Catholic Charitable Bureau Of The Archdiocese Of Boston, Inc. And Affiliates

Combined Financial Statements
June 30, 2011 And 2010
Together With
Independent Auditor's Report

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

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JUNE 30, 2011 AND 2010

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Where Every Client Is A Valued Client

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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, 2011 and 2010, 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 audit 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, 2011 and 2010, 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.

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

Wellesley, Massachusetts
December 9, 2011

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

COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2011 AND 2010

ASSETS	2011	2010
CASH AND CASH EQUIVALENTS	$ 598,236	$ 474,051
ACCOUNTS RECEIVABLE, net of allowance for doubtful accounts of approximately $50,000 and $80,000 at June 30, 2011 and 2010, respectively	2,763,727	3,309,683
PLEDGES RECEIVABLE, net	14,333	46,667
INVESTMENTS	10,229,001	9,445,468
BENEFICIAL INTERESTS IN PERPETUAL TRUSTS	4,448,324	3,793,922
PROPERTY AND EQUIPMENT, net	18,257,633	19,369,450
OTHER ASSETS	290,610	245,913
PROPERTY HELD FOR SALE	-	143,991
Total assets	$ 36,601,864	$ 36,829,145
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable, accrued expenses and other	$ 3,119,086	$ 3,278,280
Due to the Roman Catholic Archdiocese of Boston	737,977	897,626
Notes payable:		
Banks and others	887,621	1,463,999
Roman Catholic Archdiocese of Boston	-	425,683
Obligations under capital leases	-	126,654
Pension benefits liability	2,931,000	6,043,000
Total liabilities	7,675,684	12,235,242
NET ASSETS:		
Unrestricted:		
Operating:		
Working capital	2,899,319	2,242,859
Pension plan	(2,931,000)	(5,324,347)
Total operating	(31,681)	(3,081,488)
Property and equipment	18,935,930	18,856,581
Board designated	1,487,144	1,217,008
Total unrestricted	20,391,393	16,992,101
Temporarily restricted	2,625,590	2,376,880
Permanently restricted	5,909,197	5,224,922
Total net assets	28,926,180	24,593,903
Total liabilities and net assets	$ 36,601,864	$ 36,829,145

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, 2011

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
OPERATING SUPPORT, REVENUE AND GAINS:				
Contributions and fundraising:				
Contributions and fundraising	$ 6,505,635	$ 2,118,238	$ 29,873	$ 8,653,746
Contributions from United Way organizations	1,627,313	-	-	1,627,313
Contributions from the Roman Catholic Archdiocese of Boston (including in-kind contributions of $391,399)	424,351	-	-	424,351
Total contributions and fundraising	8,557,299	2,118,238	29,873	10,705,410
Program service fees, grants and contract revenue:				
Individuals	3,224,500	-	-	3,224,500
Medicaid and Medicare	1,884,592	-	-	1,884,592
Commercial insurance fees	601,343	-	-	601,343
Other	24,722	-	-	24,722
Contract revenue from governmental and other agencies	19,360,031	-	-	19,360,031
Grants	1,501,157	16,323	-	1,517,480
Total program service fees, grants and contract revenue	26,596,345	16,323	-	26,612,668
Investment earnings used for operations under the spending policy	353,400	-	-	353,400
Miscellaneous revenue	14,074	-	-	14,074
Net assets released from restrictions used for operations	2,013,594	(2,013,594)	-	-
Subtotal	2,381,068	(2,013,594)	-	367,474
Total operating support, revenue and gains	37,534,712	120,967	29,873	37,685,552
OPERATING EXPENSES:				
Program services:				
Community social services	17,579,767	-	-	17,579,767
Day care services	13,353,389	-	-	13,353,389
Behavioral health and addiction treatment services	1,367,123	-	-	1,367,123
Total program services	32,300,279	-	-	32,300,279
Support services:				
Management and general	4,301,754	-	-	4,301,754
Fundraising	1,440,514	-	-	1,440,514
Total support services	5,742,268	-	-	5,742,268
Total operating expenses	38,042,547	-	-	38,042,547
Changes in net assets from operations	(507,835)	120,967	29,873	(356,995)
OTHER CHANGES IN NET ASSETS:				
Pension related changes other than net periodic pension cost	2,333,446	-	-	2,333,446
Investment earnings	1,552,373	127,743	-	1,680,116
Change in fair value of beneficial interests in perpetual trusts	-	-	654,402	654,402
Forgiveness of debt	437,275	-	-	437,275
Gain on sale of property, net	151,752	-	-	151,752
Contributions for long-term purposes - capital	38,000	-	-	38,000
Carrying costs for non-operating property held for sale	(4,443)	-	-	(4,443)
Investment earnings used for operations under the spending policy	(353,400)	-	-	(353,400)
Changes in net assets before loss from discontinued operations	3,647,168	248,710	684,275	4,580,153
LOSS FROM DISCONTINUED OPERATIONS	(247,876)	-	-	(247,876)
Changes in net assets	3,399,292	248,710	684,275	4,332,277
NET ASSETS, beginning of year	16,992,101	2,376,880	5,224,922	24,593,903
NET ASSETS, end of year	$ 20,391,393	$ 2,625,590	$ 5,909,197	$ 28,926,180

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, 2010

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
OPERATING SUPPORT, REVENUE AND GAINS:				
Contributions and fundraising:				
Contributions and fundraising	$ 5,905,767	$ 1,983,988	$ 150,000	$ 8,039,755
Contributions from United Way organizations	1,515,110	-	-	1,515,110
Contributions from the Roman Catholic Archdiocese of Boston (including in-kind contributions of $661,554)	701,724	-	-	701,724
Total contributions and fundraising	8,122,601	1,983,988	150,000	10,256,589
Program service fees, grants and contract revenue:				
Individuals	2,676,193	-	-	2,676,193
Medicaid and Medicare	2,131,108	-	-	2,131,108
Commercial insurance fees	572,232	-	-	572,232
Other	15,666	-	-	15,666
Contract revenue from governmental and other agencies	19,380,143	-	-	19,380,143
Grants	1,976,150	198,390	-	2,174,540
Total program service fees, grants and contract revenue	26,751,492	198,390	-	26,949,882
Investment earnings used for operations under the spending policy	371,544	-	-	371,544
Miscellaneous revenue	55,529	-	-	55,529
Net assets released from restrictions used for operations	2,076,133	(2,076,133)	-	-
Subtotal	2,503,206	(2,076,133)	-	427,073
Total operating support, revenue and gains	37,377,299	106,245	150,000	37,633,544
OPERATING EXPENSES:				
Program services:				
Community social services	18,401,135	-	-	18,401,135
Day care services	13,233,211	-	-	13,233,211
Behavioral health and addiction treatment services	1,162,465	-	-	1,162,465
Total program services	32,796,811	-	-	32,796,811
Support services:				
Management and general	4,666,544	-	-	4,666,544
Fundraising	1,741,316	-	-	1,741,316
Total support services	6,407,860	-	-	6,407,860
Total operating expenses	39,204,671	-	-	39,204,671
Changes in net assets from operations	(1,827,372)	106,245	150,000	(1,571,127)
OTHER CHANGES IN NET ASSETS:				
Pension related changes other than net periodic pension cost	446,000	-	-	446,000
Investment earnings	1,176,890	67,472	-	1,244,362
Change in fair value of beneficial interests in perpetual trusts	-	-	286,511	286,511
Forgiveness of debt and other	313,341	-	-	313,341
Gain on sale of property	361,974	-	-	361,974
Contributions for long-term purposes - capital	115,353	-	-	115,353
Carrying costs for non-operating property held for sale	(34,880)	-	-	(34,880)
Investment earnings used for operations under the spending policy	(371,544)	-	-	(371,544)
Contribution income - merger	504,828	-	-	504,828
Net assets released used for property and equipment	120,117	(120,117)	-	-
Changes in net assets before loss from discontinued operations	804,707	53,600	436,511	1,294,818
LOSS FROM DISCONTINUED OPERATIONS	(533,145)	(1,500)	-	(534,645)
Changes in net assets	271,562	52,100	436,511	760,173
NET ASSETS, beginning of year, as restated	16,720,539	2,324,780	4,788,411	23,833,730
NET ASSETS, end of year	$ 16,992,101	$ 2,376,880	$ 5,224,922	$ 24,593,903

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, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 4,332,277	$ 760,173
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,244,402	1,359,560
Bad debt	(183,081)	(124,152)
Contributions for long-term purposes - capital	(38,000)	(115,353)
Contribution income - merger	-	(504,828)
Net change in fair value of beneficial interests in perpetual trusts	(654,402)	(286,511)
Net realized and unrealized gains on investments	(1,394,220)	(1,021,114)
(Gain) loss on sale of property and equipment	13,489	(361,974)
Gain on sale of property held for sale	(165,241)	-
Net change in pension benefits liability	(3,112,000)	(566,000)
Forgiveness of debt and accrued interest	(437,275)	(175,067)
Changes in operating assets and liabilities:		
Accounts receivable	729,037	(70,666)
Pledges receivable	32,334	56,819
Other assets	(44,697)	1,612,625
Accounts payable, accrued expenses and other	(143,376)	(301,426)
Due to Roman Catholic Archdiocese of Boston	(159,649)	97,474
Net cash provided by operating activities	19,598	359,560
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(878,406)	(606,702)
Sales of investments	1,489,093	990,602
Proceeds from sale of property and equipment	6,675	443,298
Proceeds from sale of property held for sale	309,232	-
Purchase of property and equipment	(152,749)	(873,381)
Net cash provided by (used in) investing activities	773,845	(46,183)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions for long-term purposes - capital	38,000	115,353
Proceeds from contribution from merger	-	504,828
Proceeds from notes payable - banks and others	10,379	-
Principal payments on notes payable - banks and others	(590,983)	(603,399)
Principal payments on capital lease obligations	(126,654)	(117,011)
Net cash used in financing activities	(669,258)	(100,229)
NET INCREASE IN CASH AND CASH EQUIVALENTS	124,185	213,148
CASH AND CASH EQUIVALENTS, beginning of year	474,051	260,903
CASH AND CASH EQUIVALENTS, end of year	$ 598,236	$ 474,051
SUPPLEMENTAL SCHEDULE OF CASH AND NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Cash paid for interest	$ 58,933	$ 169,790
Cost basis of property and equipment disposed and sold	$ 337,066	$ 440,988
Cost basis of property and equipment transferred to property held for sale	$ -	$ 314,573

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, 2011 AND 2010

(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 (IRC) 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 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, 2011 and 2010.

Basis of Presentation - The Organization prepares its combined financial statements in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these footnotes are to the FASB Accounting Standards Codification.

The combined statements of activities and changes in net assets present operating revenues and expenses from program activities as changes in 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.

(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 U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the 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** - represent pension plan activity in accordance with *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* (see Note 6). These net assets include approximately $719,000 of investments at June 30, 2010, which were restricted as to use as outlined in the agreement to freeze the RCAB defined benefit plan. These investments were liquidated and the proceeds were deposited into the RCAB defined benefit plan during fiscal year 2011.
>
> **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 are 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 (see Note 11).

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Fair Value - The Organization follows the *Fair Value Measurements and Disclosure* standards. These standards define fair value, establish a framework for measuring fair value under U.S. GAAP, and mandate disclosures about fair value measurements. These standards establish a fair value framework that prioritizes the inputs and assumptions used to measure fair value. The three levels of the fair value framework are as follows:

- Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 – Inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 – Inputs that are unobservable.

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 Organization values all its qualifying assets and liabilities using Level 1 inputs, except for its beneficial interests in perpetual trusts which use Level 1 and 3 inputs, and the pension benefit obligation which uses Levels 1, 2, and 3 inputs (see Note 6).

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.

Pledges Receivable - 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. At June 30, 2011, there has been no discount on these unconditional promises to give as it would be immaterial to the combined financial statements as a whole. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments - Investments in securities are valued using Level 1 inputs. The Organization has approved a formal spending policy in which up to 5% 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 on 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.

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, as determined using Level 1 and 3 inputs (see page 8) are recorded as increases or decreases to permanently restricted net assets in the combined statements of activities and 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 anticipated cost to sell.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation and Amortization - Depreciation and amortization are calculated 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.

Donated Materials and Services - Donated materials and services are reflected as contributions and fundraising 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 $391,399 and $661,554 for the years ended June 30, 2011 and 2010, respectively, have been recorded for the use of office or other building space 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 $1,240,513 and $1,952,736 for the years ended June 30, 2011 and 2010, respectively, were received from individuals and organizations and are included in contributions and fundraising in the accompanying combined statements of activities and changes in net assets.

Outstanding Bequests - 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. These amounts are included in contributions and fundraising in the accompanying combined statements of activities and changes in net assets.

Total bequests received or committed for the years ended June 30, 2011 and 2010, were as follows:

	Unrestricted	Permanently Restricted	Total
2011	$1,737,156	$ 29,873	$1,767,029
2010	$ 516,939	$150,000	$ 666,939

Contract Revenue - The Organization derives a significant amount of its unrestricted support and revenue (approximately 52% for the years ended June 30, 2011 and 2010) 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.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Program Service Fees - 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. Program service fee revenue is recognized on the accrual basis as the services are performed.

Merger - On July 6, 2009, the North Shore Catholic Charity League, Inc. (the League) merged with the Organization. The Organization is the surviving entity. The Organization received all of the assets of the League, which totaled approximately $505,000. The League had no liabilities on the date of the merger. In accordance with guidance on *Accounting and Reporting for a Combination of Not-for-Profit Organizations*, this transaction was accounted for using the purchase method of accounting. Under this method, the difference between the fair value of the net assets acquired and any liabilities assumed on the date of the merger was recorded as a non-operating contribution on the combined statement of activities and changes in net assets.

Subsequent Events - Subsequent events have been evaluated through December 9, 2011, which is the date the combined financial statements were available to be issued.

Advertising Costs - The Organization expenses advertising costs as incurred.

Accounts Receivable and Allowance for Doubtful Accounts - Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is based on management's best estimate of the amount of probable losses in accounts receivable. The allowance is based on specific identification of probable losses and an estimate of additional losses based on historical write-off experience. Management reviews the allowance for doubtful accounts monthly. Past due balances over 120 days and over a specified amount are reviewed individually for collectibility. Account balances are charged off against the allowance when it is probable the receivable will not be recovered.

Uncertainty in Income Taxes - The Organization follows the U.S. GAAP standards for *Accounting for Uncertainty in Income Taxes*, which requires the Organization to report any uncertain tax positions and to adjust its combined financial statements for the impact thereof. As of June 30, 2011, the Organization determined that they had no material unrecognized tax benefits to report. The Organization files information returns in the United States Federal and Massachusetts state jurisdictions. These returns are generally subject to examination by tax authorities for the last three years.

(2) INVESTMENTS

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

	2011	2010
Mutual funds - equity investments	$ 6,103,290	$5,654,074
Mutual funds - fixed income	4,039,040	3,727,732
Common stock	48,407	48,407
Money market funds	38,264	15,255
	$10,229,001	$9,445,468

Investment earnings were composed of the following for the years ended June 30:

	2011	2010
Unrealized gain on investments	$1,387,437	$1,031,255
Interest and dividend income	285,896	223,248
Net realized gains (losses)	6,783	(10,141)
	$1,680,116	$1,244,362

As of June 30, 2010, investments included $719,000 that was restricted as to use as outlined in the agreement to freeze the RCAB defined benefit plan (see Note 6).

Investment fees totaling $16,588 and $16,635 for the years ended June 30, 2011 and 2010, respectively, are netted with investment earnings on the accompanying combined statements of activities and changes in net assets.

A portion of the Organization's investments are collateral for a note payable (see Note 5).

(3) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2011	2010
Land	$ 336,932	$ 333,132
Buildings	21,357,727	19,980,927
Equipment	7,842,299	9,126,641
Leasehold improvements	2,929,570	2,898,869
	32,466,528	32,339,569
Construction in process	6,204	28,821
Less - accumulated depreciation	(14,215,099)	(12,998,940)
	$ 18,257,633	$ 19,369,450

(3) PROPERTY AND EQUIPMENT (Continued)

At June 30, 2010, the Organization had a property with a net book value of approximately $144,000 that was not being used for operations and was being held for sale. This property was sold in fiscal year 2011 for approximately $309,000.

Depreciation and amortization expenses totaling $1,244,402 and $1,359,560 are included in operating expenses for the years ended June 30, 2011 and 2010, respectively.

(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 were no allowances at June 30, 2011 and 2010).

Pledges receivable at June 30, 2011 and 2010, were as follows:

	2011	2010
Due in less than one year	$14,333	$33,667
Due in one to three years	-	13,000
	$14,333	$46,667

There was no present value discount applied to the balance not expected to be collected within one year as of June 30, 2010, as it was deemed immaterial to the combined financial statements.

(5) NOTES PAYABLE

Notes payable at June 30, are summarized as follows:

	Interest Rate	2011	2010
Notes payable to banks and others:			
Monthly through December, 2012, with balance due at end of term	4.93%	$752,903	$ 817,907
Other notes payable	0% - 7.5%	134,718	176,842
Monthly through June, 2011	4.34%	-	469,250
Total notes payable to banks and others		$887,621	$1,463,999
Notes payable to RCAB:			
Monthly	5.5%	$ -	$ 350,683
Interest only payable monthly	Prime+1% (4.25% at June 30, 2010)	-	75,000
Total notes payable to RCAB		$ -	$ 425,683

(5) NOTES PAYABLE (Continued)

During fiscal years 2011 and 2010, the Organization had available a commercial line-of-credit agreement that provides for borrowings of up to $2,500,000 and $3,000,000, respectively, and is renewable annually on December 31st. There was no outstanding balance at either June 30, 2011 or 2010. Accounts receivable have been pledged as collateral under this agreement. The interest rate on the line-of-credit was prime (3.25% as of June 30, 2011 and 2010), or the 90-day London Interbank Offered Rate (LIBOR) (.25% and .54% as of June 30, 2011 and 2010, respectively), plus 170 basis points, at the Organization's election. 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 the financial and non-financial covenants as of June 30, 2011. The Organization received a waiver from the bank for 2010 relating specifically to the requirement to be thirty days debt free for the line of credit. All other financial and non-financial covenants were met.

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 was payable monthly over a five-year term at a rate of 4.34% and was recorded as a note payable with a balance of $469,250 at June 30, 2010. These leases were secured by the equipment for which the leases were granted. During fiscal year 2011, this balance was paid in full.

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 $752,903 and $817,907 was outstanding at June 30, 2011 and 2010, respectively, 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%) 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. The Organization must meet certain financial and non-financial covenants as specified in the agreement. The Organization was in compliance with these covenants at June 30, 2011 and 2010.

As of June 30, 2011, RCAB forgave two loans and related accrued interest totaling $437,275 due from the Organization. This amount is shown as other changes in net assets in the accompanying combined statements of activities and changes in net assets for the year ended June 30, 2011. During the year ended June 30, 2010, the Organization received a discharge of a mortgage from the City of Lowell in the amount of $175,067. This amount is included in forgiveness of debt and other on the accompanying combined statement of activities and changes in net assets for the year ended June 30, 2010.

The following is a schedule at June 30, 2011, by year, of future principal payments under notes payable:

Year Ending June 30,	
2012	$102,073
2013	697,644
2014	8,504
2015	5,855
2016	-
Thereafter	73,545
	$887,621

(5) NOTES PAYABLE (Continued)

Interest expense was $58,933 and $169,790 for the years ended June 30, 2011 and 2010, 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 froze its benefits and participation in the RCAB Plan.

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 RCAB 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 RCAB Plan in accordance with the agreement to freeze the RCAB Plan (the freeze agreement) executed with the Trustees of the RCAB 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 $719,000 as of June 30, 2010, was included in investments on the accompanying combined statements of financial position (see Note 2). The Organization transferred $120,000 from the escrow account into the RCAB Plan during the year ended June 30, 2010, and $790,000 from the escrow account during fiscal year 2011 (see Note 1). As of June 30, 2011 and 2010, the actuarial valuation of the present value of the accumulated plan benefits indicated cumulative estimated funding deficits of $2,931,000 and $6,043,000, respectively, and the Organization has recorded a liability for the applicable amount as of June 30, 2011 and 2010. An actuarial valuation is received each year from the Trustees of the RCAB Plan (actuarial firm appointed by the Trustees of the RCAB Plan) and the liability or asset is 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, 2010, the Organization obtained waivers from the Trustees of the RCAB Plan eliminating the need for additional funding of the plan net assets and escrow account for fiscal year 2010, based on the actuarial valuations as of June 30, 2010. Subsequent to year end, the Organization renegotiated the freeze agreement and reached an agreement on a future payment schedule and began making payments based on that schedule. This agreement will eliminate the need for future waivers from the Trustees of the RCAB Plan (see Note 14).

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 RCAB Plan.

(6) **RETIREMENT BENEFITS** (Continued)

Defined Benefit Plan (Continued)

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

	2011	2010
Funded Status:		
Fair value of plan assets	$ 22,651,000	$ 19,389,000
Projected benefit obligation	(25,582,000)	(25,432,000)
	$ (2,931,000)	$ (6,043,000)
Other Disclosures:		
Employer contributions	$ 790,000	$ 120,000
Benefits paid	$ 1,227,000	$ 1,197,000

The following assumptions were used to determine benefit obligations for the years ended June 30, 2011 and 2010:

Weighted average discount rate	6.5%
Expected return on plan assets	6.5%

Future Plan Benefit Payments

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

2012	$1,367,000
2013	$1,440,000
2014	$1,537,000
2015	$1,622,000
2016	$1,690,000
2017 – 2021	$9,364,000

The fair value of the RCAB Plan is measured using Level 1 (market values of publicly traded investments), Level 2 (discount rates, default rates, and other factors) and Level 3 (actuarial assumptions, mortality expectancy, projected investment returns) inputs (see Note 1).

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 contributes 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. The 403(b) Plan also allows additional discretionary matching contributions of up to 2% of employee compensation by the Organization. These additional matching contributions were suspended during fiscal years 2011 and 2010. All contributions made by the Organization vest over a period of three years. The Organization's benefit expense for the 403(b) Plan totaled $583,864 and $693,578 for the years ended June 30, 2011 and 2010, respectively.

(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 $994,197 and $1,318,392 for the years ended June 30, 2011 and 2010, respectively, including "in-kind" rent totaling $391,399 and $661,554 for the years ended June 30, 2011 and 2010, respectively (see Notes 1 and 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 $126,654 at June 30, 2010. Equipment under capital leases totaling $303,980, net of allowances for amortization of $248,713, is included in property and equipment, net in the accompanying combined statement of financial position as of June 30, 2010. During fiscal year 2011, the obligations under capital leases were paid in full.

Future minimum lease payments under non-cancelable operating leases consist of the following at June 30, 2011:

Year Ending June 30,	
2012	$ 350,946
2013	278,098
2014	250,727
2015	228,936
2016	163,563
Thereafter	55,183
Total minimum lease payments	$1,327,453

(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 statement of financial position or combined statement of activities and changes in net assets as of and for the year ended June 30, 2011.

(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 combined 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 $57,711 and $139,207 for the years ended June 30, 2011 and 2010, respectively.

RCAB donated office and building space with a fair rental value of $391,399 and $661,554 for the years ended June 30, 2011 and 2010, respectively (see Notes 1 and 7).

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 annual costs totaling $388,616 and $391,518 for the years ended June 30, 2011 and 2010, respectively. Included in amounts owed to RCAB for payment of these services is $737,797 and $897,626 at June 30, 2011 and 2010, respectively, that are non-interest-bearing.

The Organization had notes payable to RCAB in the amount of $425,683 at June 30, 2010 (see Note 5). These amounts, as well as the related accrued interest, were forgiven during the year ended June 30, 2011.

A member of the Organization's Board of Trustees is also a Board member for another non-profit organization. The Organization received $1,415,824 and $1,023,602 from this other organization for the years ended June 30, 2011 and 2010, respectively, which is included in contributions from United Way organizations in the accompanying combined statements of activities and changes in net assets.

(10) 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:

	2011	2010
Federal and state contracts	68%	69%
Other third-party payors	31	30
Individuals	1	1
	100%	100%

The Organization maintains its operating cash balances in Massachusetts banks. The Federal Deposit Insurance Corporation (FDIC) insures balances up to certain amounts. 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 its operating cash balance.

(11) 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:

	2011	2010
Program services	$2,427,997	$2,307,030
Accumulated earnings on permanently restricted funds	197,593	69,850
Total	$2,625,590	$2,376,880

Permanently restricted net assets at June 30, 2011 and 2010, consist of the following:

	2011	2010
Beneficial interests in perpetual trusts	$4,448,324	$3,793,922
Investments to be held in perpetuity, the income from which is expendable for purposes designated by the donor (see Note 12)	1,460,873	1,431,000
Total	$5,909,197	$5,224,922

(12) ENDOWMENT

Interpretation of Relevant Law and Spending Policy

The Board of Trustees of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requiring the preservation of the original value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original gift value of subsequent gifts to the permanent endowment, 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. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

(12) ENDOWMENT (Continued)

Interpretation of Relevant Law and Spending Policy (Continued)

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources
(7) The investment policies of the Organization.

Earnings on investments are appropriated using a total return spending policy. Investment income or loss is allocated to operating and non-operating activities under this policy. In connection with this policy, four percent of a rolling three year average of the market value of the investment portfolio is currently being used to support operating activities. This amounted to $353,400 and $371,544 for the years ended June 30, 2011 and 2010, respectively, and is included in operating activities. The remaining investment income earned on the investment portfolio, net of related management fees, is reported in other changes in net assets.

Return Objectives and Risk Parameters

The investment portfolio is managed to provide for the long-term support of the Organization. Accordingly, these funds are managed with disciplined longer-term investment objectives and strategies designed to meet cash flow and spending requirements. Management of the assets is designed to attain the maximum total return consistent with acceptable and agreed upon levels of risk. The Organization benchmarks its portfolio performance against a number of commonly used indices on a quarterly basis.

Strategies Employed for Achieving Objectives

The overall objective of the investment strategy is to maintain purchasing power of endowment assets before consideration of gifts. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets an asset allocation strategy wherein assets are diversified among several asset classes. The pursuit of maximizing total return is tempered by the need to minimize the volatility of returns and preserve capital. As such, the Organization seeks broad diversification among assets having different characteristics with the intent to endure lower relative performance in strong markets in exchange for greater downside protection in weak markets.

(12) ENDOWMENT (Continued)

The following schedules summarize the changes in the Organization's donor-restricted endowment:

	Temporarily Restricted	Permanently Restricted	Total Endowment
Endowment net assets, June 30, 2009, as restated	$ 2,378	$1,281,000	$1,283,378
Investment return:			
Net unrealized gains	55,917	-	55,917
Investment income	12,105	-	12,105
Net realized losses	(550)	-	(550)
Total investment returns	67,472	-	67,472
Contributions	-	150,000	150,000
Endowment net assets, June 30, 2010	69,850	1,431,000	1,500,850
Investment return:			
Net unrealized gains	105,490	-	105,490
Investment income	21,737	-	21,737
Net realized gains	516	-	516
Total investment returns	127,743	-	127,743
Contributions	-	29,873	29,873
Endowment net assets, June 30, 2011	$197,593	$1,460,873	$1,658,466

(13) DISCONTINUED OPERATIONS

The Organization's Board of Trustees voted to cease operations of eleven of the Organization's programs as of January, 2011.

The activity relating to the operations of these terminated programs is reflected as loss from discontinued operations in the accompanying combined statements of activities and changes in net assets and are summarized as follows for the years ended June 30:

	2011	2010
Revenues	$ 140,089	$ 1,154,076
Expenses	387,965	(1,688,721)
Loss from discontinued operations	$(247,876)	$ (534,645)

(14) SUBSEQUENT EVENTS

Discontinued Operations

Subsequent to year end, management and the Board of Trustees voted to cease operations at one program location.

Operating Lease

In August, 2011, the Organization entered into a lease agreement for a new location to house certain programs located in Brockton, Massachusetts. This lease requires monthly payments of approximately $7,400 and expires in August, 2018. A settlement agreement was reached between the prior landlord and the Organization, and that lease was terminated effective October 11, 2011.

Purchase of Building

On October 11, 2011, the Organization purchased a building in Lynn, Massachusetts, for $479,000. The property will be renovated and used as a headquarters for Catholic Charities North programs.

Waiver

On December 9, 2011, the Organization and the Trustees of the RCAB Defined Benefit Plan executed a renegotiated freeze agreement addressing the long term funding of the defined benefit plan. The freeze agreement eliminates the need for a separate escrow account and funding waivers.

(15) PRIOR PERIOD ADJUSTMENT

During fiscal year 2011, the Organization discovered that certain amounts were improperly recorded as permanently restricted net assets in prior years. The Organization has reclassified these amounts, including the related accumulated investment appreciation that was recorded in temporary restricted net assets, as unrestricted net assets. This reclassification is summarized below:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at June 30, 2009, as previously stated	$12,815,036	$ 4,283,673	$ 6,735,021	$23,833,730
To reclassify amounts previously recorded as permanently restricted and temporary restricted net assets as unrestricted net assets	3,905,503	(1,958,895)	(1,946,610)	-
Net assets at June 30, 2009, as restated	$16,720,539	$ 2,324,780	$ 4,788,411	$23,833,730

(16) RECLASSIFICATIONS

Certain amounts in the 2010 combined financial statements have been reclassified to conform with the 2011 presentation.

SUPPLEMENTAL COMBINING INFORMATION

Alexander Aronson Finning
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

Where Every Client Is A Valued Client

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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, 2011 and 2010, 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 for the fiscal year ended June 30, 2011, 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 audit of the combined financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic 2011 combined financial statements taken as a whole.

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

Wellesley, Massachusetts
December 9, 2011

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

COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011

ASSETS	AGENCY	WBCDC	CRCDC	ELIMI-NATIONS	COMBINED TOTAL
CASH AND CASH EQUIVALENTS	$ 598,236	$ -	$ -	$ -	$ 598,236
ACCOUNTS RECEIVABLE, net of allowance for doubtful accounts of approximately $50,000 at June 30, 2011	2,763,727	-	-	-	2,763,727
PLEDGES RECEIVABLE, net	14,333	-	-	-	14,333
DUE FROM AFFILIATES	11,046,117	-	-	(11,046,117)	-
INVESTMENTS	10,229,001	-	-	-	10,229,001
BENEFICIAL INTERESTS IN PERPETUAL TRUSTS	4,448,324	-	-	-	4,448,324
PROPERTY AND EQUIPMENT, net	3,920,237	6,545,999	7,791,397	-	18,257,633
OTHER ASSETS	290,610	-	-	-	290,610
Total assets	$ 33,310,585	$ 6,545,999	$ 7,791,397	$ (11,046,117)	$ 36,601,864
LIABILITIES AND NET ASSETS					
LIABILITIES:					
Accounts payable and accrued expenses	$ 3,119,086	$ -	$ -	$ -	$ 3,119,086
Due to Roman Catholic Archdiocese of Boston	737,977	-	-	-	737,977
Due to Catholic Charitable Bureau of the Archdiocese of Boston, Inc.	-	3,051,055	7,995,062	(11,046,117)	-
Notes payable:					
Banks and others	887,621	-	-	-	887,621
Pension benefits liability	2,931,000	-	-	-	2,931,000
Total liabilities	7,675,684	3,051,055	7,995,062	(11,046,117)	7,675,684
NET ASSETS:					
Unrestricted:					
Operating:					
Working capital	2,899,319	-	-	-	2,899,319
Pension plan	(2,931,000)	-	-	-	(2,931,000)
Total operating	(31,681)	-	-	-	(31,681)
Property and equipment	15,644,651	3,494,944	(203,665)	-	18,935,930
Board designated	1,487,144	-	-	-	1,487,144
Total unrestricted	17,100,114	3,494,944	(203,665)	-	20,391,393
Temporarily restricted	2,625,590	-	-	-	2,625,590
Permanently restricted	5,909,197	-	-	-	5,909,197
Total net assets	25,634,901	3,494,944	(203,665)	-	28,926,180
Total liabilities and net assets	$ 33,310,585	$ 6,545,999	$ 7,791,397	$ (11,046,117)	$ 36,601,864

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

COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

	AGENCY			WBCDC	CRCDC		
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	UNRESTRICTED	UNRESTRICTED	ELIMI-NATIONS	COMBINED TOTAL
OPERATING SUPPORT, REVENUE AND GAINS:							
Contributions and fundraising:							
Contributions and fundraising	$ 6,505,635	$ 2,118,238	$ 29,873	$ -	$ -	$ -	$ 8,653,746
Contributions from United Way organizations	1,627,313	-	-	-	-	-	1,627,313
Contributions from the Roman Catholic Archdiocese of Boston (including in-kind contributions of $391,399)	424,351	-	-	-	-	-	424,351
Total contributions and fundraising	8,557,299	2,118,238	29,873	-	-	-	10,705,410
Program service fees, grants and contract revenue:							
Individuals	3,224,500	-	-	-	-	-	3,224,500
Medicaid and Medicare	1,884,592	-	-	-	-	-	1,884,592
Commercial insurance fees	601,343	-	-	-	-	-	601,343
Other	24,722	-	-	-	-	-	24,722
Contract revenue from governmental and other agencies	19,360,031	-	-	-	-	-	19,360,031
Grants	1,501,157	16,323	-	-	-	-	1,517,480
Total program service fees, grants and contract revenue	26,596,345	16,323	-	-	-	-	26,612,668
Investment earnings used for operations under the spending policy	353,400	-	-	-	-	-	353,400
Miscellaneous revenue	14,074	-	-	209,844	272,892	(482,736)	14,074
Net assets released from restrictions used for operations	2,013,594	(2,013,594)	-	-	-	-	-
Subtotal	2,381,068	(2,013,594)	-	209,844	272,892	(482,736)	367,474
Total operating support, revenue and gains	37,534,712	120,967	29,873	209,844	272,892	(482,736)	37,685,552
OPERATING EXPENSES:							
Program services:							
Community social services	17,579,767	-	-	138,462	179,025	(317,487)	17,579,767
Day care services	13,353,389	-	-	39,986	79,078	(119,064)	13,353,389
Behavioral health and addiction treatment services	1,367,123	-	-	-	-	-	1,367,123
Total program services	32,300,279	-	-	178,448	258,103	(436,551)	32,300,279
Support services:							
Management and general	4,301,754	-	-	26,173	7,924	(34,097)	4,301,754
Fundraising	1,440,514	-	-	5,223	6,865	(12,088)	1,440,514
Total support services	5,742,268	-	-	31,396	14,789	(46,185)	5,742,268
Total operating expenses	38,042,547	-	-	209,844	272,892	(482,736)	38,042,547
Changes in net assets from operations	(507,835)	120,967	29,873	-	-	-	(356,995)
OTHER CHANGES IN NET ASSETS:							
Pension related changes other than net periodic pension cost	2,333,446	-	-	-	-	-	2,333,446
Investment earnings	1,552,373	127,743	-	-	-	-	1,680,116
Change in beneficial interests in perpetual trusts	-	-	654,402	-	-	-	654,402
Forgiveness of debt	437,275	-	-	-	-	-	437,275
Gain on sale of property, net	151,752	-	-	-	-	-	151,752
Contributions for long-term purposes - capital	38,000	-	-	-	-	-	38,000
Carrying costs for non-operating property held for sale	(4,443)	-	-	-	-	-	(4,443)
Investment earnings used for operations under the spending policy	(353,400)	-	-	-	-	-	(353,400)
Changes in net assets before loss from discontinued operations	3,647,168	248,710	684,275	-	-	-	4,580,153
LOSS FROM DISCONTINUED OPERATIONS	(247,876)	-	-	-	-	-	(247,876)
Changes in net assets	$ 3,399,292	$ 248,710	$ 684,275	$ -	$ -	$ -	$ 4,332,277