

CENTRAL ADMINISTRATIVE OFFICE OF
THE ROMAN CATHOLIC DIOCESE OF
SAN JOSE

**Financial Statements and Report of
Independent Certified Public Accountants**

June 30, 1999 and 1998

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Report of Independent Certified Public Accountants

Most Reverend Pierre DuMaine
Most Reverend Patrick J. McGrath
The Roman Catholic Bishops 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, 1999 and 1998, 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 generally accepted auditing standards. 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, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Grant Thornton LLP

San Jose, California
November 5, 1999

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

STATEMENTS OF FINANCIAL POSITION

June 30,

	ASSETS	
	<u>1999</u>	<u>1998</u>
Cash and cash equivalents	\$ 16,816,422	\$ 17,993,790
Marketable securities	20,267,038	20,636,089
Receivables		
Parishes and institutions (net of allowance for doubtful accounts of \$794,095 in 1999 and \$854,396 in 1998)	19,194,776	13,215,117
Mortgages and notes	537,919	877,320
Pledges (net of allowance for doubtful accounts of \$255,430 in 1999 and \$257,431 in 1998)	3,501,607	5,118,491
Note receivable from sale of land	5,114,065	-
Other (net of allowance for doubtful accounts of \$118,416 in 1999 and \$102,421 in 1998)	1,182,361	2,172,137
Inventories	4,204,833	4,425,000
Deposits and prepaid expenses	165,234	415,285
Investment in real estate	232,073	232,073
Land, buildings and equipment (net of accumulated depreciation)	28,589,917	39,150,058
Intangible pension asset	592,000	692,000
Total assets	<u>\$ 100,398,245</u>	<u>\$ 104,927,360</u>

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

	<u>1999</u>	<u>1998</u>
Bonds payable	\$ -	\$ 13,151,000
Notes payable	1,275,483	1,305,286
Accounts payable	1,431,435	2,286,799
Pledges payable to parishes and others	1,867,373	2,943,996
Accrued liabilities	9,690,603	10,571,262
Deposits payable	21,060,826	19,290,546
Held for parishes and institutions	5,720,555	5,445,822
Deferred revenue	<u>10,523,938</u>	<u>9,525,233</u>
Total liabilities	51,570,213	64,519,944
Commitments and contingencies	-	-
Net assets		
Unrestricted		
Undesignated	30,954,234	22,797,959
Designated	4,029,881	2,466,330
Funds functioning as endowment - cemetery endowment care	<u>1,851,141</u>	<u>1,656,966</u>
	36,835,256	26,921,255
Temporarily restricted	9,311,727	10,805,112
Permanently restricted	<u>2,681,049</u>	<u>2,681,049</u>
Total net assets	<u>48,828,032</u>	<u>40,407,416</u>
Total liabilities and net assets	<u>\$ 100,398,245</u>	<u>\$ 104,927,360</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

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Revenues				
Gifts, bequests and collections	\$ 44,944	\$ 5,298,522	\$ -	\$ 5,343,466
Fees and expense reimbursements	1,547,177	-	-	1,547,177
Rental income	209,192	-	-	209,192
Investment income(loss)	3,112,075	(777,898)	-	2,334,177
Insurance premiums	6,996,415	-	-	6,996,415
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	484,594	-	-	484,594
Net assets released from restrictions	<u>6,014,009</u>	<u>(6,014,009)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>30,711,182</u>	<u>(1,493,385)</u>	<u>-</u>	<u>29,217,797</u>
Expenses				
Pastoral	2,433,959	-	-	2,433,959
Religious personnel development	609,482	-	-	609,482
Education	779,389	-	-	779,389
Pension priest retirement	430,302	-	-	430,302
Depreciation expense	684,157	-	-	684,157
Interest expense	1,198,563	-	-	1,198,563
Insurance premiums and benefits	7,821,516	-	-	7,821,516
Property taxes and other carrying costs	32,885	-	-	32,885
Newspaper expenses	355,397	-	-	355,397
Cemetery expenses	2,861,921	-	-	2,861,921
Other	280,943	-	-	280,943
Administrative	2,699,739	-	-	2,699,739
Fundraising expenses	<u>608,928</u>	<u>-</u>	<u>-</u>	<u>608,928</u>
Total expenses	<u>20,797,181</u>	<u>-</u>	<u>-</u>	<u>20,797,181</u>
CHANGE IN NET ASSETS	9,914,001	(1,493,385)	-	8,420,616
Net assets at beginning of year	<u>26,921,255</u>	<u>10,805,112</u>	<u>2,681,049</u>	<u>40,407,416</u>
Net assets at end of year	<u>\$ 36,835,256</u>	<u>\$ 9,311,727</u>	<u>\$ 2,681,049</u>	<u>\$ 48,828,032</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, 1998

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Revenues				
Gifts, bequests and collections	\$ 98,562	\$ 5,939,920	\$ -	\$ 6,038,482
Fees and expense reimbursements	1,527,309	-	-	1,527,309
Rental income	147,049	-	-	147,049
Investment income	2,949,126	1,574,337	-	4,523,463
Insurance premiums	6,356,898	-	-	6,356,898
Newspaper income	325,299	-	-	325,299
Cemetery revenues	3,365,782	-	-	3,365,782
Other income	967,329	-	-	967,329
Net assets released from restrictions	<u>6,146,754</u>	<u>(6,146,754)</u>	<u>-</u>	<u>-</u>
Total revenues	21,884,108	1,367,503	-	23,251,611
Expenses				
Pastoral	2,282,634	-	-	2,282,634
Religious personnel development	680,200	-	-	680,200
Education	859,688	-	-	859,688
Pension priest retirement	716,909	-	-	716,909
Depreciation expense	658,308	-	-	658,308
Interest expense	1,892,641	-	-	1,892,641
Insurance premiums and benefits	6,510,125	-	-	6,510,125
Property taxes and other carrying costs	85,817	-	-	85,817
Newspaper expenses	325,569	-	-	325,569
Cemetery expenses	2,544,539	-	-	2,544,539
Other	266,523	-	-	266,523
Administrative	1,692,143	-	-	1,692,143
Fundraising expenses	<u>757,729</u>	<u>-</u>	<u>-</u>	<u>757,729</u>
Total expenses	<u>19,272,825</u>	<u>-</u>	<u>-</u>	<u>19,272,825</u>
CHANGE IN NET ASSETS	2,611,283	1,367,503	-	3,978,786
Net assets at beginning of year as previously reported	24,605,885	8,481,116	3,341,629	36,428,630
Reclassification of net assets	<u>(295,913)</u>	<u>956,493</u>	<u>(660,580)</u>	<u>-</u>
Net assets at beginning of year after reclassification	<u>24,309,972</u>	<u>9,437,609</u>	<u>2,681,049</u>	<u>36,428,630</u>
Net assets at end of year	<u>\$ 26,921,255</u>	<u>\$ 10,805,112</u>	<u>\$ 2,681,049</u>	<u>\$ 40,407,416</u>

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,

	<u>1999</u>	<u>1998</u>
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 8,420,616	\$ 3,978,786
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	684,157	658,308
Amortization	-	31,986
Write off of bond issuance costs	254,733	-
Realized and unrealized (gains) losses	447,941	(1,664,448)
Gain on sale of plant assets	(8,504,875)	-
Changes in assets and liabilities:		
Receivables	(3,033,598)	(2,210,134)
Inventories	220,167	77,302
Deposits and prepaid expenses	(4,682)	169,188
Intangible pension asset	100,000	88,000
Accounts payable and pledges payable	(1,931,987)	932,845
Accrued liabilities	(870,616)	896,328
Deposits payable	1,770,280	1,181,495
Held for parishes and institutions	274,733	836,629
Deferred revenue	<u>998,705</u>	<u>700,116</u>
Net cash provided by (used in) operating activities	(1,174,426)	5,676,401
Cash flows from investing activities:		
Proceeds from sale of plant assets	19,305,703	-
Increase in note receivable	(9,530,000)	-
Payments received on note receivable	4,415,935	-
Purchase of plant assets	(924,844)	(306,136)
Purchase of marketable securities	(12,152,626)	(14,015,533)
Proceeds from sale of marketable securities	<u>12,073,736</u>	<u>11,478,937</u>
Net cash provided by (used in) investing activities	13,187,904	(2,842,732)
Cash flows from financing activities:		
Principal payments on capital lease	(10,043)	(10,707)
Payments on notes and bonds payable	<u>(13,180,803)</u>	<u>(1,918,154)</u>
Net cash used in financing activities	<u>(13,190,846)</u>	<u>(1,928,861)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 (1,177,368)	 904,808
 Cash and cash equivalents at beginning of year	 <u>17,993,790</u>	 <u>17,088,982</u>
 Cash and cash equivalents at end of year	 <u>\$ 16,816,422</u>	 <u>\$ 17,993,790</u>

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>1999</u>	<u>1998</u>
<u>Supplemental disclosure of cash paid for:</u>		
Interest	\$ 1,706,659	\$ 2,024,715

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.

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 1999 and 1998

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 and Newspaper Fund

- This fund group contains the unrestricted resources available for the support of the CAO and 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. Certain net assets are designated for potential claims and a medicare supplemental plan for priests.

- 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.

- Cemetery Fund

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

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

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 1999 and 1998

NOTE A - ORGANIZATION (continued)

- 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, 1999 and 1998, the effective rates were 4.68% and 4.68%, 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.

- Investment in Plant Fund

This fund contains 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.

- 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 and parish payments.

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.

- 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.

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

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 1999 and 1998

NOTE A - ORGANIZATION (continued)

- Debt Retirement Fund

This fund contains proceeds from the sale of certain properties.

- 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:

- Custodian and Similar Funds

- Custodian Fund

This fund contains resources held by the CAO for parishes and institutions within the Diocese as well as special purpose funds held for transmittal to third parties such as special collections and disaster appeals.

- 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, 1999 and 1998

NOTE B - SUMMARY OF ACCOUNTING POLICIES

The accounting policies of the CAO conform to generally accepted accounting principles 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, 1999 and 1998 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, 1999 and 1998

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, 1999 and 1998

NOTE B - SUMMARY OF ACCOUNTING POLICIES (continued)

- Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, 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 totalling \$1,167,941 and \$1,214,248, in 1999 and 1998, 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.

- Reclassifications

Certain 1998 data has been reclassified to conform to the 1999 presentation.

NOTE C - RECLASSIFICATIONS

At July 1, 1997, the Diocese had classified various donated gifts in its Endowment fund as permanently restricted. The Diocese has subsequently determined that a portion of these net assets are temporarily restricted as they were not specifically earmarked as permanently restricted by the donors. Accordingly, Endowment Fund net assets of \$660,580 have been reclassified from permanently restricted to temporarily restricted net assets as of July 1, 1997. Additionally, \$295,913 of accumulated investment income previously recorded as unrestricted has been reclassified to temporarily restricted net assets. These reclassifications had no impact on total net assets of the Diocese.

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

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 1999 and 1998

NOTE D - MARKETABLE SECURITIES

Marketable securities at June 30, 1999 and 1998 consist of the following:

	June 30, 1999			June 30, 1998		
	Market	Cost	Unrealized Gain (Loss)	Market	Cost	Unrealized Gain (Loss)
Corporate stocks	\$ 11,224,308	\$ 8,607,850	\$ 2,616,458	\$ 12,641,013	\$ 9,920,138	\$ 2,720,875
Corporate bonds	2,322,442	2,430,394	(107,952)	1,001,521	1,111,478	(109,957)
Mutual funds	964,103	889,920	74,183	792,396	738,097	54,299
U.S. Government securities	3,770,342	3,625,035	145,307	4,562,314	4,319,351	242,963
Other	1,985,843	1,985,843	-	1,638,845	1,638,845	-
Total	\$ 20,267,038	\$ 17,539,042	\$ 2,727,996	\$ 20,636,089	\$ 17,727,909	\$ 2,908,180
Current fund\$	104,277	\$ 89,127	\$ 15,150	\$ -	\$ -	\$ -
Service fund	407,410	348,216	59,194	149,781	128,765	21,106
Cemetery fund	4,257,539	3,638,946	618,593	4,263,051	3,664,886	598,165
Priest retirement fund	5,935,113	5,239,519	695,594	5,710,124	4,886,400	823,724
Endowment fund	5,902,672	5,052,480	850,192	6,780,467	5,764,894	1,015,483
	16,607,011	14,368,288	2,238,723	16,903,423	14,444,945	2,458,478
Custodian and similar funds	3,660,027	3,170,754	489,273	3,732,666	3,282,964	449,702
Total	\$ 20,267,038	\$ 17,539,042	\$ 2,727,996	\$ 20,636,089	\$ 17,727,909	\$ 2,908,180

Investment income consists of the following:

	Year Ended June 30,	
	1999	1998
Interest and dividends	\$ 621,922	\$ 721,884
Realized and unrealized gains (losses), net	(726,065)	2,282,809
Total earnings (loss)	(104,143)	3,004,693
Less portfolio manager and custodian fees	51,773	8,460
Net earnings (loss) from investment pool activities	(155,916)	2,996,233
Investment income - other than pool	2,297,396	2,286,566
Total earnings from investment activities	2,141,480	5,282,799
Less income attributed to custodial and similar funds:		
Interest and dividends (net of manager fees of \$12,426 in 1999 and \$3,046 in 1998)	85,427	140,975
Realized and unrealized gains (loss), net	(278,124)	618,361
	(192,697)	759,336
Total earnings (loss) from investment activities excluding custodian and similar funds	\$ 2,334,177	\$ 4,523,463

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

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 1999 and 1998

NOTE E - PLEDGES RECEIVABLE AND PAYABLE

Pledges receivable are as follows at June 30:

	1999	1998
Capital Campaign		
Due within one year	\$ 900,000	\$ 2,042,897
Due in one to five years	1,424,743	2,000,000
	2,324,743	4,042,897
Less provision for uncollectible pledges	185,430	185,431
	2,139,313	3,857,466
Annual Appeal		
Due within one year	1,432,294	1,333,025
Less provision for uncollectible pledges	70,000	72,000
	1,362,294	1,261,025
	<u>\$ 3,501,607</u>	<u>\$ 5,118,491</u>
Annual and capital campaign pledges payable to parishes and other organizations at June 30:	<u>\$ 1,867,373</u>	<u>\$ 2,943,996</u>

NOTE F - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment consist of the following:

	June 30,	
	1999	1998
Cemetery Fund		
Buildings and improvements	\$ 2,458,966	\$ 2,166,692
Furniture and fixtures	382,872	372,335
Vehicles	756,423	735,464
Turf equipment	190,793	190,793
Tools and equipment	128,072	154,137
Office plans	21,333	-
Other improvements	23,499	-
Construction in progress	92,114	63,427
	4,054,072	3,682,848
Less accumulated depreciation	2,077,810	1,913,670
	1,976,262	1,769,178
Land	426,102	426,102
	2,402,364	2,195,280

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

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 1999 and 1998

NOTE F - LAND, BUILDINGS AND EQUIPMENT (continued)

	June 30,	
	1999	1998
Priest Retirement Fund		
Leasehold improvements	400,058	400,058
Less accumulated depreciation	349,073	269,060
	50,985	130,998
Land	-	-
	50,985	130,998
 Plant Fund		
Buildings and improvements	26,938,436	26,914,836
Furniture and equipment	1,162,335	1,102,101
Vehicles	41,080	25,610
	28,141,851	28,042,547
Less accumulated depreciation	4,118,201	3,678,195
	24,023,650	24,364,352
Land		
Site formerly occupied by the Seminary	-	10,779,839
Sites for future parishes and institutions	648,606	648,606
Land held for sale	117,000	117,000
Land under operating lease (see Note K)	616,554	616,554
Operating properties	730,758	297,429
	2,112,918	12,459,428
	26,136,568	36,823,780
	<u>\$ 28,589,917</u>	<u>\$ 39,150,058</u>

In September 1995 the Diocese of San Jose received final approval for a general plan amendment allowing the building of 178 homes on the site formerly occupied by St. Joseph's Seminary as well as adjacent Diocesan property. As a condition of the amendment the Diocese dedicated approximately 66% of the total 208 acres for open space by virtue of deeding the property to the County of Santa Clara. On July 9, 1998, the Diocese sold the property for an amount in excess of the cost of the property plus any necessary costs incurred to prepare the property for sale. During 1999, the Diocese received cash of \$14,191,638 and also carried a note receivable for \$5,114,065 on the property at June 30, 1999, which was received in October 1999. A portion of proceeds were used to retire the bonds discussed in Note G in accordance with the bond indenture.

NOTE G - BONDS PAYABLE

On August 25, 1993 the Diocese concluded the sale of two series of bonds with an issue date of August 1, 1993. The first series, for \$12,650,000, had maturities that began in 1995 and were scheduled to conclude in 2000 with coupon rates ranging from 6.125% to 7.375%. The second series, for \$9,371,000, had maturities that were to commence in the year 2004 and were to conclude in 2014 with coupon rates ranging from 7.875% to 8.5%.

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

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 1999 and 1998

NOTE G - BONDS PAYABLE (continued)

Principal and interest payments were made from the sale of certain designated assets, a San Jose office building and lands in Cupertino, as well as rental income and fundraising. Proceeds from the sale of the San Jose office building and the loan repayment from Archbishop Mitty High School were set aside in the debt retirement fund to pay principal and interest payments on the bond issues. The Diocese exercised its option to call the bonds at any time after August 1, 1998, and repaid bonds in full in two installments (August 1998 and February 1999). Bond interest expense was \$228,443 and \$1,088,942, respectively, for the years ended June 30, 1999 and 1998, respectively.

NOTE H - NOTES PAYABLE

Notes payable consist of the following at June 30,:

	<u>1999</u>	<u>1998</u>
Noninterest 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% 4% note payable in monthly installments of \$343 through 2007, collateralized by a deed of trust	\$ 1,251,700	\$1,279,525
	<u>23,783</u>	<u>25,761</u>
	<u>\$1,275,483</u>	<u>\$ 1,305,286</u>

Aggregate maturities of notes payable as of June 30, 1999 are as follows:

Year ending June 30.

2000		\$ 102,153
2001		102,344
2002		102,552
2003		102,779
2004		103,025
Thereafter		<u>1,742,890</u>
		2,255,743
Less amount representing interest		<u>980,260</u>
		<u>\$ 1,275,483</u>

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

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 1999 and 1998

NOTE I - RESTRICTED NET ASSETS

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

	June 30,	
	1999	1998
Current Fund:		
Scholarships	\$ -	\$ 1,091,437
Other	460,873	454,615
	460,873	1,546,052
Service Funds:		
Priest retirement	13,923	-
Cemetery Fund:		
Future Cemetery expenditures	371,088	371,088
Annual Appeal Fund:		
Programs and general operations for years ending June 30, 2000 and 1999	4,531,264	4,231,816
Endowment Fund:		
Trust agreements and scholarships	2,863,431	2,394,731
Capital Campaign Fund:		
Debt retirement, priest retirement, scholarships, new parishes	1,071,148	2,261,425
	\$ 9,311,727	\$ 10,805,112

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

	June 30,	
	1999	1998
Priest education and retirement	\$ 764,009	\$ 764,009
Scholarships	1,887,250	1,887,250
General operations	29,790	29,790
	\$ 2,681,049	\$ 2,681,049

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

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 1999 and 1998

NOTE J - 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,	
	1999	1998
Purpose restrictions accomplished:		
Education	\$ 101,536	\$ 111,916
Capital campaign expenses	130,689	272,778
New parishes	72,611	212,000
Parish ministry scholarships	166,530	58,556
Priest retirement	182,203	186,251
Debt retirement	1,019,121	1,406,860
	1,672,690	2,248,361
Time restrictions expired:		
Annual Diocesan Appeal for the years ended June 30, 1999 and 1998	4,341,319	3,898,393
Total restrictions released	\$ 6,014,009	\$ 6,146,754

NOTE K - 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 are 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.

The Diocese is the lessor of certain other rental properties. Future minimum rental receipts from long-term noncancelable operating leases as of June 30, 1999 are as follows:

Year ending June 30,

2000	\$ 1,063,379
2001	63,379
2002	63,379
2003	26,407
Total	\$ 1,216,544

Rental income recognized for 1999 and 1998 was approximately \$199,654 and \$148,000, respectively.

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

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 1999 and 1998

NOTE L - 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, 1999 and 1998 was \$391,383 and \$305,820, respectively.

Future minimum rental payments are as follows:

Year ending June 30.

2000	\$ 581,005
2001	584,443
2002	590,702
2003	618,936
2004	659,544
Thereafter	<u>2,580,062</u>
Total	<u>\$ 5,614,692</u>

The Diocese has entered into several construction agreements for various parishes. At June 30, 1999, construction commitments approximated \$47,456,000. The total amount expended as of June 30, 1999 on these commitments was approximately \$20,527,000.

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 impact on the financial condition of the CAO.

NOTE M - 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.

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

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 1999 and 1998

NOTE M - POST-RETIREMENT BENEFITS (continued)

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,	
	1999	1998
	(000's)	(000's)
Benefit obligation at June 30	867	941
Plan assets at fair value	375	151
Accumulated post-retirement benefit obligation in excess of plan assets	(492)	(790)
 Accrued post-retirement benefit cost	 \$ (156)	 \$ (318)

Weighted average assumptions as of June 30:

	June 30,	
	1999	1998
Discount rate	7.5%	6.75%
Expected return on plan assets	3.75%	3.75%
Expected future increase	3.25%	3.25%

	June 30,	
	1999	1998
	(000's)	(000's)
Benefit cost	\$ 121	\$ 118
Employer contribution	284	185
Benefits paid	44	44

NOTE N - 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.

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

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 1999 and 1998

NOTE N - PENSION PLANS (continued)

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.

About 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.

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.

About 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.

<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	<u>42,564</u>	<u>5,324</u>	<u>688</u>
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)

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

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 1999 and 1998

NOTE N - PENSION PLANS (continued)

	<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%
	<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
	<u>Lay</u>	<u>Priest Retirement</u>	<u>Priest Supplemental</u>
<u>1998</u>			
Benefit obligation at June 30, 1998	\$ 39,187	\$ 6,479	\$ 961
Plan assets at fair value	<u>37,264</u>	<u>5,094</u>	<u>652</u>
Funded status	(1,923)	(1,385)	(309)
Accrued benefit cost for the plan as a whole	(5,280)	(1,385)	(309)
Accrued benefit cost for the Central Administrative Office	(422)	(1,385)	(309)
	<u>Lay</u>	<u>Priest Retirement</u>	<u>Priest Supplemental</u>
Weighted average assumptions as of June 30, 1998:			
Discount rate	6.75%	6.75%	6.75%
Expected return on plan assets	9.0%	8.5%	8.5%
Expected future increases	5.25%	2.0%	2.0%
	<u>Lay</u>	<u>Priest Retirement</u>	<u>Priest Supplemental</u>
	(000's)	(000's)	(000's)
Net pension cost for plan as a whole	\$ 2,960	\$ 475	\$ 120
Net pension cost for the Central Administrative Office	\$ 422	\$ 475	\$ 120
Employer contributions	\$ 2,874	\$ 283	\$ 594
Benefits paid	\$ 892	\$ 476	\$ 79

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

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 1999 and 1998

NOTE O - RELATED PARTY TRANSACTIONS

The Diocese performs various administrative services including payroll processing, for several related entities. Fees received for these services were \$356,445 and \$335,807 for the year ending June 30, 1999 and 1998, respectively.

During fiscal years 1999 and 1998, \$250,000 was paid by the Diocese to St. Joseph's Cathedral parish to support the operations of the Cathedral.

During fiscal years 1999 and 1998, \$83,333 was paid by the Diocese to support the operations of Mitty High School.

NOTE P - 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.

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

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 1999 and 1998

NOTE Q – FUNCTIONAL EXPENSE CLASSIFICATIONS

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

	June 30,	
	1999	1998
Program:		
Pastoral	\$ 2,523,758	\$ 3,180,781
Religious personnel development	609,482	680,200
Education	779,389	859,688
Priest retirement	1,289,045	1,598,893
Insurance premiums and benefits	7,821,516	6,510,125
Newspaper	355,397	325,569
Cemetery	3,026,062	2,706,870
Deposit and loan activities	1,004,489	803,698
	17,409,138	16,665,824
Supporting:		
Administrative	2,779,115	1,849,272
Fundraising	608,928	757,729
	3,388,043	2,607,001
	\$ 20,797,181	\$ 19,272,825

SUPPLEMENTARY INFORMATION

Report of Independent Certified Public Accountants
on Supplementary Information

Most Reverend Pierre DuMaine
Most Reverend Patrick J. McGrath
The Roman Catholic Bishops 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, 1999 and 1998, 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 5, 1999

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	Custodian & Similar Funds	Annual Appeal Fund	Capital Campaign Fund	Priest Retirement Fund	Endowment & Similar Funds	Debt Retirement Fund	Plant Fund	Total
Cash and cash equivalents	#####	\$ 4,002,565	\$ 1,809,468	\$ 3,528,656	\$ 1,127,865	\$ 3,782,749	\$ 396,571	\$ 561,777	\$ 1,592,242	\$ 2,131,157	\$ 239,256	\$ 16,816,422
Marketable securities	104,277	407,410	4,257,539	-	3,660,027	-	-	5,935,113	5,902,672	-	-	20,267,038
Receivables												
Parishes and institutions (net of allowance for doubtful accounts of \$794,095)	-	373,861	-	18,820,915	-	-	-	-	-	-	-	19,194,776
Mortgages and notes	-	-	-	119,798	-	-	-	-	-	418,121	-	537,919
Pledges (net of allowance for doubtful accounts of \$255,430)	-	-	-	-	-	1,362,294	2,139,313	-	-	-	-	3,501,607
Note receivable from sale of land	-	-	-	-	-	-	-	-	-	-	5,114,065	5,114,065
Other (net of allowance for doubtful accounts of \$118,416)	42,717	3,530	674,514	-	52,483	-	-	5,488	403,629	-	-	1,182,361
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)	-	-	2,402,364	-	-	-	-	50,985	-	-	26,136,568	28,589,917
Deposit held in (for) other funds	50,000	(75,858)	25,858	-	-	-	-	-	-	-	-	-
Intangible pension asset	-	-	-	-	-	-	-	592,000	-	-	-	592,000
Total assets	#####	\$ 4,762,924	\$ 13,374,576	\$ 22,469,369	\$ 4,840,375	\$ 5,145,043	\$ 2,535,884	\$ 7,161,083	\$ 8,130,616	\$ 2,549,278	\$ 31,489,889	\$ 100,398,245

Central Administrative Office of the Roman Catholic Diocese of San Jose

BALANCE SHEET - ALL FUNDS (continued)

June 30, 1999

LIABILITIES AND FUND BALANCES	Current Funds	Service Funds	Cemetery Fund	Deposit and Loan Fund	Custodian & Similar Funds	Annual Appeal Fund	Capital Campaign Fund	Priest Retirement Fund	Endowment & Similar Funds	Debt Retirement Fund	Plant Fund	Total
Liabilities												
Notes payable	\$ -	\$ -	\$ 1,251,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,783	\$ 1,275,483
Accounts payable	613,820	35,527	94,655	678,459	-	-	-	8,709	265	-	-	1,431,435
Pledges payable to parishes and others	-	-	-	-	-	613,779	1,253,594	-	-	-	-	1,867,373
Accrued liabilities	470,164	529,110	260,716	-	-	-	-	8,430,613	-	-	-	9,690,603
Deposits payable	-	-	-	21,060,826	-	-	-	-	-	-	-	21,060,826
Held for parishes and institutions	-	880,180	-	-	4,840,375	-	-	-	-	-	-	5,720,555
Deferred revenue	9,477,079	777,538	269,321	-	-	-	-	-	-	-	-	10,523,938
Due to (from) other funds	186,065	(167,956)	(400,000)	321,369	-	-	-	-	60,522	-	-	-
Total liabilities	10,747,128	2,054,399	1,476,392	22,060,654	4,840,375	613,779	1,253,594	8,439,322	60,787	-	23,783	51,570,213
Commitments and contingencies												
Fund balances (deficit)												
Unrestricted												
Undesignated	(13,445,065)	2,504,601	7,702,638	180,268	-	-	-	-	-	2,549,278	31,462,514	30,954,234
Designated	176,272	190,001	1,973,317	228,447	-	-	211,142	(1,278,239)	2,525,349	-	3,592	4,029,881
Funds functioning as												
endowment - cemetery endowment care	-	-	1,851,141	-	-	-	-	-	-	-	-	1,851,141
Temporarily restricted	460,873	13,923	371,088	-	-	4,531,264	1,071,148	-	2,863,431	-	-	9,311,727
Permanently restricted	-	-	-	-	-	-	-	-	2,681,049	-	-	2,681,049
Total fund balances (deficit)	(12,807,920)	2,708,525	11,898,184	408,715	-	4,531,264	1,282,290	(1,278,239)	8,069,829	2,549,278	31,466,106	48,828,032
Total liabilities and fund balances	<u>\$ (2,060,792)</u>	<u>\$ 4,762,924</u>	<u>\$ 13,374,576</u>	<u>\$ 22,469,369</u>	<u>\$ 4,840,375</u>	<u>\$ 5,145,043</u>	<u>\$ 2,535,884</u>	<u>\$ 7,161,083</u>	<u>\$ 8,130,616</u>	<u>\$ 2,549,278</u>	<u>\$ 31,489,889</u>	<u>\$ 100,398,245</u>

Central Administrative Office of the Roman Catholic Diocese of San Jose

BALANCE SHEET - ALL FUNDS

June 30, 1998

ASSETS	Current Funds	Service Funds	Cemetery Fund	Deposit and Loan Fund	Custodian & Similar Funds	Annual Appeal Fund	Capital Campaign Fund	Priest Retirement Fund	Endowment & Similar Funds	Debt Retirement Fund	Plant Fund	Total
Cash and cash equivalents	\$ (823,929)	\$ 2,570,849	\$ 1,288,851	\$ 7,996,633	\$ 806,760	\$ 3,401,748	\$ 1,618,065	\$ 197,679	\$ (162,901)	\$ 860,779	\$ 239,256	\$ 17,993,790
Marketable securities	-	149,781	4,263,052	-	3,732,666	-	-	5,710,124	6,780,466	-	-	20,636,089
Receivables												
Parishes and institutions (net of allowance for doubtful accounts of \$854,396)	-	511,039	-	12,704,078	-	-	-	-	-	-	-	13,215,117
Mortgages and notes	-	-	-	119,798	-	-	-	-	-	757,522	-	877,320
Pledges (net of allowance for doubtful accounts of \$257,431)	-	-	-	-	-	1,261,024	3,857,467	-	-	-	-	5,118,491
Other (net of allowance for doubtful accounts of \$102,421)	924,908	2,957	733,819	-	26,216	(50)	-	114,046	370,241	-	-	2,172,137
Inventories	-	-	4,425,000	-	-	-	-	-	-	-	-	4,425,000
Deposits and prepaid expenses	333,406	48,034	18,301	-	-	-	-	15,544	-	-	-	415,285
Investment in real estate	-	-	-	-	-	-	-	-	232,073	-	-	232,073
Land, buildings and equipment (net of accumulated depreciation)	-	-	2,195,281	-	-	-	-	130,997	-	-	36,823,780	39,150,058
Deposit held in (for) other funds	50,000	(75,858)	25,858	-	-	-	-	-	-	-	-	-
Intangible pension asset	-	-	-	-	-	-	-	692,000	-	-	-	692,000
Total assets	<u>\$ 484,385</u>	<u>\$ 3,206,802</u>	<u>\$12,950,162</u>	<u>\$ 20,820,509</u>	<u>\$ 4,565,642</u>	<u>\$ 4,662,722</u>	<u>\$ 5,475,532</u>	<u>\$ 6,860,390</u>	<u>\$ 7,219,879</u>	<u>\$ 1,618,301</u>	<u>\$ 37,063,036</u>	<u>\$ 104,927,360</u>

Central Administrative Office of the Roman Catholic Diocese of San Jose

BALANCE SHEET - ALL FUNDS (continued)

June 30, 1998

LIABILITIES AND FUND BALANCES	Current Funds	Service Funds	Cemetery Fund	Deposit and Loan Fund	Custodian & Similar Funds	Annual Appeal Fund	Capital Campaign Fund	Priest Retirement Fund	Endowment & Similar Funds	Debt Retirement Fund	Plant Fund	Total
Liabilities												
Bonds payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	13,151,000	\$ 13,151,000
Notes payable	--	--	1,279,525	-	-	-	-	-	-	-	25,761	1,305,286
Accounts payable	290,039	12,405	110,992	933,479	-	-	-	6,109	933,775	-	-	2,286,799
Pledges payable to parishes and others	--	-	-	-	-	430,906	2,513,090	-	-	-	-	2,943,996
Accrued liabilities	340,486	744,564	242,785	-	-	-	-	8,101,324	-	1,142,103	-	10,571,262
Deposits payable	--	-	-	19,290,546	-	-	-	-	-	-	-	19,290,546
Held for parishes and institutions	-	880,180	-	-	4,565,642	-	-	-	-	-	-	5,445,822
Deferred revenue	8,621,591	670,628	233,014	-	-	-	-	-	-	-	-	9,525,233
Due to (from) other funds	<u>686,067</u>	<u>(2,167,955)</u>	<u>(400,000)</u>	<u>290,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,452</u>	<u>1,500,000</u>	<u>-</u>	<u>-</u>
Total liabilities	9,938,183	139,822	1,466,316	20,514,461	4,565,642	430,906	2,513,090	8,107,433	1,025,227	2,642,103	13,176,761	64,519,944
Commitments and contingencies												
Fund balances (deficit)												
Unrestricted												
Undesignated	(11,176,358)	2,939,733	7,074,300	77,601	-	-	-	-	-	-	23,882,683	22,797,959
Designated	176,508	127,247	2,381,492	228,447	-	-	701,017	(1,247,043)	1,118,872	(1,023,802)	3,592	2,466,330
Funds functioning as endowment - cemetery endowment care	--	-	1,656,966	-	-	-	-	-	-	-	-	1,656,966
Temporarily restricted	1,546,052	-	371,088	-	-	4,231,816	2,261,425	-	2,394,731	-	-	10,805,112
Permanently restricted	--	-	-	-	-	-	-	-	2,681,049	-	-	2,681,049
Total fund balances (deficit)	<u>(9,453,798)</u>	<u>3,066,980</u>	<u>11,483,846</u>	<u>306,048</u>	<u>-</u>	<u>4,231,816</u>	<u>2,962,442</u>	<u>(1,247,043)</u>	<u>6,194,652</u>	<u>(1,023,802)</u>	<u>23,886,275</u>	<u>40,407,416</u>
Total liabilities and fund balances	<u>\$ 484,385</u>	<u>\$ 3,206,802</u>	<u>\$ 12,950,162</u>	<u>\$ 20,820,509</u>	<u>\$ 4,565,642</u>	<u>\$ 4,662,722</u>	<u>\$ 5,475,532</u>	<u>\$ 6,860,390</u>	<u>\$ 7,219,879</u>	<u>\$ 1,618,301</u>	<u>\$ 37,063,036</u>	<u>\$ 104,927,360</u>

Central Administrative Office of the Roman Catholic Diocese of San Jose
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES - ALL FUNDS

Year ended June 30, 1999

	Current	Service	Cemetery	Deposit and Loan	Custodian & Similar	Annual Appeal	Capital Campaign	Priest Retirement	Endowment & Similar	Debt Retirement	Plant	Total
	Funds	Funds	Fund	Fund	Funds	Fund	Fund	Fund	Funds	Fund	Fund	
Revenues												
Gifts, bequests and collections	\$ 43,944	\$ 41,519	\$ -	\$ -	\$ -	\$4,667,665	\$ 590,338	\$ -	\$ -	\$ -	\$ -	\$ 5,343,466
Fees and expense reimbursements	705,035	356,445	-	-	-	-	-	485,697	-	-	-	1,547,177
Rental income	148,749	-	-	-	-	-	-	-	60,443	-	-	209,192
Investment income (loss)	353,121	50,017	(132,836)	1,107,156	-	-	-	636,326	(456,881)	777,274	-	2,334,177
Insurance premiums	-	6,996,415	-	-	-	-	-	-	-	-	-	6,996,415
Newspaper income	325,315	-	-	-	-	-	-	-	-	-	-	325,315
Cemetery revenues	-	-	3,472,586	-	-	-	-	-	-	-	-	3,472,586
Gain on sale of land	-	-	-	-	-	-	-	-	-	706,424	7,798,451	8,504,875
Other income	<u>24,180</u>	<u>344,545</u>	<u>100,650</u>	-	-	-	-	<u>15,219</u>	-	-	-	<u>484,594</u>
Total revenues	1,600,344	7,788,941	3,440,400	1,107,156	-	4,667,665	590,338	1,137,242	(396,438)	1,483,698	7,798,451	29,217,797
Expenses												
Pastoral	1,936,171	-	-	-	-	-	-	497,788	-	-	-	2,433,959
Religious personnel development	609,482	-	-	-	-	-	-	-	-	-	-	609,482
Education	779,389	-	-	-	-	-	-	-	-	-	-	779,389
Pension priest retirement	-	-	-	-	-	-	-	430,302	-	-	-	430,302
Administrative	2,244,079	411,880	-	43,780	-	-	-	-	-	-	-	2,699,739
Depreciation expense	-	-	164,141	-	-	-	-	80,012	-	-	440,004	684,157
Interest expense	-	-	-	960,709	-	-	-	-	-	237,854	-	1,198,563
Insurance premiums and benefits	-	7,821,516	-	-	-	-	-	-	-	-	-	7,821,516
Property taxes and other carrying costs	32,885	-	-	-	-	-	-	-	-	-	-	32,885
Newspaper expenses	355,397	-	-	-	-	-	-	-	-	-	-	355,397
Cemetery expenses	-	-	2,861,921	-	-	-	-	-	-	-	-	2,861,921
Fundraising expenses	478,240	-	-	-	-	-	130,688	-	-	-	-	608,928
Other	-	-	-	-	-	-	-	280,943	-	-	-	280,943
Total expenses	<u>6,435,643</u>	<u>8,233,396</u>	<u>3,026,062</u>	<u>1,004,489</u>	-	-	<u>130,688</u>	<u>1,289,045</u>	-	<u>237,854</u>	<u>440,004</u>	<u>20,797,181</u>
Excess (deficiency) of revenues and other additions over expenses and other deductions before transfers	(4,835,299)	(444,455)	414,338	102,667	-	4,667,665	459,650	(151,803)	(396,438)	1,245,844	7,358,447	8,420,616
Transfers												
Annual appeal transfer	4,368,217	-	-	-	-	(4,368,217)	-	-	-	-	-	-
Annual appeal distribution	(51,000)	-	-	-	-	-	-	51,000	-	-	-	-
Debt service	(1,000,000)	-	-	-	-	-	(1,050,481)	-	-	2,327,236	(276,755)	-
Other	<u>(1,836,040)</u>	<u>86,000</u>	-	-	-	-	<u>(1,089,321)</u>	<u>69,607</u>	<u>2,271,615</u>	-	<u>498,139</u>	-
Total transfers	1,481,177	86,000	-	-	-	(4,368,217)	(2,139,802)	120,607	2,271,615	2,327,236	221,384	-
INCREASE (DECREASE) IN FUND BALANCES	(3,354,122)	(358,455)	414,338	102,667	-	299,448	(1,680,152)	(31,196)	1,875,177	3,573,080	7,579,831	8,420,616
Fund balances (deficit) at beginning of year	<u>(9,453,798)</u>	<u>3,066,980</u>	<u>11,483,846</u>	<u>306,048</u>	-	<u>4,231,816</u>	<u>2,962,442</u>	<u>(1,247,043)</u>	<u>6,194,652</u>	<u>(1,023,802)</u>	<u>23,886,275</u>	<u>40,407,416</u>
Fund balances (deficit) at end of year	#####	\$2,708,525	#####	\$ 408,715	\$ -	\$4,531,264	\$1,282,290	#####	\$ 8,069,829	\$2,549,278	#####	#####

Central Administrative Office of the Roman Catholic Diocese of San Jose

Schedule 4

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES - ALL FUNDS

Year ended June 30, 1998

	Current <u>Funds</u>	Service <u>Funds</u>	Cemetery <u>Fund</u>	Deposit and Loan <u>Fund</u>	Custodian & Similar <u>Funds</u>	Annual Appeal <u>Fund</u>	Capital Campaign <u>Fund</u>	Priest Retirement <u>Fund</u>	Endowment & Similar <u>Funds</u>	Debt Retirement <u>Fund</u>	Plant <u>Fund</u>	<u>Total</u>
Revenues												
Gifts, bequests and collections	\$ 42,325	\$ -	\$ -	\$ -	\$ -	#####	\$1,598,601	\$ -	\$ 56,237	\$ -	\$ -	\$ 6,038,482
Fees and expense reimbursements	701,504	332,807	-	-	-	-	-	492,998	-	-	-	1,527,309
Rental income	147,049	-	-	-	-	-	-	-	-	-	-	147,049
Investment income	373,139	55,569	831,880	915,043	-	-	-	778,474	1,461,973	107,385	-	4,523,463
Insurance premiums	-	6,356,898	-	-	-	-	-	-	-	-	-	6,356,898
Newspaper income	325,299	-	-	-	-	-	-	-	-	-	-	325,299
Cemetery revenues	-	-	3,365,782	-	-	-	-	-	-	-	-	3,365,782
Other income	<u>70,564</u>	<u>315,130</u>	<u>125,878</u>	-	-	-	-	<u>455,757</u>	-	-	-	<u>967,329</u>
Total revenues	1,659,880	7,060,404	4,323,540	915,043	-	4,341,319	1,598,601	1,727,229	1,518,210	107,385	-	23,251,611
Expenses												
Pastoral	1,742,056	-	-	-	-	-	-	540,578	-	-	-	2,282,634
Religious personnel development	680,200	-	-	-	-	-	-	-	-	-	-	680,200
Education	778,866	-	-	-	-	-	-	-	80,822	-	-	859,688
Pension priest retirement	-	-	-	-	-	-	-	716,909	-	-	-	716,909
Administrative	1,501,100	191,043	-	-	-	-	-	-	-	-	-	1,692,143
Depreciation expense	-	-	162,331	-	-	-	-	74,883	-	-	421,094	658,308
Interest expense	-	-	-	803,698	-	-	-	-	-	1,088,943	-	1,892,641
Insurance premiums and benefits	-	6,510,125	-	-	-	-	-	-	-	-	-	6,510,125
Property taxes and other carrying costs	85,817	-	-	-	-	-	-	-	-	-	-	85,817
Newspaper expenses	325,569	-	-	-	-	-	-	-	-	-	-	325,569
Cemetery expenses	-	-	2,544,539	-	-	-	-	-	-	-	-	2,544,539
Fundraising expenses	484,951	-	-	-	-	-	272,778	-	-	-	-	757,729
Other	-	-	-	-	-	-	-	266,523	-	-	-	266,523
Total expenses	<u>5,598,559</u>	<u>6,701,168</u>	<u>2,706,870</u>	<u>803,698</u>	-	-	<u>272,778</u>	<u>1,598,893</u>	<u>80,822</u>	<u>1,088,943</u>	<u>421,094</u>	<u>19,272,825</u>
Excess (deficiency) of revenues and other additions over expenses and other deductions before transfers	(3,938,679)	359,236	1,616,670	111,345	-	4,341,319	1,325,823	128,336	1,437,388	(981,558)	(421,094)	3,978,786
Transfers												
Annual appeal transfer	4,011,267	-	-	-	-	#####	-	-	-	-	-	-
Annual appeal distribution	(51,000)	-	-	-	-	-	-	51,000	-	-	-	-
Debt service	(1,001,816)	-	-	(228,801)	-	-	-	-	-	(890,000)	2,120,617	-
Other	-	156,047	-	-	-	-	(651,712)	41,655	(322,812)	-	61,939	-
Total transfers	<u>3,673,334</u>	<u>156,047</u>	-	<u>(228,801)</u>	-	<u>#####</u>	<u>(651,712)</u>	<u>92,655</u>	<u>(322,812)</u>	<u>(890,000)</u>	<u>2,182,556</u>	-
INCREASE (DECREASE) IN FUND BALANCES	(265,345)	515,283	1,616,670	(117,456)	-	330,052	674,111	220,991	1,114,576	(1,871,558)	1,761,462	3,978,786
Fund balances (deficit) at beginning of year	<u>(9,188,453)</u>	<u>2,551,697</u>	<u>9,867,176</u>	<u>423,504</u>	-	<u>3,901,764</u>	<u>2,288,331</u>	<u>(1,468,034)</u>	<u>5,080,076</u>	<u>847,756</u>	<u>22,124,813</u>	<u>36,428,630</u>
Fund balances (deficit) at end of year	#####	<u>\$3,066,980</u>	#####	<u>\$ 306,048</u>	\$ -	#####	<u>\$2,962,442</u>	#####	<u>\$ 6,194,652</u>	#####	#####	#####

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

**BALANCE SHEET
CURRENT FUNDS**

June 30, 1999

ASSETS

	Operating <u>Fund</u>	Newspaper <u>Fund</u>	<u>Total</u>
Cash and cash equivalents	\$ (1,774,429)	\$ (581,455)	\$ (2,355,884)
Marketable securities	104,277	-	\$ 104,277
Other receivables	2,351	40,366	42,717
Deposits and prepaid expenses	93,559	4,539	98,098
Deposits held in other funds	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total assets	<u>\$ (1,524,242)</u>	<u>\$ (536,550)</u>	<u>\$ (2,060,792)</u>

LIABILITIES AND FUND BALANCES (Deficit)

Accounts payable	\$ 609,398	\$ 4,422	\$ 613,820
Accrued liabilities	420,614	49,550	470,164
Deferred revenue	9,477,079	-	9,477,079
Due to other funds	<u>(338,342)</u>	<u>524,407</u>	<u>186,065</u>
Total liabilities	10,168,749	578,379	10,747,128
Fund balances			
Unrestricted			
Undesignated	(12,330,136)	(1,114,929)	(13,445,065)
Designated	176,272	-	176,272
Temporarily restricted	<u>460,873</u>	<u>-</u>	<u>460,873</u>
Total fund balances (deficit)	<u>(11,692,991)</u>	<u>(1,114,929)</u>	<u>(12,807,920)</u>
Total liabilities and fund balances	<u>\$ (1,524,242)</u>	<u>\$ (536,550)</u>	<u>\$ (2,060,792)</u>

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

**BALANCE SHEET
CURRENT FUNDS**

June 30, 1998

ASSETS

	Operating <u>Fund</u>	Newspaper <u>Fund</u>	<u>Total</u>
Cash and cash equivalents	\$ (256,553)	\$ (567,376)	\$ (823,929)
Other receivables (net of allowance for doubtful allowance of \$20,891)	877,481	47,427	924,908
Deposits and prepaid expenses	329,033	4,373	333,406
Deposits held in other funds	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total assets	<u>\$ 999,961</u>	<u>\$ (515,576)</u>	<u>\$ 484,385</u>

LIABILITIES AND FUND BALANCES (DEFICIT)

Accounts payable	\$ 283,305	\$ 6,734	\$ 290,039
Accrued liabilities	302,356	38,130	340,486
Unrestricted deferred revenue	8,621,591	-	8,621,591
Due to other funds	<u>161,660</u>	<u>524,407</u>	<u>686,067</u>
Total liabilities	9,368,912	569,271	9,938,183
Fund balances			
Unrestricted			
Undesignated	(10,091,511)	(1,084,847)	(11,176,358)
Designated	176,508	-	176,508
Temporarily restricted	<u>1,546,052</u>	<u>-</u>	<u>1,546,052</u>
Total fund balances (deficit)	<u>(8,368,951)</u>	<u>(1,084,847)</u>	<u>(9,453,798)</u>
Total liabilities and fund balances	<u>\$ 999,961</u>	<u>\$ (515,576)</u>	<u>\$ 484,385</u>

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

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
CURRENT FUNDS**

June 30, 1999

	Operating <u>Fund</u>	Newspaper <u>Fund</u>	<u>Total</u>
Revenues and other additions			
Gifts, bequests and collections	\$ 43,944	\$ -	\$ 43,944
Fees and expense reimbursements	705,035	-	705,035
Rental income	148,749	-	148,749
Investment income	353,121	-	353,121
Newspaper income	-	325,315	325,315
Other income	<u>24,180</u>	<u>-</u>	<u>24,180</u>
Total revenues and other additions	1,275,029	325,315	1,600,344
Expenses and other deductions			
Pastoral	1,936,171	-	1,936,171
Religious personnel development	609,482	-	609,482
Education	779,389	-	779,389
Administrative	2,244,079	-	2,244,079
Property taxes and other carrying costs	32,885	-	32,885
Newspaper expenses	-	355,397	355,397
Fundraising expenses	<u>478,240</u>	<u>-</u>	<u>478,240</u>
Total expenses and other deductions	<u>6,080,246</u>	<u>355,397</u>	<u>6,435,643</u>
Excess (deficiency) of revenues and other additions over expenses and other deductions before transfers	(4,805,217)	(30,082)	(4,835,299)
Transfers			
Annual appeal transfer	4,368,217	-	4,368,217
Annual appeal distribution	(51,000)	-	(51,000)
Debt service	(1,000,000)	-	(1,000,000)
Other	<u>(1,836,040)</u>	<u>-</u>	<u>(1,836,040)</u>
Total transfers	<u>1,481,177</u>	<u>-</u>	<u>1,481,177</u>
INCREASE (DECREASE) IN FUND BALANCES	(3,324,040)	(30,082)	(3,354,122)
Fund balances (deficit) at beginning of year	<u>(8,368,951)</u>	<u>(1,084,847)</u>	<u>(9,453,798)</u>
Fund balances (deficit) at end of year	<u>\$ (11,692,991)</u>	<u>\$ (1,114,929)</u>	<u>\$ (12,807,920)</u>

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

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
CURRENT FUNDS**

June 30, 1998

	Operating <u>Fund</u>	Newspaper <u>Fund</u>	<u>Total</u>
Revenues and other additions			
Gifts, bequests and collections	\$ 42,325	-	\$ 42,325
Fees and expense reimbursements	701,504	-	701,504
Rental income	147,049	-	147,049
Investment income	373,139	-	373,139
Newspaper income	-	325,299	325,299
Other income	<u>70,564</u>	-	<u>70,564</u>
Total revenues and other additions	1,334,581	325,299	1,659,880
Expenses and other deductions			
Pastoral	1,742,056	-	1,742,056
Religious personnel development	680,200	-	680,200
Education	778,866	-	778,866
Administrative	1,501,100	-	1,501,100
Property taxes and other carrying costs	85,817	-	85,817
Newspaper expenses	-	325,569	325,569
Fundraising expenses	<u>484,951</u>	-	<u>484,951</u>
Total expenses and other deductions	<u>5,272,990</u>	<u>325,569</u>	<u>5,598,559</u>
Excess (deficiency) of revenues and other additions over expenses and other deductions before transfers	(3,938,409)	(270)	(3,938,679)
Transfers			
Annual appeal transfer	4,011,267	-	4,011,267
Annual appeal distribution	(51,000)	-	(51,000)
Debt service	(1,001,816)	-	(1,001,816)
Other	<u>714,883</u>	-	<u>714,883</u>
Total transfers	<u>3,673,334</u>	-	<u>3,673,334</u>
INCREASE (DECREASE) IN FUND BALANCES	(265,075)	(270)	(265,345)
Fund balances (deficit) at beginning of year, as restated	<u>(8,103,876)</u>	<u>(1,084,577)</u>	<u>(9,188,453)</u>
Fund balances (deficit) at end of year	<u>\$ (8,368,951)</u>	<u>\$ (1,084,847)</u>	<u>\$ (9,453,798)</u>

Central Administrative Office of the Roman Catholic Diocese of San Jose

**BALANCE SHEET
SERVICE FUNDS AND CUSTODIAN AND SIMILAR FUNDS**

June 30, 1999

ASSETS	<u>Service Funds</u>				<u>Custodian and Similar Funds</u>		
	Payroll <u>Fund</u>	Benefit <u>Fund</u>	Compre- hensive Insurance <u>Fund</u>	<u>Total</u>	Custodian <u>Fund</u>	Pooled Investment <u>Fund</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,038,005	\$ 2,340,472	\$ 624,088	\$ 4,002,565	\$ 1,127,865	\$ -	\$ 1,127,865
Marketable securities	-	407,410	-	407,410	248,630	3,411,397	3,660,027
Receivables							
Parishes (net of allowance for doubtful accounts of \$256,000)	221,333	145,678	6,850	373,861	-	-	-
Other	-	3,530	-	3,530	-	52,483	52,483
Deposits and prepaid expenses	-	41,544	9,872	51,416	-	-	-
Deposits held in (for) other funds	<u>(75,858)</u>	<u>-</u>	<u>-</u>	<u>(75,858)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 1,183,480</u>	 <u>\$ 2,938,634</u>	 <u>\$ 640,810</u>	 <u>\$ 4,762,924</u>	 <u>\$ 1,376,495</u>	 <u>\$ 3,463,880</u>	 <u>\$ 4,840,375</u>
 LIABILITIES AND FUND BALANCES							
Accounts payable	\$ (675)	\$ 7,926	\$ 28,276	\$ 35,527	\$ -	\$ -	\$ -
Accrued liabilities	82,492	438,784	7,834	529,110	-	-	-
Held for parishes and institutions	880,180	-	-	880,180	1,376,495	3,463,880	4,840,375
Deferred revenue	-	459,015	318,523	777,538	-	-	-
Due to (from) other funds	<u>500,000</u>	<u>(667,956)</u>	<u>-</u>	<u>(167,956)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	1,461,997	237,769	354,633	2,054,399	1,376,495	3,463,880	4,840,375
 Fund balances (deficit) unrestricted, undesignated	 (278,517)	 2,496,941	 286,177	 2,504,601	 -	 -	 -
Fund balances unrestricted, designated	-	190,001	-	190,001	-	-	-
Fund balances temporary restricted	<u>-</u>	<u>13,923</u>	<u>-</u>	<u>13,923</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>(278,517)</u>	<u>2,700,865</u>	<u>286,177</u>	<u>2,708,525</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total liabilities and fund balances	 <u>\$ 1,183,480</u>	 <u>\$ 2,938,634</u>	 <u>\$ 640,810</u>	 <u>\$ 4,762,924</u>	 <u>\$ 1,376,495</u>	 <u>\$ 3,463,880</u>	 <u>\$ 4,840,375</u>

Central Administrative Office of the Roman Catholic Diocese of San Jose

BALANCE SHEET
SERVICE FUNDS AND CUSTODIAN AND SIMILAR FUNDS

June 30, 1998

ASSETS	<u>Service Funds</u>				<u>Custodian and Similar Funds</u>		
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Total</u>	<u>Fund</u>	<u>Pooled Investment Fund</u>	<u>Total</u>
Cash and cash equivalents	\$ 241,733	\$ 1,479,013	\$ 850,103	\$ 2,570,849	\$ 806,760	\$ -	\$ 806,760
Marketable securities	-	149,781	-	149,781	73,139	3,659,527	3,732,666
Receivables							
Parishes (net of allowance for doubtful accounts of \$425,000)	402,095	44,559	64,385	511,039	-	-	-
Other (net allowance for doubtful accounts of \$27,257)	-	2,957	-	2,957	-	26,216	26,216
Deposits and prepaid expenses	-	38,183	9,851	48,034	-	-	-
Deposits held in (for) other funds	<u>(75,858)</u>	<u>-</u>	<u>-</u>	<u>(75,858)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>567,970</u>	 <u>1,714,493</u>	 <u>924,339</u>	 <u>3,206,802</u>	 <u>879,899</u>	 <u>3,685,743</u>	 <u>4,565,642</u>
 LIABILITIES AND FUND BALANCES							
Accounts payable	-	6,025	6,380	12,405	-	-	-
Accrued liabilities	140,698	597,882	5,984	744,564	-	-	-
Held for parishes and institutions	880,180	-	-	880,180	879,899	3,685,743	4,565,642
Deferred revenue, unrestricted	-	377,303	293,325	670,628	-	-	-
Due to (from) other funds	<u>-</u>	<u>(2,167,955)</u>	<u>-</u>	<u>(2,167,955)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	1,020,878	(1,186,745)	305,689	139,822	879,899	3,685,743	4,565,642
 Fund balances (deficit) unrestricted, undesignated	 (452,908)	 2,773,991	 618,650	 2,939,733	 -	 -	 -
Fund balances unrestricted, designated	<u>-</u>	<u>127,247</u>	<u>-</u>	<u>127,247</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>(452,908)</u>	<u>2,901,238</u>	<u>618,650</u>	<u>3,066,980</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total liabilities and fund balances	 <u>\$ 567,970</u>	 <u>\$ 1,714,493</u>	 <u>\$ 924,339</u>	 <u>\$ 3,206,802</u>	 <u>\$ 879,899</u>	 <u>\$ 3,685,743</u>	 <u>\$ 4,565,642</u>

Central Administrative Office of the Roman Catholic Diocese of San Jose

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
SERVICE FUNDS AND CUSTODIAN AND SIMILAR FUNDS

June 30, 1999

	<u>Service Funds</u>				<u>Custodian and Similar Funds</u>		
	Payroll <u>Fund</u>	Benefit <u>Fund</u>	Compre- hensive Insurance <u>Fund</u>	<u>Total</u>	Custodian <u>Fund</u>	Pooled Investment <u>Fund</u>	<u>Total</u>
Revenues and other additions							
Gifts, bequests and collections	\$ -	\$ 41,519	\$ -	\$ 41,519	\$ -	\$ -	\$ -
Fees and expense reimbursements	356,445	-	-	356,445	-	-	-
Investment income	-	32,254	17,763	50,017	-	-	-
Insurance premium	-	5,199,515	1,796,900	6,996,415	-	-	-
Miscellaneous	<u>92,054</u>	<u>198,274</u>	<u>54,217</u>	<u>344,545</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other additions	448,499	5,471,562	1,868,880	7,788,941	-	-	-
Expenses and other deductions							
Administrative	209,737	120,609	81,534	411,880	-	-	-
Insurance premiums and benefits	<u>64,371</u>	<u>5,637,326</u>	<u>2,119,819</u>	<u>7,821,516</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses and other deductions	<u>274,108</u>	<u>5,757,935</u>	<u>2,201,353</u>	<u>8,233,396</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenses before transfers	174,391	(286,373)	(332,473)	(444,455)	-	-	-
Transfers	<u>-</u>	<u>86,000</u>	<u>-</u>	<u>86,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN FUND BALANCES	174,391	(200,373)	(332,473)	(358,455)	-	-	-
Fund balances (deficit) at beginning of year	<u>(452,908)</u>	<u>2,901,238</u>	<u>618,650</u>	<u>3,066,980</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of year	<u>\$ (278,517)</u>	<u>\$ 2,700,865</u>	<u>\$ 286,177</u>	<u>\$ 2,708,525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Central Administrative Office of the Roman Catholic Diocese of San Jose

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
SERVICE FUNDS AND CUSTODIAN AND SIMILAR FUNDS

June 30, 1998

	<u>Service Funds</u>				<u>Custodian and Similar Funds</u>		
	Payroll <u>Fund</u>	Benefit <u>Fund</u>	Compre- hensive Insurance <u>Fund</u>	<u>Total</u>	Custodian <u>Fund</u>	Pooled Investment <u>Fund</u>	<u>Total</u>
Revenues and other additions							
Fees and expense reimbursements	\$ 332,807	\$ -	\$ -	\$ 332,807	\$ -	\$ -	\$ -
Investment income	-	45,597	9,972	55,569	-	-	-
Insurance premium	-	4,554,787	1,802,111	6,356,898	-	-	-
Miscellaneous	-	136,583	178,547	315,130	-	-	-
Total revenues and other additions	332,807	4,736,967	1,990,630	7,060,404	-	-	-
Expenses and other deductions							
Administrative	106,508	(18,398)	102,933	191,043	-	-	-
Insurance premiums and benefits	36,516	4,685,197	1,788,412	6,510,125	-	-	-
Total expenses and other deductions	143,024	4,666,799	1,891,345	6,701,168	-	-	-
Excess (deficiency) of revenues over expenses before transfers	189,783	70,168	99,285	359,236	-	-	-
Transfers	-	156,047	-	156,047	-	-	-
INCREASE IN FUND BALANCES	189,783	226,215	99,285	515,283	-	-	-
Fund balances (deficit) at beginning of year	(642,691)	2,675,023	519,365	2,551,697	-	-	-
Fund balances (deficit) at end of year	\$ (452,908)	\$ 2,901,238	\$ 618,650	\$ 3,066,980	\$ -	\$ -	\$ -