



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

FINANCIAL STATEMENTS

JUNE 30, 2011 AND 2010

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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 statements of financial position of the Central Administrative Office of the Roman Catholic Diocese of Boise as of June 30, 2011 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Central Administrative Office of the Roman Catholic Diocese of Boise's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2010 financial statements and, in our report dated December 16, 2010, we expressed an unqualified opinion on those financial statements.

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

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Central Administrative Office of the Roman Catholic Diocese of Boise as of June 30, 2011 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Travis Jeffries, P.A.

Boise, Idaho
January 10, 2012

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

STATEMENTS OF FINANCIAL POSITION

June 30, 2011 and June 30, 2010 Summarized Information

ASSETS

	2011			Total	2010
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>		<u>Summarized Information</u>
ASSETS					
Cash	\$ 1,376,320	\$ 17,134	\$ -	\$ 1,393,454	\$ 263,473
Certificates of deposit	872,417	-	-	872,417	1,730,814
Accounts and pledges receivable	2,077,961	291,175	-	2,369,136	2,224,046
Deposits and prepaid expenses	60,395	873	-	61,268	59,883
Interfund receivable (payable)	(2,446,299)	2,446,299	-	-	-
Marketable securities	20,787,163	985,016	833,914	22,606,093	21,334,031
Beneficial interest in perpetual trust	(2,801)	-	573,528	570,727	-
Land held for future parish expansion	-	-	-	-	788,576
Loans to parishes and schools	12,551,965	-	-	12,551,965	12,556,625
Loans and notes receivable	665,784	-	-	665,784	1,103,560
Property, plant and equipment	17,208,575	88,655	-	17,297,230	18,540,753
Accumulated depreciation	(4,288,014)	(2,712)	-	(4,290,726)	(3,834,814)
Total Assets	\$ 48,863,466	\$ 3,826,440	\$ 1,407,442	\$ 54,097,348	\$ 54,766,947

LIABILITIES AND NET ASSETS

LIABILITIES					
Accounts payable	\$ 324,900	\$ -	\$ -	\$ 324,900	\$ 404,588
Accrued liabilities	1,236,485	655,317	-	1,891,802	1,660,273
Line of credit	3,450,000	-	-	3,450,000	6,000,000
Parish cash management	2,972,981	-	-	2,972,981	3,504,790
Parish savings deposits	25,022,760	-	-	25,022,760	23,424,582
Lay pension trust	1,588,846	-	-	1,588,846	1,670,377
ICF - held for others	7,736,836	-	-	7,736,836	7,231,847
Liability for pension benefits - lay	539,011	-	-	539,011	595,700
Liability for pension benefits - priest	631,831	-	-	631,831	714,428
Notes payable	3,452,914	-	-	3,452,914	3,579,974
Deferred revenue	18,562	800	-	19,362	-
Total Liabilities	46,975,126	656,117	-	47,631,243	48,786,559
NET ASSETS					
Unrestricted	(1,593,027)	-	-	(1,593,027)	(1,195,465)
Board Designated	3,481,367	-	-	3,481,367	2,998,967
Temporarily restricted	-	3,170,323	-	3,170,323	3,387,972
Permanently restricted	-	-	1,407,442	1,407,442	788,914
Total Net Assets	1,888,340	3,170,323	1,407,442	6,466,105	5,980,388
Total Liabilities and Net Assets	\$ 48,863,466	\$ 3,826,440	\$ 1,407,442	\$ 54,097,348	\$ 54,766,947

See notes to financial statements.

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

STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2011 and Summarized Information for the Year Ended June 30, 2010

	<u>2011</u>			<u>Total</u>	<u>2010</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>		<u>Summarized Information</u>
REVENUE AND SUPPORT					
Contributions	\$ 488,764	\$ 2,932,780	\$ 618,528	\$ 4,040,072	\$ 3,261,846
Program services	1,011,800	206,311	-	1,218,111	1,380,113
Assessment revenue	616,738	-	-	616,738	631,450
Insurance program	4,645,042	-	-	4,645,042	4,074,226
Grant revenue	329,729	174,700	-	504,429	444,306
Deposit and loan interest	446,495	-	-	446,495	607,613
Rental income	626,878	36,171	-	663,049	580,788
Gain (loss) on the sale of property	(9,596)	-	-	(9,596)	(7,816)
Realized gain on investments	653,152	45,146	-	698,298	68,954
Unrealized gain on investments	1,637,157	99,636	-	1,736,793	1,648,617
Unrealized loss on land value	(1,488,296)	-	-	(1,488,296)	-
Interest and dividends	395,028	29,772	-	424,800	658,844
Miscellaneous	13,046	-	-	13,046	27,801
Net assets released from restrictions satisfied by payments	-	-	-	-	-
	<u>3,742,165</u>	<u>(3,742,165)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue and Support	13,108,102	(217,649)	618,528	13,508,981	13,376,742
EXPENSES					
Program services					
Pastoral	2,762,797	-	-	2,762,797	2,504,576
Education	1,207,675	-	-	1,207,675	1,400,689
Social services	198,394	-	-	198,394	467,880
Deposit and loan interest	743,320	-	-	743,320	928,525
Newspaper	282,954	-	-	282,954	262,549
Retreat center	231,356	-	-	231,356	232,041
Insurance program	4,745,914	-	-	4,745,914	4,104,550
St. John Vianney Retirement Center	37,407	-	-	37,407	11,819
	<u>10,209,817</u>	<u>-</u>	<u>-</u>	<u>10,209,817</u>	<u>9,912,629</u>
Total Program Services	\$ 10,209,817	\$ -	\$ -	\$ 10,209,817	\$ 9,912,629

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, 2011 and Summarized Information for the Year Ended June 30, 2010

	<u>2011</u>			<u>2010</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Summarized Information</u>
Supporting Services					
General administrative	\$ 2,289,777	\$ -	\$ -	\$ 2,289,777	\$ 2,196,158
Development	151,863	-	-	151,863	126,587
FASB ASC 715 Expense	(139,286)	-	-	(139,286)	312,578
Depreciation	511,093	-	-	511,093	507,603
Total Supporting Services	2,813,447	-	-	2,813,447	3,142,926
Total Expenses	13,023,264	-	-	13,023,264	13,055,555
Increase (Decrease) in Net Assets	84,838	(217,649)	618,528	485,717	321,187
NET ASSETS, Beginning of Year	1,803,502	3,387,972	788,914	5,980,388	5,659,201
NET ASSETS, End of Year	<u>\$ 1,888,340</u>	<u>\$ 3,170,323</u>	<u>\$ 1,407,442</u>	<u>\$ 6,466,105</u>	<u>\$ 5,980,388</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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 485,717	\$ 321,187
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	511,093	507,603
Unrealized gain on investments	(1,736,793)	(1,648,617)
Realized gain on investments	(698,298)	(68,954)
Realized loss on asset disposal	9,596	7,815
Realized and unrealized ICF pass-through gain	(1,473,629)	(741,054)
Unrealized loss on land value	1,488,296	-
Contributions of donations of marketable securities	50,275	31,541
Contributions of fixed assets	(165,350)	(2,775)
Recognition of beneficial interest in perpetual trust	(573,528)	-
Changes in operating assets and liabilities:		
Accounts receivable	(169,147)	(111,425)
Prepaid expenses	(1,385)	17,553
Accounts payable	(79,688)	(40,387)
Accrued liabilities	222,126	421,441
Parish cash management	(531,809)	1,103,033
Parish savings deposits	1,598,178	(1,073,339)
Lay Pension Trust	(81,531)	(500,000)
ICF - Held for Others	504,989	1,527,214
Liability for pension benefits - lay	(56,689)	211,550
Liability for pension benefits - priest	(82,597)	101,028
Deferred revenue	19,362	(1,260)
Net Cash Provided by (Used in) Operating Activities	<u>(760,812)</u>	<u>62,154</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of certificates of deposit	858,397	162,579
Loans and notes receivable	1,231,012	(1,731,507)
Purchase of investments	(649,776)	(2,165,675)
Proceeds from sale of investment property	-	2,000
Proceeds from sale of investments	3,272,420	2,947,290
Purchase of fixed assets	(145,200)	(1,326,384)
Proceeds from sale of fixed assets	1,000	-
Net Cash Provided by (Used in) Investing Activities	<u>4,567,853</u>	<u>(2,111,697)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (payment on) line of credit	(2,550,000)	2,350,000
Payment of long-term debt	(127,060)	(119,048)
Net Cash Provided by (Used in) Financing Activities	<u>(2,677,060)</u>	<u>2,230,952</u>
Net Increase in Cash and Cash Equivalents	\$ 1,129,981	\$ 181,409

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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH AND CASH EQUIVALENTS, Beginning of Year	\$ 263,473	\$ 82,064
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 1,393,454</u>	<u>\$ 263,473</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expense	\$ 350,867	\$ 504,585
Noncash investing and financing activities:		
Fair market value of property and equipment contributed	\$ 165,350	\$ 2,775
Land held for investment exchanged for note receivable		
Land held for investment	\$ (788,576)	
Loans and notes receivable	\$ 788,576	

See notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

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, 2011 and 2010, advertising costs totaled \$5,285 and \$8,857, respectively.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

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.

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, 2011 as compared to its original application for tax-exempt not-for-profit status. 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, 2011 and 2010 were \$511,093 and \$507,603, 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, 2011 and 2010

NOTE B - INVESTMENTS

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

	<u>2011</u>	<u>2010</u>
Money market funds	\$ 692,935	\$ 1,243,188
Mutual funds - equity	2,400,328	1,766,839
Mutual funds - fixed income	6,827,915	8,026,724
Corporate obligations	918,185	833,922
Government and agency obligations	184,031	310,265
Corporate equities	<u>11,582,699</u>	<u>9,153,093</u>
	<u><u>\$ 22,606,093</u></u>	<u><u>\$ 21,334,031</u></u>
Marketable securities held for the Diocese	\$ 14,869,257	\$ 14,102,184
Marketable securities held for others	<u>7,736,836</u>	<u>7,231,847</u>
	<u><u>\$ 22,606,093</u></u>	<u><u>\$ 21,334,031</u></u>
Land held for future parish expansion, held at cost:	<u>2011</u>	<u>2010</u>
Boise - Northview	\$ -	\$ 608,892
Boise - St. Mark's	-	179,684
	<u>\$ -</u>	<u>\$ 788,576</u>
Net investment income at June 30:	<u>2011</u>	<u>2010</u>
Net realized gain	\$ 698,298	\$ 68,954
Net unrealized loss	1,736,793	1,648,617
Interest and dividend income	<u>424,800</u>	<u>658,844</u>
	<u><u>\$ 2,859,891</u></u>	<u><u>\$ 2,376,415</u></u>

NOTE C - 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)

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

NOTE C - FAIR VALUE MEASUREMENTS (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Assets at fair value as of June 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 690,442	\$ 2,493	\$ -	\$ 692,935
Mutual funds - equity	31,771	2,368,558	-	2,400,329
Mutual funds - fixed income	6,827,914	-	-	6,827,914
Corporate obligations	918,185	-	-	918,185
Government and agency obligations	184,031	-	-	184,031
Corporate equities	11,582,699	-	-	11,582,699
	<u>\$ 20,235,042</u>	<u>\$ 2,371,051</u>	<u>\$ -</u>	<u>\$ 22,606,093</u>

NOTE D - PLEDGES RECEIVABLE

The Idaho Catholic Appeal (ICA) is an annual campaign 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. As the funds can only be used for the purposes of supporting the stated programs, they are considered temporarily restricted until restrictions have been met. The total pledges receivable as of June 30, 2011 and 2010 were \$282,412 and \$285,221, respectively. The Diocese has deemed all pledges as collectible, therefore no allowance for doubtful accounts has been computed.

NOTE E - PROPERTY, PLANT AND EQUIPMENT

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

	<u>2011</u>	<u>2010</u>
Buildings	\$ 10,149,725	\$ 9,941,413
Equipment	2,378,406	2,341,945
	<u>12,528,131</u>	<u>12,283,358</u>
Less accumulated depreciation	4,290,726	3,834,814
	<u>8,237,405</u>	<u>8,448,544</u>
Land	4,769,099	6,257,395
	<u>\$ 13,006,504</u>	<u>\$ 14,705,939</u>

Due to the decline in the real estate market, the Diocese commissioned an appraisal on land it owns in Blaine County, and reviewed the assessed value of land it owns in Jerome County. The result was a significant decline in the fair market value compared to the recorded historical cost. The assets have been adjusted to reflect their fair market value by recording a \$1,488,296 unrealized loss on land for the year ended June 30, 2011.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

NOTE F - IDAHO CATHOLIC FOUNDATION

The Idaho Catholic Foundation (Foundation) holds investments for the Diocese as well as other Diocesan organizations. The Foundation issues separately prepared financial statements. The investments and related financial items held by the Foundation are reflected in individual net asset classifications of these financial statements. Investments held for others of \$7,736,836 and \$7,231,847 at June 30, 2011 and 2010, respectively are included in marketable securities and classified as held for parishes and other institutions in the unrestricted net asset classification. Amounts held for parishes and other institutions generated investment income of \$1,619,328, contributions of \$19,611, distributions to participants of \$1,080,412, and investment and managerial expenses of \$53,538 during the year ended June 30, 2011. Such transactions are treated as agency transactions and accordingly are not reported in these financial statements.

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, 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 Statement of Activities for the year ended June 30, 2011. The beneficial interest in trust assets has been recorded at fair market value as of June 30, 2011 in the Statement of Financial Position. The decrease in fair market value from May 31, 2011 to June 30, 2011 of \$2,801 is included in unrestricted net assets.

Activity for the beneficial interest in the perpetual trust for the year ended June 30, 2011 is as follows:

Beginning balance, May 31, 2011	\$ 573,528
Unrealized loss	(2,801)
Income distributable to beneficiary	6,919
Amounts appropriated for expenditure	<u>(6,919)</u>
Total Beneficial Interest in Perpetual Trust	<u>\$ 570,727</u>

NOTE H - ENDOWMENTS

Implementation of FASB ASC 958-205

In August 2008, the Financial Accounting Standards Board issued FASB ASC 958-205. 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, 2011 and 2010. It has been determined that the Diocese's permanently restricted net assets meet the definition of endowment funds under UPMIFA.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

NOTE H - ENDOWMENTS (Continued)

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 (ICF) administers the endowments of the Diocese. These endowments consist of approximately ten individual funds, some of which have donor-restricted spending guidelines and were established for a variety of purposes ranging from education of seminarians and helping retired priests of the Diocese, to providing scholarships for education of youth and maintenance and repair of facilities. Endowments administered by the ICF include both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments.

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

Investment Policy

All endowments within the financial statements of the 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 13 calendar months.

All endowments are invested in Diocese Investment Pool. The Pool is professionally managed by six different investment firms with specific disciplines of investment such as large cap growth, large cap value, fixed income etc. Further these managers have regular oversight by an independent consultant hired by the 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.

Endowment Net Asset Composition by Type of Fund as of June 30, 2011 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment</u>
Donor-restricted endowment funds	\$ 162,523	\$ 6,919	\$ 1,407,442	\$ 1,576,884
Board-designated endowment funds	3,481,367	-	-	3,481,367
Total funds	<u>\$ 3,643,890</u>	<u>\$ 6,919</u>	<u>\$ 1,407,442</u>	<u>\$ 5,058,251</u>

Change in endowment net assets as of June, 2011 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment</u>
Endowment net assets, beginning of year	\$ 3,021,101	\$ -	\$ 788,914	\$ 3,810,015
Contributions	995	-	618,528	619,523
Investment income	280,064	6,919	-	286,983
Net appreciation	588,461	-	-	588,461
Amounts appropriated for expenditure	(246,731)	-	-	(246,731)
Endowment net assets, end of year	<u>\$ 3,643,890</u>	<u>\$ 6,919</u>	<u>\$ 1,407,442</u>	<u>\$ 5,058,251</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

NOTE H - ENDOWMENTS (Continued)

Endowment Net Asset Composition by Type of Fund as of June 30, 2010 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment</u>
Donor-restricted endowment funds	\$ 22,134	\$ -	\$ 788,914	\$ 811,048
Board-designated endowment funds	2,998,967	-	-	2,998,967
Total funds	<u>\$ 3,021,101</u>	<u>\$ -</u>	<u>\$ 788,914</u>	<u>\$ 3,810,015</u>

Change in endowment net assets as of June, 2010 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	\$ 2,669,631	\$ -	\$ 733,914	\$ 3,403,545
Contributions	1,920	-	55,000	56,920
Investment income	86,867	-	-	86,867
Net appreciation	476,189	-	-	476,189
Amounts appropriated for expenditure	(213,506)	-	-	(213,506)
Endowment net assets, end of year	<u>\$ 3,021,101</u>	<u>\$ -</u>	<u>\$ 788,914</u>	<u>\$ 3,810,015</u>

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. The monthly benefit formula is \$54 per year of service.

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

NOTE I - PRIESTS RETIREMENT PLAN (Continued)

Funded Status

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

	Fiscal Year Ended <u>June 30, 2011</u>	Fiscal Year Ended <u>June 30, 2010</u>
Vested benefit obligation	\$ (7,452,000)	\$ (6,968,000)
Accumulated benefit obligation	(7,566,000)	(7,058,000)
Projected benefit obligation	(10,456,000)	(9,619,000)
Plan assets at fair value	<u>4,144,000</u>	<u>3,374,000</u>
Funded status at end of year	(6,312,000)	(6,245,000)
Liability for pension benefits	\$ (6,312,000)	\$ (6,245,000)
Vested benefit obligation ratio	55.61%	48.42%

Amounts recognized in the statement of financial position consist of:

	Fiscal Year Ended <u>June 30, 2011</u>	Fiscal Year Ended <u>June 30, 2010</u>
Noncurrent assets	\$ -	\$ -
Current liabilities	-	-
Noncurrent liabilities	<u>(6,312,000)</u>	<u>(6,245,000)</u>
	<u>\$ (6,312,000)</u>	<u>\$ (6,245,000)</u>

Amounts recognized in unrestricted net assets consist of:

	Fiscal Year Ended <u>June 30, 2011</u>	Fiscal Year Ended <u>June 30, 2010</u>
Net loss	\$ 1,794,000	\$ 1,812,000
Net transition asset	(55,000)	(72,000)
Prior service cost	<u>2,403,000</u>	<u>2,676,000</u>
	<u>\$ 4,142,000</u>	<u>\$ 4,416,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

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, 2011</u>	Fiscal Year Ended <u>June 30, 2010</u>
Service cost-benefits earned during the period	\$ 266,000	\$ 226,000
Interest cost on projected benefit obligation	497,000	541,000
Return on plan assets		
Expected return	(245,000)	(250,000)
Asset gain	<u>(561,000)</u>	<u>(258,000)</u>
Actual return on plan assets	(806,000)	(508,000)
Net amortization and deferral		
Amortization of prior service cost	273,000	273,000
Amortization of transition amount	(17,000)	(17,000)
Amortization of loss	50,000	17,000
Deferral of asset gain	<u>561,000</u>	<u>258,000</u>
Total	<u>867,000</u>	<u>531,000</u>
Net periodic pension cost	<u><u>\$ 824,000</u></u>	<u><u>\$ 790,000</u></u>

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

	Fiscal Year Ended <u>June 30, 2011</u>	Fiscal Year Ended <u>June 30, 2010</u>
Net loss	\$ 32,000	\$ 696,000
Prior service cost	-	-
Amortization of loss	(50,000)	(17,000)
Amortization of transition obligation	17,000	17,000
Amortization of prior service cost	<u>(273,000)</u>	<u>(273,000)</u>
Total recognized in unrestricted net assets	(274,000)	423,000
Net periodic pension cost	<u>824,000</u>	<u>790,000</u>
Total recognized in net periodic pension cost and unrestricted net assets	<u><u>\$ 550,000</u></u>	<u><u>\$ 1,213,000</u></u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

NOTE I - PRIESTS RETIREMENT PLAN (Continued)

Assumptions Used to Determine Net Periodic Pension Cost

	Fiscal Year Ended <u>June 30, 2011</u>	Fiscal Year Ended <u>June 30, 2010</u>
Discount Rate	5.32%	6.60%
Expected long-term rate of return on assets	7.50%	7.50%
Future benefit increases	3.00%	3.00%

The Roman Catholic Diocese of Boise employs a methodical process to determine the estimates of expected long-term rate of return on assets. These estimates are primarily driven by actual historical asset-class returns and advice from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2011 and June 30, 2010, the expected long-term rate of return used in determining net periodic pension cost was 7.5%.

Assumptions Used to Determine Benefit Obligations at Year-End

	Fiscal Year Ended <u>June 30, 2011</u>	Fiscal Year Ended <u>June 30, 2010</u>
Discount rate	5.35%	5.32%
Future benefit increases	3.00%	3.00%

Plan Asset Investment Strategy and Allocation

The asset allocation for the pension plan as of June 30, 2011 and June 30, 2010 and the target allocation, by asset category, are:

<u>Asset Category</u>	Investment Policy Target Asset <u>Allocation</u>	Actual Percentage of Plan Assets at June 30	
		<u>2011</u>	<u>2010</u>
Equities	25-75%	73%	57%
Fixed Income	25-75%	26%	41%
Cash Equivalents	0-100%	1%	2%

The fair values of Plan assets at June 30, 2011, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 47,572	\$ 521	\$ -	\$ 48,093
Mutual funds - equity	-	495,401	-	495,401
Mutual funds - fixed income	1,428,108	-	-	1,428,108
Corporate equities	2,172,398	-	-	2,172,398
	<u>\$ 3,648,078</u>	<u>\$ 495,922</u>	<u>\$ -</u>	<u>\$ 4,144,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

NOTE I - PRIESTS RETIREMENT PLAN (Continued)

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

Cash Flows

Estimated Future Benefit Payments

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

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Annual Pension</u> <u>Benefits</u>
2012	\$ 551,000
2013	549,000
2014	537,000
2015	614,000
2016	666,000
2017-2021	\$ 3,658,000

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 \$631,831 for the year ended June 30, 2011 and \$714,428 for the year ended June 30, 2010.

For the year ended June 30, 2011, pension contribution of \$483,000 was made. The Diocese did not contribute to the plan for the year ended June 30, 2010. Benefit payments of \$488,000 and \$546,000 were made from the plan during the years ended June 30, 2011 and June 30, 2010, respectively.

The Diocese expects to contribute \$530,000 to the pension plan during the fiscal year ending June 30, 2011.

NOTE J - LAY EMPLOYEES PENSION PLAN

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

NOTE J - LAY EMPLOYEES PENSION PLAN (Continued)

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

Funded Status

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

	Fiscal Year Ended <u>June 30, 2011</u>	Fiscal Year Ended <u>June 30, 2010</u>
Vested benefit obligation	\$ (8,263,000)	\$ (8,699,000)
Accumulated benefit obligation	(10,038,000)	(10,555,000)
Projected benefit obligation	(10,038,000)	(10,555,000)
Plan assets at fair value	<u>4,267,000</u>	<u>4,127,000</u>
Funded status at end of year	(5,771,000)	(6,428,000)
Liability for pension benefits	\$ (5,771,000)	\$ (6,428,000)
Vested benefit obligation ratio	51.64%	47.44%

Amounts recognized in the statement of financial position consist of:

	Fiscal Year Ended <u>June 30, 2011</u>	Fiscal Year Ended <u>June 30, 2010</u>
Noncurrent assets	\$ -	\$ -
Current liabilities	-	-
Noncurrent liabilities	<u>(5,771,000)</u>	<u>(6,428,000)</u>
	<u>\$ (5,771,000)</u>	<u>\$ (6,428,000)</u>

Amounts recognized in unrestricted net assets consist of:

	Fiscal Year Ended <u>June 30, 2011</u>	Fiscal Year Ended <u>June 30, 2011</u>
Net loss	\$ 2,113,000	\$ 3,144,000
Prior service cost	-	-
	<u>\$ 2,113,000</u>	<u>\$ 3,144,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

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, 2011</u>	Fiscal Year Ended <u>June 30, 2010</u>
Service cost-benefits earned during the period	\$ 818,000	\$ 716,000
Interest cost on projected benefit obligation	533,000	495,000
Return on plan assets		
Expected return	(296,000)	(285,000)
Asset gain	<u>(985,000)</u>	<u>(139,000)</u>
Actual return on plan assets	(1,281,000)	(424,000)
Net amortization and deferral		
Amortization of transition amount	-	-
Amortization of loss	209,000	46,000
Deferral of asset gain	<u>985,000</u>	<u>139,000</u>
Total	<u>1,194,000</u>	<u>185,000</u>
Net periodic pension cost	<u><u>\$ 1,264,000</u></u>	<u><u>\$ 972,000</u></u>

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

	Fiscal Year Ended <u>June 30, 2011</u>	Fiscal Year Ended <u>June 30, 2010</u>
Net loss (gain)	\$ (822,000)	\$ 1,954,000
Prior service cost	-	-
Amortization of loss	(209,000)	(46,000)
Amortization of transition obligation	-	-
Amortization of prior service credit	<u>-</u>	<u>-</u>
Total recognized in unrestricted net assets	(1,031,000)	1,908,000
Net periodic pension cost	<u>1,264,000</u>	<u>972,000</u>
Total recognized in net periodic pension cost and unrestricted net assets	<u><u>\$ 233,000</u></u>	<u><u>\$ 2,880,000</u></u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

NOTE J - LAY EMPLOYEES PENSION PLAN (Continued)

Assumptions Used to Determine Net Periodic Pension Cost

	Fiscal Year Ended <u>June 30, 2011</u>	Fiscal Year Ended <u>June 30, 2010</u>
Discount Rate	5.32%	6.60%
Expected long-term rate of return on assets	7.50%	7.50%
Salary Scale	4.50%	4.50%

The Roman Catholic Diocese of Boise employs a methodical process to determine the estimates of expected long-term rate of return on assets. These estimates are primarily driven by actual historical asset-class returns and advice from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2011 and June 30, 2010, the expected long-term rate of return used in determining net periodic pension cost was 7.5%.

Assumptions Used to Determine Benefit Obligations at Year-End

	Fiscal Year Ended <u>June 30, 2011</u>	Fiscal Year Ended <u>June 30, 2010</u>
Discount rate	5.35%	5.32%
Future benefit increases	4.50%	4.50%

Plan Asset Investment Strategy and Allocation

The asset allocation for the pension plan as of June 30, 2011 and June 30, 2010 and the target allocation, by asset category, are:

<u>Asset Category</u>	Investment Policy	Policy Benchmark	Actual Percentage of <u>Plan Assets at June 30</u>	
	Target Asset <u>Allocation</u>	Asset <u>Allocation</u>	<u>2011</u>	<u>2010</u>
Equities	25-75%	50%	68%	44%
Fixed Income	25-75%	40%	27%	54%
Cash Equivalents	0-100%	10%	5%	2%

The fair values of Plan assets at June 30, 2011, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 179,559	\$ -	\$ -	\$ 179,559
Mutual funds - equity	-	1,208,515	-	1,208,515
Common stock	2,276,029	-	-	2,276,029
Common trust funds	-	602,897	-	602,897
	<u>\$ 2,455,588</u>	<u>\$ 1,811,412</u>	<u>\$ -</u>	<u>\$ 4,267,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

NOTE J - LAY EMPLOYEES PENSION PLAN (Continued)

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

Cash Flows

Estimated Future Benefit Payments

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

Fiscal Year <u>Ending June 30</u>	Annual Pension <u>Benefits</u>
2012	\$ 842,000
2013	844,000
2014	844,000
2015	1,061,000
2016	834,000
2017-2021	\$ 5,094,000

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 \$539,011 for the year ended June 30, 2011 and \$595,700 for the year ended June 30, 2010.

Diocesan pension contributions for the year ended June 30, 2011 and 2010 were \$890,000 and \$500,000, respectively. Benefit payments of \$1,886,000 and \$493,000 were made from the plan during the years ended June 30, 2011 and June 30, 2010, respectively.

The Diocese expects to contribute \$1,500,000 to the pension plan during the fiscal year ending June 30, 2011.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

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, 2011 and 2010 the fund paid an interest rate on deposits of 2% and 2.75%, respectively. The parishes and schools can add and withdraw funds from this pool on demand. The Diocese also administers the lending of money from this fund out to parishes and schools that need money to build new physical plant, or repair and renovate existing plant. These loans range from 5 years to 20 years in length. Loan rates charged to borrowers range from 0% to 8.5%. Loans are set at simple interest rates and incur interest charges until paid by the parish or school.

	<u>2011</u>	<u>2010</u>
Balances as of June 30:		
Deposits in Fund from Parishes and Schools	\$ 25,022,760	\$ 23,424,582
Loans from Fund to Parishes and Schools	\$ 12,551,965	\$ 12,556,625
Percentage Loaned Out	50.16%	53.60%

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 their normal operations. The Diocese has recorded an allowance for doubtful accounts related to loans outstanding of \$300,000 for the year ended June 30, 2011. An allowance for doubtful accounts was deemed unnecessary for the year ended June 30, 2010.

NOTE M - LINE OF CREDIT

The Diocese renewed their revolving line of credit agreement with a bank March 2, 2011. The line of credit is collateralized by investments in marketable securities held at the same bank. The line maximum is \$6,000,000, and funds borrowed are subject to a variable interest rate ranging from the higher of 2.75% to LIBOR plus 1.55%, which is adjusted monthly. The balance due totaled \$3,450,000 and \$6,000,000 as of June 30, 2011 and 2010, respectively.

NOTE N - NOTES PAYABLE

A summary of notes payable follows:

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

NOTE N - NOTES PAYABLE (Continued)

Maturities of notes payable subsequent to June 30, 2011 are as follows:

Years ending June 30:	Amount
2012	\$ 134,181
2013	142,322
2014	150,957
2015	160,116
2016	169,831
Thereafter	<u>2,695,507</u>
	<u><u>\$ 3,452,914</u></u>

NOTE O - RESTRICTED NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>2011</u>	<u>2010</u>
Pastoral	\$ (336,848)	\$ (32,427)
Education	30,744	25,974
Social Services	1,875,994	1,958,864
Idaho Catholic Appeal (2011 Campaign)	-	1,435,561
Idaho Catholic Appeal (2012 Campaign)	<u>1,600,433</u>	<u>-</u>
	<u><u>\$ 3,170,323</u></u>	<u><u>\$ 3,387,972</u></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>2011</u>	<u>2010</u>
Pastoral	\$ 688,626	\$ 661,713
Education	120,186	150,149
Social Services	522,920	984,613
Idaho Catholic Appeal (2009 Campaign)	-	2,433,088
Idaho Catholic Appeal (2010 Campaign)	<u>2,410,433</u>	<u>-</u>
	<u><u>\$ 3,742,165</u></u>	<u><u>\$ 4,229,563</u></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>2011</u>	<u>2010</u>
Endowment Funds	<u><u>\$ 1,407,442</u></u>	<u><u>\$ 788,914</u></u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

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, 2011 and 2010 totaled \$257,000 and \$225,00, respectively.

NOTE Q - LEASES IN FINANCIAL STATEMENTS OF LESSORS

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

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

Years ending June 30:	Amount
2012	\$ 328,202
2013	257,902
2014	236,546
2015	89,336
2016	59,890
	<hr/> <u>\$ 971,876</u>

NOTE R - RELATED PARTY TRANSACTIONS

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

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

At June 30, 2011 and 2010, the Diocese recognized revenue from Diocesan parishes, schools, and other related organizations in the amount of \$5,708,275 and \$5,313,289, respectively for assessments, insurance, and interest. The Diocese incurred interest expense related to the parish deposit and loan program in the amount of \$697,489 and \$882,300 for the years ended June 30, 2011 and 2010, respectively.

The Diocese recorded an accounts payable to Catholic Charities of \$542,236 and \$294,617 at June 30, 2011 and 2010, respectively. The amounts represent the collections from the Idaho Catholic Appeal specifically designated for Catholic Charities. An accounts receivable from Catholic Charities to the Diocese totaled \$37,203 and \$50,418 as of June 30, 2011 and 2010, respectively.

NOTE S - CONCENTRATION OF CREDIT RISK

The Diocese maintains cash accounts at several local financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 on interest-bearing accounts for the years ended June 30, 2011 and June 30, 2010. The FDIC offered unlimited insurance coverage for noninterest-bearing accounts for the year ended June 30, 2011. There were no uninsured balances for the years ended June 30, 2011 and June 30, 2010.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2011 and 2010

NOTE S - CONCENTRATION OF CREDIT RISK (Continued)

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 - COMMITMENTS AND CONTINGENCIES

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

NOTE 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, 2010, 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.

NOTE W - SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 10, 2012, which coincides with the date of issuance of these financial statements. As of the report date, no subsequent 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

Our report on our audit of the basic financial statements of Central Administrative Office of the Roman Catholic Diocese of Boise as of and for the year ended June 30, 2011 appears on page 3. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Travis Jeffries, P.A.

Boise, Idaho
January 10, 2012

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

COMBINING STATEMENTS OF FINANCIAL POSITION - UNRESTRICTED NET ASSETS

June 30, 2011 and June 30, 2010 Summarized Information

ASSETS

	2011									2010	
	<u>Operating</u>	<u>Deposit & Loan</u>	<u>Health & Welfare Insurance</u>	<u>Property & Liability Insurance</u>	<u>Idaho Catholic Register</u>	<u>Nazareth Retreat Center</u>	<u>Custodial</u>	<u>Plant</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
ASSETS											
Cash	\$ 1,176,733	\$ -	\$ 20,714	\$ -	\$ 165,253	\$ 13,620	\$ -	\$ -	\$ -	\$ 1,376,320	\$ 241,213
Certificates of deposit	872,417	-	-	-	-	-	-	-	-	872,417	1,730,814
Accounts and pledges receivable	724,440	274,464	242,533	609,660	28,916	(1,445)	111,643	-	87,750	2,077,961	1,928,820
Deposits and prepaid expenses	25,421	-	7,607	-	27,367	-	-	-	-	60,395	57,421
Interfund receivable (payable)	5,939,276	7,087,414	(1,151,657)	(379,800)	22,597	(991,282)	520,722	(13,493,569)	-	(2,446,299)	(2,591,967)
Marketable securities	3,888,701	5,418,113	20,353	161,006	-	-	7,736,836	-	3,562,154	20,787,163	19,659,093
Beneficial interest in perpetual trust	(2,801)	-	-	-	-	-	-	-	-	(2,801)	-
Land held for future parish expansion	-	-	-	-	-	-	-	-	-	-	788,576
Loans to parishes and schools	-	12,551,965	-	-	-	-	-	-	-	12,551,965	12,556,625
Loans and notes receivable	665,784	-	-	-	-	-	-	-	-	665,784	1,103,560
Property, plant and equipment	4,900	36,584	-	-	57,320	2,655,325	-	14,454,446	-	17,208,575	18,452,098
Accumulated depreciation	-	-	-	-	(52,419)	(1,189,785)	-	(3,045,810)	-	(4,288,014)	(3,832,655)
Total Assets	\$ 13,294,871	\$ 25,368,540	\$ (860,450)	\$ 390,866	\$ 249,034	\$ 486,433	\$8,369,201	\$(2,084,933)	\$3,649,904	\$ 48,863,466	\$ 50,093,598

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, 2011 and June 30, 2010 Summarized Information

LIABILITIES AND NET ASSETS

	2011									2010	
	Operating	Deposit & Loan	Health & Welfare Insurance	Property & Liability Insurance	Idaho Catholic Register	Nazareth Retreat Center	Custodial	Plant	Board Designated	Total	Summarized Information
LIABILITIES											
Accounts payable	\$ 147,372	\$ -	\$ -	\$ -	\$ -	\$ 8,991	\$ -	\$ -	\$ 168,537	\$ 324,900	\$ 404,588
Accrued liabilities	299,285	-	257,000	-	5,546	9,468	665,186	-	-	1,236,485	1,163,810
Line of credit	3,450,000	-	-	-	-	-	-	-	-	3,450,000	6,000,000
Parish cash management	2,972,981	-	-	-	-	-	-	-	-	2,972,981	3,504,790
Parish savings deposit	-	25,022,760	-	-	-	-	-	-	-	25,022,760	23,424,582
Lay pension trust	1,588,846	-	-	-	-	-	-	-	-	1,588,846	1,670,377
ICF - held for others	-	-	-	-	-	7,736,836	-	-	-	7,736,836	7,231,847
Liability for pension benefits - lay	539,011	-	-	-	-	-	-	-	-	539,011	595,700
Liability for pension benefits - priest	631,831	-	-	-	-	-	-	-	-	631,831	714,428
Notes payable	3,452,914	-	-	-	-	-	-	-	-	3,452,914	3,579,974
Deferred revenue	18,562	-	-	-	-	-	-	-	-	18,562	-
Total Liabilities	13,100,802	25,022,760	257,000	-	5,546	18,459	8,402,022	-	168,537	46,975,126	48,290,096
NET ASSETS	194,069	345,780	(1,117,450)	390,866	243,488	467,974	(32,821)	(2,084,933)	3,481,367	1,888,340	1,803,502
Total Liabilities and Net Assets	\$ 13,294,871	\$ 25,368,540	\$ (860,450)	\$ 390,866	\$ 249,034	\$ 486,433	\$8,369,201	\$ (2,084,933)	\$3,649,904	\$ 48,863,466	\$ 50,093,598

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, 2011 and Summarized Information for the Year Ended June 30, 2010

	2011									2010	
	Operating	Deposit & Loan	Health & Welfare Insurance	Property & Liability Insurance	Idaho Catholic Register	Nazareth Retreat Center	Custodial	Plant	Board Designated	Total	Summarized Information
REVENUE AND SUPPORT											
Contributions	\$ 444,562	\$ -	\$ -	\$ -	\$ 55	\$ 43,177	\$ -	\$ -	\$ 970	\$ 488,764	\$ 248,123
Program services	590,017	-	-	-	260,955	160,828	-	-	-	1,011,800	1,131,208
Assessment revenue	616,738	-	-	-	-	-	-	-	-	616,738	631,450
Insurance program	-	-	3,628,223	1,016,819	-	-	-	-	-	4,645,042	4,074,226
Grant revenue	232,629	-	-	-	-	-	97,100	-	-	329,729	264,206
Deposit and loan interest	-	446,495	-	-	-	-	-	-	-	446,495	607,613
Rental income	610,390	-	-	-	-	16,488	-	-	-	626,878	580,788
Loss on sale of property	-	-	-	-	-	-	(9,596)	-	-	(9,596)	(7,816)
Investment income	765,459	1,203,755	9,961	29,127	3,724	300	-	673,011	-	2,685,337	2,221,923
Unrealized loss on land value	-	-	-	-	-	-	(1,488,296)	-	-	(1,488,296)	-
Miscellaneous	9,832	-	-	1,000	552	1,662	-	-	-	13,046	20,423
Net assets released from restrictions satisfied by payments	3,742,165	-	-	-	-	-	-	-	-	3,742,165	4,229,563
Total Revenue	7,011,792	1,650,250	3,638,184	1,046,946	265,286	222,455	-	(1,400,792)	673,981	13,108,102	14,001,707
EXPENSES											
Salaries	1,750,513	-	-	-	131,444	104,117	-	-	-	1,986,074	1,890,897
Auto	30,153	-	-	-	326	-	-	-	-	30,479	28,213
Advertising	5,103	-	-	-	-	182	-	-	-	5,285	8,857
Bank and investment	147,135	1,000	-	-	-	30	-	23,044	-	171,209	151,796
Computer	225,764	-	-	-	1,066	105	-	-	-	226,935	218,108
Contributions	280,575	-	-	-	-	-	-	-	-	280,575	249,263
Dues and subscriptions	81,490	-	-	-	700	423	-	-	-	82,613	38,619
Depreciation	553	-	-	-	3,139	56,485	-	450,916	-	511,093	507,603
Employee benefits	359,847	-	-	-	18,383	19,069	-	-	-	397,299	280,596
Event	170,202	-	-	-	2,813	25	-	-	-	173,040	225,839
Supplies	23,828	-	-	-	-	28,951	-	-	-	52,779	49,057
Miscellaneous	114,794	-	-	-	14,472	3,760	-	-	-	133,026	388,221
Payroll taxes	115,002	-	-	-	9,621	7,876	-	-	-	132,499	125,333
Postage	22,729	-	-	-	65,221	189	-	-	-	88,139	101,989
Office	70,246	-	-	-	34,762	292	-	-	-	105,300	101,595
Rental	70,435	-	-	-	-	-	-	-	-	70,435	89,301
Repairs and maintenance	148,918	-	-	-	-	20,486	-	-	-	169,404	154,077

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, 2011 and Summarized Information for the Year Ended June 30, 2010

	2011									2010	
	Operating	Deposit & Loan	Health & Welfare Insurance	Property & Liability Insurance	Idaho Catholic Register	Nazareth Retreat Center	Custodial	Plant	Board Designated	Total	Summarized Information
Interest	\$ 201,920	\$ 697,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 899,409	\$ 1,252,351
Bad debt	300,000	-	-	-	-	-	-	-	-	300,000	-
Stipends	50,885	-	-	-	-	-	-	-	-	50,885	60,233
Telephone	20,941	-	-	-	324	3,910	-	-	-	25,175	28,853
Training	22,572	-	-	-	440	-	-	-	-	23,012	25,223
Travel	118,098	-	-	407	1,160	883	-	-	-	120,548	123,351
Meetings	118,862	-	-	-	-	-	-	-	-	118,862	128,376
Professional services	225,847	44,832	33,420	1,114	86	2,955	-	-	-	308,254	294,374
Insurance	46,456	-	3,808,884	902,088	-	6,442	-	-	-	4,763,870	4,114,352
Appropriations	149,864	-	-	-	-	-	-	168,537	-	318,401	281,937
Disbursements	1,271,070	-	-	-	-	-	-	-	-	1,271,070	1,448,904
Meals and entertainment	15,394	-	-	-	102	-	-	-	-	15,496	10,106
Utilities	122,374	-	-	-	-	29,961	-	-	-	152,335	170,214
Property taxes	149,680	-	-	-	-	-	-	-	-	149,680	169,452
Workers compensation	25,635	-	-	-	2,035	1,699	-	-	-	29,369	25,887
FASB ASC 715 Expense	(139,286)	-	-	-	-	-	-	-	-	(139,286)	312,578
Total Expenses	6,317,599	743,321	3,842,304	903,609	286,094	287,840	-	450,916	191,581	13,023,264	13,055,555
Increase (Decrease) in Net Assets	694,193	906,929	(204,120)	143,337	(20,808)	(65,385)	-	(1,851,708)	482,400	84,838	946,152
NET ASSETS, Beginning of Year	(500,124)	(561,149)	(913,330)	247,529	264,296	533,359	(32,821)	(233,225)	2,998,967	1,803,502	857,350
NET ASSETS, End of Year	\$ 194,069	\$ 345,780	\$ (1,117,450)	\$ 390,866	\$ 243,488	\$ 467,974	\$ (32,821)	\$ (2,084,933)	\$ 3,481,367	\$ 1,888,340	\$ 1,803,502

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, 2011 and June 30, 2010 Summarized Information

ASSETS

	2011								
	<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	\$ -	\$ 15,368	\$ -	\$ -	\$ -	\$ -	\$ 1,766	\$ -	\$ -
Accounts and pledges receivable	-	100	6,356	-	-	-	-	-	282,413
Deposits and prepaid expenses	-	648	-	-	225	-	-	-	-
Interfund receivable (payable)	636,507	917,807	(1,292,699)	-	850,621	-	-	(160,549)	1,318,019
Marketable securities	98,382	563,729	49,779	111,081	-	-	-	14,199	-
Property, plant and equipment	-	88,655	-	-	-	-	-	-	-
Accumulated depreciation	-	(2,712)	-	-	-	-	-	-	-
Total Assets	<u>\$ 734,889</u>	<u>\$ 1,583,595</u>	<u>\$ (1,236,564)</u>	<u>\$ 111,081</u>	<u>\$ 850,846</u>	<u>\$ -</u>	<u>\$ 1,766</u>	<u>\$ (146,350)</u>	<u>\$ 1,600,432</u>

LIABILITIES AND NET ASSETS

LIABILITIES									
Deferred income	\$ -	\$ -	\$ -	\$ -	\$ 800	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	542,236	-	-	111,081	2,000	-	-	-	-
Total Liabilities	542,236	-	-	111,081	2,800	-	-	-	-
NET ASSETS	192,653	1,583,595	(1,236,564)	-	848,046	-	1,766	(146,350)	1,600,432
Total Liabilities and Net Assets	<u>\$ 734,889</u>	<u>\$ 1,583,595</u>	<u>\$ (1,236,564)</u>	<u>\$ 111,081</u>	<u>\$ 850,846</u>	<u>\$ -</u>	<u>\$ 1,766</u>	<u>\$ (146,350)</u>	<u>\$ 1,600,432</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, 2011 and June 30, 2010 Summarized Information (continued)

ASSETS

	<u>2011</u>				<u>2010</u>	
	<u>Catholic Idaho</u>	<u>Idaho Catholic Foundation</u>	<u>Education</u>	<u>Unitrust Fund</u>	<u>Total</u>	<u>Summarized Information</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 17,134	\$ 22,260
Accounts and pledges receivable	-	2,306	-	-	291,175	295,226
Deposits and prepaid expenses	-	-	-	-	873	2,462
Interfund receivable (payable)	178,829	-	1,798	(4,034)	2,446,299	2,581,967
Marketable securities	64,961	-	27,180	55,705	985,016	896,024
Property, plant and equipment	-	-	-	-	88,655	88,655
Accumulated depreciation	-	-	-	-	(2,712)	(2,159)
Total Assets	<u>\$ 243,790</u>	<u>\$ 2,306</u>	<u>\$ 28,978</u>	<u>\$ 51,671</u>	<u>\$ 3,826,440</u>	<u>\$ 3,884,435</u>

LIABILITIES AND NET ASSETS

LIABILITIES						
Deferred revenue	\$ -	\$ -	\$ -	\$ -	\$ 800	\$ -
Accrued liabilities	-	-	-	-	655,317	496,463
Total Liabilities	-	-	-	-	656,117	496,463
NET ASSETS	<u>243,790</u>	<u>2,306</u>	<u>28,978</u>	<u>51,671</u>	<u>3,170,323</u>	<u>3,387,972</u>
Total Liabilities and Net Assets	<u>\$ 243,790</u>	<u>\$ 2,306</u>	<u>\$ 28,978</u>	<u>\$ 51,671</u>	<u>\$ 3,826,440</u>	<u>\$ 3,884,435</u>

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

COMBINING STATEMENTS OF ACTIVITIES - TEMPORARILY RESTRICTED NET ASSETS

For the Year Ended June 30, 2011 and Summarized Information for the Year Ended June 30, 2010

	2011								
	<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	\$ 101,108	\$ 119,581	\$ 125,766	\$ -	\$ 4,340	\$ -	\$ -	\$ 8,987	\$ 2,572,998
Program services	-	11,103	195,208	-	-	-	-	-	-
Grant revenue	29,700	25,000	-	-	-	120,000	-	-	-
Rental income	-	1,771	-	-	34,400	-	-	-	-
Investment income	17,798	108,375	11,312	8,915	6	-	39	2,569	2,306
Miscellaneous	-	-	-	-	-	-	-	-	-
Net assets released from restrictions satisfied by payments	(179,059)	(324,526)	(641,130)	(8,915)	(37,407)	(120,000)	-	(18,890)	(2,410,433)
Total Revenue and Support	(30,453)	(58,696)	(308,844)	-	1,339	-	39	(7,334)	164,871
NET ASSETS, Beginning of Year	223,106	1,642,291	(927,720)	-	846,707	-	1,727	(139,016)	1,435,561
NET ASSETS, End of Year	<u>\$ 192,653</u>	<u>\$ 1,583,595</u>	<u>\$(1,236,564)</u>	<u>\$ -</u>	<u>\$ 848,046</u>	<u>\$ -</u>	<u>\$ 1,766</u>	<u>\$ (146,350)</u>	<u>\$ 1,600,432</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, 2011 & Summarized Information for the Year Ended June 30, 2010 (continued)

	<u>2011</u>					<u>2010</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	\$ -	\$ -	\$ -	\$ -	\$ 2,932,780	\$ 2,988,723
Program services	-	-	-	-	206,311	248,905
Grant revenue	-	-	-	-	174,700	150,100
Rental income	-	-	-	-	36,171	-
Investment income	11,752	2,306	4,917	4,259	174,554	154,492
Miscellaneous	-	-	-	-	-	7,378
Net assets released from restrictions satisfied by payments	(445)	-	(186)	(1,174)	(3,742,165)	(4,229,563)
Total Revenue and Support	11,307	2,306	4,731	3,085	(217,649)	(679,965)
NET ASSETS, Beginning of Year	232,483	-	24,247	48,586	3,387,972	4,067,937
NET ASSETS, End of Year	<u>\$ 243,790</u>	<u>\$ 2,306</u>	<u>\$ 28,978</u>	<u>\$ 51,671</u>	<u>\$ 3,170,323</u>	<u>\$ 3,387,972</u>

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

COMBINING STATEMENTS OF FINANCIAL POSITION - PERMANENTLY RESTRICTED NET ASSETS

June 30, 2011 and June 30, 2010 Summarized Information

ASSETS

	<u>2011</u>						<u>2010</u>	
	<u>Heinz Charitable</u>	<u>St. Joseph's Children Home</u>	<u>Chausee Family Memorial Fund</u>	<u>James & Olive Davis Fund</u>	<u>Seminarian scholarship fund</u>	<u>John L. Muegerl Trust</u>	<u>Total</u>	<u>Summarized Information</u>
ASSETS								
Interfund receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Marketable securities	94,148	151,405	250,000	238,361	100,000	-	833,914	778,914
Beneficial interest in perpetual trust	-	-	-	-	-	573,528	573,528	-
Total Assets	<u>\$ 94,148</u>	<u>\$ 151,405</u>	<u>\$ 250,000</u>	<u>\$ 238,361</u>	<u>\$ 100,000</u>	<u>\$ 573,528</u>	<u>\$ 1,407,442</u>	<u>\$ 788,914</u>

LIABILITIES AND NET ASSETS

NET ASSETS	<u>\$ 94,148</u>	<u>\$ 151,405</u>	<u>\$ 250,000</u>	<u>\$ 238,361</u>	<u>\$ 100,000</u>	<u>\$ 573,528</u>	<u>\$ 1,407,442</u>	<u>\$ 788,914</u>
Total Liabilities and Net Assets	<u>\$ 94,148</u>	<u>\$ 151,405</u>	<u>\$ 250,000</u>	<u>\$ 238,361</u>	<u>\$ 100,000</u>	<u>\$ 573,528</u>	<u>\$ 1,407,442</u>	<u>\$ 788,914</u>

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

COMBINING STATEMENTS OF ACTIVITIES - PERMANENTLY RESTRICTED NET ASSETS

For the Year Ended June 30, 2011 and Summarized Information for the Year Ended June 30, 2010

	<u>2011</u>						<u>2010</u>	
	<u>Heinz Charitable</u>	<u>St. Joseph's Children Home</u>	<u>Chausee Family Memorial Fund</u>	<u>James & Olive Davis Fund</u>	<u>Seminarian scholarship fund</u>	<u>John L. Muegerl Trust</u>	<u>Total</u>	<u>Summarized Information</u>
REVENUE AND SUPPORT								
Contributions	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 573,528	\$ 618,528	\$ 55,000
Total Revenue and Support	-	-	-	-	45,000	573,528	618,528	55,000
NET ASSETS, Beginning of Year	94,148	151,405	250,000	238,361	55,000	-	788,914	733,914
NET ASSETS, End of Year	<u>\$ 94,148</u>	<u>\$ 151,405</u>	<u>\$ 250,000</u>	<u>\$ 238,361</u>	<u>\$ 100,000</u>	<u>\$ 573,528</u>	<u>\$ 1,407,442</u>	<u>\$ 788,914</u>