

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

FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

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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, 2012 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 2011 financial statements and, in our report dated January 10, 2012, 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, 2012 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
February 7, 2013

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

STATEMENTS OF FINANCIAL POSITION

June 30, 2012 and June 30, 2011 Summarized Information

ASSETS

	2012			Total	2011 Summarized Information
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>		
ASSETS					
Cash	\$ 727,897	\$ 16,206	\$ -	\$ 744,103	\$ 1,393,454
Certificates of deposit	145,711	-	-	145,711	872,417
Accounts and pledges receivable	2,146,161	296,215	-	2,442,376	2,369,136
Deposits and prepaid expenses	136,614	877	-	137,491	61,268
Interfund receivable (payable)	(1,919,938)	1,919,938	-	-	-
Marketable securities	11,678,806	997,491	833,914	13,510,211	22,606,093
Beneficial interest in perpetual trust	(2,528)	-	573,528	571,000	570,727
Loans to parishes and schools	11,421,013	-	-	11,421,013	12,551,965
Loans and notes receivable	600,491	-	-	600,491	665,784
Property, plant and equipment	17,230,602	88,655	-	17,319,257	17,297,230
Accumulated depreciation	(4,733,617)	(3,265)	-	(4,736,882)	(4,290,726)
Total Assets	\$ 37,431,212	\$ 3,316,117	\$ 1,407,442	\$ 42,154,771	\$ 54,097,348

LIABILITIES AND NET ASSETS

LIABILITIES					
Accounts payable	\$ 142,609	\$ -	\$ -	\$ 142,609	\$ 156,364
Accrued liabilities	1,475,669	481,119	-	1,956,788	2,058,338
Line of credit	1,000,000	-	-	1,000,000	3,450,000
Parish cash management	3,335,001	-	-	3,335,001	2,972,981
Parish savings deposits	25,113,931	-	-	25,113,931	25,022,760
Lay pension trust	496,291	-	-	496,291	1,588,846
ICF - held for others	-	-	-	-	7,736,836
Liability for pension benefits - lay	678,991	-	-	678,991	539,011
Liability for pension benefits - priest	789,876	-	-	789,876	631,831
Notes payable	3,318,303	-	-	3,318,303	3,452,914
Deferred revenue	2,625	-	-	2,625	19,362
Total Liabilities	36,353,296	481,119	-	36,834,415	47,629,243
NET ASSETS					
Unrestricted	(2,139,326)	-	-	(2,139,326)	(1,593,027)
Board Designated	3,217,242	-	-	3,217,242	3,481,367
Temporarily restricted	-	2,834,998	-	2,834,998	3,170,323
Permanently restricted	-	-	1,407,442	1,407,442	1,407,442
Total Net Assets	1,077,916	2,834,998	1,407,442	5,320,356	6,466,105
Total Liabilities and Net Assets	\$ 37,431,212	\$ 3,316,117	\$ 1,407,442	\$ 42,154,771	\$ 54,095,348

See notes to financial statements.

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

STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2012 and Summarized Information for the Year Ended June 30, 2011

	<u>2012</u>			<u>2011</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Summarized Information</u>
REVENUE AND SUPPORT					
Contributions	\$ 653,856	\$ 3,091,119	\$ -	\$ 3,744,975	\$ 4,040,072
Program services	1,218,534	119,500	-	1,338,034	1,218,111
Assessment revenue	637,180	-	-	637,180	616,738
Insurance program	5,094,819	-	-	5,094,819	4,645,042
Grant revenue	413,797	268,172	-	681,969	504,429
Deposit and loan interest	250,153	-	-	250,153	446,495
Rental income	651,199	56,690	-	707,889	663,049
Gain (loss) on the sale of property	3,713	-	-	3,713	(9,596)
Realized gain on investments	30,101	9,374	-	39,475	698,298
Unrealized gain (loss) on investments	(476,521)	(18,759)	-	(495,280)	1,736,793
Unrealized loss on land value	-	-	-	-	(1,488,296)
Interest and dividends	349,104	35,595	-	384,699	424,800
Miscellaneous	8,111	-	-	8,111	13,046
Net assets released from restrictions satisfied by payments	3,897,016	(3,897,016)	-	-	-
Total Revenue and Support	12,731,062	(335,325)	-	12,395,737	13,508,981
EXPENSES					
Program services					
Pastoral	2,571,120	-	-	2,571,120	2,762,797
Education	1,199,832	-	-	1,199,832	1,207,675
Social services	271,400	-	-	271,400	198,394
Deposit and loan interest	543,107	-	-	543,107	743,320
Newspaper	276,666	-	-	276,666	282,954
Retreat center	242,198	-	-	242,198	231,356
Insurance program	5,025,951	-	-	5,025,951	4,745,914
St. John Vianney Retirement Center	55,282	-	-	55,282	37,407
Total Program Services	\$ 10,185,556	\$ -	\$ -	\$ 10,185,556	\$ 10,209,817

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, 2012 and Summarized Information for the Year Ended June 30, 2011

	<u>2012</u>			<u>2011</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Summarized Information</u>
Supporting Services					
General administrative	\$ 2,326,308	\$ -	\$ -	\$ 2,326,308	\$ 2,289,777
Development	233,328	-	-	233,328	151,863
FASB ASC 715 Expense	298,025	-	-	298,025	(139,286)
Depreciation	498,269	-	-	498,269	511,093
Total Supporting Services	3,355,930	-	-	3,355,930	2,813,447
Total Expenses	13,541,486	-	-	13,541,486	13,023,264
Increase (Decrease) in Net Assets	(810,424)	(335,325)	-	(1,145,749)	485,717
NET ASSETS, Beginning of Year	1,888,340	3,170,323	1,407,442	6,466,105	5,980,388
NET ASSETS, End of Year	<u>\$ 1,077,916</u>	<u>\$ 2,834,998</u>	<u>\$ 1,407,442</u>	<u>\$ 5,320,356</u>	<u>\$ 6,466,105</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, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ (1,145,749)	\$ 485,717
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	498,269	511,093
Unrealized (gain) loss on investments	534,953	(1,736,793)
Realized gain on investments	(103,146)	(698,298)
Realized (gain) loss on asset disposal	(3,713)	9,596
Realized and unrealized ICF pass-through gain	-	(1,473,629)
Unrealized loss on land value	-	1,488,296
Contributions made (received) of marketable securities	(44,731)	50,275
Contributions received of fixed assets	-	(165,350)
Recognition of beneficial interest in perpetual trust	-	(573,528)
Changes in operating assets and liabilities:		
Accounts receivable	(73,240)	(169,147)
Prepaid expenses	(76,223)	(1,385)
Accounts payable	(16,376)	(79,688)
Accrued liabilities	(87,165)	222,126
Parish cash management	362,020	(531,809)
Parish savings deposits	91,171	1,598,178
Lay Pension Trust	(1,092,555)	(81,531)
ICF - Held for Others	-	504,989
Liability for pension benefits - lay	139,980	(56,689)
Liability for pension benefits - priest	158,045	(82,597)
Deferred revenue	(16,737)	19,362
Net Cash Used in Operating Activities	<u>(875,197)</u>	<u>(760,812)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of certificates of deposit	726,706	858,397
Loans and notes receivable	1,196,245	1,231,012
Purchase of investments	(633,495)	(649,776)
Proceeds from sale of investments	1,591,427	3,272,420
Purchase of fixed assets	(146,823)	(145,200)
Proceeds from sale of fixed assets	<u>76,397</u>	<u>1,000</u>
Net Cash Provided by Investing Activities	2,810,457	4,567,853
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on line of credit	(2,450,000)	(2,550,000)
Payment of long-term debt	<u>(134,611)</u>	<u>(127,060)</u>
Net Cash Used in Financing Activities	<u>(2,584,611)</u>	<u>(2,677,060)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (649,351)	\$ 1,129,981

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, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH AND CASH EQUIVALENTS, Beginning of Year	\$ 1,393,454	\$ 263,473
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 744,103</u>	<u>\$ 1,393,454</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expense	\$ 278,000	\$ 350,867
Noncash investing and financing activities:		
Fair market value of property and equipment contributed	\$ -	\$ 165,350
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, 2012 and 2011

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, 2012 and 2011, advertising costs totaled \$7,403 and \$4,952, respectively.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2012 and 2011

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, 2012 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, 2012 and 2011 were \$498,269 and \$511,093, 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, 2012 and 2011

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>2012</u>	<u>2011</u>
Money market funds	\$ 798,578	\$ 692,935
Mutual funds - equity	680,563	2,400,328
Mutual funds - fixed income	2,904,077	6,827,915
Mutual funds - balanced	1,037,319	-
Corporate obligations	981,475	918,185
Government and agency obligations	287,411	184,031
Municipal bonds	25,474	-
Corporate equities	<u>6,795,314</u>	<u>11,582,699</u>
	<u><u>\$ 13,510,211</u></u>	<u><u>\$ 22,606,093</u></u>
Marketable securities held for the Diocese	\$ 13,510,211	\$ 14,869,257
Marketable securities held for others	<u>-</u>	<u>7,736,836</u>
	<u><u>\$ 13,510,211</u></u>	<u><u>\$ 22,606,093</u></u>

Net investment income at June 30:

	<u>2012</u>	<u>2011</u>
Net realized gain	\$ 39,475	\$ 698,298
Net unrealized gain (loss)	(495,280)	1,736,793
Interest and dividend income	<u>384,699</u>	<u>424,800</u>
	<u><u>\$ (71,106)</u></u>	<u><u>\$ 2,859,891</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)

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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2012 and 2011

NOTE C - FAIR VALUE MEASUREMENTS (Continued)

Assets at fair value as of June 30, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 798,578	\$ -	\$ -	\$ 798,578
Mutual funds - equity	680,563	-	-	680,563
Mutual funds - fixed income	1,136,336	1,767,742	-	2,904,078
Mutual funds - balanced	1,037,319	-	-	1,037,319
Corporate obligations	981,475	-	-	981,475
Government and agency obligations	287,410	-	-	287,410
Municipal bonds	-	25,474	-	25,474
Corporate equities	6,795,314	-	-	6,795,314
	<u>\$ 11,716,995</u>	<u>\$ 1,793,216</u>	<u>\$ -</u>	<u>\$ 13,510,211</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, 2012 and 2011 were \$285,207 and \$282,413, and are expected to be collected within the year. 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>2012</u>	<u>2011</u>
Buildings	\$ 10,144,898	\$ 10,149,725
Equipment	2,405,260	2,378,406
	<u>12,550,158</u>	<u>12,528,131</u>
Less accumulated depreciation	4,736,882	4,290,726
	<u>7,813,276</u>	<u>8,237,405</u>
Land	4,769,099	4,769,099
	<u>\$ 12,582,375</u>	<u>\$ 13,006,504</u>

NOTE F - IDAHO CATHOLIC FOUNDATION

The Idaho Catholic Foundation (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. Prior to July 1, 2011, the Diocese reported investments held for others by the Foundation in its Statements of Financial Position in marketable securities, and in liabilities as "ICF- held for others". All transactions occurring within the investments held for others were considered agency transactions, and accordingly were not reported in the financial statements of the Diocese.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2012 and 2011

NOTE F - IDAHO CATHOLIC FOUNDATION (Continued)

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

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

	<u>2012</u>	<u>2011</u>
Investments	\$ 6,243,115	\$ 6,661,174
Beneficial interest in perpetual trust	190,333	190,242
Interest receivable	894	2,306
Cash value of insurance contract	-	87,750
Land	81,000	81,000

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

	<u>2012</u>	<u>2011</u>
Income:		
Investment income (loss)	\$ (135,292)	\$ 1,297,344
Contributions	94,854	46,764
Expenses:		
Distributions to participants	311,987	281,937
Investment and managerial expenses	54,382	42,923

NOTE G - BENEFICIAL INTEREST IN PERPETUAL TRUST

The Diocese received notice on March 30, 2011 that they were named as a beneficiary in The John L. Muegerl Trust. The trust account assets are held and managed by an independent trustee. In April 2011, a trust investment account was opened at a national financial institution, and in May 2011 trust assets were transferred to the account. The beneficial interest in trust assets was recorded at fair market value as of May 31, 2011, as a permanently restricted contribution. The Diocese's beneficial interest consists of fifteen percent of the total trust assets, divided such that five percent of the beneficial interest is designated to each of the following: the Idaho Catholic Foundation - Held for Diocese, the Diocesan Development Program and the Idaho Priests Special Needs Fund. According to the trust agreement, the Diocese is to receive a fixed percentage of trust assets each year, which is temporarily restricted income to the three funds mentioned above, and has been recorded as such in the Statement of Activities for the year ended June 30, 2012. The beneficial interest in trust assets has been recorded at fair market value as of June 30, 2012 in the Statement of Financial Position. The net decrease in fair market value from May 31, 2011 to June 30, 2012 of \$2,528 is included in unrestricted net assets.

Activity for the beneficial interest in the perpetual trust for the year ended June 30, 2012 is as follows:

Beginning balance, June 30, 2011	\$ 570,727	
Unrealized gain	273	
Income distributable to beneficiary	13,913	
Amounts appropriated for expenditure	(13,913)	
Total Beneficial Interest in Perpetual Trust	\$ 571,000	

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2012 and 2011

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, 2012 and 2011. It has been determined that the Diocese's permanently restricted net assets meet the definition of endowment funds under UPMIFA.

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

Board-designated endowments that are internally designated by the Board of Directors and are not donor-restricted are classified and reported as unrestricted net assets. The Idaho Catholic Foundation (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 12 calendar months.

All endowments are invested in Diocese Investment Pool. The Pool is professionally managed by ten 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, 2012 and 2011

NOTE H - ENDOWMENTS (Continued)

Endowment Net Asset Composition by Type of Fund as of June 30, 2012 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment</u>
Donor-restricted endowment funds	\$ 82,768	\$ 2,681	\$ 1,407,442	\$ 1,492,891
Board-designated endowment funds	3,217,242	-	-	3,217,242
Total funds	<u>\$ 3,300,010</u>	<u>\$ 2,681</u>	<u>\$ 1,407,442</u>	<u>\$ 4,710,133</u>

Change in endowment net assets as of June, 2012 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	\$ 3,643,890	\$ 6,919	\$ 1,407,442	\$ 5,058,251
Contributions	730	-	-	730
Investment income	158,093	13,913	-	172,006
Net depreciation	(251,194)	-	-	(251,194)
Amounts appropriated for expenditure	(251,509)	(18,151)	-	(269,660)
Endowment net assets, end of year	<u>\$ 3,300,010</u>	<u>\$ 2,681</u>	<u>\$ 1,407,442</u>	<u>\$ 4,710,133</u>

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, 2012 and 2011

NOTE I - PRIESTS RETIREMENT PLAN

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

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

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

Funded Status

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

	Fiscal Year Ended <u>June 30, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>
Vested benefit obligation	\$ (8,132,000)	\$ (7,452,000)
Accumulated benefit obligation	(8,362,000)	(7,566,000)
Projected benefit obligation	(12,058,000)	(10,456,000)
Plan assets at fair value	<u>3,927,000</u>	<u>4,144,000</u>
Funded status at end of year	(8,131,000)	(6,312,000)
Liability for pension benefits	\$ (8,131,000)	\$ (6,312,000)
Vested benefit obligation ratio	48.29%	55.61%

Amounts recognized in the statement of financial position consist of:

	Fiscal Year Ended <u>June 30, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>
Noncurrent assets	\$ -	\$ -
Current liabilities	-	-
Noncurrent liabilities	<u>(8,131,000)</u>	<u>(6,312,000)</u>
	<u>\$ (8,131,000)</u>	<u>\$ (6,312,000)</u>

Amounts recognized in unrestricted net assets consist of:

	Fiscal Year Ended <u>June 30, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>
Net loss	\$ 2,130,000	\$ 1,794,000
Net transition asset	(38,000)	(55,000)
Prior service cost	<u>3,516,000</u>	<u>2,403,000</u>
	<u>\$ 5,608,000</u>	<u>\$ 4,142,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2012 and 2011

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, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>
Service cost-benefits earned during the period	\$ 300,000	\$ 266,000
Interest cost on projected benefit obligation	545,000	497,000
Return on plan assets		
Expected return	(305,000)	(245,000)
Asset (gain) loss	<u>464,000</u>	<u>(561,000)</u>
Actual return on plan assets	159,000	(806,000)
Net amortization and deferral		
Amortization of prior service cost	273,000	273,000
Amortization of transition amount	(17,000)	(17,000)
Amortization of loss	37,000	50,000
Deferral of asset gain (loss)	<u>(464,000)</u>	<u>561,000</u>
Total	<u>(171,000)</u>	<u>867,000</u>
Net periodic pension cost	<u><u>\$ 833,000</u></u>	<u><u>\$ 824,000</u></u>

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

	Fiscal Year Ended <u>June 30, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>
Net loss	\$ 1,759,000	\$ 32,000
Prior service cost	-	-
Amortization of loss	(37,000)	(50,000)
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	1,466,000	(274,000)
Net periodic pension cost	<u>833,000</u>	<u>824,000</u>
Total recognized in net periodic pension cost and unrestricted net assets	<u><u>\$ 2,299,000</u></u>	<u><u>\$ 550,000</u></u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2012 and 2011

NOTE I - PRIESTS RETIREMENT PLAN (Continued)

Assumptions Used to Determine Net Periodic Pension Cost

	Fiscal Year Ended <u>June 30, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>
Discount Rate	5.35%	5.32%
Expected long-term rate of return on assets	7.50%	7.50%
Future benefit increases	3.00%	3.00%

The Roman Catholic Diocese of Boise employs a methodical process to determine the estimates of expected long-term rate of return on assets. These estimates are primarily driven by actual historical asset-class returns and advise from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2012 and June 30, 2011, 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, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>
Discount rate	3.93%	5.35%
Future benefit increases	3.00%	3.00%

Plan Asset Investment Strategy and Allocation

The asset allocation for the pension plan as of June 30, 2012 and June 30, 2011 and the target allocation, by asset category, are:

<u>Asset Category</u>	Investment Policy Target Asset <u>Allocation</u>	Actual Percentage of <u>Plan Assets at June 30</u>	
		<u>2012</u>	<u>2011</u>
Equities	25-75%	68%	73%
Fixed Income	25-75%	28%	26%
Cash Equivalent	0-100%	4%	1%

The fair values of Plan assets at June 30, 2012, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 146,550	\$ -	\$ -	\$ 146,550
Mutual funds - equity	365,911	-	-	365,911
Mutual funds - fixed income	780,798	72,075	-	852,873
Mutual funds - balanced	350,073	-	-	350,073
Corporate obligations	184,275	-	-	184,275
Government and agency obligations	30,336	-	-	30,336
Municipal bonds	-	9,388	-	9,388
Corporate equities	1,987,594	-	-	1,987,594
	<u>\$3,845,537</u>	<u>\$ 81,463</u>	<u>\$ -</u>	<u>\$ 3,927,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2012 and 2011

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>
2013	\$ 499,000
2014	489,000
2015	568,000
2016	602,000
2017	604,000
2018-2022	\$ 3,493,000

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 \$789,876 for the year ended June 30, 2012 and \$631,831 for the year ended June 30, 2011.

For the years ended June 30, 2012 and 2011, pension contributions of \$480,000 and \$483,000, respectively, were made. Benefit payments of \$512,000 and \$488,000 were made from the plan during the years ended June 30, 2012 and June 30, 2011, respectively.

The Diocese expects to contribute \$570,000 to the pension plan during the fiscal year ending June 30, 2013.

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, 2012 and 2011

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 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. 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, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>
Vested benefit obligation	\$ (10,016,000)	\$ (8,263,000)
Accumulated benefit obligation	(12,048,000)	(10,038,000)
Projected benefit obligation	(12,048,000)	(10,038,000)
Plan assets at fair value	<u>5,343,000</u>	<u>4,267,000</u>
Funded status at end of year	(6,705,000)	(5,771,000)
Liability for pension benefits	\$ (6,705,000)	\$ (5,771,000)
Vested benefit obligation ratio	53.34%	51.64%

Amounts recognized in the statement of financial position consist of:

	Fiscal Year Ended <u>June 30, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>
Noncurrent assets	\$ -	\$ -
Current liabilities	-	-
Noncurrent liabilities	<u>(6,705,000)</u>	<u>(5,771,000)</u>
	<u>\$ (6,705,000)</u>	<u>\$ (5,771,000)</u>

Amounts recognized in unrestricted net assets consist of:

	Fiscal Year Ended <u>June 30, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>
Net loss	\$ 3,850,000	\$ 2,113,000
Prior service cost	-	-
	<u>\$ 3,850,000</u>	<u>\$ 2,113,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2012 and 2011

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, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>
Service cost-benefits earned during the period	\$ 743,000	\$ 818,000
Interest cost on projected benefit obligation	515,000	533,000
Return on plan assets		
Expected return	(327,000)	(296,000)
Asset (gain) loss	<u>414,000</u>	<u>(985,000)</u>
Actual return on plan assets	87,000	(1,281,000)
Net amortization and deferral		
Amortization of transition amount	-	-
Amortization of loss	111,000	209,000
Deferral of asset gain (loss)	<u>(414,000)</u>	<u>985,000</u>
Total	<u>(303,000)</u>	<u>1,194,000</u>
Net periodic pension cost	<u><u>\$ 1,042,000</u></u>	<u><u>\$ 1,264,000</u></u>

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

	Fiscal Year Ended <u>June 30, 2012</u>	Fiscal Year Ended <u>June 30, 2012</u>
Net loss (gain)	\$ 1,848,000	\$ (822,000)
Prior service cost	-	-
Amortization of loss	(111,000)	(209,000)
Amortization of transition obligation	-	-
Amortization of prior service credit	<u>-</u>	<u>-</u>
Total recognized in unrestricted net assets	1,737,000	(1,031,000)
Net periodic pension cost	<u>1,042,000</u>	<u>1,264,000</u>
Total recognized in net periodic pension cost and unrestricted net assets	<u><u>\$ 2,779,000</u></u>	<u><u>\$ 233,000</u></u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2012 and 2011

NOTE J - LAY EMPLOYEES PENSION PLAN (Continued)

Assumptions Used to Determine Net Periodic Pension Cost

	Fiscal Year Ended <u>June 30, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>
Discount Rate	5.35%	5.32%
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, 2012 and June 30, 2011, 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, 2012</u>	Fiscal Year Ended <u>June 30, 2011</u>
Discount rate	3.96%	5.35%
Future benefit increases	4.50%	4.50%

Plan Asset Investment Strategy and Allocation

The asset allocation for the pension plan as of June 30, 2012 and June 30, 2011 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>2012</u>	<u>2011</u>
Equities	25-75%	50%	64%	68%
Fixed Income	25-75%	40%	32%	27%
Cash Equivalents	0-100%	10%	4%	5%

The fair values of Plan assets at June 30, 2012, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 191,411	\$ -	\$ -	\$ 191,411
Mutual funds - equity	102,213	464,382	-	566,595
Mutual funds - fixed income	1,477,842	-	-	1,477,842
Mutual funds - balanced	519,923	-	-	519,923
Corporate equities	2,587,229	-	-	2,587,229
	<u>\$ 4,878,618</u>	<u>\$ 464,382</u>	<u>\$ -</u>	<u>\$ 5,343,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2012 and 2011

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>
2013	\$ 869,000
2014	875,000
2015	985,000
2016	869,000
2017	1,287,000
2018-2022	\$ 5,496,000

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 \$678,991 for the year ended June 30, 2012 and \$539,011 for the year ended June 30, 2011.

Diocesan pension contributions for the years ended June 30, 2012 and 2011 were \$1,845,000 and \$890,000, respectively. Benefit payments of \$585,000 and \$1,886,000 were made from the plan during the years ended June 30, 2012 and June 30, 2011, respectively.

The Diocese expects to contribute \$1,056,290 to the pension plan during the fiscal year ending June 30, 2013.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2012 and 2011

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, 2012 and 2011 the fund paid an interest rate on deposits of 1.60% and 2.00%, 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 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>2012</u>	<u>2011</u>
Balances as of June 30:		
Deposits in Fund from Parishes and Schools	\$ 25,113,931	\$ 25,022,760
Loans from Fund to Parishes and Schools	\$ 11,421,013	\$ 12,551,965
Percentage Loaned Out	45.48%	50.16%

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 \$300,000 as of June 30, 2012 and 2011.

NOTE M - LINE OF CREDIT

The Diocese renewed its revolving line of credit agreement with a bank March 30, 2012. Included in the renewal was an increase in the line borrowing limit from \$6,000,000 to \$10,000,000. The line of credit 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, and the principal balance is due March 31, 2013. There are certain covenants established with the line of credit and management states that they are in compliance with all covenants except for the requirement to provide annual audited financial statements within 180 days of year ended June 30, 2012, for which an extended due date is being allowed by the bank. Funds borrowed are subject to a variable rate equal to the lesser of 2.250% or 1.050% plus the one-month adjusted LIBOR rate. The balance due totaled \$1,000,000 and \$3,450,000 as of June 30, 2012 and 2011, 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, 2012 and 2011

NOTE N - NOTES PAYABLE (Continued)

Maturities of notes payable subsequent to June 30, 2012 are as follows:

Years ending June 30:	Amount
2013	\$ 142,322
2014	150,957
2015	160,116
2016	169,831
2017	172,409
Thereafter	<u>2,522,668</u>
	<u><u>\$ 3,318,303</u></u>

NOTE O - RESTRICTED NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>2012</u>	<u>2011</u>
Pastoral	\$ (482,105)	\$ (336,848)
Education	30,647	30,744
Social Services	1,672,484	1,875,994
Idaho Catholic Appeal (2012 Campaign)	-	1,600,433
Idaho Catholic Appeal (2013 Campaign)	<u>1,613,972</u>	<u>-</u>
	<u><u>\$ 2,834,998</u></u>	<u><u>\$ 3,170,323</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>2012</u>	<u>2011</u>
Pastoral	\$ 541,487	\$ 688,626
Education	230,329	120,186
Social Services	574,809	522,920
Idaho Catholic Appeal (2010 Campaign)	-	2,410,433
Idaho Catholic Appeal (2011 Campaign)	<u>2,550,391</u>	<u>-</u>
	<u><u>\$ 3,897,016</u></u>	<u><u>\$ 3,742,165</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>2012</u>	<u>2011</u>
Endowment Funds	<u><u>\$ 1,407,442</u></u>	<u><u>\$ 1,407,442</u></u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2012 and 2011

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, 2012 and 2011 totaled \$412,700 and \$257,000, respectively.

NOTE Q - LEASES IN FINANCIAL STATEMENTS OF LESSORS

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

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

Years ending June 30:	Amount
2013	\$ 257,902
2014	236,546
2015	89,336
2016	59,890
	<hr/>
	\$ 643,674

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, 2012 and 2011, the Diocese recognized revenue from Diocesan parishes, schools, and other related organizations in the amount of \$5,982,152 and \$5,708,275, respectively for assessments, insurance, and interest. The Diocese incurred interest expense related to the parish deposit and loan program in the amount of \$488,845 and \$697,489 for the years ended June 30, 2012 and 2011, respectively.

The Diocese recorded an accounts payable to Catholic Charities of \$354,793 and \$542,236 at June 30, 2012 and 2011, 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 \$23,142 and \$37,203 as of June 30, 2012 and 2011, respectively.

Idaho Catholic Foundation

Approximately \$6,243,115 of investments and one third of the beneficial interest in perpetual trust presented in the Statements of Financial Position and in the related disclosures and supplementary information are held at the Idaho Catholic Foundation. The investment assets held at the Idaho Catholic Foundation for the Diocese as well as \$7,166,251 held for other charitable organizations are pledged as collateral for the line of credit described in Note M. The board of directors for the Idaho Catholic Foundation is not elected by the Diocese.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2012 and 2011

NOTE S - CONCENTRATION OF CREDIT RISK

The Diocese maintains cash accounts with local financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 on interest-bearing accounts for the years ended June 30, 2012 and June 30, 2011. The FDIC offered unlimited insurance coverage for noninterest-bearing accounts for the year ended June 30, 2012. There were no uninsured balances for the years ended June 30, 2012 and June 30, 2011.

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, 2011, 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 February 7, 2013 which coincides with the date of issuance of these financial statements. The Diocese began a capital campaign in July 2012 in which it hopes to raise \$14,500,000 over a four year period. Capital campaign contributions will be held at the Idaho Catholic Foundation for the Diocese. The Diocese contracted with a professional fund raising organization for a fee of \$700,000 to be paid in installments over a 12 month period. Additional expenses for the campaign are expected of approximately \$500,000. As of the report date, no other 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, 2012 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
February 7, 2013

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

COMBINING STATEMENTS OF FINANCIAL POSITION - UNRESTRICTED NET ASSETS

June 30, 2012 and June 30, 2011 Summarized Information

ASSETS

	2012									2011	
	<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	\$ 483,732	\$ -	\$ 63,229	\$ -	\$ 164,397	\$ 16,539	\$ -	\$ -	\$ -	\$ 727,897	\$ 1,376,320
Certificates of deposit	145,711	-	-	-	-	-	-	-	-	145,711	872,417
Accounts and pledges receivable	728,337	265,019	256,137	724,922	28,004	6,214	137,528	-	-	2,146,161	2,077,961
Deposits and prepaid expenses	43,855	-	45,445	13,576	33,738	-	-	-	-	136,614	60,395
Interfund receivable (payable)	5,837,542	7,866,014	(1,117,380)	(408,383)	4,929	(994,306)	414,321	(13,522,565)	(110)	(1,919,938)	(2,446,299)
Marketable securities	2,520,344	5,594,690	20,258	160,247	-	-	-	-	3,383,267	11,678,806	20,787,163
Beneficial interest in perpetual trust	(2,528)	-	-	-	-	-	-	-	-	(2,528)	(2,801)
Loans to parishes and schools	-	11,421,013	-	-	-	-	-	-	-	11,421,013	12,551,965
Loans and notes receivable	600,491	-	-	-	-	-	-	-	-	600,491	665,784
Property, plant and equipment	-	36,584	-	-	11,860	2,658,377	-	14,523,781	-	17,230,602	17,208,575
Accumulated depreciation	-	-	-	-	(6,953)	(1,242,913)	-	(3,483,751)	-	(4,733,617)	(4,288,014)
Total Assets	<u>\$ 10,357,484</u>	<u>\$ 25,183,320</u>	<u>\$ (732,311)</u>	<u>\$ 490,362</u>	<u>\$ 235,975</u>	<u>\$ 443,911</u>	<u>\$ 551,849</u>	<u>\$(2,482,535)</u>	<u>\$3,383,157</u>	<u>\$ 37,431,212</u>	<u>\$ 48,863,466</u>

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, 2012 and June 30, 2011 Summarized Information

LIABILITIES AND NET ASSETS

	2012									2011	
	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	\$ 133,154	\$ -	\$ -	\$ -	\$ -	\$ 9,455	\$ -	\$ -	\$ -	\$ 142,609	\$ 156,364
Accrued liabilities	297,005	-	412,700	-	5,980	9,399	584,670	-	165,915	1,475,669	1,405,021
Line of credit	1,000,000	-	-	-	-	-	-	-	-	1,000,000	3,450,000
Parish cash management	3,335,001	-	-	-	-	-	-	-	-	3,335,001	2,972,981
Parish savings deposit	-	25,113,931	-	-	-	-	-	-	-	25,113,931	25,022,760
Lay pension trust	496,291	-	-	-	-	-	-	-	-	496,291	1,588,846
ICF - held for others	-	-	-	-	-	-	-	-	-	-	7,736,836
Liability for pension benefits - lay	678,991	-	-	-	-	-	-	-	-	678,991	539,011
Liability for pension benefits - priest	789,876	-	-	-	-	-	-	-	-	789,876	631,831
Notes payable	3,318,303	-	-	-	-	-	-	-	-	3,318,303	3,452,914
Deferred revenue	2,625	-	-	-	-	-	-	-	-	2,625	18,562
Total Liabilities	10,051,246	25,113,931	412,700	-	5,980	18,854	584,670	-	165,915	36,353,296	46,975,126
NET ASSETS	306,238	69,389	(1,145,011)	490,362	229,995	425,057	(32,821)	(2,482,535)	3,217,242	1,077,916	1,888,340
Total Liabilities and Net Assets	\$ 10,357,484	\$ 25,183,320	\$ (732,311)	\$ 490,362	\$ 235,975	\$ 443,911	\$ 551,849	\$ (2,482,535)	\$3,383,157	\$ 37,431,212	\$ 48,863,466

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, 2012 and Summarized Information for the Year Ended June 30, 2011

	2012									2011	
	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	\$ 578,040	\$ -	\$ -	\$ -	\$ -	\$ 75,086	\$ -	\$ -	\$ 730	\$ 653,856	\$ 488,764
Program services	795,582	-	-	-	263,361	159,591	-	-	-	1,218,534	1,011,800
Assessment revenue	637,180	-	-	-	-	-	-	-	-	637,180	616,738
Insurance program	-	-	4,142,409	952,410	-	-	-	-	-	5,094,819	4,645,042
Grant revenue	372,797	-	-	1,000	-	-	40,000	-	-	413,797	329,729
Deposit and loan interest	-	250,153	-	-	-	-	-	-	-	250,153	446,495
Rental income	633,695	-	-	-	-	17,504	-	-	-	651,199	626,878
Loss on sale of property	-	-	-	-	(190)	-	3,903	-	-	3,713	(9,596)
Investment income	(48,060)	16,563	76	600	2,846	227	-	(69,568)	-	(97,316)	2,685,337
Unrealized loss on land value	-	-	-	-	-	-	-	-	-	-	(1,488,296)
Miscellaneous	6,480	-	-	1,391	240	-	-	-	-	8,111	13,046
Net assets released from restrictions satisfied by payments	3,897,016	-	-	-	-	-	-	-	-	3,897,016	3,742,165
Total Revenue	6,872,730	266,716	4,142,485	955,401	266,257	252,408	-	43,903	(68,838)	12,731,062	13,108,102
EXPENSES											
Salaries	1,725,897	-	-	-	130,712	111,735	-	-	-	1,968,344	1,986,074
Auto	33,791	-	-	-	75	-	-	-	-	33,866	30,479
Advertising	6,931	-	-	-	-	472	-	-	-	7,403	4,952
Bank and investment	129,297	3,250	-	-	-	-	-	29,372	-	161,919	171,209
Computer	309,343	-	-	-	1,415	-	-	-	-	310,758	227,268
Contributions	328,169	-	-	1,300	-	-	-	-	-	329,469	280,575
Dues and subscriptions	70,151	-	-	-	2,441	465	-	-	-	73,057	82,613
Depreciation	553	-	-	-	3,083	53,128	441,505	-	-	498,269	511,093
Employee benefits	355,928	-	-	-	19,816	25,054	-	-	-	400,798	397,299
Event	409,591	-	-	-	801	70	-	-	-	410,462	173,040
Supplies	26,565	-	-	-	-	31,561	-	-	-	58,126	52,779
Miscellaneous	181,519	-	-	-	14,944	4,234	-	-	-	200,697	133,026
Payroll taxes	115,523	-	-	-	9,458	7,623	-	-	-	132,604	132,499
Postage	22,240	-	-	-	61,861	330	-	-	-	84,431	88,139
Office	36,391	-	-	-	31,212	413	-	-	-	68,016	105,300
Rental	79,172	-	-	-	-	-	-	-	-	79,172	70,435
Repairs and maintenance	115,924	-	-	-	-	14,467	-	-	-	130,391	169,404

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, 2012 and Summarized Information for the Year Ended June 30, 2011

	2012									2011	
	Operating	Deposit & Loan	Health & Welfare Insurance	Property & Liability Insurance	Idaho Catholic Register	Nazareth Retreat Center	Custodial	Plant	Board Designated	Total	Summarized Information
Interest	\$ 205,759	\$ 488,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 694,604	\$ 899,409
Bad debt	491	-	-	-	-	100	-	-	-	591	300,000
Stipends	72,339	-	-	-	-	-	-	-	-	72,339	50,885
Telephone	19,508	-	-	-	294	3,975	-	-	-	23,777	25,175
Training	22,912	-	-	-	415	-	-	-	-	23,327	23,012
Travel	122,207	-	-	421	1,042	848	-	-	-	124,518	120,548
Meetings	66,618	-	-	-	-	-	-	-	-	66,618	118,862
Professional services	197,112	51,012	30,068	1,711	114	3,050	-	-	-	283,067	308,254
Insurance	44,566	-	4,139,978	852,473	-	6,544	-	-	-	5,043,561	4,763,870
Appropriations	145,712	-	-	-	-	-	-	165,915	-	311,627	318,401
Disbursements	1,315,720	-	-	-	-	-	-	-	-	1,315,720	1,271,070
Meals and entertainment	16,362	-	-	-	50	-	-	-	-	16,412	15,496
Utilities	127,007	-	-	-	-	29,635	-	-	-	156,642	152,335
Property taxes	134,990	-	-	-	-	-	-	-	-	134,990	149,680
Workers compensation	24,248	-	-	-	2,017	1,621	-	-	-	27,886	29,369
FASB ASC 715 Expense	298,025	-	-	-	-	-	-	-	-	298,025	(139,286)
Total Expenses	6,760,561	543,107	4,170,046	855,905	279,750	295,325	-	441,505	195,287	13,541,486	13,023,264
Increase (Decrease) in Net Assets	112,169	(276,391)	(27,561)	99,496	(13,493)	(42,917)	-	(397,602)	(264,125)	(810,424)	84,838
NET ASSETS, Beginning 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
NET ASSETS, End of Year	\$ 306,238	\$ 69,389	\$(1,145,011)	\$ 490,362	\$ 229,995	\$ 425,057	\$ (32,821)	\$(2,482,535)	\$ 3,217,242	\$ 1,077,916	\$ 1,888,340

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, 2012 and June 30, 2011 Summarized Information

ASSETS

	2012								
	<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	\$ -	\$ 14,409	\$ -	\$ -	\$ -	\$ -	\$ 1,797	\$ -	\$ -
Accounts and pledges receivable	-	-	10,114	-	-	-	-	-	285,207
Deposits and prepaid expenses	-	-	-	-	877	-	-	-	-
Interfund receivable (payable)	310,809	865,863	(1,445,129)	-	850,637	-	-	(166,695)	1,328,764
Marketable securities	97,918	561,073	49,544	124,326	-	-	-	14,133	-
Property, plant and equipment	-	88,655	-	-	-	-	-	-	-
Accumulated depreciation	-	(3,265)	-	-	-	-	-	-	-
Total Assets	<u>\$ 408,727</u>	<u>\$ 1,526,735</u>	<u>\$(1,385,471)</u>	<u>\$ 124,326</u>	<u>\$ 851,514</u>	<u>\$ -</u>	<u>\$ 1,797</u>	<u>\$ (152,562)</u>	<u>\$ 1,613,971</u>

LIABILITIES AND NET ASSETS

LIABILITIES									
Deferred income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	354,793	-	-	124,326	2,000	-	-	-	-
Total Liabilities	354,793	-	-	124,326	2,000	-	-	-	-
NET ASSETS	53,934	1,526,735	(1,385,471)	-	849,514	-	1,797	(152,562)	1,613,971
Total Liabilities and Net Assets	<u>\$ 408,727</u>	<u>\$ 1,526,735</u>	<u>\$(1,385,471)</u>	<u>\$ 124,326</u>	<u>\$ 851,514</u>	<u>\$ -</u>	<u>\$ 1,797</u>	<u>\$ (152,562)</u>	<u>\$ 1,613,971</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, 2012 and June 30, 2011 Summarized Information (continued)

ASSETS

	<u>2012</u>					<u>2011</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	\$ -	\$ -	\$ -	\$ -	\$ 16,206	\$ 17,134
Accounts and pledges receivable	-	894	-	-	296,215	291,175
Deposits and prepaid expenses	-	-	-	-	877	873
Interfund receivable (payable)	178,830	-	1,798	(4,939)	1,919,938	2,446,299
Marketable securities	64,654	-	27,052	58,791	997,491	985,016
Property, plant and equipment	-	-	-	-	88,655	88,655
Accumulated depreciation	-	-	-	-	(3,265)	(2,712)
Total Assets	<u>\$ 243,484</u>	<u>\$ 894</u>	<u>\$ 28,850</u>	<u>\$ 53,852</u>	<u>\$ 3,316,117</u>	<u>\$ 3,826,440</u>

LIABILITIES AND NET ASSETS

LIABILITIES						
Deferred revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800
Accrued liabilities	-	-	-	-	481,119	655,317
Total Liabilities	-	-	-	-	481,119	656,117
NET ASSETS	243,484	894	28,850	53,852	2,834,998	3,170,323
Total Liabilities and Net Assets	<u>\$ 243,484</u>	<u>\$ 894</u>	<u>\$ 28,850</u>	<u>\$ 53,852</u>	<u>\$ 3,316,117</u>	<u>\$ 3,826,440</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, 2012 and Summarized Information for the Year Ended June 30, 2011

	2012								
	<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	\$ 105,102	\$ 210,619	\$ 202,616	\$ -	\$ 6,350	\$ -	\$ -	\$ 7,140	\$ 2,559,292
Program services	-	-	119,500	-	-	-	-	-	-
Grant revenue	13,072	25,000	-	-	-	230,100	-	-	-
Rental income	-	6,290	-	-	50,400	-	-	-	-
Investment income	553	2,335	4,823	9,404	-	-	31	53	4,638
Net assets released from restrictions satisfied by payments	(257,446)	(301,104)	(475,846)	(9,404)	(55,282)	(230,100)	-	(13,405)	(2,550,391)
Total Revenue and Support	(138,719)	(56,860)	(148,907)	-	1,468	-	31	(6,212)	13,539
NET ASSETS, Beginning of Year	192,653	1,583,595	(1,236,564)	-	848,046	-	1,766	(146,350)	1,600,432
NET ASSETS, End of Year	<u>\$ 53,934</u>	<u>\$ 1,526,735</u>	<u>\$(1,385,471)</u>	<u>\$ -</u>	<u>\$ 849,514</u>	<u>\$ -</u>	<u>\$ 1,797</u>	<u>\$ (152,562)</u>	<u>\$ 1,613,971</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, 2012 & Summarized Information for the Year Ended June 30, 2011 (continued)

	<u>2012</u>				<u>2011</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	\$ -	\$ -	\$ -	\$ -	\$ 3,091,119	\$ 2,932,780
Program services	-	-	-	-	119,500	206,311
Grant revenue	-	-	-	-	268,172	174,700
Rental income	-	-	-	-	56,690	36,171
Investment income	242	894	101	3,136	26,210	174,554
Net assets released from restrictions satisfied by payments	(548)	(2,306)	(229)	(955)	(3,897,016)	(3,742,165)
Total Revenue and Support	(306)	(1,412)	(128)	2,181	(335,325)	(217,649)
NET ASSETS, Beginning of Year	243,790	2,306	28,978	51,671	3,170,323	3,387,972
NET ASSETS, End of Year	<u>\$ 243,484</u>	<u>\$ 894</u>	<u>\$ 28,850</u>	<u>\$ 53,852</u>	<u>\$ 2,834,998</u>	<u>\$ 3,170,323</u>

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

COMBINING STATEMENTS OF FINANCIAL POSITION - PERMANENTLY RESTRICTED NET ASSETS

June 30, 2012 and June 30, 2011 Summarized Information

ASSETS

	2012						2011	
	Heinz Charitable	St. Joseph's Children Home	Chausee Family Memorial Fund	James & Olive Davis Fund	Seminarian scholarship fund	John L. Muegerl Trust	Total	Summarized Information
ASSETS								
Interfund receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketable securities	94,148	151,405	250,000	238,361	100,000	-	833,914	833,914
Beneficial interest in perpetual trust	-	-	-	-	-	573,528	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>\$ 1,407,442</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>\$ 1,407,442</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>\$ 1,407,442</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, 2012 and Summarized Information for the Year Ended June 30, 2011

	<u>2012</u>						<u>2011</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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 618,528
Total Revenue and Support	-	-	-	-	-	-	-	618,528
NET ASSETS, Beginning of Year	94,148	151,405	250,000	238,361	100,000	573,528	<u>\$ 1,407,442</u>	788,914
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>\$ 1,407,442</u>