

Combined Financial Statements Together With
Independent Auditor's Report

**The Catholic Cemetery Association
of the Archdiocese of Boston, Inc.
and Affiliated Trust**

June 30, 2025 and 2024

**THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC.
AND AFFILIATED TRUST**

Table of Contents
June 30, 2025 and 2024

	<u>Pages</u>
Independent Auditor's Report	3 - 4
Combined Financial Statements:	
Combined Statements of Financial Position.....	5
Combined Statements of Activities and Changes in Net Assets	6 - 7
Combined Statements of Cash Flows.....	8
Combined Statements of Functional Expenses	9 - 10
Notes to Combined Financial Statements.....	11 - 20
Supplemental Information:	
Statements of Financial Position - Perpetual Care Trust	21
Statements of Activities and Changes in Net Assets - Perpetual Care Trust	22

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
The Catholic Cemetery Association of the Archdiocese
of Boston, Inc. and Affiliated Trust:

Opinion

We have audited the combined financial statements of The Catholic Cemetery Association of the Archdiocese of Boston, Inc. (a Massachusetts nonprofit corporation) and Affiliated Trust (collectively, the Association), which comprise the combined statements of financial position as of June 30, 2025 and 2024, and the related combined statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of The Catholic Cemetery Association of the Archdiocese of Boston, Inc. and Affiliated Trust as of June 30, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information related to the Affiliated Trust shown on pages 21 and 22 is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information related to the Affiliated Trust shown on page 21 and 22 is fairly stated in all material respects in relation to the combined financial statements as a whole.

AAPCPAs, Inc.

Westborough, Massachusetts
October 29, 2025

**THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC.
AND AFFILIATED TRUST**

Combined Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 1,175,180	\$ 1,262,554
Deposits with the Corporation Sole Revolving Loan Fund (Note I)	2,225,644	2,887,910
Interest and dividends receivable	649,789	659,637
Accounts receivable (Note C), net of allowance for credit losses of \$121,184 and \$96,795 as of June 30, 2025 and 2024, respectively	963,524	962,852
Prepaid expenses	20,973	20,743
Investments at fair value (Note D)	46,591,274	43,972,112
Investments limited to use for future care, at fair value (Notes D and H)	28,303,817	27,005,504
Inventories (Note F)	2,682,988	2,460,545
Land, buildings and equipment, net (Note G)	5,588,233	5,728,499
 Total assets	 \$ 88,201,422	 \$ 84,960,356
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 546,464	\$ 622,303
Deferred revenue	8,760,389	8,557,886
 Total liabilities	 9,306,853	 9,180,189
NET ASSETS:		
Without donor restrictions:		
Operating	50,590,752	48,774,663
Assets limited to use for future care (Note H)	28,303,817	27,005,504
 Total net assets	 78,894,569	 75,780,167
 Total liabilities and net assets	 \$ 88,201,422	 \$ 84,960,356

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

**THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC.
AND AFFILIATED TRUST**

Combined Statement of Activities and Changes in Net Assets
For the Fiscal Year Ended June 30, 2025
(With Summarized Comparative Information for the Fiscal Year Ended June 30, 2024)

	Without Donor Restrictions			
	Operating	Assets Limited to Use for Future Care	2025 Total	2024 Total
OPERATING:				
REVENUES AND OTHER SUPPORT:				
Sales:				
Lot sales	\$ 2,800,631	\$ 320,666	\$ 3,121,297	\$ 2,701,168
Lot openings	2,075,558	-	2,075,558	2,195,693
Grave boxes	851,831	-	851,831	902,784
Other revenue and services	273,853	-	273,853	214,735
Mausoleum sales	119,580	32,550	152,130	109,000
Total sales	6,121,453	353,216	6,474,669	6,123,380
Interest and dividends	1,635,766	1,076,797	2,712,563	2,547,247
Contributions	4,752	-	4,752	2,043
Gain/(Loss) on sale of equipment	(12,597)	-	(12,597)	37,599
Net assets reclassified through satisfaction of limitations (Notes H and K)	991,397	(991,397)	-	-
Total revenues and other support	<u>8,740,771</u>	<u>438,616</u>	<u>9,179,387</u>	<u>8,710,269</u>
EXPENSES:				
Program:				
Burials	2,478,687	-	2,478,687	2,199,590
Sales and marketing	688,467	-	688,467	611,756
Grounds maintenance	3,009,822	-	3,009,822	3,122,345
Total program	6,176,976	-	6,176,976	5,933,691
Management and general	2,477,231	-	2,477,231	2,383,119
Total expenses	<u>8,654,207</u>	<u>-</u>	<u>8,654,207</u>	<u>8,316,810</u>
Changes in net assets before non-operating activities	86,564	438,616	525,180	393,459
NON-OPERATING ACTIVITIES:				
Net realized and unrealized gain on investments	<u>1,729,525</u>	<u>859,697</u>	<u>2,589,222</u>	<u>5,619,017</u>
Changes in net assets	1,816,089	1,298,313	3,114,402	6,012,476
Net assets at beginning of year	48,774,663	27,005,504	75,780,167	69,767,691
Net assets at end of year	<u>\$ 50,590,752</u>	<u>\$ 28,303,817</u>	<u>\$ 78,894,569</u>	<u>\$ 75,780,167</u>

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

**THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC.
AND AFFILIATED TRUST**

Combined Statement of Activities and Changes in Net Assets
For the Fiscal Year Ended June 30, 2024

	Without Donor Restrictions			
	Assets		2024 Total	
	Operating	Limited to Use for Future Care		
OPERATING:				
REVENUES AND OTHER SUPPORT:				
Sales:				
Lot sales	\$ 2,427,076	\$ 274,092	\$ 2,701,168	
Lot openings	2,195,693	-	2,195,693	
Grave boxes	902,784	-	902,784	
Other revenue and services	214,735	-	214,735	
Mausoleum sales	80,305	28,695	109,000	
Total sales	5,820,593	302,787	6,123,380	
Interest and dividends	1,552,761	994,486	2,547,247	
Contributions	2,043	-	2,043	
Gain on sale of equipment	37,599	-	37,599	
Net assets reclassified through satisfaction of limitations (Notes H and K)	929,148	(929,148)	-	
Total revenues and other support	8,342,144	368,125	8,710,269	
EXPENSES:				
Program:				
Burials	2,199,590	-	2,199,590	
Sales and marketing	611,756	-	611,756	
Grounds maintenance	3,122,345	-	3,122,345	
Total program	5,933,691	-	5,933,691	
Management and general	2,383,119	-	2,383,119	
Total expenses	8,316,810	-	8,316,810	
Changes in net assets before non-operating activities	25,334	368,125	393,459	
NON-OPERATING ACTIVITIES:				
Net realized and unrealized gain on investments	3,382,758	2,236,259	5,619,017	
Changes in net assets	3,408,092	2,604,384	6,012,476	
Net assets at beginning of year	45,366,571	24,401,120	69,767,691	
Net assets at end of year	<u>\$48,774,663</u>	<u>\$27,005,504</u>	<u>\$75,780,167</u>	

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

**THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC.
AND AFFILIATED TRUST**

Combined Statements of Cash Flows
For the Fiscal Years Ended June 30, 2025 and 2024

	2025	2024
OPERATING ACTIVITIES:		
Changes in net assets	\$ 3,114,402	\$ 6,012,476
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	361,488	345,426
Net realized and unrealized gain on investments	(2,589,222)	(5,619,017)
Mausoleum sales limited for long-term purposes	(32,550)	(28,695)
Lot sales limited for long-term purposes	(320,666)	(274,092)
Interest and dividends limited for long-term purposes	(85,400)	(65,338)
Loss/(Gain) on sale of equipment	12,597	(37,599)
Changes in operating assets and liabilities:		
Interest and dividends receivable	9,848	(87,401)
Accounts receivable	(672)	(74,981)
Prepaid expenses	(230)	3,479
Inventories	(222,443)	(88,107)
Accounts payable and accrued expenses	(75,839)	162,509
Deferred revenue	202,503	122,023
Net cash provided by operating activities	<u>373,816</u>	<u>370,683</u>
INVESTING ACTIVITIES:		
Purchases of land, buildings and equipment	(236,769)	(501,396)
Proceeds from sale of equipment	2,950	40,295
Proceeds from the sale of investments	1,556,508	1,599,380
Purchases of investments, net of redemptions	(2,884,761)	(7,827,247)
Net withdrawals from revolving loan fund	662,266	5,821,030
Net cash used in investing activities	<u>(899,806)</u>	<u>(867,938)</u>
FINANCING ACTIVITIES:		
Mausoleum sales limited for long-term purposes	32,550	28,695
Lot sales limited for long-term purposes	320,666	274,092
Interest and dividends limited for long-term purposes	85,400	65,338
Net cash provided by financing activities	<u>438,616</u>	<u>368,125</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(87,374)	(129,130)
Cash and cash equivalents at beginning of year	<u>1,262,554</u>	<u>1,391,684</u>
Cash and cash equivalents at end of year	<u>\$ 1,175,180</u>	<u>\$ 1,262,554</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cost basis of land, buildings and equipment disposed	<u>\$ 38,495</u>	<u>\$ 81,507</u>

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

THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC.
AND AFFILIATED TRUST

Combined Statement of Functional Expenses
For the Fiscal Year Ended June 30, 2025

	Burials	Sales and Marketing	Grounds Maintenance	Total Program	Management and General	Total
Personnel and related costs:						
Salaries	\$ 972,249	\$ 208,713	\$ 619,140	\$ 1,800,102	\$ 1,498,444	\$ 3,298,546
Payroll taxes and fringe benefits	233,973	50,227	148,997	433,197	360,603	793,800
Contracted services	428,244	-	-	428,244	113,087	541,331
Commissions	-	338,063	-	338,063	-	338,063
Total personnel and related costs	<u>1,634,466</u>	<u>597,003</u>	<u>768,137</u>	<u>2,999,606</u>	<u>1,972,134</u>	<u>4,971,740</u>
Occupancy:						
Depreciation	124,719	26,806	113,171	264,696	96,792	361,488
Utilities and telephone	3,484	2,507	240,994	246,985	21,202	268,187
Rental expenses	2,366	4,203	705	7,274	43,483	50,757
Total occupancy	<u>130,569</u>	<u>33,516</u>	<u>354,870</u>	<u>518,955</u>	<u>161,477</u>	<u>680,432</u>
Other:						
Maintenance of grounds	-	-	1,329,421	1,329,421	-	1,329,421
Cost of sales	659,019	-	-	659,019	-	659,019
Insurance	-	-	341,409	341,409	10,930	352,339
Service fees	-	-	-	-	163,548	163,548
Maintenance of equipment	40,180	-	65,655	105,835	28,148	133,983
Maintenance of buildings	-	-	79,241	79,241	7,083	86,324
Gas and oil	8,999	-	63,746	72,745	2,250	74,995
Bank and payroll processing fees	-	-	-	-	69,348	69,348
Publicity	-	45,752	-	45,752	-	45,752
Other	-	4,904	-	4,904	23,075	27,979
Office supplies	-	828	7,319	8,147	12,318	20,465
Printing	4,714	3,867	-	8,581	11,836	20,417
Postage	-	913	-	913	8,218	9,131
Conferences and meetings	-	1,534	24	1,558	4,467	6,025
Dues, subscriptions and licenses	740	150	-	890	2,399	3,289
Total other	<u>713,652</u>	<u>57,948</u>	<u>1,886,815</u>	<u>2,658,415</u>	<u>343,620</u>	<u>3,002,035</u>
Total expenses	<u><u>\$ 2,478,687</u></u>	<u><u>\$ 688,467</u></u>	<u><u>\$ 3,009,822</u></u>	<u><u>\$ 6,176,976</u></u>	<u><u>\$ 2,477,231</u></u>	<u><u>\$ 8,654,207</u></u>

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

**THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC.
AND AFFILIATED TRUST**

Combined Statement of Functional Expenses
For the Fiscal Year Ended June 30, 2024

	<u>Burials</u>	<u>Sales and Marketing</u>	<u>Grounds Maintenance</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Total</u>
Personnel and related costs:						
Salaries	\$ 796,849	\$ 205,664	\$ 610,659	\$ 1,613,172	\$ 1,455,356	\$ 3,068,528
Payroll taxes and fringe benefits	192,678	49,730	147,658	390,066	351,905	741,971
Contracted services	413,979	-	-	413,979	88,368	502,347
Commissions	-	273,362	-	273,362	-	273,362
Total personnel and related costs	1,403,506	528,756	758,317	2,690,579	1,895,629	4,586,208
Occupancy:						
Depreciation	113,077	23,351	116,389	252,817	92,609	345,426
Utilities and telephone	3,342	2,260	235,262	240,864	19,381	260,245
Rental expenses	2,888	6,162	-	9,050	42,060	51,110
Total occupancy	119,307	31,773	351,651	502,731	154,050	656,781
Other:						
Maintenance of grounds	-	-	1,492,366	1,492,366	-	1,492,366
Cost of sales	647,061	-	-	647,061	-	647,061
Insurance	-	-	328,943	328,943	11,865	340,808
Service fees	-	-	-	-	162,639	162,639
Maintenance of equipment	14,326	-	62,001	76,327	28,764	105,091
Maintenance of buildings	-	-	48,386	48,386	5,251	53,637
Gas and oil	8,053	-	72,671	80,724	2,611	83,335
Bank and payroll processing fees	-	-	-	-	60,491	60,491
Publicity	-	38,646	-	38,646	-	38,646
Other	-	8,914	-	8,914	23,688	32,602
Office supplies	-	637	7,739	8,376	11,437	19,813
Printing	7,237	1,763	-	9,000	9,441	18,441
Postage	-	1,162	-	1,162	7,086	8,248
Conferences and meetings	-	-	271	271	8,772	9,043
Dues, subscriptions and licenses	100	105	-	205	1,395	1,600
Total other	676,777	51,227	2,012,377	2,740,381	333,440	3,073,821
Total expenses	\$ 2,199,590	\$ 611,756	\$ 3,122,345	\$ 5,933,691	\$ 2,383,119	\$ 8,316,810

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

THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC. AND AFFILIATED TRUST

Notes to Combined Financial Statements
June 30, 2025 and 2024

NOTE A - NATURE OF ORGANIZATION

The Catholic Cemetery Association of the Archdiocese of Boston, Inc. (the Cemetery), a Massachusetts corporation, not-for-profit, owns and operates twenty-seven cemeteries and three mausolea within the Archdiocese of Boston. The operations of certain other Catholic cemeteries located within the Archdiocese of Boston are owned and operated by local parishes and other unrelated organizations and are not included in the accompanying combined financial statements.

The combined financial statements also include the activities of The Catholic Cemetery Association of the Archdiocese of Boston, Inc. Perpetual Care Trust (the Trust) which was formed on November 16, 2006, for the sole benefit of the Cemetery.

The Archbishop of Boston, by virtue of his office, serves as chairman of the Cemetery and numerous other separately incorporated Catholic organizations that operate within the Archdiocese of Boston. While these organizations are considered to be related organizations of the Cemetery, their financial activities are not presented as part of the accompanying combined financial statements. The Archbishop of Boston is the Trustee of the Trust.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Combined Financial Statement Presentation

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

The combined financial statements include the accounts of the Cemetery and the Trust (collectively, the Association) as of and for the years ended June 30, 2025 and 2024. All intercompany accounts and transactions have been eliminated in combination, if any.

Classification of Net Assets

The Association reports all of its net assets as without donor restrictions, including assets that are limited for future care use. The two classifications of net assets without donor restrictions are defined as follows:

Operating - These net assets represent the general operations of the Association and include the net assets invested in land, buildings and equipment.

Assets limited to use for future care - These net assets represent assets subject to legally-imposed limitations that they be segregated and used for the perpetual care of cemetery property (see Note H). The investment income earned on these assets is to be used for the long-term care and maintenance of lots and mausoleums. Included in these net assets are the net assets of the Trust (see Note K), which relate to lot sales, and the net assets of the funds set aside related to mausoleum sales under Massachusetts state law.

Income and losses from related investments are also classified as without donor restrictions - assets limited to use for future care. Amounts allowed to be spent in accordance with the Trust agreement and Massachusetts state law are reflected as net assets reclassified through satisfaction of limitations in the accompanying combined financial statements.

The Association has no net assets that are subject to donor-imposed restrictions and, accordingly, does not classify any of its net assets as net assets with donor restrictions.

THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC. AND AFFILIATED TRUST

Notes to Combined Financial Statements (Continued)
June 30, 2025 and 2024

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Financial instruments with maturities of three months or less at purchase are classified as cash and cash equivalents in the accompanying combined financial statements.

Investments

The Association's investments (see Note D) are carried at fair value. Changes in fair value are reflected in the accompanying combined statements of activities and changes in net assets as net realized and unrealized gain on investments. Interest and dividend income are recorded when earned or declared.

Investments represent the Association's unit holdings in the Common Investment Fund, Roman Catholic Archbishop of Boston (the Common Investment Fund) and the Income Opportunity Fund, separate related organizations established to provide a common investment pool in which the Association and other related organizations may participate. The Common Investment Fund invests nearly all of its funds in the RCAB Collective Investment Partnership (the Investment Partnership); the underlying investments of which are primarily equity and fixed-income securities (U.S. Government and agency securities, asset-backed securities and corporate bonds) owned either directly or indirectly through mutual funds and private investment entities.

The underlying investments of the Income Opportunity Fund are equity and fixed income securities owned either directly or indirectly through mutual funds and private investment activities.

The fair value of the Investment Partnership's investments in actively traded domestic securities is determined by State Street Corporation. Securities listed on a securities exchange for which market quotations are readily available are valued at the last sales price or official closing price on each business day, or, if there is no such reported sale or official closing price, at the most recent quoted bid price. Securities which are primarily traded on foreign exchanges are generally valued at the preceding closing values of such securities on their respective exchanges and those values are then translated into U.S. dollars at the current exchange rate. Investments in traded foreign securities are valued by State Street Corporation at the mean between bid and asked prices. For those securities, whose prices are not available through independent pricing services, bid price quotations are obtained by State Street Corporation from principal market makers in those securities or at fair value as determined in good faith by management.

Investment holdings of private investment entities that are not actively traded are valued by the managers of these entities at the net asset value (NAV) per share. In accordance with such guidance, as a practical expedient, the Investment Partnership has the ability to measure the fair value of an investment in an investee based on the investee's NAV per share or its equivalent. At June 30, 2025 and 2024, securities whose prices are not available through independent pricing services are limited to less than 27% of the total net assets of the investment fund (see Note D). It is the Common Investment Fund's policy to distribute to its members, on a quarterly basis, one percent of the net assets of the Common Investment Fund as of the end of the first business day of the quarter. There are no unfunded commitments or redemption restrictions related to the Association's investments at June 30, 2025 and 2024. Redemptions from the Common Investment Fund and the Income Opportunity Fund are available on a monthly basis.

THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC. AND AFFILIATED TRUST

Notes to Combined Financial Statements (Continued)
June 30, 2025 and 2024

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories (see Note F) and related supplies and resale products are valued at the lower of cost (determined on a first-in, first-out basis) or market. Land, cemetery and mausoleum development costs are capitalized, and the related costs are classified as cost of sales when graves and crypts are sold.

Land, Buildings and Equipment

Land, buildings and equipment (see Note G) are carried at cost and are depreciated on a straight-line basis over their estimated useful lives, which range from three to forty years. Land is not depreciated. Expenditures for maintenance and repairs are expensed as incurred, whereas major betterments are capitalized.

Revenue Recognition

In accordance with Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, the Association recognizes revenue when promised goods or services (referred to as performance obligations) are transferred to customers in an amount that reflects the consideration to which the Association expects to be entitled in exchange for those goods and services. The new standard uses a five-step model for recognizing and measuring revenue from contracts with customers, which includes identifying the contract with the customer, identifying the performance obligation(s) promised within the contract, determining the transaction price (the amount of consideration to which the Association expects to be entitled), allocating the transaction price to the performance obligations, and recognizing revenue when (or as) the performance obligations are satisfied. The Association does not allocate the transaction price as there is only one performance obligation identified in each contract.

The Association enters into contracts with customers by providing burial rights, cemetery services, related merchandise, and care of purchased property on an at-need or pre-need basis. At-need sales, funds received for immediate goods and services, are recognized at the time of sale. Funds received in advance for pre-need sales, products and services, are reflected as deferred revenue until interment or entombment occurs. Deferred revenue was \$8,435,863 as of July 1, 2023.

Interest and dividends are recorded as revenue when they are accrued. All other revenue is recorded when earned.

Future Care Funds

The Association deposits 30% of all proceeds from mausolea sales into a future care fund held by the Association. The Association also deposits 10% of all proceeds from ground lot sales into the Trust for the continued maintenance of the cemetery grounds. Receipt of such funds is classified as without donor restrictions - assets limited to use for future care within the combined statements of activities and changes in net assets.

Income Taxes

The Association is included in the United States Conference Group of Catholic Bishops' Ruling and in the Official Catholic Directory, and is therefore exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). Accordingly, no provision for income taxes is included in these combined financial statements. The Association's management has reviewed the tax positions as of June 30, 2025 and 2024, and determined that no provision for income tax is required in these combined financial statements.

THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC. AND AFFILIATED TRUST

Notes to Combined Financial Statements (Continued)
June 30, 2025 and 2024

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the 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 disclosures of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant items affected by the use of estimates include depreciable lives for buildings and equipment and the fair value of investments. Actual results could vary from those estimates.

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. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied.

Salaries are directly allocated to the program and function in which the employee is working. The expenses that are allocated are payroll taxes and benefits, which are allocated based upon the payroll expense of each category; occupancy costs, depreciation, supplies and telephone costs, which are allocated based on actual usage.

Accounts Receivable

The Cemetery enters into long-term payment plans directly with its customers for pre-need sales in the form of loans (see Note C). Principal payments on these loans vary in amount for periods up to five years. Any loan in excess of one year accrues interest at 7%. The Cemetery generally amortizes finance charges over the terms of the loans using the effective interest rate method. Unamortized deferred finance charges are included as an adjustment to the carrying value of accounts receivable in the accompanying combined statements of financial position at June 30, 2025 and 2024. Accounts receivable were \$887,871 as of July 1, 2023.

Subsequent Events

Subsequent events have been evaluated through October 29, 2025, which is the date the combined financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the combined financial statements.

Combined Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major or central to the provision of program services are reported as operating revenues and expenses in the accompanying combined statements of activities and changes in net assets. Non-operating activities include investment activity.

Concentration of Credit Risk

The Association's financial instruments that are subject to concentrations of credit risk consist primarily of cash and cash equivalents. The Association places cash and temporary cash investments in high-quality credit institutions. The balances of these accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, such deposits may exceed FDIC limits. The Association has not experienced any losses as a result of the uninsured deposit accounts.

The Revolving Loan Fund (see Note I) and investments (see Note D) are uninsured. Investments are subject to ongoing market fluctuations.

THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC. AND AFFILIATED TRUST

Notes to Combined Financial Statements (Continued)
June 30, 2025 and 2024

NOTE C - ACCOUNTS RECEIVABLE

Allowances for Credit Losses

The Association operates in the cemetery industry, also known as the death care industry, providing products and services for the deceased and their families, with accounts receivable primarily derived from the sale of burial spaces, interments, containers, and prepaid products and services, which are treated as a single pool. It is the Association's policy to charge off uncollectible accounts receivable when management determines they will not be collected. Any estimates for amounts not expected to be collected are recognized as a reduction to operating sales revenue. Management also reviews each account individually, considering current conditions, reasonable and supportable expectations of future conditions, and specific customer accounts deemed at risk or uncollectible. Any subsequent changes in the estimated collectability due to a change in the payor's financial status are recognized as a credit loss expense and recorded as an operating expense.

The Association's accounts receivable as of June 30, 2025 and 2024, are estimated to be collected as follows:

	<u>2025</u>	<u>2024</u>
Amounts due within one year	\$ <u>596,786</u>	\$ 665,776
Amounts due within two to five years	<u>366,738</u>	<u>297,076</u>
Accounts receivable	<u><u>\$ 963,524</u></u>	<u><u>\$ 962,852</u></u>

NOTE D - INVESTMENTS

Investments consisted of the Association's interest in the Common Investment Fund and the Income Opportunity Fund (see Note B), which had the following cost and fair value at June 30:

	<u>2025</u>	<u>2024</u>
Cost	\$ <u>49,986,383</u>	\$ 48,538,659
Unrealized appreciation, net	<u>24,908,708</u>	<u>22,438,957</u>
Total investments at fair value	<u><u>\$ 74,895,091</u></u>	<u><u>\$ 70,977,616</u></u>

Net realized gains and unrealized gains consisted of the following for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Unrealized gains	\$ <u>2,469,751</u>	\$ 5,569,262
Realized gains	<u>119,471</u>	<u>49,755</u>
	<u><u>\$ 2,589,222</u></u>	<u><u>\$ 5,619,017</u></u>

THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC. AND AFFILIATED TRUST

Notes to Combined Financial Statements (Continued)
June 30, 2025 and 2024

NOTE E - FAIR VALUE MEASUREMENTS

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

The Association's unit holdings in the Common Investment Fund and the Investment Opportunity Fund do not have quoted prices in active markets or significant other observable inputs that have quoted market prices, although the Association can redeem its investments at the NAV per share at June 30, 2025 and 2024. In accordance with ASC Subtopic 820-10, *Fair Value Measurements*, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying combined statements of financial position (see Note B). The Association estimates the fair value of its unit holdings in the Common Investment Fund and the Income Opportunity Fund based on the Association's share of the underlying investment portfolio that consists of actively-traded equities, bonds, private investment entities, mutual funds, and money market funds.

There were no unfunded commitments on these investments as of June 30, 2025 and 2024. These investments are available for redemption on a monthly basis.

Assets	2025			
	Level 1	Level 2	Level 3	Total
Investments - Common Investment Fund *	\$ -	\$ -	\$ -	\$ 69,310,307
Investments - Income Opportunity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,584,784</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,895,091</u>
2024				
Assets	Level 1	Level 2	Level 3	Total
Investments - Common Investment Fund *	\$ -	\$ -	\$ -	\$ 65,862,691
Investments - Income Opportunity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,114,925</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,977,616</u>

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

THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC. AND AFFILIATED TRUST

Notes to Combined Financial Statements (Continued)
June 30, 2025 and 2024

NOTE F - INVENTORIES

Inventories consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Grave boxes installed on lots available for sale	\$ 2,024,764	\$ 1,814,585
Land and lot development costs	322,571	377,556
Columbaria	235,206	163,210
Grave boxes, lettering and features on hand	92,990	97,737
Mausolea	<u>7,457</u>	<u>7,457</u>
	<u><u>\$ 2,682,988</u></u>	<u><u>\$ 2,460,545</u></u>

NOTE G - LAND, BUILDINGS AND EQUIPMENT

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

	<u>2025</u>	<u>2024</u>
Land and land improvements	\$ 6,775,381	\$ 6,754,956
Furniture and equipment	3,476,277	3,390,655
Buildings and building improvements	<u>2,118,435</u>	<u>2,026,208</u>
	<u><u>12,370,093</u></u>	<u><u>12,171,819</u></u>
Less - accumulated depreciation	<u>6,781,860</u>	<u>6,443,320</u>
	<u><u>\$ 5,588,233</u></u>	<u><u>\$ 5,728,499</u></u>

NOTE H - NET ASSETS WITHOUT DONOR RESTRICTIONS - ASSETS LIMITED TO USE FOR FUTURE CARE

Net assets without donor restrictions - assets limited to use for future care were available for the following future care purposes at June 30:

	<u>2025</u>	<u>2024</u>
Principal: Future care - Mausolea	\$ 8,350,868	\$ 8,318,318
Unspent appreciation: Future care - Mausolea	8,666,353	8,160,564
Perpetual Care Trust (see Note K)	<u>11,286,596</u>	<u>10,526,622</u>
	<u><u>\$ 28,303,817</u></u>	<u><u>\$ 27,005,504</u></u>

Net assets reclassified to operating net assets through satisfaction of use limitations were as follows for the years ended June 30:

<u>Use Limitation</u>	<u>Timing</u>	<u>Calculation</u>	<u>2025</u>	<u>2024</u>
Future Care - Mausolea	Quarterly	1% of Invested Assets	\$ 642,327	\$ 603,582
Perpetual Care Trust	Annual	3% of Trust Net Assets	<u>349,070</u>	<u>325,566</u>
			<u><u>\$ 991,397</u></u>	<u><u>\$ 929,148</u></u>

THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC. AND AFFILIATED TRUST

Notes to Combined Financial Statements (Continued)
June 30, 2025 and 2024

NOTE I - RELATED PARTY TRANSACTIONS

The Association receives administrative support from the Roman Catholic Archbishop of Boston, a Corporation Sole (the Corporation Sole). Certain administrative costs, including salaries, office space and overhead expenses incurred by the Corporation Sole for the benefit of the Association, are charged to the Association. Such expenses totaled \$163,548 and \$162,639 for the years ended June 30, 2025 and 2024, respectively, and are reflected as service fees in the accompanying combined statements of functional expenses.

The Association deposits funds with the Revolving Loan Fund (the Revolving Loan Fund), an internal savings and loan program of the Corporation Sole, which is administered for the benefit of various Catholic entities within the Archdiocese of Boston. All funds invested with the Revolving Loan Fund earn a fixed interest rate established to be comparable to commercial rates.

The Association participates with other Catholic organizations in lay employee health, dental, life, disability, and transition assistance program benefit plans that are related organizations. Expenses incurred by the Association for the benefit of lay employees under these plans were \$388,241 and \$349,765 for the years ended June 30, 2025 and 2024, respectively.

The Association also participates with other Catholic organizations in employee retirement plans (see Note L).

The Executive Director of the Association has a family member who owns a company which the Association contracts with for burial and maintenance services alongside being employed as a part-time employee of the Association. Such expenses totaled \$705,137 and \$689,798 for the years ended June 30, 2025 and 2024, respectively.

NOTE J - CONTINGENCIES

In the ordinary course of business, the Association is, from time-to-time, involved in various legal matters. It is the Association's opinion that any potential settlements would not be material to the accompanying combined financial statements.

NOTE K - FORMATION OF PERPETUAL CARE TRUST

The Association has an agreement with the Commonwealth of Massachusetts Secretary of State to set aside 10% of the proceeds from its ground lot sales into an irrevocable perpetual care trust, the Trust (see Note A). Under the agreement, the initial funding of the Trust included 10% of the proceeds of ground lot sales retroactive to June 2001, when the Association was formed as a separate legal entity.

Within 60 days of the end of each fiscal year, the Trustees shall transfer to the Association 3% of the aggregate value of the Trust's net assets to be applied to the care and maintenance of the cemeteries administered by the Association. The amounts transferred for the years ended June 30, 2025 and 2024, were \$349,070 and \$325,566, respectively (see Note H).

THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC. AND AFFILIATED TRUST

Notes to Combined Financial Statements (Continued)
June 30, 2025 and 2024

NOTE L - EMPLOYEE BENEFITS

Pension Plans

The Archdiocese of Boston established a 401(k) defined contribution plan (the Plan) on January 1, 2012. The Association participates with other related Archdiocese of Boston organizations in this plan. Eligible employees may elect to make retirement savings contributions to the Plan, which were matched by the Association up to 4% of eligible employee compensation for the years ended June 30, 2025 and 2024. Employee benefit costs associated with this Plan totaled \$97,355 and \$89,417 for the years ended June 30, 2025 and 2024, respectively.

The risks of participating in a multi-employer plan are different from a single-employer plan because assets contributed to the plan by one employer may be used to provide benefits to employees of other participating organizations. If a participant employer suspended contributions to the plan, the unfunded obligations could be required to be borne by the remaining participant employers in the plan.

Sick Leave

There are employees of the Association who are covered under a collective bargaining agreement (see Note M). Under this agreement, covered employees accumulate unused sick leave from year-to-year without limitation as to the use of sick leave. Employees hired prior to January 1, 2002, may be paid for 50% of unused sick leave up to a maximum of two hundred days. Accumulated sick leave that was earned by these employees prior to November 3, 1980, will be paid upon termination of employment.

The remaining amount will only be paid upon retirement from the Association or death during employment. Forfeitures occurring during the year are recorded as a reduction to expense. Fair value is measured using Level 3 inputs (see Note E), which include retirement expectancy and present value factors using a 5% discount rate. The accrual was \$87,781 and \$88,863 as of June 30, 2025 and 2024, respectively, which is included in accounts payable and accrued expenses in the accompanying combined statements of financial position.

In addition, effective January 1, 2019, employees shall be eligible for an Annual Low Sick Leave Utilization Incentive pursuant to which they shall receive payment on or before January 31 based upon the number of sick leave days utilized during the previous twelve (12) month period from January 1 through December 31. In order to receive payment, the employee must have been employed for the full twelve (12) month period at issue.

NOTE M - COLLECTIVE BARGAINING AGREEMENT

The Association had signed a collective bargaining agreement, which expires on June 30, 2027. Approximately 29% of the Association's employees are covered under this agreement for the years ended June 30, 2025 and 2024.

THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC. AND AFFILIATED TRUST

Notes to Combined Financial Statements (Continued)
June 30, 2025 and 2024

NOTE N - LEASE AGREEMENTS

The Association leases office space under an operating lease agreement with an inception date of April 1, 2014. This lease was amended on December 1, 2016, for expanded square footage and expires on October 30, 2021. This lease was extended for an additional five-year period through October 31, 2026. Rent is payable in equal monthly installments of \$2,899. There is an option to extend the lease for an additional five-year period.

The Association leases office equipment under operating leases expiring on various dates through fiscal year 2029. Under these agreements, the Association pays an aggregate monthly payment of \$1,786.

Remaining minimum lease payments under these lease agreements are as follows for the years ending June 30:

2026	\$ 64,823
2027	29,126
2028	1,707
2029	<u>592</u>
Total	<u>\$ 96,248</u>

The Association did not adopt ASU 2016-02, *Leases (Topic 842)*, as it was immaterial to the combined financial statements taken as a whole.

NOTE O - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Association's financial assets available within one year from the June 30, 2025 and 2024 combined statements of financial position date for general operating expenses are as follows:

	2025	2024
Cash and cash equivalents	\$ 1,175,180	\$ 1,262,554
Common Investment Fund (unrestricted)	23,488,780	22,770,546
Income Opportunity Fund	5,584,784	5,114,925
Deposits with Corporation Sole Revolving Loan Fund	2,225,644	2,887,910
Accounts receivable, expected to be collected in the following fiscal year (Note C)	596,786	665,776
Interest and dividends receivable, net of assets related to assets limited to use for future care	<u>376,080</u>	<u>389,720</u>
	<u>\$ 33,447,254</u>	<u>\$ 33,091,431</u>

The Association has a policy to structure its financial assets to be available and liquid as its obligations become due. The Association has financial assets equal to approximately forty-six months and forty-eight months of operating expenses for the years ended June 30, 2025 and 2024.

NOTE P - RECLASSIFICATION

Certain amounts in the fiscal year 2024 financial statements have been reclassified to conform with the fiscal year 2025 presentation.

SUPPLEMENTAL INFORMATION

**THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC.
PERPETUAL CARE TRUST**

Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Interest and dividends receivable	\$ 107,120	\$ 106,599
Due from The Catholic Cemetery Association of the Archdiocese of Boston, Inc.	47,036	48,163
Investments	<u>11,481,510</u>	<u>10,697,426</u>
Total assets	<u><u>\$ 11,635,666</u></u>	<u><u>\$ 10,852,188</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accrued distribution	\$ 349,070	\$ 325,566
NET ASSETS:		
Without donor restrictions:		
Assets limited to use for future care	<u>11,286,596</u>	<u>10,526,622</u>
Total liabilities and net assets	<u><u>\$ 11,635,666</u></u>	<u><u>\$ 10,852,188</u></u>

**THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC.
PERPETUAL CARE TRUST**

Statements of Activities and Changes in Net Assets
For the Fiscal Years Ended June 30, 2025 and 2024

	2025	2024
OPERATING:		
REVENUES:		
Restricted lot sales	\$ 320,666	\$ 274,092
Interest and dividends	<u>434,470</u>	<u>390,904</u>
Total revenues	755,136	664,996
EXPENSES:		
Cemetery care and maintenance support to The Catholic Cemetery Association of the Archdiocese of Boston, Inc.	<u>349,070</u>	<u>325,566</u>
Changes in net assets before non-operating activity	406,066	339,430
NON-OPERATING ACTIVITY:		
Net realized and unrealized gain on investments	<u>353,908</u>	<u>885,479</u>
Changes in net assets	759,974	1,224,909
Net assets at beginning of year	10,526,622	<u>9,301,713</u>
Net assets at end of year	<u>\$ 11,286,596</u>	<u>\$ 10,526,622</u>