

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

**FINANCIAL STATEMENTS**

**JUNE 30, 2014 AND 2013**

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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, 2014 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, 2014, 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 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 23, 2014. In our opinion the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Travis Jeffries, P.A.*

Boise, Idaho  
January 16, 2015

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

**STATEMENTS OF FINANCIAL POSITION**

June 30, 2014 and June 30, 2013 Summarized Information

**ASSETS**

	2014			Total	2013
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>		<u>Summarized Information</u>
ASSETS					
Cash	\$ 416,024	\$ 16,660	\$ -	\$ 432,684	\$ 23,631
Certificates of deposit	-	-	-	-	-
Accounts and pledges receivable	1,799,847	243,905	-	2,043,752	4,683,090
Deposits and prepaid expenses	122,974	6,572	-	129,546	167,512
Interfund receivable (payable)	(1,164,565)	1,164,565	-	-	-
Marketable securities	15,290,080	1,264,478	1,068,914	17,623,472	15,227,434
Beneficial interest in perpetual trust	-	95,832	573,528	669,360	606,813
Loans to parishes and schools	10,637,150	-	-	10,637,150	9,063,798
Loans and notes receivable	582,645	-	-	582,645	611,338
Property, plant and equipment	16,094,769	88,655	-	16,183,424	17,241,725
Accumulated depreciation	(5,528,949)	(4,372)	-	(5,533,321)	(5,183,986)
<b>Total Assets</b>	<b>\$ 38,249,975</b>	<b>\$ 2,876,295</b>	<b>\$ 1,642,442</b>	<b>\$ 42,768,712</b>	<b>\$ 42,441,355</b>

**LIABILITIES AND NET ASSETS**

LIABILITIES					
Accounts payable	\$ 158,003	\$ 23,106	\$ -	\$ 181,109	\$ 137,698
Accrued liabilities	1,064,694	497,675	-	1,562,369	1,868,134
Line of credit	600,000	-	-	600,000	3,000,000
Parish cash management	3,896,678	-	-	3,896,678	3,898,928
Parish savings deposits	24,655,101	-	-	24,655,101	22,484,903
Lay pension trust	39,705	-	-	39,705	279,588
Liability for pension benefits - lay	705,445	-	-	705,445	597,960
Liability for pension benefits - priest	906,660	-	-	906,660	739,253
Notes payable	3,019,878	-	-	3,019,878	3,173,831
Deferred revenue	-	-	-	-	115
<b>Total Liabilities</b>	<b>35,046,164</b>	<b>520,781</b>	<b>-</b>	<b>35,566,945</b>	<b>36,180,410</b>
NET ASSETS					
Unrestricted	(800,506)	-	-	(800,506)	(1,679,259)
Board Designated	4,004,317	-	-	4,004,317	3,575,737
Temporarily restricted	-	2,355,514	-	2,355,514	2,722,025
Permanently restricted	-	-	1,642,442	1,642,442	1,642,442
<b>Total Net Assets</b>	<b>3,203,811</b>	<b>2,355,514</b>	<b>1,642,442</b>	<b>7,201,767</b>	<b>6,260,945</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 38,249,975</b>	<b>\$ 2,876,295</b>	<b>\$ 1,642,442</b>	<b>\$ 42,768,712</b>	<b>\$ 42,441,355</b>

See notes to financial statements.

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

**STATEMENTS OF ACTIVITIES**

**For the Year Ended June 30, 2014 and Summarized Information for the Year Ended June 30, 2013**

	<u>2014</u>			<u>Total</u>	<u>2013</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>		<u>Summarized Information</u>
<b>REVENUE AND SUPPORT</b>					
Contributions	\$ 213,999	\$ 2,804,944	\$ -	\$ 3,018,943	\$ 3,436,898
Program services	1,157,331	111,333	-	1,268,664	1,281,381
Assessment revenue	687,730	-	-	687,730	661,088
Insurance program	4,622,742	-	-	4,622,742	4,572,673
Grant revenue	282,914	193,280	-	476,194	472,505
Deposit and loan interest	306,808	-	-	306,808	282,366
Rental income	413,346	46,842	-	460,188	682,824
Gain (loss) on the sale of property	(49,576)	-	-	(49,576)	532,643
Realized gain on investments	576,933	38,023	-	614,956	640,009
Unrealized gain on investments	1,653,046	112,503	-	1,765,549	803,456
Interest and dividends	257,692	23,642	-	281,334	319,418
Unrealized gain on beneficial interest in perpetual trust	-	62,547	-	62,547	35,813
ICF campaign reimbursements	-	-	-	-	500,000
Miscellaneous	15,611	440	-	16,051	13,707
Net assets released from restrictions satisfied by payments	3,760,065	(3,760,065)	-	-	-
Total Revenue and Support	13,898,641	(366,511)	-	13,532,130	14,234,781
<b>EXPENSES</b>					
Program services					
Pastoral	2,359,525	-	-	2,359,525	2,210,364
Education	1,464,553	-	-	1,464,553	1,417,067
Social services	227,925	-	-	227,925	210,056
Deposit and loan interest	348,449	-	-	348,449	1,364,718
Newspaper	294,999	-	-	294,999	274,602
Retreat center	268,662	-	-	268,662	261,535
Insurance program	4,250,885	-	-	4,250,885	3,797,983
St. John Vianney Retirement Center	58,189	-	-	58,189	63,090
Total Program Services	\$ 9,273,187	\$ -	\$ -	\$ 9,273,187	\$ 9,599,415

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, 2014 and Summarized Information for the Year Ended June 30, 2013**

	<u>2014</u>			<u>2013</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Summarized Information</u>
Supporting Services					
General administrative	\$ 2,286,207	\$ -	\$ -	\$ 2,286,207	\$ 2,289,312
Development	309,893	-	-	309,893	1,045,803
FASB ASC 715 Expense	274,892	-	-	274,892	(131,654)
Depreciation	447,129	-	-	447,129	491,316
Total Supporting Services	<u>3,318,121</u>	<u>-</u>	<u>-</u>	<u>3,318,121</u>	<u>3,694,777</u>
Total Expenses	<u>12,591,308</u>	<u>-</u>	<u>-</u>	<u>12,591,308</u>	<u>13,294,192</u>
Increase (Decrease) in Net Assets	1,307,333	(366,511)	-	940,822	940,589
NET ASSETS, Beginning of Year	<u>1,896,478</u>	<u>2,722,025</u>	<u>1,642,442</u>	<u>6,260,945</u>	<u>5,320,356</u>
NET ASSETS, End of Year	<u>\$ 3,203,811</u>	<u>\$ 2,355,514</u>	<u>\$ 1,642,442</u>	<u>\$ 7,201,767</u>	<u>\$ 6,260,945</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, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 940,822	\$ 940,589
Adjustments to reconcile net increase in net assets to net cash used in operating activities:		
Depreciation	447,129	491,316
Realized gain on investments	(614,956)	(640,009)
Unrealized gain on investments	(1,765,549)	(803,456)
Realized (gain) loss on asset disposal	49,576	(594,608)
Contributions of marketable securities received	(199,398)	(307,734)
Increase in beneficial interest in perpetual trust	(62,547)	(35,813)
Changes in operating assets and liabilities:		
Accounts receivable	2,639,338	(2,240,714)
Prepaid expenses	37,966	(30,021)
Accounts payable	43,411	(3,034)
Accrued liabilities	(305,765)	(90,531)
Parish cash management	(2,250)	563,927
Parish savings deposits	2,170,198	(2,629,028)
Lay Pension Trust	(239,883)	(216,703)
Liability for pension benefits - lay	107,485	(81,031)
Liability for pension benefits - priest	167,407	(50,623)
Deferred revenue	(115)	(2,510)
Net Cash Provided by (Used in) Operating Activities	3,412,869	(5,729,983)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of certificates of deposit	-	145,711
Loans and notes receivable	(1,544,659)	2,346,368
Purchase of investments	(498,975)	(636,433)
Proceeds from sale of investments	682,840	670,409
Purchase of fixed assets	(80,248)	(395,105)
Proceeds from sale of fixed assets	991,179	1,023,033
Net Cash Provided by (Used in) Investing Activities	(449,863)	3,153,983
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from (payments to) line of credit	(2,400,000)	2,000,000
Payment of long-term debt	(153,953)	(144,472)
Net Cash Provided by (Used in) Financing Activities	(2,553,953)	1,855,528
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 409,053	\$ (720,472)

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, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
CASH AND CASH EQUIVALENTS, Beginning of Year	\$ 23,631	\$ 744,103
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 432,684</u>	<u>\$ 23,631</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expense	\$ 182,945	\$ 193,072

See notes to financial statements.



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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2014 and 2013**

**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, 2014 and 2013, advertising costs totaled \$9,064 and \$5,218, respectively.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2014 and 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)**

*Investments*

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

*Income Tax Status*

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

In accordance with FASB ASC 740, the Diocese has evaluated its operations as of June 30, 2014 as compared to its original application for tax-exempt not-for-profit status. Upon the evaluation, the Diocese does not believe it has any business activities in place that would cause its tax-exempt not-for-profit status to not be sustained upon audit.

*Investment Income and Gains*

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

*Fixed Assets*

Fixed assets are stated at cost, except for donated equipment, which is stated at fair market value at date of receipt. Depreciation is computed using the straight-line method over estimated useful lives of the assets, which range from 5 to 25 years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. The Diocese capitalizes assets valued \$1,000 or more. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation expenses for June 30, 2014 and 2013 were \$447,129 and \$491,316, 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, 2014 and 2013**

**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:

	<u>Primary vendor or source</u>	<u>Update frequency</u>	<u>Methodology</u>	<u>Secondary vendor or 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	Financial Times Interactive Data	Daily	Institutional Bond Quotes based assessments of various market and industry inputs	Standard & Poor's Bloomberg
Municipal bonds	Standard & Poor's	Daily	Based on assessments of various market and industry inputs	Financial Times Interactive Data Bloomberg

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2014 and 2013**

**NOTE C - INVESTMENTS**

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

	<u>2014</u>	<u>2013</u>
Money market funds	\$ 812,698	\$ 690,483
Open-End mutual funds - equity	2,037,359	2,051,532
Open-End mutual funds - fixed income	3,995,656	2,668,451
Open-End mutual funds - balanced	247,117	527,384
Corporate obligations	69,875	573,525
Government and agency obligations	188,427	253,814
Municipal bonds	-	32,712
Corporate equities	10,272,340	8,429,533
	<u>\$ 17,623,472</u>	<u>\$ 15,227,434</u>

	<u>2014</u>	<u>2013</u>
Net investment income at June 30:		
Net realized gain	\$ 614,956	\$ 640,009
Net unrealized gain	1,765,549	803,456
Interest and dividend income	281,334	319,418
	<u>\$ 2,661,839</u>	<u>\$ 1,762,883</u>

Investments at fair value as of June 30, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 812,698	\$ -	\$ -	\$ 812,698
Open-End mutual funds - equity	267,025	1,770,334	-	2,037,359
Open-End mutual funds - fixed income	-	3,995,656	-	3,995,656
Open-End mutual funds - balanced	-	247,117	-	247,117
Corporate obligations	69,875	-	-	69,875
Government and agency obligations	188,427	-	-	188,427
Municipal bonds	-	-	-	-
Corporate equities	10,272,340	-	-	10,272,340
	<u>\$ 11,610,365</u>	<u>\$ 6,013,107</u>	<u>\$ -</u>	<u>\$ 17,623,472</u>

Investments at fair value as of June 30, 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 690,483	\$ -	\$ -	\$ 690,483
Open-End mutual funds - equity	731,016	1,320,517	-	2,051,533
Open-End mutual funds - fixed income	-	2,668,451	-	2,668,451
Open-End mutual funds - balanced	-	527,384	-	527,384
Corporate obligations	317,082	256,442	-	573,524
Government and agency obligations	253,814	-	-	253,814
Municipal bonds	-	32,712	-	32,712
Corporate equities	8,429,533	-	-	8,429,533
	<u>\$ 10,421,928</u>	<u>\$ 4,805,506</u>	<u>\$ -</u>	<u>\$ 15,227,434</u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2014 and 2013**

**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, 2014 and 2013 were \$224,368 and \$0, respectively. The 2013 ICA funds were raised as part of the capital campaign described in Note V, and are being collected and held by the Idaho Catholic Foundation. The ICA receivable due from the Idaho Catholic Foundation totaled \$11,187 and \$2,320,862 as of June 30, 2014 and 2013, 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>2014</u>	<u>2013</u>
Buildings	\$ 10,001,533	\$ 10,107,984
Equipment	2,452,512	2,459,642
	<u>12,454,045</u>	<u>12,567,626</u>
Less accumulated depreciation	5,533,321	5,183,986
	<u>6,920,724</u>	<u>7,383,640</u>
Land	3,729,379	4,674,099
	<u>\$ 10,650,103</u>	<u>\$ 12,057,739</u>

**NOTE F - IDAHO CATHOLIC FOUNDATION**

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

Investments and related financial items held by the Idaho Catholic Foundation for the Diocese are reflected in 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, 2014 and 2013**

**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>2014</u>	<u>2013</u>
Investments	\$ 7,906,053	\$ 6,839,232
Beneficial interest in perpetual trust	223,120	202,271
Land	81,000	316,000

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>2014</u>	<u>2013</u>
Income:		
Investment income	\$ 1,259,356	\$ 871,238
Contributions	226,536	341,162
Expenses:		
Distributions to participants	333,581	306,138
Investment and managerial expenses	64,641	57,718

**NOTE G - BENEFICIAL INTEREST IN PERPETUAL TRUST**

The Diocese received notice on March 30, 2011 that they were named as a beneficiary in The John L. Muegerl Trust. The trust account assets are held and managed by an independent trustee. In April 2011, a trust investment account was opened at a national financial institution, and in May 2011 trust assets were transferred to the account. The beneficial interest in trust assets was recorded at fair market value as of May 31, 2011, as a permanently restricted contribution. The Diocese's beneficial interest consists of fifteen percent of the total trust assets, divided such that five percent of the beneficial interest is designated to each of the following: the Idaho Catholic Foundation - Held for Diocese, the Diocesan Development Program and the Idaho Priests Special Needs Fund. According to the trust agreement, the Diocese is to receive a fixed percentage of trust assets each year, which is temporarily restricted income to the three funds mentioned above, and has been recorded as such in the Statement of Activities for the years ended June 30, 2014 and 2013. The beneficial interest in trust assets has been recorded at fair market value as of June 30, 2014 and 2013 in the Statements of Financial Position. The net increase in fair market value from May 31, 2011 to June 30, 2014 of \$95,832 is included in temporarily restricted net assets.

Activity for the beneficial interest in the perpetual trust for the year ended June 30, 2014 is as follows:

Beginning balance, June 30, 2013	\$ 606,813	
Unrealized gain	62,547	
Income distributable to beneficiary	13,735	
Amounts appropriated for expenditure	(13,735)	
Total Beneficial Interest in Perpetual Trust	\$ 669,360	

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2014 and 2013**

**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, 2014 and 2013. 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 ten different investment firms with specific disciplines of investment such as large cap growth, large cap value, fixed income, etc. Further these managers have regular oversight by an independent consultant hired by the Diocese. This consultant independently reports to the finance council of the Diocese on a quarterly basis. Each manager's performance is specifically checked for adherence to investment discipline and judged against established industry accepted benchmarks.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2014 and 2013**

**NOTE H - ENDOWMENTS (Continued)**

Endowment Net Asset Composition by Type of Fund as of June 30, 2014 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment</u>
Donor-restricted endowment funds	\$ 281,202	\$ 95,832	\$ 1,642,442	\$ 2,019,476
Board-designated endowment funds	4,004,317	-	-	4,004,317
Total funds	<u>\$ 4,285,519</u>	<u>\$ 95,832</u>	<u>\$ 1,642,442</u>	<u>\$ 6,023,793</u>

Change in endowment net assets as of June, 2014 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment</u>
Endowment net assets, beginning of year	\$ 3,732,884	\$ 33,285	\$ 1,642,442	\$ 5,408,611
Contributions	2,704	13,735	-	16,439
Investment income	303,104	-	-	303,104
Net appreciation	577,522	62,547	-	640,069
Amounts appropriated for expenditure	(330,695)	(13,735)	-	(344,430)
Endowment net assets, end of year	<u>\$ 4,285,519</u>	<u>\$ 95,832</u>	<u>\$ 1,642,442</u>	<u>\$ 6,023,793</u>

Endowment Net Asset Composition by Type of Fund as of June 30, 2013 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment</u>
Donor-restricted endowment funds	\$ 157,147	\$ 33,285	\$ 1,642,442	\$ 1,832,874
Board-designated endowment funds	3,575,737	-	-	3,575,737
Total funds	<u>\$ 3,732,884</u>	<u>\$ 33,285</u>	<u>\$ 1,642,442</u>	<u>\$ 5,408,611</u>

Change in endowment net assets as of June, 2013 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment</u>
Endowment net assets, beginning of year	\$ 3,300,010	\$ 2,681	\$ 1,407,442	\$ 4,710,133
Contributions	101,490	10,212	235,000	346,702
Investment income	329,522	-	-	329,522
Net appreciation	274,995	33,285	-	308,280
Amounts appropriated for expenditure	(273,133)	(12,893)	-	(286,026)
Endowment net assets, end of year	<u>\$ 3,732,884</u>	<u>\$ 33,285</u>	<u>\$ 1,642,442</u>	<u>\$ 5,408,611</u>



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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2014 and 2013**

**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:

	<b>Fiscal Year Ended <u>June 30, 2014</u></b>	<b>Fiscal Year Ended <u>June 30, 2013</u></b>
Vested benefit obligation	\$ (8,456,000)	\$ (7,866,000)
Accumulated benefit obligation	(8,674,000)	(8,053,000)
Projected benefit obligation	(12,318,000)	(11,371,000)
Plan assets at fair value	<u>5,321,000</u>	<u>4,466,000</u>
Funded status at end of year	(6,997,000)	(6,905,000)
Liability for pension benefits	\$ (6,997,000)	\$ (6,905,000)
Vested benefit obligation ratio	62.93%	56.78%

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

	<b>Fiscal Year Ended <u>June 30, 2014</u></b>	<b>Fiscal Year Ended <u>June 30, 2013</u></b>
Noncurrent assets	\$ -	\$ -
Current liabilities	-	-
Noncurrent liabilities	<u>(6,997,000)</u>	<u>(6,905,000)</u>
	<u>\$ (6,997,000)</u>	<u>\$ (6,905,000)</u>

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

	<b>Fiscal Year Ended <u>June 30, 2014</u></b>	<b>Fiscal Year Ended <u>June 30, 2013</u></b>
Net loss	\$ 2,300,000	\$ 2,159,000
Net transition asset	(4,000)	(21,000)
Prior service cost	<u>1,584,000</u>	<u>1,857,000</u>
	<u>\$ 3,880,000</u>	<u>\$ 3,995,000</u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2014 and 2013**

**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:

	<b>Fiscal Year Ended <u>June 30, 2014</u></b>	<b>Fiscal Year Ended <u>June 30, 2013</u></b>
Service cost-benefits earned during the period	\$ 327,000	\$ 402,000
Interest cost on projected benefit obligation	499,000	464,000
Return on plan assets		
Expected return	(329,000)	(287,000)
Asset (gain) loss	<u>(450,000)</u>	<u>(217,000)</u>
Actual return on plan assets	(779,000)	(504,000)
Net amortization and deferral		
Amortization of prior service cost	273,000	273,000
Amortization of transition amount	(17,000)	(17,000)
Amortization of loss	54,000	122,000
Deferral of asset gain (loss)	<u>450,000</u>	<u>217,000</u>
Total	<u>760,000</u>	<u>595,000</u>
Net periodic pension cost	<u><u>\$ 807,000</u></u>	<u><u>\$ 957,000</u></u>

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

	<b>Fiscal Year Ended <u>June 30, 2014</u></b>	<b>Fiscal Year Ended <u>June 30, 2013</u></b>
Net loss (gain)	\$ 195,000	\$ (1,235,000)
Prior service cost	-	-
Amortization of loss	(54,000)	(122,000)
Amortization of transition obligation	17,000	17,000
Amortization of prior service cost	<u>(273,000)</u>	<u>(273,000)</u>
Total recognized in unrestricted net assets	(115,000)	(1,613,000)
Net periodic pension cost	<u>807,000</u>	<u>957,000</u>
Total recognized in net periodic pension cost and unrestricted net assets	<u><u>\$ 692,000</u></u>	<u><u>\$ (656,000)</u></u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

June 30, 2014 and 2013

**NOTE I - PRIESTS RETIREMENT PLAN (Continued)**

**Assumptions Used to Determine Net Periodic Pension Cost**

	<b>Fiscal Year Ended <u>June 30, 2014</u></b>	<b>Fiscal Year Ended <u>June 30, 2013</u></b>
Discount Rate	4.49%	3.93%
Expected long-term rate of return on assets	7.50%	7.50%
Future benefit increases	3.00%	3.00%

The Roman Catholic Diocese of Boise employs a methodical process to determine the estimates of expected long-term rate of return on assets. These estimates are primarily driven by actual historical asset-class returns and advise from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2014 and June 30, 2013, the expected long-term rate of return used in determining net periodic pension cost was 7.5%.

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

	<b>Fiscal Year Ended <u>June 30, 2014</u></b>	<b>Fiscal Year Ended <u>June 30, 2013</u></b>
Discount rate	3.97%	4.49%
Future benefit increases	3.00%	3.00%

**Plan Asset Investment Strategy and Allocation**

The asset allocation for the pension plan as of June 30, 2014 and June 30, 2013 and the target allocation, by asset category, are:

<b><u>Asset Category</u></b>	<b><u>Investment Policy Target Asset Allocation</u></b>	<b><u>Actual Percentage of Plan Assets at June 30</u></b>	
		<b><u>2014</u></b>	<b><u>2013</u></b>
Equities	25-75%	69%	70%
Fixed Income	25-75%	27%	27%
Cash Equivalents	0-100%	4%	3%

The fair values of plan assets at June 30, 2014, by asset class are as follows:

	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Money market funds	\$ 183,583	\$ -	\$ -	\$ 183,583
Open-End mutual funds - equity	17,703	650,036	-	667,739
Open-End mutual funds - fixed income	-	1,427,244	-	1,427,244
Mutual funds - balanced	-	-	-	-
Corporate obligations	-	-	-	-
Government and agency obligations	-	-	-	-
Municipal bonds	-	-	-	-
Corporate equities	3,042,434	-	-	3,042,434
	<u>\$3,243,720</u>	<u>\$2,077,280</u>	<u>\$ -</u>	<u>\$ 5,321,000</u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2014 and 2013**

**NOTE I - PRIESTS RETIREMENT PLAN (Continued)**

The fair values of plan assets at June 30, 2013, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 164,013	\$ -	\$ -	\$ 164,013
Open-End mutual funds - equity	79,016	539,474	-	618,490
Open-End mutual funds - fixed income	-	922,385	-	922,385
Mutual funds - balanced	-	169,112	-	169,112
Corporate obligations	177,441	-	-	177,441
Government and agency obligations	19,131	-	-	19,131
Municipal bonds	-	9,484	-	9,484
Corporate equities	2,385,944	-	-	2,385,944
	<u>\$ 2,825,545</u>	<u>\$ 1,640,455</u>	<u>\$ -</u>	<u>\$ 4,466,000</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>
2015	\$ 587,000
2016	619,000
2017	605,000
2018	677,000
2019	667,000
2020-2024	\$ 3,465,000

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 \$906,660 for the year ended June 30, 2014 and \$739,253 for the year ended June 30, 2013.

For the years ended June 30, 2014 and 2013, pension contributions of \$600,000 and \$570,000, respectively, were made. Benefit payments of \$502,000 and \$515,000 were made from the plan during the years ended June 30, 2014 and June 30, 2013, respectively.

The Diocese expects to contribute \$600,000 to the pension plan during the fiscal year ending June 30, 2015.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2014 and 2013**

**NOTE J - LAY EMPLOYEES PENSION PLAN**

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

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

**Funded Status**

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

	<b>Fiscal Year Ended <u>June 30, 2014</u></b>	<b>Fiscal Year Ended <u>June 30, 2013</u></b>
Vested benefit obligation	\$ (11,538,000)	\$ (10,151,000)
Accumulated benefit obligation	(13,696,000)	(12,131,000)
Projected benefit obligation	(14,010,000)	(12,131,000)
Plan assets at fair value	<u>7,718,000</u>	<u>6,136,000</u>
Funded status at end of year	(6,292,000)	(5,995,000)
Liability for pension benefits	\$ (6,292,000)	\$ (5,995,000)
Vested benefit obligation ratio	66.89%	60.45%

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

	<b>Fiscal Year Ended <u>June 30, 2014</u></b>	<b>Fiscal Year Ended <u>June 30, 2013</u></b>
Noncurrent assets	\$ -	\$ -
Current liabilities	-	-
Noncurrent liabilities	<u>(6,292,000)</u>	<u>(5,995,000)</u>
	<u>\$ (6,292,000)</u>	<u>\$ (5,995,000)</u>

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

	<b>Fiscal Year Ended <u>June 30, 2014</u></b>	<b>Fiscal Year Ended <u>June 30, 2013</u></b>
Net loss	\$ 3,418,000	\$ 3,028,000
Prior service cost	-	-
	<u>\$ 3,418,000</u>	<u>\$ 3,028,000</u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

June 30, 2014 and 2013

**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:

	<b>Fiscal Year Ended <u>June 30, 2014</u></b>	<b>Fiscal Year Ended <u>June 30, 2013</u></b>
Service cost-benefits earned during the period	\$ 846,000	\$ 850,000
Interest cost on projected benefit obligation	525,000	456,000
Return on plan assets		
Expected return	(466,000)	(403,000)
Asset (gain) loss	<u>(639,000)</u>	<u>(259,000)</u>
Actual return on plan assets	(1,105,000)	(662,000)
Net amortization and deferral		
Amortization of transition amount	-	-
Amortization of loss	202,000	265,000
Deferral of asset gain (loss)	<u>639,000</u>	<u>259,000</u>
Total	<u>841,000</u>	<u>524,000</u>
Net periodic pension cost	<u><u>\$ 1,107,000</u></u>	<u><u>\$ 1,168,000</u></u>

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

	<b>Fiscal Year Ended <u>June 30, 2014</u></b>	<b>Fiscal Year Ended <u>June 30, 2013</u></b>
Net loss (gain)	\$ 592,000	\$ (557,000)
Prior service cost	-	-
Amortization of loss	(202,000)	(265,000)
Amortization of transition obligation	-	-
Amortization of prior service credit	<u>-</u>	<u>-</u>
Total recognized in unrestricted net assets	390,000	(822,000)
Net periodic pension cost	<u>1,107,000</u>	<u>1,168,000</u>
Total recognized in net periodic pension cost and unrestricted net assets	<u><u>\$ 1,497,000</u></u>	<u><u>\$ 346,000</u></u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2014 and 2013**

**NOTE J - LAY EMPLOYEES PENSION PLAN (Continued)**

**Assumptions Used to Determine Net Periodic Pension Cost**

	<b>Fiscal Year Ended <u>June 30, 2014</u></b>	<b>Fiscal Year Ended <u>June 30, 2013</u></b>
Discount Rate	4.49%	3.93%
Expected long-term rate of return on assets	7.50%	7.50%
Salary Scale	4.50%	4.50%

The Roman Catholic Diocese of Boise employs a methodical process to determine the estimates of expected long-term rate of return on assets. These estimates are primarily driven by actual historical asset-class returns and advice from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2014 and June 30, 2013, the expected long-term rate of return used in determining net periodic pension cost was 7.5%.

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

	<b>Fiscal Year Ended <u>June 30, 2014</u></b>	<b>Fiscal Year Ended <u>June 30, 2013</u></b>
Discount rate	3.97%	4.49%
Future benefit increases	4.50%	4.50%

**Plan Asset Investment Strategy and Allocation**

The asset allocation for the pension plan as of June 30, 2014 and June 30, 2013 and the target allocation, by asset category, are:

<b><u>Asset Category</u></b>	<b><u>Investment Policy Target Asset Allocation</u></b>	<b><u>Policy Benchmark Asset Allocation</u></b>	<b><u>Actual Percentage of Plan Assets at June 30</u></b>	
			<b><u>2014</u></b>	<b><u>2013</u></b>
Equities	25-75%	50%	68%	71%
Fixed Income	25-75%	40%	29%	26%
Cash Equivalents	0-100%	10%	3%	3%

The fair values of plan assets at June 30, 2014, by asset class are as follows:

	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Money market funds	\$ 204,906	\$ -	\$ -	\$ 204,906
Open-End mutual funds - equity	25,444	1,016,767	-	1,042,211
Open-End mutual funds - fixed income	-	2,252,632	-	2,252,632
Mutual funds - balanced	-	-	-	-
Corporate equities	4,218,251	-	-	4,218,251
	<b><u>\$ 4,448,601</u></b>	<b><u>\$ 3,269,399</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 7,718,000</u></b>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2014 and 2013**

**NOTE J - LAY EMPLOYEES PENSION PLAN (Continued)**

The fair values of plan assets at June 30, 2013, by asset class are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 203,854	\$ -	\$ -	\$ 203,854
Open-End mutual funds - equity	111,685	853,679	-	965,364
Open-End mutual funds - fixed income	-	1,481,302	-	1,481,302
Mutual funds - balanced	-	252,186	-	252,186
Corporate equities	3,233,294	-	-	3,233,294
	<u>\$ 3,548,833</u>	<u>\$ 2,587,167</u>	<u>\$ -</u>	<u>\$ 6,136,000</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>
2015	\$ 1,039,000
2016	938,000
2017	1,193,000
2018	928,000
2019	1,411,000
2020-2024	\$ 7,397,000

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 \$705,445 for the year ended June 30, 2014 and \$597,960 for the year ended June 30, 2013.

Diocesan pension contributions for the years ended June 30, 2014 and 2013 were \$1,200,000 and \$1,056,000, respectively. Benefit payments of \$598,000 and \$840,000 were made from the plan during the years ended June 30, 2014 and June 30, 2013, respectively.

The Diocese expects to contribute \$1,200,000 to the pension plan during the fiscal year ending June 30, 2014.



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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2014 and 2013**

**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, 2014 and 2013 the fund paid an interest rate on deposits of 1.12% and 1.14%, 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 8.5%. Loans are set at simple interest rates and incur interest charges until paid by the parish or school.

	<u>2014</u>	<u>2013</u>
Balances as of June 30:		
Deposits in Fund from Parishes and Schools	\$ 24,655,101	\$ 22,484,903
Loans from Fund to Parishes and Schools	\$ 10,637,150	\$ 9,063,798
Percentage Loaned Out	43.14%	40.31%

**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 \$1,239,000 and \$1,300,000 as of June 30, 2014 and 2013, 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, and the principal balance is due March 31, 2015. There are certain covenants established with the line of credit and management states that they are in compliance with all covenants except for the requirement to provide annual audited financial statements within 180 days of year ended June 30, 2014, for which an extended due date is being allowed by the bank. Funds borrowed are subject to a variable rate equal to the lesser of 2.250% or 1.050% plus the one-month adjusted LIBOR rate. The balance due totaled \$600,000 and \$3,000,000 as of June 30, 2014 and 2013, respectively.

**NOTE N - NOTES PAYABLE**

A summary of notes payable follows:

Mortgage note payable, secured by real and personal property, payable in monthly installments of \$18,361 including principal and interest at a fixed rate of 5.43% per annum. Note matures in January 2028.

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

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2014 and 2013**

**NOTE N - NOTES PAYABLE (Continued)**

Maturities of notes payable subsequent to June 30, 2014 are as follows:

Years ending June 30:	Amount
2015	\$ 163,001
2016	172,557
2017	379,887
2018	97,591
2019	103,024
Thereafter	<u>2,103,818</u>
	<u><u>\$ 3,019,878</u></u>

**NOTE O - RESTRICTED NET ASSETS**

*Temporarily Restricted Net Assets*

Temporarily restricted net assets are available for the following purposes:

	<u>2014</u>	<u>2013</u>
Pastoral	\$ (711,652)	\$ (552,094)
Education	38,482	33,633
Social Services	1,434,045	1,513,004
Idaho Catholic Appeal (2013 Campaign)	-	1,727,482
Idaho Catholic Appeal (2014 Campaign)	<u>1,594,639</u>	<u>-</u>
	<u><u>\$ 2,355,514</u></u>	<u><u>\$ 2,722,025</u></u>

*Net Assets Released From Restrictions*

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of their specified events or expiration of time restrictions as follows:

	<u>2014</u>	<u>2013</u>
Pastoral	\$ 538,300	\$ 406,024
Education	107,287	113,160
Social Services	592,128	578,725
Idaho Catholic Appeal (2012 Campaign)	-	2,387,391
Idaho Catholic Appeal (2013 Campaign)	<u>2,522,350</u>	<u>-</u>
	<u><u>\$ 3,760,065</u></u>	<u><u>\$ 3,485,300</u></u>

*Permanently Restricted Net Assets*

Permanently restricted net assets, where the investments are to be held in perpetuity and the income used for specified purposes, are comprised of the following:

	<u>2014</u>	<u>2013</u>
Endowment Funds	<u><u>\$ 1,642,442</u></u>	<u><u>\$ 1,642,442</u></u>

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2014 and 2013**

**NOTE P - INSURANCE ACTIVITIES**

The Diocese manages insurance programs on behalf of parishes, schools, and other entities within the Diocese through a combination of self-insurance, purchase of excess insurance coverage above the self-insured levels, and liability insurance. Participants are billed premiums to defray the cost of the program. Incurred but not reported claims are accrued and at June 30, 2014 and 2013 totaled \$222,000 and \$210,000, respectively.

**NOTE Q - LEASES IN FINANCIAL STATEMENTS OF LESSORS**

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

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

Years ending June 30:	Amount
2015	\$ 296,318
2016	317,932
2017	318,035
2018	298,475
2019	307,448
Thereafter	<u>105,841</u>
	<u><u>\$ 1,644,049</u></u>

**NOTE R - RELATED PARTY TRANSACTIONS**

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

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

At June 30, 2014 and 2013, the Diocese recognized revenue from Diocesan parishes, schools, and other related organizations in the amount of \$5,617,280 and \$5,516,127, respectively for assessments, insurance, and interest. The Diocese incurred interest expense related to the parish deposit and loan program in the amount of \$287,339 and \$298,774 for the years ended June 30, 2014 and 2013, respectively.

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

	<u>2014</u>	<u>2013</u>
Idaho Catholic Foundation Distribution	\$ 100,152	\$ 92,319
Idaho Catholic Appeal	<u>248,908</u>	<u>491,043</u>
Total due from Diocese to Catholic Charities of Idaho, Inc.	<u><u>\$ 349,060</u></u>	<u><u>\$ 583,362</u></u>

Accounts receivable from Catholic Charities of Idaho, Inc. to the Diocese totaled \$25,411 and \$39,565 as of June 30, 2014 and 2013, respectively.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2014 and 2013**

**NOTE R - RELATED PARTY TRANSACTIONS (Continued)**

***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 \$10,557,699 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 \$750 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, 2014. The FDIC offered unlimited insurance coverage for noninterest-bearing accounts for the year ended June 30, 2013. Uninsured balances for the years ended June 30, 2014 and 2013 were \$181,384 and \$0, 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, 2013, 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.

**NOTE V - CAPITAL CAMPAIGN**

The Diocese began a capital campaign in July 2012 on behalf of the Idaho Catholic Foundation in which it hopes to raise \$15,000,000 over a four year period. Capital campaign funds have been designated to be distributed and invested in funds to benefit the Diocese and its programs. 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.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**June 30, 2014 and 2013**

**NOTE V - CAPITAL CAMPAIGN (Continued)**

It is the intention of the Idaho Catholic Foundation to invest \$6,000,000 of campaign donations to endowment funds that will generate future income to benefit Diocese programs for the care of priests, ongoing formation, Catholic education and faith, and charitable works. The Diocese will receive annual support from the endowment funds as approved by the Idaho Catholic Foundation.

The Diocese incurred Capital campaign expenses as follows:

	<u><b>2014</b></u>	<u><b>2013</b></u>
Professional fundraising expenses	\$ -	\$ 700,000
Other Capital campaign expenses	<u>103,840</u>	<u>204,545</u>
	<u><u>\$ 103,840</u></u>	<u><u>\$ 904,545</u></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 as follows:

Collections received during the year ending June 30, 2014

Collections from year ending June 30, 2013	\$ 2,820,962
Collections from year ending June 30, 2014	<u>151,493</u>
	<u><u>\$ 2,972,455</u></u>

The distribution from year ending June 30, 2013 included a reimbursement of \$500,000 for capital campaign expenses.

**NOTE W - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through January 16, 2015 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, 2014, and have issued our report thereon dated January 16, 2015, 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.

*Travis Jeffries, P.A.*

Boise, Idaho  
January 16, 2015

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

**COMBINING STATEMENTS OF FINANCIAL POSITION - UNRESTRICTED NET ASSETS**

June 30, 2014 and June 30, 2013 Summarized Information

**ASSETS**

	<b>2014</b>										<b>2013</b>	
	<u>Operating</u>	<u>Deposit &amp; Loan</u>	<u>Health &amp; Welfare Insurance</u>	<u>Property &amp; 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	\$ 250,239	\$ -	\$ -	\$ -	\$ 168,235	\$ 6,915	\$ (9,365)	\$ -	\$ -	\$ -	\$ 416,024	\$ 7,153
Certificates of deposit	-	-	-	-	-	-	-	-	-	-	-	-
Accounts and pledges receivable	882,480	606	228,535	550,069	24,592	14,695	-	98,870	-	-	1,799,847	4,632,261
Deposits and prepaid expenses	100,486	-	7,285	-	8,347	-	6,856	-	-	-	122,974	166,812
Interfund receivable (payable)	5,529,279	7,257,179	(143,184)	(103,245)	(10,005)	(993,227)	(818,633)	177,827	(12,060,556)	-	(1,164,565)	(2,167,581)
Marketable securities	2,949,327	7,552,982	26,097	206,443	-	-	352,386	-	-	4,202,845	15,290,080	13,294,456
Beneficial interest in perpetual trust	-	-	-	-	-	-	-	-	-	-	-	-
Loans to parishes and schools	-	10,637,150	-	-	-	-	-	-	-	-	10,637,150	9,063,798
Loans and notes receivable	582,645	-	-	-	-	-	-	-	-	-	582,645	611,338
Property, plant and equipment	50	36,584	-	-	11,860	2,671,601	-	-	13,374,674	-	16,094,769	16,918,070
Accumulated depreciation	-	-	-	-	(10,057)	(1,346,156)	-	-	(4,172,736)	-	(5,528,949)	(5,180,167)
<b>Total Assets</b>	<b><u>\$ 10,294,506</u></b>	<b><u>\$ 25,484,501</u></b>	<b><u>\$ 118,733</u></b>	<b><u>\$ 653,267</u></b>	<b><u>\$ 192,972</u></b>	<b><u>\$ 353,828</u></b>	<b><u>\$ (468,756)</u></b>	<b><u>\$ 276,697</u></b>	<b><u>\$ (2,858,618)</u></b>	<b><u>\$ 4,202,845</u></b>	<b><u>\$ 38,249,975</u></b>	<b><u>\$ 37,346,140</u></b>

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, 2014 and June 30, 2013 Summarized Information

**LIABILITIES AND NET ASSETS**

	<b>2014</b>										<b>2013</b>	
	<u>Operating</u>	<u>Deposit &amp; Loan</u>	<u>Health &amp; Welfare Insurance</u>	<u>Property &amp; 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	\$ 126,994	\$ -	\$ 1,207	\$ -	\$ 5,330	\$ 22,482	\$ 190	\$ -	\$ 1,800	\$ -	\$ 158,003	\$ 125,937
Accrued liabilities	312,476	300	222,000	-	6,166	14,381	1,325	309,518	-	198,528	1,064,694	1,149,147
Line of credit	600,000	-	-	-	-	-	-	-	-	-	600,000	3,000,000
Parish cash management	3,896,678	-	-	-	-	-	-	-	-	-	3,896,678	3,898,928
Parish savings deposit	-	24,655,101	-	-	-	-	-	-	-	-	24,655,101	22,484,903
Lay pension trust	39,705	-	-	-	-	-	-	-	-	-	39,705	279,588
Liability for pension benefits - lay	705,445	-	-	-	-	-	-	-	-	-	705,445	597,960
Liability for pension benefits - priest	906,660	-	-	-	-	-	-	-	-	-	906,660	739,253
Notes payable	3,019,878	-	-	-	-	-	-	-	-	-	3,019,878	3,173,831
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	115
<b>Total Liabilities</b>	<b>9,607,836</b>	<b>24,655,401</b>	<b>223,207</b>	<b>-</b>	<b>11,496</b>	<b>36,863</b>	<b>1,515</b>	<b>309,518</b>	<b>1,800</b>	<b>198,528</b>	<b>35,046,164</b>	<b>35,449,662</b>
NET ASSETS	<b>686,670</b>	<b>829,100</b>	<b>(104,474)</b>	<b>653,267</b>	<b>181,476</b>	<b>316,965</b>	<b>(470,271)</b>	<b>(32,821)</b>	<b>(2,860,418)</b>	<b>4,004,317</b>	<b>3,203,811</b>	<b>1,896,478</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 10,294,506</b>	<b>\$ 25,484,501</b>	<b>\$ 118,733</b>	<b>\$ 653,267</b>	<b>\$ 192,972</b>	<b>\$ 353,828</b>	<b>\$ (468,756)</b>	<b>\$ 276,697</b>	<b>\$ (2,858,618)</b>	<b>\$ 4,202,845</b>	<b>\$ 38,249,975</b>	<b>\$ 37,346,140</b>

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, 2014 and Summarized Information for the Year Ended June 30, 2013**

	<b>2014</b>										<b>2013</b>	
	<u>Operating</u>	<u>Deposit &amp; Loan</u>	<u>Health &amp; Welfare Insurance</u>	<u>Property &amp; 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>
<b>REVENUE AND SUPPORT</b>												
Contributions	\$ 82,926	\$ -	\$ -	\$ -	\$ 2	\$ 39,938	\$ 88,429	\$ -	\$ -	\$ 2,704	\$ 213,999	\$ 320,212
Program services	698,551	-	-	-	264,067	194,573	140	-	-	-	1,157,331	1,167,881
Assessment revenue	687,730	-	-	-	-	-	-	-	-	-	687,730	661,088
Insurance program	-	-	3,713,864	908,878	-	-	-	-	-	-	4,622,742	4,572,673
Grant revenue	237,414	-	-	-	-	-	45,500	-	-	-	282,914	311,108
Deposit and loan interest	27,099	279,709	-	-	-	-	-	-	-	-	306,808	282,366
Rental income	346,043	-	-	-	-	17,028	50,275	-	-	-	413,346	619,109
Gain (loss) on sale of property	-	-	-	-	-	-	-	-	(49,576)	-	(49,576)	532,643
Investment income	612,170	1,176,226	3,845	30,418	1,921	165	4,139	-	-	658,787	2,487,671	1,644,140
Unrealized gain on beneficial interest in perpetual trust	-	-	-	-	-	-	-	-	-	-	-	2,527
ICF campaign reimbursements	-	-	-	-	-	-	-	-	-	-	-	500,000
Unrealized loss on land value	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	12,433	-	-	900	6	-	2,272	-	-	-	15,611	13,707
Net assets released from restrictions satisfied by payments	3,760,065	-	-	-	-	-	-	-	-	-	3,760,065	-
<b>Total Revenue</b>	<b>6,464,431</b>	<b>1,455,935</b>	<b>3,717,709</b>	<b>940,196</b>	<b>265,996</b>	<b>251,704</b>	<b>190,755</b>	<b>-</b>	<b>(49,576)</b>	<b>661,491</b>	<b>13,898,641</b>	<b>14,112,754</b>
<b>EXPENSES</b>												
Salaries	1,877,914	-	-	-	131,433	124,324	127,803	-	-	-	2,261,474	2,153,422
Auto	38,730	-	-	-	15	-	-	-	-	-	38,745	59,486
Advertising	8,652	-	-	-	-	374	38	-	-	-	9,064	5,218
Bank and investment	166,119	70,506	-	1,821	-	-	-	-	-	34,383	272,829	233,908
Computer	229,801	-	-	-	1,567	11	1,880	-	-	-	233,259	251,872
Contributions	414,624	-	-	-	-	-	-	-	-	-	414,624	386,653
Dues and subscriptions	64,422	-	-	-	3,418	401	1,478	-	-	-	69,719	62,447
Depreciation	553	-	-	-	1,415	51,347	-	-	393,814	-	447,129	491,316
Employee benefits	413,946	-	-	-	28,130	22,250	34,950	-	-	-	499,276	430,875
Event	205,563	-	-	-	1,506	8	14,173	-	-	-	221,250	255,599
Supplies	9,581	-	-	-	-	41,276	4,260	-	-	-	55,117	63,789
Miscellaneous	22,896	-	-	16	2,247	1,222	3,169	-	19,315	-	48,865	25,749
Payroll taxes	122,740	-	-	-	8,848	8,756	9,311	-	-	-	149,655	145,221
Postage	34,758	-	-	-	66,104	232	231	-	-	-	101,325	90,060
Office	18,267	-	-	-	1,591	426	3,472	-	-	-	23,756	26,535
Rental	103,529	-	-	-	-	-	-	-	-	-	103,529	94,544
Repairs and maintenance	85,573	-	-	-	-	17,132	34,218	-	-	-	136,923	152,566

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, 2014 and Summarized Information for the Year Ended June 30, 2013**

	<b>2014</b>										<b>2013</b>	
	<u>Operating</u>	<u>Deposit &amp; Loan</u>	<u>Health &amp; Welfare Insurance</u>	<u>Property &amp; 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	\$ 177,845	\$ 287,339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 465,184	\$ 490,629
Bad debt	(10,041)	(9,420)	-	-	-	790	-	-	-	-	(18,671)	1,033,992
Stipends	71,826	-	-	-	-	2,375	1,490	-	-	-	75,691	75,255
Telephone	18,650	-	-	-	265	4,029	2,339	-	-	-	25,283	24,536
Training	21,799	-	-	-	415	152	2,140	-	-	-	24,506	26,620
Travel	158,060	-	-	352	1,361	1,278	4,066	-	-	-	165,117	162,402
Meetings	32,061	-	-	-	72	-	-	-	-	-	32,133	33,329
Printing and copies	79,030	-	-	-	31,959	-	826	-	-	-	111,815	150,755
Professional services	268,137	54	68,076	-	14,085	316	460	-	-	-	351,128	1,044,394
Insurance	21,264	-	3,302,142	878,443	-	4,832	-	-	-	-	4,206,681	3,761,656
Appropriations	176,406	-	-	-	-	-	-	-	198,528	-	374,934	336,741
Disbursements	1,045,944	-	-	-	-	-	-	-	-	-	1,045,944	944,971
Meals and entertainment	48,835	-	-	-	40	-	-	-	-	-	48,875	60,061
Utilities	105,386	-	-	-	-	36,593	35,687	-	-	-	177,666	169,794
Property taxes	98,187	-	-	-	-	-	13,560	-	-	-	111,747	150,777
Workers compensation	26,186	-	-	-	1,943	1,884	1,831	-	-	-	31,844	30,674
FASB ASC 715 Expense	274,892	-	-	-	-	-	-	-	-	-	274,892	(131,654)
<b>Total Expenses</b>	<b>6,432,135</b>	<b>348,479</b>	<b>3,370,218</b>	<b>880,632</b>	<b>296,414</b>	<b>320,008</b>	<b>297,382</b>	<b>-</b>	<b>413,129</b>	<b>232,911</b>	<b>12,591,308</b>	<b>13,294,192</b>
Increase (Decrease) in Net Assets	32,296	1,107,456	347,491	59,564	(30,418)	(68,304)	(106,627)	-	(462,705)	428,580	1,307,333	818,562
NET ASSETS, Beginning of Year	654,374	(278,356)	(451,965)	593,703	211,894	385,269	(363,644)	(32,821)	(2,397,713)	3,575,737	1,896,478	1,077,916
<b>NET ASSETS, End of Year</b>	<b>\$ 686,670</b>	<b>\$ 829,100</b>	<b>\$ (104,474)</b>	<b>\$ 653,267</b>	<b>\$ 181,476</b>	<b>\$ 316,965</b>	<b>\$ (470,271)</b>	<b>\$ (32,821)</b>	<b>\$ (2,860,418)</b>	<b>\$ 4,004,317</b>	<b>\$ 3,203,811</b>	<b>\$ 1,896,478</b>

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, 2014 and June 30, 2013 Summarized Information

**ASSETS**

	<b>2014</b>								
	<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	\$ -	\$ 14,321	\$ -	\$ -	\$ 500	\$ -	\$ 1,839	\$ -	\$ -
Accounts and pledges receivable	-	400	12,873	-	-	-	-	-	230,632
Deposits and prepaid expenses	-	6,372	-	-	200	-	-	-	-
Interfund receivable (payable)	163,336	527,103	(1,721,213)	-	853,327	-	-	(172,895)	1,332,063
Marketable securities	126,146	722,819	63,827	146,113	-	-	-	18,198	-
Beneficial interest in perpetual trust	-	-	31,944	-	-	-	-	-	31,944
Property, plant and equipment	-	88,655	-	-	-	-	-	-	-
Accumulated depreciation	-	(4,372)	-	-	-	-	-	-	-
Total Assets	<u>\$ 289,482</u>	<u>\$ 1,355,298</u>	<u>\$ (1,612,569)</u>	<u>\$ 146,113</u>	<u>\$ 854,027</u>	<u>\$ -</u>	<u>\$ 1,839</u>	<u>\$ (154,697)</u>	<u>\$ 1,594,639</u>

**LIABILITIES AND NET ASSETS**

LIABILITIES									
Deferred income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	226	7,073	16,110	-	(303)	-	-	-	-
Accrued liabilities	349,060	-	-	146,113	2,502	-	-	-	-
Total Liabilities	349,286	7,073	16,110	146,113	2,199	-	-	-	-
NET ASSETS	<u>(59,804)</u>	<u>1,348,225</u>	<u>(1,628,679)</u>	<u>-</u>	<u>851,828</u>	<u>-</u>	<u>1,839</u>	<u>(154,697)</u>	<u>1,594,639</u>
Total Liabilities and Net Assets	<u>\$ 289,482</u>	<u>\$ 1,355,298</u>	<u>\$ (1,612,569)</u>	<u>\$ 146,113</u>	<u>\$ 854,027</u>	<u>\$ -</u>	<u>\$ 1,839</u>	<u>\$ (154,697)</u>	<u>\$ 1,594,639</u>

See independent auditor's report on supplementary information.

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

**COMBINING STATEMENTS OF FINANCIAL POSITION - TEMPORARILY RESTRICTED NET ASSETS**

June 30, 2014 and June 30, 2013 Summarized Information (Continued)

	2014				2013	
	<u>Catholic Idaho</u>	<u>Idaho Catholic Foundation</u>	<u>Education</u>	<u>Unitrust Fund</u>	<u>Total</u>	<u>Summarized Information</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 16,660	\$ 16,478
Accounts and pledges receivable	-	-	-	-	243,905	50,829
Deposits and prepaid expenses	-	-	-	-	6,572	700
Interfund receivable (payable)	178,816	6,268	1,793	(4,033)	1,164,565	2,167,581
Marketable securities	83,293	-	34,850	69,232	1,264,478	1,099,064
Beneficial interest in perpetual trust	-	31,944	-	-	95,832	33,285
Property, plant and equipment	-	-	-	-	88,655	88,655
Accumulated depreciation	-	-	-	-	(4,372)	(3,819)
Total Assets	<u>\$ 262,109</u>	<u>\$ 38,212</u>	<u>\$ 36,643</u>	<u>\$ 65,199</u>	<u>\$ 2,876,295</u>	<u>\$ 3,452,773</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Deferred revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	23,106	11,761
Accrued liabilities	-	-	-	-	497,675	718,987
Total Liabilities	-	-	-	-	520,781	730,748
NET ASSETS	262,109	38,212	36,643	65,199	2,355,514	2,722,025
Total Liabilities and Net Assets	<u>\$ 262,109</u>	<u>\$ 38,212</u>	<u>\$ 36,643</u>	<u>\$ 65,199</u>	<u>\$ 2,876,295</u>	<u>\$ 3,452,773</u>

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

**COMBINING STATEMENTS OF ACTIVITIES - TEMPORARILY RESTRICTED NET ASSETS**

**For the Year Ended June 30, 2014 and Summarized Information for the Year Ended June 30, 2013**

	<b>2014</b>								
	<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	\$ 119,953	\$ 151,903	\$ 139,746	\$ -	\$ 11,958	\$ -	\$ -	\$ 6,458	\$ 2,368,658
Program services	-	-	111,333	-	-	-	-	-	-
Grant revenue	16,300	45,000	25,000	-	-	106,980	-	-	-
Rental income	-	5,800	-	-	41,042	-	-	-	-
Investment income	18,587	106,664	9,405	10,696	-	-	21	2,674	-
Unrealized gain on beneficial interest in perpetual trust	-	-	20,849	-	-	-	-	-	20,849
Miscellaneous	-	440	-	-	-	-	-	-	-
Net assets released from restrictions satisfied by payments	<u>(217,527)</u>	<u>(364,203)</u>	<u>(467,416)</u>	<u>(10,696)</u>	<u>(58,189)</u>	<u>(106,980)</u>	<u>-</u>	<u>(9,663)</u>	<u>(2,522,350)</u>
Total Revenue and Support	(62,687)	(54,396)	(161,083)	-	(5,189)	-	21	(531)	(132,843)
NET ASSETS, Beginning of Year	<u>2,883</u>	<u>1,402,621</u>	<u>(1,467,596)</u>	<u>-</u>	<u>857,017</u>	<u>-</u>	<u>1,818</u>	<u>(154,166)</u>	<u>1,727,482</u>
NET ASSETS, End of Year	<u>\$ (59,804)</u>	<u>\$ 1,348,225</u>	<u>\$ (1,628,679)</u>	<u>\$ -</u>	<u>\$ 851,828</u>	<u>-</u>	<u>\$ 1,839</u>	<u>\$ (154,697)</u>	<u>\$ 1,594,639</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, 2014 and Summarized Information for the Year Ended June 30, 2013 (Continued)**

	<u>2014</u>					<u>2013</u>
	<u>Catholic Idaho</u>	<u>Idaho Catholic Foundation</u>	<u>Education</u>	<u>Unitrust Fund</u>	<u>Total</u>	<u>Summarized Information</u>
REVENUE AND SUPPORT						
Contributions	\$ -	\$ 6,268	\$ -	\$ -	\$ 2,804,944	\$ 2,881,686
Program services	-	-	-	-	111,333	113,500
Grant revenue	-	-	-	-	193,280	161,397
Rental income	-	-	-	-	46,842	63,715
Investment income	12,273	-	5,135	8,713	174,168	118,743
Unrealized gain on beneficial interest in perpetual trust	-	20,849	-	-	62,547	33,286
Miscellaneous	-	-	-	-	440	-
Net assets released from restrictions satisfied by payments	(735)	-	(307)	(1,999)	(3,760,065)	(3,485,300)
Total Revenue and Support	11,538	27,117	4,828	6,714	(366,511)	(112,973)
NET ASSETS, Beginning of Year	250,571	11,095	31,815	58,485	2,722,025	2,834,998
NET ASSETS, End of Year	<u>\$ 262,109</u>	<u>\$ 38,212</u>	<u>\$ 36,643</u>	<u>\$ 65,199</u>	<u>\$ 2,355,514</u>	<u>\$ 2,722,025</u>

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

**COMBINING STATEMENTS OF FINANCIAL POSITION - PERMANENTLY RESTRICTED NET ASSETS**

June 30, 2014 and June 30, 2013 Summarized Information

**ASSETS**

	<b>2014</b>							<b>2013</b>	
	<b>Heinz Charitable</b>	<b>St. Joseph's Children Home</b>	<b>Chausee Family Memorial Fund</b>	<b>James &amp; Olive Davis Fund</b>	<b>Seminarian scholarship fund</b>	<b>John L. Muegerl Trust</b>	<b>Thomas and Joan Chapman Cooney Fund</b>	<b>Total</b>	<b>Summarized Information</b>
ASSETS									
Marketable securities	\$ 94,148	\$ 151,405	\$ 250,000	\$ 238,361	\$ 100,000	\$ -	\$ 235,000	\$ 1,068,914	\$ 833,914
Property, plant and equipment	-	-	-	-	-	-	-	-	-
Beneficial interest in perpetual trust	-	-	-	-	-	573,528	-	573,528	573,528
Total Assets	\$ 94,148	\$ 151,405	\$ 250,000	\$ 238,361	\$ 100,000	\$ 573,528	\$ 235,000	\$ 1,642,442	\$ 1,642,442

**LIABILITIES AND NET ASSETS**

NET ASSETS	\$ 94,148	\$ 151,405	\$ 250,000	\$ 238,361	\$ 100,000	\$ 573,528	\$ 235,000	\$ 1,642,442	\$ 1,642,442
Total Liabilities and Net Assets	\$ 94,148	\$ 151,405	\$ 250,000	\$ 238,361	\$ 100,000	\$ 573,528	\$ 235,000	\$ 1,642,442	\$ 1,642,442

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

**COMBINING STATEMENTS OF ACTIVITIES - PERMANENTLY RESTRICTED NET ASSETS**

**For the Year Ended June 30, 2014 and Summarized Information for the Year Ended June 30, 2013**

	<b>2014</b>							<b>2013</b>	
	<u>Heinz Charitable</u>	<u>St. Joseph's Children Home</u>	<u>Chausee Family Memorial Fund</u>	<u>James &amp; 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 235,000
Total Revenue and Support	-	-	-	-	-	-	-	-	235,000
NET ASSETS, Beginning of Year	94,148	151,405	250,000	238,361	100,000	573,528	235,000	1,642,442	1,407,442
NET ASSETS, End of Year	<u>\$ 94,148</u>	<u>\$ 151,405</u>	<u>\$ 250,000</u>	<u>\$ 238,361</u>	<u>\$ 100,000</u>	<u>\$ 573,528</u>	<u>\$ 235,000</u>	<u>\$ 1,642,442</u>	<u>\$ 1,642,442</u>