501
Fundraising	1,477,495	-	-	1,477,495
Total support services	6,561,996	-	-	6,561,996
Total operating expenses	40,199,094	-	-	40,199,094
Decrease in net assets from operations	(1,585,648)	(100,444)	-	(1,686,092)
OTHER CHANGES IN NET ASSETS:				
Gain on disposal of property	372,305	-	-	372,305
Contributions for long-term purposes - capital	325,000	-	-	325,000
Change in fair value of beneficial interests in perpetual trusts	-	-	(432,775)	(432,775)
Investment earnings used for operations under the spending policy	(487,800)	-	-	(487,800)
Investment earnings	(348,782)	(267,442)	-	(616,224)
Pension related changes other than net periodic pension cost	(2,995,000)	-	-	(2,995,000)
Decrease in net assets	(4,719,925)	(367,886)	(432,775)	(5,520,586)
NET ASSETS, beginning of year	22,934,361	5,436,619	7,328,645	35,699,625
NET ASSETS, end of year	\$ 18,214,436	\$ 5,068,733	\$ 6,895,870	\$ 30,179,039

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

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
OPERATING SUPPORT, REVENUE AND GAINS:				
Contributions and fundraising:				
Contributions and fundraising	\$ 5,021,523	\$ 1,708,266	\$ -	\$ 6,729,789
Contributions from United Way organizations	1,680,468	-	-	1,680,468
Contributions from the Roman Catholic Archdiocese of Boston (including in-kind contributions of \$503,550)	<u>730,817</u>	<u>-</u>	<u>-</u>	<u>730,817</u>
Total contributions and fundraising	<u>7,432,808</u>	<u>1,708,266</u>	<u>-</u>	<u>9,141,074</u>
Program service fees and contract revenue -				
Individuals	2,592,280	-	-	2,592,280
Medicaid and Medicare	2,528,952	-	-	2,528,952
Commercial insurance fees	441,962	-	-	441,962
Other	55,804	-	-	55,804
Contract revenue from governmental and other agencies	20,422,618	-	-	20,422,618
Grants	<u>1,945,506</u>	<u>654,964</u>	<u>-</u>	<u>2,600,470</u>
Total program service fees, grants and contract revenue	<u>27,987,122</u>	<u>654,964</u>	<u>-</u>	<u>28,642,086</u>
Investment earnings used for operations under the spending policy	383,845	-	-	383,845
Miscellaneous revenue	172,329	-	-	172,329
Net assets released from restrictions used for operations	<u>2,195,900</u>	<u>(2,195,900)</u>	<u>-</u>	<u>-</u>
Subtotal	<u>2,752,074</u>	<u>(2,195,900)</u>	<u>-</u>	<u>556,174</u>
Total operating support, revenue and gains	<u>38,172,004</u>	<u>167,330</u>	<u>-</u>	<u>38,339,334</u>
OPERATING EXPENSES:				
Program services -				
Community social services	19,198,899	-	-	19,198,899
Day care services	12,175,252	-	-	12,175,252
Behavioral health and addiction treatment services	<u>1,767,483</u>	<u>-</u>	<u>-</u>	<u>1,767,483</u>
Total program services	<u>33,141,634</u>	<u>-</u>	<u>-</u>	<u>33,141,634</u>
Support services -				
Management and general	5,422,902	-	-	5,422,902
Fundraising	<u>1,498,849</u>	<u>-</u>	<u>-</u>	<u>1,498,849</u>
Total support services	<u>6,921,751</u>	<u>-</u>	<u>-</u>	<u>6,921,751</u>
Total operating expenses	<u>40,063,385</u>	<u>-</u>	<u>-</u>	<u>40,063,385</u>
Increase (decrease) in net assets from operations	(1,891,381)	167,330	-	(1,724,051)
OTHER CHANGES IN NET ASSETS:				
Gain on disposal of property	601,244	-	-	601,244
Contributions for long-term purposes - capital	422,203	19,704	-	441,907
Change in fair value of beneficial interests in perpetual trusts	-	-	520,709	520,709
Investment earnings used for operations under the spending policy	(383,845)	-	-	(383,845)
Investment earnings	1,403,635	462,076	-	1,865,711
Pension related changes other than net periodic pension cost	1,449,500	-	-	1,449,500
Net assets released for purchase of property and equipment	<u>1,000,000</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u>2,601,356</u>	<u>(350,890)</u>	<u>520,709</u>	<u>2,771,175</u>
NET ASSETS, beginning of year	<u>20,333,005</u>	<u>5,787,509</u>	<u>6,807,936</u>	<u>32,928,450</u>
NET ASSETS, end of year	<u>\$ 22,934,361</u>	<u>\$ 5,436,619</u>	<u>\$ 7,328,645</u>	<u>\$ 35,699,625</u>

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

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (5,520,586)	\$ 2,771,175
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,287,034	1,169,189
Bad debt expense (recovery)	(30,526)	13,199
Contributions for long-term purposes - capital	(325,000)	(441,907)
Net change in fair value of beneficial interest in perpetual trusts	432,775	(520,709)
Net realized and unrealized gains (losses) on investments	1,419,785	(1,288,242)
Gain on disposal of property and equipment	(372,305)	(601,244)
Net change in pension benefits liability	2,731,000	(2,477,000)
Changes in operating assets and liabilities -		
Accounts receivable	210,675	738,698
Pledges receivable	964,691	(59,048)
Other assets	(102,554)	46,234
Pension benefits asset	264,000	(264,000)
Accounts payable and accrued expenses	(86,471)	84,207
Due to Roman Catholic Archdiocese of Boston	238,494	(320,753)
Net cash provided by (used in) operating activities	<u>1,111,012</u>	<u>(1,150,201)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(4,790,427)	(2,966,507)
Sales of investments	6,933,365	3,325,107
Proceeds from sale of property and equipment	416,512	845,308
Proceeds from cash held in escrow - restricted for capital purchases	149,772	1,067,381
Purchase of property and equipment	<u>(1,844,345)</u>	<u>(1,604,074)</u>
Net cash provided by investing activities	<u>864,877</u>	<u>667,215</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions for long-term purposes - capital	325,000	128,907
Proceeds from notes payable - banks and others	975,000	720,000
Proceeds from notes payable - Roman Catholic Archdiocese of Boston	3,113	-
Principal payments on notes payable - banks and others	(1,978,663)	(478,822)
Principal payments on notes payable - Roman Catholic Archdiocese of Boston	-	(1,294)
Principal payments on capital lease obligations	<u>(102,853)</u>	<u>(96,139)</u>
Net cash provided by (used in) financing activities	<u>(778,403)</u>	<u>272,652</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,197,486	(210,334)
CASH AND CASH EQUIVALENTS, beginning of year	<u>176,060</u>	<u>386,394</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 1,373,546</u></u>	<u><u>\$ 176,060</u></u>
SUPPLEMENTAL SCHEDULE OF CASH AND NONCASH INVESTING AND FINANCING ACTIVITIES:		
Cash paid for interest	<u>\$ 226,902</u>	<u>\$ 300,256</u>
Cost basis of property and equipment disposed of and sold	<u>\$ 686,463</u>	<u>\$ 725,574</u>
Donated property and equipment	<u>\$ -</u>	<u>\$ 313,000</u>

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

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations - The Catholic Charitable Bureau of the Archdiocese of Boston, Inc. and Affiliates (collectively, the "Organization") is an affiliate of Catholic Social Services, Inc. ("CSS"), its sole corporate member. CSS is a not-for-profit corporation under the auspices of the Roman Catholic Archdiocese of Boston ("RCAB"). The following is a summary of entities which are included in the Organization's accompanying combined financial statements:

Catholic Charitable Bureau of the Archdiocese of Boston, Inc. (the "Agency"), a Massachusetts not-for-profit corporation under the auspices of the RCAB, provides emergency response and professional health, welfare, education, and social services to families, children, individuals, and older adults.

West Broadway Community Development Corporation, Inc. ("WBCDC"), is a not-for-profit corporation that was organized during fiscal year 2001 for the purpose of owning real estate for the Organization's Shaughnessy Family Center at Laboure. WBCDC commenced operations in October, 2002.

Columbia Road Community Development Corporation, Inc. ("CRCDC"), is a not-for-profit corporation that was organized during fiscal year 2005 for the purpose of owning real estate for the Organization's Yawkey Center. CRCDC commenced operations in July, 2004.

The Organization has historically relied on financial support from donors and related parties (see Note 9). The accompanying combined financial statements have been prepared assuming such support will continue in the future.

Income Taxes - The Agency is listed within *The Official Catholic Directory*. As such, the Agency derives its Internal Revenue Code Section 501(c)(3) tax-exempt status from the group tax-exemption of the Roman Catholic Church. WBCDC and CRCDC have previously been determined by the Internal Revenue Service (IRS) to be organizations described in Internal Revenue Code (IRC) Section 501(c)(2) and, therefore, are exempt from taxation under IRC Section 501(a). WBCDC and CRCDC are not private foundations due to their recognition by the IRS as organizations described in IRC Section 501(c)(2). Any income not substantially related to the Organization's exempt purposes may be considered unrelated business income ("UBI") under IRC Section 511 and, as such, subject to tax at normal corporate rates. There was no UBI for the years ended June 30, 2008 and 2007.

Basis of Presentation - The combined financial statements have been presented in conformity with accounting principles generally accepted in the United States of America in accordance with the American Institute of Certified Public Accountants' Audit and Accounting Guide, *Not-for-Profit Organizations*, and other pronouncements applicable to not-for-profit organizations. The combined statements of activities and changes in net assets present operating revenues and expenses from program activities as an increase (decrease) to net assets from operations. Capital contributions for property and equipment, all investment returns in excess of the investment income related to the spending policy, and amounts recorded in connection with the defined benefit pension plan (see Note 6) are included as other changes in net assets on the accompanying combined statements of activities and changes in net assets.

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(Continued)**

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Principles of Combination - The combined financial statements include the accounts of the Agency and its controlled affiliates. Significant intercompany accounts and transactions among the combined organizations have been eliminated in preparing the combined financial statements. The assets of any member of the combined group may not be available to meet the obligations of the other members in the group.

Use of Estimates - The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Unrestricted Net Assets - Unrestricted net assets are those net resources that bear no external restrictions and are generally available for use by the Organization. The Organization has grouped its unrestricted net assets into the following categories:

Operating – working capital net assets - represent funds available to carry on the operations of the Organization which bear no external restrictions.

Operating – pension plan net assets - represents pension plan activity in accordance of Statement of Financial Accounting Standards (SFAS) No. 158 (see Note 6). These net assets are net of approximately \$921,000 included in investments which are restricted as to use as outlined in the agreement to freeze the RCAB defined benefit plan (see Note 6).

Property and equipment net assets - reflect and account for the activities relating to the Organization's property and equipment, net of related debt.

Board designated net assets - represent amounts set aside by the Board of Trustees that may only be used with the approval of the Board of Trustees. Board designated net assets consist of \$1,141,917 and \$792,283 at June 30, 2008 and 2007, respectively, restricted for future capital expenditures.

Temporarily and Permanently Restricted Net Assets - Temporarily restricted net assets are those net assets whose use by the Organization have been limited by donors for a specific period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity.

Donor-Restricted Gifts - Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date of the gift, if received, or when the conditional promise becomes unconditional. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the combined statements of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the year of receipt are reported as unrestricted contributions in the accompanying combined statements of activities and changes in net assets.

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(Continued)**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents - The Organization considers all highly liquid securities purchased with initial maturities of three months or less, other than investments limited as to use, to be cash equivalents.

Investments - Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value. The Organization has approved a formal spending policy in which 4% of the average investment portfolio's market value using a rolling quarterly average for the preceding three years is applied to operations.

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the combined financial statements.

Investment income from unrestricted net assets and unrestricted investment income of permanently restricted net assets (beneficial interests in perpetual trusts) are reported as unrestricted revenue. Restricted investment income and gains (losses) on investments of permanently restricted net assets are reported as increases (decreases) in temporarily restricted net assets, unless permanently donor-restricted, in which case they are recorded as increases (decreases) in permanently restricted net assets. Net gains of permanently restricted net assets are classified as temporarily restricted net assets until appropriated under the spending policy by the Board of Trustees and expended. Investment interest and gains (losses) on investments of temporarily restricted net assets are reported as increases (decreases) in temporarily restricted net assets. Investment earnings used for operations in accordance with the spending policy are reflected as operating income and as a decrease in other changes in net assets.

Property and Equipment - Property and equipment are stated at cost. Maintenance, repairs and minor renewals are expensed as incurred, and major renewals and renovations are capitalized. When an asset is retired or disposed of, the related cost and accumulated depreciation or amortization are removed from the accounts and any gain or loss on the disposition is reflected in other changes in net assets on the accompanying combined statements of activities and changes in net assets.

Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value, less the cost to sell.

Depreciation and Amortization - Depreciation and amortization are provided by use of the straight-line method. Buildings and equipment are depreciated over the useful lives of the assets; leasehold improvements and leased property under capital leases are amortized over the terms of the leases or the useful lives of the assets, if shorter. Estimated useful lives are as follows:

Buildings	20 – 40 years
Equipment	3 – 10 years

Expense Allocation - Expenses related directly to a program are distributed to that program while other expenses are allocated to programs based upon management's estimate of the percentage attributable to each function.

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(Continued)**

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Materials and Services - Donated materials and services are reflected as contribution revenue and as assets or expenses at the date of receipt in amounts equal to their estimated fair values. Contributions and expenses in the amounts of \$459,054 and \$503,550 for the years ended June 30, 2008 and 2007, respectively, have been recorded for the use of office or other building space at the offices donated by RCAB. These amounts are based on the fair rental value of similar space in the respective areas. In addition, other donated materials and services totaling \$921,336 and \$469,324 for the years ended June 30, 2008 and 2007, respectively, were received from individuals and organizations.

Beneficial Interests in Perpetual Trusts - The Organization is a beneficiary of certain trusts that have been established by donors with funds contributed to be held in perpetuity. Under provisions of the trusts, the Organization receives, annually, income on the trusts' assets, as has been stipulated by the donor, that can be utilized in any way that is consistent with the Organization's mission. Distributions are recorded as unrestricted investment income in the combined statements of activities and changes in net assets. Changes in market value are recorded as increases or decreases to permanently restricted net assets in the combined statements of activities and changes in net assets.

Promises to Give - Unconditional promises to give that are expected to be collected within one year are recorded at fair value at the date the promise is received and included in pledges receivable. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received.

Outstanding Legacies - The Organization is occasionally named as the beneficiary under various wills and trust agreements, the total realizable amounts of which are not presently determinable. Such bequests are recorded when there is an irrevocable right to the bequest and the proceeds are determinable.

Contract Revenue - The Organization derives a significant amount of its unrestricted support and revenue (approximately 54% and 53% for the years ended June 30, 2008 and 2007, respectively) from contracts negotiated with various agencies of the Commonwealth of Massachusetts (the "Commonwealth") and other governmental agencies. Therefore, the Organization is subject to the regulations and rate formulas of the Massachusetts Division of Purchased Services and other state agencies. These contracts are generally renewable on an annual basis, and there is no assurance that such contracts will be renewed in the future. Contract revenue is recognized in the period the contracted services are provided.

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007**

(Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Service Revenue - The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. Payment arrangements include prospectively determined rates and per-unit payments. Fee-for-service revenue is reported at the estimated net realizable amounts from individuals, third-party payors, and others for services rendered. Certain elements of third-party reimbursements are subject to negotiation and/or final determination by third-party payors. Variances between preliminary estimates of net revenue and final third-party payment determinations are included in the combined statements of activities and changes in net assets in the year in which the change in estimate occurs. The Organization also provides care to individuals who meet certain income criteria at amounts less than its established rates. The amount of charges foregone for these services is reported as a reduction of revenue. Service revenue is recognized on the accrual basis as the services are performed.

Adoption of New Accounting Pronouncements - Effective June 30, 2006, the Organization adopted the provisions of SFAS No. 143, *Accounting for Asset Retirement Obligations*, as clarified by Financial Interpretation ("FIN") No. 47, *Accounting for Conditional Asset Retirement Obligations* issued in March, 2005. FIN 47 clarifies that an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. Uncertainty about the timing and (or) method of settlement of a conditional asset retirement obligation is factored into the measurement of the liability when sufficient information exists. The types of asset retirement obligations that are covered by FIN 47 are those for which an entity has a legal obligation to perform an asset retirement activity, however, the timing and (or) method of settling the obligation are conditional on a future event that may or may not be within the control of the entity. SFAS No. 143 requires the fair value of a liability for the legal obligation associated with an asset retirement be recorded in the period in which the obligation is incurred. When the liability is initially recorded, the cost of the asset retirement is capitalized. Management has determined that the effect of adopting FIN 47 was not material to the Organization's combined financial statements at June 30, 2008 and 2007. The property to which a substantial portion of the potential liability pertains was sold at fair market value during fiscal year 2008. The sale price reflected the potential environmental remediation obligation.

In September, 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*. This statement requires an entity to recognize the funded status of a benefit plan – measured as the difference between the fair value of plan assets and the projected benefit obligation – in its statement of financial position.

The Organization adopted SFAS No. 158 effective June 30, 2007, and recorded an asset of \$264,000 which relates to the fair value of plan assets in excess of projected benefit obligation of the Organization's defined benefit plan (see Note 6). As of June 30, 2008, the Organization recognized a pension benefits liability of \$2,731,000 as the fair value of the plan assets had decreased to less than the projected benefit obligation and the asset was eliminated. The activity pertaining to the adoption of this standard is recorded as pension related changes other than net periodic pension cost in the accompanying combined statements of activities and changes in net assets for the years ended June 30, 2008 and 2007, respectively. The asset (liability) is reflected as a pension benefits asset (liability) on the accompanying combined statements of financial position as of June 30, 2007 and 2008, respectively.

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007**

(Continued)

(2) INVESTMENTS

Investments, at fair value, at June 30, 2008 and 2007, consisted of the following:

	<u>2008</u>	<u>2007</u>
Mutual funds – equity investments	\$5,496,048	\$ 9,487,172
Mutual funds – fixed income	2,962,295	3,465,211
Other fixed income	1,194,053	206,976
Common stock	48,407	48,407
Money market funds	<u>8,050</u>	<u>63,810</u>
	<u>\$9,708,853</u>	<u>\$13,271,576</u>

Investment earnings for the years ended June 30, 2008 and 2007, were composed of the following:

	<u>2008</u>	<u>2007</u>
Interest and dividend income	\$ 803,561	\$ 577,469
Net realized gains	600,219	168,115
Unrealized gain (loss) on investments	<u>(2,020,004)</u>	<u>1,120,127</u>
Total	<u>\$ (616,224)</u>	<u>\$1,865,711</u>

As of June 30, 2008, investments include approximately \$921,000 that are restricted as to use as outlined in the agreement to freeze the RCAB defined benefit plan (see Note 6).

(3) PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2008 and 2007, consisted of the following:

	<u>2008</u>	<u>2007</u>
Land	\$ 420,031	\$ 430,479
Buildings	21,291,571	20,004,826
Equipment	7,310,576	6,916,382
Leasehold improvements	<u>2,752,985</u>	<u>3,026,866</u>
	31,775,163	30,378,553
Construction in process	176,260	414,988
Less – accumulated depreciation	<u>(10,971,655)</u>	<u>(10,326,877)</u>
	<u>\$ 20,979,768</u>	<u>\$ 20,466,664</u>

Depreciation and amortization expense of \$1,287,034 and \$1,169,189 are included in operating expenses for the years ended June 30, 2008 and 2007, respectively.

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(Continued)**

(4) PLEDGES RECEIVABLE

Pledges receivable include donor contributions that are not expected to be collected within one year. These amounts are reported at their present value, net of an allowance for uncollectible amounts when deemed necessary (there was no allowance at June 30, 2008 and 2007).

Pledges receivable at June 30, 2008 and 2007, were as follows:

	<u>2008</u>	<u>2007</u>
Due in less than one year	\$ 59,659	\$1,028,000
Due in one to three years	<u>57,000</u>	<u>55,000</u>
	116,659	1,083,000
Present value discount	<u>(2,006)</u>	<u>(3,656)</u>
Total	<u>\$114,653</u>	<u>\$1,079,344</u>

The pledges have been discounted using rates between 3.18% and 4.74% for the years ended June 30, 2008 and 2007, respectively.

(5) NOTES PAYABLE

Notes payable at June 30, 2008 and 2007, are summarized as follows:

	<u>Interest Rate</u>	<u>2008</u>	<u>2007</u>
Notes payable to banks and others:			
Monthly through June, 2011	4.34%	\$1,468,900	\$1,917,616
Revolving line of credit through December, 2008	LIBOR +170 BP or Prime	-	1,450,000
Monthly through December, 2012, with balance due at end of term loan	4.93%	947,915	-
Other notes payable	0% - 7.5%	<u>445,220</u>	<u>498,082</u>
Total notes payable to banks and others		<u>\$2,862,035</u>	<u>\$3,865,698</u>
Notes payable to RCAB:			
Monthly	5.5%	\$ 350,633	\$ 347,520
Interest only payable monthly	Prime+1% (6.0% and 9.25% at June 30, 2008 and 2007, respectively)	<u>75,000</u>	<u>75,000</u>
Total notes payable to RCAB		<u>\$ 425,633</u>	<u>\$ 422,520</u>

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007**

(Continued)

(5) NOTES PAYABLE (Continued)

During fiscal years 2008 and 2007, the Organization had available a commercial line of credit agreement that provides for borrowing of up to \$3,000,000 and is renewable annually as of December 31st. There was no outstanding balance at June 30, 2008, and the balance outstanding was \$1,450,000 at June 30, 2007. Accounts receivable have been pledged as collateral under this agreement. The interest rate on the line of credit was prime (5.0% as of June 30, 2008 and 8.25% as of June 30, 2007), or the 30-day London Interbank Offered Rate (LIBOR) (2.77% and 5.36% as of June 30, 2008 and 2007), respectively plus 170 basis points. The line-of-credit agreement places limitations on additional indebtedness, disposal of assets, and mergers, and specifies that certain financial covenants must be maintained. The Organization was in compliance with these covenants as of June 30, 2007. For the fiscal year ended June 30, 2008, the Organization sought and obtained a waiver from the bank regarding compliance with a negative covenant regarding an increase in the defined benefit pension liability of more than \$500,000 in a fiscal year. Based on the actuarial valuation of the pension plan assets as of June 30, 2008, a pension liability of \$2,731,000 was recorded, and a waiver from the bank was obtained. The Organization was in compliance with all other covenants as of June 30, 2008.

In May, 2006, the Organization obtained a combination taxable (see Note 7) and tax-exempt lease line for capital equipment and investment in Information Technology. The tax-exempt lease line is payable monthly over a five-year term at a rate of 4.34% and is recorded as a note payable with a balance of \$1,468,900 and \$1,917,616 at June 30, 2008 and 2007, respectively. The portion of the proceeds from the tax-exempt lease to be utilized for investment in information technology infrastructure is being held in escrow until it is spent. As of June 30, 2008 and 2007, \$288,577 and \$438,349, respectively are reflected as cash held in escrow – restricted as to use in the accompanying combined statements of financial position.

In December, 2007, the Organization acquired a building located in Roxbury, Massachusetts, for \$1,300,000. The Organization borrowed \$975,000 from a bank to finance the majority of the acquisition of this building, of which \$947,915 was outstanding at June 30, 2008, and received donations to fund the balance of the purchase price. The financing was obtained at a five-year fixed Cost of Funds rate (4.93% as of June 30, 2008) and is collateralized by marketable securities maintained in a separate account. At the end of the five-year term the balance must be paid or refinanced.

Notes payable to others includes a note payable to the City of Lowell (“Lowell”). At the discretion of Lowell, payments on this note may be forgiven if the Organization maintains certain programs within Lowell. Management intends to continue these programs throughout the term of the note; however, if the Organization were to discontinue certain programs, Lowell could demand payment on the entire amount of the outstanding note.

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(Continued)**

(5) NOTES PAYABLE (Continued)

The following is a schedule at June 30, 2008, by year, of future principal payments under notes payable:

<u>Year Ending June 30,</u>	
2009	\$ 930,232
2010	601,629
2011	626,939
2012	98,761
2013	694,049
Thereafter	<u>336,058</u>
	<u>\$3,287,668</u>

Interest expense was \$199,726 and \$266,328 for the years ended June 30, 2008 and 2007, respectively.

(6) RETIREMENT BENEFITS

Defined Benefit Plan

Prior to January 1, 2006, the Organization provided retirement benefits for substantially all employees through participation in a noncontributory, defined benefit pension plan administered by the Trustees of the Roman Catholic Archdiocese of Boston Pension Trust (the "RCAB Plan"). Effective December 31, 2005, the Organization's froze their benefits and participation in the RCAB Plan. There were no contributions to the RCAB Plan for the years ended June 30, 2008 and 2007.

Based on an actuarial valuation of the present value of accumulated plan benefits at December 31, 2005 (the date of the freeze), the Organization's portion of the Plan's estimated funding deficit was determined to be approximately \$2,477,000. At June 30, 2006, the Organization recorded a liability for its portion of the funding deficit. During fiscal year 2007, the Organization paid \$1,291,500 into the plan in accordance with the agreement to freeze the RCAB plan (the freeze agreement) executed with the Trustees of the plan. The Organization also established a separate escrow account restricting marketable securities for the remaining liability to ensure there is always sufficient funding to cover the cost of providing the pension benefits that have been earned by the employees of the Organization. The balance of these securities, approximately \$921,000, as of June 30, 2008, is included in investments on the accompanying combined statement of financial position (see Note 2). As of June 30, 2007, the actuarial valuation of the present value of the accumulated plan benefits indicated the pension plan was fully funded and an asset was recorded. As of June 30, 2008, due to declines in market value and an actuarial loss, the actuarial valuation of the present value of the accumulated plan benefits indicated an estimated funding deficit of \$2,731,000 and the Organization has eliminated the asset previously established and recorded a liability in that amount. An actuarial valuation will be received each year from the Trustees of the plan (actuarial firm appointed by the Trustees of the plan) and the liability or asset will be adjusted as deemed necessary to consider the effects of asset appreciation or depreciation and changes in the actuarial assumptions, as proscribed by the valuation. Subsequent to June 30, 2008, the Organization obtained a waiver from the Trustees of the RCAB Plan eliminating the need for additional funding of the plan net assets and escrow account for fiscal year 2008, based on the actuarial valuation as of June 30, 2008.

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(Continued)**

(6) RETIREMENT BENEFITS (Continued)

Defined Benefit Plan (Continued)

Plan assets are invested in a diverse portfolio of professionally managed funds, including equity, fixed income, and other investments, which are selected by investment advisors appointed by the Trustees of the plan.

Obligations, funded status and other information at June 30, 2008 and 2007, are as follows:

	<u>2008</u>	<u>2007</u>
Funded Status:		
Fair value of plan assets	\$ 22,021,000	\$ 24,483,000
Projected benefit obligation	<u>(24,752,000)</u>	<u>(24,219,000)</u>
	<u>\$ (2,731,000)</u>	<u>\$ 264,000</u>
Other Disclosures:		
Employer contributions	<u>\$ -</u>	<u>\$ -</u>
Benefits paid	<u>\$ 968,000</u>	<u>\$ 889,000</u>

The following assumptions were used to determine benefit obligations for the years ended June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Weighted average discount rate	6.5%	6.5%
Expected return on plan assets	6.5%	6.5%

Future Plan Benefit Payments

Benefits expected to be paid in the future are as follows:

2009	\$1,147,000
2010	\$1,222,000
2011	\$1,283,000
2012	\$1,338,000
2013	\$1,434,000
2014 – 2017	\$8,474,000

Defined Contribution Plan

Effective January 1, 2006, the Organization began providing retirement benefits for substantially all employees through a 403(b) defined contribution plan (the "403(b) Plan"). The Organization is required to contribute between 3% - 8% of eligible employees' compensation to the 403(b) Plan based on the employee's age and years of service as of December 31, 2005. Additional Organization matching contributions of up to 2% of employee compensation are required based on employee participation in the 403(b) Plan. All contributions made by the Organization vest over a period of three years. The Organization's benefit expense for the 403(b) Plan totaled \$812,212 and \$908,236 for the years ended June 30, 2008 and 2007, respectively.

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007
(Continued)**

(7) LEASES

Operating Leases - The Organization rents certain office and program space from outside parties and the RCAB under lease agreements expiring through April 1, 2017. Rent expense for all offices was \$1,401,773 and \$1,383,434 for the years ended June 30, 2008 and 2007, respectively, including "in-kind" rent totaling \$459,054 and \$503,550, for the years ended June 30, 2008 and 2007, respectively (see Note 9).

Capital Leases - During the year ended June 30, 2006, the Organization entered into a capital lease agreement totaling \$552,693. Obligations under capital leases totaled \$353,701 and \$456,554 at June 30, 2008 and 2007, respectively. Equipment under capital leases totaling \$425,377 and \$469,789, net of allowances for amortization of \$127,316 and \$82,904, are included in property and equipment, net, in the accompanying combined statements of financial position as of June 30, 2008 and 2007, respectively.

Future minimum lease payments under non-cancelable operating and capital leases consisted of the following at June 30, 2008:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>	<u>Operating Leases</u>
2009	\$130,609	\$ 519,162
2010	130,609	259,507
2011	130,609	116,865
2012	-	28,413
2013	-	28,413
Thereafter	<u>-</u>	<u>108,917</u>
Total minimum lease payments	391,827	<u>\$1,061,277</u>
Amounts representing interest	<u>38,126</u>	
Present value of net minimum lease payments	<u>\$353,701</u>	

(8) CONTINGENCIES

In conducting its activities, the Organization, from time-to-time, is the subject of various litigation and other potential claims. In management's opinion, the ultimate resolution of such matters will not have a material effect on the combined results of operations or combined financial position of the Organization as of and for the year ended June 30, 2008.

(9) RELATED PARTIES

As discussed in Note 1, the Organization is organized under the auspices of RCAB. Certain transactions between the Organization and RCAB are described elsewhere in these notes to the financial statements. In addition, the Organization has the following transactions with RCAB:

The Organization received contributions from RCAB to subsidize operations. These contributions amounted to \$125,442 and \$227,267 for the years ended June 30, 2008 and 2007, respectively.

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007**

(Continued)

(9) RELATED PARTIES (Continued)

RCAB donated office and building space with a fair rental value of \$459,054 and \$503,550 for the years ended June 30, 2008 and 2007, respectively (see Notes 1 and 7).

During 2007, the Organization received the deed to the land and building used for operations in Lowell which was appraised at \$313,000, from RCAB as a contribution in-kind.

The Organization purchases all of its insurance policies (directors' and officers' liability, general liability, automobile, fire and theft, and workers' compensation) through RCAB from various insurance carriers with an annual costs totaling \$405,576 and \$500,137 during the years ended June 30, 2008 and 2007, respectively. Included in amounts owed to RCAB for payment of these services is \$268,383 and \$37,715 at June 30, 2008 and 2007, respectively, and are non-interest-bearing. At June 30, 2007, the Organization prepaid \$37,647 to the RCAB for workers' compensation. This amount is included in prepaid expenses in the accompanying 2007 combined statement of financial position. As of June 30, 2008, the Organization did not prepay to the RCAB for workers' compensation.

The Organization has notes payable to the RCAB in the amount of \$425,633 and \$422,520 at June 30, 2008 and 2007, respectively.

(10) FAIR VALUE OF FINANCIAL INSTRUMENTS

Cash and cash equivalents, accounts receivable, accounts payable and accrued expenses have carrying amounts approximating fair value because of the short maturities of these instruments. Investments have an estimated fair value based on quoted market prices (see Note 2). At June 30, 2008 and 2007, management estimates that the fair market value of long-term debt approximates its carrying value.

(11) CONCENTRATIONS

The Organization grants credit without collateral to individuals, third-party payors, and certain Federal and state agencies. The mix of receivables was as follows at June 30:

	<u>2008</u>	<u>2007</u>
Federal and state contracts	76%	78%
Other third-party payors	23	21
Individuals	<u>1</u>	<u>1</u>
	<u>100%</u>	<u>100%</u>

The Organization maintains its cash balances in banks in Massachusetts. Effective, October 3, 2008, the Federal Deposit Insurance Corporation (FDIC) insures balances at each bank up to \$250,000. Prior to this date, the FDIC insured balances up to \$100,000. At certain times during the year, cash balances exceed the insured amounts. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007**

(Continued)

(12) TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of donor-restricted gifts and contributions and accumulated earnings on restricted funds and are summarized as follows at June 30:

	<u>2008</u>	<u>2007</u>
Accumulated earnings on restricted funds	\$2,618,911	\$2,886,353
Program services	2,328,639	2,404,483
Property and equipment	<u>121,183</u>	<u>145,783</u>
Total	<u>\$5,068,733</u>	<u>\$5,436,619</u>

Permanently restricted net assets at June 30, 2008 and 2007 consist of the following:

	<u>2008</u>	<u>2007</u>
Beneficial interests in perpetual trust	\$4,398,260	\$4,831,035
Investments to be held in perpetuity, the income from which is expendable for purposes designated by the donor	<u>2,497,610</u>	<u>2,497,610</u>
Total	<u>\$6,895,870</u>	<u>\$7,328,645</u>

SUPPLEMENTAL COMBINING INFORMATION

**INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTAL COMBINING INFORMATION**

To the Board of Trustees of
Catholic Charitable Bureau of the Archdiocese of Boston, Inc. and Affiliates:

Our report on our audits of the combined financial statements of Catholic Charitable Bureau of the Archdiocese of Boston, Inc. and Affiliates for the fiscal years ended June 30, 2008 and 2007 appears on page 1. Those audits were made for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining information as of and or the fiscal year ended June 30, 2008 in the accompanying combining statements of financial position and activities is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and results of operations of the individual entities. Such information has been subjected to the auditing procedures applied in the audits of the combined financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic 2008 combined financial statements taken as a whole.

Alexander, Aronson, Finning & Co., P.C.

Wellesley, Massachusetts
November 7, 2008

CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES

COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2008

<u>ASSETS</u>	<u>AGENCY</u>	<u>WBCDC</u>	<u>CRCDC</u>	<u>ELIMI- NATIONS</u>	<u>COMBINED TOTAL</u>
CASH AND CASH EQUIVALENTS	\$ 1,373,546	\$ -	\$ -	\$ -	\$ 1,373,546
CASH HELD IN ESCROW - RESTRICTED AS TO USE	288,577	-	-	-	288,577
ACCOUNTS RECEIVABLE, net of allowance for doubtful accounts of approximately \$200,000	3,086,287	-	-	-	3,086,287
PLEDGES RECEIVABLE, net	114,653	-	-	-	114,653
DUE FROM AFFILIATES	12,502,845	-	-	(12,502,845)	-
INVESTMENTS	9,708,853	-	-	-	9,708,853
BENEFICIAL INTERESTS IN PERPETUAL TRUSTS	4,398,260	-	-	-	4,398,260
PROPERTY AND EQUIPMENT, net	5,185,644	7,177,475	8,616,649	-	20,979,768
OTHER ASSETS	<u>389,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>389,817</u>
Total assets	<u>\$ 37,048,482</u>	<u>\$ 7,177,475</u>	<u>\$ 8,616,649</u>	<u>\$ (12,502,845)</u>	<u>\$ 40,339,761</u>
<u>LIABILITIES AND NET ASSETS</u>					
LIABILITIES:					
Accounts payable and accrued expenses	\$ 3,373,870	\$ -	\$ -	\$ -	\$ 3,373,870
Due to Roman Catholic Archdiocese of Boston	414,483	-	-	-	414,483
Due to Catholic Charitable Bureau of the Archdiocese of Boston, Inc.	-	3,682,531	8,820,314	(12,502,845)	-
Pension benefits liability	2,731,000	-	-	-	2,731,000
Notes payable -					
Banks and others	2,862,035	-	-	-	2,862,035
Roman Catholic Archdiocese of Boston	425,633	-	-	-	425,633
Obligations under capital leases	<u>353,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>353,701</u>
Total liabilities	<u>10,160,722</u>	<u>3,682,531</u>	<u>8,820,314</u>	<u>(12,502,845)</u>	<u>10,160,722</u>
NET ASSETS:					
Unrestricted -					
Operating	(1,728,301)	-	-	-	(1,728,301)
Property and equipment	15,509,541	3,494,944	(203,665)	-	18,800,820
Board designated	<u>1,141,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,141,917</u>
Total unrestricted	14,923,157	3,494,944	(203,665)	-	18,214,436
Temporarily restricted	5,068,733	-	-	-	5,068,733
Permanently restricted	<u>6,895,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,895,870</u>
Total net assets	<u>26,887,760</u>	<u>3,494,944</u>	<u>(203,665)</u>	<u>-</u>	<u>30,179,039</u>
Total liabilities and net assets	<u>\$ 37,048,482</u>	<u>\$ 7,177,475</u>	<u>\$ 8,616,649</u>	<u>\$ (12,502,845)</u>	<u>\$ 40,339,761</u>

**CATHOLIC CHARITABLE BUREAU OF THE ARCHDIOCESE
OF BOSTON, INC. AND AFFILIATES**

**COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

	AGENCY			WBCDC UNRESTRICTED	CRCDC UNRESTRICTED	ELIMI- NATIONS	COMBINED TOTAL
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED				
OPERATING SUPPORT, REVENUE AND GAINS:							
Contributions and fundraising -							
Contributions and fundraising	\$ 5,037,405	\$ 1,860,603	\$ -	\$ -	\$ -	\$ -	\$ 6,898,008
Contributions from United Way organizations	1,332,312	-	-	-	-	-	1,332,312
Contributions from the Roman Catholic Archdiocese of Boston (including in-kind contributions of \$459,054)	579,495	-	-	-	-	-	579,495
Total contributions and fundraising	<u>6,949,212</u>	<u>1,860,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,809,815</u>
Program service fees and contract revenue -							
Individuals	2,772,025	-	-	-	-	-	2,772,025
Medicaid and Medicare	2,395,964	-	-	-	-	-	2,395,964
Commercial insurance fees	570,496	-	-	-	-	-	570,496
Other	43,754	-	-	-	-	-	43,754
Contract revenue from governmental and other agencies	20,834,602	-	-	-	-	-	20,834,602
Grants	1,873,774	593,450	-	-	-	-	2,467,224
Total program service fees, grants and contract revenue	<u>28,490,615</u>	<u>593,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,084,065</u>
Investment earnings used for operations under the spending policy	487,800	-	-	-	-	-	487,800
Miscellaneous revenue	131,322	-	-	207,900	286,039	(493,939)	131,322
Net assets released from restrictions used for operations	2,554,497	(2,554,497)	-	-	-	-	-
Subtotal	<u>3,173,619</u>	<u>(2,554,497)</u>	<u>-</u>	<u>207,900</u>	<u>286,039</u>	<u>(493,939)</u>	<u>619,122</u>
Total operating support, revenue and gains	<u>38,613,446</u>	<u>(100,444)</u>	<u>-</u>	<u>207,900</u>	<u>286,039</u>	<u>(493,939)</u>	<u>38,513,002</u>
OPERATING EXPENSES:							
Program services -							
Community social services	18,840,155	-	-	135,739	200,993	(336,732)	18,840,155
Day care services	12,865,066	-	-	55,239	66,077	(121,316)	12,865,066
Behavioral health and addiction treatment services	1,931,877	-	-	-	-	-	1,931,877
Total program services	<u>33,637,098</u>	<u>-</u>	<u>-</u>	<u>190,978</u>	<u>267,070</u>	<u>(458,048)</u>	<u>33,637,098</u>
Support services -							
Management and general	5,084,501	-	-	9,604	13,097	(22,701)	5,084,501
Fundraising	1,477,495	-	-	7,318	5,872	(13,190)	1,477,495
Total support services	<u>6,561,996</u>	<u>-</u>	<u>-</u>	<u>16,922</u>	<u>18,969</u>	<u>(35,891)</u>	<u>6,561,996</u>
Total operating expenses	<u>40,199,094</u>	<u>-</u>	<u>-</u>	<u>207,900</u>	<u>286,039</u>	<u>(493,939)</u>	<u>40,199,094</u>
Decrease in net assets from operations	(1,585,648)	(100,444)	-	-	-	-	(1,686,092)
OTHER CHANGES IN NET ASSETS:							
Gain on disposal of property	372,305	-	-	-	-	-	372,305
Contributions for long-term purposes - capital	325,000	-	-	-	-	-	325,000
Change in fair value of beneficial interests in perpetual trusts	-	-	(432,775)	-	-	-	(432,775)
Investment earnings used for operations under the spending policy	(487,800)	-	-	-	-	-	(487,800)
Investment earnings	(348,782)	(267,442)	-	-	-	-	(616,224)
Pension related changes other than net periodic pension cost	(2,995,000)	-	-	-	-	-	(2,995,000)
Decrease in net assets	<u>\$ (4,719,925)</u>	<u>\$ (367,886)</u>	<u>\$ (432,775)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,520,586)</u>