

**CATHOLIC EMPLOYEE BENEFIT GROUP**

**FINANCIAL REPORT**

**JUNE 30, 2007**

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**WEAVER  
AND  
TIDWELL**

*L.L.P.*

CERTIFIED PUBLIC  
ACCOUNTANTS  
AND CONSULTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Trustees  
Catholic Employee Benefit Group

We have audited the statement of net assets available for benefits of Catholic Employee Benefit Group as of June 30, 2007, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, net assets available for benefits of Catholic Employee Benefit Group as of June 30, 2007, and its changes in net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
January 14, 2008

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**CATHOLIC EMPLOYEE BENEFIT GROUP**  
**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**  
**JUNE 30, 2007**

**ASSETS**

Cash	\$ 1,486,778
Other assets	<u>6,425</u>
<b>TOTAL ASSETS</b>	<b>1,493,203</b>

**LIABILITIES**

Benefit obligation	393,119
Other liabilities	<u>557</u>
<b>TOTAL LIABILITIES</b>	<b><u>393,676</u></b>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b><u>\$ 1,099,527</u></b>

**CATHOLIC EMPLOYEE BENEFIT GROUP**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**YEAR ENDED JUNE 30, 2007**

**ADDITIONS**

Contributions	\$ 6,444,489
Stop loss reimbursement	<u>71,523</u>
Total additions	6,516,012

**DEDUCTIONS**

Medical and dental claims	4,546,961
Insurance premiums	489,425
Management expenses	374,184
Administrative expenses	<u>5,915</u>
Total deductions	<u>5,416,485</u>

Change in net assets available for benefits	1,099,527
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**NET ASSETS AVAILABLE  
FOR BENEFITS, BEGINNING**

-

**NET ASSETS AVAILABLE  
FOR BENEFITS, ENDING**

\$ 1,099,527

**CATHOLIC EMPLOYEE BENEFIT GROUP  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements are prepared on the accrual basis of accounting. Distributions are recorded when paid.

**Income Taxes**

The Trust and its legal counsel believe that the Trust is designed and currently being operated in compliance with the applicable requirements of the IRC, including the amendments resulting from the Tax Reform Act of 1986 and subsequent legislation. Therefore, no provision has been made in the financial statements for federal income taxes.

**Concentration of Credit Risk**

At June 30, 2007, the Trust had bank deposits in excess of FDIC insurance limits of approximately \$1,390,000.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. general accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2. THE TRUST**

The Trust was established in 2006 to provide life, health and dental benefits to employees of the subscribing employers, and their eligible dependents, and covers substantially all employees of the subscribing employers.

Benefits are provided to retired ordained, and active ordained and pre-ordained employees working thirty or more hours per week on the day the employee begins active employment. Benefits are provided to all other religious order and lay employees working thirty or more hours per week after one month of continuous active employment.

Participation in the Trust is voluntary; however, each person desiring dependent coverage is required to contribute an amount determined by the Trust Committee.

The Trust agreement provides that the subscribing employers contribute to the Trust all amounts (other than those required to be contributed by participants) necessary to provide benefits.

**CATHOLIC EMPLOYEE BENEFIT GROUP  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. BENEFIT OBLIGATIONS**

The approximate present value of accumulated plan benefits as of June 30, 2007, and the changes in accumulated benefits for 2007 are as follows:

	<u>2007</u>
Benefit obligations as of July 1	\$ -
Benefit claims incurred	4,546,961
Claims paid	<u>(4,153,842)</u>
Total benefit obligations as of June 30	<u>\$ 393,119</u>