

**CENTRAL ADMINISTRATIVE OFFICE**  
**OF THE ROMAN CATHOLIC DIOCESE**  
**OF SAN JOSE**

Financial Statements and Report of  
Independent Certified Public Accountants

June 30, 2000 and 1999

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**Report of Independent Certified Public Accountants**

Most Reverend Patrick J. McGrath  
The Roman Catholic Bishop of San Jose

We have audited the accompanying statements of financial position of the Central Administrative Office of the Roman Catholic Diocese of San Jose as of June 30, 2000 and 1999, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Central Administrative Office of the Roman Catholic Diocese of San Jose at June 30, 2000 and 1999, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

San Jose, California  
November 3, 2000

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**STATEMENTS OF FINANCIAL POSITION**

**June 30,**

	2000	1999
ASSETS		
Cash and cash equivalents	\$ 43,230,272	\$ 16,772,921
Marketable securities	17,079,630	14,332,326
Receivables		
Parishes and institutions (net of allowance for doubtful accounts of \$601,096 in 2000 and \$794,096 in 1999)	26,595,909	18,793,969
Mortgages and notes	457,988	920,725
Pledges (net of allowance for doubtful accounts of \$596,163 in 2000 and \$255,431 in 1999)	2,576,139	3,501,606
Note receivable from sale of land	-	5,114,065
Other (net of allowance for doubtful accounts of \$105,259 in 2000 and \$88,553 in 1999)	1,388,146	1,202,699
Inventories	4,233,865	4,204,833
Deposits and prepaid expenses	99,856	165,234
Bond issuance costs (net of accumulated amortization)	966,552	-
Investment in real estate	232,073	232,073
Real estate held in trust	1,002,204	-
Land, buildings and equipment (net of accumulated depreciation)	31,058,034	28,589,917
Total assets	\$ 128,920,668	\$ 93,830,368

See accompanying notes to financial statements.

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**STATEMENTS OF FINANCIAL POSITION (continued)**

**June 30,**

LIABILITIES AND NET ASSETS

	2000	1999
Bonds payable	\$ 19,420,000	\$ -
Notes payable	1,354,860	1,275,483
Accounts payable	3,118,383	1,570,404
Pledges payable to parishes and others	2,519,655	1,867,372
Accrued liabilities	3,457,788	3,119,988
Deposits payable	29,571,447	21,060,826
Trust assets held for parish	1,002,204	-
Held for parishes and institutions	6,735,821	5,584,325
Deferred revenue	11,244,356	10,523,938
	-	-
Total liabilities	78,424,514	45,002,336
Net assets		
Unrestricted		
Undesignated	30,427,009	31,073,257
Designated	3,130,165	3,910,858
Funds functioning as endowment - cemetery endowment care	2,098,633	1,851,141
	35,655,807	36,835,256
Temporarily restricted	12,159,298	9,311,727
Permanently restricted	2,681,049	2,681,049
Total net assets	50,496,154	48,828,032
Total liabilities and net assets	\$ 128,920,668	\$ 93,830,368

See accompanying notes to financial statements.

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**STATEMENT OF ACTIVITIES**

**Year ended June 30, 2000**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Gifts, bequests and collections	\$ 162,891	\$ 6,433,336	\$ -	\$ 6,596,227
Fees and expense reimbursements	1,836,901	-	-	1,836,901
Rental income	218,589	-	-	218,589
Investment income	3,196,119	724,236	-	3,920,355
Insurance premiums	7,620,272	-	-	7,620,272
Newspaper income	367,613	-	-	367,613
Cemetery revenues	3,852,255	-	-	3,852,255
Other income	511,054	-	-	511,054
Net assets released from restrictions	4,310,001	(4,310,001)	-	-
Total revenues	<u>22,075,695</u>	<u>2,847,571</u>	-	<u>24,923,266</u>
	-			
Expenses				
Pastoral	3,379,399	-	-	3,379,399
Religious personnel development	975,288	-	-	975,288
Education	868,228	-	-	868,228
Pension, priest retirement	1,217,579	-	-	1,217,579
Depreciation expense	670,988	-	-	670,988
Interest expense	2,127,883	-	-	2,127,883
Insurance premiums and benefits	7,637,310	-	-	7,637,310
Newspaper expenses	396,430	-	-	396,430
Cemetery expenses	2,663,970	-	-	2,663,970
Other	125,187	-	-	125,187
Administrative	2,774,640	-	-	2,774,640
Fundraising expenses	418,242	-	-	418,242
Total expenses	<u>23,255,144</u>	-	-	<u>23,255,144</u>
CHANGE IN NET ASSETS	(1,179,449)	2,847,571	-	1,668,122
Net assets at beginning of year	<u>36,835,256</u>	<u>9,311,727</u>	<u>2,681,049</u>	<u>48,828,032</u>
Net assets at end of year	<u>\$ 35,655,807</u>	<u>\$ 12,159,298</u>	<u>\$ 2,681,049</u>	<u>\$ 50,496,154</u>

See accompanying notes to financial statements.

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**STATEMENT OF ACTIVITIES**

**Year ended June 30, 1999**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Gifts, bequests and collections	\$ 51,072	\$ 5,298,522	\$ -	\$ 5,349,594
Fees and expense reimbursements	1,547,177	-	-	1,547,177
Rental income	221,480	-	-	221,480
Investment income(loss)	2,474,386	(777,898)	-	1,696,488
Insurance premiums	6,952,679	-	-	6,952,679
Newspaper income	325,315	-	-	325,315
Cemetery revenues	3,472,586	-	-	3,472,586
Gain on sale of land	8,504,875	-	-	8,504,875
Other income	465,793	-	-	465,793
Net assets released from restrictions	6,014,009	(6,014,009)	-	-
Total revenues	30,029,372	(1,493,385)	-	28,535,987
Expenses				
Pastoral	2,381,889	-	-	2,381,889
Religious personnel development	434,240	-	-	434,240
Education	779,389	-	-	779,389
Pension, priest retirement	379,873	-	-	379,873
Depreciation expense	684,157	-	-	684,157
Interest expense	1,198,563	-	-	1,198,563
Insurance premiums and benefits	7,794,920	-	-	7,794,920
Newspaper expenses	355,397	-	-	355,397
Cemetery expenses	2,861,921	-	-	2,861,921
Other	192,833	-	-	192,833
Administrative	2,537,994	-	-	2,537,994
Fundraising expenses	514,195	-	-	514,195
Total expenses	20,115,371	-	-	20,115,371
CHANGE IN NET ASSETS	9,914,001	(1,493,385)	-	8,420,616
Net assets at beginning of year	26,921,255	10,805,112	2,681,049	40,407,416
Net assets at end of year	\$ 36,835,256	\$ 9,311,727	\$ 2,681,049	\$ 48,828,032

See accompanying notes to financial statements.



**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**  
**STATEMENTS OF CASH FLOWS**  
**Years ended June 30,**

	2000	1999
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 1,668,122	\$ 8,420,616
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	670,988	684,157
Amortization of bond issuance costs	29,038	-
Write off of bond issuance costs	-	254,733
Realized and unrealized losses	159,961	1,149,985
(Gain) loss on sale of plant assets	128,029	(8,504,875)
Changes in assets and liabilities:		
Receivables	(6,599,183)	(3,033,597)
Inventories	(29,032)	220,168
Deposits and prepaid expenses	65,378	(4,682)
Bond issuance costs	(995,590)	-
Real estate held in trust	(1,002,204)	-
Accounts payable and pledges payable	2,044,262	(1,637,019)
Accrued liabilities	377,808	(1,151,607)
Deposits payable	8,510,621	1,770,280
Real estate held in trust	1,002,204	-
Held for parishes and institutions	1,151,496	138,503
Deferred revenue	720,418	998,705
Net cash provided by (used in) operating activities	7,902,316	(694,633)
Cash flows from investing activities:		
Proceeds from sale of plant assets	3,500	19,305,703
Increase in note receivable	-	(9,530,000)
Payments received on note receivable	5,114,065	4,415,935
Purchase of plant assets	(3,270,634)	(924,845)
Purchase of marketable securities	(5,328,358)	(9,363,812)
Proceeds from sale of marketable securities	2,421,093	8,805,129
Net cash provided by (used in) investing activities	(1,060,334)	12,708,110
Cash flows from financing activities:		
Principal payments on capital lease	(11,562)	(10,043)
Proceeds from notes and bonds payable	19,631,279	-
Payments on notes and bonds payable	(4,348)	(13,180,803)
Net cash provided by (used in) financing activities	19,615,369	(13,190,846)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	26,457,351	(1,177,369)
Cash and cash equivalents at beginning of year	16,772,921	17,950,290
Cash and cash equivalents at end of year	\$ 43,230,272	\$ 16,772,921

See accompanying notes to financial statements.

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**STATEMENTS OF CASH FLOWS (continued)**

**Year ended June 30,**

	<u>2000</u>	<u>1999</u>
<u>Supplemental disclosure of cash paid for:</u>		
Interest	\$ 2,491,366	\$ 2,406,063

Supplemental disclosure of noncash investing activity

During 1999, the Diocese received cash of \$14,191,638 for the sale of property, and also carried back a note receivable of \$5,114,065 on the property. Payment on the note receivable was subsequently received in October 1999.

In fiscal 2000, the Diocese financed the purchase of equipment with an equipment loan of \$83,684.

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See accompanying notes to financial statements.

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2000 and 1999**

**NOTE A - ORGANIZATION**

The Roman Catholic Bishop of San Jose, a California Corporation Sole, was incorporated on March 19, 1981 and commenced financial operations on July 1, 1981 as the Roman Catholic Diocese of San Jose ("Diocese").

The financial statements include only those funds for which the Central Administrative Office ("CAO") maintains direct operational control. Those entities not included in these statements are the parish churches, elementary and secondary schools, The Catholic Charities of San Jose, The Roman Catholic Seminary Corporation of San Jose ("Seminary"), Jeanne d'Arc Manor, Giovanni Center, Charities Housing Development Corporation of Santa Clara County, San Tomas/Charities Housing Corporation, and Sierra Vista/Charities Housing Corporation.

Following is a description of the fund groups included in net assets:

**Unrestricted net assets**

- Current Funds

- Operating Fund

- This fund contains the unrestricted resources available for the support of the CAO and resources held for parishes and institutions. This includes the land, buildings and equipment held for use by the CAO, St. Joseph's Cathedral and sites held for sale and for future parishes and institutions. The former Investment in Plant, Debt Retirement and Custodian funds have been consolidated into this fund.

- Newspaper

- This fund contains the resources available for Newspaper operations.

- Service Funds

- Payroll Fund

- This fund contains resources held by the CAO to operate a central payroll system for parishes and institutions. Deposits are required from the participating organizations and they are billed for their respective shares of the periodic payrolls and the system's costs.

- Benefit Fund

- This fund collects and disburses monies for benefit programs.

- Comprehensive Insurance Fund

- This fund collects and disburses monies for liability, general property and workers' compensation insurance. The net assets are designated for potential claims.

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE A - ORGANIZATION (continued)**

- Cemetery Fund

The Roman Catholic Cemeteries of San Jose are contained in this fund.

- Deposit and Loan Fund

This fund contains deposits held by the CAO for parishes and institutions which are held for investment and/or loaned to other parishes and institutions. Interest rates applied to deposits and loans are 55% and 66-2/3%, respectively, of the prime rate on April 1 of each year. At June 30, 2000 and 1999, the effective rates were 7.75% and 8.5%, respectively.

- Endowment and Similar Funds

A portion of this fund has been designated by the CAO as quasi-endowment and may be used for any purpose.

- Priest Retirement Fund

This fund has been established to provide support for retired priests. Specific assets have been designated for this purpose from the Annual Diocesan Appeal, parish payments and potential claims and a Medicare supplemental plan for priests.

- Fundraising Fund

This fund has been established for general fundraising expenses for the general diocesan operations.

**Temporarily restricted net assets** consist of assets, the use of which has been restricted by the donor.

- Annual Appeal Fund

This fund contains the operations of the Annual Diocesan Appeal. The annual appeal funds raised in February through June are treated as temporarily restricted revenue and are released from restriction in the following year, which is the period for which the funds are solicited from the parishes. Associated fund raising costs are expensed as incurred.

- Endowment and Similar Funds

In addition to unrestricted and permanently restricted net assets, this fund contains resources that are temporarily restricted in accordance with trust agreements.

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE A - ORGANIZATION (continued)**

- Capital Campaign Fund

This fund has been established to raise money for the Diocese of San Jose to be used for a number of needs including priest retirement, bond repayment, scholarships and new parishes.

- Cemetery Fund

In addition to unrestricted net assets, this fund also contains the proceeds from the sale of Old Kell Cemetery which have been restricted for the use of the Cemeteries and are invested within the pooled investment fund.

**Permanently restricted net assets** consist of assets, the use of which has been restricted for investment in perpetuity. The income from these assets is available for either general operations or specific programs as specified by the donor.

- Endowment and Similar Funds

In addition to unrestricted and temporarily restricted net assets, this fund contains restricted resources, the income from which is to be used principally for priest education and retirement and scholarships and are invested within the pooled investment fund.

Also included in the statement of financial position are the following funds:

- Investment Pool Fund

This fund contains investments of the CAO as well as those investments held for parishes and institutions. Ownership by specific funds or entities is accounted for by use of a pooling method based on market values. Revenues and expenses of the Pool are reflected as net asset changes in the fund or entity for which the assets are held.

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE B - SUMMARY OF ACCOUNTING POLICIES**

The accounting policies of the CAO conform to accounting principles generally accepted in the United States of America applicable to religious organizations.

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows:

- Fund Accounting

The accounts of the CAO are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded by fund group. However, for the financial statements, transactions are reported by the net asset categories described in Note A.

- Accrual Basis

The financial statements of the CAO have been prepared on the accrual basis of accounting.

- Cash and Cash Equivalents

All highly liquid debt instruments purchased with a maturity of three months or less are considered cash equivalents, and may include short term commercial paper and repurchase agreements.

A significant portion of the cash balances held at various banks at June 30, 2000 and 1999 are in excess of federally insured limits.

- Pledges Receivable

Pledges receivable are generated from the Annual Diocesan Appeal campaign drive. The donor-imposed restriction permits the Diocese to expend the donated assets in the following fiscal year and the restriction is satisfied by the passage of time. Also included in pledges receivable are restricted funds raised as a result of a capital campaign drive.

- Marketable Securities

Marketable securities are presented in the financial statements at fair value.

- Inventories

Cemetery inventories consist of graves, crypts, cremains, niches, landscaping and irrigation surrounding the sites and site development. Inventories are valued at the lower of cost (based on average cost) or market.

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE B - SUMMARY OF ACCOUNTING POLICIES (continued)**

- Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost, or, in the case of cemetery properties acquired directly from the Archdiocese of San Francisco, at approximate market value at the time of transfer. Depreciation expense is calculated principally on the straight-line method over the estimated lives of the assets. Maintenance and repairs which neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred.

- Deferred Revenue

Deferred revenue consists principally of rental income, which is recognized on a straight-line basis over the term of the lease, and preneed cemetery sales of future goods and services.

- Tax Exempt Status

The Diocese has been granted tax exempt status by the Internal Revenue Service and the California Franchise Tax Board under code Sections 501(c)(3) and 23701(d), respectively. The Diocese has received a ruling that it is not a private foundation.

- Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value:

- Cash, Receivables and Payables

The carrying amount approximates fair value because of the short maturity of those investments.

- Marketable Securities

The fair value of marketable securities is estimated based on quoted market prices for those or similar investments.

- Notes Payable

The carrying value of notes payable approximates the fair value as the carrying value is calculated using discounted cash flow analyses, based on the CAO's incremental borrowing rate.

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE B - SUMMARY OF ACCOUNTING POLICIES (continued)**

- Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as revenues and expenses during the reporting period. Actual results could differ from those estimates.

The CAO's allowances for doubtful receivables totaling \$1,302,518 and \$1,138,080, in 2000 and 1999, respectively, is a particularly significant estimate. The determination of the balance in this account is based on an analysis of the receivables and reflects an amount which, in management's judgment, is adequate to provide for potential losses after giving consideration to the character of the receivables, current economic conditions, past collection experience and such other factors that deserve current recognition in estimating losses.

- Trusts

The Diocese has been named trustee for two unitrusts. The donor is the income beneficiary until death, at which time the property transfers to the designated beneficiary. The Diocese is not the beneficiary and therefore, records an asset and a corresponding liability.

- Bond Issuance Costs

Costs incurred in connection with the issuance of debentures are being amortized over the life of the debentures.

- Reclassifications

Certain 1999 data has been reclassified to conform to the 2000 presentation.



**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE C - MARKETABLE SECURITIES**

Marketable securities at June 30, 2000 and 1999 consist of the following:

	2000	1999
Corporate stocks	\$ 9,369,437	\$ 8,154,147
Corporate bonds	3,034,354	1,520,014
Mutual funds	316,640	319,874
U.S. Government securities	2,567,268	2,656,364
Other	1,791,931	1,681,927
Total	\$ 17,079,630	\$ 14,332,326

Investment income consists of the following:

	Year Ended June 30,	
	2000	1999
Interest and dividends	\$ 558,019	\$ 401,936
Realized and unrealized losses, net	(159,961)	(1,149,985)
Total earnings (loss)	398,058	(748,049)
Less portfolio manager and custodian fees	(79,520)	(51,773)
Net earnings (loss) from investment pool activities	318,538	(799,821)
Investment income - other than pool	3,582,803	2,303,612
Total earnings from investment activities	3,901,341	1,503,791
Less income (loss) attributed to custodial and similar funds:		
Interest and dividends (net of manager fees of \$17533 in 2000 and \$12,426 in 1999)	112,254	85,427
Realized and unrealized losses, net	(131,268)	(278,124)
Total earnings from investment activities excluding custodian and similar funds	\$ 3,920,355	\$ 1,696,488

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE D - PLEDGES RECEIVABLE AND PAYABLE**

Pledges receivable are as follows at June 30:

	2000	1999
Capital Campaign		
Due within one year	\$ 659,000	\$ 900,000
Due in one to five years	<u>1,031,466</u>	<u>1,424,743</u>
	1,690,466	2,324,743
Less provision for uncollectible pledges	<u>536,163</u>	<u>185,430</u>
	1,154,303	2,139,313
Annual Appeal		
Due within one year	1,481,836	1,432,294
Less provision for uncollectible pledges	<u>60,000</u>	<u>70,000</u>
	<u>1,421,836</u>	<u>1,362,294</u>
	<u>\$ 2,576,139</u>	<u>\$ 3,501,607</u>
Annual and capital campaign pledges payable to parishes and other organizations at June 30:	<u>\$ 2,519,655</u>	<u>\$ 1,867,372</u>

**NOTE E - LAND, BUILDINGS AND EQUIPMENT**

Land, buildings and equipment consist of the following:

	June 30,	
	2000	1999
<b>Cemetery Fund</b>		
Buildings and improvements	\$ 2,544,061	\$ 2,458,966
Furniture and fixtures	408,627	382,872
Vehicles	856,263	756,423
Turf equipment	196,954	190,793
Tools and equipment	133,953	128,072
Office plans	21,333	21,333
Other improvements	<u>23,499</u>	<u>23,499</u>
	4,184,690	3,961,958
Less accumulated depreciation	<u>2,236,574</u>	<u>2,077,810</u>
	1,948,116	1,884,148
Land	426,102	426,102
Construction in progress	<u>96,965</u>	<u>92,114</u>
	<u>\$ 2,471,183</u>	<u>\$ 2,402,364</u>
<b>Priest Retirement Fund</b>		
Leasehold improvements	\$ 400,058	\$ 400,058
Less accumulated depreciation	<u>400,058</u>	<u>349,073</u>
	<u>-</u>	<u>50,985</u>

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

<b>Current Fund</b>		
Buildings and improvements	27,380,755	26,938,436
Furniture and equipment	1,389,182	1,162,335
Vehicles	<u>41,977</u>	<u>41,080</u>
	28,811,914	28,141,851
Less accumulated depreciation	<u>4,553,830</u>	<u>4,118,201</u>
	24,258,084	24,023,650
<b>Land</b>		
Sites for future parishes and institutions	3,077,284	648,606
Land held for sale	117,000	117,000
Land under operating lease (see Note J)	616,554	616,554
Operating properties	<u>517,929</u>	<u>730,758</u>
	<u>4,328,767</u>	<u>2,112,918</u>
	<u>28,586,851</u>	<u>26,136,568</u>
	<u>\$ 31,058,034</u>	<u>\$ 28,589,917</u>

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE F - UNSECURED DEBENTURES**

On December 1, 1999, the Diocese concluded the sale of unsecured debentures with proceeds totaling \$19,420,000 and issuance costs of \$995,590. Proceeds from the sale of the unsecured debentures are to be used to loan to Holy Spirit Elementary School, to finance earthquake retrofit improvements at various parish and school facilities, for general corporate purposes and to pay costs of issuance. Principal and interest on the unsecured debentures will be paid from contributions of the membership.

The first sinking fund category for \$7,525,000 has various maturity dates that begin in 2002 and conclude in 2012 with coupon rates ranging from 7% to 8%. The second sinking fund category, for \$6,545,000 has various maturity dates that begin in 2012 and conclude in 2017 with a coupon rate of 8%. The third sinking fund category, for \$5,350,000 has various maturity dates that begin in 2017 and conclude in 2020 with a coupon rate of 8.25%. The first interest payment date was due on June 1, 2000. Thereafter, interest is payable semiannually June 1 and December 1, until the unsecured debentures have been paid in full.

The second and third sinking fund category are subject to a pro-rata mandatory sinking fund redemption, on June 1, 2012 and June 1, 2017, respectively, and on each June 1 and December 1 thereafter at 100% of the principal amount thereof, plus accrued interest to the redemption date, from mandatory sinking fund payments.

Optional Redemptions

Before December 1, 2004, the first sinking fund category shall not be subject to call or redemption. Beginning December 1, 2004, the Debentures of all maturities from 2005 to 2012 shall be subject to call and redemption on a pro-rata basis in inverse chronological order at par plus accrued interest, upon 30 days notice.

The second sinking fund category shall be subject to prior redemption beginning December 1, 2004, at par plus accrued interest upon 30 days notice, provided that all other debentures have been redeemed.

After the issue date, the third sinking fund category shall be subject to call and redemption at par plus accrued interest upon 30 days notice and without penalty from any source other than borrowed funds. Beginning December 1, 2004, the third series shall be subject to call and redemption at par plus accrued interest upon 30 days notice and without penalty from any source.

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE F - UNSECURED DEBENTURES (continued)**

Covenants

The Central Administrative Office of the Roman Catholic Diocese of San Jose must comply with covenants including maintenance of specific ratios and timely submission of audited financial statements. The Diocese was in compliance with these requirements at June 30, 2000.

Aggregate maturities of the unsecured debentures as of June 30, 2000 are as follows:

Year ending June 30,	
2001	\$ -
2002	260,000
2003	555,000
2004	590,000
2005	635,000
Thereafter	<u>17,380,000</u>
Total	<u>\$ 19,420,000</u>

**NOTE G - NOTES PAYABLE**

Notes payable consist of the following at June 30.:

	<u>2000</u>	<u>1999</u>
Non-interest bearing obligation to The Archdiocese of San Francisco, payable in annual installments of \$100,000 through 2021. The fair value of this note has been determined based on an imputed interest rate of 5.5%	\$ 1,251,741	\$ 1,251,700
4% note payable in monthly installments of \$343 through 2007, collateralized by a deed of trust	19,435	23,783
3.35% equipment loan payable in monthly installments of \$4,108 through 2002	<u>83,684</u>	<u>-</u>
	<u>\$ 1,354,860</u>	<u>\$ 1,275,483</u>

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE G - NOTES PAYABLE (continued)**

Aggregate maturities of notes payable as of June 30, 2000 are as follows:

<u>Year ending June 30.</u>		
2001	\$	153,420
2002		141,093
2003		104,116
2004		104,116
2005		102,971
Thereafter		<u>1,731,960</u>
		2,337,676
Less amount representing imputed interest		<u>982,816</u>
	<u>\$</u>	<u>1,354,860</u>

**NOTE H - RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes or periods:

	<u>June 30.</u>	
	<u>2000</u>	<u>1999</u>
Current Funds:		
Operating (time and purpose restrictions)	\$ 766,135	\$ 527,029
New high school (purpose restricted)	1,000,000	-
Priest Retirement Funds:		
Post Retirement (purpose restriction)	13,923	13,923
Cemetery Fund:		
Future Cemetery expenditures (purpose restriction)	371,088	371,088
Fund Raising Funds:		
Annual Appeal programs and general operations (time restriction)	4,380,077	4,531,264
Capital Campaign priest retirement, scholarships, new parishes (time and purpose restrictions)	2,106,564	1,071,148
Endowment Fund:		
Trust agreements and scholarships (purpose restrictions)	<u>3,521,511</u>	<u>2,797,275</u>
	<u>\$ 12,159,298</u>	<u>\$ 9,311,727</u>

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE H - RESTRICTED NET ASSETS (continued)**

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support:

	June 30,	
	2000	1999
Priest education and retirement	\$ 764,009	\$ 764,009
Scholarships	1,887,250	1,887,250
General operations	29,790	29,790
	<u>\$ 2,681,049</u>	<u>\$ 2,681,049</u>

**NOTE I - NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	June 30,	
	2000	1999
Purpose restrictions accomplished	\$ 192,662	\$ 1,672,690
Time restrictions expired	4,117,339	4,341,319
Total restrictions released	<u>\$ 4,310,001</u>	<u>\$ 6,014,009</u>

**NOTE J - FUTURE MINIMUM RENTAL RECEIPTS**

In October 1987, the Diocese entered into an 85 year lease which allowed the lessee to build and operate a continuing care retirement home on land owned by the Diocese of San Jose. First year base rent of \$480,000 was paid in October 1987. Base rent of \$600,000 was paid in October 1988, for the second year. Lease payments of \$7,180,000 were received during 1990. Lease payments of \$1,000,000 were due each October 1 from 1995 through 1999. The payments received in 1990 and later years are being recognized as income ratably (approximately \$144,000 annually) over the remaining term of the lease. Amounts to be recognized in future periods are recorded as deferred revenue.

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE J - FUTURE MINIMUM RENTAL RECEIPTS (continued)**

The Diocese is the lessor of certain other rental properties. Future minimum rental receipts from long-term noncancelable operating leases as of June 30, 2000 are as follows:

Year ending June 30,

2001	\$ 63,379
2002	63,379
2003	<u>26,408</u>
Total	<u>\$ 153,166</u>

Rental income recognized for 2000 and 1999 was totaled \$218,590 and \$221,480, respectively.

**NOTE K - COMMITMENTS AND CONTINGENCIES**

The CAO conducts its operations in leased facilities under operating leases. In addition to the minimum rental payments, the CAO must pay a proportionate share of the operating expenses of the facilities. Rent expense for the years ended June 30, 2000 and 1999 was \$660,923 and \$547,874, respectively.

Future minimum rental payments are as follows:

Year ending June 30,

2001	\$ 584,443
2002	590,702
2003	618,936
2004	659,544
2005	525,912
Thereafter	<u>2,054,150</u>
Total	<u>\$ 5,033,687</u>

The Diocese has entered into several construction agreements on behalf of various parishes and schools. At June 30, 2000, construction commitments approximated \$24,297,888. The total amount expended as of June 30, 2000 on these commitments was approximately \$13,025,534. All expenditures incurred with respect to these construction agreements are expenditures of the various parishes and schools.

The Diocese is party to various litigation matters in the normal course of business. Management believes that the resolution of these matters will have no material adverse effect on the financial condition of the CAO.



**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE L - POST-RETIREMENT BENEFITS**

The Diocese sponsors a post-retirement medicare supplement plan for retired priests who are eligible to receive Medicare.

The plan pays medical costs not covered by Parts A and B of Medicare. The plan assumes the priest has full Medicare coverage. In addition, the plan pays 90% of prescription drug costs. The maximum annual payout is \$7,500.

An actuary performs an analysis of per capita claims costs and premiums on a calendar year basis. Since plan experience with regard to claims costs is limited due to the small size of the group, the actuary uses retiree premiums as the basis for estimating future claim costs.

The transition amount for the unrecognized net obligation is amortized on a straight-line basis over 17 years.

The accrued post retirement benefit cost is recorded in accrued liabilities on the statement of financial position.

The Diocese has adopted Statement of Financial Accounting Standards No. 132 ("SFAS 132"), *Employers' Disclosures about Pensions and Other Postretirement Benefits*, which sets forth employers' financial statement disclosure requirements regarding pension and other post retirement benefit plans.

	June 30,	
	2000	1999
	(000's)	(000's)
Benefit obligation at June 30	\$ 811	\$ 867
Plan assets at fair value	604	375
Accumulated post-retirement benefit obligation in excess of plan assets	(207)	(492)
 Accrued post-retirement benefit cost	 \$ (55)	 \$ (156)

Weighted average assumptions as of June 30:

	June 30,	
	2000	1999
Discount rate	7.75%	7.50%
Expected return on plan assets	8.00%	8.00%
Expected future increase	3.75%	3.25%

	June 30,	
	2000	1999
	(000's)	(000's)
Benefit cost	\$ 96	\$ 121
Employer contribution	197	284
Benefits paid	44	44

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE M - PENSION PLANS**

Lay Pension Plan

The Central Administrative Office participates in a defined benefit pension plan operated by the Diocese. All full-time lay employees who have completed at least one year of service are eligible.

The plan provides benefits based on the highest final average salary and all years and months of service, counting partial months as whole months.

Although the Diocese is exempt from the funding requirements of ERISA, it has been the Diocese's practice to make contributions annually to the plan that are not less than the 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 Diocese was not exempt from taxation. In general, it has been the policy of the Diocese to fund any unfunded past service liability over 30 years.

Approximately 51% of the plan assets are invested in common stock, 41% of plan assets are invested in Treasury and corporate bonds, and 8% of plan assets are invested in cash equivalents.

Only the CAO's portion of the accrued benefit cost is reflected in the statement of financial position as part of accrued liabilities.

Priest Retirement Plan

The Diocese also sponsors a defined benefit pension plan for all Diocesan priests who are ordained for or incardinated in the Diocese and in good standing and not on probation.

The plan provides benefits based on a flat benefit prorated for years and months of service less than 35 years.

Since the Diocese is exempt from the funding requirements of ERISA, it has been the Diocese's practice to make contributions annually to the plan based on actuarial principles. In general, it has been the Diocese's policy to fund any unfunded past service liability over 30 years.

Approximately 58% of the plan assets are invested in common stock and 36% of plan assets are invested in Treasury and corporate bonds. The balance is invested in cash equivalents.

Priest Supplemental Plan

The Diocese sponsors a nonqualified supplemental defined benefit pension plan for certain priests listed in the Appendix A and B of the plan document.

Benefits for priests in Appendix A are based on the excess of their benefit calculated under the regular retirement plan with additional years of service over their actual retirement plan benefit. Benefits for priests in Appendix B are based on the excess of their benefit calculated according to the formula defined in Appendix B over their actual regular retirement plan benefit.

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE M - PENSION PLANS (continued)**

Since the plan is exempt from the funding requirements of ERISA, it has been the Diocese's practice to make contributions annually to the plan not less than that required to pay benefits for that year.

Approximately 91% of the plan assets are invested in mutual funds. The balance is invested in cash equivalents.

The Diocese has adopted SFAS 132, which revises employers' disclosures about pension and other post retirement benefit plans.

	(\$ in thousands)		
<u>2000</u>	<u>Lay</u>	<u>Priest Retirement</u>	<u>Priest Supplemental</u>
Benefit obligation at June 30, 2000	\$ 44,075	\$ 6,703	\$ 1,043
Plan assets at fair value	40,735	4,911	653
Funded status	(3,340)	(1,792)	(390)
Accrued benefit cost for the plan as a whole	(6,536)	(1,792)	(390)
Accrued benefit cost for the Central Administrative Office	(786)	(1,792)	(390)
		<u>Priest</u>	<u>Priest</u>
		<u>Retirement</u>	<u>Supplemental</u>
Discount rate	7.5%	7.5%	7.5%
Expected return on plan assets	9.0%	8.5%	8.5%
Expected future increases	5.5%	2.0%	2.0%
		(\$ in thousands)	
	<u>Lay</u>	<u>Priest Retirement</u>	<u>Priest Supplemental</u>
Net pension cost for plan as a whole	\$ 2,927	\$ 547	\$ 103
Net pension cost for the Central Administrative Office	368	547	103
Employer contributions	2,141	360	76
Benefits paid	1,261	452	105

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE M - PENSION PLANS (continued)**

	(\$ in thousands)		
<u>1999</u>	<u>Lay</u>	<u>Priest Retirement</u>	<u>Priest Supplemental</u>
Benefit obligation at June 30, 1999	\$ 39,813	\$ 6,819	\$ 1,053
Plan assets at fair value	42,564	5,324	688
Funded status	2,751	(1,495)	(365)
Accrued benefit cost for the plan as a whole	(5,750)	(1,495)	(365)
Accrued benefit cost for the Central Administrative Office	(533)	(1,495)	(365)
	<u>Lay</u>	<u>Priest Retirement</u>	<u>Priest Supplemental</u>
Discount rate	7.5%	7.5%	7.5%
Expected return on plan assets	9.0%	8.5%	8.5%
Expected future increases	5.5%	2.0%	2.0%
	(\$ in thousands)		
	<u>Lay</u>	<u>Priest Retirement</u>	<u>Priest Supplemental</u>
Net pension cost for plan as a whole	\$ 3,127	\$ 449	\$ 83
Net pension cost for the Central Administrative Office	533	449	83
Employer contributions	2,657	147	65
Benefits paid	1,093	439	84

**NOTE N - RELATED PARTY TRANSACTIONS**

The Diocese performs various administrative services including payroll processing, for several related entities. Fees received for these services were \$390,527 and \$356,445 for the year ending June 30, 2000 and 1999, respectively.

During fiscal years 2000 and 1999, \$250,000 was paid by the Diocese to St. Joseph's Cathedral parish to support the operations of the Cathedral.

During fiscal years 2000 and 1999, \$83,333 was paid by the Diocese to support the operations of Mitty High School.

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**June 30, 2000 and 1999**

**NOTE O – SELF-INSURED RISK RETENTION GROUPS**

The Diocese is self-insured with respect to its general liability coverage through its participation with other dioceses in several western states in a risk retention group, incorporated in Vermont. Membership in the risk retention group requires a minimum participation of five years. Each member's participation in the risk retention group is fully assessable and each member is responsible for its share of the risk retention group's liabilities.

The Diocese is also self-insured with respect to its earthquake insurance coverage through its participation with other dioceses in the California Interdiocesan Earthquake Insurance pooling agreement.

**NOTE P – FUNCTIONAL EXPENSE CLASSIFICATIONS**

The expenses of the CAO are classified on a functional basis among its program and supporting services as follows:

	June 30,	
	2000	1999
Program:		
Pastoral	\$ 3,656,375	\$ 2,942,880
Religious personnel development	978,720	479,412
Education	868,228	779,389
Priest retirement	1,443,120	634,142
Insurance premiums and benefits	7,637,310	7,794,920
Newspaper	396,430	355,397
Cemetery	2,822,733	3,026,062
Deposit and loan activities	2,069,989	1,004,489
	19,872,905	17,016,691
Supporting:		
Administrative	2,963,997	2,484,067
Fundraising	418,242	614,613
	3,382,239	3,098,680
	\$ 23,255,144	\$ 20,115,371

**SUPPLEMENTARY INFORMATION**

**Report of Independent Certified Public Accountants**  
**on Supplementary Information**

Most Reverend Patrick J. McGrath  
The Roman Catholic Bishop of San Jose

Our audits were made for the purpose of forming an opinion on the basic financial statements, taken as a whole, of the Central Administrative Office of the Roman Catholic Diocese of San Jose for the years ended June 30, 2000 and 1999, which are presented in the preceding section of this report. The supplementary information presented hereinafter is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

San Jose, California  
November 3, 2000

Central Administrative Office of the Roman Catholic Diocese of San Jose

BALANCE SHEET - ALL FUNDS

June 30, 2000

ASSETS	Current Funds	Service Funds	Cemetery Fund	Deposit and Loan Fund	Pooled Investment Fund	Fundraising Fund	Priest Retirement Fund	Endowment Fund	Total
Cash and cash equivalents	\$ 6,496,471	\$ 3,171,989	\$ 2,904,844	\$ 23,838,144	\$ 317	\$ 5,516,848	\$ 321,614	\$ 980,045	\$ 43,230,272
Marketable securities	1,791,128	-	4,339,542	-	3,824,644	-	-	7,124,316	17,079,630
Receivables									
Parishes and institutions (net of allowance for doubtful accounts of \$601,096)	-	291,777	-	26,304,132	-	-	-	-	26,595,909
Mortgages and notes	100,000	-	-	357,988	-	-	-	-	457,988
Pledges (net of allowance for doubtful accounts of \$596,163)	-	-	-	-	-	2,576,139	-	-	2,576,139
Other (net of allowance for doubtful accounts of \$105,259)	48,562	-	657,273	76,846	126,283	-	40,034	439,148	1,388,146
Inventories	-	-	4,233,865	-	-	-	-	-	4,233,865
Deposits and prepaid expenses	61,497	30,091	-	-	-	(764)	9,032	-	99,856
Bond issuance cost	-	-	-	966,552	-	-	-	-	966,552
Investment in real estate	-	-	-	-	-	-	-	232,073	232,073
Real estate held in trust	1,002,204	-	-	-	-	-	-	-	1,002,204
Land, buildings and equipment (net of accumulated depreciation)	28,586,851	-	2,471,183	-	-	-	-	-	31,058,034
Deposit held in other funds	50,000	(75,858)	25,858	-	-	-	-	-	-
Total assets	<u>\$ 38,136,713</u>	<u>\$ 3,417,999</u>	<u>\$ 14,632,565</u>	<u>\$ 51,543,662</u>	<u>\$ 3,951,244</u>	<u>\$ 8,092,223</u>	<u>\$ 370,680</u>	<u>\$ 8,775,582</u>	<u>\$ 128,920,668</u>



Central Administrative Office of the Roman Catholic Diocese of San Jose

BALANCE SHEET - ALL FUNDS (continued)

June 30, 2000

LIABILITIES AND NET ASSETS	Current Funds	Service Funds	Cemetery Fund	Deposit and Loan Fund	Pooled Investment Fund	Fundraising Fund	Priest Retirement Fund	Endowment Fund	Total
<b>Liabilities</b>									
Bond payable	\$ -	\$ -	\$ -	\$ 19,420,000	\$ -	\$ -	\$ -	\$ -	\$ 19,420,000
Notes payable	19,435	-	1,335,425	-	-	-	-	-	1,354,860
Accounts payable	1,186,409	93,943	78,207	1,720,656	-	2,944	13,572	22,652	3,118,383
Pledges payable to parishes and others	-	-	-	-	-	2,519,655	-	-	2,519,655
Accrued liabilities	408,758	440,379	238,531	127,554	317	5,446	2,236,803	-	3,457,788
Deposits payable	-	-	-	29,571,447	-	-	-	-	29,571,447
Trust assets held for parish	1,002,204	-	-	-	-	-	-	-	1,002,204
Held for parishes and institutions	1,904,714	880,180	-	-	3,950,927	-	-	-	6,735,821
Deferred revenue	10,332,567	639,136	272,653	-	-	-	-	-	11,244,356
Due to (from) other funds	1,194,565	(961,410)	(400,000)	321,366	-	-	(206,546)	52,025	-
Total liabilities	16,048,652	1,092,228	1,524,816	51,161,023	3,951,244	2,528,045	2,043,829	74,677	78,424,514
<b>Net assets (deficit)</b>									
Unrestricted									
Undesignated	20,283,532	2,327,393	8,583,355	154,192	-	(922,463)	1,000	-	30,427,009
Designated	38,394	(1,622)	2,054,673	228,447	-	-	(1,688,072)	2,498,345	3,130,165
Funds functioning as endowment - cemetery endowment care	-	-	2,098,633	-	-	-	-	-	2,098,633
Temporarily restricted	1,766,135	-	371,088	-	-	6,486,641	13,923	3,521,511	12,159,298
Permanently restricted	-	-	-	-	-	-	-	2,681,049	2,681,049
Total net assets (deficit)	22,088,061	2,325,771	13,107,749	382,639	-	5,564,178	(1,673,149)	8,700,905	50,496,154
Total liabilities and net assets	\$ 38,136,713	\$ 3,417,999	\$ 14,632,565	\$ 51,543,662	\$ 3,951,244	\$ 8,092,223	\$ 370,680	\$ 8,775,582	\$ 128,920,668

**Central Administrative Office of the Roman Catholic Diocese of San Jose**

**BALANCE SHEET - ALL FUNDS**

**June 30, 1999**

ASSETS	Current Funds	Service Funds	Cemetery Fund	Deposit and Loan Fund	Pooled Investment Fund	Fundraising Fund	Priest Retirement Fund	Endowment Fund	Total
Cash and cash equivalents	\$ 1,142,394	\$ 4,002,564	\$ 1,809,468	\$ 3,528,656	\$ -	\$ 4,179,320	\$ 518,277	\$ 1,592,242	\$ 16,772,921
Marketable securities	424,150	-	4,257,539	-	3,410,731	-	407,410	5,832,496	14,332,326
Receivables									
Parishes and institutions (net of allowance for doubtful accounts of \$794,096)	-	373,860	-	18,420,109	-	-	-	-	18,793,969
Mortgages and notes	418,121	-	-	502,604	-	-	-	-	920,725
Pledges (net of allowance for doubtful accounts of \$255,431)	-	-	-	-	-	3,501,606	-	-	3,501,606
Note receivable from sale of land	5,114,065	-	-	-	-	-	-	-	5,114,065
Other (net of allowance for doubtful accounts of \$88,553)	45,054	3,530	674,514	18,001	52,484	-	5,488	403,628	1,202,699
Inventories	-	-	4,204,833	-	-	-	-	-	4,204,833
Deposits and prepaid expenses	98,098	51,416	-	-	-	-	15,720	-	165,234
Investment in real estate	-	-	-	-	-	-	-	232,073	232,073
Land, buildings and equipment (net of accumulated depreciation)	26,136,568	-	2,402,364	-	-	-	50,985	-	28,589,917
Deposits held in (for) other funds	50,000	(75,858)	25,858	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 33,428,450</b>	<b>\$ 4,355,512</b>	<b>\$ 13,374,576</b>	<b>\$ 22,469,370</b>	<b>\$ 3,463,215</b>	<b>\$ 7,680,926</b>	<b>\$ 997,880</b>	<b>\$ 8,060,439</b>	<b>\$ 93,830,368</b>

Central Administrative Office of the Roman Catholic Diocese of San Jose

BALANCE SHEET - ALL FUNDS (continued)

June 30, 1999

LIABILITIES AND NET ASSETS	Current Funds	Service Funds	Cemetery Fund	Deposit and Loan Fund	Pooled Investment Fund	Fundraising Fund	Priest Retirement Fund	Endowment Fund	Total
<b>Liabilities</b>									
Notes payable	\$ 23,783	\$ -	\$ 1,251,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,275,483
Accounts payable	749,785	35,527	94,655	678,460	-	-	8,708	3,269	1,570,404
Pledges payable to parishes and others	-	-	-	-	-	1,867,372	-	-	1,867,372
Accrued liabilities	470,164	373,108	260,716	-	-	-	2,016,000	-	3,119,988
Deposits payable	-	-	-	21,060,826	-	-	-	-	21,060,826
Held for parishes and institutions	1,240,930	880,180	-	-	3,463,215	-	-	-	5,584,325
Deferred revenue	9,477,079	777,538	269,321	-	-	-	-	-	10,523,938
Due to (from) other funds	194,562	(212,820)	(400,000)	321,369	-	-	44,864	52,025	-
Total liabilities	12,156,303	1,853,533	1,476,392	22,060,655	3,463,215	1,867,372	2,069,572	55,294	45,002,336
<b>Net assets (deficit)</b>									
Unrestricted									
Undesignated	20,685,750	2,503,601	7,702,638	180,268	-	-	1,000	-	31,073,257
Designated	59,368	(1,622)	1,973,317	228,447	-	211,142	(1,086,615)	2,526,821	3,910,858
Funds functioning as endowment - cemetery endowment care	-	-	1,851,141	-	-	-	-	-	1,851,141
Temporarily restricted	527,029	-	371,088	-	-	5,602,412	13,923	2,797,275	9,311,727
Permanently restricted	-	-	-	-	-	-	-	2,681,049	2,681,049
Total net asset (deficit)	21,272,147	2,501,979	11,898,184	408,715	-	5,813,554	(1,071,692)	8,005,145	48,828,032
Total liabilities and net assets	\$ 33,428,450	\$ 4,355,512	\$ 13,374,576	\$ 22,469,370	\$ 3,463,215	\$ 7,680,926	\$ 997,880	\$ 8,060,439	\$ 93,830,368

Central Administrative Office of the Roman Catholic Diocese of San Jose

Schedule 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - ALL FUNDS

Year ended June 30, 2000

	Current Funds	Service Funds	Cemetery Fund	Deposit and Loan Fund	Pooled Investment Fund	Fundraising Fund	Priest Retirement Fund	Endowment Fund	Total
<b>Revenues</b>									
Gifts, bequests and collections	\$ 1,182,525	\$ -	\$ -	\$ -	\$ -	\$ 5,241,107	\$ 172,595	\$ -	\$ 6,596,227
Fees and expense reimbursements	1,072,576	390,527	-	-	-	-	373,798	-	1,836,901
Rental income	155,210	-	-	-	-	-	-	63,379	218,589
Investment income (loss)	1,078,399	110,733	58,345	2,043,913	-	-	17,269	611,696	3,920,355
Insurance premiums	-	7,620,272	-	-	-	-	-	-	7,620,272
Newspaper income	367,613	-	-	-	-	-	-	-	367,613
Cemetery revenues	-	-	3,852,255	-	-	-	-	-	3,852,255
Other income	-	379,462	121,698	-	-	-	2,768	7,126	511,054
<b>Total revenues</b>	<b>3,856,323</b>	<b>8,500,994</b>	<b>4,032,298</b>	<b>2,043,913</b>	<b>-</b>	<b>5,241,107</b>	<b>566,430</b>	<b>682,201</b>	<b>24,923,266</b>
<b>Expenses</b>									
Pastoral	2,779,712	-	-	-	-	445,301	154,386	-	3,379,399
Religious personnel development	978,720	-	-	-	-	-	(3,432)	-	975,288
Education	868,228	-	-	-	-	-	-	-	868,228
Pension, priest retirement	-	-	-	-	-	-	1,217,579	-	1,217,579
Administrative	1,408,108	752,870	-	29,038	-	564,234	-	20,390	2,774,640
Depreciation expense	461,239	-	158,763	-	-	-	50,986	-	670,988
Interest expense	81,589	3,136	-	2,040,951	-	-	637	1,570	2,127,883
Insurance premiums and benefits	-	7,637,310	-	-	-	-	-	-	7,637,310
Newspaper expense	396,430	-	-	-	-	-	-	-	396,430
Cemetery expense	-	-	2,663,970	-	-	-	-	-	2,663,970
Fundraising expense	-	-	-	-	-	418,242	-	-	418,242
Other	102,223	-	-	-	-	-	22,964	-	125,187
<b>Total expenses</b>	<b>7,076,249</b>	<b>8,393,316</b>	<b>2,822,733</b>	<b>2,069,989</b>	<b>-</b>	<b>1,427,777</b>	<b>1,443,120</b>	<b>21,960</b>	<b>23,255,144</b>
Excess (deficiency) of revenues and other additions over expenses and other deductions before transfers	(3,219,926)	107,678	1,209,565	(26,076)	-	3,813,330	(876,690)	660,241	1,668,122
<b>Transfers</b>									
Annual appeal transfer	4,532,230	-	-	-	-	(4,532,230)	-	-	-
Annual appeal distribution	(104,380)	-	-	-	-	154,380	(50,000)	-	-
Other	(392,010)	(283,886)	-	-	-	315,144	325,233	35,519	-
<b>Total transfers</b>	<b>4,035,840</b>	<b>(283,886)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,062,706)</b>	<b>275,233</b>	<b>35,519</b>	<b>-</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>815,914</b>	<b>(176,208)</b>	<b>1,209,565</b>	<b>(26,076)</b>	<b>-</b>	<b>(249,376)</b>	<b>(601,457)</b>	<b>695,760</b>	<b>1,668,122</b>
Net assets (deficit) at beginning of year	21,272,147	2,501,979	11,898,184	408,715	-	5,813,554	(1,071,692)	8,005,145	48,828,032
Net assets (deficit) at end of year	\$ 22,088,061	\$ 2,325,771	\$ 13,107,749	\$ 382,639	\$ -	\$ 5,564,178	\$ (1,673,149)	\$ 8,700,905	\$ 50,496,154

Central Administrative Office of the Roman Catholic Diocese of San Jose

Schedule 4

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - ALL FUNDS

Year ended June 30, 1999

	Current Funds	Service Funds	Cemetery Fund	Deposit and Loan Fund	Pooled Investment Fund	Fundraising Fund	Priest Retirement Fund	Endowment Fund	Total
<b>Revenues</b>									
Gifts, bequests and collections	\$ 50,535	\$ -	\$ -	\$ -	\$ -	\$ 5,257,540	\$ 41,519	\$ -	\$ 5,349,594
Fees and expense reimbursements	705,035	356,445	-	-	-	-	485,697	-	1,547,177
Rental income	166,338	-	-	-	-	-	-	55,142	221,480
Investment income (loss)	1,128,922	31,055	(132,836)	1,107,156	-	-	17,581	(455,390)	1,696,488
Insurance premiums	-	6,952,679	-	-	-	-	-	-	6,952,679
Newspaper income	325,315	-	-	-	-	-	-	-	325,315
Cemetery revenues	-	-	3,472,586	-	-	-	-	-	3,472,586
Gain on sale of land	8,504,875	-	-	-	-	-	-	-	8,504,875
Other income	-	344,642	100,650	-	-	-	15,219	5,282	465,793
Total revenues	10,881,020	7,684,821	3,440,400	1,107,156	-	5,257,540	560,016	(394,966)	28,535,987
<b>Expenses</b>									
Pastoral	2,355,293	-	-	-	-	-	26,596	-	2,381,889
Religious personnel development	479,412	-	-	-	-	-	(45,172)	-	434,240
Education	779,389	-	-	-	-	-	-	-	779,389
Pension, priest retirement	-	-	-	-	-	-	379,873	-	379,873
Administrative	1,981,764	412,032	-	43,780	-	100,418	-	-	2,537,994
Depreciation expense	440,004	-	164,141	-	-	-	80,012	-	684,157
Interest expense	237,854	-	-	960,709	-	-	-	-	1,198,563
Insurance premiums and benefits	-	7,794,920	-	-	-	-	-	-	7,794,920
Newspaper expense	355,397	-	-	-	-	-	-	-	355,397
Cemetery expense	-	-	2,861,921	-	-	-	-	-	2,861,921
Fundraising expense	484,388	-	-	-	-	29,807	-	-	514,195
Other	-	-	-	-	-	-	192,833	-	192,833
Total expenses	7,113,501	8,206,952	3,026,062	1,004,489	-	130,225	634,142	-	20,115,371
Excess (deficiency) of revenues and other additions over expenses and other deductions before transfers	3,767,519	(522,131)	414,338	102,667	-	5,127,315	(74,126)	(394,966)	8,420,616
<b>Transfers</b>									
Annual appeal transfer	4,368,217	-	-	-	-	(4,368,217)	-	-	-
Annual appeal distribution	(51,000)	-	-	-	-	-	51,000	-	-
Other	(287,420)	86,000	-	-	-	(2,139,802)	69,607	2,271,615	-
Total transfers	4,029,797	86,000	-	-	-	(6,508,019)	120,607	2,271,615	-
INCREASE (DECREASE) IN NET ASSETS	7,797,316	(436,131)	414,338	102,667	-	(1,380,704)	46,481	1,876,649	8,420,616
Net assets (deficit) at beginning of year	13,474,831	2,938,110	11,483,846	306,048	-	7,194,258	(1,118,173)	6,128,496	40,407,416
Net assets (deficit) at end of year	\$ 21,272,147	\$ 2,501,979	\$ 11,898,184	\$ 408,715	\$ -	\$ 5,813,554	\$ (1,071,692)	\$ 8,005,145	\$ 48,828,032

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**BALANCE SHEET  
CURRENT FUNDS**

**June 30, 2000**

	ASSETS		
	Operating Fund	Newspaper Fund	Total
Cash and cash equivalents	\$ 7,101,067	\$ (604,596)	\$ 6,496,471
Marketable securities	1,791,128	-	1,791,128
Receivables			
Mortgage and notes receivable	100,000	-	100,000
Other receivables (net of allowance for doubtful accounts of \$31,492)	15,190	33,372	48,562
Deposits and prepaid expenses	56,644	4,853	61,497
Real estate held in trust	1,002,204	-	1,002,204
Land, buildings and equipment (net of accumulated depreciation)	28,586,851	-	28,586,851
Deposits held in other funds	50,000	-	50,000
Total assets	<u>\$ 38,703,084</u>	<u>\$ (566,371)</u>	<u>\$ 38,136,713</u>
LIABILITIES AND NET ASSETS (DEFICIT)			
Note payable	\$ 19,435	\$ -	\$ 19,435
Accounts payable	1,180,783	5,626	1,186,409
Accrued liabilities	361,416	47,342	408,758
Trust assets held for parish	1,002,204	-	1,002,204
Held for parishes and institutions	1,904,714	-	1,904,714
Deferred revenue	10,332,567	-	10,332,567
Due to other funds	670,158	524,407	1,194,565
Total liabilities	15,471,277	577,375	16,048,652
Net assets (deficit)			
Unrestricted			
Undesignated	21,427,278	(1,143,746)	20,283,532
Designated	38,394	-	38,394
Temporarily restricted	1,766,135	-	1,766,135
Total net assets (deficit)	<u>23,231,807</u>	<u>(1,143,746)</u>	<u>22,088,061</u>
Total liabilities and net assets	<u>\$ 38,703,084</u>	<u>\$ (566,371)</u>	<u>\$ 38,136,713</u>

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**BALANCE SHEET  
CURRENT FUNDS**

**June 30, 1999**

	ASSETS		
	Operating Fund	Newspaper Fund	Total
Cash and cash equivalents	\$ 1,723,849	\$ (581,455)	\$ 1,142,394
Marketable securities	424,150	-	424,150
Receivables			
Mortgage and notes receivable	418,121	-	418,121
Note receivable from sale of land	5,114,065	-	5,114,065
Other receivables (net allowance for doubtful accounts of \$29,863)	4,688	40,366	45,054
Deposits and prepaid expenses	93,559	4,539	98,098
Land, buildings and equipment (net of accumulated depreciation)	26,136,568	-	26,136,568
Deposits held in other funds	50,000	-	50,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 33,965,000</u>	<u>\$ (536,550)</u>	<u>\$ 33,428,450</u>
LIABILITIES AND NET ASSETS (DEFICIT)			
Note payable	\$ 23,783	\$ -	\$ 23,783
Accounts payable	745,363	4,422	749,785
Accrued liabilities	420,614	49,550	470,164
Held for parishes and institutions	1,240,930	-	1,240,930
Deferred revenue	9,477,079	-	9,477,079
Due to (from) other funds	(329,845)	524,407	194,562
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	11,577,924	578,379	12,156,303
Net assets (deficit)			
Unrestricted			
Undesignated	21,800,679	(1,114,929)	20,685,750
Designated	59,368	-	59,368
Temporarily restricted	527,029	-	527,029
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total net assets (deficit)	<u>22,387,076</u>	<u>(1,114,929)</u>	<u>21,272,147</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and net assets	<u>\$ 33,965,000</u>	<u>\$ (536,550)</u>	<u>\$ 33,428,450</u>

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
CURRENT FUNDS**

**June 30, 2000**

	Operating Fund	Newspaper Fund	Total
Revenues and other additions			
Gifts, bequests and collections	\$ 1,182,525	\$ -	\$ 1,182,525
Fees and expense reimbursements	1,072,576	-	1,072,576
Rental income	155,210	-	155,210
Investment income	1,078,399	-	1,078,399
Newspaper income	-	367,613	367,613
Total revenues and other additions	3,488,710	367,613	3,856,323
Expenses and other deductions			
Pastoral	2,779,712	-	2,779,712
Religious personnel development	978,720	-	978,720
Education	868,228	-	868,228
Administrative	1,408,108	-	1,408,108
Depreciation expense	461,239	-	461,239
Interest expense	81,589	-	81,589
Newspaper expense	-	396,430	396,430
Other	102,223	-	102,223
Total expenses and other deductions	6,679,819	396,430	7,076,249
Deficiency of revenues and other additions over expenses and other deductions before transfers	(3,191,109)	(28,817)	(3,219,926)
Transfers			
Annual appeal transfer	4,532,230	-	4,532,230
Annual appeal distribution	(104,380)	-	(104,380)
Other	(392,010)	-	(392,010)
Total transfers	4,035,840	-	4,035,840
INCREASE (DECREASE) IN NET ASSETS	844,731	(28,817)	815,914
Net assets (deficit) at beginning of year	22,387,076	(1,114,929)	21,272,147
Net assets (deficit) at end of year	\$ 23,231,807	\$ (1,143,746)	\$ 22,088,061



**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
CURRENT FUNDS**

**June 30, 1999**

	Operating Fund	Newspaper Fund	Total
Revenues and other additions			
Gifts, bequests and collections	\$ 50,535	\$ -	\$ 50,535
Fees and expense reimbursements	705,035	-	705,035
Rental income	166,338	-	166,338
Investment income	1,128,922	-	1,128,922
Newspaper income	-	325,315	325,315
Gain on sale of land	8,504,875	-	8,504,875
Total revenues and other additions	10,555,705	325,315	10,881,020
Expenses and other deductions			
Pastoral	2,355,293	-	2,355,293
Religious personnel development	479,412	-	479,412
Education	779,389	-	779,389
Administrative	1,981,764	-	1,981,764
Depreciation expense	440,004	-	440,004
Interest expense	237,854	-	237,854
Newspaper expense	-	355,397	355,397
Fundraising expense	484,388	-	484,388
Total expenses and other deductions	6,758,104	355,397	7,113,501
Excess (deficiency) of revenues and other additions over expenses and other deductions before transfers	3,797,601	(30,082)	3,767,519
Transfers			
Annual appeal transfer	4,368,217	-	4,368,217
Annual appeal distribution	(51,000)	-	(51,000)
Other	(287,420)	-	(287,420)
Total transfers	4,029,797	-	4,029,797
INCREASE (DECREASE) IN NET ASSETS	7,827,398	(30,082)	7,797,316
Net assets (deficit) at beginning of year	14,559,678	(1,084,847)	13,474,831
Net assets (deficit) at end of year	\$ 22,387,076	\$ (1,114,929)	\$ 21,272,147

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**BALANCE SHEET  
SERVICE FUNDS**

**June 30, 2000**

ASSETS	Payroll Fund	Benefit Fund	Compre- hensive Insurance Fund	Total
Cash and cash equivalents	\$ 405,469	\$ 2,029,369	\$ 737,151	\$ 3,171,989
Receivables				
Parishes (net of allowance for doubtful accounts of \$601,096)	213,087	17,085	61,605	291,777
Deposits and prepaid expenses	-	29,151	940	30,091
Deposit held in other funds	(75,858)	-	-	(75,858)
	<u>542,698</u>	<u>2,075,605</u>	<u>799,696</u>	<u>3,417,999</u>
Total assets				
LIABILITIES AND NET ASSETS				
Accounts payable	\$ (11,304)	\$ 10,851	\$ 94,396	\$ 93,943
Accrued liabilities	151,951	279,892	8,536	440,379
Held for parishes and institutions	880,180	-	-	880,180
Deferred revenue	-	302,822	336,314	639,136
Due from other funds	(500,000)	(461,410)	-	(961,410)
	<u>520,827</u>	<u>132,155</u>	<u>439,246</u>	<u>1,092,228</u>
Total liabilities				
Net assets unrestricted, undesignated	21,871	1,945,072	360,450	2,327,393
Net assets unrestricted, designated	-	(1,622)	-	(1,622)
	<u>21,871</u>	<u>1,943,450</u>	<u>360,450</u>	<u>2,325,771</u>
Total net assets				
	<u>542,698</u>	<u>2,075,605</u>	<u>799,696</u>	<u>3,417,999</u>
Total liabilities and net assets				

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**BALANCE SHEET  
SERVICE FUNDS**

**June 30, 1999**

ASSETS	Payroll Fund	Benefit Fund	Compre- hensive Insurance Fund	Total
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Cash and cash equivalents	\$ 1,038,005	\$ 2,340,471	\$ 624,088	\$ 4,002,564
Receivables				
Parishes (net of allowance for doubtful accounts of \$794,096)	221,333	145,677	6,850	373,860
Other	-	3,530	-	3,530
Deposits and prepaid expenses	-	41,544	9,872	51,416
Deposits held for other funds	<u>(75,858)</u>	<u>-</u>	<u>-</u>	<u>(75,858)</u>
 Total assets	 - \$ <u>1,183,480</u>	 \$ <u>2,531,222</u>	 \$ <u>640,810</u>	 \$ <u>4,355,512</u>
 LIABILITIES AND NET ASSETS				
Accounts payable	\$ (675)	\$ 7,926	\$ 28,276	\$ 35,527
Accrued liabilities	82,492	282,782	7,834	373,108
Held for parishes and institutions	880,180	-	-	880,180
Deferred revenue	-	459,015	318,523	777,538
Due to (from) other funds	<u>500,000</u>	<u>(712,820)</u>	<u>-</u>	<u>(212,820)</u>
Total liabilities	1,461,997	36,903	354,633	1,853,533
 Net assets (deficit) unrestricted, undesignated	 (278,517)	 2,495,941	 286,177	 2,503,601
Net deficit unrestricted, designated	<u>-</u>	<u>(1,622)</u>	<u>-</u>	<u>(1,622)</u>
Total net assets (deficit)	<u>(278,517)</u>	<u>2,494,319</u>	<u>286,177</u>	<u>2,501,979</u>
 Total liabilities and net assets	 \$ <u>1,183,480</u>	 \$ <u>2,531,222</u>	 \$ <u>640,810</u>	 \$ <u>4,355,512</u>

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
SERVICE FUNDS**

**June 30, 2000**

	Payroll Fund	Benefit Fund	Compre- hensive Insurance Fund	Total
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Revenues and other additions				
Fees and expense reimbursements	\$ 390,527	\$ -	\$ -	\$ 390,527
Investment income	-	90,503	20,230	110,733
Insurance premium	-	5,782,444	1,837,828	7,620,272
Other income	<u>151,000</u>	<u>29,000</u>	<u>199,462</u>	<u>379,462</u>
Total revenues and other additions	541,527	5,901,947	2,057,520	8,500,994
Expenses and other deductions				
Administrative	198,133	45,822	508,915	752,870
Interest expense	-	3,136	-	3,136
Insurance premiums and benefits	<u>43,006</u>	<u>6,120,012</u>	<u>1,474,292</u>	<u>7,637,310</u>
Total expenses and other deductions	<u>241,139</u>	<u>6,168,970</u>	<u>1,983,207</u>	<u>8,393,316</u>
Excess (deficiency) of revenues over expenses before transfers	300,388	(267,023)	74,313	107,678
Transfers	<u>-</u>	<u>(283,846)</u>	<u>(40)</u>	<u>(283,886)</u>
INCREASE (DECREASE) IN NET ASSETS	300,388	(550,869)	74,273	(176,208)
Net assets (deficit) at beginning of year	<u>(278,517)</u>	<u>2,494,319</u>	<u>286,177</u>	<u>2,501,979</u>
Net assets at end of year	<u>\$ 21,871</u>	<u>\$ 1,943,450</u>	<u>\$ 360,450</u>	<u>\$ 2,325,771</u>

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
SERVICE FUNDS**

**June 30, 1999**

	<u>Payroll Fund</u>	<u>Benefit Fund</u>	<u>Compre- hensive Insurance Fund</u>	<u>Total</u>
Revenues and other additions				
Fees and expense reimbursements	\$ 356,445	\$ -	\$ -	\$ 356,445
Investment income	55	14,673	16,327	31,055
Insurance premium	-	5,154,343	1,798,336	6,952,679
Other income	<u>92,151</u>	<u>198,274</u>	<u>54,217</u>	<u>344,642</u>
Total revenues and other additions	448,651	5,367,290	1,868,880	7,684,821
Expenses and other deductions	-			
Administrative	209,889	120,609	81,534	412,032
Insurance premiums and benefits	<u>64,371</u>	<u>5,610,730</u>	<u>2,119,819</u>	<u>7,794,920</u>
Total expenses and other deductions	<u>274,260</u>	<u>5,731,339</u>	<u>2,201,353</u>	<u>8,206,952</u>
Excess (deficiency) of revenues over expenses before transfers	174,391	(364,049)	(332,473)	(522,131)
Transfers	<u>-</u>	<u>86,000</u>	<u>-</u>	<u>86,000</u>
INCREASE (DECREASE) IN NET ASSETS	174,391	(278,049)	(332,473)	(436,131)
Net assets (deficit) at beginning of year	<u>(452,908)</u>	<u>2,772,368</u>	<u>618,650</u>	<u>2,938,110</u>
Net assets (deficit) at end of year	<u>\$ (278,517)</u>	<u>\$ 2,494,319</u>	<u>\$ 286,177</u>	<u>\$ 2,501,979</u>

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**BALANCE SHEET  
PRIEST RETIREMENT FUNDS**

**June 30, 2000**

	ASSETS			
	Priest Retirement Fund	Supplemental Plan Fund	Post Retirement Fund	Total
Cash and cash equivalents	\$ 274,452	\$ 39,861	\$ 7,301	\$ 321,614
Other receivables	-	2,500	37,534	40,034
Deposits and prepaid expenses	-	-	9,032	9,032
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 274,452</u>	<u>\$ 42,361</u>	<u>\$ 53,867</u>	<u>\$ 370,680</u>
	-			
	LIABILITIES AND NET ASSETS (DEFICIT)			
Accounts payable	\$ -	\$ -	\$ 13,572	\$ 13,572
Accrued liabilities	1,791,801	390,002	55,000	2,236,803
Due to other funds	-	-	(206,546)	(206,546)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	1,791,801	390,002	(137,974)	2,043,829
Net assets (deficit)				
Unrestricted				
Undesignated	-	-	1,000	1,000
Designated	(1,517,349)	(347,641)	176,918	(1,688,072)
Temporarily restricted	-	-	13,923	13,923
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total net assets (deficit)	<u>(1,517,349)</u>	<u>(347,641)</u>	<u>191,841</u>	<u>(1,673,149)</u>
Total liabilities and net assets	<u>\$ 274,452</u>	<u>\$ 42,361</u>	<u>\$ 53,867</u>	<u>\$ 370,680</u>

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**BALANCE SHEET  
PRIEST RETIREMENT FUNDS**

**June 30, 1999**

	ASSETS			
	Priest Retirement Fund	Supplemental Plan Fund	Post Retirement Fund	Total
Cash and cash equivalents	\$ 491,746	\$ 26,531	\$ -	\$ 518,277
Marketable securities	-	-	407,410	407,410
Other receivables (net of allowance for doubtful accounts of \$4,400)	2,988	2,500	-	5,488
Deposits and prepaid expenses	15,720	-	-	15,720
Land, buildings and equipment (net of accumulated depreciation)	50,985	-	-	50,985
Total assets	<u>\$ 561,439</u>	<u>\$ 29,031</u>	<u>\$ 407,410</u>	<u>\$ 997,880</u>
LIABILITIES AND NET ASSETS (DEFICIT)				
Accounts payable	\$ 8,708	\$ -	\$ -	\$ 8,708
Accrued liabilities	1,495,000	365,000	156,000	2,016,000
Due to other funds	-	-	44,864	44,864
Total liabilities	1,503,708	365,000	200,864	2,069,572
Net assets (deficit)				
Unrestricted				
Undesignated	-	-	1,000	1,000
Designated	(942,269)	(335,969)	191,623	(1,086,615)
Temporarily restricted	-	-	13,923	13,923
Total net assets (deficit)	<u>(942,269)</u>	<u>(335,969)</u>	<u>206,546</u>	<u>(1,071,692)</u>
Total liabilities and net assets	<u>\$ 561,439</u>	<u>\$ 29,031</u>	<u>\$ 407,410</u>	<u>\$ 997,880</u>

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PRIEST RETIREMENT FUNDS**

**June 30, 2000**

	Priest Retirement Fund	Supplemental Plan Fund	Post Retirement Fund	Total
Revenues and other additions				
Gifts, bequests and collections	\$ 34,985	\$ 36,610	\$ 101,000	\$ 172,595
Fees and expense reimbursements	373,393	405	-	373,798
Investment income	14,411	1,553	1,305	17,269
Other income	2,768	-	-	2,768
Total revenues and other additions	425,557	38,568	102,305	566,430
Expenses and other deductions				
Pastoral	-	104,814	49,572	154,386
Religious personnel development	-	-	(3,432)	(3,432)
Pension, priest retirement	664,021	(7,239)	560,797	1,217,579
Depreciation	50,986	-	-	50,986
Interest expense	538	49	50	637
Other	19,848	3,116	-	22,964
Total expenses and other deductions	735,393	100,740	606,987	1,443,120
Deficiency of revenues and other additions over expenses and other deductions before transfers	(309,836)	(62,172)	(504,682)	(876,690)
Transfers				
Annual appeal distribution	(50,000)			(50,000)
Other	(215,244)	50,500	489,977	325,233
	(265,244)	50,500	489,977	275,233
DECREASE IN NET ASSETS	(575,080)	(11,672)	(14,705)	(601,457)
Net assets (deficit) at beginning of year	(942,269)	(335,969)	206,546	(1,071,692)
Net assets (deficit) at end of year	\$ (1,517,349)	\$ (347,641)	\$ 191,841	\$ (1,673,149)



**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PRIEST RETIREMENT FUNDS**

**June 30, 1999**

	Priest Retirement Fund	Supplemental Plan Fund	Post Retirement Fund	Total
Revenues and other additions				
Gifts, bequests and collections	\$ -	\$ -	\$ 41,519	\$ 41,519
Fees and expense reimbursements	475,601	10,096	-	485,697
Investment income	-	-	17,581	17,581
Other income	2,417	12,802	-	15,219
Total revenues and other additions	478,018	22,898	59,100	560,016
Expenses and other deductions				
Pastoral	-	-	26,596	26,596
Religious personnel development	-	-	(45,172)	(45,172)
Pension, priest retirement	263,821	116,052	-	379,873
Depreciation expense	80,012	-	-	80,012
Other	192,833	-	-	192,833
Total expenses and other deductions	536,666	116,052	(18,576)	634,142
Excess (deficiency) of revenues and other additions over expenses and other deductions before transfers	(58,648)	(93,154)	77,676	(74,126)
Transfers				
Annual appeal distribution	51,000	-	-	51,000
Other	35,107	34,500	-	69,607
	86,107	34,500	-	120,607
INCREASE (DECREASE) IN NET ASSETS	27,459	(58,654)	77,676	46,481
Net assets (deficit) at beginning of year	(969,728)	(277,315)	128,870	(1,118,173)
Net assets (deficit) at end of year	\$ (942,269)	\$ (335,969)	\$ 206,546	\$ (1,071,692)

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**BALANCE SHEET  
FUNDRAISING FUNDS**

**June 30, 2000**

ASSETS				
	Annual Appeal Fund	Capital Campaign Fund	Fundraising Fund	Total
Cash and cash equivalents	\$ 4,176,905	\$ 1,333,907	\$ 6,036	\$ 5,516,848
Receivables				
Pledges (net of allowance for doubtful accounts of \$596,163)	1,421,836	1,154,303	-	2,576,139
Deposits and prepaid expenses	(588)	-	(176)	(764)
Total assets	\$ -	\$ 2,488,210	\$ 5,860	\$ 8,092,223
LIABILITIES AND NET ASSETS (DEFICIT)				
Accounts payable	\$ -	\$ -	\$ 2,944	\$ 2,944
Pledges payable to parishes and others	1,217,416	1,302,239	-	2,519,655
Accrued liabilities	660	-	4,786	5,446
Total liabilities	1,218,076	1,302,239	7,730	2,528,045
Net assets (deficit)				
Unrestricted				
Undesignated	-	(920,593)	(1,870)	(922,463)
Temporarily restricted	4,380,077	2,106,564	-	6,486,641
Total net assets (deficit)	4,380,077	1,185,971	(1,870)	5,564,178
Total liabilities and net assets	\$ 5,598,153	\$ 2,488,210	\$ 5,860	\$ 8,092,223

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**BALANCE SHEET  
FUNDRAISING FUNDS**

**June 30, 1999**

	ASSETS		
	Annual Appeal Fund	Capital Campaign Fund	Total
Cash and cash equivalents	\$ 3,782,749	\$ 396,571	\$ 4,179,320
Receivables			
Pledges (net of allowance for doubtful accounts of \$255,431)	<u>1,362,293</u>	<u>2,139,313</u>	<u>3,501,606</u>
Total assets	<u>\$ 5,145,042</u>	<u>\$ 2,535,884</u>	<u>\$ 7,680,926</u>
	-		
LIABILITIES AND NET ASSETS (DEFICIT)			
Pledges payable to parishes and others	<u>\$ 613,778</u>	<u>\$ 1,253,594</u>	<u>\$ 1,867,372</u>
Total liabilities	613,778	1,253,594	1,867,372
Net assets (deficit)			
Unrestricted			
Designated	-	211,142	211,142
Temporarily restricted	<u>4,531,264</u>	<u>1,071,148</u>	<u>5,602,412</u>
Total net assets	<u>4,531,264</u>	<u>1,282,290</u>	<u>5,813,554</u>
Total liabilities and net assets	<u>\$ 5,145,042</u>	<u>\$ 2,535,884</u>	<u>\$ 7,680,926</u>

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FUNDRAISING FUNDS**

**June 30, 2000**

	Annual Appeal Fund	Capital Campaign Fund	Fundraising Fund	Total
Revenues and other additions				
Gifts, bequests and collections	\$ 4,684,188	\$ 556,919	\$ -	\$ 5,241,107
Total revenues and other additions	4,684,188	556,919	-	5,241,107
Expenses and other deductions				
Pastoral	-	445,301	-	445,301
Administrative	60,000	504,234	-	564,234
Fundraising expense	243,145	18,847	156,250	418,242
Total expenses and other deductions	303,145	968,382	156,250	1,427,777
	-			
Deficiency of revenues and other additions over expenses and other deductions before transfers	4,381,043	(411,463)	(156,250)	3,813,330
Transfers				
Annual appeal transfer	(4,532,230)	-	-	(4,532,230)
Annual appeal distribution	-	-	154,380	154,380
Other	-	315,144	-	315,144
	(4,532,230)	315,144	154,380	(4,062,706)
DECREASE IN NET ASSETS	(151,187)	(96,319)	(1,870)	(249,376)
Net assets at beginning of year	4,531,264	1,282,290	-	5,813,554
Net assets (deficit) at end of year	\$ 4,380,077	\$ 1,185,971	\$ (1,870)	\$ 5,564,178

**Central Administrative Office of the  
Roman Catholic Diocese of San Jose**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FUNDRAISING FUNDS**

**June 30, 1999**

	Annual Appeal Fund	Capital Campaign Fund	Total
Revenues and other additions			
Gifts, bequests and collections	\$ 4,667,665	\$ 589,875	\$ 5,257,540
Total revenues and other additions	4,667,665	589,875	5,257,540
Expenses and other deductions			
Administrative	-	100,418	100,418
Fundraising	-	29,807	29,807
Total expenses and other deductions	-	130,225	130,225
Excess (deficiency) of revenues and other additions over expenses and other deductions before transfers	-	-	-
	4,667,665	459,650	5,127,315
Transfers			
Annual appeal transfers	(4,368,217)	-	(4,368,217)
Other	-	(2,139,802)	(2,139,802)
	(4,368,217)	(2,139,802)	(6,508,019)
INCREASE (DECREASE) IN NET ASSETS	299,448	(1,680,152)	(1,380,704)
Net assets at beginning of year	4,231,816	2,962,442	7,194,258
Net assets at end of year	\$ 4,531,264	\$ 1,282,290	\$ 5,813,554