

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

Financial Statements  
June 30, 2024



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

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Central Administrative Office of the Roman Catholic Diocese of Boise  
Boise, ID 83705

### Opinion

We have audited the accompanying financial statements of Central Administrative Office of the Roman Catholic Diocese of Boise (an Idaho non-profit organization), which comprise the statement of financial position as of June 30, 2024 and 2023 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central Administrative Office of the Roman Catholic Diocese of Boise as of June 30, 2024 and the changes in its net assets and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Central Administrative Office of the Roman Catholic Diocese of Boise and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management 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, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Central Administrative Office of the Roman Catholic Diocese of Boise's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Central Administrative Office of the Roman Catholic Diocese of Boise's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Administrative Office of the Roman Catholic Diocese of Boise's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*The Ricketts Accounting Group*

Boise, Idaho  
November 26, 2024



# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Statement of Financial Position  
As of June 30

	2024	2023
<b>ASSETS</b>		
Cash	\$ 5,493,669	\$ 8,846,724
Accounts and pledges receivable	2,805,004	2,430,099
Deposits and prepaid expenses	141,222	1,280,402
Investments	41,907,478	33,764,128
<b>Total Current Assets</b>	<b>50,347,373</b>	<b>46,321,353</b>
Property, plant, and equipment, net	18,899,882	17,941,636
Beneficial interest in perpetual trust	764,664	668,838
Interest receivable	15,717	-
Loans to parishes and schools	6,969,606	7,608,093
Loans and notes receivable, net of bad debt expense	348,289	2,917,105
<b>Total Assets</b>	<b>\$ 77,345,531</b>	<b>\$ 75,457,025</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 87,535	\$ 21,791
Accrued liabilities	1,924,210	1,405,656
Lay pension trust	177,550	-
Parish cash management	10,863,232	11,044,072
Deferred revenue	117,066	110,640
Current portion of long term debt	101,079	93,320
<b>Total Current Liabilities</b>	<b>13,270,672</b>	<b>12,675,479</b>
Parish savings deposits	37,090,934	38,206,500
Liability for pension benefits - lay	203,779	349,224
Liability for pension benefits - priest	142,107	162,001
Long term debt, net of current portion	1,378,207	1,474,770
<b>Total Liabilities</b>	<b>52,085,699</b>	<b>52,867,974</b>
<b>NET ASSETS</b>		
Without donor restrictions	21,556,603	18,821,515
With donor restrictions	3,703,229	3,767,536
<b>Total Net Assets</b>	<b>25,259,832</b>	<b>22,589,051</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 77,345,531</b>	<b>\$ 75,457,025</b>

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Statement of Activities  
For the Year Ended June 30

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Summarized Information
<b>REVENUE AND SUPPORT</b>				
Contributions	\$ 1,079,706	\$ 4,714,455	\$ 5,794,161	\$ 5,641,498
Program services	1,045,127	175,998	1,221,125	1,016,989
Assessment revenue	906,736	-	906,736	905,623
Insurance program	7,579,865	-	7,579,865	7,256,167
Grant revenue	321,563	176,789	498,352	362,114
Deposit and loan interest	301,386	-	301,386	305,110
Rental income	189,072	99,600	288,672	247,822
Gain on the sale of property	-	-	-	741,114
Realized gain on investments	1,372,952	115,435	1,488,387	49,566
Unrealized gain (loss) on investments	1,010,865	82,557	1,093,422	2,077,502
Interest and dividends	1,399,316	42,541	1,441,857	875,045
Unrealized gain (loss) on beneficial interest in perpetual trust	31,942	63,884	95,826	15,486
Miscellaneous	57,557	-	57,557	54,101
Net assets released from restrictions satisfied by payments	5,535,566	(5,535,566)	-	-
Total Revenue and Support	20,831,653	(64,307)	20,767,346	19,548,137
<b>EXPENSES</b>				
Program services				
Pastoral	3,921,710	-	3,921,710	3,411,201
Education	2,310,164	-	2,310,164	1,982,415
Social services	259,727	-	259,727	190,685
Deposit and loan interest	1,011,263	-	1,011,263	797,105
Communications	504,134	-	504,134	444,814
Retreat center	70,936	-	70,936	75,947
Insurance program	6,922,030	-	6,922,030	6,511,594
St. John Vianney Retirement Center	122,473	-	122,473	105,545
Total Program Services	15,122,437	-	15,122,437	13,519,306
Supporting Services				
General administrative	2,516,772	-	2,516,772	2,231,312
Development	292,134	-	292,134	233,563
FASB ASC 715 expense	(165,339)	-	(165,339)	(275,138)
Depreciation	330,561	-	330,561	257,969
Total Supporting Services	2,974,128	-	2,974,128	2,447,706
Total Expenses	18,096,565	-	18,096,565	15,967,012
Increase in Net Assets	2,735,088	(64,307)	2,670,781	3,581,125
NET ASSETS, Beginning of Year	18,821,515	3,767,536	22,589,051	19,007,926
NET ASSETS, End of Year	<u>\$ 21,556,603</u>	<u>\$ 3,703,229</u>	<u>\$ 25,259,832</u>	<u>\$ 22,589,051</u>

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Statement of Functional Expenses  
For the Year Ended June 30

	2024			2023
	Program Services	Supportive Activities	Total	Summarized Information
Salaries	\$ 2,030,339	\$ 585,495	\$ 2,615,834	\$ 2,312,525
Payroll taxes	114,358	40,927	155,285	140,155
Employee and retired priest benefits	6,054,924	(63,658)	5,991,266	5,657,010
Training	109,578	2,318	111,896	118,639
Computer and purchases	70,279	130,522	200,801	218,417
Insurance	1,449,738	1,941	1,451,679	1,182,748
Workers compensation	26,393	8,780	35,173	37,403
Audit	-	33,188	33,188	32,390
Legal and professional fees	229,199	243,526	472,725	480,091
Supplies and subscriptions	106,097	50,320	156,417	192,974
Rental expense	43,677	361,241	404,918	437,939
Meals and meetings	202,923	18,560	221,483	214,487
Advertising	3,509	-	3,509	4,489
Miscellaneous	6,430	512	6,942	4,675
Travel	352,501	18,610	371,111	317,436
Interest expense	990,046	275,422	1,265,468	890,791
Utilities	88,177	15,269	103,446	105,983
Repairs and maintenance	189,900	18,331	208,231	141,366
Property taxes and related expense	81,144	8,025	89,169	94,167
Depreciation	-	330,561	330,561	257,969
Bank and investments fees	99,204	241,527	340,731	332,511
ICF distributions	-	519,879	519,879	443,266
Printing and copies	76,835	82,686	159,521	126,830
Postage	87,033	21,785	108,818	70,138
Administrative expense	19,329	19,179	38,508	20,986
Contributions, grants and scholarships	498,941	-	498,941	350,336
Telephone	18,599	21,041	39,640	23,926
Events and special projects	320,110	41	320,151	168,240
Bad debts	-	(11,900)	(11,900)	(13,000)
Seminarian and priest expenses	732,897	-	732,897	609,708
ICA allocations	(3,008,815)	-	(3,008,815)	(2,912,649)
ICA disbursements	4,129,092	-	4,129,092	3,905,066
	<u>\$ 15,122,437</u>	<u>\$ 2,974,128</u>	<u>\$ 18,096,565</u>	<u>\$ 15,967,012</u>

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Statement of Cash Flows  
For the Year Ended June 30

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,670,781	\$ 3,581,125
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	330,561	257,969
Realized (gain) loss on investments	(1,488,387)	(49,566)
Unrealized (gain) loss on investments	(1,093,422)	(2,077,502)
Realized gain on asset disposal	-	(741,114)
Contributions of marketable securities received	(961,330)	(309,290)
Beneficial interest in perpetual trust	(95,826)	(15,486)
Changes in operating assets and liabilities:		
Accounts and pledges receivable	(374,905)	2,794,220
Deposits and prepaid expenses	1,139,180	(1,190,444)
Interest receivable	(15,717)	-
Accounts payable	65,746	(156,167)
Accrued liabilities	518,554	34,421
Lay pension trust	177,550	(162,486)
Parish cash management	(180,840)	95,117
Deferred Revenue	6,426	109,740
Parish savings deposits	(1,115,566)	3,945,300
Liability for pension benefits - lay	(145,445)	(207,156)
Liability for pension benefits - priest	(19,894)	(67,982)
Net cash provided (used) by Operating activities	(582,534)	5,840,699
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loans and notes receivable	3,207,303	(2,113,548)
Purchase of investments	(68,126,373)	(15,990,860)
Proceeds from sale of investments	63,526,162	17,262,030
Purchase of fixed assets	(1,288,809)	(2,415,645)
Proceeds from sale of fixed assets	-	1,109,778
Net cash provided (used) by investing activities	(2,681,717)	(2,148,245)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Notes payable - related party	(88,804)	(100,845)
Net cash provided (used) by financing activities	(88,804)	(100,845)
<b>NET DECREASE IN CASH, CASH EQUIVALENTS,</b>	(3,353,055)	3,591,609
Cash and Cash Equivalents - Beginning of Year	8,846,724	5,255,115
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>	\$ 5,493,669	\$ 8,846,724
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest expense	\$ 331,448	\$ 179,460
Noncash contributions of marketable securities	\$ 961,330	\$ 309,290



# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2024

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## Note 1 - Nature of Operations and Significant Accounting Policies

### 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.

### 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.

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

Notes to Financial Statements

June 30, 2024

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## **Note 1 - Nature of Operations and Significant Accounting Policies (continued)**

The Diocese maintains its cash balance with three financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At various times during the year, the bank balance may exceed the insured limit. At June 30, 2024, the Diocese's uninsured cash balance totaled \$5,582,599, respectively.

### 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.

### 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.

### Advertising and Promotion

The Diocese uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred.

### 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.

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

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## Note 1 - Nature of Operations and Significant Accounting Policies (continued)

### Fixed Assets

Fixed assets are stated at cost, except for donated equipment, which is stated at fair market value at date of receipt. 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 is computed using the straight-line method over estimated useful lives of the assets:

Buildings	39 years
Equipment	3-7 years

### Leases

The Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)" (ASC 842), which replaces existing leasing rules with a comprehensive lease measurement and recognition standard and expanded disclosure requirements. ASC 842 requires lessees to recognize most leases on their statement of financial position as liabilities, with corresponding "right-of-use assets". For statement of activities recognition purposes, leases are classified as either finance or an operating lease without relying upon bright-line tests. The organization adopted ASU 2016-02, Leases (Topic 842) effective July 1, 2022, using the modified retrospective approach which does not require prior periods to be restated.

### 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, 2024 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.

### 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.

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2024

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## Note 1 - Nature of Operations and Significant Accounting Policies (continued)

### 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.

### Subsequent Events

Subsequent events and transactions have been evaluated by management through November 26, 2024, the date the financial statements were available to be issued. Material subsequent events, if any, are disclosed in a separate note to these financial statements.

## Note 2 - Adoption of ASC topic 842

The Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)" (ASC 842), which replaces existing leasing rules with a comprehensive lease measurement and recognition standard and expanded disclosure requirements. ASC 842 requires lessees to recognize most leases on their statement of financial position as liabilities, with corresponding "right-of-use assets". For statement of activities recognition purposes, leases are classified as either finance or an operating lease without relying upon bright-line tests. The organization adopted ASU 2016-02, Leases (Topic 842) effective July 1, 2022, using the modified retrospective approach which does not require prior periods to be restated.

## Note 3 - Cash and Cash Equivalents

Cash and cash equivalents consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Cash	\$ 643,669	\$ 8,846,724
Certificates of Deposit	4,850,000	-
	<u>\$ 5,493,669</u>	<u>\$ 8,846,724</u>

## Note 4 - 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:

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

## Note 4 - Fair Value Measurements (continued)

- 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 source	Update frequency	Methodology	Secondary vendor or other source
Open-End mutual funds - equity	Fund Web	Daily	Net Asset Value	MSCI Europe, Australasia, Far East Index
Open-End mutual funds - fixed income	Fund Web	Daily	Net Asset Value	Bloomberg
Government and agency obligations	ICE (Inter-continental 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

June 30, 2024

## Note 4 - Fair Value Measurements (continued)

Investments at fair value as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 4,775,093	\$ -	\$ -	\$ 4,775,093
Open-End mutual funds - equity	-	1,010,198	-	1,010,198
Open-End mutual funds - fixed income	-	13,125,366	-	13,125,366
Open-End mutual funds - balanced	-	2,451,954	-	2,451,954
Corporate equities - domestic	12,984,702	-	-	12,984,702
Corporate equities - foreign	5,985,971	-	-	5,985,971
Miscellaneous	-	700,961	-	700,961
Corporate equities	-	-	-	-
Mission Diocese Fund, LLC	-	-	873,233	\$ 873,233
	<b>\$ 23,745,766</b>	<b>\$ 17,288,479</b>	<b>\$ 873,233</b>	<b>\$ 41,907,478</b>

Investments at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 696,769	\$ -	\$ -	\$ 696,769
Open-End mutual funds - equity	-	2,861,159	-	2,861,159
Open-End mutual funds - fixed income	-	11,723,016	-	11,723,016
Open-End mutual funds - balanced	-	646,807	-	646,807
Corporate equities - domestic	11,351,471	-	-	11,351,471
Corporate equities - foreign	5,169,208	-	-	5,169,208
Miscellaneous	-	544,730	-	544,730
Corporate equities	-	-	-	-
Mission Diocese Fund, LLC	-	-	770,968	770,968
	<b>\$ 17,217,448</b>	<b>\$ 15,775,712</b>	<b>\$ 770,968</b>	<b>\$ 33,764,128</b>

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

## Note 4 - Fair Value Measurements (continued)

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

	2024	2023
Fair value at beginning of year	\$ 770,968	\$ 691,384
Transfers in	-	-
Interest and dividends	7,053	4,650
Realized gain on investments	(1,479)	343
Unrealized loss on investments	26,273	561
Bank and investment fees	70,418	74,030
Fair value at year end	<u>\$ 873,233</u>	<u>\$ 770,968</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 years ended June 30, 2024 and 2023. Investment income, realized gain and unrealized loss are included as an increase of \$31,847 and investment expenses are included as an increase of \$70,418 in the Statements of Activities, resulting in a net increase of \$102,265 to net assets without donor restrictions for the year ended June 30, 2024. Investment income, realized gain and unrealized loss are included as an increase of \$5,554 and investment expenses are included as an increase of \$74,030 in the Statements of Activities, resulting in a net increase of \$79,584 to net assets without donor restrictions for the year ended June 30, 2023. The Mission Diocese Fund, LLC investments are held by the Idaho Catholic Foundation for the Diocese.

Net investment income at June 30:	2024	2023
Net realized gain	\$ 1,488,387	\$ 49,566
Net unrealized gain (loss)	1,093,422	2,077,502
Interest and dividend income	1,441,857	875,045
	<u>\$ 4,023,666</u>	<u>\$ 3,002,113</u>

## Note 5 - Pledges Receivables

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, 2024 and 2023 were \$278,207 and \$392,352, 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.

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

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## Note 6 - Property, Plant, and Equipment

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

	2024	2023
Buildings	\$ 9,025,347	\$ 6,411,820
Equipment	2,216,577	2,174,584
	11,241,924	8,586,404
Less accumulated depreciation	5,057,693	4,727,130
	6,184,231	3,859,274
Construction in process	994,518	2,361,449
Land	11,721,133	11,720,913
	\$ 18,899,882	\$ 17,941,636

Depreciation expenses for June 30, 2024 and 2023 were \$330,561 and \$257,969, respectively.

## Note 7 - 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.

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

	2024	2023
Investments	\$ 12,149,477	\$ 10,426,161
Beneficial interest in perpetual trust	254,888	222,946

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:

	2024	2023
Income:		
Investment income	\$ 1,226,003	\$ 1,083,359
Contributions	1,006,145	1,773,336
Expenses:		
Distributions to participants	443,601	3,285,525
Investment and managerial expenses	65,231	75,360



# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

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## Note 8 - 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, 2024 and 2023. The beneficial interest in trust assets has been recorded at fair market value as of June 30, 2024 and 2023 in the Statements of Financial Position. The net increase in fair market value from May 31, 2011 to June 30, 2024 of \$191,136 is included in net assets with donor restrictions.

Activity for the beneficial interest in the perpetual trust for the years ended June 30 is as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 668,838	\$ 653,352
Unrealized loss	95,826	15,486
Income distributable to beneficiary	122,704	121,842
Amounts appropriated for expenditure	(122,704)	(121,842)
Total Beneficial Interest in Perpetual Trust	<b>\$ 764,664</b>	<b>\$ 668,838</b>

## Note 9 - 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, 2024 and 2023. It has been determined that the Diocese's net assets with donor restrictions meet the definition of endowment funds under UPMIFA.

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2024

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## Note 9 - Endowment Funds (continued)

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

Board-designated endowments that are internally designated by the Board of Directors and are not donor-restricted are classified and reported as 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  
June 30, 2024

## Note 9 - Endowment Funds (continued)

Endowment Net Asset Composition by Type of Fund as of June 30, 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 5,716,656	\$ -	\$ 5,716,656
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	649,075	733,021	1,382,096
Total funds	<b>\$ 6,365,731</b>	<b>\$ 2,375,688</b>	<b>\$ 8,741,419</b>

Change in endowment net assets as of June, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 5,510,579	\$ 1,809,561	\$ 7,320,140
Contributions	509,603	420,886	930,489
Investment income	340,915	129,576	470,491
Net appreciation	298,106	105,570	403,676
Amounts appropriated for expenditure	(293,472)	(89,905)	(383,377)
Endowment net assets, end of year	<b>\$ 6,365,731</b>	<b>\$ 2,375,688</b>	<b>\$ 8,741,419</b>

Endowment Net Asset Composition by Type of Fund as of June 30, 2023 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 4,870,410	\$ -	\$ 4,870,410
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	640,169	166,894	807,063
Total funds	<b>\$ 5,510,579</b>	<b>\$ 1,809,561</b>	<b>\$ 7,320,140</b>

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

## Note 9 - Endowment Funds (continued)

Change in endowment net assets as of June, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 4,999,718	\$ 1,797,094	\$ 6,796,812
Contributions	200,729	13,438	214,167
Investment income	257,876	71,003	328,879
Net appreciation	346,917	15,486	362,403
Amounts appropriated for expenditure	(294,661)	(87,460)	(382,121)
Endowment net assets, end of year	<b>\$ 5,510,579</b>	<b>\$ 1,809,561</b>	<b>\$ 7,320,140</b>

## Note 10 - 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 actuarial 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 as of:

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
Accumulated benefit obligation	(9,826,186)	(9,782,861)
Projected benefit obligation	(10,511,278)	(10,495,885)
Plan assets at fair value	8,521,479	8,148,425
Funded status at end of year	(1,989,799)	(2,347,460)
Liability for pension benefits	<b>\$ (1,989,799)</b>	<b>\$ (2,347,460)</b>

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2024

## Note 10 - Priests Retirement Plan (continued)

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

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
Noncurrent assets	\$ -	\$ -
Noncurrent liabilities	(1,989,799)	(2,347,460)
	<u>\$ (1,989,799)</u>	<u>\$ (2,347,460)</u>

Amounts recognized in net assets without donor restrictions consist of:

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
Net loss (gain)	\$ (2,036,637)	\$ (1,442,906)
Prior service cost (credit)	1,986,949	1,824,712
	<u>\$ (49,688)</u>	<u>\$ 381,806</u>

## 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:

	2024	2023
Service cost-benefits earned during the period	\$ 220,135	\$ 249,863
Interest cost on projected benefit obligation	527,491	468,126
Return on plan assets		
Expected return	(478,096)	(442,987)
Asset (gain) loss	(358,336)	(391,195)
Actual return on plan assets	<u>(836,432)</u>	<u>(834,182)</u>
Net amortization and deferral		
Amortization of prior service cost	156,074	154,694
Amortization of loss	-	-
Deferral of asset gain (loss)	<u>358,336</u>	<u>391,195</u>
Total	<u>514,410</u>	<u>545,889</u>
Net periodic pension cost	<u>\$ 425,604</u>	<u>\$ 429,696</u>

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

## Note 10 - Priests Retirement Plan (continued)

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

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
Net loss (gain)	\$ (610,560)	\$ (1,168,597)
Prior service cost (credit)	335,140	686,231
Amortization of loss (gain)	16,829	-
Amortization of prior service cost (credit)	(172,903)	(154,694)
Total recognized in net assets without donor restrictions	(431,494)	(637,060)
Net periodic pension cost	425,604	429,696
Total recognized in net periodic pension cost and net assets without donor restrictions	\$ (5,890)	\$ (207,364)

### Assumptions Used to Determine Net Periodic Pension Cost

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
Discount Rate	5.19%	4.58%
Expected long-term rate of return on assets	6.00%	6.00%
Future benefit increases	2.00%	2.00%

The Roman Catholic Diocese of Boise employs a methodical process to determine the estimates of expected long-term rate of return on assets. These estimates are primarily driven by actual historical asset-class returns and advice from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2024 and June 30, 2023, the expected long-term rate of return used in determining net periodic pension cost were 6%.

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

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
Discount rate	5.46%	5.19%
Future benefit increases	2.00%	2.00%

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

## Note 10 - Priests Retirement Plan (continued)

### Plan Asset Investment Strategy and Allocation

The asset allocation for the pension plan as of June 30, 2024 and June 30, 2023 and the target allocation, by asset category, are:

Asset Category	Investment Policy Target Asset Allocation	Policy Benchmark Asset Allocation	Actual Percentage of Plan Assets at June 30	
			2024	2023
Equities	25-75%	50%	68%	69%
Fixed Income	25-75%	40%	19%	20%
Cash Equivalents	0-100%	10%	5%	3%

The fair values of plan assets at June 30, 2024, by asset class are as follows:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 411,875	\$ -	\$ -	\$ 411,875
Open-End mutual funds - equity		430,963		430,963
Open-End mutual funds - fixed income		1,628,257		1,628,257
Open-End mutual funds - balanced		699,489		699,489
Corporate equities - domestic	3,305,434			3,305,434
Corporate equities - foreign	2,045,461			2,045,461
	<b>\$ 5,762,770</b>	<b>\$ 2,758,709</b>	<b>\$ -</b>	<b>\$ 8,521,479</b>

The fair values of plan assets at June 30, 2023, by asset class are as follows:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 264,632	\$ -	\$ -	\$ 264,632
Open-End mutual funds - equity		368,728		368,728
Open-End mutual funds - fixed income		1,591,878		1,591,878
Open-End mutual funds - balanced		655,998		655,998
Corporate equities - domestic	3,233,587			3,233,587
Corporate equities - foreign	2,033,602			2,033,602
	<b>\$ 5,531,821</b>	<b>\$ 2,616,604</b>	<b>\$ -</b>	<b>\$ 8,148,425</b>

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

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## Note 10 - 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 Ending June 30</u>	<u>Annual Pension Benefits</u>
2025	\$ 841,000
2026	825,000
2027	788,000
2028	760,000
2029	753,000
2029-2034	3,695,000
	<u>\$ 7,662,000</u>

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 \$142,107 for the year ended June 30, 2024 and \$162,001 for the year ended June 30, 2023.

Diocesan pension contributions for the years ended June 30, 2024 and 2023 was \$351,771 and \$582,276, respectively. Benefit payments of \$776,288 and \$727,285, were made from the plan during the years ended June 30, 2024 and June 30, 2023, respectively.

The Diocese expects to contribute \$520,000 to the pension plan during the fiscal year ending June 30, 2025.

## Note 11 - 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.



# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

## Note 11 - 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.

### Funded Status

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

	<u>2024</u>	<u>2023</u>
Accumulated benefit obligation	\$ (20,271,600)	\$ (20,112,704)
Projected benefit obligation	(20,370,795)	(20,732,166)
Plan assets at fair value	<u>17,588,557</u>	<u>15,531,209</u>
Funded status at end of year	(2,782,238)	(5,200,957)
Liability for pension benefits	<b>\$ (2,782,238)</b>	<b>\$ (5,200,957)</b>

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

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
Noncurrent assets	\$ -	\$ -
Noncurrent liabilities	(2,782,238)	(5,200,957)
	<b>\$ (2,782,238)</b>	<b>\$ (5,200,957)</b>

Amounts recognized in net assets without donor restrictions consist of:

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
Net loss (gain)	\$ 174,726	\$ 1,944,697
Prior service cost (credit)	-	-
	<b>\$ 174,726</b>	<b>\$ 1,944,697</b>

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

## Note 11 - 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:

	<u>2024</u>	<u>2023</u>
Service cost-benefits earned during the period	\$ 1,278,459	\$ 1,287,840
Interest cost on projected benefit obligation	1,009,574	934,793
Return on plan assets		
Expected return	(947,124)	(827,107)
Asset (gain) loss	(788,810)	(692,126)
Actual return on plan assets	(1,735,934)	(1,519,233)
Net amortization and deferral		
Amortization of transition amount	-	-
Amortization of loss	-	229,833
Deferral of asset gain (loss)	(788,810)	(692,126)
Total	<u>788,810</u>	<u>921,959</u>
Net periodic pension cost	<u>\$ 1,340,909</u>	<u>\$ 1,625,359</u>

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

	<u>Fiscal Year Ended June 30, 2024</u>	<u>Fiscal Year Ended June 30, 2023</u>
Net loss (gain)	\$ (1,769,971)	\$ (1,008,074)
Amortization of loss (gain)	-	(229,833)
Total recognized in net assets without donor restrictions	<u>(1,769,971)</u>	<u>(1,237,907)</u>
Net periodic pension cost	<u>1,340,909</u>	<u>1,625,359</u>
Total recognized in net periodic pension cost and net assets without donor restrictions	<u>\$ (429,062)</u>	<u>\$ 387,452</u>

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

## Note 11 - Lay Employees Pension Plan (continued)

### Assumptions Used to Determine Net Periodic Pension Cost

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
Discount Rate	5.19%	4.53%
Expected long-term rate of return on assets	6.00%	6.00%
Salary Scale	4.50%	4.50%

The Roman Catholic Diocese of Boise employs a methodical process to determine the estimates of expected long-term rate of return on assets. These estimates are primarily driven by actual historical asset-class returns and advice from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2024 and June 30, 2023, the expected long-term rate of return used in determining net periodic pension cost were 6%.

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

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
Discount rate	5.43%	5.19%
Salary scale	4.50%	4.50%

### Plan Asset Investment Strategy and Allocation

The asset allocation for the pension plan as of June 30, 2024 and June 30, 2023 and the target allocation, by asset category, are:

Asset Category	Investment Policy Target Asset Allocation	Policy Benchmark Asset Allocation	Actual Percentage of Plan Assets at June 30 2024	Actual Percentage of Plan Assets at June 30 2023
Equities	25-75%	50%	66%	66%
Fixed Income	25-75%	40%	26%	26%
Cash Equivalents	0-100%	10%	2%	3%

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

## Note 11 - Lay Employees Pension Plan (continued)

The fair values of plan assets at June 30, 2024, by asset class are as follows:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 421,265	\$ -	\$ -	\$ 421,265
Open-End mutual funds - equity		1,125,221		1,125,221
Open-End mutual funds - fixed income		4,612,883		4,612,883
Open-End mutual funds - balanced		895,228		895,228
Corporate equities - domestic	6,917,241			6,917,241
Corporate equities - foreign	3,616,719			3,616,719
	<u>\$ 10,955,225</u>	<u>\$ 6,633,332</u>	<u>\$ -</u>	<u>\$ 17,588,557</u>

The fair values of plan assets at June 30, 2023, by asset class are as follows:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 536,801	\$ -	\$ -	\$ 536,801
Open-End mutual funds - equity		961,652		961,652
Open-End mutual funds - fixed income		3,973,064		3,973,064
Open-End mutual funds - balanced		840,127		840,127
Corporate equities - domestic	6,015,126			6,015,126
Corporate equities - foreign	3,204,439			3,204,439
	<u>\$ 9,756,366</u>	<u>\$ 5,774,843</u>	<u>\$ -</u>	<u>\$ 15,531,209</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.

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

## Note 11 - Lay Employees Pension Plan (continued)

### 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>
2025	\$ 2,070,000
2026	1,691,000
2027	1,750,000
2028	1,766,000
2029	1,839,000
2029-2034	9,504,000
	<u>\$ 18,620,000</u>

Under FASB ASC 715, the funded status is recognized in the statement of 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 \$952,056 for the year ended June 30, 2024 and \$1,314,935 for the year ended June 30, 2023.

Diocesan pension contributions for the years ended June 30, 2024 and 2023 were \$1,989,657 and \$2,164,262, respectively. Benefit payments of \$1,549,068 and \$1,588,872 were made from the plan during the years ended June 30, 2024 and June 30, 2023, respectively.

The Diocese expects to contribute \$2,100,000 to the pension plan during the fiscal year ending June 30, 2025.

## Note 12 - 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 half of the current US Bank CD rate. As of June 30, 2024 and 2023 the fund paid an interest rate on deposits of 2.25% and 2.25%, 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 6.25%. Loans are set at simple interest rates and incur interest charges until paid by the parish or school.

	<u>2024</u>	<u>2023</u>
Balances as of June 30:		
Deposits in Fund from Parishes and Schools	\$ 37,090,934	\$ 38,206,500
Loans from Fund to Parishes and Schools	\$ 6,969,606	\$ 7,608,093
Percentage Loaned Out	18.79%	19.91%

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

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## Note 13 - 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 \$815,677 and \$837,855 as of June 30, 2024 and 2023, respectively.

## Note 14 - 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. For the year ended June 30, 2023, the line was 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. In April 2024, the collateral pledge agreement was released. The collateral monthly interest payments are required on outstanding balances. The maturity date of the line agreement has been extended to April 20, 2025 with an interest of 5% per annum plus the interest rate otherwise payable. Line of credit totaled \$0 and \$0 as of June 30, 2024 and 2023, respectively.

## Note 15 - Notes Payable

Notes payable balances at June 30, 2024 and 2023 are summarized as follows

	2024	2023
Knights of Columbus note payable with interest rate of 4.00% and monthly payments of \$13,166. The loan is secured by the mortgage and is expected to mature in March 2036.	\$ 1,479,286	\$ 1,568,090
Subtotal	1,479,286	1,568,090
Less current portion	101,079	93,320
Long-term portion	<b>\$ 1,378,207</b>	<b>\$ 1,474,770</b>
Future payments are summarized as follows:		
2025	\$ 101,079	
2026	105,197	
2027	109,483	
2028	113,943	
2029	118,586	
Thereafter	930,998	
Total	<b>\$ 1,479,286</b>	

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

## Note 16 - 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>2024</u>	<u>2023</u>
Financial liquid assets, at year-end	\$ 50,970,815	\$ 45,709,789
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	2,438,661	794,345
Restricted by donor, beneficial interest in perpetual trust trust	191,136	95,310
Restricted by donor to maintain in perpetuity as an endowment	1,642,667	1,642,667
Cash management program for parishes and schools	10,863,232	11,044,072
Parish savings deposits	37,090,934	38,206,500
Board designations:		
Quasi-endowment fund	6,359,033	5,500,590
	<u>        </u>	<u>        </u>
Financial liquid assets available to meet cash needs for general expenditure within one year	\$ (7,614,848)	\$ (11,573,695)

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, 2024, amount outstanding under this line of credit facility amounted to \$0.

## Note 17 - 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.

# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
June 30, 2024

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## Note 18 - Net Assets with Donor Restrictions

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

	2024		2023
Subject to expenditures for specified programs:			
Pastoral	(1,690,096)	\$	(1,698,700)
Education	89,570		77,070
Social services	(634,481)		(458,695)
Idaho Catholic Appeal	2,940,808		2,850,433
St. John Vianney Center	1,354,761		1,354,761
	2,060,562		2,124,869
Donor-restricted endowment, perpetual in nature	1,642,667		1,642,667
	\$ 3,703,229	\$	3,767,536

### *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:

	2024		2023
Pastoral	\$ 537,899	\$	427,898
Education	570		1,025
Social services	868,005		767,100
Idaho Catholic Appeal	4,129,092		3,905,066
	\$ 5,535,566	\$	5,101,089

## Note 19 - Leases in Financial Statements of Lessors

The Diocese leases its properties located in Canyon and Ada County, Idaho, to various organizations. The terms of these agreements are month to month.

Additionally, the Diocese lease a property and cell tower to a third party. The current lease commenced on August 1, 2011, and has been renewed through August 1, 2027.

Estimated rental income for the remainder of the lease agreement are as follows

2025		\$	57,600	
2026			57,600	
2027			57,600	
2028			9,600	
		\$	182,400	



# CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements  
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## Note 20 - Leases Commitment

In June 2021, the Diocese entered into a 12-month lease agreement for office space from a third party. They have renewed the agreement annually, maintaining a 12-month contract term. For the years ended June 30, 2024 and 2023, the Organization paid \$361,241 and \$398,082 in rent expense.

## Note 21 - Interest Paid to Parishes

At June 30, 2024 and 2023, the Organization paid \$934,020 and \$711,331 of interest to parishes, respectively.

## Note 22 - 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, 2024 and 2023, the Diocese recognized revenue from Diocesan parishes, schools, and other related organizations in the amount of \$8,787,987 and \$8,466,900, 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 \$1,265,468 and \$890,791 for the years ended June 30, 2024 and 2023, respectively.

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

	<u>2024</u>	<u>2023</u>
Idaho Catholic Foundation Distribution	\$ 98,769	\$ 94,999
Idaho Catholic Appeal	265,000	265,000
Total due from Diocese to Catholic Charities of Idaho, Inc.	<b>\$ 363,769</b>	<b>\$ 359,999</b>

Accounts receivable from Catholic Charities of Idaho, Inc. to the Diocese totaled \$7,953 and \$0 as of June 30, 2024 and 2023, respectively.

A related party, Larry Hellhake, received \$12,000 in commission on real estate transactions in the year ended June 30, 2024

## Idaho Catholic Foundation

The Idaho Catholic Foundation holds assets on behalf of the Diocese as outlined in Note 5. The Diocese performs administrative and accounting functions for the Idaho Catholic Foundation, in which they are paid \$1,275 in total per month. 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

June 30, 2024

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## **Note 23 - 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, 2023, from which the summarized information was derived.

## **Note 24 - Subsequent events**

During the year ended June 30, 2024, the organization opted to convert their priest pension into a qualified trust. Subsequent to year end, the conversion was approved and executed.