

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

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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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, 2020 and the related statements of activities, functional expenses, 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 15, 2020. In our opinion the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Travis Jeffries, P.A.

Boise, Idaho
February 2, 2021

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

STATEMENTS OF FINANCIAL POSITION

June 30, 2020 and June 30, 2019 Summarized Information

ASSETS

	2020			Total	2019 Summarized Information
	Without Donor Restrictions	With Donor Restrictions Purpose Restricted	Perpetual in Nature		
ASSETS					
Cash	\$ 177,091	\$ 17,332	\$ -	\$ 194,423	\$ 200,730
Accounts and pledges receivable	7,176,099	395,345	-	7,571,444	3,047,405
Deposits and prepaid expenses	175,490	1,152	-	176,642	92,364
Interfund receivable (payable)	1,028,668	(1,028,668)	-	-	-
Investments	24,569,719	1,652,870	1,069,139	27,291,728	22,712,604
Beneficial interest in perpetual trust	-	64,005	573,528	637,533	646,481
Loans to parishes and schools	10,829,129	-	-	10,829,129	11,462,681
Loans and notes receivable	136,191	-	-	136,191	89,266
Property, plant and equipment	12,169,786	-	-	12,169,786	18,472,735
Accumulated depreciation	(4,210,356)	-	-	(4,210,356)	(6,974,390)
Total Assets	\$ 52,051,817	\$ 1,102,036	\$ 1,642,667	\$ 54,796,520	\$ 49,749,876

LIABILITIES AND NET ASSETS

LIABILITIES					
Cash overdraft	\$ 39,944	\$ -	\$ -	\$ 39,944	\$ 424,694
Accounts payable	81,814	10,264	-	92,078	134,254
Accrued liabilities	688,575	367,415	-	1,055,990	1,284,721
Line of credit	2,150,000	-	-	2,150,000	3,825,000
Parish cash management	6,325,097	-	-	6,325,097	5,507,167
Parish savings deposits	27,986,315	-	-	27,986,315	26,449,360
Lay pension trust	868,149	-	-	868,149	-
Liability for pension benefits - lay	962,916	-	-	962,916	958,544
Liability for pension benefits - priest	649,113	-	-	649,113	585,514
Refundable advance - PPP loan	4,039,995	-	-	4,039,995	-
Deferred revenue	4,473	-	-	4,473	1,703
Total Liabilities	43,796,391	377,679	-	44,174,070	39,170,957
NET ASSETS					
Without donor restrictions					
Undesignated	3,644,857	-	-	3,644,857	3,128,847
Board Designated	4,610,569	-	-	4,610,569	4,709,025
Total Net Assets Without Donor Restrictions	8,255,426	-	-	8,255,426	7,837,872
With donor restrictions	-	724,357	1,642,667	2,367,024	2,741,047
Total Net Assets	8,255,426	724,357	1,642,667	10,622,450	10,578,919
Total Liabilities and Net Assets	\$ 52,051,817	\$ 1,102,036	\$ 1,642,667	\$ 54,796,520	\$ 49,749,876

See notes to financial statements.

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

STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2020 and Summarized Information for the Year Ended June 30, 2019

	<u>2020</u>			<u>Total</u>	<u>2019</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>			<u>Summarized Information</u>
		<u>Purpose Restricted</u>	<u>Perpetual in Nature</u>		
REVENUE AND SUPPORT					
Contributions	\$ 724,803	\$ 3,752,592	\$ -	\$ 4,477,395	\$ 4,399,938
Program services	861,525	116,602	-	978,127	1,287,237
Assessment revenue	768,717	-	-	768,717	769,431
Insurance program	6,934,267	-	-	6,934,267	6,604,791
Grant revenue	404,396	116,905	-	521,301	771,058
Deposit and loan interest	363,986	-	-	363,986	434,787
Rental income	507,910	76,800	-	584,710	697,940
Gain on the sale of property	369,850	-	-	369,850	1,363,484
Realized gain on investments	50,091	17,706	-	67,797	626,848
Unrealized gain (loss) on investments	184,658	28,992	-	213,650	(128,411)
Interest and dividends	497,881	36,365	-	534,246	591,281
Unrealized loss on beneficial interest in perpetual trust	-	(8,948)	-	(8,948)	(8,733)
Miscellaneous	8,224	7,202	-	15,426	12,007
Net assets released from restrictions satisfied by payments	4,518,239	(4,518,239)	-	-	-
Total Revenue and Support	16,194,547	(374,023)	-	15,820,524	17,421,658
EXPENSES					
Program services					
Pastoral	3,208,861	-	-	3,208,861	3,645,504
Education	1,781,469	-	-	1,781,469	1,867,584
Social services	262,281	-	-	262,281	243,850
Deposit and loan interest	1,002,632	-	-	1,002,632	626,183
Newspaper	413,315	-	-	413,315	313,721
Retreat center	391,821	-	-	391,821	363,963
Insurance program	5,829,430	-	-	5,829,430	5,682,167
St. John Vianney Retirement Center	104,130	-	-	104,130	206,556
Total Program Services	\$ 12,993,939	\$ -	\$ -	\$ 12,993,939	\$ 12,949,528

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, 2020 and Summarized Information for the Year Ended June 30, 2019

	2020			2019	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		<u>Total</u>	<u>Summarized Information</u>
		<u>Purpose Restricted</u>	<u>Perpetual in Nature</u>		
Supporting Services					
General administrative	\$ 2,155,505	\$ -	\$ -	\$ 2,155,505	\$ 2,088,382
Development	242,473	-	-	242,473	325,708
FASB ASC 715 Expense	67,971	-	-	67,971	647,198
Depreciation	317,105	-	-	317,105	410,239
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Supporting Services	2,783,054	-	-	2,783,054	3,471,527
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	15,776,993	-	-	15,776,993	16,421,055
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Increase (Decrease) in Net Assets	417,554	(374,023)	-	43,531	1,000,603
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS, Beginning of Year	7,837,872	1,098,380	1,642,667	10,578,919	9,578,316
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS, End of Year	<u>\$ 8,255,426</u>	<u>\$ 724,357</u>	<u>\$ 1,642,667</u>	<u>\$ 10,622,450</u>	<u>\$ 10,578,919</u>

See notes to financial statements.

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

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2020 and 2019

	2020			2019		
	Program Services	Supporting Services	Total	Program Services	Supporting Services	Total
Salaries	\$ 2,010,510	\$ 644,337	\$ 2,654,847	\$ 1,939,588	\$ 659,063	\$ 2,598,651
Temporarily labor	2,243	-	2,243	2,925	-	2,925
Payroll taxes	116,331	44,351	160,682	107,878	43,953	151,831
Employee and retired priest benefits	5,640,301	236,173	5,876,474	5,312,163	766,138	6,078,301
Training	79,725	6,414	86,139	145,356	13,875	159,231
Computer and purchases	69,581	176,562	246,143	98,329	150,393	248,722
Insurance	929,234	46	929,280	950,862	10,396	961,258
Workers compensation	30,225	11,055	41,280	26,839	10,432	37,271
Audit	-	31,926	31,926	-	36,201	36,201
Legal and professional fees	152,046	81,668	233,714	212,127	102,034	314,161
Supplies and subscriptions	101,108	39,690	140,798	92,290	43,571	135,861
Rental expense	94,292	156,229	250,521	84,609	44,172	128,781
Meals and meetings	126,302	4,565	130,867	204,641	11,207	215,848
Advertising	24,364	951	25,315	15,898	1,607	17,505
Miscellaneous	55,500	285	55,785	90,837	3,659	94,496
Travel	118,123	9,890	128,013	319,278	20,756	340,034
Interest expense	380,651	10,153	390,804	545,514	12,192	557,706
Utilities	94,450	64,142	158,592	93,179	88,015	181,194
Repairs and maintenance	86,860	97,269	184,129	233,602	145,286	378,888
Property taxes and related expense	21,052	55,156	76,208	61,369	37,454	98,823
Depreciation	-	317,105	317,105	-	410,239	410,239
Bank and investments fees	97,798	202,509	300,307	96,360	199,975	296,335
ICF distributions	-	406,615	406,615	-	406,555	406,555
Printing and copies	67,339	81,874	149,213	70,336	80,893	151,229
Postage	58,695	17,183	75,878	57,191	20,936	78,127
Administrative expense	18,043	45,128	63,171	14,160	21,448	35,608
Contributions	396,045	47,351	443,396	426,590	12,110	438,700
Telephone	21,610	8,047	29,657	22,765	7,423	30,188
Events and special projects	151,933	2,680	154,613	160,415	9,644	170,059
Bad debts	542,048	(16,300)	525,748	156	101,900	102,056
Disbursements	765,059	-	765,059	882,442	-	882,442
ICA allocations	(2,428,608)	-	(2,428,608)	(2,588,085)	-	(2,588,085)
ICA disbursements	3,171,079	-	3,171,079	3,269,914	-	3,269,914
	<u>\$ 12,993,939</u>	<u>\$ 2,783,054</u>	<u>\$ 15,776,993</u>	<u>\$ 12,949,528</u>	<u>\$ 3,471,527</u>	<u>\$ 16,421,055</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 43,531	\$ 1,000,603
Adjustments to reconcile net increase in net assets to net cash provided (used) by operating activities:		
Depreciation	317,105	410,239
Realized gain on investments	(67,797)	(626,848)
Unrealized loss (gain) on investments	(186,885)	128,411
Realized gain on asset disposal	(369,850)	(1,363,484)
Contributions of marketable securities received	(512,576)	(497,293)
Beneficial interest in perpetual trust decrease	8,948	8,733
Changes in operating assets and liabilities:		
Accounts receivable	(4,524,039)	(39,301)
Prepaid expenses	(84,278)	(2,286)
Accounts payable	(42,176)	(1,073,727)
Accrued liabilities	(228,731)	(23,861)
Parish cash management	817,930	(914,333)
Parish savings deposits	1,536,955	(1,236,310)
Lay pension trust	868,149	-
Liability for pension benefits - lay	4,372	223,564
Liability for pension benefits - priest	63,599	25,746
Refundable advance - PPP loan	4,039,995	-
Deferred revenue	2,770	423
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	1,687,022	(3,979,724)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans and notes receivable	586,627	2,027,529
Purchase of investments	(5,027,096)	(579,275)
Proceeds from sale of investments	1,215,229	1,134,795
Purchase of fixed assets	(1,308,339)	(684,920)
Proceeds from sale of fixed assets	4,900,000	2,537,000
	<hr/>	<hr/>
Net Cash Provided by Investing Activities	366,421	4,435,129
CASH FLOWS FROM FINANCING ACTIVITIES		
Overdraft payable	(384,750)	424,694
Payments to line of credit	(1,675,000)	(2,825,000)
	<hr/>	<hr/>
Net Cash Used by Financing Activities	(2,059,750)	(2,400,306)
	<hr/>	<hr/>
Net Decrease in Cash and Cash Equivalents	\$ (6,307)	\$ (1,944,901)

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>\$ 200,730</u>	<u>\$ 2,145,631</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>\$ 194,423</u></u>	<u><u>\$ 200,730</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expense	\$ 121,562	\$ 160,909
Noncash contributions of marketable securities	\$ 512,576	\$ 497,293

See notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

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 Accounting

The financial statements of the Diocese have been prepared on the accrual basis of accounting in accordance with general accepted accounting principles.

Basis of 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 reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. Descriptions of the two net asset categories and the types of transaction affecting each category follow:

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. Items that affect this net asset category principally consist of program services, assessment revenue, insurance program revenue, deposit and loan interest income and related expenses associated with the core activities of the Diocese. In addition to these exchange transactions, changes in this category of net assets include investment returns on board-designated endowment funds and changes in lay and priest retirement plans.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions that will be met either by actions of the Diocese or the passage of time. Items that affect this net asset category are contributions and grants to specified programs for which donor-imposed restrictions have not been met in the year of receipt, including investment returns on the beneficial interest in perpetual trust. Also included in this category are net assets subject to donor-imposed restrictions to be maintained in perpetuity by the Diocese, including endowments for specified programs.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

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 that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from 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 collectability 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, 2020 and 2019, advertising costs totaled \$25,315 and \$17,505 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 in the accompanying Statement of Activities.

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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Income Tax Status (Continued)

In accordance with FASB ASC 740, the Diocese has evaluated its operations as of June 30, 2020 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 net assets without donor restrictions, are considered revenue without restrictions in the reporting period in which the income and gains are recognized.

Fixed Assets

Fixed assets are stated at cost, except for donated equipment, which is stated at fair market value at date of receipt. Depreciation is computed using the straight-line method over estimated useful lives of the assets, which range from 5 to 39 years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. The Diocese capitalizes assets valued \$10,000 or more. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation expenses for June 30, 2020 and 2019 were \$317,105 and \$410,239, 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, 2020 and 2019

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:

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE C - INVESTMENTS

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

	<u>2020</u>	<u>2019</u>
Money market funds	\$ 427,296	\$ 505,957
Open-End mutual funds - equity	2,176,168	2,485,466
Open-End mutual funds - fixed income	9,775,147	5,899,003
Corporate obligations	-	14,000
Government and agency obligations	19,219	22,836
Corporate equities	14,277,213	13,168,493
Mission Diocese Fund, LLC	616,685	616,849
	<u>\$ 27,291,728</u>	<u>\$ 22,712,604</u>

	<u>2020</u>	<u>2019</u>
Net investment income at June 30:		
Net realized gain	\$ 67,797	\$ 626,848
Net unrealized gain (loss)	213,650	(128,411)
Interest and dividend income	534,246	591,281
	<u>\$ 815,693</u>	<u>\$ 1,089,718</u>

Investments at fair value as of June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 427,296	\$ -	\$ -	\$ 427,296
Open-End mutual funds - equity	74,972	2,101,196	-	2,176,168
Open-End mutual funds - fixed income	-	9,775,147	-	9,775,147
Government and agency obligations	-	19,219	-	19,219
Corporate equities	14,277,213	-	-	14,277,213
Mission Diocese Fund, LLC	-	-	616,685	616,685
	<u>\$ 14,779,481</u>	<u>\$ 11,895,562</u>	<u>\$ 616,685</u>	<u>\$ 27,291,728</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE C - INVESTMENTS (Continued)

Investments at fair value as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 505,957	\$ -	\$ -	\$ 505,957
Open-End mutual funds - equity	55,677	2,429,789	-	2,485,466
Open-End mutual funds - fixed income	-	5,899,003	-	5,899,003
Corporate obligations	-	14,000	-	14,000
Government and agency obligations	-	22,836	-	22,836
Corporate equities	13,168,493	-	-	13,168,493
Mission Diocese Fund, LLC	-	-	616,849	616,849
	<u>\$ 13,730,127</u>	<u>\$ 8,365,628</u>	<u>\$ 616,849</u>	<u>\$ 22,712,604</u>

The following table reconciles the valuation of Level 3 investments and related transactions during the year ended June 30, 2020:

	<u>Amount</u>
Fair value July 1, 2019	\$ 616,849
Transfers in	-
Interest and dividends	3,805
Realized gain on investments	4,013
Unrealized loss on investments	(7,177)
Bank and investment fees	<u>(805)</u>
Fair value June 30, 2020	<u>\$ 616,685</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, 2020. Investment income, realized gain and unrealized loss are included as an increase of \$641 and investment expenses are included as a decrease of \$805 in the Statements of Activities, resulting in a net decrease of \$164 to net assets without donor restrictions for the year ended June 30, 2020. 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, 2020 and 2019

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 net assets with donor restrictions 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, 2020 and 2019 were \$371,635 and \$381,376, 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>2020</u>	<u>2019</u>
Buildings	\$ 4,591,134	\$ 10,298,163
Equipment	2,088,388	2,454,152
	<u>6,679,522</u>	<u>12,752,315</u>
Less accumulated depreciation	4,210,356	6,974,390
	<u>2,469,166</u>	<u>5,777,925</u>
Land	5,490,264	5,720,420
	<u><u>\$ 7,959,430</u></u>	<u><u>\$ 11,498,345</u></u>

NOTE F - IDAHO CATHOLIC FOUNDATION

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

Investments and related financial items held by the Idaho Catholic Foundation for the Diocese are reflected in the net asset without and with donor restrictions classifications of these financial statements.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

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>2020</u>	<u>2019</u>
Investments	\$ 8,918,777	\$ 9,122,723
Beneficial interest in perpetual trust	212,511	215,493

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>2020</u>	<u>2019</u>
Income:		
Investment income	\$ 186,548	\$ 414,204
Contributions	74,805	48,516
Expenses:		
Distributions to participants	406,555	420,546
Investment and managerial expenses	62,498	65,502

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 contribution with donor restrictions. 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 income with donor restrictions to the three funds mentioned above, and has been recorded as such in the Statements of Activities for the years ended June 30, 2020 and 2019. The beneficial interest in trust assets has been recorded at fair market value as of June 30, 2020 and 2019 in the Statements of Financial Position. The net increase in fair market value from May 31, 2011 to June 30, 2020 of \$64,005 is included in net assets with donor restrictions.

Activity for the beneficial interest in the perpetual trust for the year ended June 30, 2020 is as follows:

Beginning balance, June 30, 2019	\$ 646,481	
Unrealized loss	(8,948)	
Income distributable to beneficiary	31,142	
Amounts appropriated for expenditure	(31,142)	
Total Beneficial Interest in Perpetual Trust	\$ 637,533	

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE H - ENDOWMENT FUNDS

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, 2020 and 2019. It has been determined that the Diocese's net assets with donor restrictions 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 net assets without donor restrictions. 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.

Additionally, the Diocese's governing body has interpreted SPMIFA as requiring the maintenance of only the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, the Diocese would consider the fund to be underwater if the fair value of the fund is less than the sum of (1) the original value of initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with applicable donor gift instrument. The Diocese has interpreted SPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The funds are not currently underwater.

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, 2020 and 2019

NOTE H - ENDOWMENTS FUNDS (Continued)

Endowment Net Asset Composition by Type of Fund as of June 30, 2020 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 4,610,569	\$ -	\$ 4,610,569
Donor-restricted endowment funds:			
Original donor-restricted gift required to be maintained in perpetuity by donor	-	1,642,667	1,642,667
Accumulated investment gains	169,190	64,005	233,195
Total funds	<u>\$ 4,779,759</u>	<u>\$ 1,706,672</u>	<u>\$ 6,486,431</u>

Change in endowment net assets as of June, 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 4,920,324	\$ 1,715,620	\$ 6,635,944
Contributions	59,232	31,142	90,374
Investment income	134,080	-	134,080
Net appreciation (depreciation)	13,285	(8,948)	4,337
Amounts appropriated for expenditure	(347,162)	(31,142)	(378,304)
Endowment net assets, end of year	<u>\$ 4,779,759</u>	<u>\$ 1,706,672</u>	<u>\$ 6,486,431</u>

Endowment Net Asset Composition by Type of Fund as of June 30, 2019 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 4,709,025	\$ -	\$ 4,709,025
Donor-restricted endowment funds:			
Original donor-restricted gift required to be maintained in perpetuity by donor	-	1,642,667	1,642,667
Accumulated investment gains	211,299	72,953	\$ 284,252
Total funds	<u>\$ 4,920,324</u>	<u>\$ 1,715,620</u>	<u>\$ 6,635,944</u>

Change in endowment net assets as of June, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 4,926,206	\$ 1,724,353	\$ 6,650,559
Contributions	38,152	31,982	70,134
Investment income	348,212	-	348,212
Net depreciation	(43,883)	(8,733)	(52,616)
Amounts appropriated for expenditure	(348,363)	(31,982)	(380,345)
Endowment net assets, end of year	<u>\$ 4,920,324</u>	<u>\$ 1,715,620</u>	<u>\$ 6,635,944</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

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. Assets are held in a revocable trust.

Funded Status

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

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>
Vested benefit obligation	\$ (10,820,000)	\$ (9,851,000)
Accumulated benefit obligation	(11,289,000)	(10,132,000)
Projected benefit obligation	(12,796,000)	(11,441,000)
Plan assets at fair value	<u>6,965,000</u>	<u>6,880,000</u>
Funded status at end of year	(5,831,000)	(4,561,000)
Liability for pension benefits	\$ (5,831,000)	\$ (4,561,000)
Vested benefit obligation ratio	64.37%	69.84%

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

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>
Noncurrent assets	\$ -	\$ -
Current liabilities	-	-
Noncurrent liabilities	<u>(5,831,000)</u>	<u>(4,561,000)</u>
	<u>\$ (5,831,000)</u>	<u>\$ (4,561,000)</u>

Amounts recognized in net assets without donor restrictions consist of:

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>
Net loss (gain)	\$ 388,000	\$ 489,000
Prior service cost (credit)	<u>2,692,000</u>	<u>1,071,000</u>
	<u>\$ 3,080,000</u>	<u>\$ 1,560,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

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, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>
Service cost-benefits earned during the period	\$ 308,000	\$ 292,000
Interest cost on projected benefit obligation	377,000	444,000
Return on plan assets		
Expected return	(436,000)	(432,000)
Asset (gain) loss	<u>273,000</u>	<u>160,000</u>
Actual return on plan assets	(163,000)	(272,000)
Net amortization and deferral		
Amortization of prior service cost	101,000	126,000
Amortization of loss	-	-
Deferral of asset gain (loss)	<u>(273,000)</u>	<u>(160,000)</u>
Total	<u>(172,000)</u>	<u>(34,000)</u>
Net periodic pension cost	<u><u>\$ 350,000</u></u>	<u><u>\$ 430,000</u></u>

Other changes in plan assets and benefit obligations recognized in net assets without donor restrictions:

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>
Net loss (gain)	\$ 1,621,000	\$ 463,000
Amortization of loss (gain)	-	-
Amortization of prior service cost (credit)	<u>(101,000)</u>	<u>(126,000)</u>
Total recognized in net assets without donor restrictions	1,520,000	337,000
Total recognized in net periodic pension cost and net assets without donor restrictions	<u><u>\$ 1,870,000</u></u>	<u><u>\$ 767,000</u></u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE I - PRIESTS RETIREMENT PLAN (Continued)

Assumptions Used to Determine Net Periodic Pension Cost

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>
Discount Rate	3.39%	4.09%
Expected long-term rate of return on assets	6.50%	6.50%
Future benefit increases	2.00%	2.50%

The Roman Catholic Diocese of Boise employs a methodical process to determine the estimates of expected long-term rate of return on assets. These estimates are primarily driven by actual historical asset-class returns and advice from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2019 and June 30, 2018, the expected long-term rate of return used in determining net periodic pension cost were 6.5%.

Assumptions Used to Determine Benefit Obligations at Year-End

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>
Discount rate	2.66%	3.39%
Future benefit increases	2.00%	2.00%

Plan Asset Investment Strategy and Allocation

The asset allocation for the pension plan as of June 30, 2020 and June 30, 2019 and the target allocation, by asset category, are:

<u>Asset Category</u>	Investment Policy Target Asset Allocation	Actual Percentage of Plan Assets at June 30	
		<u>2020</u>	<u>2019</u>
Equities	25-75%	74%	68%
Fixed Income	25-75%	24%	30%
Cash Equivalents	0-100%	2%	2%

The fair values of plan assets at June 30, 2020, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 161,390	\$ -	\$ -	\$ 161,390
Open-End mutual funds - equity	-	745,136	-	745,136
Open-End mutual funds - fixed income	-	1,629,901	-	1,629,901
Corporate equities	4,428,573	-	-	4,428,573
	<u>\$ 4,589,963</u>	<u>\$ 2,375,037</u>	<u>\$ -</u>	<u>\$ 6,965,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE I - PRIESTS RETIREMENT PLAN (Continued)

The fair values of plan assets at June 30, 2019, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 173,952	\$ -	\$ -	\$ 173,952
Open-End mutual funds - equity	-	867,416	-	867,416
Open-End mutual funds - fixed income	-	2,054,715	-	2,054,715
Corporate equities	3,783,917	-	-	3,783,917
	<u>\$ 3,957,869</u>	<u>\$ 2,922,131</u>	<u>\$ -</u>	<u>\$ 6,880,000</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>
2021	\$ 671,000
2022	644,000
2023	636,000
2024	606,000
2025	645,000
2026-2030	\$ 3,239,000

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 \$649,113 for the year ended June 30, 2020 and \$585,514 for the year ended June 30, 2019.

Diocesan pension contributions for the years ended June 30, 2020 and 2019 were \$600,000 and \$604,000, respectively. Benefit payments of \$642,000 and \$710,000, were made from the plan during the years ended June 30, 2020 and June 30, 2019, respectively.

The Diocese expects to contribute \$600,000 to the pension plan during the fiscal year ending June 30, 2021.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

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, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>
Vested benefit obligation	\$ (19,269,000)	\$ (17,052,000)
Accumulated benefit obligation	(22,485,000)	(19,815,000)
Projected benefit obligation	(23,275,000)	(20,628,000)
Plan assets at fair value	<u>11,521,000</u>	<u>10,596,000</u>
Funded status at end of year	(11,754,000)	(10,032,000)
Liability for pension benefits	\$ (11,754,000)	\$ (10,032,000)
Vested benefit obligation ratio	59.79%	62.14%

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

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>
Noncurrent assets	\$ -	\$ -
Current liabilities	-	-
Noncurrent liabilities	<u>(11,754,000)</u>	<u>(10,032,000)</u>
	<u>\$ (11,754,000)</u>	<u>\$ (10,032,000)</u>

Amounts recognized in net assets without donor restrictions consist of:

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>
Net loss (gain)	\$ 7,698,000	\$ 6,376,000
Prior service cost (credit)	-	-
	<u>\$ 7,698,000</u>	<u>\$ 6,376,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

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, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>
Service cost-benefits earned during the period	\$ 1,253,000	\$ 1,112,000
Interest cost on projected benefit obligation	670,000	699,000
Return on plan assets		
Expected return	(678,000)	(631,000)
Asset (gain) loss	<u>(27,000)</u>	<u>(53,000)</u>
Actual return on plan assets	(705,000)	(684,000)
Net amortization and deferral		
Amortization of loss	479,000	303,000
Deferral of asset gain (loss)	<u>(27,000)</u>	<u>(53,000)</u>
Total	<u>506,000</u>	<u>356,000</u>
Net periodic pension cost	<u><u>\$ 1,724,000</u></u>	<u><u>\$ 1,483,000</u></u>

Other changes in plan assets and benefit obligations recognized in net assets without donor restrictions:

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>
Net loss (gain)	\$ 1,801,000	\$ 2,191,000
Amortization of loss (gain)	<u>(479,000)</u>	<u>(303,000)</u>
Total recognized in net assets without donor restrictions	1,322,000	1,888,000
Total recognized in net periodic pension cost and net assets without donor restrictions	<u><u>\$ 3,046,000</u></u>	<u><u>\$ 3,371,000</u></u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE J - LAY EMPLOYEES PENSION PLAN (Continued)

Assumptions Used to Determine Net Periodic Pension Cost

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>
Discount Rate	3.39%	4.09%
Expected long-term rate of return on assets	6.50%	6.50%
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, 2020 and June 30, 2019, the expected long-term rate of return used in determining net periodic pension cost were 6.5%.

Assumptions Used to Determine Benefit Obligations at Year-End

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>
Discount rate	2.66%	3.39%
Salary scale	4.50%	4.50%

Plan Asset Investment Strategy and Allocation

The asset allocation for the pension plan as of June 30, 2020 and June 30, 2019 and the target allocation, by asset category, are:

<u>Asset Category</u>	Investment Policy Target <u>Asset Allocation</u>	Policy Benchmark <u>Asset Allocation</u>	Actual Percentage of Plan Assets at June 30 <u>2020</u> <u>2019</u>	
Equities	25-75%	50%	71%	66%
Fixed Income	25-75%	40%	22%	27%
Cash Equivalents	0-100%	10%	7%	3%

The fair values of plan assets at June 30, 2020, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 830,063	\$ -	\$ -	\$ 830,063
Open-End mutual funds - equity	-	1,355,191	-	1,355,191
Open-End mutual funds - fixed income	-	2,530,902	-	2,530,902
Corporate equities	6,804,844	-	-	6,804,844
	<u>\$ 7,634,907</u>	<u>\$ 3,886,093</u>	<u>\$ -</u>	<u>\$ 11,521,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE J - LAY EMPLOYEES PENSION PLAN (Continued)

The fair values of plan assets at June 30, 2019, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 696,122	\$ -	\$ -	\$ 696,122
Open-End mutual funds - equity	-	1,220,201	-	1,220,201
Open-End mutual funds - fixed income	-	2,902,800	-	2,902,800
Corporate equities	5,776,877	-	-	5,776,877
	<u>\$ 6,472,999</u>	<u>\$ 4,123,001</u>	<u>\$ -</u>	<u>\$10,596,000</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>
2021	\$ 1,803,000
2022	1,459,000
2023	1,552,000
2024	1,591,000
2025	1,774,000
2026-2030	\$ 8,399,000

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 \$962,916 for the year ended June 30, 2020 and \$958,544 for the year ended June 30, 2019.

Diocesan pension contributions for the years ended June 30, 2020 and 2019 were \$1,324,000 and \$1,406,000, respectively. Benefit payments of \$1,003,000 and \$881,000 were made from the plan during the years ended June 30, 2020 and June 30, 2019, respectively.

The Diocese expects to contribute \$1,700,000 to the pension plan during the fiscal year ending June 30, 2021.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

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, 2020 and 2019 the fund paid an interest rate on deposits of 0.43% and 1.56%, respectively. The parishes and schools can add and withdraw funds from this pool on demand. The Diocese also administers the lending of money from this fund to parishes and schools that need money to build new physical plant, or repair and renovate existing plant. These loans range from 10 years to 20 years in length. Loan rates charged to borrowers range from 0% to 5.17%. Loans are set at simple interest rates and incur interest charges until paid by the parish or school.

	<u>2020</u>	<u>2019</u>
Balances as of June 30:		
Deposits in Fund from Parishes and Schools	\$ 27,986,315	\$ 26,449,360
Loans from Fund to Parishes and Schools	\$ 10,829,129	\$ 11,462,681
Percentage Loaned Out	38.69%	43.34%

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 \$1,152,752 and \$675,996 as of June 30, 2020 and 2019, 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 April 20, 2021. There are certain covenants established with the line of credit and management states that they are in compliance with all covenants. Funds borrowed are subject to a variable rate, interest rate will not exceed the annual rate equal to 1.050% plus the one-month adjusted LIBOR rate or be less than 2.00%. Line of credit totaled \$2,150,000 and \$3,825,000 as of June 30, 2020 and 2019, respectively.

NOTE N - REFUNDABLE ADVANCE - PAYCHECK PROTECTION PROGRAM LOAN

In response to the COVID-19 pandemic, in April 2020, the Diocese participated in the Small Business Administration Paycheck Protection Program and obtained a loan to fund its payroll costs. The loan is forgivable to the extent it is used for certain allowable costs during the 24 weeks after funding.

Allowable costs consist of payroll costs, mortgage payments, rents, utilities, and interest on other debt obligations. To the extent it is not forgiven, the loan bears interest at 1 percent and has a maturity date of April 16, 2022. No payments are due on the loan for ten months from the expiration date of the covered period; however, interest accrues during the deferment period. Payments of principal and interest are due monthly thereafter. As of June 30, 2020, the amount of principal outstanding was \$4,039,995.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE O - LIQUIDITY RESOURCES AND AVAILABILITY

The following reflects the Diocese's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date. Amounts not available also include amounts set aside for long-term investing in the quasi-endowment fund that could be drawn upon if the board approves that action.

	<u>2020</u>	<u>2019</u>
Financial liquid assets, at year-end	\$ 31,615,189	\$ 26,182,526
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions for the following purposes:		
Restricted by donor to be used for specified programs	2,065,547	1,999,714
Restricted by donor, beneficial interest in perpetual trust	64,005	72,953
Restricted by donor to maintain in perpetuity as an endowment	1,642,667	1,642,667
Cash management program for parishes and schools	6,325,097	5,507,167
Parish savings deposits	27,986,315	26,449,360
Board designations:		
Quasi-endowment fund	<u>4,848,203</u>	<u>4,945,788</u>
Financial liquid assets available to meet cash needs for general expenditure within one year	<u>\$ (11,316,645)</u>	<u>\$ (14,435,123)</u>

As part of the Diocese's liquidity management, it has a goal to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To manage liquidity, the Diocese maintains a line of credit with US Bank that is drawn upon as needed during the fiscal year to manage cash flows. As of June 30, 2020, amount outstanding under this line of credit facility amounted to \$2,150,000.

NOTE P - FUNCTIONAL CLASSIFICATION OF EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Program costs are those expenses incurred directly as part of the effort to advance the organization's mission. Supporting services fall under management and administrative expenses. Accordingly, costs have been allocated among the programs and supporting services that were directly benefited.

NOTE Q - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at June 30:

	<u>2020</u>	<u>2019</u>
Subject to expenditures for specified programs:		
Pastoral	\$ (1,563,487)	\$ (1,557,015)
Education	55,644	52,309
Social Services	(36,714)	295,404
Idaho Catholic Appeal (2018 Campaign)	<u>2,268,914</u>	<u>2,307,682</u>
	724,357	1,098,380
Donor-restricted endowment, perpetual in nature	<u>1,642,667</u>	<u>1,642,667</u>
	<u>\$ 2,367,024</u>	<u>\$ 2,741,047</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE Q - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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>2020</u>	<u>2019</u>
Pastoral	\$ 478,794	\$ 844,913
Education	21,512	51,102
Social Services	846,854	668,081
Idaho Catholic Appeal (2018 Campaign)	<u>3,171,079</u>	<u>3,269,914</u>
	<u>\$ 4,518,239</u>	<u>\$ 4,834,010</u>

NOTE R - LEASES IN FINANCIAL STATEMENTS OF LESSORS

The Diocese leases its properties located in Canyon and Ada County, Idaho, to various organizations.

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

<u>Years ending June 30:</u>	<u>Amount</u>
2021	\$ 39,526
2022	21,475
2023	15,125
2024	<u>7,563</u>
	<u>\$ 83,689</u>

NOTE S - 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, 2020 was \$28,656.

In May 2020, the Diocese bought out the equipment, therefore; there are no future minimum lease payments for the following years.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE T - 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, 2020 and 2019, the Diocese recognized revenue from Diocesan parishes, schools, and other related organizations in the amount of \$8,146,588 and \$7,772,002, 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 \$380,579 and \$545,514 for the years ended June 30, 2020 and 2019, respectively.

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

	<u>2020</u>	<u>2019</u>
Idaho Catholic Foundation Distribution	\$ 94,735	\$ 95,485
Idaho Catholic Appeal	<u>265,000</u>	<u>265,000</u>
Total due from Diocese to Catholic Charities of Idaho, Inc.	<u><u>\$ 359,735</u></u>	<u><u>\$ 360,485</u></u>

Accounts receivable from Catholic Charities of Idaho, Inc. to the Diocese totaled \$12,280 and \$10,526 as of June 30, 2020 and 2019, 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 \$18,261,798 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 U - 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. No uninsured balances for the years ended June 30, 2020 and 2019.

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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE V - 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, 2019, from which the summarized information was derived.

NOTE W - 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 X - SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 2, 2021 which coincides with the date of issuance of these financial statements. In August 2020, the Diocese purchased land in Kuna, Idaho for \$2,376,069. In October 2020, the Diocese also purchased land in Boise, Idaho for \$2,960,544.

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, 2020, and have issued our report thereon dated January 28, 2021, 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, 2019 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated January 15, 2020. In addition, the 2019 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, 2019, is consistent, in all material respects, with the supplementary information from which it has been derived.

Travis Jeffries, P.A.

Boise, Idaho
February 2, 2021

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

COMBINING STATEMENTS OF FINANCIAL POSITION - NET ASSETS WITHOUT DONOR RESTRICTIONS

June 30, 2020 and June 30, 2019 Summarized Information

ASSETS

	2020											2019	
	<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>DPC</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
ASSETS													
Cash	\$ -	\$ -	\$ 17,026	\$ -	\$ 131,510	\$ 15,379	\$ 13,176	\$ -	\$ -	\$ -	\$ -	\$ 177,091	\$ 183,562
Accounts and pledges receivable	6,135,054	-	97,468	815,932	21,213	67	2,563	103,802	-	-	-	7,176,099	2,644,743
Deposits and prepaid expenses	144,629	-	-	-	19,684	677	500	-	10,000	-	-	175,490	92,314
Interfund receivable (payable)	6,679,614	8,307,814	2,716,890	471,048	(426,356)	(1,373,951)	(1,462,117)	(105,718)	(9,272,377)	(4,500,000)	(6,179)	1,028,668	463,666
Investments	3,384,496	11,320,608	33,691	266,515	-	-	187,635	-	-	4,522,392	4,854,382	24,569,719	20,063,581
Loans to parishes and schools	-	10,829,129	-	-	-	-	-	-	-	-	-	10,829,129	11,462,681
Loans and notes receivable	136,191	-	-	-	-	-	-	-	-	-	-	136,191	89,266
Property, plant and equipment	-	36,584	-	-	9,396	2,675,138	-	-	9,448,668	-	-	12,169,786	18,472,735
Accumulated depreciation	-	-	-	-	(8,955)	(1,613,733)	-	-	(2,587,668)	-	-	(4,210,356)	(6,974,390)
Total Assets	<u>\$ 16,479,984</u>	<u>\$ 30,494,135</u>	<u>\$ 2,865,075</u>	<u>\$ 1,553,495</u>	<u>\$ (253,508)</u>	<u>\$ (296,423)</u>	<u>\$ (1,258,243)</u>	<u>\$ (1,916)</u>	<u>\$ (2,401,377)</u>	<u>\$ 22,392</u>	<u>\$ 4,848,203</u>	<u>\$ 52,051,817</u>	<u>\$ 46,498,158</u>

See independent auditor's report on supplementary information.

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

COMBINING STATEMENTS OF FINANCIAL POSITION - NET ASSETS WITHOUT DONOR RESTRICTIONS (Continued)

June 30, 2020 and June 30, 2019 Summarized Information

LIABILITIES AND NET ASSETS

	2020											2019	
	Operating	Deposit & Loan	Health & Welfare Insurance	Property & Liability Insurance	Idaho Catholic Register	Nazareth Retreat Center	Student Centers	Custodial	Plant	DPC	Board Designated	Total	Summarized Information
LIABILITIES													
Overdraft	\$ 39,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,944	\$ 424,694
Accounts payable	26,009	(510)	4,414	-	24,010	12,534	13,976	-	1,381	-	-	81,814	124,321
Accrued liabilities	384,612	2,036	-	-	11,664	14,612	7,112	30,905	-	-	237,634	688,575	783,983
Line of credit	2,150,000	-	-	-	-	-	-	-	-	-	-	2,150,000	3,825,000
Parish cash management	6,325,097	-	-	-	-	-	-	-	-	-	-	6,325,097	5,507,167
Parish savings deposit	-	27,986,315	-	-	-	-	-	-	-	-	-	27,986,315	26,449,360
Lay pension trust	868,149	-	-	-	-	-	-	-	-	-	-	868,149	-
Liability for pension benefits - lay	962,916	-	-	-	-	-	-	-	-	-	-	962,916	958,544
Liability for pension benefits - priest	649,113	-	-	-	-	-	-	-	-	-	-	649,113	585,514
Refundable advance - PPP loan	4,039,995	-	-	-	-	-	-	-	-	-	-	4,039,995	-
Deferred revenue	-	-	-	-	-	-	4,473	-	-	-	-	4,473	1,703
Total Liabilities	15,445,835	27,987,841	4,414	-	35,674	27,146	25,561	30,905	1,381	-	237,634	43,796,391	38,660,286
NET ASSETS	1,034,149	2,506,294	2,860,661	1,553,495	(289,182)	(323,569)	(1,283,804)	(32,821)	(2,402,758)	22,392	4,610,569	8,255,426	7,837,872
Total Liabilities and Net Assets	\$ 16,479,984	\$ 30,494,135	\$ 2,865,075	\$ 1,553,495	\$ (253,508)	\$ (296,423)	\$ (1,258,243)	\$ (1,916)	\$ (2,401,377)	\$ 22,392	\$ 4,848,203	\$ 52,051,817	\$ 46,498,158

See independent auditor's report on supplementary information.

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

COMBINING STATEMENTS OF ACTIVITIES - NET ASSETS WITHOUT DONOR RESTRICTIONS

For the Year Ended June 30, 2020 and Summarized Information for the Year Ended June 30, 2019

	2020											2019	
	Operating	Deposit & Loan	Health & Welfare Insurance	Property & Liability Insurance	Idaho Catholic Register	Nazareth Retreat Center	Student Centers	Custodial	Plant	DPC	Board Designated	Total	Summarized Information
REVENUE AND SUPPORT													
Contributions	\$ 360,281	\$ -	\$ -	\$ -	\$ -	\$ 60,878	\$ 244,412	\$ -	\$ -	\$ -	\$ 59,232	\$ 724,803	\$ 715,856
Program services	465,681	-	-	-	227,674	155,579	12,591	-	-	-	-	861,525	1,188,116
Assessment revenue	768,717	-	-	-	-	-	-	-	-	-	-	768,717	769,431
Insurance program	1,145	-	5,753,590	1,179,532	-	-	-	-	-	-	-	6,934,267	6,494,942
Grant revenue	179,981	-	33,236	-	-	-	191,179	-	-	-	-	404,396	448,927
Deposit and loan interest	3,173	360,813	-	-	-	-	-	-	-	-	-	363,986	434,787
Rental income	435,567	-	-	-	-	12,112	60,231	-	-	-	-	507,910	630,212
Gain on sale of property	-	-	-	-	-	-	-	369,850	-	-	-	369,850	1,363,484
Investment income	107,488	471,073	1,359	10,750	1,331	148	2,251	-	22,507	115,723	732,630	1,008,439	
Miscellaneous	5,249	-	-	1,000	-	1,975	-	-	-	-	8,224	9,927	
Net assets released from restrictions satisfied by payments	4,518,239	-	-	-	-	-	-	-	-	-	4,518,239	4,834,010	
Total Revenue	6,845,521	831,886	5,788,185	1,191,282	229,005	230,692	510,664	-	369,850	22,507	174,955	16,194,547	17,898,131
EXPENSES													
Salaries	1,806,993	-	-	-	225,390	178,602	322,284	-	-	-	-	2,533,269	2,418,630
Auto	30,484	-	-	-	350	1,052	-	-	-	-	-	31,886	30,219
Advertising	22,459	-	-	-	-	319	2,536	-	-	-	-	25,314	16,739
Bank and investment fees	221,457	80,006	224	1,775	-	1,009	2,766	-	-	115	35,777	343,129	315,070
Computer	220,103	-	-	-	20,982	240	3,377	-	-	-	-	244,702	222,064
Contributions	410,261	-	-	-	-	-	-	-	-	-	-	410,261	433,291
Dues and subscriptions	95,390	-	-	-	702	716	576	-	-	-	-	97,384	89,802
Depreciation	-	-	-	-	519	39,121	-	-	277,464	-	-	317,104	410,240
Employee benefits	709,719	-	-	-	50,918	60,939	70,999	-	-	-	-	892,575	683,302
Event	373,035	-	-	-	2,324	-	68,342	-	-	-	-	443,701	872,361
Supplies	48,412	-	-	-	-	66,540	11,198	-	-	-	-	126,150	145,703
Miscellaneous	19,893	-	-	-	424	854	9,827	-	-	-	-	30,998	16,876
Payroll taxes	111,863	-	-	-	15,973	12,497	17,623	-	-	-	-	157,956	150,218
Postage	32,026	-	-	-	47,437	68	1,597	-	-	-	-	81,128	81,946
Office	431	-	-	-	-	-	-	-	-	-	-	431	399
Equipment leases and rental	184,385	-	-	-	-	-	2,966	-	-	-	-	187,351	40,608
Repairs and maintenance	116,113	-	-	-	-	18,610	43,448	-	-	-	-	178,171	371,889

See independent auditor's report on supplementary information.

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

COMBINING STATEMENTS OF ACTIVITIES - NET ASSETS WITHOUT DONOR RESTRICTIONS (Continued)

For the Year Ended June 30, 2020 and Summarized Information for the Year Ended June 30, 2019

	2020											2019	
	<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>DPC</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
Interest	\$ 10,153	\$ 380,579	\$ -	\$ -	\$ -	\$ 72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 390,804	\$ 557,706
Bad debt	(16,300)	542,048	-	-	-	-	-	-	-	-	-	525,748	102,056
Stipends	37,242	-	-	-	900	2,590	2,570	-	-	-	-	43,302	81,531
Telephone	21,596	-	-	-	724	5,620	1,716	-	-	-	-	29,656	30,188
Training	45,919	-	-	-	-	130	1,198	-	-	-	-	47,247	53,962
Travel	51,583	-	-	470	432	-	7,664	-	-	-	-	60,149	112,743
Meetings	11,422	-	-	-	-	-	-	-	-	-	-	11,422	18,164
Printing and copies	100,877	-	-	-	43,208	561	4,201	-	-	-	-	148,847	150,822
Professional services	171,751	-	5,092	-	199	256	81,655	-	-	-	-	258,953	340,726
Insurance	8,677	-	4,915,318	906,552	-	5,513	10,652	-	-	-	-	5,846,712	5,709,825
Appropriations	168,982	-	-	-	-	-	-	-	-	-	237,634	406,616	406,555
Disbursements	1,507,530	-	-	-	-	-	-	-	-	-	-	1,507,530	1,564,271
Meals and entertainment	40,188	-	32,851	-	108	-	7,047	-	-	-	-	80,194	53,468
Utilities	90,426	-	-	-	-	29,087	38,263	-	-	-	-	157,776	181,193
Property taxes	43,243	-	-	-	-	3,547	4,693	-	-	-	-	51,483	74,181
Workers compensation	30,547	-	-	-	3,243	3,000	4,283	-	-	-	-	41,073	37,109
FASB ASC 715 Expense	67,971	-	-	-	-	-	-	-	-	-	-	67,971	647,198
Total Expenses	6,794,831	1,002,633	4,953,485	908,797	413,833	430,943	721,481	-	277,464	115	273,411	15,776,993	16,421,055
Increase (Decrease) in Net Assets	50,690	(170,747)	834,700	282,485	(184,828)	(200,251)	(210,817)	-	92,386	22,392	(98,456)	417,554	1,477,076
NET ASSETS, Beginning of Year	983,459	2,677,041	2,025,961	1,271,010	(104,354)	(123,318)	(1,072,987)	(32,821)	(2,495,144)	-	4,709,025	7,837,872	6,360,796
NET ASSETS, End of Year	\$ 1,034,149	\$ 2,506,294	\$ 2,860,661	\$ 1,553,495	\$ (289,182)	\$ (323,569)	\$ (1,283,804)	\$ (32,821)	\$ (2,402,758)	\$ 22,392	\$ 4,610,569	\$ 8,255,426	\$ 7,837,872

See independent auditor's report on supplementary information.

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

COMBINING STATEMENTS OF FINANCIAL POSITION - NET ASSETS WITH DONOR RESTRICTIONS: PURPOSE RESTRICTED

June 30, 2020 and June 30, 2019 Summarized Information

ASSETS

	2020								
	<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	\$ -	\$ 14,886	\$ -	\$ -	\$ 500	\$ -	\$ 1,946	\$ -	\$ -
Accounts and pledges receivable	-	1,800	18,379	-	-	-	-	-	375,166
Deposits and prepaid expenses	-	-	-	-	1,152	-	-	-	-
Interfund receivable (payable)	(164,168)	(703,169)	(2,720,026)	-	819,292	-	-	(270,457)	1,872,413
Investments	162,853	957,565	96,244	108,043	-	-	-	23,494	-
Beneficial interest in perpetual trust	-	-	21,335	-	-	-	-	-	21,335
Total Assets	<u>\$ (1,315)</u>	<u>\$ 271,082</u>	<u>\$ (2,584,068)</u>	<u>\$ 108,043</u>	<u>\$ 820,944</u>	<u>\$ -</u>	<u>\$ 1,946</u>	<u>\$ (246,963)</u>	<u>\$ 2,268,914</u>

LIABILITIES AND NET ASSETS

LIABILITIES									
Accounts payable	\$ 1,852	\$ 3,820	\$ 8,204	\$ -	\$ (3,612)	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	359,735	1,793	-	-	5,887	-	-	-	-
Total Liabilities	361,587	5,613	8,204	-	2,275	-	-	-	-
NET ASSETS	<u>(362,902)</u>	<u>265,469</u>	<u>(2,592,272)</u>	<u>108,043</u>	<u>818,669</u>	<u>-</u>	<u>1,946</u>	<u>(246,963)</u>	<u>2,268,914</u>
Total Liabilities and Net Assets	<u>\$ (1,315)</u>	<u>\$ 271,082</u>	<u>\$ (2,584,068)</u>	<u>\$ 108,043</u>	<u>\$ 820,944</u>	<u>\$ -</u>	<u>\$ 1,946</u>	<u>\$ (246,963)</u>	<u>\$ 2,268,914</u>

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

COMBINING STATEMENTS OF FINANCIAL POSITION - NET ASSETS WITH DONOR RESTRICTIONS: PURPOSE RESTRICTED

June 30, 2020 and June 30, 2019 Summarized Information (Continued)

ASSETS

	2020					2019	
	<u>Catholic Idaho</u>	<u>Idaho Catholic Foundation</u>	<u>Education</u>	<u>Unitrust Fund</u>	<u>Middle School Fund</u>	<u>Total</u>	<u>Summarized Information</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,332	\$ 17,168
Accounts and pledges receivable	-	-	-	-	-	395,345	402,662
Deposits and prepaid expenses	-	-	-	-	-	1,152	50
Interfund receivable (payable)	178,817	-	2,194	(4,031)	(39,533)	(1,028,668)	(463,666)
Investments	107,530	-	44,991	106,104	46,046	1,652,870	1,579,884
Beneficial interest in perpetual trust	-	21,335	-	-	-	64,005	72,953
Total Assets	<u>\$ 286,347</u>	<u>\$ 21,335</u>	<u>\$ 47,185</u>	<u>\$ 102,073</u>	<u>\$ 6,513</u>	<u>\$ 1,102,036</u>	<u>\$ 1,609,051</u>

LIABILITIES AND NET ASSETS

LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,264	\$ 9,933
Accrued liabilities	-	-	-	-	-	367,415	500,738
Total Liabilities	-	-	-	-	-	377,679	510,671
NET ASSETS	<u>286,347</u>	<u>21,335</u>	<u>47,185</u>	<u>102,073</u>	<u>6,513</u>	<u>724,357</u>	<u>1,098,380</u>
Total Liabilities and Net Assets	<u>\$ 286,347</u>	<u>\$ 21,335</u>	<u>\$ 47,185</u>	<u>\$ 102,073</u>	<u>\$ 6,513</u>	<u>\$ 1,102,036</u>	<u>\$ 1,609,051</u>

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

COMBINING STATEMENTS OF ACTIVITIES - NET ASSETS WITH DONOR RESTRICTIONS: PURPOSE RESTRICTED

For the Year Ended June 30, 2020 and Summarized Information for the Year Ended June 30, 2019

	2020								
	<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	\$ 131,639	\$ 217,826	\$ 134,839	\$ 108,043	\$ 11,904	\$ -	\$ -	\$ 2,416	\$ 3,135,294
Program services	1,833	1,310	113,459	-	-	-	-	-	-
Grant revenue	66,000	30,000	-	-	-	20,905	-	-	-
Insurance program	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	76,800	-	-	-	-
Gain on sale of property	-	-	-	-	-	-	-	-	-
Investment income	6,569	37,259	3,027	11,635	-	-	19	947	-
Unrealized gain on beneficial interest in perpetual trust	-	-	(2,982)	-	-	-	-	-	(2,983)
Miscellaneous	-	7,202	-	-	-	-	-	-	-
Net assets released from restrictions satisfied by payments	<u>(249,459)</u>	<u>(574,192)</u>	<u>(362,014)</u>	<u>(11,635)</u>	<u>(104,130)</u>	<u>(20,905)</u>	<u>-</u>	<u>(12,106)</u>	<u>(3,171,079)</u>
Total Revenue and Support	(43,418)	(280,595)	(113,671)	108,043	(15,426)	-	19	(8,743)	(38,768)
NET ASSETS, Beginning of Year	<u>(319,484)</u>	<u>546,064</u>	<u>(2,478,601)</u>	<u>-</u>	<u>834,095</u>	<u>-</u>	<u>1,927</u>	<u>(238,220)</u>	<u>2,307,682</u>
NET ASSETS, End of Year	<u>\$ (362,902)</u>	<u>\$ 265,469</u>	<u>\$ (2,592,272)</u>	<u>\$ 108,043</u>	<u>\$ 818,669</u>	<u>\$ -</u>	<u>\$ 1,946</u>	<u>\$ (246,963)</u>	<u>\$ 2,268,914</u>

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

COMBINING STATEMENTS OF ACTIVITIES - NET ASSETS DONOR RESTRICTIONS RESTRICTED: PURPOSE RESTRICTED

For the Year Ended June 30, 2020 and Summarized Information for the Year Ended June 30, 2019 (Continued)

	<u>2020</u>					<u>2019</u>	
	<u>Catholic Idaho</u>	<u>Idaho Catholic Foundation</u>	<u>Education</u>	<u>Unitrust Fund</u>	<u>Middle School Fund</u>	<u>Total</u>	<u>Summarized Information</u>
REVENUE AND SUPPORT							
Contributions	\$ -	\$ 10,381	250	\$ -	\$ -	\$ 3,752,592	\$ 3,684,082
Program services	-	-	-	-	-	116,602	99,121
Grant revenue	-	-	-	-	-	116,905	322,131
Insurance program	-	-	-	-	-	-	109,849
Rental income	-	-	-	-	-	76,800	67,728
Investment income	4,337	-	1,815	15,597	1,858	83,063	81,279
Unrealized gain on beneficial interest in perpetual trust	-	(2,983)	-	-	-	(8,948)	(8,733)
Miscellaneous	-	-	-	-	-	7,202	2,080
Net assets released from restrictions satisfied by payments	(716)	(10,381)	(300)	(1,015)	(307)	(4,518,239)	(4,834,010)
Total Revenue and Support	3,621	(2,983)	1,765	14,582	1,551	(374,023)	(476,473)
NET ASSETS, Beginning of Year	282,726	24,318	45,420	87,491	4,962	1,098,380	1,574,853
NET ASSETS, End of Year	<u>\$ 286,347</u>	<u>\$ 21,335</u>	<u>\$ 47,185</u>	<u>\$ 102,073</u>	<u>\$ 6,513</u>	<u>\$ 724,357</u>	<u>\$ 1,098,380</u>

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

COMBINING STATEMENTS OF FINANCIAL POSITION - NET ASSETS WITH DONOR RESTRICTIONS: PERPETUAL IN NATURE

June 30, 2020 and June 30, 2019 Summarized Information

ASSETS

	2020							2019	
	<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>
ASSETS									
Investments	\$ 94,148	\$ 151,455	\$ 250,050	\$ 238,361	\$ 100,125	\$ -	\$ 235,000	\$ 1,069,139	\$ 1,069,139
Beneficial interest in perpetual trust	-	-	-	-	-	573,528	-	573,528	573,528
Total Assets	<u>\$ 94,148</u>	<u>\$ 151,455</u>	<u>\$ 250,050</u>	<u>\$ 238,361</u>	<u>\$ 100,125</u>	<u>\$ 573,528</u>	<u>\$ 235,000</u>	<u>\$ 1,642,667</u>	<u>\$ 1,642,667</u>

LIABILITIES AND NET ASSETS

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

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

COMBINING STATEMENTS OF ACTIVITIES - NET ASSETS WITH DONOR RESTRICTIONS: PERPETUAL IN NATURE

For the Year Ended June 30, 2020 and Summarized Information for the Year Ended June 30, 2019

	2020							2019	
	<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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue and Support	-	-	-	-	-	-	-	-	-
NET ASSETS, Beginning of Year	94,148	151,455	250,050	238,361	100,125	573,528	235,000	1,642,667	1,642,667
NET ASSETS, End of Year	<u>\$ 94,148</u>	<u>\$ 151,455</u>	<u>\$ 250,050</u>	<u>\$ 238,361</u>	<u>\$ 100,125</u>	<u>\$ 573,528</u>	<u>\$ 235,000</u>	<u>\$ 1,642,667</u>	<u>\$ 1,642,667</u>

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