

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

FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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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, 2016 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, 2016, 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 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2015. In our opinion the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Travis Jeffries, P.A.

Boise, Idaho
November 28, 2016

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

STATEMENTS OF FINANCIAL POSITION

June 30, 2016 and June 30, 2015 Summarized Information

ASSETS

	2016			Total	2015
	Unrestricted	Temporarily Restricted	Permanently Restricted		Summarized Information
ASSETS					
Cash	\$ 1,278,959	\$ 16,661	\$ -	\$ 1,295,620	\$ 613,029
Accounts and pledges receivable	2,085,703	297,114	-	2,382,817	2,371,340
Deposits and prepaid expenses	128,428	4,964	-	133,392	117,814
Interfund receivable (payable)	(833,283)	833,283	-	-	-
Investments	15,967,181	1,228,053	1,069,139	18,264,373	18,706,771
Beneficial interest in perpetual trust	-	28,974	573,528	602,502	632,442
Loans to parishes and schools	9,722,987	-	-	9,722,987	10,985,373
Loans and notes receivable	250,753	-	-	250,753	451,234
Property, plant and equipment	16,147,909	-	-	16,147,909	16,044,867
Accumulated depreciation	(6,069,100)	-	-	(6,069,100)	(5,623,794)
Total Assets	\$ 38,679,537	\$ 2,409,049	\$ 1,642,667	\$ 42,731,253	\$ 44,299,076

LIABILITIES AND NET ASSETS

LIABILITIES					
Accounts payable	\$ 324,456	\$ 11,240	\$ -	\$ 335,696	\$ 223,923
Accrued liabilities	851,864	493,749	-	1,345,613	1,419,143
Line of credit	-	-	-	-	-
Parish cash management	4,796,203	-	-	4,796,203	4,157,420
Parish savings deposits	28,175,463	-	-	28,175,463	26,899,019
Lay pension trust	6,267	-	-	6,267	-
Liability for pension benefits - lay	1,088,502	-	-	1,088,502	851,337
Liability for pension benefits - priest	722,732	-	-	722,732	874,081
Notes payable	-	-	-	-	2,857,091
Deferred revenue	2,275	-	-	2,275	720
Total Liabilities	35,967,762	504,989	-	36,472,751	37,282,734
NET ASSETS					
Unrestricted	(1,327,810)	-	-	(1,327,810)	(1,331,682)
Board Designated	4,039,585	-	-	4,039,585	4,371,317
Temporarily Restricted	-	1,904,060	-	1,904,060	2,334,040
Permanently Restricted	-	-	1,642,667	1,642,667	1,642,667
Total Net Assets	2,711,775	1,904,060	1,642,667	6,258,502	7,016,342
Total Liabilities and Net Assets	\$ 38,679,537	\$ 2,409,049	\$ 1,642,667	\$ 42,731,253	\$ 44,299,076

See notes to financial statements.

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

STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2016 and Summarized Information for the Year Ended June 30, 2015

	<u>2016</u>			<u>2015</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Summarized Information</u>
REVENUE AND SUPPORT					
Contributions	\$ 769,007	\$ 3,232,050	\$ -	\$ 4,001,057	\$ 4,797,157
Program services	1,157,530	105,598	-	1,263,128	1,296,765
Assessment revenue	716,226	-	-	716,226	680,404
Insurance program	5,040,192	-	-	5,040,192	4,785,592
Grant revenue	459,958	169,071	-	629,029	494,553
Deposit and loan interest	213,202	-	-	213,202	289,857
Rental income	540,709	48,400	-	589,109	507,284
Gain on the sale of property	354,410	-	-	354,410	677,295
Realized gain on investments	359,623	23,262	-	382,885	1,402,288
Unrealized loss on investments	(1,225,818)	(60,785)	-	(1,286,603)	(1,522,246)
Interest and dividends	308,358	24,601	-	332,959	380,185
Unrealized loss on beneficial interest in perpetual trust	-	(29,940)	-	(29,940)	(36,918)
Miscellaneous	5,340	290	-	5,630	31,377
Net assets released from restrictions satisfied by payments	3,942,527	(3,942,527)	-	-	-
Total Revenue and Support	12,641,264	(429,980)	-	12,211,284	13,783,593
EXPENSES					
Program services					
Pastoral	2,687,765	-	-	2,687,765	2,532,709
Education	1,537,524	-	-	1,537,524	2,022,345
Social services	181,425	-	-	181,425	242,425
Deposit and loan interest	282,281	-	-	282,281	317,309
Newspaper	295,827	-	-	295,827	309,144
Retreat center	263,632	-	-	263,632	272,943
Insurance program	4,268,407	-	-	4,268,407	4,523,921
St. John Vianney Retirement Center	59,294	-	-	59,294	62,437
Total Program Services	\$ 9,576,155	\$ -	\$ -	\$ 9,576,155	\$ 10,283,233

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, 2016 and Summarized Information for the Year Ended June 30, 2015

	<u>2016</u>			<u>2015</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Summarized Information</u>
Supporting Services					
General administrative	\$ 2,084,889	\$ -	\$ -	\$ 2,084,889	\$ 2,735,788
Development	294,959	-	-	294,959	298,757
FASB ASC 715 Expense	560,894	-	-	560,894	200,633
Depreciation	452,227	-	-	452,227	450,607
Total Supporting Services	<u>3,392,969</u>	<u>-</u>	<u>-</u>	<u>3,392,969</u>	<u>3,685,785</u>
Total Expenses	<u>12,969,124</u>	<u>-</u>	<u>-</u>	<u>12,969,124</u>	<u>13,969,018</u>
Decrease in Net Assets	(327,860)	(429,980)	-	(757,840)	(185,425)
NET ASSETS, Beginning of Year	<u>3,039,635</u>	<u>2,334,040</u>	<u>1,642,667</u>	<u>7,016,342</u>	<u>7,201,767</u>
NET ASSETS, End of Year	<u>\$ 2,711,775</u>	<u>\$ 1,904,060</u>	<u>\$ 1,642,667</u>	<u>\$ 6,258,502</u>	<u>\$ 7,016,342</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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (757,840)	\$ (185,425)
Adjustments to reconcile net increase in net assets to net cash used in operating activities:		
Depreciation	452,227	450,607
Realized gain on investments	(382,885)	(1,402,288)
Unrealized loss on investments	1,286,603	1,522,246
Realized gain on asset disposal	(354,410)	(677,295)
Contributions of marketable securities received	(174,390)	(325,106)
Beneficial interest in perpetual trust (increase) decrease	29,940	36,918
Changes in operating assets and liabilities:		
Accounts receivable	(11,477)	(327,589)
Prepaid expenses	(15,578)	11,732
Accounts payable	111,773	42,814
Accrued liabilities	(73,530)	(143,225)
Parish cash management	638,783	260,742
Parish savings deposits	1,276,444	2,243,918
Lay Pension Trust	6,267	(39,705)
Liability for pension benefits - lay	237,165	145,892
Liability for pension benefits - priest	(151,349)	(32,579)
Deferred revenue	1,555	720
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	2,119,298	1,582,377
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans and notes receivable	1,462,867	(216,812)
Purchase of investments	(923,795)	(3,708,366)
Proceeds from sale of investments	636,865	2,830,215
Purchase of fixed assets	(343,798)	(980,794)
Proceeds from sale of fixed assets	588,245	1,436,512
	<hr/>	<hr/>
Net Cash Provided by (Used in) Investing Activities	1,420,384	(639,245)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (payments to) line of credit	-	(600,000)
Payment of long-term debt	(2,857,091)	(162,787)
	<hr/>	<hr/>
Net Cash Used in Financing Activities	(2,857,091)	(762,787)
	<hr/>	<hr/>
Net Increase in Cash and Cash Equivalents	\$ 682,591	\$ 180,345

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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH AND CASH EQUIVALENTS, Beginning of Year	\$ 613,029	\$ 432,684
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 1,295,620</u>	<u>\$ 613,029</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expense	\$ 104,128	\$ 176,562
Noncash contributions of marketable securities	\$ 174,390	\$ 325,106

See notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

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, 2016 and 2015, advertising costs totaled \$13,492 and \$9,180, 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, 2016 and 2015

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, 2016 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 25 years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. The Diocese capitalizes assets valued \$1,000 or more. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation expenses for June 30, 2016 and 2015 were \$452,227 and \$450,607, 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, 2016 and 2015

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	Financial Times Interactive Data	Daily	Institutional Bond Quotes based assessments of various market and industry inputs	Standard & Poor's Bloomberg
Government and agency obligations	Financial Times Interactive Data	Daily	Institutional Bond Quotes based assessments of various market and industry inputs	Standard & Poor's 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, 2016 and 2015

NOTE C - INVESTMENTS

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

	<u>2016</u>	<u>2015</u>
Money market funds	\$ 574,901	\$ 561,201
Open-End mutual funds - equity	1,536,422	2,323,163
Open-End mutual funds - fixed income	4,785,573	5,335,969
Open-End mutual funds - balanced	15,167	-
Corporate obligations	14,000	14,000
Government and agency obligations	24,182	23,549
Corporate equities	10,830,524	9,936,307
Mission Diocese Fund, LLC	483,604	512,582
	<u>\$ 18,264,373</u>	<u>\$ 18,706,771</u>

	<u>2016</u>	<u>2015</u>
Net investment income at June 30:		
Net realized gain	\$ 382,885	\$ 1,402,288
Net unrealized loss	(1,286,603)	(1,522,246)
Interest and dividend income	332,959	380,185
	<u>\$ (570,759)</u>	<u>\$ 260,227</u>

Investments at fair value as of June 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 574,901	\$ -	\$ -	\$ 574,901
Open-End mutual funds - equity	147,146	1,389,276	-	1,536,422
Open-End mutual funds - fixed income	-	4,785,573	-	4,785,573
Open-End mutual funds - balanced	-	15,167	-	15,167
Corporate obligations	-	14,000	-	14,000
Government and agency obligations	-	24,182	-	24,182
Corporate equities	10,830,524	-	-	10,830,524
Mission Diocese Fund, LLC	-	-	483,604	483,604
	<u>\$ 11,552,571</u>	<u>\$ 6,228,198</u>	<u>\$ 483,604</u>	<u>\$ 18,264,373</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

NOTE C - INVESTMENTS (Continued)

Investments at fair value as of June 30, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 561,201	\$ -	\$ -	\$ 561,201
Open-End mutual funds - equity	305,383	2,017,780	-	2,323,163
Open-End mutual funds - fixed income	-	5,335,969	-	5,335,969
Open-End mutual funds - balanced	-	-	-	-
Corporate obligations	-	14,000	-	14,000
Government and agency obligations	-	23,549	-	23,549
Corporate equities	9,936,307	-	-	9,936,307
Mission Diocese Fund, LLC	-	-	512,582	512,582
	<u>\$ 10,802,891</u>	<u>\$ 7,391,298</u>	<u>\$ 512,582</u>	<u>\$ 18,706,771</u>

The following table reconciles the valuation of Level 3 investments and related transactions during the year ended June 30, 2016:

	<u>Amount</u>
Fair value July 1, 2015	\$ 512,582
Transfers in	-
Interest and dividends	5,832
Realized gain on investments	1,506
Unrealized loss on investments	(37,100)
Bank and investment fees reimbursed	784
Fair value June 30, 2016	<u>\$ 483,604</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, 2016. Investment income, realized and unrealized gains are included as an decrease of \$29,762 and investment expenses reimbursed are included as an increase of \$784 in the Statements of Activities, resulting in a net decrease of \$28,978 to unrestricted net assets for the year ended June 30, 2016. 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, 2016 and 2015

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, 2016 and 2015 were \$278,518 and \$264,782, 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>2016</u>	<u>2015</u>
Buildings	\$ 10,481,377	\$ 10,206,238
Equipment	2,549,805	2,496,902
	13,031,182	12,703,140
Less accumulated depreciation	6,069,100	5,623,794
	6,962,082	7,079,346
Land	3,116,727	3,341,727
	<u>\$ 10,078,809</u>	<u>\$ 10,421,073</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, 2016 and 2015

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>2016</u>	<u>2015</u>
Investments	\$ 7,954,397	\$ 8,634,548
Beneficial interest in perpetual trust	200,834	210,814

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>2016</u>	<u>2015</u>
Income:		
Investment income (loss)	\$ (315,414)	\$ 71,939
Contributions	90,458	1,093,547
Expenses:		
Distributions to participants	379,752	384,554
Investment and managerial expenses	77,178	63,598

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, 2016 and 2015. The beneficial interest in trust assets has been recorded at fair market value as of June 30, 2016 and 2015 in the Statements of Financial Position. The net increase in fair market value from May 31, 2011 to June 30, 2016 of \$28,974 is included in temporarily restricted net assets.

Activity for the beneficial interest in the perpetual trust for the year ended June 30, 2016 is as follows:

Beginning balance, June 30, 2015	\$ 632,442	
Unrealized loss	(29,940)	
Income distributable to beneficiary	24,606	
Amounts appropriated for expenditure	(24,606)	
Total Beneficial Interest in Perpetual Trust	\$ 602,502	

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

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, 2016 and 2015. 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, 2016 and 2015

NOTE H - ENDOWMENTS (Continued)

Endowment Net Asset Composition by Type of Fund as of June 30, 2016 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment</u>
Donor-restricted endowment funds	\$ 101,934	\$ 28,974	\$ 1,642,667	\$ 1,773,575
Board-designated endowment funds	4,039,585	-	-	4,039,585
Total funds	<u>\$ 4,141,519</u>	<u>\$ 28,974</u>	<u>\$ 1,642,667</u>	<u>\$ 5,813,160</u>

Change in endowment net assets as of June, 2016 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	\$ 4,583,254	\$ 58,914	\$ 1,642,667	\$ 6,284,835
Contributions	80,873	24,606	-	105,479
Investment income	228,793	-	-	228,793
Net depreciation	(436,353)	(29,940)	-	(466,293)
Amounts appropriated for expenditure	(315,048)	(24,606)	-	(339,654)
Endowment net assets, end of year	<u>\$ 4,141,519</u>	<u>\$ 28,974</u>	<u>\$ 1,642,667</u>	<u>\$ 5,813,160</u>

Endowment Net Asset Composition by Type of Fund as of June 30, 2015 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment</u>
Donor-restricted endowment funds	\$ 211,937	\$ 58,914	\$ 1,642,667	\$ 1,913,518
Board-designated endowment funds	4,371,317	-	-	4,371,317
Total funds	<u>\$ 4,583,254</u>	<u>\$ 58,914</u>	<u>\$ 1,642,667</u>	<u>\$ 6,284,835</u>

Change in endowment net assets as of June, 2015 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	\$ 4,285,519	\$ 95,832	\$ 1,642,442	\$ 6,023,793
Contributions	580,025	39,620	225	619,870
Investment income	462,807	-	-	462,807
Net depreciation	(414,672)	(36,918)	-	(451,590)
Amounts appropriated for expenditure	(330,425)	(39,620)	-	(370,045)
Endowment net assets, end of year	<u>\$ 4,583,254</u>	<u>\$ 58,914</u>	<u>\$ 1,642,667</u>	<u>\$ 6,284,835</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

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:

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>
Vested benefit obligation	\$ (9,929,000)	\$ (9,623,000)
Accumulated benefit obligation	(10,483,000)	(10,113,000)
Projected benefit obligation	(12,764,000)	(12,261,000)
Plan assets at fair value	<u>5,534,000</u>	<u>5,403,000</u>
Funded status at end of year	(7,230,000)	(6,858,000)
Liability for pension benefits	\$ (7,230,000)	\$ (6,858,000)
Vested benefit obligation ratio	55.74%	56.15%

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

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>
Noncurrent assets	\$ -	\$ -
Current liabilities	-	-
Noncurrent liabilities	<u>(7,230,000)</u>	<u>(6,858,000)</u>
	<u>\$ (7,230,000)</u>	<u>\$ (6,858,000)</u>

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

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>
Net loss (gain)	\$ 3,103,000	\$ 2,311,000
Net transition obligation (asset)	-	-
Prior service cost (credit)	<u>1,081,000</u>	<u>1,316,000</u>
	<u>\$ 4,184,000</u>	<u>\$ 3,627,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

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:

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>
Service cost-benefits earned during the period	\$ 327,000	\$ 355,000
Interest cost on projected benefit obligation	503,000	477,000
Return on plan assets		
Expected return	(366,000)	(388,000)
Asset (gain) loss	<u>612,000</u>	<u>388,000</u>
Actual return on plan assets	246,000	-
Net amortization and deferral		
Amortization of prior service cost	235,000	268,000
Amortization of transition amount	-	(4,000)
Amortization of loss	60,000	56,000
Deferral of asset gain (loss)	<u>(612,000)</u>	<u>(388,000)</u>
Total	<u>(317,000)</u>	<u>(68,000)</u>
Net periodic pension cost	<u><u>\$ 759,000</u></u>	<u><u>\$ 764,000</u></u>

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

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>
Net loss (gain)	\$ 852,000	\$ 67,000
Prior service cost (credit)	-	-
Amortization of loss (gain)	(60,000)	(56,000)
Amortization of transition amount	-	4,000
Amortization of prior service cost (credit)	<u>(235,000)</u>	<u>(268,000)</u>
Total recognized in unrestricted net assets	557,000	(253,000)
Net periodic pension cost	<u>759,000</u>	<u>764,000</u>
Total recognized in net periodic pension cost and unrestricted net assets	<u><u>\$ 1,316,000</u></u>	<u><u>\$ 511,000</u></u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

NOTE I - PRIESTS RETIREMENT PLAN (Continued)

Assumptions Used to Determine Net Periodic Pension Cost

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>
Discount Rate	4.21%	3.97%
Expected long-term rate of return on assets	7.00%	7.00%
Future benefit increases	2.50%	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 advice from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2016 and June 30, 2015, the expected long-term rate of return used in determining net periodic pension cost was 7.0%.

Assumptions Used to Determine Benefit Obligations at Year-End

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>
Discount rate	3.45%	4.21%
Future benefit increases	2.50%	2.50%

Plan Asset Investment Strategy and Allocation

The asset allocation for the pension plan as of June 30, 2016 and June 30, 2015 and the target allocation, by asset category, are:

<u>Asset Category</u>	<u>Investment Policy Target Asset Allocation</u>	<u>Actual Percentage of Plan Assets at June 30</u>	
		<u>2016</u>	<u>2015</u>
Equities	25-75%	65%	67%
Fixed Income	25-75%	31%	30%
Cash Equivalents	0-100%	4%	3%

The fair values of plan assets at June 30, 2016, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 208,400	\$ -	\$ -	\$ 208,400
Open-End mutual funds - equity	20,920	408,631	-	429,551
Open-End mutual funds - fixed income	-	1,526,226	-	1,526,226
Corporate equities	3,369,823	-	-	3,369,823
	<u>\$3,599,143</u>	<u>\$1,934,857</u>	<u>\$ -</u>	<u>\$ 5,534,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

NOTE I - PRIESTS RETIREMENT PLAN (Continued)

The fair values of plan assets at June 30, 2015, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 229,569	\$ -	\$ -	\$ 229,569
Open-End mutual funds - equity	66,015	644,962	-	710,977
Open-End mutual funds - fixed income	-	1,626,627	-	1,626,627
Corporate equities	2,835,827	-	-	2,835,827
	<u>\$ 3,131,411</u>	<u>\$ 2,271,589</u>	<u>\$ -</u>	<u>\$ 5,403,000</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, 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>
2017	\$ 565,000
2018	607,000
2019	597,000
2020	605,000
2021	655,000
2022-2026	\$ 3,184,000

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 \$722,732 for the year ended June 30, 2016 and \$874,081 for the year ended June 30, 2015.

For the years ended June 30, 2016 and 2015, pension contributions of \$944,000 and \$650,000, respectively, were made. Benefit payments of \$531,000 and \$539,000 were made from the plan during the years ended June 30, 2016 and June 30, 2015, respectively.

The Diocese expects to contribute \$600,000 to the pension plan during the fiscal year ending June 30, 2017.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

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:

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>
Vested benefit obligation	\$ (15,795,000)	\$ (13,435,000)
Accumulated benefit obligation	(18,221,000)	(15,696,000)
Projected benefit obligation	(18,807,000)	(16,184,000)
Plan assets at fair value	<u>8,190,000</u>	<u>8,131,000</u>
Funded status at end of year	(10,617,000)	(8,053,000)
Liability for pension benefits	\$ (10,617,000)	\$ (8,053,000)
Vested benefit obligation ratio	51.85%	60.52%

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

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>
Noncurrent assets	\$ -	\$ -
Current liabilities	-	-
Noncurrent liabilities	<u>(10,617,000)</u>	<u>(8,053,000)</u>
	<u>\$ (10,617,000)</u>	<u>\$ (8,053,000)</u>

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

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>
Net loss (gain)	\$ 7,600,000	\$ 5,319,000
Prior service cost (credit)	-	-
	<u>\$ 7,600,000</u>	<u>\$ 5,319,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

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:

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>
Service cost-benefits earned during the period	\$ 1,037,000	\$ 880,000
Interest cost on projected benefit obligation	660,000	536,000
Return on plan assets		
Expected return	(574,000)	(580,000)
Asset (gain) loss	<u>931,000</u>	<u>580,000</u>
Actual return on plan assets	357,000	-
Net amortization and deferral		
Amortization of transition amount	-	-
Amortization of loss	370,000	224,000
Deferral of asset gain (loss)	<u>(931,000)</u>	<u>(580,000)</u>
Total	<u>(561,000)</u>	<u>(356,000)</u>
Net periodic pension cost	<u><u>\$ 1,493,000</u></u>	<u><u>\$ 1,060,000</u></u>

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

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>
Net loss (gain)	\$ 2,651,000	\$ 2,125,000
Prior service cost (credit)	-	-
Amortization of loss (gain)	(370,000)	(224,000)
Amortization of transition obligation	-	-
Amortization of prior service cost (credit)	<u>-</u>	<u>-</u>
Total recognized in unrestricted net assets	2,281,000	1,901,000
Net periodic pension cost	<u>1,493,000</u>	<u>1,060,000</u>
Total recognized in net periodic pension cost and unrestricted net assets	<u><u>\$ 3,774,000</u></u>	<u><u>\$ 2,961,000</u></u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

NOTE J - LAY EMPLOYEES PENSION PLAN (Continued)

Assumptions Used to Determine Net Periodic Pension Cost

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>
Discount Rate	4.21%	3.97%
Expected long-term rate of return on assets	7.00%	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, 2016 and June 30, 2015, the expected long-term rate of return used in determining net periodic pension cost was 7.0%.

Assumptions Used to Determine Benefit Obligations at Year-End

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>
Discount rate	3.45%	4.21%
Salary scale	4.50%	4.50%

Plan Asset Investment Strategy and Allocation

The asset allocation for the pension plan as of June 30, 2016 and June 30, 2015 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>2016</u>	<u>2015</u>
Equities	25-75%	50%	69%	68%
Fixed Income	25-75%	40%	28%	29%
Cash Equivalents	0-100%	10%	3%	3%

The fair values of plan assets at June 30, 2016, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 272,692	\$ -	\$ -	\$ 272,692
Open-End mutual funds - equity	29,425	608,088	-	637,513
Open-End mutual funds - fixed income	-	2,243,416	-	2,243,416
Corporate equities	5,036,379	-	-	5,036,379
	<u>\$ 5,338,496</u>	<u>\$ 2,851,504</u>	<u>\$ -</u>	<u>\$ 8,190,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

NOTE J - LAY EMPLOYEES PENSION PLAN (Continued)

The fair values of plan assets at June 30, 2015, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 175,996	\$ -	\$ -	\$ 175,996
Open-End mutual funds - equity	92,425	1,077,589	-	1,170,014
Open-End mutual funds - fixed income	-	2,369,055	-	2,369,055
Corporate equities	4,415,935	-	-	4,415,935
	<u>\$ 4,684,356</u>	<u>\$ 3,446,644</u>	<u>\$ -</u>	<u>\$ 8,131,000</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>
2017	\$ 1,033,000
2018	1,209,000
2019	1,251,000
2020	1,363,000
2021	1,393,000
2022-2026	\$ 7,086,000

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 \$1,088,502 for the year ended June 30, 2016 and \$851,337 for the year ended June 30, 2015.

Diocesan pension contributions for the years ended June 30, 2016 and 2015 were \$1,210,000 and \$1,200,000, respectively. Benefit payments of \$692,000 and \$687,000 were made from the plan during the years ended June 30, 2016 and June 30, 2015, respectively.

The Diocese expects to contribute \$1,320,000 to the pension plan during the fiscal year ending June 30, 2017.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

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, 2016 and 2015 the fund paid an interest rate on deposits of .68%. 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 5.50%. Loans are set at simple interest rates and incur interest charges until paid by the parish or school.

	<u>2016</u>	<u>2015</u>
Balances as of June 30:		
Deposits in Fund from Parishes and Schools	\$ 28,175,463	\$ 26,899,019
Loans from Fund to Parishes and Schools	\$ 9,722,987	\$ 10,985,373
Percentage Loaned Out	34.51%	40.84%

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 \$1,218,800 and \$1,228,400 as of June 30, 2016 and 2015, 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, 2017. 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 which will not be less than 2.00%. No balance was due as of June 30, 2016 and June 30, 2015.

NOTE N - NOTES PAYABLE

A summary of notes payable follows:

Mortgage note payable, secured by real and personal property, payable in monthly installments of \$18,361 including principal and interest at a fixed rate of 5.43% per annum. The note was paid off in February of 2016.

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. The note was paid off in February of 2016.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

NOTE O - RESTRICTED NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>2016</u>	<u>2015</u>
Pastoral	\$ (972,211)	\$ (768,975)
Education	37,523	38,765
Social Services	833,943	1,085,018
Idaho Catholic Appeal (2015 Campaign)	-	1,979,232
Idaho Catholic Appeal (2016 Campaign)	<u>2,004,805</u>	<u>-</u>
	<u>\$ 1,904,060</u>	<u>\$ 2,334,040</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>2016</u>	<u>2015</u>
Pastoral	\$ 498,497	\$ 393,626
Education	98,075	85,594
Social Services	563,731	1,217,495
Idaho Catholic Appeal (2014 Campaign)	-	2,579,817
Idaho Catholic Appeal (2015 Campaign)	<u>2,782,224</u>	<u>-</u>
	<u>\$ 3,942,527</u>	<u>\$ 4,276,532</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>2016</u>	<u>2015</u>
Endowment Funds	<u>\$ 1,642,667</u>	<u>\$ 1,642,667</u>

NOTE P - INSURANCE ACTIVITIES

The Diocese manages insurance programs on behalf of parishes, schools, and other entities within the Diocese through a combination of self-insurance, purchase of excess insurance coverage above the self-insured levels, and liability insurance. Participants are billed premiums to defray the cost of the program. Incurred but not reported claims are accrued and at June 30, 2016 and 2015 totaled \$220,000 and \$297,000, respectively.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

NOTE Q - 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>
2017	\$ 482,583
2018	463,504
2019	455,817
2020	298,397
2021	<u>121,129</u>
	<u><u>\$ 1,821,430</u></u>

NOTE R - 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, 2016 was \$23,880.

Future minimum lease payments at June 30 are as follows:

2017	\$ 28,656
2018	28,656
2019	28,656
2020	28,656
2021	<u>4,776</u>
	<u><u>\$ 119,400</u></u>

NOTE S - 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, 2016 and 2015, the Diocese recognized revenue from Diocesan parishes, schools, and other related organizations in the amount of \$6,157,511 and \$5,933,735, 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 \$190,859 and \$239,656 for the years ended June 30, 2016 and 2015, respectively.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016 and 2015

NOTE S - RELATED PARTY TRANSACTIONS (Continued)

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

	<u>2016</u>	<u>2015</u>
Idaho Catholic Foundation Distribution	\$ 90,994	\$ 101,065
Idaho Catholic Appeal	<u>260,000</u>	<u>251,810</u>
Total due from Diocese to Catholic Charities of Idaho, Inc.	<u><u>\$ 350,994</u></u>	<u><u>\$ 352,875</u></u>

Accounts receivable from Catholic Charities of Idaho, Inc. to the Diocese totaled \$12,406 and \$11,420 as of June 30, 2016 and 2015, 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 \$13,760,594 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 T - 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, 2016. Uninsured balances for the years ended June 30, 2016 and 2015 were \$1,044,972 and \$361,978, 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 U - 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, 2015, from which the summarized information was derived.

NOTE V - 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, 2016 and 2015

NOTE W - CAPITAL CAMPAIGN

The Diocese began a capital campaign in July 2012 on behalf of the Idaho Catholic Foundation in which it hopes to raise \$15,000,000 over a four year period. Capital campaign funds have been designated to be distributed and invested in funds to benefit the Diocese and its programs. 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.

It is the intention of the Idaho Catholic Foundation to invest \$6,000,000 of campaign donations to endowment funds that will generate future income to benefit Diocese programs for the care of priests, ongoing formation, Catholic education and faith, and charitable works. The Diocese will receive annual support from the endowment funds as approved by the Idaho Catholic Foundation.

The Diocese incurred capital campaign expenses as follows:

	<u>2016</u>	<u>2015</u>
Other capital campaign expenses	<u>\$ 40,370</u>	<u>\$ 79,575</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 received capital campaign collections for the Idaho Catholic Appeal of \$424 and \$10,509 for the years ending June 30, 2016 and 2015, respectively.

NOTE X - SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 28, 2016 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, 2016, and have issued our report thereon dated November 28, 2016, 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, 2015 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated October 28, 2015. In addition, the 2015 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, 2015, is consistent, in all material respects, with the supplementary information from which it has been derived.

Travis Jeffries, P.A.

Boise, Idaho
November 28, 2016

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

COMBINING STATEMENTS OF FINANCIAL POSITION - UNRESTRICTED NET ASSETS

June 30, 2016 and June 30, 2015 Summarized Information

ASSETS

	2016										2015	
	<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>Student Centers</u>	<u>Custodial</u>	<u>Plant</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
ASSETS												
Cash	\$ 1,084,653	\$ -	\$ -	\$ -	\$ 165,271	\$ 38,395	\$ (9,360)	\$ -	\$ -	\$ -	\$ 1,278,959	\$ 596,477
Accounts and pledges receivable	1,216,365	633	183,475	598,441	18,716	10,051	-	58,022	-	-	2,085,703	2,049,759
Deposits and prepaid expenses	74,335	-	-	-	18,093	-	36,000	-	-	-	128,428	112,890
Interfund receivable (payable)	1,456,309	10,834,489	762,279	39,247	(74,718)	(989,835)	(990,709)	28,939	(11,893,021)	(6,263)	(833,283)	(1,187,478)
Investments	2,965,521	8,197,881	25,357	200,585	-	-	323,198	-	-	4,254,639	15,967,181	16,369,245
Loans to parishes and schools	-	9,722,987	-	-	-	-	-	-	-	-	9,722,987	10,985,373
Loans and notes receivable	250,753	-	-	-	-	-	-	-	-	-	250,753	451,234
Property, plant and equipment	-	36,584	-	-	15,011	2,675,138	-	-	13,421,176	-	16,147,909	16,044,867
Accumulated depreciation	-	-	-	-	(12,003)	(1,444,398)	-	-	(4,612,699)	-	(6,069,100)	(5,623,794)
Total Assets	\$ 7,047,936	\$ 28,792,574	\$ 971,111	\$ 838,273	\$ 130,370	\$ 289,351	\$ (640,871)	\$ 86,961	\$ (3,084,544)	\$ 4,248,376	\$ 38,679,537	\$ 39,798,573

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, 2016 and June 30, 2015 Summarized Information

LIABILITIES AND NET ASSETS

	2016										2015	
	<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>Student Centers</u>	<u>Custodial</u>	<u>Plant</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
LIABILITIES												
Accounts payable	\$ 178,008	\$ 16,412	\$ 9,074	\$ -	\$ 11,321	\$ 87,298	\$ 22,093	\$ 250	\$ -	\$ -	\$ 324,456	\$ 196,085
Accrued liabilities	281,273	-	220,000	-	5,727	10,206	6,335	119,532	-	208,791	851,864	923,185
Line of credit	-	-	-	-	-	-	-	-	-	-	-	-
Parish cash management	4,796,203	-	-	-	-	-	-	-	-	-	4,796,203	4,157,420
Parish savings deposit	-	28,175,463	-	-	-	-	-	-	-	-	28,175,463	26,899,019
Lay pension trust	6,267	-	-	-	-	-	-	-	-	-	6,267	-
Liability for pension benefits - lay	1,088,502	-	-	-	-	-	-	-	-	-	1,088,502	851,337
Liability for pension benefits - priest	722,732	-	-	-	-	-	-	-	-	-	722,732	874,081
Notes payable	-	-	-	-	-	-	-	-	-	-	-	2,857,091
Deferred revenue	2,275	-	-	-	-	-	-	-	-	-	2,275	720
Total Liabilities	7,075,260	28,191,875	229,074	-	17,048	97,504	28,428	119,782	-	208,791	35,967,762	36,758,938
NET ASSETS												
	(27,324)	600,699	742,037	838,273	113,322	191,847	(669,299)	(32,821)	(3,084,544)	4,039,585	2,711,775	3,039,635
Total Liabilities and Net Assets	\$ 7,047,936	\$ 28,792,574	\$ 971,111	\$ 838,273	\$ 130,370	\$ 289,351	\$ (640,871)	\$ 86,961	\$ (3,084,544)	\$ 4,248,376	\$ 38,679,537	\$ 39,798,573

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, 2016 and Summarized Information for the Year Ended June 30, 2015

	2016										2015	
	<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>Student Centers</u>	<u>Custodial</u>	<u>Plant</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
REVENUE AND SUPPORT												
Contributions	\$ 438,935	\$ -	\$ -	\$ -	\$ 220	\$ 48,197	\$ 196,782	\$ -	\$ 4,000	\$ 80,873	\$ 769,007	\$ 1,363,595
Program services	685,856	-	-	-	253,053	180,250	38,371	-	-	-	1,157,530	1,192,685
Assessment revenue	716,226	-	-	-	-	-	-	-	-	-	716,226	680,404
Insurance program	-	-	4,099,004	941,188	-	-	-	-	-	-	5,040,192	4,785,592
Grant revenue	328,699	-	-	-	-	4,500	126,759	-	-	-	459,958	342,295
Deposit and loan interest	2,360	210,842	-	-	-	-	-	-	-	-	213,202	289,857
Rental income	511,800	-	-	-	-	18,429	10,480	-	-	-	540,709	443,572
Gain on sale of property	-	-	-	-	-	-	-	354,410	-	-	354,410	173,547
Investment income	(159,844)	(235,135)	(673)	(5,321)	1,119	190	2,263	-	(160,436)	(557,837)	225,868	
Miscellaneous	5,155	-	-	-	33	-	152	-	-	-	5,340	30,895
Net assets released from restrictions satisfied by payments	3,942,527	-	-	-	-	-	-	-	-	-	3,942,527	4,276,532
Total Revenue	6,471,714	(24,293)	4,098,331	935,867	254,425	251,566	374,807	-	358,410	(79,563)	12,641,264	13,804,842
EXPENSES												
Salaries	1,834,386	-	-	-	131,061	118,781	230,653	-	-	-	2,314,881	2,347,344
Auto	35,376	-	-	-	7	-	-	-	-	-	35,383	40,908
Advertising	11,045	-	-	-	-	262	2,185	-	-	-	13,492	9,180
Bank and investment fees	151,574	91,364	-	2,116	-	-	606	-	-	43,378	289,038	290,749
Computer	165,869	-	-	-	2,542	14	3,407	-	-	-	171,832	245,974
Contributions	405,834	-	-	-	-	-	350	-	-	-	406,184	1,483,759
Dues and subscriptions	67,119	-	-	-	1,153	609	2,274	-	-	-	71,155	70,591
Depreciation	-	-	-	-	1,034	48,481	-	-	402,712	-	452,227	450,607
Employee benefits	410,034	-	-	-	31,184	26,264	28,442	-	-	-	495,924	539,822
Event	228,277	-	-	-	17,854	-	57,201	-	-	-	303,332	333,930
Supplies	20,178	-	-	-	60	39,439	14,468	-	-	-	74,145	70,045
Miscellaneous	15,862	-	-	-	947	591	141	-	-	-	17,541	(64,890)
Payroll taxes	122,230	-	-	-	8,920	8,565	9,585	-	-	-	149,300	151,120
Postage	41,178	-	-	-	61,961	249	368	-	-	-	103,756	96,419
Office	26,176	-	-	-	383	322	2,405	-	-	-	29,286	30,713
Equipment leases and rental	117,666	-	-	-	-	-	2,274	-	-	-	119,940	97,285
Repairs and maintenance	103,441	-	-	-	-	18,178	55,643	-	-	-	177,262	167,291

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, 2016 and Summarized Information for the Year Ended June 30, 2015

	2016										2015	
	<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>Student Centers</u>	<u>Custodial</u>	<u>Plant</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
Interest	\$ 109,230	\$ 190,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,089	\$ 407,378
Bad debt	(9,600)	-	-	-	-	-	-	-	-	-	(9,600)	(10,600)
Stipends	73,044	-	-	-	500	4,655	6,881	-	-	-	85,080	92,412
Telephone	20,798	-	-	-	176	4,897	2,875	-	-	-	28,746	29,025
Training	15,477	-	-	-	-	-	1,112	-	-	-	16,589	62,464
Travel	193,165	-	-	-	-	986	5,680	-	-	-	199,831	195,126
Meetings	22,967	-	-	-	-	-	-	-	-	-	22,967	44,733
Printing and copies	70,914	-	-	-	36,617	-	2,934	-	-	-	110,465	104,731
Professional services	214,587	59	72,090	-	147	249	9,570	-	-	-	296,702	244,615
Insurance	15,117	-	3,356,747	837,454	-	4,643	-	-	-	-	4,213,961	4,473,734
Appropriations	148,883	-	-	-	-	-	-	-	208,791	-	357,674	379,753
Disbursements	1,251,265	-	-	-	-	-	-	-	-	-	1,251,265	1,062,569
Meals and entertainment	25,255	-	-	-	54	-	-	-	-	-	25,309	29,622
Utilities	114,847	-	-	-	-	33,006	37,066	-	-	-	184,919	171,678
Property taxes	52,434	-	-	-	-	-	13,436	-	-	-	65,870	88,085
Workers compensation	27,823	-	-	-	2,260	1,923	1,679	-	-	-	33,685	32,213
FASB ASC 715 Expense	560,894	-	-	-	-	-	-	-	-	-	560,894	200,633
Total Expenses	6,663,345	282,282	3,428,837	839,570	296,860	312,114	491,235	-	402,712	252,169	12,969,124	13,969,018
Increase (Decrease) in Net Assets	(191,631)	(306,575)	669,494	96,297	(42,435)	(60,548)	(116,428)	-	(44,302)	(331,732)	(327,860)	(164,176)
NET ASSETS, Beginning of Year	164,307	907,274	72,543	741,976	155,757	252,395	(552,871)	(32,821)	(3,040,242)	4,371,317	3,039,635	3,203,811
NET ASSETS, End of Year	<u>\$ (27,324)</u>	<u>\$ 600,699</u>	<u>\$ 742,037</u>	<u>\$ 838,273</u>	<u>\$ 113,322</u>	<u>\$ 191,847</u>	<u>\$ (669,299)</u>	<u>\$ (32,821)</u>	<u>\$ (3,084,544)</u>	<u>\$ 4,039,585</u>	<u>\$ 2,711,775</u>	<u>\$ 3,039,635</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, 2016 and June 30, 2015 Summarized Information

ASSETS

	2016								
	<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	\$ -	\$ 14,293	\$ -	\$ -	\$ 500	\$ -	\$ 1,868	\$ -	\$ -
Accounts and pledges receivable	-	-	3,566	-	-	-	-	-	293,548
Deposits and prepaid expenses	37	-	3,600	-	1,327	-	-	-	-
Interfund receivable (payable)	66,107	191,522	(1,975,445)	-	860,033	-	-	(187,111)	1,701,599
Investments	122,567	702,309	62,016	136,351	-	-	-	17,682	-
Beneficial interest in perpetual trust	-	-	9,658	-	-	-	-	-	9,658
Property, plant and equipment	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 188,711</u>	<u>\$ 908,124</u>	<u>\$ (1,896,605)</u>	<u>\$ 136,351</u>	<u>\$ 861,860</u>	<u>\$ -</u>	<u>\$ 1,868</u>	<u>\$ (169,429)</u>	<u>\$ 2,004,805</u>

LIABILITIES AND NET ASSETS

LIABILITIES									
Accounts payable	\$ -	\$ 8,073	\$ 1,330		\$ 1,837	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	353,274	1,520	-	136,351	2,604	-	-	-	-
Total Liabilities	353,274.00	9,593.00	1,330.00	136,351.00	4,441.00	-	-	-	-
NET ASSETS	<u>(164,563)</u>	<u>898,531</u>	<u>(1,897,935)</u>	<u>-</u>	<u>857,419</u>	<u>-</u>	<u>1,868</u>	<u>(169,429)</u>	<u>2,004,805</u>
Total Liabilities and Net Assets	<u>\$ 188,711</u>	<u>\$ 908,124</u>	<u>\$ (1,896,605)</u>	<u>\$ 136,351</u>	<u>\$ 861,860</u>	<u>\$ -</u>	<u>\$ 1,868</u>	<u>\$ (169,429)</u>	<u>\$ 2,004,805</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, 2016 and June 30, 2015 Summarized Information (Continued)

	2016					2015
	Catholic Idaho	Idaho Catholic Foundation	Education	Unitrust Fund	Total	Summarized Information
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 16,661	\$ 16,552
Accounts and pledges receivable	-	-	-	-	297,114	321,581
Deposits and prepaid expenses	-	-	-	-	4,964	4,924
Interfund receivable (payable)	178,816	-	1,794	(4,032)	833,283	1,187,478
Investments	80,930	-	33,861	72,337	1,228,053	1,268,387
Beneficial interest in perpetual trust	-	9,658	-	-	28,974	58,914
Property, plant and equipment	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Total Assets	\$ 259,746	\$ 9,658	\$ 35,655	\$ 68,305	\$ 2,409,049	\$ 2,857,836
LIABILITIES AND NET ASSETS						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 11,240	\$ 27,838
Accrued liabilities	-	-	-	-	493,749	495,958
Total Liabilities	-	-	-	-	504,989	523,796
NET ASSETS	259,746	9,658	35,655	68,305	1,904,060	2,334,040
Total Liabilities and Net Assets	\$ 259,746	\$ 9,658	\$ 35,655	\$ 68,305	\$ 2,409,049	\$ 2,857,836

See independent auditor's report on supplementary information.

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

COMBINING STATEMENTS OF ACTIVITIES - TEMPORARILY RESTRICTED NET ASSETS

For the Year Ended June 30, 2016 and Summarized Information for the Year Ended June 30, 2015

	2016								
	<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	\$ 114,794	\$ 158,515	\$ 129,112	\$ -	\$ 1,300	\$ -	\$ -	\$ 2,350	\$ 2,817,777
Program services	-	1,535	104,063	-	-	-	-	-	-
Grant revenue	36,500	24,853	10,000	-	-	97,718	-	-	-
Rental income	-	-	-	-	48,400	-	-	-	-
Gain on sale of property	-	-	-	-	-	-	-	-	-
Investment income	(3,252)	(18,535)	(1,645)	11,871	-	-	13	(469)	-
Unrealized loss on beneficial interest in perpetual trust	-	-	(9,980)	-	-	-	-	-	(9,980)
Miscellaneous	-	290	-	-	-	-	-	-	-
Net assets released from restrictions satisfied by payments	<u>(170,847)</u>	<u>(374,104)</u>	<u>(425,350)</u>	<u>(11,871)</u>	<u>(59,294)</u>	<u>(97,718)</u>	<u>-</u>	<u>(9,724)</u>	<u>(2,782,224)</u>
Total Revenue and Support	(22,805)	(207,446)	(193,800)	-	(9,594)	-	13	(7,843)	25,573
NET ASSETS, Beginning of Year	<u>(141,758)</u>	<u>1,105,977</u>	<u>(1,704,135)</u>	<u>-</u>	<u>867,013</u>	<u>-</u>	<u>1,855</u>	<u>(161,586)</u>	<u>1,979,232</u>
NET ASSETS, End of Year	<u>\$ (164,563)</u>	<u>\$ 898,531</u>	<u>\$ (1,897,935)</u>	<u>\$ -</u>	<u>\$ 857,419</u>	<u>-</u>	<u>\$ 1,868</u>	<u>\$ (169,429)</u>	<u>\$ 2,004,805</u>

See independent auditor's report on supplementary information.

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

COMBINING STATEMENTS OF ACTIVITIES - TEMPORARILY RESTRICTED NET ASSETS

For the Year Ended June 30, 2016 and Summarized Information for the Year Ended June 30, 2015 (Continued)

	<u>2016</u>					<u>2015</u>
	<u>Catholic Idaho</u>	<u>Idaho Catholic Foundation</u>	<u>Education</u>	<u>Unitrust Fund</u>	<u>Total</u>	<u>Summarized Information</u>
REVENUE AND SUPPORT						
Contributions	\$ -	\$ 8,202	\$ -	\$ -	\$ 3,232,050	\$ 3,433,337
Program services	-	-	-	-	105,598	104,080
Grant revenue	-	-	-	-	169,071	152,258
Rental income	-	-	-	-	48,400	63,712
Gain on sale of property	-	-	-	-	-	503,748
Investment income	(2,147)	-	(898)	2,140	(12,922)	34,359
Unrealized loss on beneficial interest in perpetual trust	-	(9,980)	-	-	(29,940)	(36,918)
Miscellaneous	-	-	-	-	290	482
Net assets released from restrictions satisfied by payments	<u>(854)</u>	<u>(8,202)</u>	<u>(357)</u>	<u>(1,982)</u>	<u>(3,942,527)</u>	<u>(4,276,532)</u>
Total Revenue and Support	(3,001)	(9,980)	(1,255)	158	(429,980)	(21,474)
NET ASSETS, Beginning of Year	<u>262,747</u>	<u>19,638</u>	<u>36,910</u>	<u>68,147</u>	<u>2,334,040</u>	<u>2,355,514</u>
NET ASSETS, End of Year	<u>\$ 259,746</u>	<u>\$ 9,658</u>	<u>\$ 35,655</u>	<u>\$ 68,305</u>	<u>\$ 1,904,060</u>	<u>\$ 2,334,040</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, 2016 and June 30, 2015 Summarized Information

ASSETS

	2016							2015	
	Heinz Charitable	St. Joseph's Children Home	Chausee Family Memorial Fund	James & Olive Davis Fund	Seminarian scholarship fund	John L. Muegerl Trust	Thomas and Joan Chapman Cooney Fund	Total	Summarized Information
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	\$ 94,148	\$ 151,455	\$ 250,050	\$ 238,361	\$ 100,125	\$ 573,528	\$ 235,000	\$ 1,642,667	\$ 1,642,667

LIABILITIES AND NET ASSETS

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

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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, 2016 and Summarized Information for the Year Ended June 30, 2015

	2016							2015	
	<u>Heinz Charitable</u>	<u>St. Joseph's Children Home</u>	<u>Chausee Family Memorial Fund</u>	<u>James & 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225
Total Revenue and Support	-	-	-	-	-	-	-	-	225
NET ASSETS, Beginning of Year	94,148	151,455	250,050	238,361	100,125	573,528	235,000	1,642,667	1,642,442
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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