

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

FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

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INDEPENDENT AUDITOR'S REPORT

Central Administrative Office of the Roman Catholic Diocese of Boise
Boise, Idaho

We have audited the accompanying financial statements of the Central Administrative Office of the Roman Catholic Diocese of Boise (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Central Administrative Office of the Roman Catholic Diocese of Boise as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

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

Travis Jeffries, P.A.

Boise, Idaho
January 17, 2018

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

STATEMENTS OF FINANCIAL POSITION

June 30, 2017 and June 30, 2016 Summarized Information

ASSETS

	2017			Total	2016
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>		<u>Summarized Information</u>
ASSETS					
Cash	\$ 1,432,948	\$ 16,774	\$ -	\$ 1,449,722	\$ 1,295,620
Accounts and pledges receivable	2,426,839	394,629	-	2,821,468	2,382,817
Deposits and prepaid expenses	133,598	3,791	-	137,389	133,392
Interfund receivable (payable)	(489,205)	489,205	-	-	-
Investments	18,323,788	1,366,090	1,069,139	20,759,017	18,264,373
Beneficial interest in perpetual trust	-	76,851	573,528	650,379	602,502
Loans to parishes and schools	11,513,152	-	-	11,513,152	9,722,987
Loans and notes receivable	182,367	-	-	182,367	250,753
Lay pension trust, excess contribution	26,427	-	-	26,427	(6,267)
Property, plant and equipment	15,029,383	-	-	15,029,383	16,147,909
Accumulated depreciation	(6,186,167)	-	-	(6,186,167)	(6,069,100)
Total Assets	<u>\$ 42,393,130</u>	<u>\$ 2,347,340</u>	<u>\$ 1,642,667</u>	<u>\$ 46,383,137</u>	<u>\$ 42,724,986</u>

LIABILITIES AND NET ASSETS

LIABILITIES					
Accounts payable	\$ 237,899	\$ 7,337	\$ -	\$ 245,236	\$ 335,696
Accrued liabilities	663,293	509,656	-	1,172,949	1,345,613
Parish cash management	6,123,539	-	-	6,123,539	4,796,203
Parish savings deposits	28,765,245	-	-	28,765,245	28,175,463
Liability for pension benefits - lay	957,649	-	-	957,649	1,088,502
Liability for pension benefits - priest	614,795	-	-	614,795	722,732
Deferred revenue	-	-	-	-	2,275
Total Liabilities	37,362,420	516,993	-	37,879,413	36,466,484
NET ASSETS					
Unrestricted	526,424	-	-	526,424	(1,327,810)
Board Designated	4,504,286	-	-	4,504,286	4,039,585
Temporarily Restricted	-	1,830,347	-	1,830,347	1,904,060
Permanently Restricted	-	-	1,642,667	1,642,667	1,642,667
Total Net Assets	<u>5,030,710</u>	<u>1,830,347</u>	<u>1,642,667</u>	<u>8,503,724</u>	<u>6,258,502</u>
Total Liabilities and Net Assets	<u>\$ 42,393,130</u>	<u>\$ 2,347,340</u>	<u>\$ 1,642,667</u>	<u>\$ 46,383,137</u>	<u>\$ 42,724,986</u>

See notes to financial statements.

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

STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2017 and Summarized Information for the Year Ended June 30, 2016

	<u>2017</u>			<u>2016</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Summarized Information</u>
REVENUE AND SUPPORT					
Contributions	\$ 634,241	\$ 3,521,783	\$ -	\$ 4,156,024	\$ 4,001,057
Program services	1,079,350	103,190	-	1,182,540	1,263,128
Assessment revenue	715,995	-	-	715,995	716,226
Insurance program	5,397,629	-	-	5,397,629	5,040,192
Grant revenue	401,162	74,059	-	475,221	629,029
Deposit and loan interest	216,300	-	-	216,300	213,202
Rental income	551,851	53,250	-	605,101	589,109
Gain on the sale of property	1,045,403	-	-	1,045,403	354,410
Realized gain on investments	285,340	26,862	-	312,202	382,885
Unrealized gain (loss) on investments	1,540,937	92,418	-	1,633,355	(1,286,603)
Interest and dividends	409,380	29,685	-	439,065	332,959
Unrealized gain (loss) on beneficial interest in perpetual trust	-	47,877	-	47,877	(29,940)
Miscellaneous	14,101	1,030	-	15,131	5,630
Net assets released from restrictions satisfied by payments	4,023,867	(4,023,867)	-	-	-
Total Revenue and Support	16,315,556	(73,713)	-	16,241,843	12,211,284
EXPENSES					
Program services					
Pastoral	2,900,751	-	-	2,900,751	2,687,765
Education	1,981,234	-	-	1,981,234	1,537,524
Social services	234,530	-	-	234,530	181,425
Deposit and loan interest	576,329	-	-	576,329	282,281
Newspaper	336,073	-	-	336,073	295,827
Retreat center	264,731	-	-	264,731	263,632
Insurance program	5,188,981	-	-	5,188,981	4,268,407
St. John Vianney Retirement Center	64,430	-	-	64,430	59,294
Total Program Services	\$ 11,547,059	\$ -	\$ -	\$ 11,547,059	\$ 9,576,155

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, 2017 and Summarized Information for the Year Ended June 30, 2016

	<u>2017</u>			<u>2016</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Summarized Information</u>
Supporting Services					
General administrative	\$ 1,824,004	\$ -	\$ -	\$ 1,824,004	\$ 2,084,889
Development	301,294	-	-	301,294	294,959
FASB ASC 715 Expense	(115,790)	-	-	(115,790)	560,894
Depreciation	440,054	-	-	440,054	452,227
Total Supporting Services	<u>2,449,562</u>	<u>-</u>	<u>-</u>	<u>2,449,562</u>	<u>3,392,969</u>
Total Expenses	<u>13,996,621</u>	<u>-</u>	<u>-</u>	<u>13,996,621</u>	<u>12,969,124</u>
Increase (Decrease) in Net Assets	2,318,935	(73,713)	-	2,245,222	(757,840)
NET ASSETS, Beginning of Year	<u>2,711,775</u>	<u>1,904,060</u>	<u>1,642,667</u>	<u>6,258,502</u>	<u>7,016,342</u>
NET ASSETS, End of Year	<u><u>\$ 5,030,710</u></u>	<u><u>\$ 1,830,347</u></u>	<u><u>\$ 1,642,667</u></u>	<u><u>\$ 8,503,724</u></u>	<u><u>\$ 6,258,502</u></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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ 2,245,222	\$ (757,840)
Adjustments to reconcile net increase in net assets to net cash used in operating activities:		
Depreciation	440,054	452,227
Realized gain on investments	(312,202)	(382,885)
Unrealized (gain) loss on investments	(1,633,355)	1,286,603
Realized gain on asset disposal	(1,045,403)	(354,410)
Contributions of marketable securities received	(520,788)	(174,390)
Beneficial interest in perpetual trust (increase) decrease	(47,877)	29,940
Changes in operating assets and liabilities:		
Accounts receivable	(438,651)	(11,477)
Prepaid expenses	(3,998)	(15,578)
Accounts payable	(90,460)	111,773
Accrued liabilities	(172,664)	(73,530)
Parish cash management	1,327,336	638,783
Parish savings deposits	589,782	1,276,444
Lay pension trust	(32,694)	6,267
Liability for pension benefits - lay	(130,853)	237,165
Liability for pension benefits - priest	(107,937)	(151,349)
Deferred revenue	(2,275)	1,555
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	63,237	2,119,298
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans and notes receivable	(1,721,779)	1,462,867
Purchase of investments	(1,043,957)	(923,795)
Proceeds from sale of investments	1,015,659	636,865
Purchase of fixed assets	(164,108)	(343,798)
Proceeds from sale of fixed assets	2,005,050	588,245
	<hr/>	<hr/>
Net Cash Provided by (Used in) Investing Activities	90,865	1,420,384
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long-term debt	<hr/> -	<hr/> (2,857,091)
	<hr/>	<hr/>
Net Cash Used in Financing Activities	-	(2,857,091)
	<hr/>	<hr/>
Net Increase in Cash and Cash Equivalents	\$ 154,102	\$ 682,591

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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH AND CASH EQUIVALENTS, Beginning of Year	\$ 1,295,620	\$ 613,029
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 1,449,722</u>	<u>\$ 1,295,620</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expense	\$ 50	\$ 104,128
Noncash contributions of marketable securities	\$ 520,788	\$ 174,390

See notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2017 and 2016

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, 2017 and 2016, advertising costs totaled \$9,631 and \$13,492, respectively.

Investments

The Diocese follows FASB ASC 958, in accounting for investments. According to the standard, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Income Tax Status

The Diocese qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code except for federal taxes on unrelated business income tax on unrelated debt financed income, there is no other provision for federal income taxes.

In accordance with FASB ASC 740, the Diocese has evaluated its operations as of June 30, 2017 as compared to its original application for tax-exempt not-for-profit status. The evaluation also considered the possibility of transactions that may be subject to income tax on unrelated business income. Tax positions considered, but not limited to included: a) the Diocese's characterization of its activities as related or unrelated to its exempt purpose, and b) the Diocese's allocation of revenue and expense between activities that relate to its exempt purpose and those that could be considered unrelated business income. Upon the evaluation, the Diocese does not believe it has any business activities in place that would cause its tax-exempt not-for-profit status to not be sustained upon audit.

Investment Income and Gains

Investment income and gains, when attributed to unrestricted net assets, are considered unrestricted revenue in the reporting period in which the income and gains are recognized.

Fixed Assets

Fixed assets are stated at cost, except for donated equipment, which is stated at fair market value at date of receipt. Depreciation is computed using the straight-line method over estimated useful lives of the assets, which range from 5 to 25 years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. The Diocese capitalizes assets valued \$10,000 or more. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation expenses for June 30, 2017 and 2016 were \$440,054 and \$452,227, 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, 2017 and 2016

NOTE B - FAIR VALUE MEASUREMENTS

The Diocese follows FASB ASC 820, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 - quoted prices in active markets for identical investments
- Level 2 - other significant observable inputs (including quoted prices for similar investments)
- Level 3 - significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments)

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

Key data used to assign fair value to Level 2 assets:

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

NOTE C - INVESTMENTS

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

	<u>2017</u>	<u>2016</u>
Money market funds	\$ 482,587	\$ 574,901
Open-End mutual funds - equity	2,171,355	1,536,422
Open-End mutual funds - fixed income	5,329,397	4,785,573
Open-End mutual funds - balanced	-	15,167
Corporate obligations	14,000	14,000
Government and agency obligations	23,364	24,182
Corporate equities	12,187,032	10,830,524
Mission Diocese Fund, LLC	551,282	483,604
	<u>\$ 20,759,017</u>	<u>\$ 18,264,373</u>

	<u>2017</u>	<u>2016</u>
Net investment income at June 30:		
Net realized gain	\$ 312,202	\$ 382,885
Net unrealized loss	1,633,355	(1,286,603)
Interest and dividend income	439,065	332,959
	<u>\$ 2,384,622</u>	<u>\$ (570,759)</u>

Investments at fair value as of June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 482,587	\$ -	\$ -	\$ 482,587
Open-End mutual funds - equity	126,177	2,045,178	-	2,171,355
Open-End mutual funds - fixed income	-	5,329,397	-	5,329,397
Open-End mutual funds - balanced	-	-	-	-
Corporate obligations	-	14,000	-	14,000
Government and agency obligations	-	23,364	-	23,364
Corporate equities	12,187,032	-	-	12,187,032
Mission Diocese Fund, LLC	-	-	551,282	551,282
	<u>\$ 12,795,796</u>	<u>\$ 7,411,939</u>	<u>\$ 551,282</u>	<u>\$ 20,759,017</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

NOTE C - INVESTMENTS (Continued)

Investments at fair value as of June 30, 2016:

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

The following table reconciles the valuation of Level 3 investments and related transactions during the year ended June 30, 2017:

	<u>Amount</u>
Fair value July 1, 2016	\$ 483,604
Transfers in	-
Interest and dividends	4,295
Realized gain on investments	2,952
Unrealized gain on investments	61,405
Bank and investment fees	<u>(974)</u>
Fair value June 30, 2017	<u>\$ 551,282</u>

Transfers to or from Level 3 investments are deemed to have occurred once the funds have been withdrawn from one and deposited to the other, no transfers occurred during the year ended June 30, 2017. Investment income, realized and unrealized gains are included as an increase of \$68,652 and investment expenses are included as a decrease of \$974 in the Statements of Activities, resulting in a net increase of \$67,678 to unrestricted net assets for the year ended June 30, 2017. The Mission Diocese Fund, LLC investments are held by the Idaho Catholic Foundation for the Diocese.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

NOTE D - PLEDGES RECEIVABLE

The Idaho Catholic Appeal (ICA) is an annual campaign normally conducted in the parishes which raises operating funds for various programs and ministries supported by the Diocese. These programs include pastoral services, care of the priests, outreach, education and formation, Catholic Charities and the Universal Church. The funds are considered temporarily restricted until the end of the campaign when they are distributed for purposes of supporting the stated programs. The total pledges receivable as of June 30, 2017 and 2016 were \$371,922 and \$278,518 respectively. No allowance for doubtful accounts has been recorded, as pledges receivable and funds due from the Idaho Catholic Foundation have either been collected as of the date of these financial statements, or are expected to be collected within one year.

NOTE E - PROPERTY, PLANT AND EQUIPMENT

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

	<u>2017</u>	<u>2016</u>
Buildings	\$ 9,964,451	\$ 10,481,377
Equipment	2,496,711	2,549,805
	12,461,162	13,031,182
Less accumulated depreciation	6,186,167	6,069,100
	6,274,995	6,962,082
Land	2,568,221	3,116,727
	\$ 8,843,216	\$ 10,078,809

NOTE F - IDAHO CATHOLIC FOUNDATION

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

NOTE F - IDAHO CATHOLIC FOUNDATION (Continued)

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

	<u>2017</u>	<u>2016</u>
Investments	\$ 8,750,131	\$ 7,954,397
Beneficial interest in perpetual trust	216,792	200,834

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

	<u>2017</u>	<u>2016</u>
Income:		
Investment income (loss)	\$ 1,061,232	\$ (315,414)
Contributions	164,663	90,458
Expenses:		
Distributions to participants	357,674	379,752
Investment and managerial expenses	63,255	77,178

NOTE G - BENEFICIAL INTEREST IN PERPETUAL TRUST

The Diocese received notice on March 30, 2011 that they were named as a beneficiary in The John L. Muegerl Trust. The trust account assets are held and managed by an independent trustee. In April 2011, a trust investment account was opened at a national financial institution, and in May 2011, trust assets were transferred to the account. The beneficial interest in trust assets was recorded at fair market value as of May 31, 2011, as a permanently restricted contribution. The Diocese's beneficial interest consists of fifteen percent of the total trust assets, divided such that five percent of the beneficial interest is designated to each of the following: the Idaho Catholic Foundation - Held for Diocese, the Diocesan Development Program and the Idaho Priests Special Needs Fund. According to the trust agreement, the Diocese is to receive a fixed percentage of trust assets each year, which is temporarily restricted income to the three funds mentioned above, and has been recorded as such in the Statements of Activities for the years ended June 30, 2017 and 2016. The beneficial interest in trust assets has been recorded at fair market value as of June 30, 2017 and 2016 in the Statements of Financial Position. The net increase in fair market value from May 31, 2011 to June 30, 2017 of \$76,850 is included in temporarily restricted net assets.

Activity for the beneficial interest in the perpetual trust for the year ended June 30, 2017 is as follows:

Beginning balance, June 30, 2016	\$ 602,502	
Unrealized gain	47,877	
Income distributable to beneficiary	20,182	
Amounts appropriated for expenditure	(20,182)	
Total Beneficial Interest in Perpetual Trust	\$ 650,379	

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

NOTE H - ENDOWMENTS

The Diocese follows FASB ASC 958-205 in its accounting for endowments. FASB ASC 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). FASB ASC 958-205 also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of Idaho enacted UPMIFA effective July 1, 2007, the provisions of which apply to endowment funds existing on or established after that date. The Diocese follows FASB ASC 958-205 for the years ending June 30, 2017 and 2016. It has been determined that the Diocese's permanently restricted net assets meet the definition of endowment funds under UPMIFA.

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

Board-designated endowments that are internally designated by the Board of Directors and are not donor-restricted are classified and reported as unrestricted net assets. The Idaho Catholic Foundation administers the endowments of the Diocese. These endowments consist of approximately eleven individual funds, some of which have donor-restricted spending guidelines and were established for a variety of purposes ranging from education of seminarians and helping retired priests of the Diocese, to providing scholarships for education of youth and maintenance and repair of facilities. Endowments administered by the Idaho Catholic Foundation include both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments.

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

Investment Policy

All endowments within the financial statements of the Diocese follow the Prudent Person Guideline. The PPG suggests an amount to be distributed which is designed to allow for a reasonable stream of distributions, while preserving the value of the endowment against inflation and a volatile market. The calculation applies an applicable distribution percentage (currently five percent) to the average value of the endowment account over the preceding period of 12 calendar months.

All endowments are invested in Diocese Investment Pool. The Pool is professionally managed by fourteen different investment firms with specific disciplines of investment such as large cap growth, large cap value, fixed income, etc. Further these managers have regular oversight by an independent consultant hired by the Diocese. This consultant independently reports to the finance council of the Diocese on a quarterly basis. Each manager's performance is specifically checked for adherence to investment discipline and judged against established industry accepted benchmarks.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

NOTE H - ENDOWMENTS (Continued)

Endowment Net Asset Composition by Type of Fund as of June 30, 2017 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment</u>
Donor-restricted endowment funds	\$ 188,547	\$ 76,851	\$ 1,642,667	\$ 1,908,065
Board-designated endowment funds	4,504,286	-	-	4,504,286
Total funds	<u>\$ 4,692,833</u>	<u>\$ 76,851</u>	<u>\$ 1,642,667</u>	<u>\$ 6,412,351</u>

Change in endowment net assets as of June, 2017 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment</u>
Endowment net assets, beginning of year	\$ 4,141,519	\$ 28,974	\$ 1,642,667	\$ 5,813,160
Contributions	158,547	20,182	-	178,729
Investment income	179,219	-	-	179,219
Net appreciation	544,681	47,877	-	592,558
Amounts appropriated for expenditure	(331,133)	(20,182)	-	(351,315)
Endowment net assets, end of year	<u>\$ 4,692,833</u>	<u>\$ 76,851</u>	<u>\$ 1,642,667</u>	<u>\$ 6,412,351</u>

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

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

Change in endowment net assets as of June, 2016 are as follows:

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

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, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Vested benefit obligation	\$ (9,358,000)	\$ (9,929,000)
Accumulated benefit obligation	(9,848,000)	(10,483,000)
Projected benefit obligation	(11,902,000)	(12,764,000)
Plan assets at fair value	<u>6,285,000</u>	<u>5,534,000</u>
Funded status at end of year	(5,617,000)	(7,230,000)
Liability for pension benefits	\$ (5,617,000)	\$ (7,230,000)
Vested benefit obligation ratio	67.16%	55.74%

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

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Noncurrent assets	\$ -	\$ -
Current liabilities	-	-
Noncurrent liabilities	<u>(5,617,000)</u>	<u>(7,230,000)</u>
	<u>\$ (5,617,000)</u>	<u>\$ (7,230,000)</u>

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

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Net loss (gain)	\$ 1,559,000	\$ 3,103,000
Net transition obligation (asset)	-	-
Prior service cost (credit)	<u>846,000</u>	<u>1,081,000</u>
	<u>\$ 2,405,000</u>	<u>\$ 4,184,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

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, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Service cost-benefits earned during the period	\$ 370,000	\$ 327,000
Interest cost on projected benefit obligation	431,000	503,000
Return on plan assets		
Expected return	(377,000)	(366,000)
Asset (gain) loss	<u>(339,000)</u>	<u>612,000</u>
Actual return on plan assets	(716,000)	246,000
Net amortization and deferral		
Amortization of prior service cost	235,000	235,000
Amortization of transition amount	-	-
Amortization of loss	107,000	60,000
Deferral of asset gain (loss)	<u>339,000</u>	<u>(612,000)</u>
Total	<u>681,000</u>	<u>(317,000)</u>
Net periodic pension cost	<u><u>\$ 766,000</u></u>	<u><u>\$ 759,000</u></u>

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

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Net loss (gain)	\$ (1,437,000)	\$ 852,000
Prior service cost (credit)	-	-
Amortization of loss (gain)	(107,000)	(60,000)
Amortization of transition amount	-	-
Amortization of prior service cost (credit)	<u>(235,000)</u>	<u>(235,000)</u>
Total recognized in unrestricted net assets	(1,779,000)	557,000
Net periodic pension cost	<u>766,000</u>	<u>759,000</u>
Total recognized in net periodic pension cost and unrestricted net assets	<u><u>\$ (1,013,000)</u></u>	<u><u>\$ 1,316,000</u></u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

NOTE I - PRIESTS RETIREMENT PLAN (Continued)

Assumptions Used to Determine Net Periodic Pension Cost

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Discount Rate	3.45%	4.21%
Expected long-term rate of return on assets	7.00%	7.00%
Future benefit increases	2.50%	2.50%

The Roman Catholic Diocese of Boise employs a methodical process to determine the estimates of expected long-term rate of return on assets. These estimates are primarily driven by actual historical asset-class returns and advice from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2017 and June 30, 2016, the expected long-term rate of return used in determining net periodic pension cost was 7.0%.

Assumptions Used to Determine Benefit Obligations at Year-End

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Discount rate	3.70%	3.45%
Future benefit increases	2.50%	2.50%

Plan Asset Investment Strategy and Allocation

The asset allocation for the pension plan as of June 30, 2017 and June 30, 2016 and the target allocation, by asset category, are:

<u>Asset Category</u>	Investment Policy Target Asset Allocation	Actual Percentage of Plan Assets at June 30	
		<u>2017</u>	<u>2016</u>
Equities	25-75%	71%	65%
Fixed Income	25-75%	26%	31%
Cash Equivalents	0-100%	3%	4%

The fair values of plan assets at June 30, 2017, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 204,957	\$ -	\$ -	\$ 204,957
Open-End mutual funds - equity	9,430	592,580	-	602,010
Open-End mutual funds - fixed income	-	1,630,495	-	1,630,495
Corporate equities	3,847,887	-	-	3,847,887
	<u>\$ 4,062,274</u>	<u>\$ 2,223,075</u>	<u>\$ -</u>	<u>\$ 6,285,349</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

NOTE I - PRIESTS RETIREMENT PLAN (Continued)

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

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

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>
2018	\$ 591,000
2019	582,000
2020	591,000
2021	641,000
2022	621,000
2023-2027	\$ 3,177,000

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 \$614,795 for the year ended June 30, 2017 and \$722,732 for the year ended June 30, 2016.

For the years ended June 30, 2017 and 2016, pension contributions of \$600,000 and \$944,000, respectively, were made. Benefit payments of \$533,000 and \$531,000 were made from the plan during the years ended June 30, 2017 and June 30, 2016, respectively.

The Diocese expects to contribute \$600,000 to the pension plan during the fiscal year ending June 30, 2018.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

NOTE J - LAY EMPLOYEES PENSION PLAN

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

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

Funded Status

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

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Vested benefit obligation	\$ (15,454,000)	\$ (15,795,000)
Accumulated benefit obligation	(17,831,000)	(18,221,000)
Projected benefit obligation	(18,491,000)	(18,807,000)
Plan assets at fair value	<u>9,064,000</u>	<u>8,190,000</u>
Funded status at end of year	(9,427,000)	(10,617,000)
Liability for pension benefits	\$ (9,427,000)	\$ (10,617,000)
Vested benefit obligation ratio	58.65%	51.85%

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

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Noncurrent assets	\$ -	\$ -
Current liabilities	-	-
Noncurrent liabilities	<u>(9,427,000)</u>	<u>(10,617,000)</u>
	<u>\$ (9,427,000)</u>	<u>\$ (10,617,000)</u>

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

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Net loss (gain)	\$ 5,926,000	\$ 7,600,000
Prior service cost (credit)	-	-
	<u>\$ 5,926,000</u>	<u>\$ 7,600,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

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, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Service cost-benefits earned during the period	\$ 1,181,000	\$ 1,037,000
Interest cost on projected benefit obligation	631,000	660,000
Return on plan assets		
Expected return	580,000	(574,000)
Asset (gain) loss	<u>(427,000)</u>	<u>931,000</u>
Actual return on plan assets	(1,007,000)	357,000
Net amortization and deferral		
Amortization of transition amount	-	-
Amortization of loss	572,000	370,000
Deferral of asset gain (loss)	<u>(427,000)</u>	<u>(931,000)</u>
Total	<u>999,000</u>	<u>(561,000)</u>
Net periodic pension cost	<u><u>\$ 1,804,000</u></u>	<u><u>\$ 1,493,000</u></u>

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

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Net loss (gain)	\$ (1,102,000)	\$ 2,651,000
Prior service cost (credit)	-	-
Amortization of loss (gain)	(572,000)	(370,000)
Amortization of transition obligation	-	-
Amortization of prior service cost (credit)	<u>-</u>	<u>-</u>
Total recognized in unrestricted net assets	(1,674,000)	2,281,000
Net periodic pension cost	<u>1,804,000</u>	<u>1,493,000</u>
Total recognized in net periodic pension cost and unrestricted net assets	<u><u>\$ 130,000</u></u>	<u><u>\$ 3,774,000</u></u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

NOTE J - LAY EMPLOYEES PENSION PLAN (Continued)

Assumptions Used to Determine Net Periodic Pension Cost

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Discount Rate	3.45%	4.21%
Expected long-term rate of return on assets	7.00%	7.00%
Salary Scale	4.50%	4.50%

The Roman Catholic Diocese of Boise employs a methodical process to determine the estimates of expected long-term rate of return on assets. These estimates are primarily driven by actual historical asset-class returns and advice from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2017 and June 30, 2016, the expected long-term rate of return used in determining net periodic pension cost was 7.0%.

Assumptions Used to Determine Benefit Obligations at Year-End

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Discount rate	3.70%	3.45%
Salary scale	4.50%	4.50%

Plan Asset Investment Strategy and Allocation

The asset allocation for the pension plan as of June 30, 2017 and June 30, 2016 and the target allocation, by asset category, are:

<u>Asset Category</u>	<u>Investment Policy Target Asset Allocation</u>	<u>Policy Benchmark Asset Allocation</u>	<u>Actual Percentage of Plan Assets at June 30</u>	
			<u>2017</u>	<u>2016</u>
Equities	25-75%	50%	71%	69%
Fixed Income	25-75%	40%	27%	28%
Cash Equivalents	0-100%	10%	2%	3%

The fair values of plan assets at June 30, 2017, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 206,489	\$ -	\$ -	\$ 206,489
Open-End mutual funds - equity	10,397	858,122	-	868,519
Open-End mutual funds - fixed income	-	2,448,549	-	2,448,549
Corporate equities	5,540,443	-	-	5,540,443
	<u>\$ 5,757,329</u>	<u>\$ 3,306,671</u>	<u>\$ -</u>	<u>\$ 9,064,000</u>

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

NOTE J - LAY EMPLOYEES PENSION PLAN (Continued)

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

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

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

Cash Flows

Estimated Future Benefit Payments

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

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Annual Pension</u> <u>Benefits</u>
2018	\$ 1,613,000
2019	1,267,000
2020	1,362,000
2021	1,358,000
2022	1,434,000
2023-2027	\$ 1,454,000

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 \$957,649 for the year ended June 30, 2017 and \$1,088,502 for the year ended June 30, 2016.

Diocesan pension contributions for the years ended June 30, 2017 and 2016 were \$1,320,000 and \$1,210,000, respectively. Benefit payments of \$1,351,000 and \$692,000 were made from the plan during the years ended June 30, 2017 and June 30, 2016, respectively.

The Diocese expects to contribute \$1,320,000 to the pension plan during the fiscal year ending June 30, 2018.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

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, 2017 and 2016 the fund paid an interest rate on deposits of .79% and .68%, 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 4.70%. Loans are set at simple interest rates and incur interest charges until paid by the parish or school.

	<u>2017</u>	<u>2016</u>
Balances as of June 30:		
Deposits in Fund from Parishes and Schools	\$ 28,765,245	\$ 28,175,463
Loans from Fund to Parishes and Schools	\$ 11,513,152	\$ 9,722,987
Percentage Loaned Out	40.02%	34.51%

NOTE L - NOTES AND ACCOUNTS RECEIVABLE

The Diocese makes loans and has accounts receivable due from parishes, schools and other religious organizations as part of its normal operations. The allowance for doubtful accounts related to outstanding loans totaled \$1,408,000 and \$1,218,800 as of June 30, 2017 and 2016, respectively.

NOTE M - LINE OF CREDIT

The Diocese has a revolving line of credit agreement with a local financial institution. The line has a \$10,000,000 limit and is collateralized by investments in marketable securities held at the same bank, including investments held at the Idaho Catholic Foundation for the Diocese and other organizations. Monthly interest payments are required on outstanding balances. The line agreement has a maturity date of March 31, 2018. There are certain covenants established with the line of credit and management states that they are in compliance with all covenants. Funds borrowed are subject to a variable rate equal to the lesser of 2.250% or 1.050% plus the one-month adjusted LIBOR rate. No balance was due as of June 30, 2017 and June 30, 2016.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

NOTE N - RESTRICTED NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>2017</u>	<u>2016</u>
Pastoral	\$ (1,043,880)	\$ (972,211)
Education	41,591	37,523
Social Services	599,056	833,943
Idaho Catholic Appeal (2016 Campaign)	-	2,004,805
Idaho Catholic Appeal (2017 Campaign)	2,233,580	-
	<u>\$ 1,830,347</u>	<u>\$ 1,904,060</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>2017</u>	<u>2016</u>
Pastoral	\$ 408,797	\$ 498,497
Education	45,475	98,075
Social Services	696,006	563,731
Idaho Catholic Appeal (2016 Campaign)	-	2,782,224
Idaho Catholic Appeal (2017 Campaign)	2,873,589	-
	<u>\$ 4,023,867</u>	<u>\$ 3,942,527</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>2017</u>	<u>2016</u>
Endowment Funds	<u>\$ 1,642,667</u>	<u>\$ 1,642,667</u>

NOTE O - INSURANCE ACTIVITIES

In fiscal year 2016, the Diocese managed 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 at June 30, 2016 totaled \$220,000. In fiscal year 2017, the Diocese switched to a fully funded medical insurance plan (RETA Trust) from the self-insured they were previously in. As of June 30, 2017, the Diocese has no incurred amounts due.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

NOTE P - LEASES IN FINANCIAL STATEMENTS OF LESSORS

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

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

Years ending June 30:	<u>Amount</u>
2018	492,612
2019	457,714
2020	298,397
2021	121,129
	<u>\$ 1,369,852</u>

NOTE Q - LEASE COMMITMENTS

The Diocese entered a lease agreement in July 2015, involving several pieces of office equipment. The lease term is for sixty months, and the monthly payment is \$2,530. Total equipment lease expense recognized under this agreement for the year ended June 30, 2017 was \$23,880.

Future minimum lease payments at June 30 are as follows:

2018	\$ 28,656
2019	28,656
2020	28,656
2021	4,776
	<u>\$ 90,744</u>

NOTE R - 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, 2017 and 2016, the Diocese recognized revenue from Diocesan parishes, schools, and other related organizations in the amount of \$6,409,122 and \$6,157,511, 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 \$200,642 and \$190,859 for the years ended June 30, 2017 and 2016, respectively.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

NOTE R - RELATED PARTY TRANSACTIONS (Continued)

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

	<u>2017</u>	<u>2016</u>
Idaho Catholic Foundation Distribution	\$ 93,636	\$ 90,994
Idaho Catholic Appeal	<u>265,000</u>	<u>260,000</u>
Total due from Diocese to Catholic Charities of Idaho, Inc.	<u><u>\$ 358,636</u></u>	<u><u>\$ 350,994</u></u>

Accounts receivable from Catholic Charities of Idaho, Inc. to the Diocese totaled \$10,600 and \$12,406 as of June 30, 2017 and 2016, respectively.

Idaho Catholic Foundation

The Idaho Catholic Foundation holds assets on behalf of the Diocese as outlined in Note F. The investment assets held at the Idaho Catholic Foundation for the Diocese as well as \$16,206,576 held for itself and other charitable organizations are pledged as collateral for the line of credit described in Note M. The Diocese performs administrative functions for the Idaho Catholic Foundation, in which they are paid \$1,150 per month. The board of directors for the Idaho Catholic Foundation is not elected by the Diocese.

NOTE 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 for the year ended June 30, 2017. Uninsured balances for the years ended June 30, 2017 and 2016 were \$1,199,071 and \$1,044,972, respectively.

Financial instruments that potentially subject the Diocese to a concentration of credit risk consist principally of cash and cash equivalents, accounts receivable and loans receivable. The activity of the Diocese is primarily with parishes, schools, and other entities within the Diocese. The credit risk for these receivables arises because the Diocese is dependent on the financial support of the parishioners to their local parish and the parishes' subsequent support of the Diocese.

NOTE T - 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, 2016, from which the summarized information was derived.

NOTE U - RECLASSIFICATIONS

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2017 and 2016

NOTE V - CAPITAL CAMPAIGN

The Diocese ran a capital campaign from July, 2012 to June, 2017. The money raised has been distributed as per the elements of the case study. All assets contributed to the capital campaign are considered property of the Idaho Catholic Foundation. The Diocese has no authority and no ownership of the funds; therefore, no assets from the capital campaign other than those approved for distribution, have been included in the financial statements of the Diocese. Annual support from the capital campaign distributed to the Diocese is recorded as contribution revenue when it is received or authorized by the Idaho Catholic Foundation for distribution.

The Diocese incurred capital campaign expenses as follows:

	<u>2017</u>	<u>2016</u>
Other capital campaign expenses	<u>\$ 10,387</u>	<u>\$ 40,370</u>

As mentioned in Note D, the Diocese's annual Idaho Catholic Appeal was incorporated as part of the capital campaign for the year ended June 30, 2013. The Diocese received capital campaign collections for the Idaho Catholic Appeal of \$0 and \$10,509 for the years ending June 30, 2017 and 2016, respectively.

NOTE W - SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 17, 2018 which coincides with the date of issuance of these financial statements. As of the report date, no events of significance have been brought to the attention of management that would require disclosure.

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Central Administrative Office of the Roman Catholic Diocese of Boise
Boise, Idaho

We have audited the financial statements of the Central Administrative Office of the Roman Catholic Diocese of Boise as of and for the year ended June 30, 2017, and have issued our report thereon dated January 17, 2018, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Prior year Summarized Supplementary Information

The June 30, 2016 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated November 28, 2016. In addition, the 2016 supplementary information was subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Our report stated that the information was fairly stated in all material respects in relation to the financial statements as a whole. In our opinion the summarized comparative supplementary information presented in the following schedules for the year ended June 30, 2016, is consistent, in all material respects, with the supplementary information from which it has been derived.

Travis Jeffries, P.A.

Boise, Idaho
January 17, 2018

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

COMBINING STATEMENTS OF FINANCIAL POSITION - UNRESTRICTED NET ASSETS

June 30, 2017 and June 30, 2016 Summarized Information

ASSETS

	2017										2016	
	<u>Operating</u>	<u>Deposit & Loan</u>	<u>Health & Welfare Insurance</u>	<u>Property & Liability Insurance</u>	<u>Idaho Catholic Register</u>	<u>Nazareth Retreat Center</u>	<u>Student Centers</u>	<u>Custodial</u>	<u>Plant</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
ASSETS												
Cash	\$ 1,259,746	\$ -	\$ 17,026	\$ -	\$ 140,230	\$ 24,926	\$ (8,980)	\$ -	\$ -	\$ -	\$ 1,432,948	\$ 1,278,959
Accounts and pledges receivable	1,284,371	577	248,118	781,593	27,833	3,428	-	80,919	-	-	2,426,839	2,085,703
Deposits and prepaid expenses	88,960	-	-	-	20,437	-	4,201	-	20,000	-	133,598	128,428
Interfund receivable (payable)	3,030,114	8,995,075	546,479	(28,294)	(166,973)	(990,149)	(1,153,625)	31,470	(10,746,647)	(6,655)	(489,205)	(833,283)
Investments	3,403,494	9,572,615	28,393	224,603	-	-	361,870	-	-	4,732,813	18,323,788	15,967,181
Loans to parishes and schools	-	11,513,152	-	-	-	-	-	-	-	-	11,513,152	9,722,987
Loans and notes receivable	182,367	-	-	-	-	-	-	-	-	-	182,367	250,753
Lay pension trust, excess contribution	26,427	-	-	-	-	-	-	-	-	-	26,427	(6,267)
Property, plant and equipment	-	36,584	-	-	15,011	2,675,138	-	-	12,302,650	-	15,029,383	16,147,909
Accumulated depreciation	-	-	-	-	(13,013)	(1,490,407)	-	-	(4,682,747)	-	(6,186,167)	(6,069,100)
Total Assets	\$ 9,275,479	\$ 30,118,003	\$ 840,016	\$ 977,902	\$ 23,525	\$ 222,936	\$ (796,534)	\$ 112,389	\$ (3,106,744)	\$ 4,726,158	\$ 42,393,130	\$ 38,673,270

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, 2017 and June 30, 2016 Summarized Information

LIABILITIES AND NET ASSETS

	2017										2016	
	<u>Operating</u>	<u>Deposit & Loan</u>	<u>Health & Welfare Insurance</u>	<u>Property & Liability Insurance</u>	<u>Idaho Catholic Register</u>	<u>Nazareth Retreat Center</u>	<u>Student Centers</u>	<u>Custodial</u>	<u>Plant</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
LIABILITIES												
Accounts payable	\$ 105,825	\$ -	\$ 139	\$ -	\$ 827	\$ 100,040	\$ 10,128	\$ 20,940	\$ -	\$ -	\$ 237,899	\$ 324,456
Accrued liabilities	300,635	-	-	-	1,612	11,728	3,176	124,270	-	221,872	663,293	851,864
Parish cash management	6,123,539	-	-	-	-	-	-	-	-	-	6,123,539	4,796,203
Parish savings deposit	-	28,765,245	-	-	-	-	-	-	-	-	28,765,245	28,175,463
Liability for pension benefits - lay	957,649	-	-	-	-	-	-	-	-	-	957,649	1,088,502
Liability for pension benefits - priest	614,795	-	-	-	-	-	-	-	-	-	614,795	722,732
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	2,275
Total Liabilities	8,102,443	28,765,245	139	-	2,439	111,768	13,304	145,210	-	221,872	37,362,420	35,961,495
NET ASSETS	<u>1,173,036</u>	<u>1,352,758</u>	<u>839,877</u>	<u>977,902</u>	<u>21,086</u>	<u>111,168</u>	<u>(809,838)</u>	<u>(32,821)</u>	<u>(3,106,744)</u>	<u>4,504,286</u>	<u>5,030,710</u>	<u>2,711,775</u>
Total Liabilities and Net Assets	<u>\$ 9,275,479</u>	<u>\$ 30,118,003</u>	<u>\$ 840,016</u>	<u>\$ 977,902</u>	<u>\$ 23,525</u>	<u>\$ 222,936</u>	<u>\$ (796,534)</u>	<u>\$ 112,389</u>	<u>\$ (3,106,744)</u>	<u>\$ 4,726,158</u>	<u>\$ 42,393,130</u>	<u>\$ 38,673,270</u>

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, 2017 and Summarized Information for the Year Ended June 30, 2016

	2017										2016	
	<u>Operating</u>	<u>Deposit & Loan</u>	<u>Health & Welfare Insurance</u>	<u>Property & Liability Insurance</u>	<u>Idaho Catholic Register</u>	<u>Nazareth Retreat Center</u>	<u>Student Centers</u>	<u>Custodial</u>	<u>Plant</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
REVENUE AND SUPPORT												
Contributions	\$ 115,357	\$ -	\$ -	\$ -	\$ -	\$ 40,616	\$ 319,722	\$ -	\$ -	\$ 158,546	\$ 634,241	\$ 769,007
Program services	668,273	-	-	-	242,701	165,806	2,570	-	-	-	1,079,350	1,157,530
Assessment revenue	715,995	-	-	-	-	-	-	-	-	-	715,995	716,226
Insurance program	-	-	4,428,900	968,729	-	-	-	-	-	-	5,397,629	5,040,192
Grant revenue	172,152	-	-	-	-	-	229,010	-	-	-	401,162	459,958
Deposit and loan interest	2,430	213,870	-	-	-	-	-	-	-	-	216,300	213,202
Rental income	525,877	-	-	-	-	15,414	10,560	-	-	-	551,851	540,709
Gain on sale of property	674,569	-	-	-	-	-	-	370,834	-	-	1,045,403	354,410
Investment income	524,776	1,114,520	3,238	25,634	1,058	147	2,291	-	563,993	-	2,235,657	(557,837)
Miscellaneous	5,793	-	-	-	-	8,194	114	-	-	-	14,101	5,340
Net assets released from restrictions satisfied by payments	4,023,867	-	-	-	-	-	-	-	-	-	4,023,867	3,942,527
Total Revenue	7,429,089	1,328,390	4,432,138	994,363	243,759	230,177	564,267	-	370,834	722,539	16,315,556	12,641,264
EXPENSES												
Salaries	1,789,915	-	-	-	160,649	117,365	255,957	-	-	-	2,323,886	2,309,873
Auto	26,216	-	-	-	229	504	-	-	-	-	26,949	34,977
Advertising	5,738	-	-	-	49	222	3,621	-	-	-	9,630	13,492
Bank and investment fees	140,300	68,990	201	1,596	-	-	1,595	-	-	35,966	248,648	292,100
Computer	171,057	-	-	-	16,117	32	1,784	-	-	-	188,990	169,459
Contributions	536,058	-	-	-	-	-	-	-	-	-	536,058	415,835
Dues and subscriptions	69,619	-	-	-	630	231	4,289	-	-	-	74,769	71,140
Depreciation	-	-	-	-	1,011	46,009	-	-	393,034	-	440,054	452,227
Employee benefits	416,646	-	-	-	28,540	25,624	34,658	-	-	-	505,468	494,279
Event	605,384	-	-	-	13,509	-	94,601	-	-	-	713,494	500,669
Supplies	36,303	-	-	-	13,236	35,687	18,371	-	-	-	103,597	95,952
Miscellaneous	12,976	-	-	-	88	121	409	-	-	-	13,594	12,450
Payroll taxes	117,142	-	-	-	11,075	8,548	11,001	-	-	-	147,766	149,002
Postage	37,903	-	-	-	43,946	200	529	-	-	-	82,578	102,205
Office	4,607	-	-	-	-	-	-	-	-	-	4,607	6,042
Equipment leases and rental	67,210	-	-	-	-	-	2,314	-	-	-	69,524	110,724
Repairs and maintenance	142,228	-	-	-	-	34,459	24,250	-	-	-	200,937	177,262

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, 2017 and Summarized Information for the Year Ended June 30, 2016

	2017										2016	
	<u>Operating</u>	<u>Deposit & Loan</u>	<u>Health & Welfare Insurance</u>	<u>Property & Liability Insurance</u>	<u>Idaho Catholic Register</u>	<u>Nazareth Retreat Center</u>	<u>Student Centers</u>	<u>Custodial</u>	<u>Plant</u>	<u>Board Designated</u>	<u>Total</u>	<u>Summarized Information</u>
Interest	\$ 7,221	\$ 200,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 207,863	\$ 300,089
Bad debt	(10,800)	306,646	-	-	-	-	-	-	-	-	295,846	(9,600)
Stipends	27,538	-	-	-	500	3,220	36,800	-	-	-	68,058	34,119
Telephone	19,583	-	-	-	177	4,516	2,947	-	-	-	27,223	28,746
Training	76,811	-	-	-	267	125	400	-	-	-	77,603	16,969
Travel	69,894	-	-	-	516	-	6,009	-	-	-	76,419	74,507
Meetings	22,010	-	-	-	-	-	-	-	-	-	22,010	21,958
Printing and copies	99,088	-	-	-	42,696	-	6,526	-	-	-	148,310	110,168
Professional services	165,338	53	21,725	-	300	191	140,983	-	-	-	328,590	294,650
Insurance	17,323	-	4,312,372	853,138	-	-	-	-	-	-	5,182,833	4,213,961
Appropriations	165,248	-	-	-	-	-	-	-	221,872	-	387,120	357,674
Disbursements	1,277,077	-	-	-	-	-	-	-	-	-	1,277,077	1,251,265
Meals and entertainment	20,820	-	-	-	154	-	2,413	-	-	-	23,387	21,621
Utilities	116,957	-	-	-	-	33,802	39,763	-	-	-	190,522	184,919
Property taxes	63,557	-	-	-	-	-	13,390	-	-	-	76,947	65,870
Workers compensation	27,552	-	-	-	2,306	-	2,196	-	-	-	32,054	33,626
FASB ASC 715 Expense	(115,790)	-	-	-	-	-	-	-	-	-	(115,790)	560,894
Total Expenses	6,228,729	576,331	4,334,298	854,734	335,995	310,856	704,806	-	393,034	257,838	13,996,621	12,969,124
Increase (Decrease) in Net Assets	1,200,360	752,059	97,840	139,629	(92,236)	(80,679)	(140,539)	-	(22,200)	464,701	2,318,935	(327,860)
NET ASSETS, Beginning of Year	(27,324)	600,699	742,037	838,273	113,322	191,847	(669,299)	(32,821)	(3,084,544)	4,039,585	2,711,775	3,039,635
NET ASSETS, End of Year	\$ 1,173,036	\$ 1,352,758	\$ 839,877	\$ 977,902	\$ 21,086	\$ 111,168	\$ (809,838)	\$ (32,821)	\$ (3,106,744)	\$ 4,504,286	\$ 5,030,710	\$ 2,711,775

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, 2017 and June 30, 2016 Summarized Information

ASSETS

	2017								
	<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	\$ -	\$ 14,393	\$ -	\$ -	\$ 500	\$ -	\$ 1,881	\$ -	\$ -
Accounts and pledges receivable	-	-	3,454	-	-	-	-	-	391,175
Deposits and prepaid expenses	1,140	2,451	-	-	200	-	-	-	-
Interfund receivable (payable)	(6,399)	(70,668)	(2,075,582)	-	865,472	-	-	(216,985)	1,816,788
Investments	137,243	786,404	69,441	145,532	-	-	-	19,799	-
Beneficial interest in perpetual trust	-	-	25,617	-	-	-	-	-	25,617
Total Assets	\$ 131,984	\$ 732,580	\$ (1,977,070)	\$ 145,532	\$ 866,172	\$ -	\$ 1,881	\$ (197,186)	\$ 2,233,580

LIABILITIES AND NET ASSETS

LIABILITIES									
Accounts payable	\$ 29	\$ 2,320	\$ 352		\$ 4,093	\$ -	\$ -	101	\$ -
Accrued liabilities	358,790	2,136	-	145,532	3,198	-	-	-	-
Total Liabilities	358,819	4,456	352	145,532	7,291	-	-	101	-
NET ASSETS	(226,835)	728,124	(1,977,422)	-	858,881	-	1,881	(197,287)	2,233,580
Total Liabilities and Net Assets	\$ 131,984	\$ 732,580	\$ (1,977,070)	\$ 145,532	\$ 866,172	\$ -	\$ 1,881	\$ (197,186)	\$ 2,233,580

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, 2017 and June 30, 2016 Summarized Information (Continued)

	2017					2016
	Catholic <u>Idaho</u>	Idaho Catholic <u>Foundation</u>	<u>Education</u>	Unitrust <u>Fund</u>	<u>Total</u>	<u>Summarized Information</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 16,774	\$ 16,661
Accounts and pledges receivable	-	-	-	-	394,629	297,114
Deposits and prepaid expenses	-	-	-	-	3,791	4,964
Interfund receivable (payable)	178,817	-	1,794	(4,032)	489,205	833,283
Investments	90,620	-	37,916	79,135	1,366,090	1,228,053
Beneficial interest in perpetual trust	-	25,617	-	-	76,851	28,974
Total Assets	\$ 269,437	\$ 25,617	\$ 39,710	\$ 75,103	\$ 2,347,340	\$ 2,409,049
LIABILITIES AND NET ASSETS						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	442	\$ 7,337	\$ 11,240
Accrued liabilities	-	-	-	-	509,656	493,749
Total Liabilities	-	-	-	442	516,993	504,989
NET ASSETS	269,437	25,617	39,710	74,661	1,830,347	1,904,060
Total Liabilities and Net Assets	\$ 269,437	\$ 25,617	\$ 39,710	\$ 75,103	\$ 2,347,340	\$ 2,409,049

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, 2017 and Summarized Information for the Year Ended June 30, 2016

	2017								
	<u>Charity</u>	<u>Seminary</u>	<u>Clergy</u>	<u>Koelsch Charitable Unitrust</u>	<u>Retirement Housing</u>	<u>Extension Grant</u>	<u>Magic Valley High School</u>	<u>Bishop Discretionary</u>	<u>Diocesan Development Plan</u>
REVENUE AND SUPPORT									
Contributions	\$ 114,429	\$ 173,263	\$ 125,927	\$ -	\$ 12,642	\$ -	\$ -	\$ 2,388	\$ 3,086,405
Program services	-	440	102,750	-	-	-	-	-	-
Grant revenue	8,000	20,853	-	-	-	45,206	-	-	-
Rental income	-	-	-	-	53,250	-	-	-	-
Investment income	15,652	89,783	7,919	10,958	-	-	13	2,258	-
Unrealized gain on beneficial interest in perpetual trust	-	-	15,959	-	-	-	-	-	15,959
Miscellaneous	1,000	-	-	-	-	-	-	30	-
Net assets released from restrictions satisfied by payments	<u>(201,353)</u>	<u>(454,746)</u>	<u>(332,042)</u>	<u>(10,958)</u>	<u>(64,430)</u>	<u>(45,206)</u>	<u>-</u>	<u>(32,534)</u>	<u>(2,873,589)</u>
Total Revenue and Support	(62,272)	(170,407)	(79,487)	-	1,462	-	13	(27,858)	228,775
NET ASSETS, Beginning of Year	<u>(164,563)</u>	<u>898,531</u>	<u>(1,897,935)</u>	<u>-</u>	<u>857,419</u>	<u>-</u>	<u>1,868</u>	<u>(169,429)</u>	<u>2,004,805</u>
NET ASSETS, End of Year	<u>\$ (226,835)</u>	<u>\$ 728,124</u>	<u>\$ (1,977,422)</u>	<u>\$ -</u>	<u>\$ 858,881</u>	<u>-</u>	<u>\$ 1,881</u>	<u>\$ (197,287)</u>	<u>\$ 2,233,580</u>

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

COMBINING STATEMENTS OF ACTIVITIES - TEMPORARILY RESTRICTED NET ASSETS

For the Year Ended June 30, 2017 and Summarized Information for the Year Ended June 30, 2016 (Continued)

	2017				2016	
	Catholic Idaho	Idaho Catholic Foundation	Education	Unitrust Fund	Total	Summarized Information
REVENUE AND SUPPORT						
Contributions	\$ -	\$ 6,729	\$ -	\$ -	\$ 3,521,783	\$ 3,232,050
Program services	-	-	-	-	103,190	105,598
Grant revenue	-	-	-	-	74,059	169,071
Rental income	-	-	-	-	53,250	48,400
Investment income	10,335	-	4,324	7,723	148,965	(12,922)
Unrealized gain on beneficial interest in perpetual trust	-	15,959	-	-	47,877	(29,940)
Miscellaneous	-	-	-	-	1,030	290
Net assets released from restrictions satisfied by payments	(644)	(6,729)	(269)	(1,367)	(4,023,867)	(3,942,527)
Total Revenue and Support	9,691	15,959	4,055	6,356	(73,713)	(429,980)
NET ASSETS, Beginning of Year	259,746	9,658	35,655	68,305	1,904,060	2,334,040
NET ASSETS, End of Year	<u>\$ 269,437</u>	<u>\$ 25,617</u>	<u>\$ 39,710</u>	<u>\$ 74,661</u>	<u>\$ 1,830,347</u>	<u>\$ 1,904,060</u>

See independent auditor's report on supplementary information.

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

COMBINING STATEMENTS OF FINANCIAL POSITION - PERMANENTLY RESTRICTED NET ASSETS

June 30, 2017 and June 30, 2016 Summarized Information

ASSETS

	2017							2016	
	<u>Heinz Charitable</u>	<u>St. Joseph's Children Home</u>	<u>Chausee Family Memorial Fund</u>	<u>James & Olive Davis Fund</u>	<u>Seminarian scholarship fund</u>	<u>John L. Muegerl Trust</u>	<u>Thomas and Joan Chapman Cooney Fund</u>	<u>Total</u>	<u>Summarized Information</u>
ASSETS									
Investments	\$ 94,148	\$ 151,455	\$ 250,050	\$ 238,361	\$ 100,125	\$ -	\$ 235,000	\$ 1,069,139	\$ 1,069,139
Beneficial interest in perpetual trust	-	-	-	-	-	573,528	-	573,528	573,528
Total Assets	<u>\$ 94,148</u>	<u>\$ 151,455</u>	<u>\$ 250,050</u>	<u>\$ 238,361</u>	<u>\$ 100,125</u>	<u>\$ 573,528</u>	<u>\$ 235,000</u>	<u>\$ 1,642,667</u>	<u>\$ 1,642,667</u>

LIABILITIES AND NET ASSETS

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

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

COMBINING STATEMENTS OF ACTIVITIES - PERMANENTLY RESTRICTED NET ASSETS

For the Year Ended June 30, 2017 and Summarized Information for the Year Ended June 30, 2016

	2017							2016	
	<u>Heinz Charitable</u>	<u>St. Joseph's Children Home</u>	<u>Chausee Family Memorial Fund</u>	<u>James & Olive Davis Fund</u>	<u>Seminarian scholarship fund</u>	<u>John L. Muegerl Trust</u>	<u>Thomas and Joan Chapman Cooney Fund</u>	<u>Total</u>	<u>Summarized Information</u>
REVENUE AND SUPPORT Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue and Support	-	-	-	-	-	-	-	-	-
NET ASSETS, Beginning of Year	94,148	151,455	250,050	238,361	100,125	573,528	235,000	1,642,667	1,642,667
NET ASSETS, End of Year	<u>\$ 94,148</u>	<u>\$ 151,455</u>	<u>\$ 250,050</u>	<u>\$ 238,361</u>	<u>\$ 100,125</u>	<u>\$ 573,528</u>	<u>\$ 235,000</u>	<u>\$ 1,642,667</u>	<u>\$ 1,642,667</u>

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