

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON
TRANSITION ASSISTANCE PROGRAM AND CATHOLIC FAMILY AND
MEDICAL LEAVE PLAN (FORMERLY, ROMAN CATHOLIC ARCHDIOCESE OF
BOSTON TRANSITION ASSISTANCE PROGRAM)**

**FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON TRANSITION ASSISTANCE PROGRAM AND CATHOLIC
FAMILY AND MEDICAL LEAVE PLAN
(FORMERLY, ROMAN CATHOLIC ARCHDIOCESE OF BOSTON TRANSITION ASSISTANCE PROGRAM)**

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June 30, 2025 and 2024

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Independent Accountant's Review Report

To the Board of Trustees of the

Roman Catholic Archdiocese of Boston Transition Assistance Program and Catholic Family and Medical Leave Plan (formerly, Roman Catholic Archdiocese of Boston Transition Assistance Program):

We have reviewed the accompanying financial statements of the Roman Catholic Archdiocese of Boston Transition Assistance Program and Catholic Family and Medical Leave Plan (formerly, Roman Catholic Archdiocese of Boston Transition Assistance Program) (the Plan), which comprise the statements of benefit obligations and net assets available for benefits and excess of net assets available for benefits over benefit obligations as of June 30, 2025 and 2024, and the related statements of changes in benefit obligations and changes in net assets available for benefits and changes in excess of net assets available for benefits over benefit obligations for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Roman Catholic Archdiocese of Boston management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Roman Catholic Archdiocese of Boston Transition Assistance Program and Catholic Family and Medical Leave Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

AAFCPAs, Inc.

Westborough, Massachusetts
January 23, 2026

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON TRANSITION ASSISTANCE PROGRAM AND CATHOLIC FAMILY
AND MEDICAL LEAVE PLAN
(FORMERLY, ROMAN CATHOLIC ARCHDIOCESE OF BOSTON TRANSITION ASSISTANCE PROGRAM)**

Statements of Benefit Obligations and Net Assets Available for Benefits and
Excess of Net Assets Available for Benefits Over Benefit Obligations
June 30, 2025 and 2024
(See Independent Accountant's Review Report)

	<u>2025</u>	<u>2024</u>
Benefit Obligations:		
Claims payable	\$ 63,093	\$ 116,498
	<u> </u>	<u> </u>
Net Assets Available for Benefits:		
Assets:		
Cash and cash equivalents	\$ 1,490,461	\$ 1,361,601
Investments, at fair value	5,218,345	3,883,912
Interest and dividends receivable	32,787	32,627
Participating employers' contributions receivable, net of allowance for uncollectible assessments	77	897
	<u> </u>	<u> </u>
Total assets	6,741,670	5,279,037
	<u> </u>	<u> </u>
Liabilities:		
Accounts payable and accrued expenses	12,396	11,800
Due to affiliates	77,999	4,000
	<u> </u>	<u> </u>
Total liabilities	90,395	15,800
	<u> </u>	<u> </u>
Net assets available for benefits	\$ 6,651,275	\$ 5,263,237
	<u> </u>	<u> </u>
Excess of Net Assets Available for Benefits Over Benefit Obligations		
Board-designated net assets	\$ 1,888,430	980,069
Board-designated net assets in excess of requirements	4,699,752	4,166,670
	<u> </u>	<u> </u>
Total excess of net assets available for benefits over benefit obligations	\$ 6,588,182	\$ 5,146,739
	<u> </u>	<u> </u>

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON TRANSITION ASSISTANCE PROGRAM AND CATHOLIC FAMILY
AND MEDICAL LEAVE PLAN
(FORMERLY, ROMAN CATHOLIC ARCHDIOCESE OF BOSTON TRANSITION ASSISTANCE PROGRAM)**

Statements of Changes in Benefit Obligations and Changes in Net Assets Available for Benefits
and Changes in Excess of Net Assets Available for Benefits Over Benefit Obligations
For the Years Ended June 30, 2025 and 2024
(See Independent Accountant's Review Report)

	<u>2025</u>	<u>2024</u>
Changes in Benefit Obligations:		
Increase (decrease) in claims payable	<u>\$ (53,405)</u>	<u>\$ 81,672</u>
Change in Net Assets Available for Benefits:		
Additions to net assets:		
Participating employers' contributions	1,665,634	634,226
Net appreciation in fair value of investments	201,135	326,092
Interest and dividend income	156,207	155,494
Other revenue	<u>24,000</u>	<u>-</u>
Total additions	<u>2,046,976</u>	<u>1,115,812</u>
Deductions from net assets:		
Claims paid	<u>370,376</u>	<u>444,215</u>
General and administrative expenses:		
Administration - Roman Catholic Archbishop of Boston, a Corporation Sole	221,210	140,920
Office and other administrative expenses	<u>67,352</u>	<u>49,945</u>
Total general and administrative expenses	<u>288,562</u>	<u>190,865</u>
Total deductions	<u>658,938</u>	<u>635,080</u>
Net increase in net assets available for benefits	<u>\$ 1,388,038</u>	<u>\$ 480,732</u>
Excess of Net Assets Available for Benefits Over Benefit Obligations:		
Beginning of year	\$ 5,146,739	\$ 4,747,679
Changes in excess of net assets available for benefits over benefit obligations	<u>1,441,443</u>	<u>399,060</u>
End of year	<u>\$ 6,588,182</u>	<u>\$ 5,146,739</u>

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON TRANSITION ASSISTANCE PROGRAM AND CATHOLIC FAMILY AND MEDICAL LEAVE PLAN
(FORMERLY, ROMAN CATHOLIC ARCHDIOCESE OF BOSTON TRANSITION ASSISTANCE PROGRAM)**

Notes to Financial Statements
June 30, 2025 and 2024
(See Independent Accountant's Review Report)

NOTE A - DESCRIPTION OF PLAN

The following descriptions of the Roman Catholic Archdiocese of Boston Transition Assistance Program ("TAP") and the Catholic Family and Medical Leave Plan ("CFML") (formerly, Roman Catholic Archdiocese of Boston Transition Assistance Program) (the Plans) provide only general information. Participants should refer to the plan documents for more complete descriptions of the Plans' provisions.

TAP - General

The TAP Plan provides unemployment benefits for all eligible lay employees who work for a participating employer. All participating employers are Catholic organizations within the Archdiocese of Boston.

CFML - General

The CFML Plan provides paid family and medical leave benefits for all eligible lay employees who work for a participating employer. All participating employers are Catholic organizations within the Archdiocese of Boston. Contributions by employers and employees started in September 2024.

Eligibility

For all lay employees, eligibility for both TAP and CFML benefits begins on the first day of the month following the completion of one year of service in which at least 1,000 hours of service were worked. Those who are employed by participating schools are eligible provided they have worked at least 24 hours per week for an entire academic year.

TAP - Payment of Benefits

The full amount of unemployment benefits is based upon a maximum of 50% of the employee's base weekly wage, subject to a maximum coverage of \$1,051 and \$1,033 (gross) per week as of June 30, 2025 and 2024, respectively. Benefits are payable for a maximum duration, effective with participants eligible December 3, 2023, and later, of 26 weeks, extended to 30 calendar weeks during periods of high unemployment, as defined by the Massachusetts Department of Unemployment Assistance. Weekly maximum benefit amounts are adjusted annually to reflect the Massachusetts statutory weekly unemployment benefit maximum. Continued benefits are contingent upon proof of active job search. The Plan also provides job search counseling sessions to eligible employees.

CFML - Payment of Benefits

CFML benefits are bifurcated into employer-paid and voluntary employee-paid amounts (40% of annual wages earned in the 12 months prior to a claim for the employer-paid portion plus an additional 40% for the employee-paid portion). Benefits are payable for a maximum of 10 weeks based on documentation of the need for an employee medical leave or leave to care for an employee's covered family member with a medical condition.

TAP - Contributions

The plan document provides that the participating employers may make monthly contributions to the Plan in a specified amount based on the annual salaries of the eligible employees. The employers' contribution rate is determined annually by the Plan's Trustees.

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Notes to Financial Statements
June 30, 2025 and 2024
(See Independent Accountant's Review Report)

NOTE A - DESCRIPTION OF PLAN

CFML - Contributions (Continued)

The Plan document provides that the participating employers and eligible employees may make contributions through the RCAB payroll system to the Plan in a specified amount based on the actual wages of eligible employees. The contribution rates are determined annually by the Plan's Trustees.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Plan prepares its financial statements in accordance with generally accepted accounting 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).

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of presentation of the statements of benefit obligations and net assets available for benefits and excess of net assets available for benefits over benefit obligations, cash and cash equivalents include all checking and savings accounts and overnight investments from the accounts. The Plan deposits its cash in major financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain amounts. At certain times during the year, cash balances may exceed the insured amounts. The Plan has not experienced any losses in such accounts. The Plan believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investment Valuation and Income Recognition

The Plan's investments are carried at fair value. Changes in fair value are reflected in the statements of changes in benefit obligations and changes in net assets available for benefits and changes in excess of net assets available for benefits over benefit obligations as net appreciation in fair value of investments.

Investments represent the Plan's unit holdings in the Common Investment Fund, Roman Catholic Archbishop of Boston (the Common Investment Fund) and the Income Opportunity Fund, Roman Catholic Archbishop of Boston, a Corporation Sole (the Income Opportunity Fund), (collectively, the Funds). All Funds are related organizations established to provide a common investment pool in which the Plan and other related organizations may participate. The participating organizations and plans own units based upon a per-unit value at the time of purchase.

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Notes to Financial Statements

June 30, 2025 and 2024

(See Independent Accountant's Review Report)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Valuation and Income Recognition (Continued)

The Common Investment Fund invests all its funds in the RCAB Collective Investment Partnership (the Investment Partnership). The underlying investments of the Investment Partnership and Investment Opportunity Fund are primarily equity and fixed income securities owned directly or indirectly through mutual funds or private investment entities.

The fair value of the Investment Partnership and Income Opportunity Fund's investments in domestic and foreign securities listed on security exchanges are valued at the last reported sales price, or if there is no such reported sale or official closing price, at the most recent quoted bid price. For those securities whose prices are not available through independent pricing services, bid price quotations are obtained by State Street Bank and Trust Company from the 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 using the net asset value (NAV) per share on the valuation date (June 30) as reported by the individual investment managers.

Administrative Expenses

The Plan pays office and other administrative expenses that consist primarily of fees paid to third-party claims administrators and accounting fees. The Plan also pays a service fee for administrative, technological, and clerical services, which are charged to the Plan by the Roman Catholic Archbishop of Boston, a Corporation Sole (see Note D) (the Plan Sponsor). These expenses are reported on the statements of changes in benefit obligations and changes in net assets available for benefits and changes in excess of net assets available for benefits over benefit obligations as general and administrative expenses.

Participating Employers' Contributions Receivable

Amounts receivable from participating employers are stated net of an allowance for uncollectible assessments, which are reported on the Plan's statements of benefit obligations and net assets available for benefits and excess of net assets available for benefits over benefit obligations. The allowance is established via a provision for uncollectible assessments. On a periodic basis, management evaluates its receivables and establishes or adjusts its allowance to an amount that it believes will be adequate to absorb possible losses on accounts that may become uncollectible based on evaluations of the collectability of individual accounts. There was no allowance for uncollectible assessments as of June 30, 2025 and 2024.

Benefit Obligations

Benefit obligations consist solely of claims payable for involuntary job loss. Claims payable represent actual claims received and payable, as well as an estimate by management of future amounts payable for claims incurred through the end of each year. There are no post-retirement benefit obligations associated with the Plan.

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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provision for Income Taxes

The Plan is included in the United States Catholic Conference Group 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). The Plan adopted guidance recognizing the financial statement benefit of a tax position only after determining that the relevant tax authority would more-likely-than-not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Plan's management has reviewed the tax positions for open periods and determined that no provision for income tax is required in the Plan's financial statements.

Subsequent Events

Subsequent events have been evaluated through January 23, 2026, which is the date the financial statements were available to be issued. In September 2025, CFML benefit payments to participants with qualifying medical leaves began. In January 2026, CFML benefit payments to eligible participants with qualifying family leaves began.

NOTE C - FAIR VALUE MEASUREMENT

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. *Fair Value Measurement* establishes a hierarchy of the valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs).

The fair value hierarchy is as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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NOTE C - FAIR VALUE MEASUREMENT (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

There have been no changes in the methodology used as of June 30, 2025 and 2024.

Following is a description of the valuation methodology used for the investments measured at fair value:

Common Investment Fund and Income Opportunity Fund: The Plan's unit holdings in the Funds do not have quoted prices in active markets or significant other observable inputs that have quoted market prices, although the Plan can redeem its investment at the net asset value (NAV) per share at June 30, 2025 and 2024. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. The NAV is used as a practical expedient to estimate the fair value, unless it is probable that all or a portion of the Funds will be sold for an amount different from NAV. As of June 30, 2025 and 2024, the Plan had no plans to sell the Funds at an amount different from NAV. The Plan evaluates the Fund's estimate of the fair value of the Plan's unit holdings in the Funds based on the Plan's share of the underlying investment portfolio that consists of actively traded equities, bonds, money market funds and private investment entities.

Investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy.

The following table summarize investments measured at fair value based on NAV per share as of June 30:

<u>2025</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Common Investment Fund (a)	\$ 3,495,963	N/A	Monthly	15 days
Income Opportunity Fund (b)	\$ 1,722,382	N/A	Monthly	15 days
<u>2024</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Common Investment Fund (a)	\$ 3,256,392	N/A	Monthly	15 days
Income Opportunity Fund (b)	\$ 627,520	N/A	Monthly	15 days

(a) The Common Investment Fund seeks to achieve its investment objective of maximizing long-term return by investing substantially all of its net investable assets through a master-feeder structure, in the Investment Partnership, which has the same investment objective and policies as the Fund.

(b) The investment objective of the Income Opportunity Fund is to maximize long-term return by investing in equity, fixed income or cash securities.

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NOTE D - RELATED PARTY TRANSACTIONS

A service fee for administrative, technological and clerical services is charged to the Plan by the Roman Catholic Archbishop of Boston, a Corporation Sole. The fees charged for the years ended June 30, 2025 and 2024, were \$221,210 and \$140,920, respectively. The fees are largely fixed in nature and vary minimally based on claims experience.

NOTE E - BOARD-DESIGNATED NET ASSETS

The Board of Trustees established a targeted reserve for net assets equaling 50% of current year's insurance premiums for the TAP Program. For the CFML Program, the Board of Trustees established a targeted reserve for net assets of \$1 million. At June 30, 2025 and 2024, the net assets available to satisfy this reserve were sufficient, and are presented in the accompanying statements of benefit obligations and net assets available for benefits and excess of net assets available for benefits over benefit obligations as Board-designated net assets.

NOTE F - PLAN TERMINATION

Although they have not expressed any intention to do so, the Trustees may completely or partially amend or terminate the Plan at any time. Upon termination, the Plan allows available Plan assets to be allocated in accordance with any reasonable method selected by the Trustees, including the reversion of any excess monies remaining after satisfaction of all liabilities to each participating employer on the date of termination in a manner determined by the Trustees.

NOTE G - RISKS AND UNCERTAINTIES

The Plan invests in cash-related instruments and various investment securities that are potentially subject to various risks, such as interest rate, market and credit risk. Due to minimal level of risk associated with cash related instruments, it is reasonably possible that changes in the values of these cash-related instruments in the near term would not materially affect the amounts reported in the statements of benefit obligations and net assets available for benefits and excess of net assets available for benefits over benefit obligations.