

The Catholic Archbishop of Omaha

**Financial Statements and
Independent Auditors' Report**

June 30, 2023 and 2022



The Catholic Archbishop of Omaha

Index

	Page
Independent Auditors' Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8-9
Notes to Financial Statements	10-27

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, 2023 and 2022, the related statements of activities and changes in net assets, functional expenses, and cash flows 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, 2023 and 2022, 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.

Emphasis of Matter – New Accounting Pronouncements

As discussed in Note 1 to the financial statements, the Organization adopted Accounting Standards Update 2016-02, *Leases (Topic 842)*, issued by the Financial Accounting Standards Board (FASB), related to the accounting treatment for leases. Our opinion is not modified with respect to this matter.

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 within one year after the date that the financial statements are issued or available to be issued.

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 audit.
- 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 audit 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 13, 2023

The Catholic Archbishop of Omaha

Statements of Financial Position

June 30, 2023 and 2022

ASSETS	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,247,395	\$ 2,990,070
Restricted Cash and Cash Equivalents		
Board Designated	1,328,394	1,553,056
Donor Restricted - Temporary in Nature	3,721,461	1,750,463
Parish Assessments Receivable	21,381	33,216
Current Portion of Promises to Give	715,000	715,000
Current Portion of Note Receivable, Related Party	363,564	-
Other Current Assets	1,222,802	648,380
Total Current Assets	9,619,997	7,690,185
PROPERTY, BUILDINGS, AND EQUIPMENT, NET	9,314,403	9,348,894
OTHER ASSETS		
Investments	11,431,018	8,758,684
Board Designated Investments	15,599,868	14,048,132
Investments with Donor Restrictions Temporary in Nature	37,237,315	34,878,239
Promises to Give, Less Current Portion	-	715,000
Cash Surrender Value of Life Insurance	10,734	53,927
Prepaid Pension Cost	10,341,586	6,264,727
Note Receivable, Related Party, Less Current Portion	-	363,564
Total Other Assets	74,620,521	65,082,273
TOTAL ASSETS	\$ 93,554,921	\$ 82,121,352
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Special Collections Payable	\$ 204,660	\$ 200,082
Other Current Liabilities	936,251	828,779
Insurance Claims Reserve	4,005,786	3,833,995
Total Current Liabilities	5,146,697	4,862,856
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without Donor Restrictions	46,723,911	38,008,347
With Donor Restrictions	41,684,313	39,250,149
Total Net Assets	88,408,224	77,258,496
TOTAL LIABILITIES AND NET ASSETS	\$ 93,554,921	\$ 82,121,352

See Notes to Financial Statements.

The Catholic Archbishop of Omaha

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT:			
Contributions	\$ 2,577,472	\$ 6,373,396	\$ 8,950,868
Assessments	6,496,179	-	6,496,179
Program and Other Fees	3,562,500	-	3,562,500
Investment Income, Net of Investment Fees	2,535,426	3,410,321	5,945,747
Other, Net	2,535,221	-	2,535,221
Assets Released from Restrictions	7,349,553	(7,349,553)	-
Total Revenues, Gains, and Other Support	25,056,351	2,434,164	27,490,515
EXPENSES AND DISBURSEMENTS:			
Pastoral Education Services	8,440,537	-	8,440,537
Religious Stewardship Formation	2,841,060	-	2,841,060
Ministries	5,166,444	-	5,166,444
Capital Campaign	453,873	-	453,873
Administrative Services	2,949,633	-	2,949,633
Fundraising	564,467	-	564,467
Total Expenses and Disbursements	20,416,014	-	20,416,014
Increase in Net Assets before Pension-Related Changes Other than Net Periodic Pension Cost	4,640,337	2,434,164	7,074,501
Pension-Related Changes Other than Net Periodic Cost	4,075,227	-	4,075,227
Change in Net Assets	8,715,564	2,434,164	11,149,728
NET ASSETS:			
Beginning of Year	38,008,347	39,250,149	77,258,496
END OF YEAR	\$ 46,723,911	\$ 41,684,313	\$ 88,408,224

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>
REVENUES, GAINS, AND OTHER SUPPORT:			
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)	-
Total Revenues, Gains, and Other Support	18,834,183	(2,806,165)	16,028,018
EXPENSES AND DISBURSEMENTS:			
Pastoral Education Services	7,697,332	-	7,697,332
Religious Stewardship Formation	2,714,832	-	2,714,832
Ministries	5,269,951	-	5,269,951
Capital Campaign	192,560	-	192,560
Administrative Services	1,948,459	-	1,948,459
Fundraising	520,807	-	520,807
Total Expenses and Disbursements	18,343,941	-	18,343,941
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)
NET ASSETS:			
Beginning of Year	39,661,695	42,056,314	81,718,009
END OF YEAR	\$ 38,008,347	\$ 39,250,149	\$ 77,258,496

See Notes to Financial Statements.

The Catholic Archbishop of Omaha

Statement of Functional Expenses

Year Ended June 30, 2023

	<u>Education and Spiritual Formation</u>	<u>Stewardship and Development</u>	<u>Vocations and Evangelization</u>	<u>Capital Campaign</u>	<u>Administrative Services</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 2,893,199	\$ 684,022	\$ 1,190,245	\$ -	\$ 566,158	\$ -	\$ 5,333,624
Benefits	1,028,118	167,760	454,312	-	207,905	-	1,858,095
Operating	3,168,489	168,403	2,770,810	-	1,693,041	564,467	8,365,210
Depreciation	224,394	-	137,352	-	90,437	-	452,183
Utilities and Maintenance	302,588	5,719	136,875	-	85,304	-	530,486
Contributions	823,749	1,815,156	476,850	453,873	306,788	-	3,876,416
	\$ 8,440,537	\$ 2,841,060	\$ 5,166,444	\$ 453,873	\$ 2,949,633	\$ 564,467	\$ 20,416,014

See Notes to Financial Statements.

The Catholic Archbishop of Omaha

Statement of Functional Expenses

Year Ended June 30, 2022

	Education and Spiritual Formation	Stewardship and Development	Vocations and Evangelization	Capital Campaign	Administrative Services	Fundraising	Total
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	520,807	7,230,449
Depreciation	204,276	-	139,857	-	86,033	-	430,166
Utilities and Maintenance	242,135	4,717	118,297	-	68,617	-	433,766
Contributions	542,745	1,774,193	331,623	192,560	198,264	-	3,039,385
	<u>\$ 7,697,332</u>	<u>\$ 2,714,832</u>	<u>\$ 5,269,951</u>	<u>\$ 192,560</u>	<u>\$ 1,948,459</u>	<u>\$ 520,807</u>	<u>\$ 18,343,941</u>

See Notes to Financial Statements.

The Catholic Archbishop of Omaha

Statements of Cash Flows

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 11,149,728	\$ (4,459,513)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	452,183	430,166
Pension-Related Changes Other than Net Periodic Pension Cost	(4,075,227)	2,143,590
Net Realized and Unrealized Losses (Gains) on Investments	(4,865,667)	8,677,216
Loss (Gain) on Disposal of Property, Buildings, and Equipment	-	(163,568)
Contributions of Investments	(309,699)	(264,233)
Proceeds from Sale of Contributions of Investments	309,699	264,233
Decrease in Cash Surrender Value of Life Insurance	43,193	35,435
Decrease (Increase) in Assets:		
Parish Assessment Receivable	11,835	(2,661)
Promises to Give	715,000	(1,430,000)
Other Current Assets	(574,422)	(67,723)
Prepaid Pension Cost	(1,632)	(181,763)
Increase (Decrease) in Liabilities:		
Special Collections Payable	4,578	48,080
Other Current Liabilities	107,472	28,798
Insurance Claims Reserve	171,791	(441,325)
Net Cash Provided by Operating Activities	<u>3,138,832</u>	<u>4,616,732</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Property, Buildings, and Equipment	-	163,568
Purchase of Property, Buildings, and Equipment	(417,692)	(163,862)
Proceeds from Sales of Investments	35,939,999	13,011,457
Purchase of Investments	(37,657,478)	(15,855,350)
Repayments of Notes Receivable, Related Party	-	150,000
Net Cash Used in Investing Activities	<u>(2,135,171)</u>	<u>(2,694,187)</u>
Net Increase in Cash and Cash Equivalents and Restricted Cash and Cash Equivalents	1,003,661	1,922,545
Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning of Year	6,293,589	4,371,044
Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, End of Year	<u><u>\$ 7,297,250</u></u>	<u><u>\$ 6,293,589</u></u>

See Notes to Financial Statements.

The Catholic Archbishop of Omaha

Statements of Cash Flows

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
RECONCILIATION TO STATEMENTS OF FINANCIAL POSITION		
Cash and Cash Equivalents	\$ 2,247,395	\$ 2,990,070
Restricted Cash and Cash Equivalents		
Board Designated	1,328,394	1,553,056
Donor Restricted - Temporary in Nature	3,721,461	1,750,463
Total Cash and Cash Equivalents and Restricted Cash and Cash Equivalents	\$ 7,297,250	\$ 6,293,589
NONCASH INVESTING AND FINANCING ACTIVITIES		
Contributions of Investments	\$ 309,699	\$ 264,233

See Notes to Financial Statements.

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

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, 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.

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, 2023 and 2022, the Organization had no net assets with donor restrictions permanent in nature.

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

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, restricted scholarships, 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 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 2023 and 2022, 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, Restricted Scholarships, 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 Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

The Organization maintains additional bank accounts which are not covered by a cash management agreement. At June 30, 2023 and 2022 there was a cash balance in excess of FDIC limits at these banks of approximately \$0 and \$122,000, 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 \$21,381 and \$33,216 at June 30, 2023 and 2022, respectively, relate to assessments due from related entities. Promises to give and note receivable 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 fully collected in 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 or 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.

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

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

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, 2023 and 2022.

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 for lay employees at June 30, 2023 and 2022. 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 years ended June 30, 2023 and 2022, insurance premiums collected exceeded insurance claims paid and are included in other revenues.

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.

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

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.

Program and Other Fees and Other, Net

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.

Other, net consists primarily of insurance premiums collected in excess of insurance claims paid and are used to offset future insurance claims.

Contract Balances

Parish assessments receivable is an unconditional right to consideration and are recognized when the Organization's performance obligation has been fully satisfied. As of June 30, 2023, 2022, and 2021, the Organization's parish assessments receivable balance was \$21,381, \$33,216, and \$30,555, respectively.

At June 30, 2023, the Organization had insurance premiums outstanding from its lay health plan, net of expected uncollectible premiums totaling approximately \$781,000, which are included in other current assets and are expected to be settled within one year.

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

In-Kind Contributions

Contributions of gifts in-kind that can be used by the Organization are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by an individual possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The value of contributed time is not reflected in the financial statements as there is not an objective measure of the value of these services. There were no in-kind contributions recognized during the years ended June 30, 2023 and 2022. The Organization also 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.

Leases

Effective July 1, 2022, the Organization adopted Accounting Standards Update 2016-02, *Leases (Topic 842)* ("ASU 2016-02") using the modified retrospective transition method, which allows for a cumulative-effect adjustment through net assets at the date of initial application. There was no cumulative-effect adjustment recorded as the Organization's adoption of ASU 2016-02 did not have an impact on the accompanying statement of activities and changes in net assets.

Upon adoption of ASU 2016-02, the Organization elected the transition relief practical expedients which specify that an entity does not need to reassess initial direct costs for existing leases, the lease classification for expired or existing leases, and whether any expired or existing contracts contain leases.

The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the accompanying statements of financial position for all leases. The Organization elected the short-term practical expedient to exclude leases with terms of 12 months or less from recognition on the accompanying statements of financial position. At June 30, 2023, the Organization did not have any leases with terms in excess of 12 months; therefore, no ROU assets or lease liabilities are reflected.

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.

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

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 2023 and 2022, 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, administrative services, and fundraising.

Income Taxes and Unemployment Taxes

The Organization is exempt from federal income taxes and unemployment taxes as an organization listed in the 2023 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, 2023 and 2022, the Organization had no uncertain tax positions.

Reclassifications

Certain reclassifications have been made to the 2022 financial statements to conform to the 2023 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 13, 2023. See Notes 10 and 11 for description of subsequent events.

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

2. Liquidity and Cash Management

The following reflects the Organization's financial assets at June 30, 2023 reduced by amounts not available for general use within one year of the date of the statements of financial position because of contractual or donor-imposed restrictions or internal designations.

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 2,247,395	\$ 2,990,070
Parish Assessments Receivable	21,381	33,216
Current Portion of Promises to Give	715,000	715,000
Other Current Assets, Less Non-Liquid Assets	1,099,279	468,527
Investments	11,431,018	8,758,684
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 15,514,073</u>	<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.

3. Property, Buildings, and Equipment

Property, buildings, and equipment at June 30, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Land and Land Improvements	\$ 4,073,848	\$ 3,895,757
Buildings and Leasehold Improvements	8,831,512	8,696,876
Machinery and Equipment	683,072	748,621
Furniture and Fixtures	128,032	132,740
Transportation	60,644	111,006
	<u>13,777,108</u>	<u>13,585,000</u>
Less Accumulated Depreciation	4,462,705	4,236,106
	<u>\$ 9,314,403</u>	<u>\$ 9,348,894</u>

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

4. Investments

Investments at fair value are composed of the following at June 30:

	<u>2023</u>	<u>2022</u>
Certificates of Deposit	\$ 5,115	\$ 5,115
Corporate Bonds	8,361,201	7,109,459
Mutual Funds	908,963	928,738
Cash Funds	4,370,202	7,709,791
U.S. Government Securities and Mortgage Backed Securities	17,633,310	7,170,631
Municipal Bonds	-	2,967,340
Stocks and Equities	32,655,471	31,515,190
Other	333,939	278,791
Total Investments	<u>\$ 64,268,201</u>	<u>\$ 57,685,055</u>

Reconciliation to the statements of activities and changes in net assets for the years ended June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Net Realized and Unrealized Gains (Losses) on Investments	\$ 4,865,667	\$ (8,677,216)
Interest and Dividends, Net of Investment Fees	1,080,080	1,358,287
Total Investment Income (Loss), Net	<u>\$ 5,945,747</u>	<u>\$ (7,318,929)</u>

Investments as of June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Investments	\$ 11,431,018	\$ 8,758,684
Board Designated Investments	15,599,868	14,048,132
Investments with Donor Restrictions Temporary in Nature	37,237,315	34,878,239
	<u>\$ 64,268,201</u>	<u>\$ 57,685,055</u>

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

5. Fair Value Measurements

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 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, 2023 and 2022.

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

Corporate Bonds, U.S. Government Securities and Mortgage Backed Securities, and Municipal 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.

Other Investments: Other investments include a member interest in the Catholic Umbrella Pool (the 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.

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

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 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, 2023 and 2022.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>2023</u> <u>Total</u>
Investments:				
Cash Funds	\$ 4,370,202	\$ -	\$ -	\$ 4,370,202
Mutual Funds	908,963	-	-	908,963
Certificates of Deposit	-	5,115	-	5,115
Stocks and Equities	32,655,471	-	-	32,655,471
Bonds:				
Corporate Bonds	-	8,361,201	-	8,361,201
U.S. Government Securities and Mortgage-Backed Securities	-	17,633,310	-	17,633,310
Other Investments	-	333,939	-	333,939
	<u>\$ 37,934,636</u>	<u>\$ 26,333,565</u>	<u>\$ -</u>	<u>\$ 64,268,201</u>

	<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>

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

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 2024. 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, 2023 and 2022.

7. Restrictions and Limitations on Net Asset Balances

Net assets totaling \$16,928,262 and \$15,601,189, at June 30, 2023 and 2022, respectively, are designated by the Board for healthcare costs.

Net assets with donor restrictions that are temporary in nature are available for the following purposes at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Seminary	\$ 28,214,545	\$ 25,589,418
Archbishop's Annual Appeal	5,069,921	5,192,500
Campaign Funds (Ignite the Faith)	1,586,094	2,057,727
Other Funds (Priest and Lay Well-Being)	3,540,436	3,303,981
Scholarships and Grants	2,780,250	1,430,000
Other	493,067	1,676,523
	<u>\$ 41,684,313</u>	<u>\$ 39,250,149</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, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Seminary	\$ 1,106,250	\$ 1,395,000
Archbishop's Annual Appeal	4,897,858	4,379,545
Scholarships and Grants	689,542	108,917
Campaign Funds (Ignite the Faith)	453,873	192,560
Other Funds (Priest and Lay Well-Being)	143,250	188,700
Other	58,780	78,672
	<u>\$ 7,349,553</u>	<u>\$ 6,343,394</u>

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

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 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 \$227,430 and \$217,798 in 2023 and 2022, respectively.

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 \$1,790 per month to active and inactive priests who are 70 years and older. The Pension Plan also provides a Medicare premium supplement of \$164.90 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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Fair Value of Plan Assets, Beginning of Year	\$ 34,564,399	\$ 39,859,494
Actual Return on Plan Assets	3,911,651	(4,886,010)
Benefits Paid	(1,241,601)	(1,162,408)
Contributions Net of Extended Care Premiums	1,015,223	753,323
Fair Value of Plan Assets, End of Year	<u>38,249,672</u>	<u>34,564,399</u>
Benefit Obligation, Beginning of Year	28,299,672	31,632,940
Service Cost	744,331	968,287
Interest Cost	1,284,214	914,086
Actuarial Gain	(1,699,605)	(5,375,590)
Plan Amendment	521,075	1,322,357
Benefits Paid	(1,241,601)	(1,162,408)
Benefit Obligation, End of Year	<u>27,908,086</u>	<u>28,299,672</u>
Funded Status at End of Year	<u>\$ 10,341,586</u>	<u>\$ 6,264,727</u>

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

The following are the actuarial assumptions used by the Pension Plan to develop the pension projected benefit obligation as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Discount Rate	5.20%	4.65%
Expected Benefit Level Per Month	\$1,790	\$1,690
Expected Long-Term Rate of Return on Plan Assets	4.00%	4.00%
Benefit Increase Rate	3.00%	3.00%

The following is a summary of the components of net periodic pension cost for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Service Cost During the Period	\$ 744,331	\$ 968,287
Interest Cost on Projected Benefit Obligation	1,284,214	914,086
Expected Return on Plan Assets	(1,355,289)	(1,568,501)
Amortization of Unrecognized:		
Prior Service Cost	340,335	257,688
Net Periodic Pension Cost	<u>\$ 1,013,591</u>	<u>\$ 571,560</u>

The following are the actuarial assumptions used by the Pension Plan to develop the components of pension cost for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Discount Rate	4.65%	2.95%
Expected Benefit Level Per Month	\$1,790	\$1,690
Expected Long-Term Rate of Return on Plan Assets	4.00%	4.00%
Benefit Increase Rate	3.00%	2.40%

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

	<u>2023</u>	<u>2022</u>
Net Actuarial Loss (Gain)	\$ (4,255,967)	\$ 1,078,921
Prior Service Cost	180,740	1,064,669
	<u>\$ (4,075,227)</u>	<u>\$ 2,143,590</u>

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

Amounts recognized in pension-related changes other than net periodic pension cost for the years ended June 30, 2023 and 2022 consist of the following:

	2023	2022
Net Actuarial Loss (Gain)	\$ (4,255,967)	\$ 1,078,921
Prior Service Cost	521,075	1,322,357
Amortization of Unrecognized: Prior Service Cost	(340,335)	(257,688)
	<u>\$ (4,075,227)</u>	<u>\$ 2,143,590</u>

Plan asset and target allocations comprise the following investment classifications at June 30, 2023 and 2022:

Asset Category	Target Allocations	2023	2022
Equity Securities	60%	61%	65%
Debt Securities	39%	37%	32%
Other	1%	2%	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:

2024	\$ 1,367,900
2025	1,411,300
2026	1,454,500
2027	1,448,500
2028	1,491,400
2029-2033	8,633,100
	<u>\$ 15,806,700</u>

The Archdiocese expects to contribute \$546,000 (\$5,200 per priest) to this postretirement benefit plan in the next fiscal year.

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

The asset allocations of the Archdiocese's pension benefits as of June 30, 2023 and 2022 were as follows:

	Fair Value Measurements at June 30, 2023			
	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	\$ 911,916	\$ -	\$ -	\$ 911,916
Mutual Funds:				
Equity Funds	23,123,739	-	-	23,123,739
Fixed-Income Funds	14,214,017	-	-	14,214,017
Total	<u>\$ 38,249,672</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,249,672</u>

	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>

The Catholic Archbishop of Omaha

Notes to Financial Statements

June 30, 2023 and 2022

9. Special Collections Payable

Special collections payable at June 30, 2023 and 2022 are summarized as follows:

	<u>2023</u>		<u>2022</u>
Catholic Relief	\$ 95,572	\$	113,632
Communications	13,602		16,842
Peter's Pence	11,546		11,445
Religious Pension	41,946		25,539
Rice Bowl	21,047		22,756
Black and Indian Missions	14,319		9,868
Other	6,628		-
	<u>\$ 204,660</u>	\$	<u>200,082</u>

10. Note Receivable, Related Party

Note 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, 2023 and 2022. In August 2023, the Organization forgave the outstanding balance of the note receivable.

11. Commitments and Contingencies

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 was filed in the District Court of Cuming County, captioned Andrew J. Syring v. The Archdiocese of Omaha (CI-20-68). The Archdiocese filed a Motion to Dismiss and then various Motions for Summary Judgement which the Court granted and dismissed the action. Plaintiff then filed a Motion to Alter or Amend the Court's Order on Defendant's Motion for Summary judgement. The Court overruled Plaintiff's Motion. On June 1, 2023, Plaintiff appealed the matter to the Nebraska Court of Appeals (Case No. A-23-41). If the Trial Court's rulings were reversed and a judgement was entered against the Archdiocese, 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, 2023 and 2022

Guaranteed Notes

The Organization has guaranteed various notes of affiliated entities. At June 30, 2023, \$37,490,013 is outstanding on these notes. At June 30, 2022, there was \$41,341,775 outstanding on notes guaranteed by the Organization. The Organization would assume a guaranteed note in the event that an affiliated entity defaulted on the note.

The following is a summary of guarantees outstanding at June 30, 2023:

<u>Entity</u>	<u>Purpose</u>	<u>Date of Debt</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>June 30, 2023</u>
Ss. Peter and Paul	Roofing and Concrete	October 2014	October 2024	3.50	\$ 12,276
St. Wenceslaus	Bridge Loan	October 2019	October 2024	3.50	2,700,000
Catholic Charities Foundation	Building Renovation	March 2021	March 2026	2.75	687,768
St. John Paul II Newman Center	Construction Costs	July 2022	March 2026	1.94	5,490,492
St. Columbkille	Parish Center Loan	May 2021	May 2026	3.35	1,853,171
Gross Catholic High School	Construction	September 2021	September 2026	3.50	1,424,905
Cedar Catholic	Wrestling Building	July 2022	July 2027	3.50	60,000
St. Patrick	Rectory Loan	May 2023	May 2028	3.50	549,104
St. Matthew	Construction	November 2020	November 2030	3.75	5,800,966
Mary Our Queen	HVAC System	September 2022	September 2032	3.50	329,051
St. Cecilia	Refinance	January 2018	January 2033	3.50	44,428
St. John Vianney	Refinance	August 2015	August 2035	3.50	1,367,599
St. Peter	Boiler	October 2020	October 2035	3.50	13,126
St. Mary	Roof Replacement	November 2016	November 2036	3.50	61,299
St. Patrick	Purchase House	December 2017	December 2037	3.50	163,505
St. Patrick	Purchase House	March 2018	March 2038	3.50	168,959
St. Michael	Parish Hall Loan	September 2018	September 2038	3.50	104,845
St. Wenceslaus	Construction	June 2019	June 2039	4.05	11,311,753
St. Margaret Mary	Purchase Property	January 2020	January 2040	3.50	852,994
St. Bonaventure	Bridge Loan	April 2020	April 2040	3.50	1,055,332
Ss. Peter and Paul	HVAC System	September 2019	September 2044	3.50	95,581
Mary Our Queen	Purchase House	October 2020	October 2045	3.50	209,065
Mary Our Queen	Youth Center	September 2022	September 2052	3.50	533,794
St. Matthew	Construction	May 2020	May 2055	3.50	2,600,000
					<u>\$ 37,490,013</u>

As of November 13, 2023, the Organization has approved guarantees on additional notes or unused lines of credit from affiliated entities of up to approximately \$24,000,000, which are expected to be reduced upon completion of the affiliated entities' respective capital campaigns. Management of the Organization does not anticipate having to make payments on new or existing guarantees.

Lutz