

The Catholic Archbishop of Omaha

**Financial Statements and
Independent Auditors' Report**

June 30, 2019 and 2018



The Catholic Archbishop of Omaha

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INDEPENDENT AUDITORS' REPORT

The Archbishop
The Catholic Archbishop of Omaha
Omaha, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of The Catholic Archbishop of Omaha (the Organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Catholic Archbishop of Omaha as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Organization adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities* related to certain changes in the presentation and disclosure of not-for-profit financial statements. Our opinion is not modified with respect to this matter.

Lutz & Company, P.C.

December 2, 2019

The Catholic Archbishop of Omaha

Statements of Financial Position

June 30, 2019 and 2018

ASSETS	2019	2018
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,157,040	\$ 1,612,359
Board Designated Cash and Cash Equivalents	1,251,339	1,078,491
Cash and Cash Equivalents with Donor Restrictions		
Temporary in Nature	1,593,956	12,258,683
Parish Assessments Receivable	60,863	51,315
Other Assets	801,191	756,679
Total Current Assets	4,864,389	15,757,527
PROPERTY, BUILDINGS, AND EQUIPMENT, NET	11,882,475	7,464,987
OTHER ASSETS		
Investments	4,076,050	7,695,634
Board Designated Investments	11,071,897	10,644,580
Investments with Donor Restrictions Temporary in Nature	34,219,311	23,839,715
Cash Surrender Value of Life Insurance	183,275	199,936
Prepaid Pension Cost	3,857,832	5,649,881
Notes Receivable, Related Party	5,873,564	5,700,000
Total Other Assets	59,281,929	53,729,746
TOTAL ASSETS	\$ 76,028,793	\$ 76,952,260
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Special Collections Payable	\$ 225,385	\$ 210,199
Capital Campaign Payable	12,144	33,824
Other Liabilities	1,224,161	820,820
Insurance Claims Reserve	3,548,789	3,562,394
Total Current Liabilities	5,010,479	4,627,237
COMMITMENTS AND CONTINGENCIES (Note 12)		
NET ASSETS		
Without Donor Restrictions	30,508,716	31,521,047
With Donor Restrictions	40,509,598	40,803,976
Total Net Assets	71,018,314	72,325,023
TOTAL LIABILITIES AND NET ASSETS	\$ 76,028,793	\$ 76,952,260

See Notes to Financial Statements.

The Catholic Archbishop of Omaha

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT:			
Contributions	\$ 2,315,238	\$ 5,591,967	\$ 7,907,205
Capital Campaign Contributions	-	705,290	705,290
Assessments	7,597,870	-	7,597,870
Program and Other Fees	3,219,115	-	3,219,115
Investment Income, Net	1,179,077	1,772,756	2,951,833
Other	1,136,074	-	1,136,074
Assets Released from Restrictions	8,364,391	(8,364,391)	-
Total Revenues, Gains, and Other Support	23,811,765	(294,378)	23,517,387
EXPENSES AND DISBURSEMENTS:			
Pastoral Education Services	8,179,949	-	8,179,949
Religious Stewardship Formation	3,199,329	-	3,199,329
Ministries	7,234,749	-	7,234,749
Capital Campaign	2,163,874	-	2,163,874
Administrative Services	2,403,314	-	2,403,314
Total Expenses and Disbursements	23,181,215	-	23,181,215
Increase (Decrease) in Net Assets before Pension and Postretirement-Related Changes Other than Net Periodic Pension Cost	630,550	(294,378)	336,172
Pension and Postretirement-Related Changes Other than Net Periodic Cost	(1,642,881)	-	(1,642,881)
Decrease in Net Assets	(1,012,331)	(294,378)	(1,306,709)
NET ASSETS:			
Beginning of Year	31,521,047	40,803,976	72,325,023
END OF YEAR	\$ 30,508,716	\$ 40,509,598	\$ 71,018,314

See Notes to Financial Statements.

The Catholic Archbishop of Omaha

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT:			
Contributions	\$ 1,481,841	\$ 5,615,421	\$ 7,097,262
Capital Campaign Contributions	-	2,917,481	2,917,481
Assessments	7,597,869	-	7,597,869
Program and Other Fees	3,847,136	-	3,847,136
Investment Income, Net	615,986	1,753,807	2,369,793
Other	1,086,685	-	1,086,685
Assets Released from Restrictions	9,611,057	(9,611,057)	-
Total Revenues, Gains, and Other Support	24,240,574	675,652	24,916,226
EXPENSES AND DISBURSEMENTS:			
Pastoral Education Services	8,027,371	-	8,027,371
Religious Stewardship Formation	3,078,060	-	3,078,060
Ministries	9,025,450	-	9,025,450
Capital Campaign	4,095,951	-	4,095,951
Administrative Services	2,678,261	-	2,678,261
Total Expenses and Disbursements	26,905,093	-	26,905,093
Increase (Decrease) in Net Assets before Pension and Postretirement-Related Changes Other than Net Periodic Pension Cost	(2,664,519)	675,652	(1,988,867)
Pension and Postretirement-Related Changes Other than Net Periodic Cost	1,999,251	-	1,999,251
Increase (Decrease) in Net Assets	(665,268)	675,652	10,384
NET ASSETS:			
Beginning of Year	32,186,315	40,128,324	72,314,639
END OF YEAR	\$ 31,521,047	\$ 40,803,976	\$ 72,325,023

See Notes to Financial Statements.

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Statements of Cash Flows

Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (1,306,709)	\$ 10,384
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation	651,479	600,873
Pension-Related Changes Other than Net Periodic Pension Cost	1,642,881	(1,999,251)
Realized Gains on Sale of Investments, Net	(99,857)	(4,929,804)
Change in Unrealized Gains and Losses on Investments, Net	(1,367,789)	3,966,777
Loss (Gain) on Sale of Property, Buildings and Equipment	16,906	(353,328)
Contributions of Investments	(292,461)	(1,623,546)
Proceeds from Sale of Contributions of Investments	292,461	1,623,546
Decrease in Cash Surrender Value of Life Insurance	16,661	14,178
Decrease (Increase) in Assets:		
Parish Assessment Receivable	(9,548)	(18,624)
Other Assets	(44,512)	74,855
Accrued Interest Receivable, Related Party	-	109,508
Prepaid Pension Cost	149,168	(573,238)
Increase (Decrease) in Liabilities:		
Special Collections Payable	15,186	(4,280)
Capital Campaign Payable	(21,680)	(177,791)
Other Liabilities	403,341	34,412
Insurance Claims Reserve	(13,605)	344,408
Net Cash Provided by (Used in) Operating Activities	31,922	(2,900,921)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Property, Buildings and Equipment	-	392,594
Purchase of Property, Buildings and Equipment	(5,085,873)	(213,337)
Proceeds from Sales of Investments	7,186,037	53,234,749
Purchase of Investments	(12,905,720)	(50,854,479)
Net Repayments on (Issuance of) Notes Receivable, Related Party	(173,564)	200,000
Net Cash Provided by (Used in) Investing Activities	(10,979,120)	2,759,527
Net Decrease in Cash and Cash Equivalents	(10,947,198)	(141,394)
Cash and Cash Equivalents, Beginning of Year	14,949,533	15,090,927
Cash and Cash Equivalents, End of Year	\$ 4,002,335	\$ 14,949,533

See Notes to Financial Statements.

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Statements of Cash Flows

Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
RECONCILIATION TO STATEMENTS OF FINANCIAL POSITION		
Cash and Cash Equivalents	\$ 1,157,040	\$ 1,612,359
Board Designated Cash and Cash Equivalents	1,251,339	1,078,491
Cash and Cash Equivalents with Donor Restrictions		
Temporary in Nature	1,593,956	12,258,683
Total Cash and Cash Equivalents	\$ 4,002,335	\$ 14,949,533
NONCASH INVESTING AND FINANCING ACTIVITIES		
Contributions of Investments	\$ 292,461	\$ 1,623,546

See Notes to Financial Statements.

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Statement of Functional Expenses

Year Ended June 30, 2019

	Pastoral Education Services	Religious Stewardship Formation	Ministries	Capital Campaign	Administrative Services	Total
Salaries	\$ 2,788,292	\$ 694,503	\$ 1,704,871	\$ -	\$ 567,531	\$ 5,755,197
Benefits	1,028,808	161,462	581,324	-	194,824	1,966,418
Operating	3,231,658	270,869	4,022,959	-	1,164,667	8,690,153
Depreciation	276,571	-	244,613	-	130,295	651,479
Utilities and Maintenance	477,034	23,401	375,360	-	190,910	1,066,705
Fundraising	-	238,852	-	18,894	-	257,746
Contributions	377,586	1,810,242	305,622	2,144,980	155,087	4,793,517
	<u>\$ 8,179,949</u>	<u>\$ 3,199,329</u>	<u>\$ 7,234,749</u>	<u>\$ 2,163,874</u>	<u>\$ 2,403,314</u>	<u>\$ 23,181,215</u>

See Notes to Financial Statements.

The Catholic Archbishop of Omaha

Statement of Functional Expenses

Year Ended June 30, 2018

	Pastoral Education Services	Religious Stewardship Formation	Ministries	Capital Campaign	Administrative Services	Total
Salaries	\$ 2,473,315	\$ 650,392	\$ 2,185,546	\$ 10,887	\$ 532,889	\$ 5,853,029
Benefits	839,256	157,153	672,978	5,925	170,374	1,845,686
Operating	2,454,746	247,590	3,699,408	-	836,189	7,237,933
Depreciation	226,282	-	254,417	-	120,174	600,873
Utilities and Maintenance	257,718	22,222	252,210	-	102,502	634,652
Fundraising	-	288,399	-	51,639	-	340,038
Contributions	1,776,054	1,712,304	1,960,891	4,027,500	916,133	10,392,882
	<u>\$ 8,027,371</u>	<u>\$ 3,078,060</u>	<u>\$ 9,025,450</u>	<u>\$ 4,095,951</u>	<u>\$ 2,678,261</u>	<u>\$ 26,905,093</u>

See Notes to Financial Statements.

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2019 and 2018

1. Organization and Summary of Significant Accounting Policies

The Catholic Archbishop of Omaha (the Organization) is a not-for-profit organization established to administer the religious, education, and charitable activities of the Archdiocese of Omaha. The financial statements have been prepared in accordance with *Accounting Principles and Reporting Practices for Churches and Church-Related Organizations* adopted by the United States Conference of Catholic Bishops. The financial statements include all administrative and program offices, departments, and funds of the Organization.

The financial statements do not include the accounts of other related organizations of the Archdiocese of Omaha (the Archdiocese), such as schools, parishes, and cemeteries; FOCCUS, Inc.; the Omaha Archdiocesan Deposit and Loan Fund, Inc.; St. John Paul II Newman Center; and the Omaha Archdiocesan Educational Foundation Inc. and the Omaha Archdiocesan Parish Foundation, Inc. These organizations may or may not be separate legal entities; however, each is an operating entity distinct from the Organization, maintains separate accounts, carries on its own services and programs, and reports annually to its respective constituency.

During 2013, the Organization launched the Ignite the Faith capital campaign. This campaign resulted in intentions to give exceeding \$53 million which will be used to strengthen the Catholic schools and parishes, provide for priests and support the many faith formation efforts across the Archdiocese. The Organization has committed to return to each parish 10% of the total amount raised for its specific needs and 40% to be used for rural Catholic education in the communities served. The amount payable to the parishes as of June 30, 2019 and 2018 is shown separately in the statements of financial position (see Note 10) and the total amount returned to the parishes during the years ended June 30, 2019 and 2018 is shown separately as capital campaign contributions in the statements of functional expenses.

The Organization held a “Unite Omaha” event on June 8, 2019. Expenses and revenues of the extraordinary event are included in the Statement of Activities for the year ended June 30, 2019.

The accounting policies employed in the preparation of these financial statements are as follows:

Basis of Presentation

The Organization has adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. This adoption resulted in reducing the net asset classification from three net asset classes to two net asset classes, providing qualitative disclosures about methods used to allocate costs among program and support functions, adding additional qualitative disclosures regarding liquidity and cash management, and classifying the statements of financial position between current and non-current. The Organization applied this ASU retrospectively to all periods presented.

The Organization maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2019 and 2018

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and to present balances according to the existence or absence of donor-imposed restrictions. Net assets and related activity are classified as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations, even though their use may be limited in other respects, such as board designation. Board designated net assets are set aside to pay future obligations associated primarily with health care.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. Net assets restricted by the actions of the Organization and/or the passage of time are temporary in nature. When a restriction expires, net assets with donor restrictions temporary in nature are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Other donor-imposed stipulations are permanent in nature and require that principal be maintained in perpetuity by the Organization. At June 30, 2019 and 2018, the Organization had no net assets with donor restrictions permanent in nature.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions, in which case, the revenues are reported as increases in net assets with donor restrictions. If, however, the donor restriction expires in the fiscal year in which the revenue is recognized, the revenues are reported as increases in net assets without donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Revenues and expenses are recognized when earned and incurred, respectively. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulation or law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash Equivalents

The Organization considers investments with an original maturity of three months or less when purchased to be cash equivalents, excluding those amounts held as part of the investment portfolio. Board designated cash and cash equivalents relate to cash amounts designated for the priest and lay health insurance plans.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents relate to cash received with donor-imposed restrictions limiting their use. This includes cash donated for purposes of the annual appeal and capital campaign.

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Notes to Financial Statements

June 30, 2019 and 2018

Intentions to Give

Contributions received are intentions to give rather than unconditional promises to give. Intentions to give are not recorded in the financial statements as a receivable since the donor has the ability to rescind their intention at any time. As of June 30, 2019, there were approximately \$1,850,000 intentions to give related to the Ignite the Faith campaign which are not reflected in the accompanying financial statements. These amounts will be reported as contribution revenue in future years when the cash is received.

Investments

Investments are recorded at fair value at the date of donation and are subsequently carried at fair value. Investments in securities traded on a national securities exchange are valued at quoted market prices. Investment income is included in the statements of activities and changes in net assets. Investment income is recorded as earned. Realized investment gains and losses are determined by specifically identifying the investment sold.

Property, Buildings, and Equipment

Property, buildings, and equipment are stated at cost or, in the case of gifts, fair market value at the date of donation. Expenditures for additions and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses from property disposals are recognized in the year of disposal.

Buildings and equipment are depreciated using the straight-line method over their estimated useful lives, which are as follows:

Buildings and Leasehold Improvements	10 – 39 years
Machinery and Equipment	3 – 7 years
Furniture and Fixtures	5 – 7 years
Transportation	5 – 7 years

Special Collections Payable

Special collections payable represents assets entrusted to the Organization only for the purposes of receiving, holding, and disbursing such funds according to the depositors' intentions.

Insurance Claim Reserve

The Archdiocese is subject to various risks of loss related to workers' compensation, general liability, and property insurance. The Organization has purchased commercially available indemnity insurance to cover these risks.

The Archdiocese is self-insured for healthcare, dental, and prescription drugs up to \$300,000 for lay employees and \$100,000 for priests at June 30, 2019, and \$200,000 for lay employees and \$100,000 for priests at June 30, 2018. The reserve for insurance claims represents estimates for reporting claims and an estimate for incurred claims but not reported based on actual historical claims.

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Notes to Financial Statements

June 30, 2019 and 2018

Concentration of Credit and Market Risk

The Organization's financial instruments consisting of cash and cash equivalents, investments, and parish assessments receivable potentially expose the Organization to concentrations of credit and market risk.

The Organization maintains its cash and cash equivalents in bank accounts in which the balances sometimes exceed federally insured levels. These bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) with coverage of at least \$250,000 available to depositors under the FDIC's general deposit insurance rules. During 2019 and 2018, amounts in the Organization's bank accounts have exceeded FDIC coverage limits. The Organization has entered into a cash management agreement with its main bank, covering the operating, Annual Appeal, and Ignite the Faith accounts, whereby all amounts above FDIC insured limits are secured with overnight repurchase agreements of the bank's government securities.

The Organization maintains additional bank accounts which are not covered by a cash management agreement. At June 30, 2019 and 2018 there was a cash balance in excess of FDIC limits at these banks of approximately \$407,000 and \$167,000, respectively.

The Organization invests in a professionally managed portfolio that contains marketable securities. Such investments are exposed to various risks such as credit and market. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

The parish assessment receivable balances of \$60,863 and \$51,315 at June 30, 2019 and 2018, respectively, relate to assessments due from related entities.

Fair Value of Financial Instruments

The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Organization determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Costs are allocated to each functional expense category based on the specific departments benefitted by the expense. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and other expenses. Salaries and related expenses for certain individuals performing tasks in multiple functional expense categories are allocated based on estimates of time and effort. Administrative services expenses such as depreciation, utilities and maintenance, information technology, finance, human resources and insurance are allocated partially to program expenses based on estimates of time and usage. Allocation percentages are reviewed for accuracy at

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Notes to Financial Statements

June 30, 2019 and 2018

least annually. The total allocated during the period and the portions allocated to each functional expense category are disclosed in the statements of functional expenses under the columns labeled pastoral education services, religious stewardship formation, ministries, capital campaign, and administrative services.

Pension Plan

The Organization recognizes the funded status of the defined benefit pension plan as a net asset or liability, and recognizes changes in that funded status in the year in which the changes occur through other changes in net assets, to the extent those changes are not included in the net periodic pension cost.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management 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 and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes and Unemployment Taxes

The Organization is exempt from federal income taxes and unemployment taxes as an organization listed in the 2019 edition of the Official Catholic Directory.

The Organization applies the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, included in ASC Subtopic 740-10, *Income Taxes – Overall*. ASC 740-10 provides specific guidance on how to address uncertainty in accounting for income tax assets and liabilities, prescribing recognition thresholds and measurement attributes. At June 30, 2019 and 2018, the Catholic Archbishop of Omaha had no uncertain tax positions.

The Organization is no longer subject to income tax examinations by federal, state, or local tax authorities for years before June 30, 2016.

Contributed Services

A number of volunteers have contributed various services to the Organization. The value of such services has not been recorded. In addition, the Organization contributes various personnel services, including accounting and human resources, to other related entities without charge. The cost of these services is reflected in salaries expense in the statements of functional expenses.

Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date, but before the financial statements are available to be issued and may require potential recognition or disclosure in the financial statements. Management has considered such events or

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Notes to Financial Statements

June 30, 2019 and 2018

transactions through December 2, 2019. See Note 3 and Note 12 for descriptions of subsequent events.

2. Liquidity and Cash Management

The following reflects the Organization's financial assets at June 30, 2019 reduced by amounts not available for general use within one year of the date of the statement of financial position because of contractual or donor-imposed restrictions or internal designations.

Financial Assets at June 30, 2019	\$ 59,787,878
Less Amounts Unavailable for General Expenditures Within One Year Due to:	
Board Designations:	
Cash and Cash Equivalents	(1,251,339)
Investments	(11,071,897)
Amounts With Donor Restrictions Temporary in Nature:	
Cash and Cash Equivalents	(1,593,956)
Investments	(34,219,311)
Notes Receivable, Related Party	<u>(5,873,564)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 5,777,811</u>

The Organization manages its liquid resources by structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Organization invests cash in excess of daily requirements in commercial money market instruments. In the event of unanticipated liabilities, the Organization could draw upon its two \$2,000,000 lines of credit (see Note 6) or its board designated funds with board approval.

3. Property, Buildings and Equipment

Property, buildings and equipment at June 30, 2019 and 2018 consist of the following:

	<u>2019</u>	<u>2018</u>
Land and Land Improvements	\$ 4,697,189	\$ 2,922,189
Buildings and Leasehold Improvements	21,127,073	17,938,879
Machinery and Equipment	1,372,038	1,477,583
Furniture and Fixtures	320,362	317,783
Transportation	183,474	136,825
	<u>27,700,136</u>	<u>22,793,259</u>
Less Accumulated Depreciation	15,817,661	15,328,272
	<u>\$ 11,882,475</u>	<u>\$ 7,464,987</u>

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Notes to Financial Statements

June 30, 2019 and 2018

During the year ended June 30, 2019, the Organization acquired land and building located at 2222 North 111th Street in Omaha for \$4,879,417. The intent is that this property will become the combined Chancery operations whereby the Organization shall vacate the existing Chancery building on North 62nd Street, and the Sheehan Campus located at 60th and Northwest Radial. The Organization is under contract to sell the existing Chancery building to a related entity for \$1,350,000. This sale is expected to close by calendar year-end 2019. The Sheehan campus has been listed for sale but is not under any letter of intent or purchase contract.

The Archdiocese holds title to certain land and buildings occupied by three Archdiocesan high schools. The original cost of the land of approximately \$961,000 and buildings of approximately \$25,000,000 are not included in the statements of financial position of the Organization.

4. Investments

Investments are composed of the following at June 30, 2019 and 2018:

	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Certificates of Deposit	\$ 5,115	\$ 5,115	\$ 5,115	\$ 5,115
Corporate Bonds	4,877,571	5,031,613	5,343,564	5,186,793
Exchange-Traded Fund	13,922	14,492	-	-
Mutual Funds	517,673	550,431	-	-
Cash Funds	11,122,607	11,122,607	2,175,632	2,175,632
U.S. Government Securities	3,162,751	3,281,362	2,842,169	2,801,875
Municipal Bonds	2,950,397	3,009,058	3,495,474	3,434,519
Other Bonds	629,460	635,605	598,997	580,881
Mortgage-Backed Securities	3,110,660	3,145,790	3,403,994	3,350,201
Preferred Stock	1,479,288	1,477,734	1,581,169	1,544,403
Stocks and Equities	19,596,480	20,642,169	22,200,270	22,572,057
Other	891,568	451,282	891,568	528,453
Total Investments	<u>\$ 48,357,492</u>	<u>\$ 49,367,258</u>	<u>\$ 42,537,952</u>	<u>\$ 42,179,929</u>

Reconciliation to the statements of activities for the years ended June 30, 2019 and 2018 is as follows:

	2019	2018
Net Unrealized Gains (Losses), Beginning of Year	\$ (358,023)	\$ 3,608,754
Net Unrealized Gains (Losses), End of Year	1,009,766	(358,023)
Change in Unrealized Gains and Losses	1,367,789	(3,966,777)
Realized Gains	99,857	4,929,804
Interest and Dividends	1,484,187	1,406,766
Total Investment Income, Net	<u>\$ 2,951,833</u>	<u>\$ 2,369,793</u>

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Investments by net asset classification as of June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Investments	\$ 4,076,050	\$ 7,695,634
Board Designated Investments	11,071,897	10,644,580
Investments with Donor Restrictions Temporary in Nature	34,219,311	23,839,715
	<u>\$ 49,367,258</u>	<u>\$ 42,179,929</u>

During the year ending June 30, 2018, the Organization sold all investments previously held. This resulted in significant realized gains recognized in the accompanying financial statements. Proceeds from the sale of these assets were transferred into a single deposit account held at Merrill Lynch and then allocated to five new investment accounts (Passive Domestic Equity, Active Domestic Equity, Active International Equity, Passive International Equity, and Fixed Income). These separately managed accounts are comprised of investments ranging from bonds to common stock which are screened for adherence to Catholic Values as specified by the Organization's Board of Directors using the guidelines of the U.S. Conference of Catholic Bishops.

5. Fair Value Measurements

Fair Value Hierarchy

The Organization applies the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures*. ASC 820 clarified that fair value should be measured at the exit price, which is the price to sell an asset or transfer a liability. The exit price may or may not equal the transaction price and the exit price objective applies regardless of the intent or ability to sell the asset or transfer the liability at the measurement date. ASC 820 also clarified that nonperformance risk, including an issuer's credit standing, should be considered when measuring liabilities at fair value. ASC 820 also requires enhanced disclosures and establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values giving the highest priority to the unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Unadjusted quoted prices available in active markets that are accessible at the measurement date for identical assets or liabilities. This level primarily consists of financial instruments such as exchange-traded securities.

Level 2 – Pricing inputs include quoted prices for identical or similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, 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.

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Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs reflect management’s best estimates of fair value using its own assumptions about the assumptions a market participant would use in pricing the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2019 and 2018.

Certificates of Deposit: Valued at original cost plus accrued interest, which approximates fair value.

Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings.

Preferred Stock: Valued using quoted prices for similar assets in active markets.

Other Investments: Other investments include a member interest in the Catholic Umbrella Pool. Members share in the operating and investment income and expenses of the Pool based on their contributions to the fund for each fiscal year.

Stocks and Equities: Valued at the daily close price as reported by the security. Stocks and equities held by the Organization are deemed to be actively traded.

Mutual Funds and Exchange-Traded Funds: Mutual Funds and Exchange-Traded Funds are traded on a national securities exchange and are valued at the net asset value of the underlying investments.

The methods 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 Organization 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.

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The following table presents the placement in the fair value hierarchy of assets that are measured at fair value on a recurring basis (including items that are required to be measured at fair value and items for which the fair value option has been elected) at June 30, 2019 and 2018.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>2019</u> <u>Total</u>
Assets:				
Investments:				
Money Market Investments	\$ 11,122,607	\$ -	\$ -	\$ 11,122,607
Exchange-Traded Fund	14,492	-	-	14,492
Mutual Funds	550,431	-	-	550,431
Certificates of Deposit	-	5,115	-	5,115
Preferred Stock	-	1,477,734	-	1,477,734
Stocks and Equities:				
Consumer Discretionary	2,023,031	-	-	2,023,031
Consumer Staples	1,526,065	-	-	1,526,065
Energy	1,112,588	-	-	1,112,588
Financials	3,517,196	-	-	3,517,196
Health Care	1,787,921	-	-	1,787,921
Industrials	2,585,220	-	-	2,585,220
Information Technology	3,200,395	-	-	3,200,395
Materials	860,086	-	-	860,086
Real Estate	1,444,359	-	-	1,444,359
Telecommunication Services	1,901,064	-	-	1,901,064
Utilities	684,244	-	-	684,244
Bonds:				
Corporate Bonds	-	5,031,613	-	5,031,613
U.S. Government Securities	-	3,281,362	-	3,281,362
Mortgage-Backed Securities	-	3,145,790	-	3,145,790
Municipal Bonds	-	3,009,058	-	3,009,058
Other Bonds	-	635,605	-	635,605
Other Investments	-	451,282	-	451,282
	<u>\$ 32,329,699</u>	<u>\$ 17,037,559</u>	<u>\$ -</u>	<u>\$ 49,367,258</u>

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>2018</u> <u>Total</u>
Assets:				
Investments:				
Money Market Investments	\$ 2,175,632	\$ -	\$ -	\$ 2,175,632
Certificates of Deposit	-	5,115	-	5,115
Preferred Stock	-	1,544,403	-	1,544,403
Stocks and Equities:				
Consumer Discretionary	2,665,626	-	-	2,665,626
Consumer Staples	1,658,352	-	-	1,658,352
Energy	1,621,785	-	-	1,621,785
Financials	4,120,930	-	-	4,120,930
Health Care	1,754,466	-	-	1,754,466
Industrials	2,673,653	-	-	2,673,653
Information Technology	4,378,738	-	-	4,378,738
Materials	1,019,706	-	-	1,019,706
Real Estate	1,364,401	-	-	1,364,401
Telecommunication Services	616,824	-	-	616,824
Utilities	697,576	-	-	697,576
Bonds:				
Corporate Bonds	-	5,186,793	-	5,186,793
U.S. Government Securities	-	2,801,875	-	2,801,875
Mortgage-Backed Securities	-	3,350,201	-	3,350,201
Municipal Bonds	-	3,434,519	-	3,434,519
Other Bonds	-	580,881	-	580,881
Other Investments	-	528,453	-	528,453
	<u>\$ 24,747,689</u>	<u>\$ 17,432,240</u>	<u>\$ -</u>	<u>\$ 42,179,929</u>

6. Financing Arrangement

The Organization has available two unsecured line of credit totaling \$4,000,000. The first line of credit totaling \$2,000,000 has a variable interest rate based on the current prime rate and subject to a floor of 3.75%. The second line of credit totaling \$2,000,000 has an interest rate of 5.25%. There were no borrowings against either line of credit as of June 30, 2019 and 2018.

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7. Restrictions and Limitations on Net Asset Balances

Net assets with donor restrictions that are temporary in nature are available for the following purposes at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Seminary	\$ 24,562,896	\$ 23,619,509
Archbishop's Annual Appeal	4,246,237	4,331,838
Campaign Funds (Ignite the Faith)	6,766,455	7,983,781
Plant Funds	463,210	459,815
Other Funds (Priest and Lay Well-Being)	3,719,127	3,664,086
Other	751,673	744,947
	<u>\$ 40,509,598</u>	<u>\$ 40,803,976</u>

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of their specified events for the years ended June 30, 2019 and 2018 as follows:

	<u>2019</u>	<u>2018</u>
Seminary	\$ 1,200,000	\$ 1,200,000
Archbishop's Annual Appeal	4,368,877	3,793,173
Campaign Funds (Ignite the Faith)	2,163,874	4,095,950
Other Funds (Priest and Lay Well-Being)	332,750	364,452
Other	298,890	157,482
	<u>\$ 8,364,391</u>	<u>\$ 9,611,057</u>

8. Retirement Plans

The employees of the Archdiocese and its related organizations participate in one of two retirement plans. The priests participate in the Priests' Retirement Plan (Pension Plan). The lay employees participate in the Lay Employees' Retirement Plan (Lay Plan). The Pension Plan and the Lay Plan are exempt from the funding requirements of the Employee Retirement Income Security Act of 1974 (ERISA) as these have been recognized by the Internal Revenue Service as "church plans." These plans are described as follows:

Lay Plan

The Lay Plan is a defined contribution plan. The Lay Plan was a church plan under 414(e) of the Internal Revenue Code (IRC). Effective January 1, 2018, the 414(e) lay plan was terminated and plan assets were merged into the Organization's existing 403(b) defined contribution plan. Under the 403(b) plan, all lay employees of the Organization who have completed one year of service and who work at least 1,000 hours per year are eligible to receive employer contributions. The Organization contributes 5% of the employees' annualized gross earnings. Employees were not allowed to make salary reduction contributions to the 414(e) plan; however, employees are allowed to make salary reduction contributions to the 403(b) plan upon their date of hire. The Organization contributed \$224,126 and \$207,876 in 2019 and 2018, respectively.

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Priests' Pension Plan

The Pension Plan, which is a noncontributory defined benefit plan, provides payments to eligible priests at retirement. All priests who are incardinated into the Archdiocese and have at least 10 years of service are eligible to participate as defined by the plan agreement. A priest who retires after attaining age 70 and 10 years of service with institutions of the Archdiocese may receive a retirement benefit. The Pension Plan is a church plan, as defined in Section 414(e) of the IRC.

The Pension Plan provides \$1,525 per month to active and inactive priests who are 70 years and older. The Pension Plan also provides a Medicare premium supplement of \$135.50 per month. The measurement date used to determine pension benefits is June 30.

The following table sets forth the Pension Plan's funded status at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Fair Value of Plan Assets, Beginning of Year	\$ 30,021,317	\$ 27,494,766
Actual Return on Plan Assets	1,692,606	2,279,662
Benefits Paid	(988,978)	(970,397)
Contributions Net of Extended Care Premiums	415,047	1,217,286
Fair Value of Plan Assets, End of Year	<u>31,139,992</u>	<u>30,021,317</u>
Benefit Obligation, Beginning of Year	24,371,436	24,417,374
Service Cost	690,903	737,124
Interest Cost	998,019	954,326
Actuarial Loss (Gain)	1,805,950	(1,130,329)
Plan Amendment	404,830	363,338
Benefits Paid	(988,978)	(970,397)
Benefit Obligation, End of Year	<u>27,282,160</u>	<u>24,371,436</u>
Funded Status at End of Year	<u>\$ 3,857,832</u>	<u>\$ 5,649,881</u>

The following are the actuarial assumptions used by the Pension Plan to develop the pension projected benefit obligation as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Discount Rate	3.60%	4.20%
Expected Benefit Level Per Month	\$ 1,525	\$ 1,485
Expected Long-Term Rate of Return on Plan Assets	4.00%	5.50%

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The following is a summary of the components of net periodic pension cost for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Service Cost During the Period	\$ 690,903	\$ 737,124
Interest Cost on Projected Benefit Obligation	998,019	954,326
Expected Return on Plan Assets	(1,617,672)	(1,481,455)
Amortization of Unrecognized:		
Prior Service Cost	319,845	108,961
Loss	173,120	325,092
Net Periodic Pension Cost	<u>\$ 564,215</u>	<u>\$ 644,048</u>

The net loss and prior service credit for the Pension Plan that will be amortized from net assets without donor restrictions into net periodic benefit cost over the next fiscal year are \$257,054 and \$300,659, respectively.

The following are the actuarial assumptions used by the Pension Plan to develop the components of pension cost for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Discount Rate	4.20%	4.00%
Expected Benefit Level Per Month	\$ 1,525	\$ 1,485
Expected Long-Term Rate of Return on Plan Assets	4.00%	5.50%

Amounts recognized in net assets without donor restrictions consist of the following:

	<u>2019</u>	<u>2018</u>
Net Actuarial Loss (Gain)	\$ 1,557,896	\$ (2,253,628)
Prior Service Cost	84,985	254,377
	<u>\$ 1,642,881</u>	<u>\$ (1,999,251)</u>

Amounts recognized in pension-related changes other than net periodic pension cost for the years ended June 30, 2019 and 2018 consist of the following:

	<u>2019</u>	<u>2018</u>
Net Actuarial Loss (Gain)	\$ 1,731,016	\$ (1,928,536)
Prior Service Cost	404,830	363,338
Amortization of Unrecognized:		
Prior Service Cost	(319,845)	(108,961)
Loss	(173,120)	(325,092)
	<u>\$ 1,642,881</u>	<u>\$ (1,999,251)</u>

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June 30, 2019 and 2018

Plan asset and target allocations comprise the following investment classifications at June 30, 2019 and 2018:

<u>Asset Category</u>	<u>Target Allocations</u>	<u>2019</u>	<u>2018</u>
Equity Securities	60%	60%	60%
Debt Securities	39%	38%	36%
Other	1%	2%	4%
	<u>100%</u>	<u>100%</u>	<u>100%</u>

The Archdiocese's investment objective with respect to the Pension Plan is to produce sufficient current income and capital growth through a portfolio of equity and fixed income investments that, together with appropriate employer contributions, is sufficient to provide for the pension benefit obligations. The Pension Plan's assets are managed by outside investment managers in accordance with the investment policies and guidelines established by the pension trustees, and are diversified by investment style, asset category, sector, industry, issuer, and maturity.

The Archdiocese's overall expected long-term rate of return on assets is 4.00%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the return on individual asset categories. The return is based exclusively on historical returns, without adjustments.

The benefits to be paid in each of the next five years, and in the aggregate for the five fiscal years thereafter, are summarized in the table below:

2020	\$ 1,195,843
2021	1,210,456
2022	1,241,420
2023	1,288,857
2024	1,295,561
2025-2029	6,485,039
	<u>\$ 12,717,176</u>

The Archdiocese expects to contribute \$355,000 to this postretirement benefit plan during the year ending June 30, 2020.

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The asset allocations of the Archdiocese's pension benefits as of June 30, 2019 and 2018 were as follows:

	Fair Value Measurements at June 30, 2019			Total
	Pension Benefits - Plan Assets			
Asset Category:	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Cash	\$ 726,394	\$ -	\$ -	\$ 726,394
Mutual Funds:				
Equity Funds	18,558,438	-	-	18,558,438
Fixed-Income Funds	11,855,160	-	-	11,855,160
Total	\$ 31,139,992	\$ -	\$ -	\$ 31,139,992

	Fair Value Measurements at June 30, 2018			Total
	Pension Benefits - Plan Assets			
Asset Category:	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Cash	\$ 1,171,400	\$ -	\$ -	\$ 1,171,400
Mutual Funds:				
Equity Funds	17,925,881	-	-	17,925,881
Fixed-Income Funds	10,924,036	-	-	10,924,036
Total	\$ 30,021,317	\$ -	\$ -	\$ 30,021,317

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9. Special Collections Payable

Special collections payable at June 30, 2019 and 2018 are summarized as follows:

	<u>2019</u>		<u>2018</u>
Catholic Relief	\$ 93,639	\$	100,614
Communications	12,555		22,360
Peters Pence	18,729		10,552
Campaign for Human Development	3,781		2,573
Religious Pension	29,859		32,385
Rice Bowl	21,712		30,572
Home and Foreign Missions	-		2,058
Black and Indian Missions	13,632		9,085
Other One-Time Collections	31,478		-
	<u>\$ 225,385</u>	\$	<u>210,199</u>

10. Capital Campaign Payable

The capital campaign payable relates to amounts the Archdiocese has committed to return to parishes based on the goals of the Ignite the Faith capital campaign (see Note 1). The \$12,144 and \$33,824 outstanding at June 30, 2019 and 2018, respectively relates to capital campaign collections for the final quarter of fiscal year 2019 and 2018, respectively, which have been committed to the parishes but not yet remitted.

11. Notes Receivable, Related Party

Notes receivable, related party consists of unsecured notes receivable from St. John Paul II Newman Center, Inc., with interest at 3%, due in March 2021, and a balance of \$5,600,000 and \$5,700,000 at June 30, 2019 and 2018, respectively. Notes receivable, related party also consists of a \$500,000 line of credit extended to Madonna School & Community-Based Services with interest at 0%, due August 2020, and balances of \$273,564 and \$0 at June 30, 2019 and 2018, respectively.

12. Commitments and Contingencies

In the normal course of business, the Organization becomes a party to a number of lawsuits and claims. In late February 2019, the Nebraska Attorney General's office issued subpoenas upon the three Nebraska Catholic dioceses, including the Archdiocese of Omaha, demanding certain documents in their possession. The Organization was ordered to provide records, for occurrences dating back to April 16, 1997, regarding sexual and other unlawful behavior and alleged grooming activity involving a minor by its clergy or other persons placed in a position of authority by the Organization. After seeking court assistance regarding the scope of the subpoena and the time in which to respond, and having a follow up meeting with the Attorney General's office, the Organization cooperated with the Attorney General in supplying numerous records responsive to the subpoena. As of the date of this report, there are no open criminal or civil cases against the Organization pertaining to alleged sexual misconduct, but there are two claims pending in which the claimants allege the Organization was negligent in placing members of the clergy in ministry and that the negligence resulted in minors being sexually assaulted. Finally, there is one current case against the

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Organization and a religious order in which the Plaintiff alleges that the Organization and the religious order engaged in some fraudulent conduct concerning an adoption which occurred over 50 years ago. Management believes the ultimate resolution of these outstanding claims and lawsuit will not have a significant effect on the Organization's financial position or operations.

The Organization has guaranteed various notes of affiliated entities. At June 30, 2019, \$24,158,482 is outstanding on these notes.

The following is a summary of guarantees outstanding at June 30, 2019:

<u>Entity</u>	<u>City</u>	<u>Purpose</u>	<u>Date of Debt</u>	<u>Term (Months)</u>	<u>Interest Rate</u>	<u>June 30, 2019</u>
St. Patrick	Elkhorn	Building of School	9/1/2007	240	2.28	\$ 2,425,000
Archbishop Bergan Catholic Schools	Fremont	Elementary School Construction	10/1/2010	96	3.25	1,316,452
St. Charles Borromeo	Gretna	Construction	5/15/2014	172	3.00	757,878
St. Patrick	Gretna	Purchase House	12/27/2017	240	3.50	195,900
St. Patrick	Gretna	Purchase House	3/30/2018	240	3.50	201,422
Cedar Catholic High School	Hartington	Construction/HVAC	6/20/2014	180	3.50	279,185
Cedar Catholic High School	Hartington	Building Restoration	6/17/2016	180	3.50	607,501
Sacred Heart	Norfolk	School Activity Center	9/2/2005	172	5.00	196,366
Sacred Heart	Norfolk	Operations	6/29/2017	Line of Credit	4.50	999,000
St. Cecilia	Omaha	School Renovation	8/8/2008	180	5.50	28,260
St. Cecilia	Omaha	Refinance	1/9/2018	180	3.50	342,517
St. Peter and Paul	Omaha	Roofing Concrete	10/6/2014	120	3.50	48,280
Institute of Apostolic Oblates	Omaha	Construction	2/20/2019	60	3.50	433,787
Immaculate Conception	Omaha	Kitchen Repair	3/23/2015	60	3.50	4,599
Immaculate Conception	Omaha	Maintenance Loan	9/17/2015	120	3.50	40,493
Immaculate Conception	Omaha	Gym Roof	11/18/2016	120	3.50	53,656
Immaculate Conception	Omaha	Roof Replacement	12/13/2018	180	3.50	97,343
St. Frances Cabrini	Omaha	HVAC Loan	11/8/2018	240	3.50	47,770
St. Mary Magdalene	Omaha	Roof Replacement	9/7/2018	180	3.50	86,232
St. Vincent de Paul	Omaha	Construction	6/14/2019	240	3.50	500,000
St. Matthew Bellevue	Omaha	Construction	2/15/2019	120	4.50	965,462
St. James	Omaha	Refinance Loan	6/2/2015	144	3.50	459,387
St. Gerald	Omaha	Purchase House	9/24/2014	360	3.50	143,978
St. Pius X	Omaha	Refinance	3/20/2017	240	3.50	110,409

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<u>Entity</u>	<u>City</u>	<u>Purpose</u>	<u>Date of Debt</u>	<u>Term (Months)</u>	<u>Interest Rate</u>	<u>June 30, 2019</u>
Madonna School	Omaha	Operations	8/5/2009	Line of Credit	4.50	\$ 143,472
St. Stephen	Omaha	School Authority	5/15/2012	120	3.19	164,067
St. John Paul II Newman Center	Omaha	Construction Costs	3/15/2016	60	2.53	9,188,212
St. John Vianney	Omaha	Refinance	8/6/2015	240	3.25	2,253,820
St. Mary Bellevue	Omaha	Roof Replacement	11/16/2016	240	3.50	84,137
Daniel Gross High School	Omaha	Construction	6/13/2016	60	3.50	750,000
St. Columbkille	Papillion	Purchase Property	10/23/2013	180	3.50	68,865
St. Columbkille	Papillion	Purchase Property	2/21/2014	180	3.50	70,906
St. Columbkille	Papillion	Purchase Property	3/21/2014	180	3.50	45,489
St. Columbkille	Papillion	Refinance Debt	2/28/2012	120	3.32	626,509
St. Paul Plainview	Plainview	Parish Hall Loan	12/20/2013	240	3.50	110,248
St. Michael	South Sioux	Parish Hall Loan	9/21/2018	240	3.50	311,880
						\$ 24,158,482

Subsequent to June 30, 2019, the Organization has guaranteed additional loans of approximately \$39,400,000.

Management of the Organization does not anticipate having to make payments on these guarantees.

Lutz