



**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

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INDEPENDENT AUDITOR'S REPORT

Central Administrative Office of the Roman Catholic Diocese of Boise
Boise, Idaho

We have audited the accompanying statement of financial position of the Central Administrative Office of the Roman Catholic Diocese of Boise as of June 30, 2009 and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Central Administrative Office of the Roman Catholic Diocese of Boise's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2008 financial statements and, in our report dated October 22, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 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, the financial position of the Central Administrative Office of the Roman Catholic Diocese of Boise as of June 30, 2009 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Travis Jeffries, P.A.

Boise, Idaho
December 16, 2009

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

STATEMENTS OF FINANCIAL POSITION

June 30, 2009 and June 30, 2008 Summarized Information

ASSETS

	2009			Total	2008
	Unrestricted	Temporarily Restricted	Permanently Restricted		Summarized Information
ASSETS					
Cash	\$ (1,041,733)	\$ 1,123,797	\$ -	\$ 82,064	\$ 311,828
Certificates of deposit	1,833,393	60,000	-	1,893,393	1,391,802
Accounts and pledges receivable	1,740,034	371,131	-	2,111,165	2,520,854
Deposits and prepaid expenses	77,436	-	-	77,436	47,464
Interfund receivable (payable)	(2,021,948)	2,021,948	-	-	-
Marketable securities	17,715,988	1,252,687	733,914	19,702,589	24,478,840
Land held for future parish expansion	827,160	-	-	827,160	1,584,661
Loans to parishes and schools	10,836,135	-	-	10,836,135	10,126,210
Loans and notes receivable	1,092,543	-	-	1,092,543	637,320
Construction in progress - Priest retirement housing	133,427	-	-	133,427	-
Property, plant and equipment	16,965,866	85,119	-	17,050,985	15,829,359
Accumulated depreciation	(3,327,193)	(1,605)	-	(3,328,798)	(2,871,642)
Total Assets	\$ 44,831,108	\$ 4,913,077	\$ 733,914	\$ 50,478,099	\$ 54,056,696

LIABILITIES AND NET ASSETS

LIABILITIES					
Accounts payable	\$ 444,975	\$ -	\$ -	\$ 444,975	\$ 360,523
Accrued liabilities	588,099	663,304	-	1,251,403	1,721,850
Line of credit	3,650,000	-	-	3,650,000	2,000,000
Parish cash management	2,401,757	-	-	2,401,757	3,069,474
Parish savings deposits	24,497,921	-	-	24,497,921	24,826,173
Lay pension trust	2,170,377	-	-	2,170,377	1,568,991
ICF - held for others	5,704,633	-	-	5,704,633	7,023,825
Liability for pension benefits - lay	384,150	-	-	384,150	326,200
Liability for pension benefits - priest	613,400	-	-	613,400	434,100
Notes payable	3,699,022	-	-	3,699,022	2,968,344
Deferred revenue	1,260	-	-	1,260	9,016
Total Liabilities	44,155,594	663,304	-	44,818,898	44,308,496
NET ASSETS					
Unrestricted	(2,042,998)	-	-	(2,042,998)	999,130
Board Designated	2,718,512	-	-	2,718,512	3,411,684
Temporarily restricted	-	4,249,773	-	4,249,773	4,603,472
Permanently restricted	-	-	733,914	733,914	733,914
Total Net Assets	675,514	4,249,773	733,914	5,659,201	9,748,200
Total Liabilities and Net Assets	\$ 44,831,108	\$ 4,913,077	\$ 733,914	\$ 50,478,099	\$ 54,056,696

See notes to financial statements.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2009 and Summarized Information for the Year Ended June 30, 2008

	<u>2009</u>			<u>Total</u>	<u>2008</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>		<u>Summarized Information</u>
REVENUE AND SUPPORT					
Contributions	\$ 1,213,249	\$ 4,069,948	\$ -	\$ 5,283,197	\$ 6,429,292
Program services	1,064,189	15,987	-	1,080,176	1,235,128
Assessment revenue	635,223	-	-	635,223	583,233
Insurance program	3,894,147	-	-	3,894,147	3,629,335
Grant revenue	142,100	-	-	142,100	251,200
Deposit and loan interest	576,034	-	-	576,034	569,904
Rental income	520,778	-	-	520,778	406,975
Gain on the sale of property	650,500	-	-	650,500	996,297
Realized gain (loss) on investments	(574,054)	(68,270)	-	(642,324)	913,296
Unrealized loss on investments	(1,444,243)	(91,570)	-	(1,535,813)	(2,133,524)
Interest and dividends	719,073	76,233	-	795,306	913,315
Miscellaneous	8,101	150,000	-	158,101	10,861
Net assets released from restrictions satisfied by payments	-	-	-	-	-
	<u>4,506,027</u>	<u>(4,506,027)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue and Support	<u>11,911,124</u>	<u>(353,699)</u>	<u>-</u>	<u>11,557,425</u>	<u>13,805,312</u>
EXPENSES					
Program services					
Pastoral	4,935,067	-	-	4,935,067	4,841,234
Education	1,614,398	-	-	1,614,398	1,847,492
Social services	484,847	-	-	484,847	498,938
Deposit and loan interest	1,071,014	-	-	1,071,014	1,441,014
Newspaper	270,600	-	-	270,600	328,707
Retreat center	225,001	-	-	225,001	203,474
Insurance program	4,152,030	-	-	4,152,030	4,403,266
Total Program Services	<u>\$ 12,752,957</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,752,957</u>	<u>\$ 13,564,125</u>

See notes to financial statements.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

STATEMENTS OF ACTIVITIES (Continued)

For the Year Ended June 30, 2009 and Summarized Information for the Year Ended June 30, 2008

	<u>2009</u>			<u>2008</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Summarized Information</u>
Supporting Services					
General administrative	\$ 2,046,945	\$ -	\$ -	\$ 2,046,945	\$ 2,312,495
Development	119,900	-	-	119,900	127,888
SFAS 158 Expense	237,250	-	-	237,250	368,700
Depreciation	489,372	-	-	489,372	373,485
Total Supporting Services	<u>2,893,467</u>	<u>-</u>	<u>-</u>	<u>2,893,467</u>	<u>3,182,568</u>
Total Expenses	<u>15,646,424</u>	<u>-</u>	<u>-</u>	<u>15,646,424</u>	<u>16,746,693</u>
Decrease in Net Assets	(3,735,300)	(353,699)	-	(4,088,999)	(2,941,381)
NET ASSETS, Beginning of Year	<u>4,410,814</u>	<u>4,603,472</u>	<u>733,914</u>	<u>9,748,200</u>	<u>12,689,581</u>
NET ASSETS, End of Year	<u>\$ 675,514</u>	<u>\$ 4,249,773</u>	<u>\$ 733,914</u>	<u>\$ 5,659,201</u>	<u>\$ 9,748,200</u>

See notes to financial statements.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (4,088,999)	\$ (2,941,381)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	489,372	373,485
Unrealized loss on investments	1,535,813	2,133,524
Realized (gain) loss on investments	642,324	(913,296)
Realized gain on property	(650,500)	(996,297)
Realized loss on asset disposal	4,079	-
Realized and unrealized ICF passthrough loss	1,424,421	671,374
Contributions of marketable securities	(277,247)	(648,183)
Changes in operating assets and liabilities:		
Accounts receivable	411,016	(819,562)
Prepaid expenses	(29,972)	76,161
Accounts payable	84,452	32,554
Accrued liabilities	(424,052)	659,697
Parish cash management	(667,717)	(58,563)
Parish savings deposits	(328,252)	(6,011,024)
Construction in progress - Priest Retirement Housing	(133,427)	-
Lay Pension Trust	601,386	808,689
ICF - Held for Others	(1,319,192)	(854,715)
Liability for pension benefits - lay	57,950	165,200
Liability for pension benefits - priest	179,300	203,500
Deferred revenue	(7,756)	(8,373)
Net Cash Used in Operating Activities	<u>(2,497,001)</u>	<u>(8,127,210)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	(501,591)	1,265,305
Loans and notes receivable	(1,165,148)	(1,868,520)
Purchase of investments	(1,423,670)	(1,023,564)
Proceeds from sale of investment property	1,800,000	-
Proceeds from sale of investments	2,434,389	8,862,841
Proceeds from sale of fixed assets	-	1,750,000
Purchase of fixed assets	<u>(1,257,421)</u>	<u>(6,788,950)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(113,441)</u>	<u>2,197,112</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	1,650,000	2,000,000
Proceeds from long-term debt	787,500	3,000,000
Payment of long-term debt	<u>(56,822)</u>	<u>(31,658)</u>
Net Cash Provided by Financing Activities	<u>2,380,678</u>	<u>4,968,342</u>
Net Decrease in Cash and Cash Equivalents	\$ (229,764)	\$ (961,756)

See notes to financial statements.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH AND CASH EQUIVALENTS, Beginning of Year	\$ 311,828	\$ 1,273,584
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 82,064</u>	<u>\$ 311,828</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expense	<u>\$ 304,281</u>	<u>\$ 190,069</u>

See notes to financial statements.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Nature of Organization

Central Administrative Office of the Roman Catholic Diocese of Boise (the Diocese) was established in 1895 for the purpose of overseeing certain Catholic organizations within the state of Idaho. Under the direction of the Roman Catholic Bishop of Idaho the Diocese works to proclaim the presence of God in Word and Sacrament while nurturing and supporting vital faith communities, affirming the values of society and recognizing and responding to those in need.

Basis of Presentation

The financial statements of the Diocese have been prepared on the accrual basis of accounting.

Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations which requires the Diocese to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions

The Diocese has adopted SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when conditions on which they depend are substantially met and promises become unconditional.

Cash and Cash Equivalents

The Diocese considers its short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Advertising and Promotion

The Diocese uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred. During the years ended June 30, 2009 and 2008, advertising costs totaled \$13,679 and \$15,671, respectively.

Investments

The Diocese has adopted SFAS No. 124, Accounting for Certain Investments Held by Not-For-Profit Organizations. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Income Tax Status

The Diocese qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

In accordance with the release of FSP FIN 48-3, Effective Date of FASB Interpretation No. 48 for Certain Non-Public Enterprises, the Diocese elects to defer the application of FIN 48 for the year ended June 30, 2009. The Organization does not have an accounting policy in place for evaluating uncertain tax positions as of June 30, 2009.

Investment Income and Gains

Investment income and gains, when attributed to unrestricted net assets, are considered unrestricted revenue in the reporting period in which the income and gains are recognized.

Fixed Assets

Fixed assets are stated at cost, except for donated equipment, which is stated at fair market value at date of receipt. Depreciation is computed using the straight-line method over estimated useful lives of the assets, which range from 5 to 25 years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. The Diocese capitalizes assets valued \$500 or more. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation expenses for June 30, 2009 and 2008 were \$489,372 and \$373,485, respectively.

Valuation of Gifts

Noncash assets contributed to the Diocese are recorded at appraised value when it is provided by an independent third party. If no independent third party appraisal is available, the asset is recorded at an objective verifiable basis which is, in the judgment of the Diocese's management, a fair value to the Diocese for its purposes.

Volunteer Services

A number of volunteers have contributed significant amounts of their time to the programs and activities of the Diocese. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE B - INVESTMENTS

Marketable securities are pooled in two groups and are allocated to various funds. At June 30, they consisted of the following :

	<u>2009</u>	<u>2008</u>
Money market funds	\$ 1,095,388	\$ 2,050,987
Mutual funds	8,518,525	6,591,920
Corporate obligations	986,941	413,938
Government and agency obligations	1,526,927	243,530
Corporate equities	7,574,808	15,178,465
	<u>\$ 19,702,589</u>	<u>\$ 24,478,840</u>
Marketable securities held for the Diocese	\$ 13,997,956	\$ 17,455,015
Marketable securities held for others	5,704,633	7,023,825
	<u>\$ 19,702,589</u>	<u>\$ 24,478,840</u>

Land held for future parish expansion, held at cost:

	<u>2009</u>	<u>2008</u>
Teton County	\$ 36,584	\$ 36,584
Twin Falls	-	757,500
Boise - Northview	608,892	608,892
Boise - St. Mark's	181,685	181,685
	<u>\$ 827,161</u>	<u>\$ 1,584,661</u>

Net investment loss for the year ended June 30 is as follows:

	<u>2009</u>	<u>2008</u>
Interest and dividend income	\$ 795,306	\$ 913,315
Net unrealized loss	(1,535,813)	(2,133,524)
Net realized gain (loss)	(642,324)	913,296
	<u>\$ (1,382,831)</u>	<u>\$ (306,913)</u>

NOTE C - FAIR VALUE MEASUREMENTS

The Diocese adopted Financial Accounting Standards Board Statement No. 157, Fair Value Measurements (FASB Statement No. 157), which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described below:

- Level 1 - quoted prices in active markets for identical investments
- Level 2 - other significant observable inputs (including quoted prices for similar investments)
- Level 3 - significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments)

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE C - FAIR VALUE MEASUREMENTS (Continued)

The asset's 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Assets at fair value as of June 30, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 1,092,895	\$ 2,493	\$ -	\$ 1,095,388
Mutual funds	7,051,370	1,467,155	-	8,518,525
Corporate obligations	986,941	-	-	986,941
Government and agency obligations	1,526,927	-	-	1,526,927
Corporate equities	7,574,808	-	-	7,574,808
	<u>\$ 18,232,941</u>	<u>\$ 1,469,648</u>	<u>\$ -</u>	<u>\$ 19,702,589</u>

NOTE D - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment consist of the following:

	<u>2009</u>	<u>2008</u>
Buildings	\$ 8,625,051	\$ 8,532,213
Equipment	2,205,123	2,127,543
Construction in progress - Priest retirement housing	133,427	-
	<u>10,963,601</u>	<u>10,659,756</u>
Less accumulated depreciation	3,328,798	2,871,642
	<u>7,634,803</u>	<u>7,788,114</u>
Land	6,220,811	5,169,603
	<u>\$ 13,855,614</u>	<u>\$ 12,957,717</u>

On March 16, 2009 the Diocese entered into a contract for the construction of a facility to be used for Priest retirement housing. The total expected cost of the facility is \$1,117,279, and is expected to be completed by January 31, 2010.

NOTE E - IDAHO CATHOLIC FOUNDATION

The Idaho Catholic Foundation (Foundation) holds investments for the Diocese as well as other Diocesan organizations. The Foundation issues separately prepared financial statements. The investments and related financial items held by the Foundation are reflected in individual net asset classifications of these financial statements. Investments held for others of \$5,704,633 and \$7,023,825 at June 30, 2009 and 2008, respectively are included in marketable securities and classified as held for parishes and other institutions in the unrestricted net asset classification. Amounts held for parishes and other institutions generated investment loss of \$1,424,421, contributions of \$142,931, distributions to participants of \$202,419, and investment and managerial expenses of \$36,627 during the year ended June 30, 2009. Such transactions are treated as agency transactions and accordingly are not reported in these financial statements.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE F - ENDOWMENTS

Implementation of FSP FAS 117-1

In August 2008, the Financial Accounting Standards Board issued FASB Staff Position No. FAS 117-1, "Endowments of Not-for-Profit Organizations: Net asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds" (FSP FAS 117-1). FSP FAS 117-1 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). FSP FAS 117-1 also required additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of Idaho enacted UPMIFA effective July 1, 2007, the provisions of which apply to endowment funds existing on or established after that date. The Diocese follows FSP FAS 117-1 for the year ending June 30, 2009. The Diocese has reviewed all of its endowment funds and has reclassified approximately \$2,217,977 as of June 30, 2009. It has been determined that the permanently restricted net assets of the Diocese meet the definition of endowment funds under UPMIFA after reclassification as of June 30, 2009.

Board and Donor--designated Endowments - after implementation of FSP FAS 117-1

The Board-designated endowments are internally designated by the Board of Directors and are not donor-restricted and are classified and reported as unrestricted net assets. The Idaho Catholic Foundation (ICF) administers the endowments of the Diocese. These endowments consist of approximately nine individual funds, some of which have donor-restricted spending guidelines and were established for a variety of purposes ranging from education of seminarians and helping retired priests of the Diocese, to providing scholarships for education of youth and maintenance and repair of facilities. Endowments administered by the ICF include both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments.

As required by generally accepted accounting principals, net assets associated with endowment funds, including funds designated by Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Investment Policy

All Endowments within the financial statements of the Roman Catholic Diocese of Boise have adopted the Prudent Person Guideline. The PPG suggests an amount to be distributed which is designed to allow for a reasonable stream of distributions, while preserving the value of the Endowment against inflation and a volatile market. The calculation applies an applicable distribution percentage (currently five percent) to the average value of the Endowment account over the preceding period of 13 calendar months.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE F - ENDOWMENTS (Continued)

All Endowments are invested in The Roman Catholic Diocese of Boise Investment Pool. The Pool is professionally managed by six different investment firms with specific disciplines of investment such as large cap growth, large cap value, fixed income etc. Further these managers have regular oversight by an independent consultant hired by the Roman Catholic Diocese of Boise. This consultant independently reports to the finance council of the Diocese on a quarterly basis. Each manager's performance is specifically checked for adherence to investment discipline and judged against established industry accepted benchmarks.

Endowment Net Asset Composition by Type of Fund as of June 30, 2009 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment</u>
Donor-restricted endowment funds	\$ (199,162)	\$ 150,281	\$ 733,914	\$ 685,033
Board-designated endowment funds	2,718,512	-	-	2,718,512
	<u>\$2,519,350</u>	<u>\$ 150,281</u>	<u>\$ 733,914</u>	<u>\$3,403,545</u>

Change in endowment net assets as of June, 2009 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment</u>
Endowment net assets, beginning of year	\$3,401,069	\$ 150,281	\$ 733,914	\$4,285,264
Contributions	568	-	-	568
Investment income	(182,918)	-	-	(182,918)
Net appreciation	(503,854)	-	-	(503,854)
Amounts appropriated for expenditure	(195,515)	-	-	(195,515)
	<u>\$2,519,350</u>	<u>\$ 150,281</u>	<u>\$ 733,914</u>	<u>\$3,403,545</u>

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE G - PRIESTS RETIREMENT PLAN

The Roman Catholic Diocese of Boise sponsors a defined benefit pension plan for all Diocesan priests who are ordained or incardinated in the Roman Catholic Diocese of Boise and in good standing and not on probation.

The plan provides benefits based on a flat dollar amount multiplied by years and months of service. Effective July 1, 2009, the monthly benefit formula was increased from \$48 to \$54 per year of service.

Since the Roman Catholic Diocese of Boise is exempt from the funding requirements of ERISA, it has been their practice to make contributions annually to the plan based on generally accepted actuarially principles. In general, it is the policy of the Roman Catholic Diocese of Boise to fund any unfunded past service liability over 20 years.

Funded Status

The following table sets forth the plan's funded status at June 30:

	Fiscal Year Ended <u>June 30, 2009</u>	Fiscal Year Ended <u>June 30, 2008</u>
Vested benefit obligation	\$ (6,331,000)	\$ (5,116,000)
Accumulated benefit obligation	(6,396,000)	(5,323,000)
Projected benefit obligation	(8,480,000)	(7,527,000)
Plan assets at fair value	<u>3,448,000</u>	<u>4,130,000</u>
Funded status at end of year	(5,032,000)	(3,397,000)
Liability for pension benefits	\$ (5,032,000)	\$ (3,397,000)
Vested benefit obligation ratio	54.46%	80.73%

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE G - PRIESTS RETIREMENT PLAN (Continued)

Net Periodic Pension Cost

The following items are the components of the net periodic pension cost for the plan as a whole for the years ended June 30:

	Fiscal Year Ended <u>June 30, 2009</u>	Fiscal Year Ended <u>June 30, 2008</u>
Service cost-benefits earned during the period	\$ 179,000	\$ 224,000
Interest cost on projected benefit obligation	491,000	473,000
Return on plan assets		
Expected return	(296,000)	(351,000)
Asset (gain) loss	<u>1,035,000</u>	<u>572,000</u>
Actual return on plan assets	\$ 739,000	\$ 221,000
Net amortization and deferral		
Amortization of prior service cost	\$ 218,000	\$ 218,000
Amortization of transition amount	(17,000)	(17,000)
Amortization of loss	-	-
Deferral of asset gain	<u>(1,035,000)</u>	<u>(572,000)</u>
Total	\$ (834,000)	\$ (371,000)
Net periodic pension cost	\$ 575,000	\$ 547,000

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE G - PRIESTS RETIREMENT PLAN (Continued)

Assumptions Used to Determine Net Periodic Pension Cost

	Fiscal Year Ended <u>June 30, 2009</u>	Fiscal Year Ended <u>June 30, 2008</u>
Discount Rate	6.75%	6.25%
Expected long-term rate of return on assets	7.50%	7.50%
Future benefit increases	3.00%	3.00%

The Roman Catholic Diocese of Boise employs a methodical process to determine the estimates of expected long-term rate of return on assets. These estimates are primarily driven by actual historical asset-class returns and advise from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2009 and June 30, 2008, the expected long-term rate of return used in determining net periodic pension cost was 7.5%.

Assumptions Used to Determine Benefit Obligations at Year-End

	Fiscal Year Ended <u>June 30, 2009</u>	Fiscal Year Ended <u>June 30, 2008</u>
Discount rate	6.60%	6.75%
Future benefit increases	3.00%	3.00%

Plan Asset Investment Strategy and Allocation

The asset allocation for the pension plan as of June 30, 2009 and June 30, 2008 and the target allocation, by asset category, are:

<u>Asset Category</u>	Investment Policy Target Asset Allocation	Actual Percentage of Plan Assets at June 30	
		<u>2009</u>	<u>2008</u>
Equities	25-75%	47%	63%
Fixed Income	25-75%	44%	36%
Cash Equivalents	0-100%	9%	1%

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE G - PRIESTS RETIREMENT PLAN (Continued)

The pension plan has a diversified investment program, utilizing a variety of asset classes that balances risk with return opportunities. It utilizes highly qualified external investment managers that have demonstrated skill in a particular asset class. The Roman Catholic Diocese of Boise regularly monitors each investment manager's performance and the overall fund relative to benchmarks and also regularly reviews the asset allocation and makes appropriate changes accordingly. Prohibited investments include short sales, commodity contracts, real estate and equity option contracts. Investment decisions include consideration for corporate social responsibility and Roman Catholic social teaching.

Cash Flows

Estimated Future Benefit Payments

The following benefit payments, which reflect future service, as appropriate, are expected to be paid:

<u>Fiscal Year Ending June 30</u>	<u>Annual Pension Benefits</u>
2010	\$ 552,000
2011	572,000
2012	600,000
2013	582,000
2014	591,000
2015-2019	3,430,000

Beginning in June 30, 2007, under SFAS 158, the funded status is recognized in the statement of the financial position as a "Liability for pension benefits - priests". Unrecognized prior service costs and unrecognized actuarial losses are recognized in unrestricted net assets. The calculations above and on the prior pages represent the obligation of the entire Roman Catholic Diocese of Boise. The amounts recognized in the financial statements represent the obligation of the Central Administrative Office of the Diocese, and totaled \$613,400 for the year ended June 30, 2009 and \$434,100 for the year ended June 30, 2008.

Diocesan pension contributions for the years ended June 30, 2009 and 2008 were \$260,500 and \$270,000, respectively. Benefit payments of \$458,000 and \$449,000 were made from the plan during the years ended June 30, 2009 and June 30, 2008, respectively.

The Diocese expects to contribute \$260,000 to the pension plan during the fiscal year ending June 30, 2010.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE H - LAY EMPLOYEES PENSION PLAN

The Roman Catholic Diocese of Boise sponsors a defined benefit pension plan for all full-time lay employees who have completed at least one year of service. The plan is a cash balance plan and provides benefits based on a pension account balance, which consists of prior service credits,

Since the Roman Catholic Diocese of Boise is exempt from the funding requirements of ERISA, it has been their practice to make contributions annually to the plan that are not less than pre-ERISA minimum funding requirement as applicable to churches, and not in excess of the amount that could be deducted for federal income tax purposes, assuming the Roman Catholic Diocese of Boise was not exempt from taxation. It is the Roman Catholic Diocese of Boise's policy to fund any unfunded past service liability over 30 years. The policy of the Roman Catholic Diocese of Boise is to obtain an actuarial valuation of the lay plan every two years.

Funded Status

The following table sets forth the plan's funded status at June 30:

	Fiscal Year Ended <u>June 30, 2009</u>	Fiscal Year Ended <u>June 30, 2008</u>
Vested benefit obligation	\$ (6,246,000)	\$ (6,054,000)
Accumulated benefit obligation	(7,790,000)	(7,534,000)
Projected benefit obligation	(7,790,000)	(7,534,000)
Plan assets at fair value	<u>3,742,000</u>	<u>4,295,000</u>
Funded status at end of year	(4,048,000)	(3,239,000)
Liability for pension benefits	\$ (4,048,000)	\$ (3,239,000)
Vested benefit obligation ratio	59.91%	70.94%

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE H - LAY EMPLOYEES PENSION PLAN (Continued)

Net Periodic Pension Cost

The following items are the components of the net periodic pension cost for the plan as a whole for the years ended June 30:

	Fiscal Year Ended <u>June 30, 2009</u>	Fiscal Year Ended <u>June 30, 2008</u>
Service cost-benefits earned during the period	\$ 683,000	\$ 686,000
Interest cost on projected benefit obligation	487,000	434,000
Return on plan assets		
Expected return	(325,000)	(416,000)
Asset (gain) loss	<u>596,000</u>	<u>1,119,000</u>
Actual return on plan assets	\$ 271,000	\$ 703,000
Net amortization and deferral		
Amortization of transition amount	\$ -	\$ 57,000
Amortization of loss	30,000	-
Deferral of asset gain	<u>(596,000)</u>	<u>(1,119,000)</u>
Total	\$ (566,000)	\$ (1,062,000)
Net periodic pension cost	\$ 875,000	\$ 761,000

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE H - LAY EMPLOYEES PENSION PLAN (Continued)

Assumptions Used to Determine Net Periodic Pension Cost

	Fiscal Year Ended <u>June 30, 2009</u>	Fiscal Year Ended <u>June 30, 2008</u>
Discount Rate	6.75%	6.25%
Expected long-term rate of return on assets	7.50%	7.50%
Salary Scale	4.50%	4.50%

The Roman Catholic Diocese of Boise employs a methodical process to determine the estimates of expected long-term rate of return on assets. These estimates are primarily driven by actual historical asset-class returns and advise from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2009 and June 30, 2008, the expected long-term rate of return used in determining net periodic pension cost was 7.5%.

Assumptions Used to Determine Benefit Obligations at Year-End

	Fiscal Year Ended <u>June 30, 2009</u>	Fiscal Year Ended <u>June 30, 2008</u>
Discount rate	6.60%	6.75%
Future benefit increases	4.50%	4.50%

Plan Asset Investment Strategy and Allocation

The asset allocation for the pension plan as of June 30, 2009 and June 30, 2008 and the target allocation, by asset category, are:

<u>Asset Category</u>	Investment Policy Target Asset <u>Allocation</u>	Policy Benchmark Asset <u>Allocation</u>	Actual Percentage of Plan Assets at June 30	
			<u>2009</u>	<u>2008</u>
Equities	25-75%	50%	31%	44%
Fixed Income	25-75%	40%	66%	53%
Cash Equivalents	0-100%	10%	3%	3%

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE H - LAY EMPLOYEES PENSION PLAN (Continued)

The pension plan has a diversified investment program, utilizing a variety of asset classes that balances risk with return opportunities. It utilizes highly qualified external investment managers that have demonstrated skill in a particular asset class. The Roman Catholic Diocese of Boise regularly monitors each investment manager's performance and the overall fund relative to benchmarks and also regularly reviews the asset allocation and makes appropriate changes accordingly. Prohibited investments include short sales, commodity contracts and equity option contracts. Investment decisions include consideration for corporate social responsibility and Roman Catholic social teaching.

Cash Flows

Estimated Future Benefit Payments

The following benefit payments, which reflect future service, as appropriate, are expected to be paid:

<u>Fiscal Year Ending June 30</u>	<u>Annual Pension Benefits</u>
2010	\$ 594,000
2011	824,000
2012	945,000
2013	885,000
2014	989,000
2015-2019	4,677,000

Beginning in June 30, 2007, under SFAS 158, the funded status is recognized in the statement of the financial position as a "Liability for pension benefits - lay". Unrecognized prior service costs and unrecognized actuarial losses are recognized in unrestricted net assets. The calculations above and on the prior pages represent the obligation of the entire Roman Catholic Diocese of Boise. The amounts recognized in the financial statements represent the obligation of the Central Administrative Office of the Diocese, and totaled \$384,150 for the year ended June 30, 2009 and \$326,200 for the year ended June 30, 2008.

Diocesan pension contributions for the year ended June 30, 2009 were \$250,000 and no contributions were made for the year ended June 30, 2008. Benefit payments of \$464,000 and \$409,000 were made from the plan during the years ended June 30, 2009 and June 30, 2008, respectively.

The Diocese expects to contribute \$250,000 to the pension plan during the fiscal year ending June 30, 2010.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE I - DEPOSIT AND LOAN FUND

The Diocese maintains a deposit and loan fund on behalf of the parishes and schools across the Diocese. This fund accumulates excess deposits such as those being accumulated under capital campaigns for parishes and schools and invests them. It pays the equivalent of a five year CD rate on those deposits. As of June 30, 2009 and 2008 the fund paid an interest rate on deposits of 2.92% and 4.28%, respectively. The parishes and schools can add and withdraw funds from this pool on demand. The Diocese also administers the lending of money from this fund out to parishes and schools that need money to build new physical plant, or repair and renovate existing plant. These loans range from 5 years to 20 years in length. Loan rates charged to borrowers range from 5.5% to 8.5%. Loans are set at simple interest rates and incur interest charges until paid by the parish or school.

	<u>2009</u>	<u>2008</u>
Balances as of June 30:		
Deposits in Fund from Parishes and Schools	\$ 24,497,921	\$ 24,826,173
Loans from Fund to Parishes and Schools	\$ 10,836,135	\$ 10,126,210
Percentage Loaned Out	44.23%	40.79%

NOTE J - NOTES AND ACCOUNTS RECEIVABLE

The Diocese makes loans and has accounts receivable due from parishes and schools as part of their normal operations. The Diocese has deemed an allowance for doubtful accounts related to loans outstanding and accounts receivable from parishes and schools unnecessary. No allowance for doubtful accounts has been included in the financial statements as of June 30, 2009 and 2008.

NOTE K - LINE OF CREDIT

The Diocese renewed a revolving line of credit agreement with a bank March 23, 2009. The line maximum is \$5,000,000, and funds borrowed are subject to a variable interest rate ranging from the higher of 3.5% to LIBOR plus 1.55%, which is adjusted monthly. The balance due totaled \$3,650,000 and \$2,000,000 as of June 30, 2009 and 2008, respectively.

NOTE L - LONG-TERM DEBT

A summary of long term debt follows:

Mortgage note payable, secured by real and personal property, payable in monthly installments of \$18,982 including principal and interest at a fixed rate of 5.81% per annum. Note matures in December of 2027.

Note payable, secured by real property located in Eagle, Idaho, payable in monthly installments of \$8,752 including principal and interest at a fixed rate of 6% per annum. Note matures in July 2017.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE L - LONG-TERM DEBT (Continued)

Maturities of long-term debt subsequent to June 30, 2009 are as follows:

Years ending June 30:	Amount
2010	\$ 113,761
2011	126,506
2012	134,181
2013	142,322
2014	150,957
Thereafter	3,031,295
	<u>\$ 3,699,022</u>

NOTE M - RESTRICTED NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>2009</u>	<u>2008</u>
Pastoral	\$ 242,706	\$ 282,411
Education	52,453	24,721
Social Services	2,446,081	2,630,233
Idaho Catholic Appeal (2008 Campaign)	-	1,666,107
Idaho Catholic Appeal (2009 Campaign)	1,508,533	-
	<u>\$ 4,249,773</u>	<u>\$ 4,603,472</u>

Net Assets Released From Restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of their specified events or expiration of time restrictions as follows:

	<u>2009</u>	<u>2008</u>
Pastoral	\$ 1,088,768	\$ 548,990
Education	147	125,149
Social Services	1,076,594	1,290,573
Idaho Catholic Appeal (2007 Campaign)	-	2,402,912
Idaho Catholic Appeal (2008 Campaign)	2,340,518	-
	<u>\$ 4,506,027</u>	<u>\$ 4,367,624</u>

Permanently Restricted Net Assets

Permanently restricted net assets, where the investments are to be held in perpetuity and the income used for specified purposes, are comprised of the following:

	<u>2009</u>	<u>2008</u>
Endowment Funds	\$ 733,914	\$ 733,914

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE N - LEASES IN FINANCIAL STATEMENTS OF LESSORS

The Diocese leases portions of their office building and other property to various organizations in the Treasure Valley.

Summary of contracted rent payments to be received as of June 30:

Years ending June 30:	Amount
2010	\$ 334,231
2011	250,272
2012	161,413
2013	157,503
2014	149,975
Thereafter	12,528
	<u>\$ 1,065,922</u>

NOTE O - RELATED PARTY TRANSACTIONS

The Diocese performs various administrative services including deposits and loans, insurance and payroll processing for related entities. All significant activities are reflected in these financial statements.

Council members of the Diocese are comprised of owners and employees of businesses located in the Treasure Valley. In the course of operations, from time to time, the Diocese has transactions with these businesses.

NOTE P - CONCENTRATION OF CREDIT RISK

The Diocese maintains cash balances accounts at several local financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 and \$100,000 for the years ended June 30, 2009 and 2008, respectively. At June 30, 2009 there were no balances in excess of the insured limit. The amount in excess of the insured limit at June 30, 2008 was \$163,400.

NOTE Q - COMMITMENTS AND CONTINGENCIES

The Diocese has been named as the party in legal proceedings brought against it and other parties. Diocesan management has reviewed these matters with legal counsel and in its opinion, these actions are defensible insofar as the Diocese is concerned and settlement of these matters should have no material effect on the Diocese's financial position or its results of operations. Consequently, no liability has been accrued related to these matters.

NOTE R - COMPARATIVE FINANCIAL INFORMATION

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Diocese's financial statements for the year ended June 30, 2008, from which the summarized information was derived.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2009 and 2008

NOTE S - RECLASSIFICATIONS

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE T - SUBSEQUENT EVENTS

Market conditions subsequent to year end improved resulting in an increase in the value of investment accounts of the Diocese. The increase in market value at September 30, 2009 was increased approximately 2.48 million dollars, up 11.6% from June 30, 2009. The increase was not audited.

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Central Administrative Office of the Roman Catholic Diocese of Boise
Boise, Idaho

Our report on our audit of the basic financial statements of Central Administrative Office of the Roman Catholic Diocese of Boise as of and for the year ended June 30, 2009 appears on page 3. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Travis Jeffries, P.A.

Boise, Idaho
December 16, 2009

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

COMBINING STATEMENTS OF FINANCIAL POSITION - UNRESTRICTED NET ASSETS

June 30, 2009 and June 30, 2008 Summarized Information

ASSETS

	2009									2008	
	<u>Operating</u>	<u>Deposit & Loan</u>	<u>Health & Welfare Insurance</u>	<u>Property & Liability Insurance</u>	<u>Idaho Catholic Register</u>	<u>Nazareth Retreat Center</u>	<u>Custodial</u>	<u>Plant</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
ASSETS											
Cash	\$ (1,263,234)	\$ -	\$ 45,068	\$ -	\$ 163,010	\$ 13,423	\$ -	\$ -	\$ -	\$ (1,041,733)	\$ (265,690)
Certificates of deposit	1,833,393	-	-	-	-	-	-	-	-	1,833,393	1,331,802
Accounts and pledges receivable	747,221	276,809	143,935	296,109	49,216	5,478	114,935	-	106,331	1,740,034	1,678,350
Deposits and prepaid expenses	67,683	-	-	-	9,753	-	-	-	-	77,436	47,464
Interfund receivable (payable)	7,058,288	5,900,793	(1,741,545)	(368,757)	10,752	(992,849)	86,711	(11,975,341)	-	(2,021,948)	(2,469,496)
Marketable securities	2,789,214	5,545,482	725,244	202,475	-	-	5,704,633	-	2,748,940	17,715,988	22,307,433
Land held for future parish expansion	-	827,160	-	-	-	-	-	-	-	827,160	1,584,661
Loans to parishes and schools	-	10,836,135	-	-	-	-	-	-	-	10,836,135	10,126,210
Loans and notes receivable	1,092,543	-	-	-	-	-	-	-	-	1,092,543	637,320
Construction in progress											
Priest retirement housing	-	-	-	-	-	-	-	133,427	-	133,427	-
Property, plant and equipment	-	-	-	-	53,610	2,644,089	-	14,268,167	-	16,965,866	15,744,240
Accumulated depreciation	-	-	-	-	(45,732)	(1,075,373)	-	(2,206,088)	-	(3,327,193)	(2,870,449)
Total Assets	\$ 12,325,108	\$ 23,386,379	\$ (827,298)	\$ 129,827	\$ 240,609	\$ 594,768	\$ 5,906,279	\$ 220,165	\$ 2,855,271	\$ 44,831,108	\$ 47,851,845

See independent auditor's report on supplementary information.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

COMBINING STATEMENTS OF FINANCIAL POSITION - UNRESTRICTED NET ASSETS (Continued)

June 30, 2009 and June 30, 2008 Summarized Information

LIABILITIES AND NET ASSETS

	2009									2008	
	<u>Operating</u>	<u>Deposit & Loan</u>	<u>Health & Welfare Insurance</u>	<u>Property & Liability Insurance</u>	<u>Idaho Catholic Register</u>	<u>Nazareth Retreat Center</u>	<u>Custodial</u>	<u>Plant</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
LIABILITIES											
Accounts payable	\$ 302,788	\$ -	\$ -	\$ -	\$ -	\$ 5,428	\$ -	\$ -	\$ 136,759	\$ 444,975	\$ 360,523
Accrued liabilities	257,217	6,956	73,000	-	4,568	11,891	234,467	-	-	588,099	854,385
Line of credit	3,650,000	-	-	-	-	-	-	-	-	3,650,000	2,000,000
Parish cash management	2,401,757	-	-	-	-	-	-	-	-	2,401,757	3,069,474
Parish savings deposit	-	24,497,921	-	-	-	-	-	-	-	24,497,921	24,826,173
Lay pension trust	2,170,377	-	-	-	-	-	-	-	-	2,170,377	1,568,991
ICF - held for others	-	-	-	-	-	5,704,633	-	-	-	5,704,633	7,023,825
Liability for pension benefits - lay	384,150	-	-	-	-	-	-	-	-	384,150	326,200
Liability for pension benefits - priest	613,400	-	-	-	-	-	-	-	-	613,400	434,100
Notes payable	3,699,022	-	-	-	-	-	-	-	-	3,699,022	2,968,344
Deferred revenue	1,260	-	-	-	-	-	-	-	-	1,260	9,016
Total Liabilities	13,479,971	24,504,877	73,000	-	4,568	17,319	5,939,100	-	136,759	44,155,594	43,441,031
NET ASSETS	(1,154,863)	(1,118,498)	(900,298)	129,827	236,041	577,449	(32,821)	220,165	2,718,512	675,514	4,410,814
Total Liabilities and Net Assets	\$ 12,325,108	\$ 23,386,379	\$ (827,298)	\$ 129,827	\$ 240,609	\$ 594,768	\$ 5,906,279	\$ 220,165	\$ 2,855,271	\$ 44,831,108	\$ 47,851,845

See independent auditor's report on supplementary information.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

COMBINING STATEMENTS OF ACTIVITIES - UNRESTRICTED NET ASSETS

For the Year Ended June 30, 2009 and Summarized Information for the Year Ended June 30, 2008

	2009									2008	
	Operating	Deposit & Loan	Health & Welfare Insurance	Property & Liability Insurance	Idaho Catholic Register	Nazareth Retreat Center	Custodial	Plant	Board Designated	Total	Summarized Information
REVENUE AND SUPPORT											
Contributions	\$ 1,114,156	\$ -	\$ -	\$ -	\$ -	\$ 98,525	\$ -	\$ -	\$ 568	\$ 1,213,249	\$ 1,981,500
Program services	585,813	-	-	-	289,377	188,999	-	-	-	1,064,189	1,232,728
Assessment revenue	635,223	-	-	-	-	-	-	-	-	635,223	583,233
Insurance program	-	-	2,977,531	916,616	-	-	-	-	-	3,894,147	3,629,335
Grant revenue	142,100	-	-	-	-	-	-	-	-	142,100	101,200
Deposit and loan interest	-	576,034	-	-	-	-	-	-	-	576,034	569,904
Rental income	505,713	-	-	-	-	15,065	-	-	-	520,778	406,975
Gain on sale of property	650,000	-	-	-	-	-	500	-	-	650,500	996,297
Investment income	(138,327)	(488,469)	(109,636)	(30,212)	5,644	625	-	(538,849)	(1,299,224)	(257,145)	
Miscellaneous	4,806	-	-	120	766	2,409	-	-	-	8,101	10,861
Net assets released from restrictions satisfied by payments	4,506,027	-	-	-	-	-	-	-	-	4,506,027	4,367,624
Total Revenue	8,005,511	87,565	2,867,895	886,524	295,787	305,623	-	500	(538,281)	11,911,124	13,622,512
EXPENSES											
Salaries	1,535,604	-	-	-	117,246	109,221	-	-	-	1,762,071	1,772,503
Auto	24,034	-	-	-	220	-	-	-	-	24,254	30,944
Advertising	4,977	-	-	-	1,875	473	-	-	-	7,325	10,926
Bank and investment	131,139	-	-	-	-	27	-	-	18,132	149,298	170,032
Computer	275,403	-	-	-	466	-	-	-	-	275,869	510,344
Contributions	242,863	-	-	-	(10)	-	-	-	-	242,853	283,049
Dues and subscriptions	67,035	-	-	-	630	310	-	-	-	67,975	71,420
Depreciation	-	-	-	-	3,091	58,770	-	427,099	-	488,960	373,074
Employee benefits	268,440	-	-	-	16,294	14,905	-	-	-	299,639	284,925
Event	226,728	-	-	-	595	115	-	-	-	227,438	270,056
Supplies	14,082	-	-	-	237	31,081	-	-	-	45,400	34,088
Miscellaneous	56,700	-	-	-	14,828	1,949	-	-	-	73,477	41,691
Payroll taxes	105,084	-	-	-	8,533	8,037	-	-	-	121,654	122,066
Postage	24,603	-	-	-	69,312	440	-	-	-	94,355	107,346
Office	74,769	-	-	-	36,479	433	-	-	-	111,681	127,039
Rental	43,389	-	-	-	-	-	-	-	-	43,389	71,057
Repairs and maintenance	135,415	-	-	-	-	14,558	-	-	-	149,973	118,960

See independent auditor's report on supplementary information.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

COMBINING STATEMENTS OF ACTIVITIES - UNRESTRICTED NET ASSETS (Continued)

For the Year Ended June 30, 2009 and Summarized Information for the Year Ended June 30, 2008

	2009									2008	
	<u>Operating</u>	<u>Deposit & Loan</u>	<u>Health & Welfare Insurance</u>	<u>Property & Liability Insurance</u>	<u>Idaho Catholic Register</u>	<u>Nazareth Retreat Center</u>	<u>Custodial</u>	<u>Plant</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
EXPENSES (Continued)											
Interest	\$ 349,458	\$ 1,026,340	\$ -	\$ -	\$ -	\$ 27	\$ -	\$ -	\$ -	\$ 1,375,825	\$ 1,632,077
Stipends	58,947	-	-	-	-	-	-	-	-	58,947	50,311
Telephone	18,514	-	-	-	311	3,474	-	-	-	22,299	25,173
Training	12,188	-	-	-	360	95	-	-	-	12,643	16,832
Travel	103,813	-	-	-	887	1,059	-	-	-	105,759	71,290
Meetings	117,837	-	-	-	-	-	-	-	-	117,837	145,135
Professional services	185,329	44,674	41,869	2,301	85	1,157	-	-	-	275,415	681,481
Insurance	36,550	-	3,268,534	839,325	-	6,043	-	-	-	4,150,452	4,367,712
Appropriations	117,904	-	-	-	-	-	-	136,759	-	254,663	339,431
Meals and entertainment	12,647	-	-	-	151	-	-	-	-	12,798	7,890
Utilities	141,859	-	-	-	-	29,809	-	-	-	171,668	137,153
Property taxes	133,222	-	-	-	-	-	-	-	-	133,222	108,668
Workers compensation	22,233	-	-	-	2,101	1,674	-	-	-	26,008	27,696
SFAS 158 Expense	237,250	-	-	-	-	-	-	-	-	237,250	368,700
Net assets released from restrictions satisfied by payments	4,506,027	-	-	-	-	-	-	-	-	4,506,027	4,367,624
Total Expenses	9,284,043	1,071,014	3,310,403	841,626	273,691	283,657	-	427,099	154,891	15,646,424	16,746,693
Increase (Decrease) in Net Assets	(1,278,532)	(983,449)	(442,508)	44,898	22,096	21,966	-	(426,599)	(693,172)	(3,735,300)	(3,124,181)
NET ASSETS, Beginning of Year	123,669	(135,049)	(457,790)	84,929	213,945	555,483	(32,821)	646,764	3,411,684	4,410,814	7,534,995
NET ASSETS, End of Year	<u>\$ (1,154,863)</u>	<u>\$ (1,118,498)</u>	<u>\$ (900,298)</u>	<u>\$ 129,827</u>	<u>\$ 236,041</u>	<u>\$ 577,449</u>	<u>\$ (32,821)</u>	<u>\$ 220,165</u>	<u>\$ 2,718,512</u>	<u>\$ 675,514</u>	<u>\$ 4,410,814</u>

See independent auditor's report on supplementary information.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

COMBINING STATEMENTS OF FINANCIAL POSITION - TEMPORARILY RESTRICTED NET ASSETS

June 30, 2009 and June 30, 2008 Summarized Information

ASSETS

	2009								
	<u>Charity</u>	<u>Seminary</u>	<u>Clergy</u>	<u>Koelsch Charitable Unitrust</u>	<u>Retirement Housing</u>	<u>Magic Valley High School</u>	<u>ICF Held for Diocese</u>	<u>Bishop Discretionary</u>	<u>Diocesan Development Program</u>
ASSETS									
Cash and cash equivalents	\$ -	\$ 22,032	\$ -	\$ -	\$ 1,070,895	\$ 30,870	\$ -	\$ -	\$ -
Certificates of deposit	-	-	-	-	-	-	-	60,000	-
Accounts and pledges receivable	-	-	156,133	-	-	-	-	63	214,935
Deposits and prepaid expenses	-	-	-	-	-	-	-	-	-
Interfund receivable (payable)	378,658	1,296,651	(665,438)	-	(231,333)	-	7,857	(234,639)	1,293,598
Marketable securities	194,999	469,432	115,554	93,795	-	-	206,202	52,738	-
Property, plant and equipment	-	85,119	-	-	-	-	-	-	-
Accumulated depreciation	-	(1,605)	-	-	-	-	-	-	-
Total Assets	<u>\$ 573,657</u>	<u>\$ 1,871,629</u>	<u>\$ (393,751)</u>	<u>\$ 93,795</u>	<u>\$ 839,562</u>	<u>\$ 30,870</u>	<u>\$ 214,059</u>	<u>\$ (121,838)</u>	<u>\$ 1,508,533</u>

LIABILITIES AND NET ASSETS

LIABILITIES									
Accrued liabilities	\$ 285,214	\$ 105	\$ 251,967	\$ 93,795	\$ -	\$ -	\$ 32,223	\$ -	\$ -
Total Liabilities	285,214	105	251,967	93,795	-	-	32,223	-	-
NET ASSETS	<u>288,443</u>	<u>1,871,524</u>	<u>(645,718)</u>	<u>-</u>	<u>839,562</u>	<u>30,870</u>	<u>181,836</u>	<u>(121,838)</u>	<u>1,508,533</u>
Total Liabilities and Net Assets	<u>\$ 573,657</u>	<u>\$ 1,871,629</u>	<u>\$ (393,751)</u>	<u>\$ 93,795</u>	<u>\$ 839,562</u>	<u>\$ 30,870</u>	<u>\$ 214,059</u>	<u>\$ (121,838)</u>	<u>\$ 1,508,533</u>

See independent auditor's report on supplementary information.

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

COMBINING STATEMENTS OF FINANCIAL POSITION - TEMPORARILY RESTRICTED NET ASSETS

June 30, 2009 and June 30, 2008 Summarized Information (continued)

	2009			2008	
	Catholic Idaho	Education	Unitrust Fund	Total	Summarized Information
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,123,797	\$ 577,518
Certificates of deposit	-	-	-	60,000	60,000
Accounts and pledges receivable	-	-	-	371,131	842,504
Deposits and prepaid expenses	-	-	-	-	-
Interfund receivable (payable)	178,830	1,798	(4,034)	2,021,948	2,469,496
Marketable securities	47,286	19,785	52,896	1,252,687	1,437,493
Property, plant and equipment	-	-	-	85,119	85,119
Accumulated depreciation	-	-	-	(1,605)	(1,193)
	\$ 226,116	\$ 21,583	\$ 48,862	\$ 4,913,077	\$ 5,470,937
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accrued liabilities	\$ -	\$ -	\$ -	\$ 663,304	\$ 867,465
Total Liabilities	-	-	-	663,304	867,465
NET ASSETS	226,116	21,583	48,862	4,249,773	4,603,472
Total Liabilities and Net Assets	\$ 226,116	\$ 21,583	\$ 48,862	\$ 4,913,077	\$ 5,470,937

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

COMBINING STATEMENTS OF ACTIVITIES - TEMPORARILY RESTRICTED NET ASSETS

For the Year Ended June 30, 2009 and Summarized Information for the Year Ended June 30, 2008

	2009								
	<u>Charity</u>	<u>Seminary</u>	<u>Clergy</u>	<u>Koelsch Charitable Unitrust</u>	<u>Retirement Housing</u>	<u>Magic Valley High School</u>	<u>ICF Held for Diocese</u>	<u>Bishop Discretionary</u>	<u>Diocesan Development Plan</u>
REVENUE AND SUPPORT									
Contributions	\$ 320,775	\$ 658,356	\$ 558,422	\$ -	\$ 311,730	\$ 30,000	\$ -	\$ 7,721	\$ 2,182,944
Program services	-	15,987	-	-	-	-	-	-	-
Grant revenue	-	-	-	-	-	-	-	-	-
Investment income	(29,478)	(69,682)	(17,469)	11,275	32,779	870	1,327	(5,416)	-
Miscellaneous	-	-	150,000	-	-	-	-	-	-
Net assets released from restrictions satisfied by payments	<u>(378,276)</u>	<u>(633,747)</u>	<u>(1,049,968)</u>	<u>(11,275)</u>	<u>(24,275)</u>	<u>-</u>	<u>-</u>	<u>(64,220)</u>	<u>(2,340,518)</u>
Total Revenue and Support	(86,979)	(29,086)	(359,015)	-	320,234	30,870	1,327	(61,915)	(157,574)
NET ASSETS, Beginning of Year	<u>375,422</u>	<u>1,900,610</u>	<u>(286,703)</u>	<u>-</u>	<u>519,328</u>	<u>-</u>	<u>180,509</u>	<u>(59,923)</u>	<u>1,666,107</u>
NET ASSETS, End of Year	<u><u>\$ 288,443</u></u>	<u><u>\$ 1,871,524</u></u>	<u><u>\$ (645,718)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 839,562</u></u>	<u><u>\$ 30,870</u></u>	<u><u>\$ 181,836</u></u>	<u><u>\$ (121,838)</u></u>	<u><u>\$ 1,508,533</u></u>

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**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

COMBINING STATEMENTS OF ACTIVITIES - TEMPORARILY RESTRICTED NET ASSETS

For the Year Ended June 30, 2009 & Summarized Information for the Year Ended June 30, 2008 (continued)

	<u>2009</u>				<u>2008</u>
	<u>Catholic Idaho</u>	<u>Education</u>	<u>Unitrust Fund</u>	<u>Total</u>	<u>Summarized Information</u>
REVENUE AND SUPPORT					
Contributions	\$ -	\$ -	\$ -	\$ 4,069,948	\$ 4,447,792
Program services	-	-	-	15,987	2,400
Grant revenue	-	-	-	-	150,000
Investment income	(7,148)	(2,991)	2,326	(83,607)	(49,768)
Miscellaneous	-	-	-	150,000	-
Net assets released from restrictions satisfied by payments	(351)	(147)	(3,250)	(4,506,027)	(4,367,624)
Total Revenue and Support	(7,499)	(3,138)	(924)	(353,699)	182,800
NET ASSETS, Beginning of Year	<u>233,615</u>	<u>24,721</u>	<u>49,786</u>	<u>4,603,472</u>	<u>4,420,672</u>
NET ASSETS, End of Year	<u>\$ 226,116</u>	<u>\$ 21,583</u>	<u>\$ 48,862</u>	<u>\$ 4,249,773</u>	<u>\$ 4,603,472</u>

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

COMBINING STATEMENTS OF FINANCIAL POSITION - PERMANENTLY RESTRICTED NET ASSETS

June 30, 2009 and June 30, 2008 Summarized Information

ASSETS

	2009				2008	
	Heinz Charitable	St. Joseph's Children Home	Chausee Family Memorial Fund	James & Olive Davis Fund	Total	Summarized Information
ASSETS						
Marketable securities	\$ 94,148	\$ 151,405	\$ 250,000	\$ 238,361	\$ 733,914	\$ 733,914
Total Assets	\$ 94,148	\$ 151,405	\$ 250,000	\$ 238,361	\$ 733,914	\$ 733,914

LIABILITIES AND NET ASSETS

NET ASSETS	\$ 94,148	\$ 151,405	\$ 250,000	\$ 238,361	\$ 733,914	\$ 733,914
Total Liabilities and Net Assets	\$ 94,148	\$ 151,405	\$ 250,000	\$ 238,361	\$ 733,914	\$ 733,914

**CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE**

COMBINING STATEMENTS OF ACTIVITIES - PERMANENTLY RESTRICTED NET ASSETS

For the Year Ended June 30, 2009 and Summarized Information for the Year Ended June 30, 2008

	<u>2009</u>				<u>2008</u>	
	<u>Heinz Charitable</u>	<u>St. Joseph's Children Home</u>	<u>Chausee Family Memorial Fund</u>	<u>James & Olive Davis Fund</u>	<u>Total</u>	<u>Summarized Information</u>
REVENUE AND SUPPORT						
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue and Support	-	-	-	-	-	-
NET ASSETS, Beginning of Year	\$ 94,148	151,405	250,000	238,361	\$ 733,914	733,914
NET ASSETS, End of Year	<u>\$ 94,148</u>	<u>\$ 151,405</u>	<u>\$ 250,000</u>	<u>\$ 238,361</u>	<u>\$ 733,914</u>	<u>\$ 733,914</u>