



Corporation of the Catholic Archbishop of Anchorage

Financial Statements

Year Ended June 30, 2017

(With Comparative Totals for June 30, 2016)

(With Independent Auditors' Report Thereon)

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Independent Auditor's Report

The Most Reverend Paul D. Etienne, D.D., S.T.L.
Archbishop of Anchorage
Corporation of the Catholic Archbishop of Anchorage
Anchorage, Alaska

We have audited the accompanying financial statements of the Corporation of the Catholic Archbishop of Anchorage (Archdiocese), which comprise the statement of assets, liabilities, and net assets as of June 30, 2017, the statements of revenues, expenses, and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Corporation of the Catholic Archbishop of Anchorage as of June 30, 2017, the revenues, expenses, and changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Archdiocese's 2016 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated December 14, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, LLP

Anchorage, Alaska
December 19, 2017

Financial Statements

Corporation of the Catholic Archbishop of Anchorage

Statements of Assets, Liabilities and Net Assets

(With Comparative Totals for 2016)

June 30,	2017	2016
Assets		
Cash and cash equivalents	\$ 1,500,069	\$ 1,687,798
Receivables, net (note 2)	723,637	702,662
Interest in investments held by Catholic Foundation of Alaska (notes 3 and 13)	1,307,243	1,581,437
Interest in investments held by Mission Diocese Fund (note 3)	245,264	-
Notes receivable (note 4)	35,222	42,573
Prepaid expenses and other assets	43,116	74,140
Deposits	54,241	81,812
Property held-for-sale (note 5)	1,001,189	1,001,189
Land, property and equipment:		
Land	1,561,606	1,629,591
Buildings and improvements	3,141,055	2,784,798
Leasehold improvements	345,679	338,365
Furniture and equipment	435,537	382,015
Automobiles and aircraft	213,424	177,113
	5,697,301	5,311,882
Less accumulated depreciation	(3,092,686)	(3,040,172)
Net land, property and equipment	2,604,615	2,271,710
Total Assets	\$ 7,514,596	\$ 7,443,321
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 459,443	\$ 406,893
Funds held for others (note 6)	392,313	304,928
Deferred revenue	28,113	28,663
Insurance payable (note 7)	740	19,699
Notes payable (note 8)	693,434	953,729
Total Liabilities	1,574,043	1,713,912
Commitments and contingencies (notes 14)		
Net Assets		
Unrestricted	3,954,406	3,785,686
Temporarily restricted (note 9)	1,692,536	1,943,723
Permanently restricted (note 10)	293,611	-
Total Net Assets	5,940,553	5,729,409
Total Liabilities and Net Assets	\$ 7,514,596	\$ 7,443,321

See accompanying notes to financial statements.

Corporation of the Catholic Archbishop of Anchorage
Statements of Revenues, Expenses and Changes in Net Assets
(With Comparative Totals for 2016)

Years Ended June 30,	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
				2017	2016
Revenues and Support					
Donations	\$ 1,493,705	\$ 308,536	\$ 98,131	\$ 1,900,372	\$ 2,061,023
Parish contributions	1,231,894	-	-	1,231,894	1,166,754
Grants	202,616	77,500	-	280,116	281,958
Fees	398,595	18,500	-	417,095	438,676
Rental income	91,610	-	-	91,610	130,876
Investment income (loss), net of fees (note 12)	12,283	111,252	20,697	144,232	(19,668)
Other income	114,845	-	-	114,845	82,681
Net assets released from restrictions (note 11)	592,192	(766,975)	174,783	-	-
Total Revenues and Support	4,137,740	(251,187)	293,611	4,180,164	4,142,300
Expenses					
Office of Archbishop	800,633	-	-	800,633	740,146
Development	563,228	-	-	563,228	574,549
Ministry Support	565,815	-	-	565,815	590,727
Clergy Support	502,509	-	-	502,509	409,212
Administration	553,331	-	-	553,331	640,383
Office of Evangelization & Worship	486,160	-	-	486,160	518,570
Property	154,284	-	-	154,284	180,847
Mission to Russia	310,979	-	-	310,979	213,138
Cemeteries	32,081	-	-	32,081	36,617
Total Expenses	3,969,020	-	-	3,969,020	3,904,189
Change in net assets	168,720	(251,187)	293,611	211,144	238,111
Net Assets, beginning of the year	3,785,686	1,943,723	-	5,729,409	5,491,298
Net Assets, end of the year	\$ 3,954,406	\$ 1,692,536	\$ 293,611	\$ 5,940,553	\$ 5,729,409

See accompanying notes to financial statements.

Corporation of the Catholic Archbishop of Anchorage

Statements of Cash Flows (With Comparative Totals for 2016)

Years Ended June 30,	2017	2016
Cash Flows from Operating Activities		
Change in net assets	\$ 211,144	\$ 238,111
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	122,737	92,374
Realized and unrealized income on investments		
Catholic Foundation of Alaska and Mission Diocese Fund	(115,912)	56,538
Gain on sale of property and equipment	(114,845)	(87,032)
Provision for allowance on receivables	210	76,746
Changes in assets and liabilities that provided (used) cash:		
Receivables	(21,185)	242,741
Prepaid expenses and other assets	31,024	91,920
Deposits	27,571	19,900
Accounts payable and accrued expenses	52,552	(148,842)
Deferred revenue	(550)	(856)
Insurance payable	(18,959)	17,904
Net cash from operating activities	173,787	599,504
Cash Flows from (for) Investing Activities		
Contributions and additions to investments in Catholic Foundation of Alaska and Seminarian Endowment Fund	(486,248)	(192,942)
Withdrawals of investments in Catholic Foundation of Alaska	631,085	561,357
Issuance of notes receivable	-	(560)
Payments received on notes receivable	7,352	20,239
Purchase of property and equipment	(540,372)	(100,405)
Proceeds from sales of property and equipment	199,576	154,024
Net cash from (for) investing activities	(188,607)	441,713
Cash Flows for Financing Activities		
Net increase in funds held for others	87,385	1,947
Principal payments on notes payable	(260,294)	(294,697)
Net cash for financing activities	(172,909)	(292,750)
Net increase (decrease) in cash and cash equivalents	(187,729)	748,467
Cash and Cash Equivalents, beginning of year	1,687,798	939,331
Cash and Cash Equivalents, end of year	\$ 1,500,069	\$ 1,687,798
Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for interest	\$ 40,090	\$ 55,092

See accompanying notes to financial statements.

Corporation of the Catholic Archbishop of Anchorage

Notes to Financial Statements June 30, 2017 (With Comparative Totals for 2016)

1. Organization and Summary of Significant Account Policies

Organization

The Corporation of the Catholic Archbishop of Anchorage (Archdiocese or Organization) is a not-for-profit corporation set up to provide support and services for the parishes, schools, agencies, and other religious activities within its boundaries.

Basis of Presentation

The Archdiocese applies the financial statement presentation provisions of FASB Accounting Standards Codification 958. Under these provisions, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The Archdiocese reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The accompanying financial statements include only those assets, liabilities, and operations of departments for which the Archdiocese maintains direct operational control. These financial statements do not include the assets, liabilities, and operations of the parishes, schools, or any other affiliated organizations under the jurisdiction of the Archdiocese, except for transactions with the Archdiocese as reflected on the books and records of the Archdiocese.

The financial statements are presented on an accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Archdiocese and changes therein are reported as follows:

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations and net assets that are subject to donor-imposed stipulations but those stipulations are met within the fiscal year.

Temporarily Restricted Net Assets

Temporarily restricted resources are restricted by the donor, grantor, other outside parties, or law whose restrictions either expire by the passage of time or can be fulfilled and removed by actions of the Archdiocese. Revenues associated with these resources are earned when the Archdiocese undertakes the necessary action or other restrictions are met. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of revenues, expenses, and changes in net assets as net assets released from restrictions.

Permanently Restricted Net Assets

Permanently restricted net assets include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting the use of all or part of the investment income earned on the contributions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Archdiocese considers cash with maturities of 90 days or less to be "cash equivalents".

Corporation of the Catholic Archbishop of Anchorage

Notes to Financial Statements (With Comparative Totals for 2016)

Interest in Investments Held by Catholic Foundation of Alaska and CE Mission Diocese Fund

Catholic Foundation of Alaska

The Archdiocese has invested excess cash with the Catholic Foundation of Alaska (Foundation), an affiliated nonprofit organization that holds and invests excess cash from Catholic organizations within the State of Alaska. The Archdiocese may increase or decrease the amount invested at any time. The Foundation invests in U.S. government and agency securities, corporate debt securities, mutual funds, and common stocks, and records those investments at fair value. The Archdiocese records its proportionate share of investment income or loss, including unrealized holding gains or losses.

CE Mission Diocese Fund

The Archdiocese established a permanently restricted Seminarian Endowment Fund which is currently invested in the Catholic Extension Mission Diocese Fund, a pooled investment fund formed for the benefit of mission dioceses.

Property Held-for-Sale

Property held-for-sale is measured at the lower of its carrying amount or fair value less cost to sell. Gains or losses are recognized for any subsequent changes to fair value less cost to sell; however, gains that may be recognized are limited by cumulative losses previously recognized. Property held-for-sale is not subject to depreciation.

Land, Property and Equipment

Land, property, and equipment acquisitions are capitalized at cost when purchased or at fair market value at date of gift, when donated. Depreciation on buildings and equipment is recorded using the straight-line method over the estimated useful lives of the assets.

The average lives used for depreciation are as follows:

	Years
Buildings and improvements	10-20
Leasehold improvements	10-20
Furniture and equipment	3-5
Aircraft	20
Automobiles	3
Land	not depreciated

Support and Revenue Recognition

The Archdiocese recognizes grant revenue when the Archdiocese incurs expenses, which are in compliance with specific instructions of each grantor. The revenue on any grant money received, which has not been expensed for the specific grant purpose, is temporarily restricted until qualified expenditures are made. Gifts of long-lived assets received without stipulation as to how long the donated assets must be used are reported as restricted support that increases temporarily restricted net assets. Contributions of in-kind goods or services are recorded at fair market value at the time the promise of contribution is made to the Archdiocese. Contributions, when significant and when the value is measurable, are recorded at fair value at the time a promise to give is made to the Archdiocese. No amounts have been reflected for donated volunteer services because no objective basis is available to measure the value of such services.

Corporation of the Catholic Archbishop of Anchorage

Notes to Financial Statements (With Comparative Totals for 2016)

Long-Lived Assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount and fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Donated Assets

Donated assets are recorded at fair value at date of gift. In the case of other noncash assets, fair value is estimated using relevant market data.

Functional Expenses

Management does not believe it is practical to segregate program services and management & general activities due to the nature and operational purpose of the Archdiocese. Fundraising activities totaled \$417,774 for the year ending June 30, 2017.

Income Taxes

The Archdiocese is exempt from federal income taxes under provisions of Section 501(c) (3) of the Internal Revenue Code. However, the Archdiocese may be subject to taxation on unrelated business income.

The Archdiocese applies the provisions of ASC 740-10, Income Taxes, relating to accounting for uncertain tax position, which had no impact on the financial statements of the Archdiocese. The Archdiocese recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Archdiocese had no unrecognized tax benefits at June 30, 2017.

The Archdiocese files an exempt organization return in the U.S. Federal jurisdiction and with the State of Alaska. As of 2017, the tax years that remain subject to examination begins with 2014. The Archdiocese's policy is to report interest and penalties associated with income taxes when applicable, as interest expense and other expense, respectively.

Use of Estimates

In preparing the special-purpose financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the statement of assets, liabilities, and net assets, and revenue and expenses for the period. Actual results could differ from those estimates.

Total Columns for 2016

The financial statements include certain prior year summarized comparative information on total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Archdiocese's financial statements as of and for the year ended June 30, 2016, from which the information was derived.

Corporation of the Catholic Archbishop of Anchorage

Notes to Financial Statements (With Comparative Totals for 2016)

2. Receivables

Receivables as of June 30, 2017 are as follows:

	2017	2016 Comparative Totals
Due from parishes and agencies for insurance, payroll, assessments and other charges	\$ 286,045	\$ 204,997
Annual appeal	360,302	342,665
Grants due from National Catholic organizations	77,500	155,000
	723,847	702,662
Less allowance for estimated uncollectible receivables	(210)	-
Total Receivables, net	\$ 723,637	\$ 702,662

3. Fair Value Measurements

ASC Subtopic 820-10 establishes a framework for measuring fair value, which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Subtopic 820-10 are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Archdiocese has the ability to access.
- Level 2 - Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability; and
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Corporation of the Catholic Archbishop of Anchorage

Notes to Financial Statements (With Comparative Totals for 2016)

Fair market value inputs for the beneficial interest in assets held by the Catholic Foundation of Alaska and the Mission Diocese Fund are derived principally from observable market data by the Catholic Foundation of Alaska and the Mission Diocese Fund and their investment advisors. There have been no changes in the methodologies used at June 30, 2017.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Archdiocese believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Archdiocese's assets at fair value as of June 30, 2017 along with comparative totals as of June 30, 2016:

Investments at Fair Value
As of June 30,

	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by Catholic Foundation of Alaska and Mission Diocese Fund:				
2017	\$ -	\$ 1,552,507	\$ -	\$ 1,552,507
2016	\$ -	\$ 1,581,437	\$ -	\$ 1,581,437

4. Notes Receivable

Notes receivable as of June 30, 2017 are as follows:

	2017	2016 Comparative Totals
Note from an individual, receivable in monthly installments of \$771, including interest of 5.75%; unsecured	\$ 33,430	\$ 40,781
Note from a school, unsecured, noninterest bearing	98,372	98,372
Notes from individuals	2,240	2,240
	134,042	141,393
Less allowance for uncollectible notes	(98,820)	(98,820)
Total Notes Receivable	\$ 35,222	\$ 42,573

The Archdiocese believes the note from the school to be uncollectible given the economic conditions and has established an allowance for the full amount of the loan as of June 30, 2017. Payment on the note is not expected, however if economic conditions were to change in future periods, the Archdiocese anticipates partial collection.

Corporation of the Catholic Archbishop of Anchorage

Notes to Financial Statements (With Comparative Totals for 2016)

The activity in the allowance for uncollectible notes receivable for the year ended June 30, 2017 along with comparative totals for the year ended June 30, 2016 was as follows:

	2017	2016 Comparative Totals
Allowance for doubtful accounts at beginning of year	\$ (98,820)	\$ (22,074)
Recovery (additions) charged to bad debt expense	-	(76,746)
Allowance for Doubtful Accounts, at end of year	\$ (98,820)	\$ (98,820)

5. Property Held-for-Sale

Property held-for-sale consists of the Tazlina Copper Valley School (School), located in Tazlina, Alaska. The Archdiocese committed to environmental and other non-environmental cleanup activities of the property such as demolition of building structures and other debris removal to prepare the property for sale. As of June 30, 2017, costs of \$1,001,189 had been capitalized as property held-for-sale, of which \$75,589 was comprised of capitalized interest. During the year ended June 30, 2017, Archdiocese had property listed on the active market.

6. Funds Held for Others

Funds held for others as of June 30, 2017 are as follows:

	2017	2016 Comparative Totals
Insurance reserve	\$ 167,891	\$ 164,855
Cotabato reserve	94,999	91,672
Special collections	90,909	25,823
Other	38,514	22,578
Total Funds Held for Others	\$ 392,313	\$ 304,928

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Corporation of the Catholic Archbishop of Anchorage

Notes to Financial Statements (With Comparative Totals for 2016)

7. Insurance Plan

The Archdiocese participates in an insurance program managed by the Alaska Conference of Catholic Bishops Insurance Division (ACCB). The three dioceses within the State of Alaska have pooled their resources to provide a program for medical and dental insurance and a self-insured program with a stop-loss for property, casualty, and automotive coverage. Liability insurance is also obtained through a traditional premium based insurance liability plan. Funds remaining with ACCB upon dissolution and final payment of all liabilities would revert back to the three dioceses on a predetermined distribution basis. All reserves for claims incurred but not reported are held by ACCB. Premiums to be returned or rebated to the participating parishes or entities of the Archdiocese of Anchorage on deposit at June 30, 2017 consists of the following:

	2017		2016 Comparative Totals
Special events insurance	\$ -	\$	1,795
Auto Insurance	740		-
Property casualty rebates	-		17,904
Total Insurance Plan	\$ 740	\$	19,699

The Archdiocese participates in a multi-employer health plan (Christian Brother Services) with various other nonprofit religious organizations of the Roman Catholic Church. Christian Brothers Services covers medical expenses that are medically necessary to its members. The Archdiocese has no monetary obligation other than the premiums negotiated and paid.

8. Notes Payable

Notes payable consist of the following:

	2017		2016 Comparative Totals
<i>June 30,</i>			
Note payable to a bank at \$18,782 per month at a 4.80% interest rate, collateralized by buildings and land with a carrying amount of \$1,296,976. Balloon payment due in March 2020.	\$ 693,434	\$	953,729

The aggregate combined maturities on long-term debt are as follows for the years ending:

<i>June 30:</i>			
		\$	
2018			196,382
2019			206,018
2020			291,034
		\$	693,434

Corporation of the Catholic Archbishop of Anchorage

Notes to Financial Statements (With Comparative Totals for 2016)

9. Temporary Restricted Net Assets

Temporarily restricted net assets consist of grants and donations designated for specific purposes or designated to be expended in subsequent years, as of June 30, 2017, are as follows:

	2017	2016 Comparative Totals
Grants:		
Catholic Church Extension Society	\$ -	\$ 155,000
Committee on the Home Missions	77,500	82,500
Total grants	77,500	237,500
Donations:		
Mission to Russia	1,148,083	1,112,517
Rural Church Loan	192,733	169,157
Russian Seminarians	143,475	143,475
Priest Health Support	83,253	75,000
Archbishop's Discretionary	25,313	-
Social Justice	15,638	8,247
Native Ministry Group	4,550	4,867
Women's Ministry	1,182	1,622
Other (Global Solidarity and Rural Travel)	809	-
Seminarian Endowment CE	-	185,461
Seminarian	-	5,411
Total donations	1,615,036	1,706,223
Total Net Assets Temporarily Restricted	\$ 1,692,536	\$ 1,943,723

10. Permanently Restricted Net Assets

The Archdiocese has created a seminarian endowment fund that will be permanently restricted until such time as it reaches \$500,000. At that time the earnings will be used to support seminarian education per the adopted distribution policy of 5% of the average endowment balance for the preceding twelve quarters. The balance of permanently restricted net assets are as follows:

	2017	2016 Comparative Totals
<i>June 30,</i>		
Seminarian Endowment	\$ 293,611	\$ -

Corporation of the Catholic Archbishop of Anchorage

Notes to Financial Statements (With Comparative Totals for 2016)

11. Net Assets Released from Restrictions

Net assets were released from donor or grant restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors or grantors. The Archdiocese incurred expenses during the year ended June 30, 2017 related to the following as required by the donor or grantor.

	2017	2016 Comparative Totals
Grants:		
Catholic Church Extension Society	\$ 155,000	\$ 175,000
Committee on the Home Missions	82,500	75,000
Total grants	237,500	250,000
Donations:		
Mission to Russian	317,587	211,492
Seminarian Endowment CE	185,461	14,952
Priest Health Support	10,247	-
Archbishop's Discretionary	6,201	-
Seminarian WYD Scholarship	5,411	-
Rural Commercial Travel	2,157	-
Native Ministry Group	1,967	1,566
Women's Ministry	440	-
Other	4	42,000
Social Justice	-	12,250
Jubilee - Season of Blessings	-	26,597
Total donations	529,475	308,857
Total Net Assets Temporarily Restricted	\$ 766,975	\$ 558,857

Corporation of the Catholic Archbishop of Anchorage

Notes to Financial Statements (With Comparative Totals for 2016)

12. Investment Income (Loss)

Components of investment income (loss) for the year ended June 30, 2017:

	2017	2016 Comparative Totals
Dividends	\$ 22,719	\$ 25,008
Interest	21,375	28,134
Realized gains (losses)	60,375	(57,475)
Change in unrealized holding gains (losses), net	55,537	1,753
Investment income (loss) before fees	160,006	(2,580)
Investment management fees	(15,774)	(17,088)
Total net investment income (loss)	\$ 144,232	\$ (19,668)

13. Related Party Transactions

The Catholic Foundation of Alaska is a related party, and it holds investments for the Archdiocese. As of June 30, 2017, the Foundation held custodial funds on behalf of the Archdiocese totaling \$1,307,243. The Archdiocese provides all administrative services at no cost to the Foundation. The Archdiocese recorded \$25,000 of administrative expenses as subsidies and contributions to the Catholic Foundation of Alaska during 2017.

Additionally, the Archdiocese has transactions with several of its parishes. These transactions included accounts receivable, accounts payable, contributions, and guarantee of debt.

14. Commitments and Contingencies

General

The Archdiocese is involved in claims and pending litigation from time to time. However, management believes it is unlikely these matters would have a material adverse effect on the Archdiocese's financial statements.

Contingent Debt

The Archdiocese, through its civil corporation, has been responsible for certain debts undertaken directly by the parishes of the Archdiocese. The Archdiocese guaranteed aggregate debt of the parishes totaling \$7,483,787 as of June 30, 2017. Based upon past performance and the ability of the parishes to continue to meet their debt obligations on a current basis, the Archdiocese believes it will not be required to make debt payments on their behalf.

Retirement Program for Lay Employees

On August 1, 1988, the Archdiocese approved a church-sponsored retirement program covering lay employees with service in excess of one year. Contributions are made by the Archdiocese at 3% of the taxable compensation paid to eligible lay employees. Total contributions for the year ended June 30, 2017 were \$31,123.

Corporation of the Catholic Archbishop of Anchorage

Notes to Financial Statements (With Comparative Totals for 2016)

Retirement Plan for Priests

On August 1, 1997, the Archdiocese of Anchorage Priests Pension Trust (Trust) assumed responsibility for maintaining funds and administering the Archdiocese of Anchorage Nonqualified Defined Benefit Retirement Plan (Plan). The Plan covers incardinated priests of the Archdiocese with service in excess of 15 years. The Plan provides for monthly cash payments, supplemental medical, dental and vision insurance coverage. Contributions totaling \$96,000 were made by the Archdiocese to the Plan during the fiscal year ending June 30, 2017. Each year, every entity with an assigned priest pays \$250 per month, and the remainder of the amount requested by the PPT is spread over all the parish entities based on a standard calculation. The amount of the contribution directly expensed by the Archdiocese during the fiscal year 2017 was \$9,000.

The Trust's June 30, 2017 financial statements reflected net assets held for pension benefits of \$3,244,998.

Concentration of Credit Risk

The Archdiocese maintains cash and cash equivalents with financial institutions, and at times balances may exceed federally insured limited. The Archdiocese has never experienced any losses related to these balances. Amounts on deposit in excess of federally insured limits at June 30, 2017 approximate \$846,329, of which \$94,925 were immediately secured by bank assets via a Repurchase Account on July 1, 2017.

15. Subsequent Events

In connection with the preparation of the financial statements, the Archdiocese evaluated subsequent events after the statement of assets, liabilities and net assets date of June 30, 2017 through December 19, 2017, which was the date the financial statements were available to be issued.

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Supplementary Information



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Independent Auditor's Report on Supplementary Information

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

Other Matters

Report on Summarized Comparative Information

We have previously audited the Archdiocese's 2016 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated December 14, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, LLP

Anchorage, Alaska
December 19, 2017

Corporation of the Catholic Archbishop of Anchorage

Statement of Functional Expenses

Year Ending June 30, 2017

(With Comparative Totals for 2016)

	Office of Archbishop	Development	Ministry Support	Clergy Support	Administration	Office of Evangelization & Worship	Property	Mission to Russia	Cemeteries	Total	2016 Comparative Total
Expenses											
Personnel	\$ 493,102	\$ 226,585	\$ 98,253	\$ 73,671	\$ 402,673	\$ 263,198	\$ -	\$ 14,418	\$ -	\$ 1,571,900	\$ 1,669,116
Subsidies and contributions	2,992	208,201	312,819	78,156	-	13,600	1,680	251,870	-	869,318	671,511
Professional services	77,986	24,070	14,659	2,305	54,627	91,330	958	25,000	19,584	310,519	313,889
Facilities	55,983	25,446	72,542	67,843	49,955	25,934	89,557	-	9,011	396,271	383,068
Travel	32,087	3,335	29,383	21,903	628	7,928	16,159	-	-	111,423	122,004
Supplies	29,270	20,435	3,105	3,238	21,450	36,690	-	776	561	115,525	90,702
Membership dues and assessments	38,832	2,050	2,084	2,740	1,324	3,171	50	-	2,870	53,121	77,009
Other operating	70,381	53,106	32,970	252,653	22,674	44,309	45,880	18,915	55	540,943	576,890
Total Expenses	\$ 800,633	\$ 563,228	\$ 565,815	\$ 502,509	\$ 553,331	\$ 486,160	\$ 154,284	\$ 310,979	\$ 32,081	\$ 3,969,020	\$ 3,904,189