

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

**FINANCIAL STATEMENTS**

**JUNE 30, 2018 AND 2017**

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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 financial statements of the Central Administrative Office of the Roman Catholic Diocese of Boise (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **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, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited the Organization's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 17, 2018. In our opinion the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Travis Jeffries, P.A.*

Boise, Idaho  
January 3, 2019

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

**STATEMENTS OF FINANCIAL POSITION**

June 30, 2018 and June 30, 2017 Summarized Information

**ASSETS**

	2018			Total	2017
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>		<u>Summarized Information</u>
ASSETS					
Cash	\$ 2,128,692	\$ 16,939	\$ -	\$ 2,145,631	\$ 1,449,722
Accounts and pledges receivable	2,638,033	370,071	-	3,008,104	2,821,468
Deposits and prepaid expenses	89,878	200	-	90,078	137,389
Interfund receivable (payable)	(94,968)	94,968	-	-	-
Investments	19,681,947	1,521,308	1,069,139	22,272,394	20,759,017
Beneficial interest in perpetual trust	-	81,687	573,528	655,215	650,379
Loans to parishes and schools	13,360,118	-	-	13,360,118	11,513,152
Loans and notes receivable	219,358	-	-	219,358	182,367
Lay pension trust, excess contribution	-	-	-	-	26,427
Property, plant and equipment	18,991,478	-	-	18,991,478	15,029,383
Accumulated depreciation	(6,594,298)	-	-	(6,594,298)	(6,186,167)
<b>Total Assets</b>	<b><u>\$ 50,420,238</u></b>	<b><u>\$ 2,085,173</u></b>	<b><u>\$ 1,642,667</u></b>	<b><u>\$ 54,148,078</u></b>	<b><u>\$ 46,383,137</u></b>

**LIABILITIES AND NET ASSETS**

LIABILITIES					
Accounts payable	\$ 1,203,978	\$ 4,004	\$ -	\$ 1,207,982	\$ 245,236
Accrued liabilities	802,266	506,316	-	1,308,582	1,172,949
Line of credit	6,650,000	-	-	6,650,000	-
Parish cash management	6,421,500	-	-	6,421,500	6,123,539
Parish savings deposits	27,685,670	-	-	27,685,670	28,765,245
Liability for pension benefits - lay	734,980	-	-	734,980	957,649
Liability for pension benefits - priest	559,768	-	-	559,768	614,795
Deferred revenue	1,280	-	-	1,280	-
<b>Total Liabilities</b>	<b>44,059,442</b>	<b>510,320</b>	<b>-</b>	<b>44,569,762</b>	<b>37,879,413</b>
NET ASSETS					
Unrestricted	1,655,535	-	-	1,655,535	526,424
Board Designated	4,705,261	-	-	4,705,261	4,504,286
Temporarily Restricted	-	1,574,853	-	1,574,853	1,830,347
Permanently Restricted	-	-	1,642,667	1,642,667	1,642,667
<b>Total Net Assets</b>	<b><u>6,360,796</u></b>	<b><u>1,574,853</u></b>	<b><u>1,642,667</u></b>	<b><u>9,578,316</u></b>	<b><u>8,503,724</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 50,420,238</u></b>	<b><u>\$ 2,085,173</u></b>	<b><u>\$ 1,642,667</u></b>	<b><u>\$ 54,148,078</u></b>	<b><u>\$ 46,383,137</u></b>

See notes to financial statements.

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

**STATEMENTS OF ACTIVITIES**

**For the Year Ended June 30, 2018 and Summarized Information for the Year Ended June 30, 2017**

	<u>2018</u>			<u>Total</u>	<u>2017</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>		<u>Summarized Information</u>
<b>REVENUE AND SUPPORT</b>					
Contributions	\$ 518,652	\$ 3,750,478	\$ -	\$ 4,269,130	\$ 4,156,024
Program services	1,170,056	92,946	-	1,263,002	1,182,540
Assessment revenue	744,344	-	-	744,344	715,995
Insurance program	5,742,391	47,326	-	5,789,717	5,397,629
Grant revenue	452,159	137,897	-	590,056	475,221
Deposit and loan interest	347,382	-	-	347,382	216,300
Rental income	587,654	63,952	-	651,606	605,101
Gain on the sale of property	7,500	-	-	7,500	1,045,403
Realized gain on investments	747,175	51,128	-	798,303	312,202
Unrealized gain on investments	661,898	63,542	-	725,440	1,633,355
Interest and dividends	451,124	32,940	-	484,064	439,065
Unrealized gain on beneficial interest in perpetual trust	-	4,836	-	4,836	47,877
Miscellaneous	4,921	-	-	4,921	15,131
Net assets released from restrictions satisfied by payments	4,500,539	(4,500,539)	-	-	-
Total Revenue and Support	15,935,795	(255,494)	-	15,680,301	16,241,843
<b>EXPENSES</b>					
Program services					
Pastoral	3,342,077	-	-	3,342,077	2,900,751
Education	2,104,864	-	-	2,104,864	1,981,234
Social services	194,971	-	-	194,971	234,530
Deposit and loan interest	418,391	-	-	418,391	576,329
Newspaper	267,331	-	-	267,331	336,073
Retreat center	267,842	-	-	267,842	264,731
Insurance program	5,117,715	-	-	5,117,715	5,188,981
St. John Vianney Retirement Center	133,278	-	-	133,278	64,430
Total Program Services	\$ 11,846,469	\$ -	\$ -	\$ 11,846,469	\$ 11,547,059

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, 2018 and Summarized Information for the Year Ended June 30, 2017**

	<u>2018</u>			<u>2017</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Summarized Information</u>
Supporting Services					
General administrative	\$ 1,887,960	\$ -	\$ -	\$ 1,887,960	\$ 1,824,004
Development	356,064	-	-	356,064	301,294
FASB ASC 715 Expense	80,827	-	-	80,827	(115,790)
Depreciation	434,389	-	-	434,389	440,054
Total Supporting Services	<u>2,759,240</u>	<u>-</u>	<u>-</u>	<u>2,759,240</u>	<u>2,449,562</u>
Total Expenses	<u>14,605,709</u>	<u>-</u>	<u>-</u>	<u>14,605,709</u>	<u>13,996,621</u>
Increase (Decrease) in Net Assets	1,330,086	(255,494)	-	1,074,592	2,245,222
NET ASSETS, Beginning of Year	<u>5,030,710</u>	<u>1,830,347</u>	<u>1,642,667</u>	<u>8,503,724</u>	<u>6,258,502</u>
NET ASSETS, End of Year	<u><u>\$ 6,360,796</u></u>	<u><u>\$ 1,574,853</u></u>	<u><u>\$ 1,642,667</u></u>	<u><u>\$ 9,578,316</u></u>	<u><u>\$ 8,503,724</u></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, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 1,074,592	\$ 2,245,222
Adjustments to reconcile net increase in net assets to net cash used in operating activities:		
Depreciation	434,389	440,054
Realized gain on investments	(796,728)	(312,202)
Unrealized gain on investments	(724,485)	(1,633,355)
Realized gain on asset disposal	(7,500)	(1,045,403)
Contributions of marketable securities received	(1,060,304)	(520,788)
Beneficial interest in perpetual trust increase	(4,836)	(47,877)
Changes in operating assets and liabilities:		
Accounts receivable	(186,636)	(438,651)
Prepaid expenses	47,311	(3,998)
Lay pension trust	26,427	(32,694)
Accounts payable	962,746	(90,460)
Accrued liabilities	135,633	(172,664)
Parish cash management	297,961	1,327,336
Parish savings deposits	(1,079,575)	589,782
Liability for pension benefits - lay	(222,669)	(130,853)
Liability for pension benefits - priest	(55,027)	(107,937)
Deferred revenue	1,280	(2,275)
	<hr/>	<hr/>
Net Cash Provided (Used in) by Operating Activities	(1,157,421)	63,237
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loans and notes receivable	(1,883,957)	(1,721,779)
Purchase of investments	(471,248)	(1,043,957)
Proceeds from sale of investments	1,539,388	1,015,659
Purchase of fixed assets	(3,988,353)	(164,108)
Proceeds from sale of fixed assets	7,500	2,005,050
	<hr/>	<hr/>
Net Cash Provided by (Used in) Investing Activities	(4,796,670)	90,865
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	6,650,000	-
	<hr/>	<hr/>
Net Cash Used in Financing Activities	6,650,000	-
	<hr/>	<hr/>
Net Increase in Cash and Cash Equivalents	\$ 695,909	\$ 154,102

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, 2018 and 2017**

	<u><b>2018</b></u>	<u><b>2017</b></u>
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>\$ 1,449,722</u>	<u>\$ 1,295,620</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>\$ 2,145,631</u></u>	<u><u>\$ 1,449,722</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expense	\$ 10,349	\$ 50
Noncash contributions of marketable securities	\$ 1,060,304	\$ 520,788

See notes to financial statements.



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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2018 and 2017**

**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*

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (FASB ASC) 958. In accordance with the standard, the Diocese is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

*Contributions*

The Diocese follows the recommendations of the FASB ASC 958 for accounting for contributions received and contributions made. In accordance with the standard, 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.

*Allowance for Doubtful Accounts*

The Diocese provides an allowance for doubtful accounts based on prior experience and management's assessment of collectibility of existing specific accounts.

*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, 2018 and 2017, advertising costs totaled \$5,662 and \$9,630, respectively.

*Investments*

The Diocese follows FASB ASC 958, in accounting for investments. According to the standard, 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, 2018 and 2017**

**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 except for federal taxes on unrelated business income tax on unrelated debt financed income, there is no other provision for federal income taxes.

In accordance with FASB ASC 740, the Diocese has evaluated its operations as of June 30, 2018 as compared to its original application for tax-exempt not-for-profit status. The evaluation also considered the possibility of transactions that may be subject to income tax on unrelated business income. Tax positions considered, but not limited to included: a) the Diocese's characterization of its activities as related or unrelated to its exempt purpose, and b) the Diocese's allocation of revenue and expense between activities that relate to its exempt purpose and those that could be considered unrelated business income. Upon the evaluation, the Diocese does not believe it has any business activities in place that would cause its tax-exempt not-for-profit status to not be sustained upon audit.

*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 39 years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. The Diocese capitalizes assets valued \$10,000 or more. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation expenses for June 30, 2018 and 2017 were \$434,389 and \$440,054, 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 because 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, 2018 and 2017**

**NOTE B - FAIR VALUE MEASUREMENTS**

The Diocese follows FASB ASC 820, 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 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)

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.

Key data used to assign fair value to Level 2 assets:

	<u>Primary vendor or source</u>	<u>Update frequency</u>	<u>Methodology</u>	<u>Secondary vendor or other source</u>
Open-End mutual funds - equity	Fund Web	Daily	Net Asset Value	MSCI Europe, Australasia, Far East (EAFE) Index
Open-End mutual funds - fixed income	Fund Web	Daily	Net Asset Value	Bloomberg
Open-End mutual funds - balanced funds	Fund Web	Daily	Net Asset Value	Bloomberg
Corporate obligations	ICE (Intercontinental Exchange)	Daily	Institutional Bond Quotes based assessments of various market and industry inputs	Bloomberg
Government and agency obligations	ICE (Intercontinental Exchange)	Daily	Institutional Bond Quotes based assessments of various market and industry inputs	Bloomberg

Key data used to assign fair value to Level 3 assets is provided by the Mission Diocese Fund, LLC on a quarterly basis. The investment in the Mission Diocese Fund, LLC is comprised of various types of investments including equity, inflation hedge, fixed income and marketable alternatives measured at fair value as appropriate according to the assets traded value on national securities exchanges or net asset valuations provided by underlying investment funds.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE C - INVESTMENTS**

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

	<u>2018</u>	<u>2017</u>
Money market funds	\$ 575,493	\$ 482,587
Open-End mutual funds - equity	2,486,155	2,171,355
Open-End mutual funds - fixed income	5,222,556	5,329,397
Corporate obligations	14,000	14,000
Government and agency obligations	22,810	23,364
Corporate equities	13,351,054	12,187,032
Mission Diocese Fund, LLC	600,326	551,282
	<u>\$ 22,272,394</u>	<u>\$ 20,759,017</u>

Net investment income at June 30:

	<u>2018</u>	<u>2017</u>
Net realized gain	\$ 798,303	\$ 312,202
Net unrealized loss	725,440	1,633,355
Interest and dividend income	484,064	439,065
	<u>\$ 2,007,807</u>	<u>\$ 2,384,622</u>

Investments at fair value as of June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 575,493	\$ -	\$ -	\$ 575,493
Open-End mutual funds - equity	102,211	2,383,944	-	2,486,155
Open-End mutual funds - fixed income	-	5,222,556	-	5,222,556
Open-End mutual funds - balanced	-	-	-	-
Corporate obligations	-	14,000	-	14,000
Government and agency obligations	-	22,810	-	22,810
Corporate equities	13,351,054	-	-	13,351,054
Mission Diocese Fund, LLC	-	-	600,326	600,326
	<u>\$ 14,028,758</u>	<u>\$ 7,643,310</u>	<u>\$ 600,326</u>	<u>\$ 22,272,394</u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE C - INVESTMENTS (Continued)**

Investments at fair value as of June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 482,587	\$ -	\$ -	\$ 482,587
Open-End mutual funds - equity	126,177	2,045,178	-	2,171,355
Open-End mutual funds - fixed income	-	5,329,397	-	5,329,397
Open-End mutual funds - balanced	-	-	-	-
Corporate obligations	-	14,000	-	14,000
Government and agency obligations	-	23,364	-	23,364
Corporate equities	12,187,032	-	-	12,187,032
Mission Diocese Fund, LLC	-	-	551,282	551,282
	<u>\$ 12,795,796</u>	<u>\$ 7,411,939</u>	<u>\$ 551,282</u>	<u>\$ 20,759,017</u>

The following table reconciles the valuation of Level 3 investments and related transactions during the year ended June 30, 2018:

	<u>Amount</u>
Fair value July 1, 2017	\$ 551,282
Transfers in	-
Interest and dividends	3,968
Realized gain on investments	32,753
Unrealized gain on investments	13,110
Bank and investment fees	<u>(787)</u>
Fair value June 30, 2018	<u>\$ 600,326</u>

Transfers to or from Level 3 investments are deemed to have occurred once the funds have been withdrawn from one and deposited to the other; no transfers occurred during the year ended June 30, 2018. Investment income, realized and unrealized gains are included as an increase of \$49,831 and investment expenses are included as a decrease of \$787 in the Statements of Activities, resulting in a net increase of \$49,044 to unrestricted net assets for the year ended June 30, 2018. The Mission Diocese Fund, LLC investments are held by the Idaho Catholic Foundation for the Diocese.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE D - PLEDGES RECEIVABLE**

The Idaho Catholic Appeal (ICA) is an annual campaign normally conducted in the parishes which raises operating funds for various programs and ministries supported by the Diocese. These programs include pastoral services, care of the priests, outreach, education and formation, Catholic Charities and the Universal Church. The funds are considered temporarily restricted until the end of the campaign when they are distributed for purposes of supporting the stated programs. The total pledges receivable as of June 30, 2018 and 2017 were \$361,695 and \$371,922, respectively. No allowance for doubtful accounts has been recorded, as pledges receivable and funds due from the Idaho Catholic Foundation have either been collected as of the date of these financial statements, or are expected to be collected within one year.

**NOTE E - PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consist of the following at June 30:

	<u><b>2018</b></u>	<u><b>2017</b></u>
Buildings	\$ 10,268,843	\$ 9,964,451
Equipment	2,486,452	2,496,711
	<u>12,755,295</u>	<u>12,461,162</u>
Less accumulated depreciation	6,594,298	6,186,167
	<u>6,160,997</u>	<u>6,274,995</u>
Land	6,236,183	2,568,221
	<u><u>\$ 12,397,180</u></u>	<u><u>\$ 8,843,216</u></u>

**NOTE F - IDAHO CATHOLIC FOUNDATION**

The Idaho Catholic Foundation holds investments for the Diocese as well as other Diocesan organizations. In June 2012 the Foundation became a legally separate entity from the Diocese, with its own tax identification number and bank accounts. The Foundation issues separately prepared financial statements.

Investments and related financial items held by the Idaho Catholic Foundation for the Diocese are reflected in unrestricted, temporarily restricted and permanently restricted net asset classifications of these financial statements.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE F - IDAHO CATHOLIC FOUNDATION (Continued)**

Assets reported in the Statements of Financial Position held by the Idaho Catholic Foundation for the Diocese are as follows at June 30:

	<u>2018</u>	<u>2017</u>
Investments	\$ 9,122,061	\$ 8,750,131
Beneficial interest in perpetual trust	218,404	216,792

Income and expenses reported in the Statements of Activities from investments held by the Idaho Catholic Foundation for the Diocese are as follows at June 30:

	<u>2018</u>	<u>2017</u>
Income:		
Investment income	\$ 707,008	\$ 1,061,232
Contributions	115,734	164,663
Expenses:		
Distributions to participants	387,121	357,674
Investment and managerial expenses	70,794	63,255

**NOTE G - BENEFICIAL INTEREST IN PERPETUAL TRUST**

The Diocese received notice on March 30, 2011 that they were named as a beneficiary in The John L. Muegerl Trust. The trust account assets are held and managed by an independent trustee. In April 2011, a trust investment account was opened at a national financial institution, and in May 2011, trust assets were transferred to the account. The beneficial interest in trust assets was recorded at fair market value as of May 31, 2011, as a permanently restricted contribution. The Diocese's beneficial interest consists of fifteen percent of the total trust assets, divided such that five percent of the beneficial interest is designated to each of the following: the Idaho Catholic Foundation - Held for Diocese, the Diocesan Development Program and the Idaho Priests Special Needs Fund. According to the trust agreement, the Diocese is to receive a fixed percentage of trust assets each year, which is temporarily restricted income to the three funds mentioned above, and has been recorded as such in the Statements of Activities for the years ended June 30, 2018 and 2017. The beneficial interest in trust assets has been recorded at fair market value as of June 30, 2018 and 2017 in the Statements of Financial Position. The net increase in fair market value from May 31, 2011 to June 30, 2018 of \$81,686 is included in temporarily restricted net assets.

Activity for the beneficial interest in the perpetual trust for the year ended June 30, 2018 is as follows:

Beginning balance, June 30, 2017	\$ 650,379	
Unrealized gain	4,836	
Income distributable to beneficiary	25,846	
Amounts appropriated for expenditure	(25,846)	
Total Beneficial Interest in Perpetual Trust	\$ 655,215	

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE H - ENDOWMENTS**

The Diocese follows FASB ASC 958-205 in its accounting for endowments. FASB ASC 958-205 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). FASB ASC 958-205 also requires 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 FASB ASC 958-205 for the years ending June 30, 2018 and 2017. It has been determined that the Diocese's permanently restricted net assets meet the definition of endowment funds under UPMIFA.

Board and Donor-designated Endowments - after implementation of FASB ASC 958-205

Board-designated endowments that are internally designated by the Board of Directors and are not donor-restricted are classified and reported as unrestricted net assets. The Idaho Catholic Foundation administers the endowments of the Diocese. These endowments consist of approximately eleven 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 Idaho Catholic Foundation 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 Diocese follow 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 12 calendar months.

All endowments are invested in Diocese Investment Pool. The Pool is professionally managed by fourteen 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 Diocese. 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.



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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE H - ENDOWMENTS (Continued)**

Endowment Net Asset Composition by Type of Fund as of June 30, 2018 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment</u>
Donor-restricted endowment funds	\$ 220,945	\$ 81,686	\$ 1,642,667	\$ 1,945,298
Board-designated endowment funds	4,705,261	-	-	4,705,261
Total funds	<u>\$ 4,926,206</u>	<u>\$ 81,686</u>	<u>\$ 1,642,667</u>	<u>\$ 6,650,559</u>

Change in endowment net assets as of June, 2018 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	\$ 4,692,833	\$ 76,851	\$ 1,642,667	\$ 6,412,351
Contributions	106,231	25,846	-	132,077
Investment income	357,900	-	-	357,900
Net appreciation	133,014	4,835	-	137,849
Amounts appropriated for expenditure	(363,772)	(25,846)	-	(389,618)
Endowment net assets, end of year	<u>\$ 4,926,206</u>	<u>\$ 81,686</u>	<u>\$ 1,642,667</u>	<u>\$ 6,650,559</u>

Endowment Net Asset Composition by Type of Fund as of June 30, 2017 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment</u>
Donor-restricted endowment funds	\$ 188,547	\$ 76,851	\$ 1,642,667	\$ 1,908,065
Board-designated endowment funds	4,504,286	-	-	4,504,286
Total funds	<u>\$ 4,692,833</u>	<u>\$ 76,851</u>	<u>\$ 1,642,667</u>	<u>\$ 6,412,351</u>

Change in endowment net assets as of June, 2017 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	\$ 4,141,519	\$ 28,974	\$ 1,642,667	\$ 5,813,160
Contributions	158,547	20,182	-	178,729
Investment income	179,219	-	-	179,219
Net depreciation	544,681	47,877	-	592,558
Amounts appropriated for expenditure	(331,133)	(20,182)	-	(351,315)
Endowment net assets, end of year	<u>\$ 4,692,833</u>	<u>\$ 76,851</u>	<u>\$ 1,642,667</u>	<u>\$ 6,412,351</u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE I - 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 Central Administrative Office of the Roman Catholic Diocese of Boise participates in this plan.

The plan provides benefits based on a flat dollar amount multiplied by years and months of service.

Since the Roman Catholic Diocese of Boise is exempt from the funding requirements of ERISA, it has been its 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:

	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Fiscal Year Ended <u>June 30, 2017</u></b>
Vested benefit obligation	\$ (9,050,000)	\$ (9,358,000)
Accumulated benefit obligation	(9,314,000)	(9,848,000)
Projected benefit obligation	(11,162,000)	(11,902,000)
Plan assets at fair value	<u>6,764,000</u>	<u>6,285,000</u>
Funded status at end of year	(4,398,000)	(5,617,000)
Liability for pension benefits	\$ (4,398,000)	\$ (5,617,000)
Vested benefit obligation ratio	74.74%	67.16%

**Amounts recognized in the plan's statements of financial position consist of:**

	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Fiscal Year Ended <u>June 30, 2017</u></b>
Noncurrent assets	\$ -	\$ -
Current liabilities	-	-
Noncurrent liabilities	<u>(4,398,000)</u>	<u>(5,617,000)</u>
	<u>\$ (4,398,000)</u>	<u>\$ (5,617,000)</u>

**Amounts recognized in the plan's unrestricted net assets consist of:**

	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Fiscal Year Ended <u>June 30, 2017</u></b>
Net loss (gain)	\$ 608,000	\$ 1,559,000
Prior service cost (credit)	615,000	846,000
	<u>\$ 1,223,000</u>	<u>\$ 2,405,000</u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

June 30, 2018 and 2017

**NOTE I - 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:

	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Fiscal Year Ended <u>June 30, 2017</u></b>
Service cost-benefits earned during the period	\$ 321,000	\$ 370,000
Interest cost on projected benefit obligation	429,000	431,000
Return on plan assets		
Expected return	(427,000)	(377,000)
Asset (gain) loss	<u>(57,000)</u>	<u>(339,000)</u>
Actual return on plan assets	(484,000)	(716,000)
Net amortization and deferral		
Amortization of prior service cost	231,000	235,000
Amortization of loss	22,000	107,000
Deferral of asset gain (loss)	<u>57,000</u>	<u>339,000</u>
Total	<u>310,000</u>	<u>681,000</u>
Net periodic pension cost	<u><u>\$ 576,000</u></u>	<u><u>\$ 766,000</u></u>

**Other changes in plan assets and benefit obligations recognized in unrestricted net assets:**

	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Fiscal Year Ended <u>June 30, 2017</u></b>
Net loss (gain)	\$ (929,000)	\$ (1,437,000)
Amortization of loss (gain)	(22,000)	(107,000)
Amortization of prior service cost (credit)	<u>(231,000)</u>	<u>(235,000)</u>
Total recognized in unrestricted net assets	(1,182,000)	(1,779,000)
Net periodic pension cost	<u>576,000</u>	<u>766,000</u>
Total recognized in net periodic pension cost and unrestricted net assets	<u><u>\$ (606,000)</u></u>	<u><u>\$ (1,013,000)</u></u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE I - PRIESTS RETIREMENT PLAN (Continued)**

**Assumptions Used to Determine Net Periodic Pension Cost**

	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Fiscal Year Ended <u>June 30, 2017</u></b>
Discount Rate	3.70%	3.45%
Expected long-term rate of return on assets	6.50%	7.00%
Future benefit increases	2.50%	2.50%

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 advice from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2018 and June 30, 2017, the expected long-term rate of return used in determining net periodic pension cost was 6.5% and 7.00% respectively.

**Assumptions Used to Determine Benefit Obligations at Year-End**

	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Fiscal Year Ended <u>June 30, 2017</u></b>
Discount rate	4.09%	3.70%
Future benefit increases	2.50%	2.50%

**Plan Asset Investment Strategy and Allocation**

The asset allocation for the pension plan as of June 30, 2018 and June 30, 2017 and the target allocation, by asset category, are:

<b><u>Asset Category</u></b>	<b>Investment Policy Target Asset Allocation</b>	<b>Actual Percentage of Plan Assets at June 30</b>	
		<b><u>2018</u></b>	<b><u>2017</u></b>
Equities	25-75%	69%	71%
Fixed Income	25-75%	29%	26%
Cash Equivalents	0-100%	2%	3%

The fair values of plan assets at June 30, 2018, by asset class are as follows:

	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Money market funds	\$ 210,945	\$ -	\$ -	\$ 210,945
Open-End mutual funds - equity	12,750	923,079	-	935,829
Open-End mutual funds - fixed income	-	1,636,491	-	1,636,491
Corporate equities	3,980,735	-	-	3,980,735
	<b><u>\$ 4,204,430</u></b>	<b><u>\$ 2,559,570</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,764,000</u></b>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE I - PRIESTS RETIREMENT PLAN (Continued)**

The fair values of plan assets at June 30, 2017, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 204,957	\$ -	\$ -	\$ 204,957
Open-End mutual funds - equity	9,430	592,580	-	602,010
Open-End mutual funds - fixed income	-	1,630,495	-	1,630,495
Corporate equities	3,847,887	-	-	3,847,887
	<u>\$ 4,062,274</u>	<u>\$ 2,223,075</u>	<u>\$ -</u>	<u>\$ 6,285,349</u>

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>
2019	\$ 600,000
2020	607,000
2021	654,000
2022	632,000
2023	608,000
2024-2028	\$ 3,255,000

Under FASB ASC 715, 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 \$559,768 for the year ended June 30, 2018 and \$614,795 for the year ended June 30, 2017.

For the years ended June 30, 2018 and 2017, pension contributions of \$613,000 and \$600,000, respectively, were made. Benefit payments of \$576,000 and \$533,000, were made from the plan during the years ended June 30, 2018 and June 30, 2017, respectively.

The Diocese expects to contribute \$600,000 to the pension plan during the fiscal year ending June 30, 2019.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE J - LAY EMPLOYEES PENSION PLAN**

The Roman Catholic Diocese of Boise sponsors a defined benefit pension plan for all full-time lay employees. The plan is a cash balance plan and provides benefits based on a pension account balance, which consists of prior service credits, employer credits and interest credits. The Central Administrative Office of the Roman Catholic Diocese of Boise participates in this plan.

Since the Roman Catholic Diocese of Boise is exempt from the funding requirements of ERISA, it has been its 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.

**Funded Status**

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

	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Fiscal Year Ended <u>June 30, 2017</u></b>
Vested benefit obligation	\$ (14,492,000)	\$ (15,454,000)
Accumulated benefit obligation	(16,887,000)	(17,831,000)
Projected benefit obligation	(17,575,000)	(18,491,000)
Plan assets at fair value	<u>9,508,000</u>	<u>9,064,000</u>
Funded status at end of year	(8,067,000)	(9,427,000)
Liability for pension benefits	\$ (8,067,000)	\$ (9,427,000)
Vested benefit obligation ratio	65.61%	58.65%

**Amounts recognized in the plan's statements of financial position consist of:**

	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Fiscal Year Ended <u>June 30, 2017</u></b>
Noncurrent assets	\$ -	\$ -
Current liabilities	-	-
Noncurrent liabilities	<u>(8,067,000)</u>	<u>(9,427,000)</u>
	<u>\$ (8,067,000)</u>	<u>\$ (9,427,000)</u>

**Amounts recognized in the plan's unrestricted net assets consist of:**

	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Fiscal Year Ended <u>June 30, 2017</u></b>
Net loss (gain)	<u>\$ 4,488,000</u>	<u>\$ 5,926,000</u>
	<u>\$ 4,488,000</u>	<u>\$ 5,926,000</u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE J - 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:

	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Fiscal Year Ended <u>June 30, 2017</u></b>
Service cost-benefits earned during the period	\$ 1,102,000	\$ 1,181,000
Interest cost on projected benefit obligation	654,000	631,000
Return on plan assets		
Expected return	628,000	580,000
Asset (gain) loss	<u>(148,000)</u>	<u>(427,000)</u>
Actual return on plan assets	(776,000)	(1,007,000)
Net amortization and deferral		
Amortization of loss	510,000	572,000
Deferral of asset gain (loss)	<u>(148,000)</u>	<u>(427,000)</u>
Total	<u>658,000</u>	<u>999,000</u>
Net periodic pension cost	<u><u>\$ 1,638,000</u></u>	<u><u>\$ 1,804,000</u></u>

**Other changes in plan assets and benefit obligations recognized in unrestricted net assets:**

	<b>Fiscal Year Ended <u>June 30, 2018</u></b>	<b>Fiscal Year Ended <u>June 30, 2017</u></b>
Net loss (gain)	\$ (928,000)	\$ (1,102,000)
Amortization of loss (gain)	<u>(510,000)</u>	<u>(572,000)</u>
Total recognized in unrestricted net assets	(1,438,000)	(1,674,000)
Net periodic pension cost	<u>1,638,000</u>	<u>1,804,000</u>
Total recognized in net periodic pension cost and unrestricted net assets	<u><u>\$ 200,000</u></u>	<u><u>\$ 130,000</u></u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

June 30, 2018 and 2017

**NOTE J - LAY EMPLOYEES PENSION PLAN (Continued)**

**Assumptions Used to Determine Net Periodic Pension Cost**

	Fiscal Year Ended <u>June 30, 2018</u>	Fiscal Year Ended <u>June 30, 2017</u>
Discount Rate	3.70%	3.45%
Expected long-term rate of return on assets	6.50%	7.00%
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 advice from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2018 and June 30, 2017, the expected long-term rate of return used in determining net periodic pension cost was 6.5% and 7.0% respectively.

**Assumptions Used to Determine Benefit Obligations at Year-End**

	Fiscal Year Ended <u>June 30, 2018</u>	Fiscal Year Ended <u>June 30, 2017</u>
Discount rate	4.09%	3.70%
Salary scale	4.50%	4.50%

**Plan Asset Investment Strategy and Allocation**

The asset allocation for the pension plan as of June 30, 2018 and June 30, 2017 and the target allocation, by asset category, are:

<u>Asset Category</u>	<u>Investment Policy Target Asset Allocation</u>	<u>Policy Benchmark Asset Allocation</u>	<u>Actual Percentage of Plan Assets at June 30</u>	
			<u>2018</u>	<u>2017</u>
Equities	25-75%	50%	76%	71%
Fixed Income	25-75%	40%	22%	27%
Cash Equivalents	0-100%	10%	2%	2%

The fair values of plan assets at June 30, 2018, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 185,748	\$ -	\$ -	\$ 185,748
Open-End mutual funds - equity	13,835	1,306,939	-	1,320,774
Open-End mutual funds - fixed income	-	2,119,940	-	2,119,940
Corporate equities	5,881,538	-	-	5,881,538
	<u>\$ 6,081,121</u>	<u>\$ 3,426,879</u>	<u>\$ -</u>	<u>\$ 9,508,000</u>



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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE J - LAY EMPLOYEES PENSION PLAN (Continued)**

The fair values of plan assets at June 30, 2017, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 206,489	\$ -	\$ -	\$ 206,489
Open-End mutual funds - equity	10,397	858,122	-	868,519
Open-End mutual funds - fixed income	-	2,448,549	-	2,448,549
Corporate equities	5,540,443	-	-	5,540,443
	<u>\$ 5,757,329</u>	<u>\$ 3,306,671</u>	<u>\$ -</u>	<u>\$ 9,064,000</u>

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</u> <u>Ending June 30</u>	<u>Annual Pension</u> <u>Benefits</u>
2019	\$ 960,000
2020	1,351,000
2021	1,326,000
2022	1,401,000
2023	1,440,000
2024-2028	\$ 7,717,000

Under FASB ASC 715, 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 \$734,980 for the year ended June 30, 2018 and \$957,649 for the year ended June 30, 2017.

Diocesan pension contributions for the years ended June 30, 2018 and 2017 were \$1,560,000 and \$1,320,000, respectively. Benefit payments of \$1,801,000 and \$1,351,000 were made from the plan during the years ended June 30, 2018 and June 30, 2017, respectively.

The Diocese expects to contribute \$1,620,000 to the pension plan during the fiscal year ending June 30, 2019.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE K - 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, 2018 and 2017 the fund paid an interest rate on deposits of 1.66% and .79%, 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 to parishes and schools that need money to build new physical plant, or repair and renovate existing plant. These loans range from 10 years to 20 years in length. Loan rates charged to borrowers range from 0% to 4.70%. Loans are set at simple interest rates and incur interest charges until paid by the parish or school.

	<u><b>2018</b></u>	<u><b>2017</b></u>
Balances as of June 30:		
Deposits in Fund from Parishes and Schools	\$ 27,685,670	\$ 28,765,245
Loans from Fund to Parishes and Schools	\$ 13,360,118	\$ 11,513,152
Percentage Loaned Out	48.26%	40.02%

**NOTE L - NOTES AND ACCOUNTS RECEIVABLE**

The Diocese makes loans and has accounts receivable due from parishes, schools and other religious organizations as part of its normal operations. The allowance for doubtful accounts related to outstanding loans totaled \$1,326,412 and \$1,408,000 as of June 30, 2018 and 2017, respectively.

**NOTE M - LINE OF CREDIT**

The Diocese has a revolving line of credit agreement with a local financial institution. The line has a \$10,000,000 limit and is collateralized by investments in marketable securities held at the same bank, including investments held at the Idaho Catholic Foundation for the Diocese and other organizations. Monthly interest payments are required on outstanding balances. The line agreement has a maturity date of March 31, 2019. There are certain covenants established with the line of credit and management states that they are in compliance with all covenants. Funds borrowed are subject to a variable rate, interest rate will not exceed the annual rate equal to 1.050% plus the one-month adjusted LIBOR rate or be less than 2.00%. No balance was due as of June 30, 2017. Line of credit totaled \$6,650,000 as of June 30, 2018.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE N - RESTRICTED NET ASSETS**

*Temporarily Restricted Net Assets*

Temporarily restricted net assets are available for the following purposes:

	<b><u>2018</u></b>	<b><u>2017</u></b>
Pastoral	\$ (1,256,144)	\$ (1,043,880)
Education	45,385	41,591
Social Services	404,853	599,056
Middle School Fund	3,134	-
Idaho Catholic Appeal (2017 Campaign)	-	2,233,580
Idaho Catholic Appeal (2018 Campaign)	2,377,625	-
	<b><u>\$ 1,574,853</u></b>	<b><u>\$ 1,830,347</u></b>

*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:

	<b><u>2018</u></b>	<b><u>2017</u></b>
Pastoral	\$ 629,704	\$ 408,797
Education	53,556	45,475
Social Services	698,668	696,006
Idaho Catholic Appeal (2017 Campaign)	-	2,873,589
Idaho Catholic Appeal (2018 Campaign)	3,118,611	-
	<b><u>\$ 4,500,539</u></b>	<b><u>\$ 4,023,867</u></b>

*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:

	<b><u>2018</u></b>	<b><u>2017</u></b>
Endowment Funds	<b><u>\$ 1,642,667</u></b>	<b><u>\$ 1,642,667</u></b>

**NOTE O - INSURANCE ACTIVITIES**

In fiscal year 2017, the Diocese switched to a fully funded medical insurance plan (RETA Trust) from the self-insured plan they were previously in. The Diocese has no incurred amounts due as of June 30, 2017 and 2018.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE P - LEASES IN FINANCIAL STATEMENTS OF LESSORS**

The Diocese leases portions of its 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:	<u>Amount</u>
2018	\$ 492,612
2019	457,714
2020	298,397
2021	<u>121,129</u>
	<u>\$ 1,369,852</u>

**NOTE Q - LEASE COMMITMENTS**

The Diocese entered a lease agreement in July 2015, involving several pieces of office equipment. The lease term is for sixty months, and the monthly payment is \$2,388. Total equipment lease expense recognized under this agreement for the year ended June 30, 2018 was \$28,656.

Future minimum lease payments at June 30 are as follows:

2019	\$ 28,656
2020	28,656
2021	<u>4,776</u>
	<u>\$ 62,088</u>

**NOTE R - RELATED PARTY TRANSACTIONS**

The Diocese performs various administrative services including deposits and loans, insurance, technical support 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.

At June 30, 2018 and 2017, the Diocese recognized revenue from Diocesan parishes, schools, and other related organizations in the amount of \$6,906,735 and \$6,409,122, respectively for assessments, insurance, interest and technical support. The Diocese incurred interest expense related to the parish deposit and loan program in the amount of \$339,501 and \$200,642 for the years ended June 30, 2018 and 2017, respectively.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE R - RELATED PARTY TRANSACTIONS (Continued)**

Accounts payable balances due from the Diocese to Catholic Charities of Idaho, Inc. at June 30:

	<u><b>2018</b></u>	<u><b>2017</b></u>
Idaho Catholic Foundation Distribution	\$ 99,767	\$ 93,636
Idaho Catholic Appeal	<u>265,000</u>	<u>265,000</u>
Total due from Diocese to Catholic Charities of Idaho, Inc.	<u><u>\$ 364,767</u></u>	<u><u>\$ 358,636</u></u>

Accounts receivable from Catholic Charities of Idaho, Inc. to the Diocese totaled \$10,073 and \$10,600 as of June 30, 2018 and 2017, respectively.

***Idaho Catholic Foundation***

The Idaho Catholic Foundation holds assets on behalf of the Diocese as outlined in Note F. The investment assets held at the Idaho Catholic Foundation for the Diocese as well as \$17,306,833 held for itself and other charitable organizations are pledged as collateral for the line of credit described in Note M. The Diocese performs administrative functions for the Idaho Catholic Foundation, in which they are paid \$1,150 per month. The board of directors for the Idaho Catholic Foundation is not elected by the Diocese.

**NOTE S - CONCENTRATION OF CREDIT RISK**

The Diocese maintains cash accounts with local financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the year ended June 30, 2017. Uninsured balances for the years ended June 30, 2018 and 2017 were \$1,894,980 and \$1,199,071, respectively.

Financial instruments that potentially subject the Diocese to a concentration of credit risk consist principally of cash and cash equivalents, accounts receivable and loans receivable. The activity of the Diocese is primarily with parishes, schools, and other entities within the Diocese. The credit risk for these receivables arises because the Diocese is dependent on the financial support of the parishioners to their local parish and the parishes' subsequent support of the Diocese.

**NOTE T - 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, 2017, from which the summarized information was derived.

**NOTE U - 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.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2018 and 2017**

**NOTE V - CAPITAL CAMPAIGN**

The Diocese ran a capital campaign from July, 2012 to June, 2017. The money raised has been distributed as per the elements of the case study. All assets contributed to the capital campaign are considered property of the Idaho Catholic Foundation. The Diocese has no authority and no ownership of the funds; therefore, no assets from the capital campaign other than those approved for distribution, have been included in the financial statements of the Diocese. Annual support from the capital campaign distributed to the Diocese is recorded as contribution revenue when it is received or authorized by the Idaho Catholic Foundation for distribution.

The Diocese incurred capital campaign expenses as follows:

	<u><b>2018</b></u>	<u><b>2017</b></u>
Other capital campaign expenses	<u>\$ 2,282</u>	<u>\$ 10,387</u>

As mentioned in Note D, the Diocese's annual Idaho Catholic Appeal was incorporated as part of the capital campaign for the year ended June 30, 2013. The Diocese did not receive capital campaign collections for the Idaho Catholic Appeal for the years ending June 30, 2018 and 2017, respectively.

**NOTE W - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through January 3, 2019 which coincides with the date of issuance of these financial statements. As of the report date, no events of significance have been brought to the attention of management that would require disclosure.

## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of the Central Administrative Office of the Roman Catholic Diocese of Boise as of and for the year ended June 30, 2018, and have issued our report thereon dated January 3, 2019, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Prior year Summarized Supplementary Information**

The June 30, 2017 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated January 17, 2018. In addition, the 2017 supplementary information was subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Our report stated that the information was fairly stated in all material respects in relation to the financial statements as a whole. In our opinion the summarized comparative supplementary information presented in the following schedules for the year ended June 30, 2017, is consistent, in all material respects, with the supplementary information from which it has been derived.

*Travis Jeffries, P.A.*

Boise, Idaho  
January 3, 2019

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

**COMBINING STATEMENTS OF FINANCIAL POSITION - UNRESTRICTED NET ASSETS**

June 30, 2018 and June 30, 2017 Summarized Information

**ASSETS**

	<b>2018</b>										<b>2017</b>	
	<u>Operating</u>	<u>Deposit &amp; Loan</u>	<u>Health &amp; Welfare Insurance</u>	<u>Property &amp; Liability Insurance</u>	<u>Idaho Catholic Register</u>	<u>Nazareth Retreat Center</u>	<u>Student Centers</u>	<u>Custodial</u>	<u>Plant</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
ASSETS												
Cash	\$ 1,931,287	\$ -	\$ 17,026	\$ -	\$ 141,649	\$ 18,812	\$ 19,918	\$ -	\$ -	\$ -	\$ 2,128,692	\$ 1,432,948
Accounts and pledges receivable	1,441,544	470	212,914	869,279	28,228	7,974	-	77,624	-	-	2,638,033	2,426,839
Deposits and prepaid expenses	62,799	-	-	-	7,079	-	-	-	20,000	-	89,878	133,598
Interfund receivable (payable)	8,835,180	7,031,596	1,079,266	(3,885)	(194,245)	(994,941)	(1,173,056)	57,178	(14,724,745)	(7,316)	(94,968)	(489,205)
Investments	3,617,506	10,521,790	31,220	246,966	-	-	308,013	-	-	4,956,452	19,681,947	18,323,788
Loans to parishes and schools	-	13,360,118	-	-	-	-	-	-	-	-	13,360,118	11,513,152
Loans and notes receivable	219,358	-	-	-	-	-	-	-	-	-	219,358	182,367
Lay pension trust, excess contribution	-	-	-	-	-	-	-	-	-	-	-	26,427
Property, plant and equipment	-	36,584	-	-	15,011	2,675,138	-	-	16,264,745	-	18,991,478	15,029,383
Accumulated depreciation	-	-	-	-	(13,532)	(1,533,553)	-	-	(5,047,213)	-	(6,594,298)	(6,186,167)
<b>Total Assets</b>	<b>\$ 16,107,674</b>	<b>\$ 30,950,558</b>	<b>\$ 1,340,426</b>	<b>\$ 1,112,360</b>	<b>\$ (15,810)</b>	<b>\$ 173,430</b>	<b>\$ (845,125)</b>	<b>\$ 134,802</b>	<b>\$ (3,487,213)</b>	<b>\$ 4,949,136</b>	<b>\$ 50,420,238</b>	<b>\$ 42,393,130</b>

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, 2018 and June 30, 2017 Summarized Information

**LIABILITIES AND NET ASSETS**

	<b>2018</b>										<b>2017</b>	
	<u>Operating</u>	<u>Deposit &amp; Loan</u>	<u>Health &amp; Welfare Insurance</u>	<u>Property &amp; Liability Insurance</u>	<u>Idaho Catholic Register</u>	<u>Nazareth Retreat Center</u>	<u>Student Centers</u>	<u>Custodial</u>	<u>Plant</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
<b>LIABILITIES</b>												
Accounts payable	\$ 103,364	\$ 922,213	\$ 712	\$ -	\$ 1,200	\$ 128,162	\$ 17,062	\$ 28,511	\$ 2,754	\$ -	\$ 1,203,978	\$ 237,899
Accrued liabilities	396,102	7,796	-	-	4,753	7,639	2,989	139,112	-	243,875	802,266	663,293
Line of credit	6,650,000	-	-	-	-	-	-	-	-	-	6,650,000	-
Parish cash management	6,421,500	-	-	-	-	-	-	-	-	-	6,421,500	6,123,539
Parish savings deposit	-	27,685,670	-	-	-	-	-	-	-	-	27,685,670	28,765,245
Liability for pension benefits - lay	734,980	-	-	-	-	-	-	-	-	-	734,980	957,649
Liability for pension benefits - priest	559,768	-	-	-	-	-	-	-	-	-	559,768	614,795
Deferred revenue	1,280	-	-	-	-	-	-	-	-	-	1,280	-
<b>Total Liabilities</b>	<b>14,866,994</b>	<b>28,615,679</b>	<b>712</b>	<b>-</b>	<b>5,953</b>	<b>135,801</b>	<b>20,051</b>	<b>167,623</b>	<b>2,754</b>	<b>243,875</b>	<b>44,059,442</b>	<b>37,362,420</b>
<b>NET ASSETS</b>	<b>1,240,680</b>	<b>2,334,879</b>	<b>1,339,714</b>	<b>1,112,360</b>	<b>(21,763)</b>	<b>37,629</b>	<b>(865,176)</b>	<b>(32,821)</b>	<b>(3,489,967)</b>	<b>4,705,261</b>	<b>6,360,796</b>	<b>5,030,710</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 16,107,674</b>	<b>\$ 30,950,558</b>	<b>\$ 1,340,426</b>	<b>\$ 1,112,360</b>	<b>\$ (15,810)</b>	<b>\$ 173,430</b>	<b>\$ (845,125)</b>	<b>\$ 134,802</b>	<b>\$ (3,487,213)</b>	<b>\$ 4,949,136</b>	<b>\$ 50,420,238</b>	<b>\$ 42,393,130</b>

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, 2018 and Summarized Information for the Year Ended June 30, 2017**

	<b>2018</b>										<b>2017</b>	
	<u>Operating</u>	<u>Deposit &amp; Loan</u>	<u>Health &amp; Welfare Insurance</u>	<u>Property &amp; Liability Insurance</u>	<u>Idaho Catholic Register</u>	<u>Nazareth Retreat Center</u>	<u>Student Centers</u>	<u>Custodial</u>	<u>Plant</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
<b>REVENUE AND SUPPORT</b>												
Contributions	\$ 98,561	\$ -	\$ -	\$ -	\$ -	\$ 47,233	\$ 270,969	\$ -	\$ -	\$ 101,889	\$ 518,652	\$ 634,241
Program services	764,925	-	-	-	223,141	178,655	3,335	-	-	-	1,170,056	1,079,350
Assessment revenue	744,344	-	-	-	-	-	-	-	-	-	744,344	715,995
Insurance program	-	-	4,742,909	999,482	-	-	-	-	-	-	5,742,391	5,397,629
Grant revenue	127,837	-	2,180	1,000	-	-	321,142	-	-	-	452,159	401,162
Deposit and loan interest	2,333	345,049	-	-	-	-	-	-	-	-	347,382	216,300
Rental income	517,506	-	-	-	-	10,382	59,766	-	-	-	587,654	551,851
Gain on sale of property	-	-	-	-	-	-	-	7,500	-	-	7,500	1,045,403
Investment income	388,491	1,055,463	3,053	24,154	1,419	212	3,277	-	384,128	-	1,860,197	2,235,657
Miscellaneous	3,954	-	-	-	-	967	-	-	-	-	4,921	14,101
Net assets released from restrictions satisfied by payments	4,500,539	-	-	-	-	-	-	-	-	-	4,500,539	4,023,867
<b>Total Revenue</b>	<b>7,148,490</b>	<b>1,400,512</b>	<b>4,748,142</b>	<b>1,024,636</b>	<b>224,560</b>	<b>237,449</b>	<b>658,489</b>	<b>-</b>	<b>7,500</b>	<b>486,017</b>	<b>15,935,795</b>	<b>16,315,556</b>
<b>EXPENSES</b>												
Salaries	1,862,008	-	-	-	128,371	126,321	231,366	-	-	-	2,348,066	2,323,886
Auto	27,455	-	-	-	452	377	-	-	-	-	28,284	26,949
Advertising	2,797	-	-	-	-	349	2,516	-	-	-	5,662	9,630
Bank and investment fees	157,196	78,836	226	1,791	-	-	2,291	-	-	41,167	281,507	248,648
Computer	168,745	-	-	-	2,681	1,562	4,304	-	-	-	177,292	188,990
Contributions	558,845	-	-	-	-	-	350	-	-	-	559,195	536,058
Dues and subscriptions	77,817	-	-	-	502	559	3,248	-	-	-	82,126	74,769
Depreciation	-	-	-	-	519	43,146	-	-	390,723	-	434,388	440,054
Employee benefits	423,745	-	-	-	27,565	26,917	31,541	-	-	-	509,768	505,468
Event	798,142	-	-	-	-	-	84,592	-	-	-	882,734	713,494
Supplies	51,373	-	-	-	-	34,217	19,492	-	-	-	105,082	103,597
Miscellaneous	16,006	-	-	-	219	722	461	-	-	-	17,408	13,594
Payroll taxes	119,539	-	-	-	8,551	9,064	9,385	-	-	-	146,539	147,766
Postage	33,914	-	-	-	49,977	182	754	-	-	-	84,827	82,578
Office	64	-	-	-	50	-	-	-	-	-	114	4,607
Equipment leases and rental	36,379	-	-	-	-	109	2,466	-	-	-	38,954	69,524
Repairs and maintenance	195,007	-	-	-	-	19,069	46,047	-	-	-	260,123	200,937

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, 2018 and Summarized Information for the Year Ended June 30, 2017**

	<b>2018</b>										<b>2017</b>	
	<u>Operating</u>	<u>Deposit &amp; Loan</u>	<u>Health &amp; Welfare Insurance</u>	<u>Property &amp; Liability Insurance</u>	<u>Idaho Catholic Register</u>	<u>Nazareth Retreat Center</u>	<u>Student Centers</u>	<u>Custodial</u>	<u>Plant</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
Interest	\$ 10,545	\$ 339,501	\$ -	\$ -	\$ -	\$ 104	\$ -	\$ -	\$ -	\$ -	\$ 350,150	\$ 207,863
Bad debt	(13,000)	-	-	-	-	150	-	-	-	-	(12,850)	295,846
Stipends	17,394	-	-	-	1,548	350	45,350	-	-	-	64,642	68,058
Telephone	20,550	-	-	-	475	4,958	2,706	-	-	-	28,689	27,223
Training	78,516	-	-	-	880	700	1,252	-	-	-	81,348	77,603
Travel	68,619	-	-	201	201	-	9,281	-	-	-	78,302	76,419
Meetings	20,293	-	-	-	-	-	-	-	-	-	20,293	22,010
Printing and copies	106,733	-	-	-	41,684	443	6,315	-	-	-	155,175	148,310
Professional services	217,938	54	4,113	-	1,454	199	146,380	-	-	-	370,138	328,590
Insurance	15,880	-	4,223,198	888,186	-	4,678	-	-	-	-	5,131,942	5,182,833
Appropriations	176,671	-	-	-	-	-	-	-	243,875	-	420,546	387,120
Disbursements	1,526,531	-	-	-	-	-	-	-	-	-	1,526,531	1,277,077
Meals and entertainment	25,865	-	20,768	-	-	-	4,730	-	-	-	51,363	23,387
Utilities	107,221	-	-	-	-	33,489	43,165	-	-	-	183,875	190,522
Property taxes	64,045	-	-	-	-	1,467	13,601	-	-	-	79,113	76,947
Workers compensation	27,186	-	-	-	2,280	1,856	2,234	-	-	-	33,556	32,054
FASB ASC 715 Expense	80,827	-	-	-	-	-	-	-	-	-	80,827	(115,790)
<b>Total Expenses</b>	<b>7,080,846</b>	<b>418,391</b>	<b>4,248,305</b>	<b>890,178</b>	<b>267,409</b>	<b>310,988</b>	<b>713,827</b>	<b>-</b>	<b>390,723</b>	<b>285,042</b>	<b>14,605,709</b>	<b>13,996,621</b>
Increase (Decrease) in Net Assets	67,644	982,121	499,837	134,458	(42,849)	(73,539)	(55,338)	-	(383,223)	200,975	1,330,086	2,318,935
NET ASSETS, Beginning of Year	1,173,036	1,352,758	839,877	977,902	21,086	111,168	(809,838)	(32,821)	(3,106,744)	4,504,286	5,030,710	2,711,775
NET ASSETS, End of Year	<u>\$ 1,240,680</u>	<u>\$ 2,334,879</u>	<u>\$ 1,339,714</u>	<u>\$ 1,112,360</u>	<u>\$ (21,763)</u>	<u>\$ 37,629</u>	<u>\$ (865,176)</u>	<u>\$ (32,821)</u>	<u>\$ (3,489,967)</u>	<u>\$ 4,705,261</u>	<u>\$ 6,360,796</u>	<u>\$ 5,030,710</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, 2018 and June 30, 2017 Summarized Information

**ASSETS**

	2018								
	<u>Charity</u>	<u>Seminary</u>	<u>Clergy</u>	<u>Koelsch Charitable Unitrust</u>	<u>Retirement Housing</u>	<u>Extension Grant</u>	<u>Magic Valley High School</u>	<u>Bishop Discretionary</u>	<u>Diocesan Development Program</u>
ASSETS									
Cash and cash equivalents	\$ -	\$ 14,539	\$ -	\$ -	\$ 500	\$ -	\$ 1,900	\$ -	\$ -
Accounts and pledges receivable	-	-	3,237	-	-	-	-	-	366,834
Deposits and prepaid expenses	-	-	-	-	200	-	-	-	-
Interfund receivable (payable)	(32,132)	(320,666)	(2,295,040)	-	854,687	-	-	(232,487)	1,983,562
Investments	150,907	864,701	76,355	136,528	-	-	-	21,771	-
Beneficial interest in perpetual trust	-	-	27,229	-	-	-	-	-	27,229
Total Assets	<u>\$ 118,775</u>	<u>\$ 558,574</u>	<u>\$ (2,188,219)</u>	<u>\$ 136,528</u>	<u>\$ 855,387</u>	<u>\$ -</u>	<u>\$ 1,900</u>	<u>\$ (210,716)</u>	<u>\$ 2,377,625</u>

**LIABILITIES AND NET ASSETS**

LIABILITIES									
Accounts payable	\$ 528	\$ 130	\$ 1,378	\$ -	\$ 1,468	\$ -	\$ -	\$ 500	\$ -
Accrued liabilities	364,767	1,543	-	136,528	3,478	-	-	-	-
Total Liabilities	365,295	1,673	1,378	136,528	4,946	-	-	500	-
NET ASSETS	(246,520)	556,901	(2,189,597)	-	850,441	-	1,900	(211,216)	2,377,625
Total Liabilities and Net Assets	<u>\$ 118,775</u>	<u>\$ 558,574</u>	<u>\$ (2,188,219)</u>	<u>\$ 136,528</u>	<u>\$ 855,387</u>	<u>\$ -</u>	<u>\$ 1,900</u>	<u>\$ (210,716)</u>	<u>\$ 2,377,625</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, 2018 and June 30, 2017 Summarized Information (Continued)**

**ASSETS**

	<b>2018</b>					<b>2017</b>	
	<u>Catholic Idaho</u>	<u>Idaho Catholic Foundation</u>	<u>Education</u>	<u>Unitrust Fund</u>	<u>Middle School Fund</u>	<u>Total</u>	<u>Summarized Information</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,939	\$ 16,774
Accounts and pledges receivable	-	-	-	-	-	370,071	394,629
Deposits and prepaid expenses	-	-	-	-	-	200	3,791
Interfund receivable (payable)	178,817	-	1,793	(4,032)	(39,534)	94,968	489,205
Investments	99,642	-	41,692	87,044	42,668	1,521,308	1,366,090
Beneficial interest in perpetual trust	-	27,229	-	-	-	81,687	76,851
Total Assets	<u>\$ 278,459</u>	<u>\$ 27,229</u>	<u>\$ 43,485</u>	<u>\$ 83,012</u>	<u>\$ 3,134</u>	<u>\$ 2,085,173</u>	<u>\$ 2,347,340</u>

**LIABILITIES AND NET ASSETS**

LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,004	\$ 7,337
Accrued liabilities	-	-	-	-	-	506,316	509,656
Total Liabilities	-	-	-	-	-	510,320	516,993
NET ASSETS	<u>278,459</u>	<u>27,229</u>	<u>43,485</u>	<u>83,012</u>	<u>3,134</u>	<u>1,574,853</u>	<u>1,830,347</u>
Total Liabilities and Net Assets	<u>\$ 278,459</u>	<u>\$ 27,229</u>	<u>\$ 43,485</u>	<u>\$ 83,012</u>	<u>\$ 3,134</u>	<u>\$ 2,085,173</u>	<u>\$ 2,347,340</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, 2018 and Summarized Information for the Year Ended June 30, 2017**

	<b>2018</b>								
	<u>Charity</u>	<u>Seminary</u>	<u>Clergy</u>	<u>Koelsch Charitable Unitrust</u>	<u>Retirement Housing</u>	<u>Extension Grant</u>	<u>Magic Valley High School</u>	<u>Bishop Discretionary</u>	<u>Diocesan Development Plan</u>
REVENUE AND SUPPORT									
Contributions	\$ 124,169	\$ 189,955	\$ 150,561	\$ -	\$ 13,560	\$ -	\$ -	\$ 2,574	\$ 3,261,044
Program services	-	280	92,666	-	-	-	-	-	-
Grant revenue	17,000	48,909	18,988	-	-	53,000	-	-	-
Insurance program	-	-	-	-	47,326	-	-	-	-
Rental income	-	-	-	-	63,952	-	-	-	-
Gain on sale of property	-	-	-	-	-	-	-	-	-
Investment income	14,758	84,715	7,468	12,578	-	-	19	2,133	-
Unrealized gain on beneficial interest in perpetual trust	-	-	1,612	-	-	-	-	-	1,612
Miscellaneous	-	-	-	-	-	-	-	-	-
Net assets released from restrictions satisfied by payments	<u>(175,612)</u>	<u>(495,082)</u>	<u>(483,470)</u>	<u>(12,578)</u>	<u>(133,278)</u>	<u>(53,000)</u>	<u>-</u>	<u>(18,636)</u>	<u>(3,118,611)</u>
Total Revenue and Support	(19,685)	(171,223)	(212,175)	-	(8,440)	-	19	(13,929)	144,045
NET ASSETS, Beginning of Year	<u>(226,835)</u>	<u>728,124</u>	<u>(1,977,422)</u>	<u>-</u>	<u>858,881</u>	<u>-</u>	<u>1,881</u>	<u>(197,287)</u>	<u>2,233,580</u>
NET ASSETS, End of Year	<u>\$ (246,520)</u>	<u>\$ 556,901</u>	<u>\$ (2,189,597)</u>	<u>\$ -</u>	<u>\$ 850,441</u>	<u>\$ -</u>	<u>\$ 1,900</u>	<u>\$ (211,216)</u>	<u>\$ 2,377,625</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, 2018 and Summarized Information for the Year Ended June 30, 2017 (Continued)**

	<b>2018</b>					<b>2017</b>	
	<b>Catholic Idaho</b>	<b>Idaho Catholic Foundation</b>	<b>Education</b>	<b>Unitrust Fund</b>	<b>Middle School Fund</b>	<b>Total</b>	<b>Summarized Information</b>
REVENUE AND SUPPORT							
Contributions	\$ -	\$ 8,615	\$ -	\$ -	\$ -	\$ 3,750,478	\$ 3,521,783
Program services	-	-	-	-	-	92,946	103,190
Grant revenue	-	-	-	-	-	137,897	74,059
Insurance program	-	-	-	-	-	47,326	
Rental income	-	-	-	-	-	63,952	53,250
Investment income	9,745	-	4,077	8,729	3,388	147,610	148,965
Unrealized gain on beneficial interest in perpetual trust	-	1,612	-	-	-	4,836	47,877
Miscellaneous	-	-	-	-	-	-	1,030
Net assets released from restrictions satisfied by payments	(723)	(8,615)	(302)	(378)	(254)	(4,500,539)	(4,023,867)
Total Revenue and Support	9,022	1,612	3,775	8,351	3,134	(255,494)	(73,713)
NET ASSETS, Beginning of Year	269,437	25,617	39,710	74,661	-	1,830,347	1,904,060
NET ASSETS, End of Year	<u>\$ 278,459</u>	<u>\$ 27,229</u>	<u>\$ 43,485</u>	<u>\$ 83,012</u>	<u>\$ 3,134</u>	<u>\$ 1,574,853</u>	<u>\$ 1,830,347</u>

See independent auditor's report on supplementary information.

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

**COMBINING STATEMENTS OF FINANCIAL POSITION - PERMANENTLY RESTRICTED NET ASSETS**

June 30, 2018 and June 30, 2017 Summarized Information

**ASSETS**

	<b>2018</b>							<b>2017</b>	
	<u>Heinz Charitable</u>	<u>St. Joseph's Children Home</u>	<u>Chausee Family Memorial Fund</u>	<u>James &amp; Olive Davis Fund</u>	<u>Seminarian scholarship fund</u>	<u>John L. Muegerl Trust</u>	<u>Thomas and Joan Chapman Cooney Fund</u>	<u>Total</u>	<u>Summarized Information</u>
ASSETS									
Investments	\$ 94,148	\$ 151,455	\$ 250,050	\$ 238,361	\$ 100,125	\$ -	\$ 235,000	\$ 1,069,139	\$ 1,069,139
Beneficial interest in perpetual trust	-	-	-	-	-	573,528	-	573,528	573,528
Total Assets	<u>\$ 94,148</u>	<u>\$ 151,455</u>	<u>\$ 250,050</u>	<u>\$ 238,361</u>	<u>\$ 100,125</u>	<u>\$ 573,528</u>	<u>\$ 235,000</u>	<u>\$ 1,642,667</u>	<u>\$ 1,642,667</u>

**LIABILITIES AND NET ASSETS**

NET ASSETS	<u>\$ 94,148</u>	<u>\$ 151,455</u>	<u>\$ 250,050</u>	<u>\$ 238,361</u>	<u>\$ 100,125</u>	<u>\$ 573,528</u>	<u>\$ 235,000</u>	<u>\$ 1,642,667</u>	<u>\$ 1,642,667</u>
Total Liabilities and Net Assets	<u>\$ 94,148</u>	<u>\$ 151,455</u>	<u>\$ 250,050</u>	<u>\$ 238,361</u>	<u>\$ 100,125</u>	<u>\$ 573,528</u>	<u>\$ 235,000</u>	<u>\$ 1,642,667</u>	<u>\$ 1,642,667</u>

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

**COMBINING STATEMENTS OF ACTIVITIES - PERMANENTLY RESTRICTED NET ASSETS**

**For the Year Ended June 30, 2018 and Summarized Information for the Year Ended June 30, 2017**

	<b>2018</b>							<b>2017</b>	
	<u>Heinz Charitable</u>	<u>St. Joseph's Children Home</u>	<u>Chausee Family Memorial Fund</u>	<u>James &amp; Olive Davis Fund</u>	<u>Seminarian scholarship fund</u>	<u>John L. Muegerl Trust</u>	<u>Thomas and Joan Chapman Cooney Fund</u>	<u>Total</u>	<u>Summarized Information</u>
REVENUE AND SUPPORT Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue and Support	-	-	-	-	-	-	-	-	-
NET ASSETS, Beginning of Year	94,148	151,455	250,050	238,361	100,125	573,528	235,000	1,642,667	1,642,667
NET ASSETS, End of Year	<u>\$ 94,148</u>	<u>\$ 151,455</u>	<u>\$ 250,050</u>	<u>\$ 238,361</u>	<u>\$ 100,125</u>	<u>\$ 573,528</u>	<u>\$ 235,000</u>	<u>\$ 1,642,667</u>	<u>\$ 1,642,667</u>

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