

**THE PARISH EXPANSION FUND OF THE DIOCESE OF BISMARCK
BISMARCK, NORTH DAKOTA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Parish Expansion Fund of the Diocese of Bismarck
Bismarck, North Dakota

We have audited the accompanying financial statements of The Parish Expansion Fund of the Diocese of Bismarck (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, The Parish Expansion Fund of the Diocese of Bismarck adopted the provisions of FASB Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, in 2019. This resulted in changes to accounting policies regarding classification of net assets, new disclosures were added regarding liquidity and availability, and disclosures related to the functional allocation of expenses were expanded. Our opinion is not modified with respect to this matter.



BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

November 20, 2019

THE PARISH EXPANSION FUND OF THE DIOCESE OF BISMARCK
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 270,518	\$ 110,434
Notes receivable, net of allowance for doubtful accounts	5,434,126	4,709,881
Interest receivable	75,495	82,689
Investments	12,146,327	12,254,954
Total assets	\$ 17,926,466	\$ 17,157,958
LIABILITIES AND NET ASSETS		
LIABILITIES		
Due to related party	\$ 102,287	\$ 100,000
Interest payable	162,212	110,820
Notes payable	15,435,127	15,247,180
Total liabilities	15,699,626	15,458,000
NET ASSETS		
Without donor restrictions	2,226,840	1,699,958
Total liabilities and net assets	\$ 17,926,466	\$ 17,157,958

See Notes to the Financial Statements

THE PARISH EXPANSION FUND OF THE DIOCESE OF BISMARCK
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
SUPPORT AND REVENUE		
Investment and interest income	\$ 519,654	\$ 426,911
Realized and unrealized gain (loss) on investments	220,405	(288,069)
Total support and revenue	740,059	138,842
 EXPENSES		
Program	162,922	88,279
Management & General	50,255	49,395
Total expenses	213,177	137,674
 INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTION	526,882	1,168
NETS ASSETS WITHOUT DONOR RESTRICTIONS,		
BEGINNING OF YEAR	1,699,958	1,698,790
NET ASSETS WITHOUT DONOR RESTRICTIONS,		
END OF YEAR	\$ 2,226,840	\$ 1,699,958

See Notes to the Financial Statements

THE PARISH EXPANSION FUND OF THE DIOCESE OF BISMARCK
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets without donor restrictions	\$ 526,882	\$ 1,168
Adjustments to reconcile change in net assets to net cash from operating activities:		
Realized and unrealized (gain) loss on investments	(220,405)	288,069
Effects on operating cash flows due to changes in:		
Interest receivable	7,194	(24,520)
Interest payable	51,392	29,523
Due from related party	-	369
	367,350	294,609
 CASH FLOWS FROM INVESTING ACTIVITIES		
Principal repayments of notes receivable	1,052,408	502,641
Issuance of notes receivable	(1,776,653)	(238,876)
Purchase of investments	(2,185,775)	(4,803,616)
Proceeds from sale of investments	2,514,807	32,153
	(395,213)	(4,507,698)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	4,529,547	5,372,216
Repayment of notes payable	(4,331,600)	(1,367,043)
Transfer of notes payable	(10,000)	-
	187,947	4,005,173
 NET CHANGE IN CASH AND CASH EQUIVALENTS	160,084	(207,916)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	110,434	318,350
 CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 270,518	\$ 110,434
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ 111,530	\$ 58,756

See Notes to the Financial Statements

THE PARISH EXPANSION FUND OF THE DIOCESE OF BISMARCK
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019		
	Program	Management & General	Total
Interest	\$ 162,922	\$ -	\$ 162,922
Professional and miscellaenous contract services	-	350	350
Meals and groceries	-	206	206
Office supplies	-	384	384
Adminstrative expense	-	41,590	41,590
Professional and legal expense	-	7,725	7,725
	<u>\$ 162,922</u>	<u>\$ 50,255</u>	<u>\$ 213,177</u>

	2018		
	Program	Management & General	Total
Interest	\$ 88,279	\$ -	\$ 88,279
Office supplies	-	230	230
Adminstrative expense	-	41,830	41,830
Professional and legal expense	-	7,335	7,335
	<u>\$ 88,279</u>	<u>\$ 49,395</u>	<u>\$ 137,674</u>

See Notes to the Financial Statements

THE PARISH EXPANSION FUND OF THE DIOCESE OF BISMARCK
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Parish Expansion Fund of the Diocese of Bismarck (Fund) is a nonprofit organization that provides a lending and depository service for the parishes and related entities of the Diocese of Bismarck.

Basis of Presentation

The financial statements of The Parish Expansion Fund of the Diocese of Bismarck. have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require The Parish Expansion Fund of the Diocese of Bismarck to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of The Parish Expansion Fund of the Diocese of Bismarck's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of The Parish Expansion Fund of the Diocese of Bismarck or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Fund has no net assets with donor restricts as of June 30, 2019 and 2018.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

THE PARISH EXPANSION FUND OF THE DIOCESE OF BISMARCK
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2019 AND 2018

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding assets whose use is limited or restricted.

Notes Receivable and Allowance for Doubtful Accounts

Notes receivable are reported at their recorded investment adjusted for any allowance for doubtful accounts.

The Fund evaluates each parish or individual's credit worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Fund upon extension of credit, is based on management's credit evaluation of counterparty.

Interest income is accrued on the unpaid principal balance. Notes receivable are placed on non-accrual or charged-off at an earlier date if collection of principal or interest is considered doubtful. All current year interest accrued but not collected for notes receivable that are placed on non-accrual or charged off is reversed against current period income. All prior year interest accrued but not collected is charged-off against the allowance for doubtful accounts. The interest on these notes receivable is accounted for on the cash-basis or cost-recovery method, until qualifying for return on accrual. Notes receivable are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Bad debts are charged against the allowance when management believes the collectability of a note receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for doubtful accounts is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the notes receivable in light of historical experience, the nature and volume of the portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

THE PARISH EXPANSION FUND OF THE DIOCESE OF BISMARCK
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2019 AND 2018

A note receivable is considered impaired when, based on current information and events, it is probable that the Fund will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the note agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Notes receivables that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the notes receivable and the borrowers' prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

Impairment is measured on a note-by-note basis by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the note is collateral dependent.

Investments - Fair Value Measurement

FASB ASC Topic 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB ASC Topic 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

THE PARISH EXPANSION FUND OF THE DIOCESE OF BISMARCK
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2019 AND 2018

Mutual Funds: Valued at the daily closing prices as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Fixed Income Bonds: Evaluated pricing models that vary by asset class and incorporate available trade, bid and other market information, and for structured securities also incorporate cash flow and, when available, loan performance data to value fixed income securities including CMO's, mutual fund bonds, mortgage backed bonds, and corporate bonds. To evaluate a wide range of fixed-income securities, evaluators draw parallels from the trading and quoting of bonds with similar features (comparable to bonds). Characteristics used to identify comparable securities may include such things as: sector, type of bond, coupon, credit quality ratings, bond insurance or other credit enhancements, maturity, call, put sinking fund or other early redemption features.

U.S. Government Securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

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.

Income Taxes

The Fund is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. The Fund is deemed to be a church related organization and as such is not required to file an annual informational tax return to the Internal Revenue Service.

The Fund's policy is to evaluate the likelihood that its uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions, and other evidence.

New Accounting Pronouncement

On August 18, 2016, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 7).

THE PARISH EXPANSION FUND OF THE DIOCESE OF BISMARCK
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2019 AND 2018

Reclassifications of Prior Year Information

Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 presentation. Such reclassifications had no effect on net assets as previously reported.

NOTE 2 NOTES RECEIVABLE

Notes receivable at June 30, 2019 and 2018, consist of the following:

<u>Payor</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>2019 Maturity Balance</u>	<u>2018 Maturity Balance</u>	<u>Security</u>
Parishes	2.50% - 2.99%	(1)	\$ 5,439,126	\$ 4,714,881	Unsecured
Allowance for doubtful accounts			<u>(5,000)</u>	<u>(5,000)</u>	
Total notes receivable			<u>\$ 5,434,126</u>	<u>\$ 4,709,881</u>	

(1) The notes are due over various time periods on demand to 15 years.

THE PARISH EXPANSION FUND OF THE DIOCESE OF BISMARCK
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2019 AND 2018

NOTE 3 INVESTMENTS

Investments are stated at fair value and are summarized as follows as of June 30, 2019 and 2018:

June 30, 2019

	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 1,587,470	\$ 1,587,893
Mortgage backed securities:		
GNMA	225	251
Mutual funds:		
Fixed Income - Bonds	4,025,288	4,103,214
Certificates of deposit	1,343,734	1,343,734
Corporate bonds:		
Fixed Income	<u>5,057,505</u>	<u>5,111,235</u>
	<u>\$ 12,014,222</u>	<u>\$ 12,146,327</u>

The Fund had a net realized loss of \$101,248 for the year ended June 30, 2019. For the same period, the Fund had an unrealized gain on investments of \$321,653.

June 30, 2018

	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 854,712	\$ 854,712
Mortgage backed securities:		
GNMA	339	376
Mutual funds:		
Fixed Income - Bonds	4,732,919	4,702,351
Certificates of deposit	1,217,489	1,217,489
Corporate bonds:		
Fixed Income	<u>5,639,043</u>	<u>5,480,026</u>
	<u>\$ 12,444,502</u>	<u>\$ 12,254,954</u>

The Fund had a net realized loss of \$33 for the year ended June 30, 2018. For the same period, the Fund had an unrealized loss on investments of \$288,036.

THE PARISH EXPANSION FUND OF THE DIOCESE OF BISMARCK
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2019 AND 2018

NOTE 4 FAIR VALUE MEASUREMENTS

Assets measured at fair value on a recurring basis as of June 30, 2019 are summarized as follows:

Description	Total Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 1,587,893	\$ 1,587,893	\$ -	\$ -
Mortgage backed securities: GNMA	251	-	251	-
Mutual funds: Fixed Income - Bonds	4,103,214	4,103,214	-	-
Corporate bonds: Fixed Income	5,111,235	-	5,111,235	-
	<u>\$ 10,802,593</u>	<u>\$ 5,691,107</u>	<u>\$ 5,111,486</u>	<u>\$ -</u>

Assets measured at fair value on a recurring basis as of June 30, 2018 are summarized as follows:

Description	Total Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 854,712	\$ 854,712	\$ -	\$ -
Mortgage backed securities: GNMA	376	-	376	-
Mutual funds: Fixed Income - Bonds	4,702,351	4,702,351	-	-
Corporate bonds: Fixed Income	5,480,026	-	5,480,026	-
	<u>\$ 11,037,465</u>	<u>\$ 5,557,063</u>	<u>\$ 5,480,402</u>	<u>\$ -</u>

THE PARISH EXPANSION FUND OF THE DIOCESE OF BISMARCK
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2019 AND 2018

NOTE 5 NOTES PAYABLE

Notes payable at June 30, 2019 and 2018, consist of the following:

Payor	Interest Rate	Maturity Date	2019 Maturity Balance	2018 Maturity Balance	Security
Parishes	0.6%-1.84%	Demand	\$ 15,155,922	\$ 14,967,263	Unsecured
Priests and trusts	0.6%-1.37%	Demand	<u>279,205</u>	<u>279,917</u>	Unsecured
Total notes payable			<u>\$ 15,435,127</u>	<u>\$ 15,247,180</u>	

NOTE 6 RELATED PARTY

The Parish Expansion Fund of the Diocese of Bismarck is affiliated with the Diocese of Bismarck through common Board of Director members. The Fund provides a lending and depository function for the parishes and related entities of the Diocese of Bismarck. At June 30, 2019 and 2018, the Fund had \$100,000 due to the Diocese of Bismarck. There was no amount due from the Diocese of Bismarck at June 30, 2019 and 2018.

The Diocese of Bismarck has entered into a management agreement with The Parish Expansion Fund of the Diocese of Bismarck to provide technical and professional services at an annual rate of \$41,580. Expenses under this agreement are included in other expenses and total \$41,580 for each of the years ended June 30, 2019 and 2018.

NOTE 7 AVAILABILITY AND LIQUIDITY

The Fund monitors its liquidity so that is able to meet its operating needs and other commitments. The following table reflects the Fund's financial assets available within one year of the statement of financial position as of June 30, 2019 and 2018 for general expenditures. The various notes that make up the notes payable could be requested on demand so the financial assets available to meet general expenditures could be less than what is disclosed in the table.

Financial assets at year end:	2019	2018
Cash and cash equivalents	\$ 270,518	\$ 110,434
Interest receivable	75,495	82,689
Investments	12,146,327	12,254,954
Notes receivable collectible within one year	<u>1,059,000</u>	<u>1,203,000</u>
Total financial assets	<u>13,551,340</u>	<u>13,651,077</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 13,551,340</u>	<u>\$ 13,651,077</u>

THE PARISH EXPANSION FUND OF THE DIOCESE OF BISMARCK
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2019 AND 2018

NOTE 8 CONCENTRATION OF CREDIT RISK

The Fund's cash balances are maintained in a bank deposit account. Funds are moved to an investment sweep account nightly. As of June 30, 2019 the Fund had no deposits in excess of federally insured limits.

Notes receivable as of June 30, 2019 and 2018, are due from Catholic parishes and associated individuals located in western North Dakota.

NOTE 9 ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES

It is the opinion of management that the Fund has no significant uncertain tax positions that would be subject to change upon examination.

NOTE 10 COMMITMENTS

During the current year, Cathedral had received an approval from the Fund on a loan request of \$785,000. Of this amounts, all but \$185,000 had been drawn down as of June 30, 2019.

NOTE 11 FUTURE PRONOUNCEMENTS

ASU 2014-09, Revenue from Contracts with Customers (Topic 606)

During 2014, the FASB issued a new standard related to revenue recognition. ASU 2014-09, upon its effective date, replaces almost all existing revenue recognition guidance, including industry-specific guidance, in current U.S. GAAP. Under the new standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The guidance will be effective for the Fund for annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019.

ASU 2016-02, Leases (Topic 842)

During 2016, the FASB issued guidance to change the accounting for leases. The main provision of ASU 2016-01 is that lessees will be required to recognize lease assets and lease liabilities for most long-term leases, including those classified as operating leases under GAAP. The ASU is effective for the Fund for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021.

THE PARISH EXPANSION FUND OF THE DIOCESE OF BISMARCK
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2019 AND 2018

ASU 2018-08, *Contributions Received and Contributions Made (Topic 958)*

During 2018, the FASB issued an accounting standards update intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made, primarily for not-for-profit organizations. The amendments of this ASU provide a more robust framework for determining whether a transaction should be accounting for as a contribution or as an exchange transaction. The ASU is effective for the Fund for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.

Management has not yet determined what effect these pronouncements will have on the Fund's financial statements.

With the exception of the standards discussed above, we have not identified any new accounting pronouncements that have potential significance to the Fund's financial statements.

NOTE 12 SUBSEQUENT EVENTS

No significant events occurred subsequent to the Fund's year end. Subsequent events have been evaluated through November 20, 2019, which is the date these financial statements were available to be issued.