

Financial Statements and Report of Independent Certified Public Accountants
The Catholic Cemetery Association of the Archdiocese of Boston, Inc.
June 30, 2002 and 2001

Grant Thornton 

THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC.
Statement of Activities
Year ended June 30, 2002
(With summarized information for the year ended June 30, 2001)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2002 Total</u>	<u>Unaudited 2001 Total</u>
REVENUES, GAINS AND OTHER SUPPORT:					
Lot openings	\$ 2,346,674	\$ -	\$ -	\$ 2,346,674	\$ 2,251,372
Lot sales	1,576,742	-	-	1,576,742	1,411,620
Mausolea sales	821,240	-	-	821,240	788,538
Grave boxes	647,211	-	-	647,211	585,708
Other revenue and services	578,835	-	-	578,835	495,673
Interest and dividends	656,121	248,815	-	904,936	1,110,904
Future care receipts	244,189	-	351,960	596,149	496,758
Net assets released from restrictions through satisfaction of program restrictions (note E)	<u>248,815</u>	<u>(248,815)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	7,119,827	-	351,960	7,471,787	7,140,573
EXPENSES:					
Program:					
Cost of sales	4,249,620	-	-	4,249,620	4,012,694
Selling expense	387,450	-	-	387,450	285,879
Maintenance expense	375,566	-	-	375,566	361,181
Operating supplies	59,138	-	-	59,138	66,773
Total program	<u>5,071,774</u>	<u>-</u>	<u>-</u>	<u>5,071,774</u>	<u>4,726,527</u>
Management and general:					
Salaries	1,149,874	-	-	1,149,874	1,119,861
Depreciation and amortization	495,643	-	-	495,643	344,430
Administrative support (note I)	214,055	-	-	214,055	272,408
Utilities and communications	198,591	-	-	198,591	177,416
Miscellaneous	192,851	-	-	192,851	145,782
Total management and general	<u>2,251,014</u>	<u>-</u>	<u>-</u>	<u>2,251,014</u>	<u>2,059,897</u>
Total expenses	<u>7,322,788</u>	<u>-</u>	<u>-</u>	<u>7,322,788</u>	<u>6,786,424</u>
Change in net assets before loss on investments	(202,961)	-	351,960	148,999	354,149
Net realized and unrealized loss on investments	<u>(1,136,736)</u>	<u>(466,058)</u>	<u>-</u>	<u>(1,602,794)</u>	<u>(2,659,975)</u>
CHANGE IN NET ASSETS	(1,339,697)	(466,058)	351,960	(1,453,795)	(2,305,826)
Net assets at beginning of year	<u>24,734,508</u>	<u>2,153,907</u>	<u>4,580,248</u>	<u>31,468,663</u>	<u>33,774,489</u>
Net assets at end of year	<u>\$23,394,811</u>	<u>\$1,687,849</u>	<u>\$4,932,208</u>	<u>\$30,014,868</u>	<u>\$31,468,663</u>

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

THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC.
Statement of Activities
Year ended June 30, 2001 (unaudited)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT:				
Lot openings	\$ 2,251,372	\$ -	\$ -	\$ 2,251,372
Lot sales	1,411,620	-	-	1,411,620
Mausolea sales	788,538	-	-	788,538
Grave boxes	585,708	-	-	585,708
Other revenue and services	495,673	-	-	495,673
Interest and dividends	848,805	262,099	-	1,110,904
Future care receipts	158,813	-	337,945	496,758
Net assets released from restrictions through satisfaction of program restrictions (note E)	<u>262,099</u>	<u>(262,099)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	6,802,628	-	337,945	7,140,573
EXPENSES:				
Program:				
Cost of sales	4,012,694	-	-	4,012,694
Selling expense	285,879	-	-	285,879
Maintenance expense	361,181	-	-	361,181
Operating supplies	66,773	-	-	66,773
Total program	<u>4,726,527</u>	<u>-</u>	<u>-</u>	<u>4,726,527</u>
Management and general:				
Salaries	1,119,861	-	-	1,119,861
Depreciation and amortization	344,430	-	-	344,430
Administrative support (note I)	272,408	-	-	272,408
Utilities and communication	177,416	-	-	177,416
Miscellaneous	145,782	-	-	145,782
Total management and general	<u>2,059,897</u>	<u>-</u>	<u>-</u>	<u>2,059,897</u>
Total expenses	<u>6,786,424</u>	<u>-</u>	<u>-</u>	<u>6,786,424</u>
Change in net assets before loss on investments	16,204	-	337,945	354,149
Net realized and unrealized loss on investments	<u>(1,980,986)</u>	<u>(678,989)</u>	<u>-</u>	<u>(2,659,975)</u>
CHANGE IN NET ASSETS	(1,964,782)	(678,989)	337,945	(2,305,826)
Net assets at beginning of year (unaudited)	<u>26,699,290</u>	<u>2,832,896</u>	<u>4,242,303</u>	<u>33,774,489</u>
Net assets at end of year (unaudited)	<u>\$24,734,508</u>	<u>\$2,153,907</u>	<u>\$4,580,248</u>	<u>\$31,468,663</u>

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

THE CATHOLIC CEMETERY ASSOCIATION OF THE ARCHDIOCESE OF BOSTON, INC.
Notes to Consolidated Financial Statements - Continued
June 30, 2002 and 2001
(Data related to 2001 is unaudited)

NOTE G - PENSION PLANS - Continued

The Association also has a noncontributory, defined-benefit pension plan, the Archdiocese of Boston Clergy Retirement/Disability Plan (the "Clergy Plan"), covering clergy who are incardinated in the Archdiocese. The Clergy Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Pension costs for the Clergy Plan are funded annually by special collections through the Parishes. The Clergy Plan has no right to the assets of the Clergy Plan nor any legal obligation for any unfunded obligation of the Clergy Plan. Management has indicated that there is no intention to terminate the Clergy Plan, however, if termination were to occur, the Clergy Plan would distribute benefits to its then members to the extent of the then funded status of the plan.

NOTE H - COMMITMENTS

The Association guarantees loans on sales financed by customers through a local bank for approximately \$287,000 at June 30, 2002. The Association receives the cash associated with their loans and the borrower pays over time to the local bank. There is no history of loss associated with these guarantees.

NOTE I - RELATED-PARTY TRANSACTIONS

The Association receives substantial administrative support from the Archdiocese in the form of centralized processing of cash receipts and cash disbursements. Certain administrative costs, including salaries, office space and overhead expenses incurred by the Archdiocese for the benefit of the Association are charged to the Association. Such expenses amounted to approximately \$214,000 and \$273,000 for the years ended June 30, 2002 and 2001, respectively.

In conjunction with the cessation of the Association from the Roman Catholic Archbishop of Boston, A Corporation Sole (the "Corporation Sole"), the Association paid \$3 million to the Corporation Sole. This disbursement was allocated to the carrying value of Association assets based on a fair market value estimate. Asset balances as of June 30, 2001 have been adjusted to reflect this increase in value.