

CENTRAL ADMINISTRATIVE OFFICE OF THE
ROMAN CATHOLIC DIOCESE OF BOISE

Financial Statements
June 30, 2025



CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Table of Contents

June 30, 2025

	<u>Page</u>
Independent Auditor's Report	3
Statement of Financial Position	5
Statement of Activities	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to Financial Statements	9





INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Central Administrative Office of the Roman Catholic Diocese of Boise (an Idaho non-profit organization), which comprise the statement of financial position as of June 30, 2025 and 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central Administrative Office of the Roman Catholic Diocese of Boise as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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



Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Central Administrative Office of the Roman Catholic Diocese of Boise's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Administrative Office of the Roman Catholic Diocese of Boise's ability to continue as a going concern for a reasonable period of time.

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

The Rickards Accounting Group

Boise, Idaho
November 24, 2025



CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Statement of Financial Position

As of June 30

	2025	2024
ASSETS		
Cash	\$ 214,907	\$ 5,493,669
Accounts and pledges receivable	3,121,688	2,805,004
Deposits and prepaid expenses	190,977	141,222
Investments	45,225,823	41,907,478
Total Current Assets	48,753,395	50,347,373
Property, plant, and equipment, net	25,883,687	18,899,882
Beneficial interest in perpetual trust	869,661	764,664
Interest receivable	-	15,717
Asset for pension benefits - lay	7,401	-
Loans to parishes and schools	7,753,874	6,969,606
Loans and notes receivable, net of bad debt expense	262,285	348,289
Total Assets	\$ 83,530,303	\$ 77,345,531
LIABILITIES		
Accounts payable	\$ 984,742	\$ 87,535
Accrued liabilities	1,768,794	1,924,210
Lay pension trust	885	177,550
Parish cash management	12,208,061	10,863,232
Deferred revenue	107,943	117,066
Current portion of long term debt	105,197	101,079
Total Current Liabilities	15,175,622	13,270,672
Parish savings deposits	36,952,485	37,090,934
Liability for pension benefits - lay	-	203,779
Liability for pension benefits - priest	45,343	142,107
Long term debt, net of current portion	1,273,431	1,378,207
Total Liabilities	53,446,881	52,085,699
NET ASSETS		
Without donor restrictions	26,270,653	21,556,603
With donor restrictions	3,812,769	3,703,229
Total Net Assets	30,083,422	25,259,832
Total Liabilities and Net Assets	\$ 83,530,303	\$ 77,345,531

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Statement of Activities

For the Year Ended June 30

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Summarized Information
REVENUE AND SUPPORT				
Contributions	\$ 1,636,770	\$ 5,473,682	\$ 7,110,452	\$ 5,794,161
Program services	948,398	161,771	1,110,169	1,221,125
Assessment revenue	952,531	-	952,531	906,736
Insurance program	7,823,553	-	7,823,553	7,579,865
Grant revenue	256,059	214,688	470,747	498,352
Deposit and loan interest	257,879	-	257,879	301,386
Rental income	255,024	119,200	374,224	288,672
Gain on the sale of property	300,622	-	300,622	-
Realized gain on investments	769,831	65,834	835,665	1,488,387
Unrealized gain (loss) on investments	2,334,927	159,642	2,494,569	1,093,422
Interest and dividends	1,415,229	51,262	1,466,491	1,441,857
Unrealized gain (loss) on beneficial interest in perpetual trust	-	104,997	104,997	95,826
Miscellaneous	34,897	-	34,897	57,557
Net assets released from restrictions satisfied by payments	6,241,536	(6,241,536)	-	-
Total Revenue and Support	23,227,256	109,540	23,336,796	20,767,346
EXPENSES				
Program services				
Pastoral	4,147,094	-	4,147,094	3,921,710
Education	2,312,314	-	2,312,314	2,310,164
Social services	136,211	-	136,211	259,727
Deposit and loan interest	823,878	-	823,878	1,011,263
Communications	551,600	-	551,600	504,134
Retreat center	47,890	-	47,890	70,936
Insurance program	7,306,953	-	7,306,953	6,922,030
St. John Vianney Retirement Center	225,152	-	225,152	122,473
Total Program Services	15,551,092	-	15,551,092	15,122,437
Supporting Services				
General administrative	2,604,164	-	2,604,164	2,516,772
Development	305,945	-	305,945	292,134
FASB ASC 715 expense	(307,944)	-	(307,944)	(165,339)
Depreciation	359,949	-	359,949	330,561
Total Supporting Services	2,962,114	-	2,962,114	2,974,128
Total Expenses	18,513,206	-	18,513,206	18,096,565
Increase in Net Assets	4,714,050	109,540	4,823,590	2,670,781
NET ASSETS, Beginning of Year	21,556,603	3,703,229	25,259,832	22,589,051
NET ASSETS, End of Year	\$ 26,270,653	\$ 3,812,769	\$ 30,083,422	\$ 25,259,832

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Statement of Functional Expenses For the Year Ended June 30

	2025			2024
	Program Services	Supportive Activities	Total	Summarized Information
Salaries	\$ 2,270,584	\$ 594,513	\$ 2,865,097	\$ 2,615,834
Payroll taxes	129,587	40,881	170,468	155,285
Employee and retired priest benefits	6,319,700	(196,745)	6,122,955	5,991,266
Training	109,353	1,830	111,183	111,896
Computer and purchases	126,026	64,111	190,137	200,801
Insurance	1,600,959	2,025	1,602,984	1,451,679
Workers compensation	28,419	8,881	37,300	35,173
Audit	-	44,976	44,976	33,188
Legal and professional fees	240,797	291,669	532,466	472,725
Supplies and subscriptions	134,841	43,634	178,475	156,417
Rental expense	152,847	433,923	586,770	404,918
Meals and meetings	254,810	12,950	267,760	221,483
Advertising	47,634	810	48,444	3,509
Miscellaneous	7,110	574	7,684	6,942
Travel	273,885	19,257	293,142	371,111
Interest expense	778,942	222,136	1,001,078	1,265,468
Utilities	125,311	14,457	139,768	103,446
Repairs and maintenance	167,026	6,921	173,947	208,231
Property taxes and related expense	48,333	7,193	55,526	89,169
Depreciation	-	359,949	359,949	330,561
Bank and investments fees	129,070	264,608	393,678	340,731
ICF distributions	-	583,776	583,776	519,879
Printing and copies	63,672	99,485	163,157	159,521
Postage	114,326	23,217	137,543	108,818
Administrative expense	8,504	17,594	26,098	38,508
Contributions, grants and scholarships	346,545	-	346,545	498,941
Telephone	22,746	11,591	34,337	39,640
Events and special projects	118,082	1,298	119,380	320,151
Bad debts	-	(13,400)	(13,400)	(11,900)
Seminarian and priest expenses	646,050	-	646,050	732,897
ICA allocations	(3,173,424)	-	(3,173,424)	(3,008,815)
ICA disbursements	4,459,357	-	4,459,357	4,129,092
	<u>\$ 15,551,092</u>	<u>\$ 2,962,114</u>	<u>\$ 18,513,206</u>	<u>\$ 18,096,565</u>

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Statement of Cash Flows For the Year Ended June 30

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 4,823,590	\$ 2,670,781
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	359,949	330,561
Realized (gain) loss on investments	(835,665)	(1,488,387)
Unrealized (gain) loss on investments	(2,494,569)	(1,093,422)
Gain on sale of property	(300,622)	-
Contributions of marketable securities received	(127,339)	(961,330)
Beneficial interest in perpetual trust	(104,997)	(95,826)
Changes in operating assets and liabilities:		
Accounts and pledges receivable	(316,684)	(374,905)
Deposits and prepaid expenses	(49,755)	1,139,180
Interest receivable	15,717	(15,717)
Asset for pension benefits - lay	(7,401)	-
Accounts payable	897,207	65,746
Accrued liabilities	(155,416)	518,554
Lay pension trust	(176,665)	177,550
Parish cash management	1,344,829	(180,840)
Deferred Revenue	(9,123)	6,426
Parish savings deposits	(138,449)	(1,115,566)
Liability for pension benefits - lay	(203,779)	(145,445)
Liability for pension benefits - priest	(96,764)	(19,894)
Net cash provided (used) by Operating activities	2,424,064	(582,534)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans and notes receivable	(698,264)	3,207,303
Purchase of investments	(98,541,929)	(68,126,373)
Proceeds from sale of investments	98,681,157	63,526,162
Purchase of fixed assets	(7,396,185)	(1,288,809)
Proceeds from sale of fixed assets	353,053	-
Net cash provided (used) by investing activities	(7,602,168)	(2,681,717)
CASH FLOWS FROM FINANCING ACTIVITIES		
Notes payable	(100,658)	(88,804)
Net cash provided (used) by financing activities	(100,658)	(88,804)
NET DECREASE IN CASH, CASH EQUIVALENTS,	(5,278,762)	(3,353,055)
Cash and Cash Equivalents - Beginning of Year	5,493,669	8,846,724
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u>\$ 214,907</u>	<u>\$ 5,493,669</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expense	\$ 279,475	\$ 331,448
Noncash contributions of marketable securities	\$ 127,339	\$ 961,330

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 1 - Nature of Operations and Significant Accounting Policies

Nature of Organization

Central Administrative Office of the Roman Catholic Diocese of Boise (the Diocese) was established in 1895 for the purpose of overseeing certain Catholic organizations within the State of Idaho. Under the direction of the Roman Catholic Bishop of Idaho, the Diocese works to proclaim the presence of God in Word and Sacrament while nurturing and supporting vital faith communities, affirming the values of society and recognizing and responding to those in need.

Basis of Accounting

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

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (FASB ASC) 958. In accordance with the standard, the Diocese reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. Descriptions of the two net asset categories and the types of transaction affecting each category follow:

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

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

Cash and Cash Equivalents

The Diocese considers its short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

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

The Diocese maintains its cash balance with three financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At various times during the year, the bank balance may exceed the insured limit. At June 30, 2025, the Diocese's uninsured cash balance totaled \$3,458,713, respectively.

Contributions

The Diocese follows the recommendations of the FASB ASC 958 for accounting for contributions received and contributions made. In accordance with the standard, contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when conditions on which they depend are substantially met and promises become unconditional.

Allowance for Doubtful Accounts

The Diocese provides an allowance for doubtful accounts based on prior experience and management's assessment of collectability of existing specific accounts.

Investments

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

Advertising and Promotion

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

Fixed Assets

Fixed assets are stated at cost, except for donated equipment, which is stated at fair market value at date of receipt. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. The Diocese capitalizes assets valued \$10,000 or more. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over estimated useful lives of the assets:

Buildings	39 years
Equipment	3-7 years

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

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

Leases

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

Income Tax Status

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

In accordance with FASB ASC 740, the Diocese has evaluated its operations as of June 30, 2025 as compared to its original application for tax-exempt not-for-profit status. The evaluation also considered the possibility of transactions that may be subject to income tax on unrelated business income. Tax positions considered, but not limited to included: a) the Diocese's characterization of its activities as related or unrelated to its exempt purpose, and b) the Diocese's allocation of revenue and expense between activities that relate to its exempt purpose and those that could be considered unrelated business income. Upon the evaluation, the Diocese does not believe it has any business activities in place that would cause its tax-exempt not-for-profit status to not be sustained upon audit.

Investment Income and Gains

Investment income and gains, when attributed to net assets without donor restrictions, are considered revenue without restrictions in the reporting period in which the income and gains are recognized.

Valuation of Gifts

Noncash assets contributed to the Diocese are recorded at appraised value when it is provided by an independent third party. If no independent third party appraisal is available, the asset is recorded at an objective verifiable basis which is, in the judgment of the Diocese's management, a fair value to the Diocese for its purposes.

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

June 30, 2025

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

Subsequent Events

Subsequent events and transactions have been evaluated by management through November 24, 2025, the date the financial statements were available to be issued. Material subsequent events, if any, are disclosed in a separate note to these financial statements.

Note 2 - Cash and Cash Equivalents

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

	2025	2024
Cash	\$ 214,907	\$ 643,669
Certificates of Deposit	-	4,850,000
	<u>\$ 214,907</u>	<u>\$ 5,493,669</u>

Note 3 - Fair Value Measurements

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

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

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

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 3 - Fair Value Measurements (continued)

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

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

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

Investments at fair value as of June 30, 2025:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 9,336,061	\$ -	\$ -	\$ 9,336,061
Open-End mutual funds - equity	-	540,837	-	540,837
Open-End mutual funds - fixed income	-	8,359,156	-	8,359,156
Open-End mutual funds - balanced	-	2,279,198	-	2,279,198
Corporate equities - domestic	15,463,289	-	-	15,463,289
Corporate equities - foreign	7,363,919	-	-	7,363,919
Miscellaneous	-	896,944	-	896,944
Mission Diocese Fund, LLC	-	-	986,419	986,419
	\$ 32,163,269	\$ 12,076,135	\$ 986,419	\$ 45,225,823

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 3 - Fair Value Measurements (continued)

Investments at fair value as of June 30, 2024:

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

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

	2025	2024
Fair value at beginning of year	\$ 873,233	\$ 770,968
Interest and dividends	7,430	7,053
Realized gain on investments	45,665	(1,479)
Unrealized loss on investments	62,158	26,273
Bank and investment fees	(2,067)	70,418
Fair value at year end	\$ 986,419	\$ 873,233

Transfers to or from Level 3 investments are deemed to have occurred once the funds have been withdrawn from one and deposited to the other; no transfers occurred during the years ended June 30, 2025 and 2024. Investment income, realized gain and unrealized loss are included as an increase of \$115,253 and investment expenses are included as a decrease of \$2,067 in the Statements of Activities, resulting in a net increase of \$113,186 to net assets without donor restrictions for the year ended June 30, 2025. Investment income, realized gain and unrealized loss are included as an increase of \$31,847 and investment expenses are included as an increase of \$70,418 in the Statements of Activities, resulting in a net increase of \$102,265 to net assets without donor restrictions for the year ended June 30, 2024. 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

June 30, 2025

Note 3 - Fair Value Measurements (continued)

Net investment income at June 30:

	2025	2024
Net realized gain	\$ 835,665	\$ 1,488,387
Net unrealized gain (loss)	2,494,569	1,093,422
Interest and dividend income	1,466,491	1,441,857
	\$ 4,796,725	\$ 4,023,666

Note 4 - Pledges Receivables

The Idaho Catholic Appeal (ICA) is an annual campaign normally conducted in the parishes which raises operating funds for various programs and ministries supported by the Diocese. These programs include pastoral services, care of the priests, outreach, education and formation, Catholic Charities and the Universal Church. The funds are considered net assets with donor restrictions until the end of the campaign when they are distributed for purposes of supporting the stated programs. The total pledges receivable as of June 30, 2025 and 2024 were \$394,387 and \$278,207, 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 5 - Property, Plant, and Equipment

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

	2025	2024
Land	\$ 12,382,083	\$ 11,721,133
Buildings	10,115,117	9,025,347
Equipment	2,196,529	2,216,577
Property, plant, and equipment, cost	24,693,729	22,963,057
Less: accumulated depreciation	5,408,197	5,057,693
Construction in process	6,598,155	994,518
Property, plant, and equipment, net	\$ 25,883,687	\$ 18,899,882

Depreciation expenses for June 30, 2025 and 2024 were \$359,949 and \$330,561, respectively.

At June 30, 2025, CIP consisted of the costs related to the construction of a new facility expected to be placed in service during the fiscal year ended June 30, 2027.

Note 6 - Idaho Catholic Foundation

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

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

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 6 - 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:

	2025	2024
Investments	\$ 13,939,941	\$ 12,149,477
Beneficial interest in perpetual trust	289,887	254,888

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:

Income:	2025	2024
Investment income	\$ 1,631,063	\$ 1,226,003
Contributions	763,586	1,006,145
Expenses:		
Distributions to participants	519,879	443,601
Investment and managerial expenses	84,306	65,231

Note 7 - Beneficial Interest in Perpetual Trust

The Diocese received notice on March 30, 2011 that they were named as a beneficiary in The John L. Muegerl Trust. The trust account assets are held and managed by an independent trustee. In April 2011, a trust investment account was opened at a national financial institution, and in May 2011, trust assets were transferred to the account. The beneficial interest in trust assets was recorded at fair market value as of May 31, 2011, as a contribution with donor restrictions. The Diocese's beneficial interest consists of fifteen percent of the total trust assets, divided such that five percent of the beneficial interest is designated to each of the following: the Idaho Catholic Foundation - Held for Diocese, the Diocesan Development Program, and the Idaho Priests Special Needs Fund. According to the trust agreement, the Diocese is to receive a fixed percentage of trust assets each year, which is income with donor restrictions to the three funds mentioned above, and has been recorded as such in the Statements of Activities for the years ended June 30, 2025 and 2024. The beneficial interest in trust assets has been recorded at fair market value as of June 30, 2025 and 2024 in the Statements of Financial Position. The net increase in fair market value from May 31, 2011 to June 30, 2025 of \$296,133 is included in net assets with donor restrictions.

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

	2025	2024
Beginning balance	\$ 764,664	\$ 668,838
Unrealized gain	104,997	95,826
Income distributable to beneficiary	127,879	122,704
Amounts appropriated for expenditure	(127,879)	(122,704)
Total Beneficial Interest in Perpetual Trust	\$ 869,661	\$ 764,664

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 8 - Endowment Funds

The Diocese follows FASB ASC 958-205 in its accounting for endowments. FASB ASC 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). FASB ASC 958-205 also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and advisory 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, 2025 and 2024. It has been determined that the Diocese's net assets with donor restrictions meet the definition of endowment funds under UPMIFA.

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

Advisory board-designated endowments that are internally designated by the Board of Directors and are not donor-restricted are classified and reported as net assets without donor restrictions. The Idaho Catholic Foundation administers the endowments of the Diocese. These endowments consist of approximately eleven individual funds, some of which have donor-restricted spending guidelines and were established for a variety of purposes ranging from education of seminarians and helping retired priests of the Diocese, to providing scholarships for education of youth and maintenance and repair of facilities. Endowments administered by the Idaho Catholic Foundation include both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments.

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

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

Investment Policy

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

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 8 - Endowment Funds (continued)

All endowments are invested in Diocese Investment Pool. The Pool is professionally managed by thirteen 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.

Endowment Net Asset Composition by Type of Fund as of June 30, 2025 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Advisory board designated endowment funds	\$ 6,681,678	\$ -	\$ 6,681,678
Donor-restricted endowment funds:			
Original donor-restricted gift required to be maintained in perpetuity by donor	-	1,642,667	1,642,667
Accumulated investment gains	675,198	920,124	1,595,322
Total funds	<u>\$ 7,356,876</u>	<u>\$ 2,562,791</u>	<u>\$ 9,919,667</u>

Change in endowment net assets as of June, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 6,365,731	\$ 2,375,688	\$ 8,741,419
Contributions	455,813	7,376	463,189
Investment income	270,777	98,142	368,919
Net appreciation	587,559	210,148	797,707
Amounts appropriated for expenditure	(323,004)	(128,563)	(451,567)
Endowment net assets, end of year	<u>\$ 7,356,876</u>	<u>\$ 2,562,791</u>	<u>\$ 9,919,667</u>

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

	Without Donor Restrictions	With Donor Restrictions	Total
Advisory board designated endowment funds	\$ 5,716,656	\$ -	\$ 5,716,656
Donor-restricted endowment funds:			
Original donor-restricted gift required to be maintained in perpetuity by donor	-	1,642,667	1,642,667
Accumulated investment gains	649,075	733,021	1,382,096
Total funds	<u>\$ 6,365,731</u>	<u>\$ 2,375,688</u>	<u>\$ 8,741,419</u>

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 8 - Endowment Funds (continued)

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

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

Note 9 - Priests Retirement Plan

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

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

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

Funded Status

The following table sets forth the plan's funded status as of:

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Accumulated benefit obligation	(9,369,932)	(9,826,186)
Projected benefit obligation	(10,055,422)	(10,511,278)
Plan assets at fair value	9,705,873	8,521,479
Funded status at end of year	(349,549)	(1,989,799)
Liability for pension benefits	\$ (349,549)	\$ (1,989,799)

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 9 - Priests Retirement Plan (continued)

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

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Noncurrent assets	\$ -	\$ -
Noncurrent liabilities	(349,549)	(1,989,799)
	<u>\$ (349,549)</u>	<u>\$ (1,989,799)</u>

Amounts recognized in net assets without donor restrictions consist of:

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Net loss (gain)	\$ (3,122,591)	\$ (2,036,637)
Prior service cost (credit)	2,051,490	1,986,949
	<u>\$ (1,071,101)</u>	<u>\$ (49,688)</u>

Net Periodic Pension Cost

The following items are the components of the net periodic pension cost for the plan as a whole for the years ended June 30:

	2025	2024
Service cost-benefits earned during the period	\$ 231,481	\$ 220,135
Interest cost on projected benefit obligation	525,890	527,491
Return on plan assets		
Expected return	(517,302)	(478,096)
Asset (gain) loss	(549,408)	(358,336)
Actual return on plan assets	<u>(1,066,710)</u>	<u>(836,432)</u>
Net amortization and deferral		
Amortization of prior service cost	31,803	156,074
Amortization of loss	-	-
Deferral of asset gain (loss)	549,408	358,336
Total	<u>581,211</u>	<u>514,410</u>
Net periodic pension cost	<u>\$ 271,872</u>	<u>\$ 425,604</u>

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 9 - Priests Retirement Plan (continued)

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

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Net loss (gain)	\$ (1,159,205)	\$ (610,560)
Prior service cost (credit)	169,595	335,140
Amortization of loss (gain)	73,251	16,829
Amortization of prior service cost (credit)	(105,054)	(172,903)
Total recognized in net assets without donor restrictions	(1,021,413)	(431,494)
Net periodic pension cost	271,872	425,604
Total recognized in net periodic pension cost and net assets without donor restrictions	\$ (749,541)	\$ (5,890)

Assumptions Used to Determine Net Periodic Pension Cost:

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Discount Rate	5.46%	5.19%
Expected long-term rate of return on assets	6.00%	6.00%
Future benefit increases	2.00%	2.00%

The Roman Catholic Diocese of Boise employs a methodical process to determine the estimates of expected long-term rate of return on assets. These estimates are primarily driven by actual historical asset-class returns and advice from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2025 and June 30, 2024, the expected long-term rate of return used in determining net periodic pension cost were 6%.

Assumptions Used to Determine Benefit Obligations at Year-End:

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Discount rate	5.54%	5.46%
Future benefit increases	2.00%	2.00%

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 9 - Priests Retirement Plan (continued)

Plan Asset Investment Strategy and Allocation

The asset allocation for the pension plan as of June 30, 2025 and June 30, 2024 and the target allocation, by asset category, are:

Asset Category	Investment Policy Target Asset Allocation	Policy Benchmark Asset Allocation	Actual Percentage of Plan Assets at June 30	
			2025	2024
Equities	25-75%	50%	62%	68%
Fixed Income	25-75%	40%	25%	19%
Cash Equivalents	0-100%	10%	6%	5%

The fair values of plan assets at June 30, 2025, by asset class are as follows:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 576,756	\$ -	\$ -	\$ 576,756
Open-End mutual funds - equity	-	1,166,113	-	1,166,113
Open-End mutual funds - fixed income	-	2,445,776	-	2,445,776
Open-End mutual funds - balanced	-	652,292	-	652,292
Corporate equities - domestic	2,951,069	-	-	2,951,069
Corporate equities - foreign	1,913,867	-	-	1,913,867
	\$ 5,441,692	\$ 4,264,181	\$ -	\$ 9,705,873

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

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

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 9 - Priests Retirement Plan (continued)

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

Cash Flows

Estimated Future Benefit Payments

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

Fiscal Year Ending June 30	Annual Pension Benefits
2026	\$ 781,000
2027	754,000
2028	735,000
2029	736,000
2030	702,000
2030-2035	3,549,000
	\$ 7,257,000

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 \$45,343 for the year ended June 30, 2025 and \$142,107 for the year ended June 30, 2024.

Diocesan pension contributions for the years ended June 30, 2025 and 2024 was \$890,709 and \$351,771, respectively. Benefit payments of \$723,815 and \$776,288, were made from the plan during the years ended June 30, 2025 and June 30, 2024, respectively.

The Diocese expects to contribute \$516,000 to the pension plan during the fiscal year ending June 30, 2026.

Note 10 - Lay Employees Pension Plan

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

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 10 - Lay Employees Pension Plan (continued)

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

Funded Status

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

	2025	2024
Accumulated benefit obligation	\$ (20,865,905)	\$ (20,271,600)
Projected benefit obligation	(21,026,019)	(20,370,795)
Plan assets at fair value	21,135,068	17,588,557
Funded status at end of year	109,049	(2,782,238)
Asset (liability) for pension benefits	\$ 109,049	\$ (2,782,238)

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

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Noncurrent assets	\$ 109,049	\$ -
Noncurrent liabilities	-	(2,782,238)
	\$ 109,049	\$ (2,782,238)

Amounts recognized in net assets without donor restrictions consist of:

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Net loss (gain)	\$ (1,394,405)	\$ 174,726
Prior service cost (credit)	-	-
	\$ (1,394,405)	\$ 174,726

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 10 - 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:

	2025	2024
Service cost-benefits earned during the period	\$ 1,192,819	\$ 1,278,459
Interest cost on projected benefit obligation	1,054,509	1,009,574
Return on plan assets		
Expected return	(1,094,539)	(947,124)
Asset (gain) loss	(1,223,375)	(788,810)
Actual return on plan assets	(2,317,914)	(1,735,934)
Net amortization and deferral		
Amortization of transition amount	-	-
Amortization of loss	-	-
Deferral of asset gain (loss)	(1,223,375)	(788,810)
Total	1,223,375	788,810
Net periodic pension cost	\$ 1,152,789	\$ 1,340,909

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

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Net loss (gain)	\$ (1,569,131)	\$ (1,769,971)
Amortization of loss (gain)	-	-
Total recognized in net assets without donor restrictions	(1,569,131)	(1,769,971)
Net periodic pension cost	1,152,789	1,340,909
Total recognized in net periodic pension cost and net assets without donor restrictions	\$ (416,342)	\$ (429,062)

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 10 - Lay Employees Pension Plan (continued)

Assumptions Used to Determine Net Periodic Pension Cost

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Discount Rate	5.43%	5.19%
Expected long-term rate of return on assets	6.00%	6.00%
Salary Scale	4.50%	4.50%

The Roman Catholic Diocese of Boise employs a methodical process to determine the estimates of expected long-term rate of return on assets. These estimates are primarily driven by actual historical asset-class returns and advice from external actuarial and investment consulting firms while incorporating specific asset-class risk factors. For the fiscal years ending June 30, 2025 and June 30, 2024, the expected long-term rate of return used in determining net periodic pension cost were 6%.

Assumptions Used to Determine Benefit Obligations at Year-End

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Discount rate	5.38%	5.43%
Salary scale	4.50%	4.50%

Plan Asset Investment Strategy and Allocation

The asset allocation for the pension plan as of June 30, 2025 and June 30, 2024 and the target allocation, by asset category, are:

Asset Category	Investment Policy Target Asset Allocation	Policy Benchmark Asset Allocation	Actual Percentage of Plan Assets at June 30 2025	2024
Equities	25-75%	50%	35%	66%
Fixed Income	25-75%	40%	27%	26%
Cash Equivalents	0-100%	10%	3%	2%

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 10 - Lay Employees Pension Plan (continued)

The fair values of plan assets at June 30, 2025, by asset class are as follows:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 612,967	\$ -	\$ -	\$ 612,967
Open-End mutual funds - equity	-	1,345,960	-	1,345,960
Open-End mutual funds - fixed income	-	5,612,170	-	5,612,170
Open-End mutual funds - balanced	-	7,527,278	-	7,527,278
Corporate equities - domestic	982,760	-	-	982,760
Corporate equities - foreign	5,053,933	-	-	5,053,933
	\$ 6,649,660	\$ 14,485,408	\$ -	\$ 21,135,068

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

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

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

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 10 - Lay Employees Pension Plan (continued)

Cash Flows

Estimated Future Benefit Payments

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

<u>Fiscal Year Ending June 30</u>	<u>Annual Pension Benefits</u>
2026	\$ 3,797,000
2027	1,744,000
2028	1,740,000
2029	1,840,000
2030	1,865,000
2030-2035	9,486,000
	<u>\$ 20,472,000</u>

Under FASB ASC 715, the funded status is recognized in the statement of financial position as a "Liability for pension benefits - lay". Unrecognized prior service costs and unrecognized actuarial losses are recognized in unrestricted net assets. The calculations above and on the prior pages represent the obligation of the entire Roman Catholic Diocese of Boise. The amounts recognized in the financial statements represent the obligation of the Central Administrative Office of the Diocese, and totaled \$734,140 for the year ended June 30, 2025 and \$952,056 for the year ended June 30, 2024.

Diocesan pension contributions for the years ended June 30, 2025 and 2024 were \$2,474,945 and \$1,989,657, respectively. Benefit payments of \$1,122,056 and \$1,549,068 were made from the plan during the years ended June 30, 2025 and June 30, 2024, respectively.

The Diocese expects to contribute \$2,160,000 to the pension plan during the fiscal year ending June 30, 2026.

Note 11 - Deposit and Loan Fund

The Diocese maintains a deposit and loan fund on behalf of the parishes and schools across the Diocese. This fund accumulates excess deposits such as those being accumulated under capital campaigns for parishes and schools and invests them. It pays half of the current US Bank CD rate. As of June 30, 2025 and 2024 the fund paid an interest rate on deposits of 2.25% and 2.25%, respectively. The parishes and schools can add and withdraw funds from this pool on demand. The Diocese also administers the lending of money from this fund to parishes and schools that need money to build new physical plant, or repair and renovate existing plant. These loans range from 10 years to 20 years in length. Loan rates charged to borrowers range from 0% to 6.25%. Loans are set at simple interest rates and incur interest charges until paid by the parish or school.

	<u>2025</u>	<u>2024</u>
Balances as of June 30:		
Deposits in Fund from Parishes and Schools	\$ 36,952,485	\$ 37,090,934
Loans from Fund to Parishes and Schools	\$ 7,753,874	\$ 6,969,606
Percentage Loaned Out	20.98%	18.79%

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 12 - 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 \$795,541 and \$815,677 as of June 30, 2025 and 2024, respectively.

Note 13 - 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. The collateral monthly interest payments are required on outstanding balances. The maturity date of the line agreement has been extended to April 20, 2026 with an interest of 5% per annum plus the interest rate otherwise payable. Line of credit totaled \$0 and \$0 as of June 30, 2025 and 2024, respectively.

Note 14 - Notes Payable

Notes payable balances at June 30, 2025 and 2024 are summarized as follows

	<u>2025</u>	<u>2024</u>
Knights of Columbus note payable with interest rate of 4.00% and monthly payments of \$13,166. The loan is secured by the mortgage and is expected to mature in March 2036.	\$ 1,378,628	\$ 1,479,286
Subtotal	1,378,628	1,479,286
Less current portion	105,197	101,079
Long-term portion	\$ 1,273,431	\$ 1,378,207
Future payments are summarized as follows:		
2026		\$ 105,197
2027		109,483
2028		113,943
2029		118,586
2030		123,417
Thereafter		808,002
Total		\$ 1,378,628

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 15 - Liquidity Resources and Availability

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

	<u>2025</u>	<u>2024</u>
Financial liquid assets, at year-end	\$ 49,432,079	\$ 50,970,815
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions for the following purposes:		
Restricted by donor to be used for specified programs	2,819,117	2,438,661
Restricted by donor, beneficial interest in perpetual trust trust	296,133	191,136
Restricted by donor to maintain in perpetuity as an endowment	1,642,667	1,642,667
Cash management program for parishes and schools	12,208,061	10,863,232
Parish savings deposits	36,952,485	37,090,934
Board designations:		
Quasi-endowment fund	<u>7,349,298</u>	<u>6,359,033</u>
Financial liquid assets available to meet cash needs for general expenditure within one year	\$ (11,835,682)	\$ (7,614,848)

As part of the Diocese's liquidity management, it has a goal to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To manage liquidity, the Diocese maintains a line of credit with US Bank that is drawn upon as needed during the fiscal year to manage cash flows. As of June 30, 2025, amount outstanding under this line of credit facility amounted to \$0.

Note 16 - Functional Classification of Expenses

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

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 17 - Net Assets with Donor Restrictions

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

	2025		2024
Subject to expenditures for specified programs:			
Pastoral	(1,723,361)	\$	(1,690,096)
Education	104,892		89,570
Social services	(283,991)		(634,481)
Idaho Catholic Appeal	2,717,802		2,940,808
St. John Vianney Center	1,354,761		1,354,761
	2,170,102		2,060,562
Donor-restricted endowment, perpetual in nature	1,642,667		1,642,667
	\$ 3,812,769	\$	3,703,229

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:

	2025		2024
Pastoral	\$ 666,666	\$	537,899
Education	753		570
Social services	1,114,760		868,005
Idaho Catholic Appeal	4,459,357		4,129,092
	\$ 6,241,536	\$	5,535,566

Note 18 - Leases in Financial Statements of Lessors

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

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

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

2026	\$ 57,600
2027	\$ 57,600
2028	9,600
	\$ 124,800

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 19 - Leases Commitment

In June 2021, the Diocese entered into a 12-month lease agreement for office space from a third party. They have renewed the agreement annually, maintaining a 12-month contract term. For the years ended June 30, 2025 and 2024, the Organization paid \$433,923 and \$361,241 in rent expense.

Note 20 - Interest Paid to Parishes

At June 30, 2025 and June 30, 2024, the Organization paid \$721,603 and \$934,020 of interest to parishes,

Note 21 - 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, 2025 and 2024, the Diocese recognized revenue from Diocesan parishes, schools, and other related organizations in the amount of \$9,033,779 and \$8,787,987, respectively for assessments, insurance, interest and technical support. The Diocese incurred interest expense related to the parish deposit and loan program in the amount of \$1,001,078 and \$1,265,468 for the years ended June 30, 2025 and 2024, respectively.

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

	2025	2024
Idaho Catholic Foundation Distribution	\$ 106,661	\$ 98,769
Idaho Catholic Appeal	158,339	265,000
Total due from Diocese to Catholic Charities of Idaho, Inc.	\$ 265,000	\$ 363,769

Accounts receivable from Catholic Charities of Idaho, Inc. to the Diocese totaled \$0 and \$7,953 as of June 30, 2025 and 2024, respectively.

A related party, Larry Hellhake, received \$5,859 and \$12,000 in real estate related fees in the years ended June 30, 2025 and 2024, respectively.

Idaho Catholic Foundation

The Idaho Catholic Foundation holds assets on behalf of the Diocese as outlined in Note 3. The Diocese performs administrative and accounting functions for the Idaho Catholic Foundation, in which they are paid \$1,275 in total per month. The board of directors for the Idaho Catholic Foundation is not elected by the Diocese.

CENTRAL ADMINISTRATIVE OFFICE OF THE ROMAN CATHOLIC DIOCESE OF BOISE

Notes to Financial Statements

June 30, 2025

Note 22 - 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, 2024, from which the summarized information was derived.

Note 23 - Subsequent events

Subsequent to year end, on November 10, 2025, the Diocese sold a property in Lewiston.

The Diocese are under contract to sell land in Nampa for \$10.5 million, receiving a \$500,000 deposit. Closing is expected by August 25, 2026, with an option to extend for an additional \$100,000 earnest money.

Additionally, the Diocese has entered into contracts to sell two parcels of land located in Eagle. One parcel, priced at \$6.5 million with a \$100,000 deposit received, is expected to close by December 31, 2025. The second parcel, priced at \$4.5 million, is scheduled to close no later than December 31, 2026.