

# **The Catholic Archbishop of Omaha**

**Financial Statements and  
Independent Auditors' Report**

**June 30, 2022 and 2021**



# The Catholic Archbishop of Omaha

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## INDEPENDENT AUDITORS' REPORT

Audit Committee  
The Catholic Archbishop of Omaha  
Omaha, Nebraska

### Opinion

We have audited the financial statements of The Catholic Archbishop of Omaha (the Organization), which comprise the statements of financial position as of June 30, 2022 and 2021, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, 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.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after November 21, 2022.

### Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

*Lutz & Company, P.C.*

November 21, 2022

# The Catholic Archbishop of Omaha

## Statements of Financial Position

June 30, 2022 and 2021

<b>ASSETS</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 2,990,070	\$ 1,846,833
Restricted Cash and Cash Equivalents		
Board Designated	1,553,056	944,198
Donor Restricted - Temporary in Nature	1,750,463	1,580,013
Parish Assessments Receivable	33,216	30,555
Current Portion of Promises to Give	715,000	-
Current Portion of Note Receivable, Related Party	-	150,000
Other Current Assets	648,380	580,657
<b>Total Current Assets</b>	<b>7,690,185</b>	<b>5,132,256</b>
<b>PROPERTY, BUILDINGS, AND EQUIPMENT, NET</b>	<b>9,348,894</b>	<b>9,615,198</b>
<b>OTHER ASSETS</b>		
Investments	8,758,684	8,892,965
Board Designated Investments	14,048,132	14,712,657
Investments with Donor Restrictions Temporary in Nature	34,878,239	39,912,756
Promises to Give, Less Current Portion	715,000	-
Cash Surrender Value of Life Insurance	53,927	89,362
Prepaid Pension Cost	6,264,727	8,226,554
Notes Receivable, Related Party, Less Current Portion	363,564	363,564
<b>Total Other Assets</b>	<b>65,082,273</b>	<b>72,197,858</b>
<b>TOTAL ASSETS</b>	<b>\$ 82,121,352</b>	<b>\$ 86,945,312</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Special Collections Payable	\$ 200,082	\$ 152,002
Other Current Liabilities	828,779	799,981
Insurance Claims Reserve	3,833,995	4,275,320
<b>Total Current Liabilities</b>	<b>4,862,856</b>	<b>5,227,303</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS</b>		
Without Donor Restrictions	38,008,347	39,661,695
With Donor Restrictions	39,250,149	42,056,314
<b>Total Net Assets</b>	<b>77,258,496</b>	<b>81,718,009</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 82,121,352</b>	<b>\$ 86,945,312</b>

See Notes to Financial Statements.

# The Catholic Archbishop of Omaha

## Statement of Activities and Changes in Net Assets

Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES, GAINS, AND OTHER SUPPORT:</b>			
Contributions	\$ 2,290,665	\$ 7,718,921	\$ 10,009,586
Assessments	6,496,179	-	6,496,179
Program and Other Fees	3,215,890	-	3,215,890
Investment Loss, Net of Investment Fees	(3,137,237)	(4,181,692)	(7,318,929)
Gain on Sale of Property, Buildings, and Equipment	163,568	-	163,568
Other, Net	3,461,724	-	3,461,724
Assets Released from Restrictions	6,343,394	(6,343,394)	-
<b>Total Revenues, Gains, and Other Support</b>	<b>18,834,183</b>	<b>(2,806,165)</b>	<b>16,028,018</b>
<b>EXPENSES AND DISBURSEMENTS:</b>			
Pastoral Education Services	7,697,332	-	7,697,332
Religious Stewardship Formation	3,235,639	-	3,235,639
Ministries	5,269,951	-	5,269,951
Capital Campaign	192,560	-	192,560
Administrative Services	1,948,459	-	1,948,459
<b>Total Expenses and Disbursements</b>	<b>18,343,941</b>	<b>-</b>	<b>18,343,941</b>
Increase (Decrease) in Net Assets before Pension-Related Changes Other than Net Periodic Pension Cost	490,242	(2,806,165)	(2,315,923)
Pension-Related Changes Other than Net Periodic Cost	(2,143,590)	-	(2,143,590)
Change in Net Assets	(1,653,348)	(2,806,165)	(4,459,513)
<b>NET ASSETS:</b>			
Beginning of Year	39,661,695	42,056,314	81,718,009
<b>END OF YEAR</b>	<b>\$ 38,008,347</b>	<b>\$ 39,250,149</b>	<b>\$ 77,258,496</b>

See Notes to Financial Statements.

# The Catholic Archbishop of Omaha

## Statement of Activities and Changes in Net Assets

Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES, GAINS, AND OTHER SUPPORT:</b>			
Contributions	\$ 2,870,382	\$ 5,040,186	\$ 7,910,568
Assessments	6,836,371	-	6,836,371
Program and Other Fees	2,968,318	-	2,968,318
Investment Income, Net of Investment Fees	4,030,233	7,870,523	11,900,756
Gain on Sale of Property, Buildings, and Equipment	993,774	-	993,774
Forgiveness of Paycheck Protection Program Loan	1,601,750	-	1,601,750
Other	135,590	-	135,590
Assets Released from Restrictions	6,007,308	(6,007,308)	-
Total Revenues, Gains, and Other Support	25,443,726	6,903,401	32,347,127
<b>EXPENSES AND DISBURSEMENTS:</b>			
Pastoral Education Services	8,214,767	-	8,214,767
Religious Stewardship Formation	2,899,802	-	2,899,802
Ministries	7,765,175	-	7,765,175
Capital Campaign	318,754	-	318,754
Administrative Services	2,714,557	-	2,714,557
Total Expenses and Disbursements	21,913,055	-	21,913,055
Increase in Net Assets before Pension-Related Changes Other than Net Periodic Pension Cost	3,530,671	6,903,401	10,434,072
Pension-Related Changes Other than Net Periodic Cost	5,962,248	-	5,962,248
Change in Net Assets	9,492,919	6,903,401	16,396,320
<b>NET ASSETS:</b>			
Beginning of Year	30,168,776	35,152,913	65,321,689
<b>END OF YEAR</b>	<b>\$ 39,661,695</b>	<b>\$ 42,056,314</b>	<b>\$ 81,718,009</b>

See Notes to Financial Statements.

# The Catholic Archbishop of Omaha

## Statements of Cash Flows

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (4,459,513)	\$ 16,396,320
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	430,166	453,565
Pension-Related Changes Other than Net Periodic Pension Cost	2,143,590	(5,962,248)
Net Realized Gains on Sale of Investments	(927,733)	(2,944,809)
Net Decrease (Increase) in Unrealized Gains and Losses	9,604,949	(7,645,199)
Gain on Disposal of Property, Buildings, and Equipment	(163,568)	(993,774)
Forgiveness of Paycheck Protection Program Loan	-	(1,601,750)
Forgiveness of Notes Receivable, Related Party	-	2,150,000
Contributions of Investments	(264,233)	(93,342)
Proceeds from Sale of Contributions of Investments	264,233	93,342
Decrease in Cash Surrender Value of Life Insurance	35,435	68,923
Decrease (Increase) in Assets:		
Parish Assessment Receivable	(2,661)	16,668
Promises to Give	(1,430,000)	-
Other Current Assets	(67,723)	(191,539)
Prepaid Pension Cost	(181,763)	511,178
Increase (Decrease) in Liabilities:		
Special Collections Payable	48,080	11,850
Other Current Liabilities	28,798	50,212
Insurance Claims Reserve	(441,325)	529,200
<b>Net Cash Provided by Operating Activities</b>	<b>4,616,732</b>	<b>848,597</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Property, Buildings, and Equipment	163,568	1,240,916
Purchase of Property, Buildings, and Equipment	(163,862)	(237,901)
Proceeds from Sales of Investments	13,011,457	12,670,225
Purchase of Investments	(15,855,350)	(16,719,860)
Repayments of Notes Receivable, Related Party	150,000	2,075,000
<b>Net Cash Used in Investing Activities</b>	<b>(2,694,187)</b>	<b>(971,620)</b>
Net Increase (Decrease) in Cash and Cash Equivalents and Restricted Cash and Cash Equivalents	1,922,545	(123,023)
Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning of Year	4,371,044	4,494,067
<b>Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, End of Year</b>	<b>\$ 6,293,589</b>	<b>\$ 4,371,044</b>

See Notes to Financial Statements.



# The Catholic Archbishop of Omaha

## Statements of Cash Flows

Years Ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>RECONCILIATION TO STATEMENTS OF FINANCIAL POSITION</b>		
Cash and Cash Equivalents	\$ 2,990,070	\$ 1,846,833
Restricted Cash and Cash Equivalents		
Board Designated	1,553,056	944,198
Donor Restricted - Temporary in Nature	1,750,463	1,580,013
<b>Total Cash and Cash Equivalents and Restricted Cash and Cash Equivalents</b>	<b>\$ 6,293,589</b>	<b>\$ 4,371,044</b>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Contributions of Investments	\$ 264,233	\$ 93,342
Forgiveness of Notes Receivable, Related Party	-	2,150,000

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See Notes to Financial Statements.

# The Catholic Archbishop of Omaha

## Statement of Functional Expenses

Year Ended June 30, 2022

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	<u>Pastoral Education Services</u>	<u>Religious Stewardship Formation</u>	<u>Ministries</u>	<u>Capital Campaign</u>	<u>Administrative Services</u>	<u>Total</u>
Salaries	\$ 2,724,055	\$ 635,363	\$ 1,432,113	\$ -	\$ 524,391	\$ 5,315,922
Benefits	988,819	154,299	544,262	-	206,873	1,894,253
Operating	2,995,302	146,260	2,703,799	-	864,281	6,709,642
Depreciation	204,276	-	139,857	-	86,033	430,166
Utilities and Maintenance	242,135	4,717	118,297	-	68,617	433,766
Fundraising	-	520,807	-	-	-	520,807
Contributions	542,745	1,774,193	331,623	192,560	198,264	3,039,385
	<u>\$ 7,697,332</u>	<u>\$ 3,235,639</u>	<u>\$ 5,269,951</u>	<u>\$ 192,560</u>	<u>\$ 1,948,459</u>	<u>\$ 18,343,941</u>

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See Notes to Financial Statements.

# The Catholic Archbishop of Omaha

## Statement of Functional Expenses

Year Ended June 30, 2021

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	<u>Pastoral Education Services</u>	<u>Religious Stewardship Formation</u>	<u>Ministries</u>	<u>Capital Campaign</u>	<u>Administrative Services</u>	<u>Total</u>
Salaries	\$ 2,411,801	\$ 572,017	\$ 1,703,172	\$ -	\$ 519,337	\$ 5,206,327
Benefits	998,717	157,820	612,460	-	193,109	1,962,106
Operating	2,694,026	131,486	3,557,780	-	1,040,162	7,423,454
Depreciation	186,530	-	176,322	-	90,713	453,565
Utilities and Maintenance	243,002	5,873	160,303	-	80,249	489,427
Fundraising	-	355,192	-	34,699	-	389,891
Contributions	1,680,691	1,677,414	1,555,138	284,055	790,987	5,988,285
	<u>\$ 8,214,767</u>	<u>\$ 2,899,802</u>	<u>\$ 7,765,175</u>	<u>\$ 318,754</u>	<u>\$ 2,714,557</u>	<u>\$ 21,913,055</u>

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See Notes to Financial Statements.

# The Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

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### 1. Organization and Summary of Significant Accounting Policies

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The Catholic Archbishop of Omaha (the Organization) is a not-for-profit organization established to administer the religious, educational, and charitable activities of the Archdiocese of Omaha. The financial statements have been prepared in accordance with accounting principles generally accepted *in* the United States of America. 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 Catholic Futures Foundation. 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.

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

#### ***Basis of Presentation***

The Organization follows Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. Resources are reported for accounting purposes into separate classes of net assets based on the existence or absence of donor-imposed restrictions.

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.

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 whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Board designated net assets are set aside to pay future obligations associated primarily with health care.

# The Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

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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, 2022 and 2021, 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 same 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.

### ***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.

### ***Cash and Cash Equivalents and Restricted Cash and Cash Equivalents***

For the purposes of the statements of cash flows, the Organization considers all investments with an original maturity of three months or less to be cash and cash equivalents, excluding cash and cash equivalents held within investments. The Organization considers all cash and cash equivalents designated for the priest and lay health insurance plans to be Board designated cash and cash equivalents. The Organization also considers all cash and cash equivalents designed for long-term purposes or received with donor-imposed restrictions limiting their use to be restricted cash and cash equivalents. This includes cash restricted by donors for the annual appeal and capital campaign.

### ***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 Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

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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 2022 and 2021, 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, 2022 and 2021 there was a cash balance in excess of FDIC limits at these banks of approximately \$122,000 and \$0, 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 \$33,216 and \$30,555 at June 30, 2022 and 2021, respectively, relate to assessments due from related entities. Promises to give also are subject to credit risk.

### ***Promises to Give***

The Organization recognizes promises to give only when a formal, signed agreement is received from a foundation. The Organization's promises to give are expected to be collected in installments of \$715,000 in both 2023 and 2024. The promises are considered to be fully collectible by management; therefore, no allowance is recorded.

### ***Investments***

Investments are stated at fair value in the statements of financial position (see Note 5). Changes in net unrealized holding gains and losses, realized gains and losses, and investment income (loss) are included in the statements of activities and changes in net assets and result in increases or decreases to net assets without donor restrictions unless their use is restricted to a specified purpose of future period. Investment income (loss) is recorded as earned. Realized 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 in excess of \$5,000 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.

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# The Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

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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	5 – 7 years
Furniture and Fixtures	5 – 7 years
Transportation	5 – 7 years

### ***Long-Lived Asset Impairment***

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. Management does not believe any impairment existed for the years ended June 30, 2022 and 2021.

### ***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.

### ***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 \$125,000 for priests and \$350,000 and \$300,000 for lay employees at June 30, 2022 and 2021, respectively. The insurance claims reserve represents estimates for reporting claims and an estimate for incurred claims but not reported based on actual historical claims. For the year ended June 30, 2022, insurance premiums collected exceeded insurance claims paid and are included in other revenues. For the year ended June 30, 2021, insurance claims paid exceeded insurance premiums collected and are included in operating expenses.

# The Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

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### ***Paycheck Protection Program Loan***

The Organization was granted a loan from a bank pursuant to the Paycheck Protection Program (“PPP”) under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security (CARES Act), which was enacted March 27, 2020 (the “PPP loan”).

The Organization elected to account for the PPP loan as a financial liability under long-term debt in accordance with FASB ASC 470, *Debt*. In accordance with FASB ASC 405-20-40-1, *Extinguishment of Liabilities*, the Organization would not recognize any income from the extinguishment of its debt until the Organization was legally released as the primary obligor under the loan by the Small Business Administration. During the year ended June 30, 2021, the Organization was released as the primary obligor under the loan and recognized forgiveness totaling \$1,601,750 in the statements of activities and changes in net assets.

### ***Revenue Recognition***

The Organization follows ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* (“ASU 2014-09”). Revenue is recognized for the transfer of promised goods or services to customers in an amount that reflects the transaction price to which the entity expects to be entitled in exchange for those goods and services. The Organization’s policy for revenue recognition is described below.

### **Contributions**

Contributions that do not meet the definition of an exchange transaction in accordance with ASU 2014-09 are accounted for under the guidance in Accounting Standards Codification 958 “Not-for-Profit Entities.” Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions of donated non-cash assets and investment securities are recorded at estimated fair value when received. The Organization’s policy is to sell donated securities as soon as administratively feasible upon receipt of the securities.

The Organization recognizes pledges received as intentions to give rather than unconditional promises to give unless a formal executed agreement is received from a foundation. 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. These amounts will be reported as contribution revenue in future years when the cash is received.

### **Assessments**

Assessment revenue consists of parish assessments that are paid to support the cost to run the Archdiocese. Parishes are obligated to pay their assessment each month.

Assessment revenues are recognized monthly when billed. The assessment amounts are determined annually in July for every parish. The amounts are based on a six-year average of Sunday collections, with discounts given to parishes that have or support a rural high school.



# The Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

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### Program and Other Fees

Program and other fees consist of fees that customers pay to participate in various sponsored events and training sessions. Customers can terminate their agreement at any time, but refunds of program services are not common.

Program and other fees are recognized when obligations under the terms of the agreement with the customer are satisfied, which is generally at a point in time when the program service is provided. The transaction price is determined based on an estimate of the total fees expected to be collected based on historical experience. Program agreements have a single performance obligation and are short-term in nature. Program and other fees are typically paid in advance of the program services.

### ***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.

### ***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.

### ***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 benefited by the expense. Certain categories of expenses are attributable to more than one department. 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 other departments based on estimates of time and usage. Allocation percentages are reviewed for accuracy at least annually. In 2022 and 2021, administrative services were allocated 40% to ministries, 40% to pastoral education services, and 20% to administrative services. 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.

# The Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

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### *Income Taxes and Unemployment Taxes*

The Organization is exempt from federal income taxes and unemployment taxes as an organization listed in the 2022 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, 2022 and 2021, the Organization had no uncertain tax positions.

### *Reclassifications*

Certain reclassifications have been made to the 2021 financial statements to conform to the 2022 presentation.

### *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 transactions through November 21, 2022, noting no items requiring disclosure.

## 2. Liquidity and Cash Management

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The following reflects the Organization's financial assets at June 30, 2022 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.

Cash and Cash Equivalents	\$ 2,990,070
Parish Assessments Receivable	33,216
Current Portion of Promises to Give	715,000
Other Current Assets, Less Non-Liquid Assets	468,527
Investments	<u>8,758,684</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 12,965,497</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. If needed, the Organization could draw upon its two \$2,000,000 lines of credit (see Note 6) or its Board designated funds with Board approval.

# The Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

### 3. Property, Buildings, and Equipment

Property, buildings, and equipment at June 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Land and Land Improvements	\$ 3,895,757	\$ 3,867,298
Buildings and Leasehold Improvements	8,696,876	8,599,383
Machinery and Equipment	748,621	802,853
Furniture and Fixtures	132,740	132,740
Transportation	111,006	112,221
	<u>13,585,000</u>	<u>13,514,495</u>
Less Accumulated Depreciation	4,236,106	3,899,297
	<u>\$ 9,348,894</u>	<u>\$ 9,615,198</u>

### 4. Investments

Investments are composed of the following at June 30, 2022 and 2021:

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Certificates of Deposit	\$ 5,115	\$ 5,115	\$ 5,115	\$ 5,115
Corporate Bonds	7,816,008	7,109,459	5,746,603	5,826,448
Mutual Funds	1,237,701	928,738	770,011	953,969
Cash Funds	7,709,791	7,709,791	9,303,971	9,303,971
U.S. Government Securities and Mortgage Backed Securities	7,711,939	7,170,631	7,587,226	7,613,959
Municipal Bonds	3,180,922	2,967,340	2,550,595	2,628,356
Preferred Stock	-	-	1,685,156	1,737,264
Stocks and Equities	30,219,780	31,515,190	26,460,953	34,950,038
Other	891,568	278,791	891,568	499,258
Total Investments	<u>\$ 58,772,824</u>	<u>\$ 57,685,055</u>	<u>\$ 55,001,198</u>	<u>\$ 63,518,378</u>

Reconciliation to the statements of activities and changes in net assets for the years ended June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Net Unrealized Gains, Beginning of Year	\$ 8,517,180	\$ 871,981
Net Unrealized Gains (Losses), End of Year	<u>(1,087,769)</u>	<u>8,517,180</u>
Change in Unrealized Gains and Losses	(9,604,949)	7,645,199
Realized Gains	927,733	2,944,809
Interest and Dividends, Net of Investment Fees	1,358,287	1,310,748
Total Investment Income (Loss), Net	<u>\$ (7,318,929)</u>	<u>\$ 11,900,756</u>

# The Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

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Investments by net asset classification as of June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Investments	\$ 8,758,684	\$ 8,892,965
Board Designated Investments	14,048,132	14,712,657
Investments with Donor Restrictions Temporary in Nature	34,878,239	39,912,756
	<u>\$ 57,685,055</u>	<u>\$ 63,518,378</u>

### 5. Fair Value Measurements

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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.

*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 Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

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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, 2022 and 2021.

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

*Bonds and Preferred Stock:* 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.

*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.

*Cash Funds and Mutual Funds:* Valued at the closing price reported on the active market on which the individual securities are traded.

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.

# The Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

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, 2022 and 2021.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>2022</u> <u>Total</u>
Investments:				
Cash Funds	\$ 7,709,791	\$ -	\$ -	\$ 7,709,791
Mutual Funds	928,738	-	-	928,738
Certificates of Deposit	-	5,115	-	5,115
Stocks and Equities	31,515,190	-	-	31,515,190
Bonds:				
Corporate Bonds	-	7,109,459	-	7,109,459
U.S. Government Securities and Mortgage-Backed Securities	-	7,170,631	-	7,170,631
Municipal Bonds	-	2,967,340	-	2,967,340
Other Investments	-	278,791	-	278,791
	<u>\$ 40,153,719</u>	<u>\$ 17,531,336</u>	<u>\$ -</u>	<u>\$ 57,685,055</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>2021</u> <u>Total</u>
Investments:				
Cash Funds	\$ 9,303,971	\$ -	\$ -	\$ 9,303,971
Mutual Funds	953,969	-	-	953,969
Certificates of Deposit	-	5,115	-	5,115
Preferred Stock	-	1,737,264	-	1,737,264
Stocks and Equities	34,950,038	-	-	34,950,038
Bonds:				
Corporate Bonds	-	5,826,448	-	5,826,448
U.S. Government Securities and Mortgage-Backed Securities	-	7,613,959	-	7,613,959
Municipal Bonds	-	2,628,356	-	2,628,356
Other Investments	-	499,258	-	499,258
	<u>\$ 45,207,978</u>	<u>\$ 18,310,400</u>	<u>\$ -</u>	<u>\$ 63,518,378</u>

## 6. Financing Arrangement

The Organization has available two unsecured lines 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 is subject to a floor of 3.75%, due March 2023. The second line of credit totaling \$2,000,000 has an interest rate of 4.25%, due October 2023. There were no borrowings against either line of credit as of June 30, 2022 and 2021.

# The Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

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### 7. Restrictions and Limitations on Net Asset Balances

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Net assets with donor restrictions that are temporary in nature are available for the following purposes at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Seminary	\$ 25,589,418	\$ 30,041,184
Archbishop's Annual Appeal	5,192,500	4,842,416
Campaign Funds (Ignite the Faith)	2,057,727	2,233,943
Other Funds (Priest and Lay Well-Being)	3,303,981	3,909,240
Time Restricted - Promises to Give	1,430,000	-
Other	1,676,523	1,029,531
	<u>\$ 39,250,149</u>	<u>\$ 42,056,314</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, 2022 and 2021 as follows:

	<u>2022</u>	<u>2021</u>
Seminary	\$ 1,395,000	\$ 1,100,000
Archbishop's Annual Appeal	4,379,545	4,131,315
Campaign Funds (Ignite the Faith)	192,560	318,754
Other Funds (Priest and Lay Well-Being)	188,700	345,000
Other	187,589	112,239
	<u>\$ 6,343,394</u>	<u>\$ 6,007,308</u>

### 8. Retirement Plans

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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 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 are allowed to make salary reduction contributions to the 403(b) plan upon their date of hire. The Organization contributed \$217,798 and \$222,994 in 2022 and 2021, respectively.

# The Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

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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 \$1,690 per month to active and inactive priests who are 70 years and older. The Pension Plan also provides a Medicare premium supplement of \$170. 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Fair Value of Plan Assets, Beginning of Year	\$ 39,859,494	\$ 31,933,197
Actual Return on Plan Assets	(4,886,010)	8,597,470
Benefits Paid	(1,162,408)	(1,114,253)
Contributions Net of Extended Care Premiums	753,323	443,080
Fair Value of Plan Assets, End of Year	<u>34,564,399</u>	<u>39,859,494</u>
Benefit Obligation, Beginning of Year	31,632,940	29,157,713
Service Cost	968,287	834,710
Interest Cost	914,086	826,814
Actuarial Loss (Gain)	(5,375,590)	1,878,129
Plan Amendment	1,322,357	49,827
Benefits Paid	(1,162,408)	(1,114,253)
Benefit Obligation, End of Year	<u>28,299,672</u>	<u>31,632,940</u>
Funded Status at End of Year	<u>\$ 6,264,727</u>	<u>\$ 8,226,554</u>

The following are the actuarial assumptions used by the Pension Plan to develop the pension projected benefit obligation as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Discount Rate	4.65%	2.95%
Expected Benefit Level Per Month	\$1,690	\$1,590
Expected Long-Term Rate of Return on Plan Assets	4.00%	4.00%

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# The Catholic Archbishop of Omaha

## Notes to Financial Statements

### June 30, 2022 and 2021

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The following is a summary of the components of net periodic pension cost for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Service Cost During the Period	\$ 968,287	\$ 834,710
Interest Cost on Projected Benefit Obligation	914,086	826,814
Expected Return on Plan Assets	(1,568,501)	(1,264,852)
Amortization of Unrecognized:		
Prior Service Cost	257,688	268,381
Loss	-	289,205
Net Periodic Pension Cost	<u>\$ 571,560</u>	<u>\$ 954,258</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 \$0 and \$340,335, 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Discount Rate	2.95%	2.90%
Expected Benefit Level Per Month	\$1,690	\$1,590
Expected Long-Term Rate of Return on Plan Assets	4.00%	4.00%

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

	<u>2022</u>	<u>2021</u>
Net Actuarial Loss (Gain)	\$ 1,078,921	\$ (5,743,694)
Prior Service Cost (Credit)	1,064,669	(218,554)
	<u>\$ 2,143,590</u>	<u>\$ (5,962,248)</u>

Amounts recognized in pension-related changes other than net periodic pension cost for the years ended June 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Net Actuarial Loss (Gain)	\$ 1,078,921	\$ (5,454,489)
Prior Service Cost	1,322,357	49,827
Amortization of Unrecognized:		
Prior Service Cost	-	(289,205)
Loss	(257,688)	(268,381)
	<u>\$ 2,143,590</u>	<u>\$ (5,962,248)</u>

# The Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

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Plan asset and target allocations comprise the following investment classifications at June 30, 2022 and 2021:

<u>Asset Category</u>	<u>Target Allocations</u>	<u>2022</u>	<u>2021</u>
Equity Securities	60%	65%	68%
Debt Securities	39%	32%	29%
Other	1%	3%	3%
	<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:

2023	\$ 1,259,400
2024	1,323,200
2025	1,363,600
2026	1,403,800
2027	1,396,400
2028-2032	<u>7,960,200</u>
	<u>\$ 14,706,600</u>

The Archdiocese expects to contribute \$466,200 (\$4,200 per priest) to this postretirement benefit plan in the next fiscal year.

# The Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

The asset allocations of the Archdiocese's pension benefits as of June 30, 2022 and 2021 were as follows:

	Fair Value Measurements at June 30, 2022			
	Pension Benefits - Plan Assets			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash	\$ 1,016,188	\$ -	\$ -	\$ 1,016,188
Mutual Funds:				
Equity Funds	22,309,041	-	-	22,309,041
Fixed-Income Funds	11,239,170	-	-	11,239,170
Total	<u>\$ 34,564,399</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,564,399</u>

	Fair Value Measurements at June 30, 2021			
	Pension Benefits - Plan Assets			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash	\$ 1,173,763	\$ -	\$ -	\$ 1,173,763
Mutual Funds:				
Equity Funds	27,108,150	-	-	27,108,150
Fixed-Income Funds	11,577,581	-	-	11,577,581
Total	<u>\$ 39,859,494</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,859,494</u>

# The Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

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### 9. Special Collections Payable

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Special collections payable at June 30, 2022 and 2021 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Catholic Relief	\$ 113,632	\$ 66,696
Communications	16,842	15,410
Peter's Pence	11,445	8,349
Religious Pension	25,539	4,774
Rice Bowl	22,756	33,972
Black and Indian Missions	9,868	7,051
Other One-Time Collections	-	15,750
	<u>\$ 200,082</u>	<u>\$ 152,002</u>

### 10. Notes Receivable, Related Party

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Notes receivable, related party consists of a \$500,000 line of credit extended to Madonna School & Community-Based Service with interest at 0%, due August 2023, with a balance of \$363,564 at June 30, 2022 and 2021.

Notes receivable, related party at June 30, 2021 also consisted of an unsecured note receivable from St. John Paul Newman Center, Inc., with interest at 2.75%, due March 2026, with a balance of \$150,000. The note was paid in full during the year ended June 30, 2022. During the year ended June 30, 2021, the Organization forgave \$2,150,000 of this note receivable.

### 11. Commitments and Contingencies

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#### Legal Proceedings

There is one case pending against the Archdiocese.

The pending case involves Andrew Syring, an Archdiocesan Priest, who filed a multi-count Complaint against the Archdiocese stemming from the publication of Andrew Syring's name on a list of clergy who the Archdiocese has received substantial allegations of misconduct with and/or the abuse of a minor, and a subsequent negative reference which the Archdiocese provided to a Catholic Hospital regarding Andrew Syring's suitability as a Chaplain. The case is currently pending in the District Court of Cuming County, captioned Andrew J. Syring v. The Archdiocese of Omaha (CI-20-68). Some of the claims were dismissed on a Motion for Summary Judgment. Andrew Syring filed a Second Amended Complaint on June 29, 2022, and the Archdiocese responded by filing a Motion to Dismiss the Second Amended Complaint. The Archdiocese has various meritorious defenses to the remaining claims. If the case proceeds and is reduced to a judgment, it is not expected to have a material adverse impact upon the financial operations of the Archdiocese.

There also are a number of potential claims made against the Archdiocese for alleged sexual abuse by former Priests of the Archdiocese. These claims have not resulted in the filing of any lawsuits and, in any event, are not expected to have a material adverse impact upon the financial operations of the Archdiocese.

# The Catholic Archbishop of Omaha

## Notes to Financial Statements

June 30, 2022 and 2021

### Guaranteed Notes

The Organization has guaranteed various notes of affiliated entities. At June 30, 2022, \$41,341,775 is outstanding on these notes. At June 30, 2021, there was \$43,318,937 outstanding on notes guaranteed by the Organization.

The following is a summary of guarantees outstanding at June 30, 2022:

<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, 2022</u>
Gross Catholic High School	Bellevue	Construction	9/10/2021	60	3.50	\$ 1,424,905
St. Patrick	Gretna	Purchase House	12/27/2017	240	3.50	172,020
St. Patrick	Gretna	Purchase House	3/30/2018	240	3.50	177,017
St. Cecilia	Omaha	Refinance	1/9/2018	180	3.50	191,781
Ss. Peter and Paul Immaculate Conception	Omaha	Roofing and Concrete	10/6/2014	120	3.50	21,752
St. Matthew	Bellevue	Construction	2/19/2019	120	3.75	5,800,696
St. John Paul II Newman Center	Omaha	Construction Costs	7/22/2020	60	1.94	8,212,706
St. John Vianney	Omaha	Refinance	8/6/2015	240	3.50	1,673,352
St. Mary	Bellevue	Roof Replacement	11/16/2016	240	3.50	69,460
St. Peter	Fullerton	Boiler	10/6/2020	180	3.50	33,850
Mary Our Queen	Omaha	Purchase House	10/9/2020	300	3.50	215,148
Mary Our Queen Catholic Charities Foundation	Omaha	Youth Center	9/18/2020	60	3.50	745,248
St. Peter and Paul	Omaha	Building Renovation	3/29/2021	60	2.75	687,768
St. Columbkille	Omaha	HVAC System	9/10/2019	300	3.50	103,799
St. Michael	Papillion	Parish Center Loan	5/1/2021	60	3.35	2,432,335
St. Michael	South Sioux	Parish Hall Loan	9/21/2018	240	3.50	177,192
St. Wenceslaus	Omaha	Construction	6/19/2019	240	4.05	11,579,756
St. Wenceslaus	Omaha	Bridge Loan	10/25/2019	60	3.50	2,700,000
St. Matthew	Bellevue	Construction	5/21/2020	420	3.50	2,600,000
St. Margaret Mary	Omaha	Purchase Property	1/3/2020	240	3.50	898,817
St. Bonaventure	Columbus	Bridge Loan	4/22/2020	240	3.50	1,397,663
						<u>\$ 41,341,775</u>

As of November 21, 2022, management of the Organization does not anticipate having to make payments on these guarantees.

**Lutz**