

**CATHOLIC FOUNDATION
OF WESTERN NORTH DAKOTA
BISMARCK, NORTH DAKOTA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Catholic Foundation of Western North Dakota
Bismarck, North Dakota

We have audited the accompanying financial statements of Catholic Foundation of Western North Dakota (a nonprofit organization formerly known as the Catholic Foundation for the People of the Diocese of Bismarck), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities 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 Catholic Foundation of Western North Dakota as of June 30, 2020 and 2019, 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, Catholic Foundation of Western North Dakota has adopted Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, effective July 1, 2019. Our opinion is not modified with respect to these matters.



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

November 3, 2020

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

	Clearing Account	Catholic School and Education Endowment Fund	Priests' Care Fund	Seminarian Scholarship Major Fund	Seminarian Scholarship Minor Fund	Bishop Zpfel and Other Small Endowment Funds	Family Named Endowment Funds	Home on the Range Endowment Funds	Catholic Educational Institutional Endowment Funds	Parish Endowment Funds	Donor Advised Fund
ASSETS											
Cash and cash equivalents	\$ 51	\$ 105,977	\$ 89,008	\$ 109,496	\$ 89,317	\$ 4,149	\$ 12,847	\$ 37,268	\$ 67,803	\$ 408,240	\$ 2,780
Accounts/pledges receivable, net of allowance for doubtful accounts	-	2,187	2,147	2,069	-	-	-	-	-	-	-
Interest receivable	-	6,495	7,214	19,262	4,779	496	6,817	2,253	3,125	22,332	168
Annuity receivable	-	-	55,679	321,021	-	-	-	-	-	-	-
Investments	-	2,267,522	2,518,723	6,760,749	1,978,613	173,155	2,379,938	786,479	1,090,990	7,791,910	58,659
Total assets	\$ 51	\$ 2,382,181	\$ 2,672,771	\$ 7,212,597	\$ 2,072,709	\$ 177,800	\$ 2,399,602	\$ 826,000	\$ 1,161,918	\$ 8,222,482	\$ 61,607
LIABILITIES AND NET ASSETS											
LIABILITIES											
Accounts payable and accrued expenses	\$ 51	\$ 1,143	\$ 25,924	\$ 122,561	\$ 991	\$ 87	\$ 1,200	\$ 396	\$ 550	\$ 3,930	\$ 30
Funds held for others	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	51	1,143	25,924	122,561	991	87	1,200	396	550	3,930	30
NET ASSETS											
With donor restrictions											
Catholic School and Education Endowment Fund	-	2,381,038	-	-	-	-	-	-	-	-	-
Priests' Care Fund	-	-	2,646,847	-	-	-	-	-	-	-	-
Seminarian Scholarship Major Fund	-	-	-	7,090,036	-	-	-	-	-	-	-
Seminarian Scholarship Minor Fund	-	-	-	-	2,071,718	-	-	-	-	-	-
Bishop Zpfel Endowment Fund	-	-	-	-	-	177,713	-	-	-	-	-
Family Named Endowment Funds	-	-	-	-	-	-	2,398,402	-	-	-	-
Home on the Range Endowment Funds	-	-	-	-	-	-	-	825,604	-	-	-
Catholic Educational Institutional Endowment Funds	-	-	-	-	-	-	-	-	1,161,368	-	-
Parish Endowment Funds	-	-	-	-	-	-	-	-	-	8,218,552	-
Donor Advised Fund	-	-	-	-	-	-	-	-	-	-	61,577
Other	-	-	-	-	-	-	-	-	-	-	-
East Africa Mission	-	-	-	-	-	-	-	-	-	-	-
Brady Trust Fund	-	-	-	-	-	-	-	-	-	-	-
Hacker Trust Fund	-	-	-	-	-	-	-	-	-	-	-
Kuhn Trust Fund	-	-	-	-	-	-	-	-	-	-	-
Catholic Relief Fund	-	-	-	-	-	-	-	-	-	-	-
Total net assets with donor restriction	-	2,381,038	2,646,847	7,090,036	2,071,718	177,713	2,398,402	825,604	1,161,368	8,218,552	61,577
Total net assets	-	2,381,038	2,646,847	7,090,036	2,071,718	177,713	2,398,402	825,604	1,161,368	8,218,552	61,577
Total liabilities and net assets	\$ 51	\$ 2,382,181	\$ 2,672,771	\$ 7,212,597	\$ 2,072,709	\$ 177,800	\$ 2,399,602	\$ 826,000	\$ 1,161,918	\$ 8,222,482	\$ 61,607

See Notes to the Financial Statements

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
STATEMENT OF FINANCIAL POSITION - CONTINUED
JUNE 30, 2020

	Other	East Africa Mission	Brady Trust Fund	Hacker Trust Fund	Kuhn Trust Fund	Catholic Relief Fund	Bishop Ryan Mission Trip Scholarship and Other	Home on the Range Agency Funds	Parish Agency Funds	Elmer Rapp Fund	Total
ASSETS											
Cash and cash equivalents	\$ 18,635	\$ 103,504	\$ 5,505	\$ (211)	\$ 60	\$ (70,057)	\$ 33,847	\$ 96,509	\$ 121,858	\$ 2,946	\$ 1,239,532
Accounts/pledges receivable, net of allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-	6,403
Interest receivable	354	6,179	-	-	-	550	96	5,833	7,366	178	93,497
Annuity receivable	-	-	-	-	-	112,357	-	-	-	-	489,057
Investments	120,822	2,157,165	19,000	67,943	125,000	224,115	5,990	2,036,571	2,571,525	62,188	33,197,057
Total assets	\$ 139,811	\$ 2,266,848	\$ 24,505	\$ 67,732	\$ 125,060	\$ 266,965	\$ 39,933	\$ 2,138,913	\$ 2,700,749	\$ 65,312	\$ 35,025,546
LIABILITIES AND NET ASSETS											
LIABILITIES											
Accounts payable and accrued expenses	\$ 4,635	\$ 1,087	\$ 12	\$ 33	\$ 60	\$ 65,328	\$ 19	\$ 1,027	\$ 1,296	\$ 31	\$ 230,391
Funds held for others	561	-	-	-	-	-	39,914	2,137,886	2,699,453	65,281	4,943,095
Total liabilities	5,196	1,087	12	33	60	65,328	39,933	2,138,913	2,700,749	65,312	5,173,486
NET ASSETS											
With donor restrictions											
Catholic School and Education Endowment Fund	-	-	-	-	-	-	-	-	-	-	2,381,038
Priests' Care Fund	-	-	-	-	-	-	-	-	-	-	2,646,847
Seminarian Scholarship Major Fund	-	-	-	-	-	-	-	-	-	-	7,090,036
Seminarian Scholarship Minor Fund	-	-	-	-	-	-	-	-	-	-	2,071,718
Bishop Zipfel Endowment Fund	-	-	-	-	-	-	-	-	-	-	177,713
Family Named Endowment Funds	-	-	-	-	-	-	-	-	-	-	2,398,402
Home on the Range Endowment Funds	-	-	-	-	-	-	-	-	-	-	825,604
Catholic Educational Institutional Endowment Funds	-	-	-	-	-	-	-	-	-	-	1,161,368
Parish Endowment Funds	-	-	-	-	-	-	-	-	-	-	8,218,552
Donor Advised Fund	-	-	-	-	-	-	-	-	-	-	61,577
Other	134,615	-	-	-	-	-	-	-	-	-	134,615
East Africa Mission	-	2,265,761	-	-	-	-	-	-	-	-	2,265,761
Brady Trust Fund	-	-	24,493	-	-	-	-	-	-	-	24,493
Hacker Trust Fund	-	-	-	67,699	-	-	-	-	-	-	67,699
Kuhn Trust Fund	-	-	-	-	125,000	-	-	-	-	-	125,000
Catholic Relief Fund	-	-	-	-	-	201,637	-	-	-	-	201,637
Total net assets with donor restrictions	134,615	2,265,761	24,493	67,699	125,000	201,637	-	-	-	-	29,852,060
Total net assets	134,615	2,265,761	24,493	67,699	125,000	201,637	-	-	-	-	29,852,060
Total liabilities and net assets	\$ 139,811	\$ 2,266,848	\$ 24,505	\$ 67,732	\$ 125,060	\$ 266,965	\$ 39,933	\$ 2,138,913	\$ 2,700,749	\$ 65,312	\$ 35,025,546

See Notes to the Financial Statements

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

	Clearing Account	Catholic School and Education Endowment Fund	Priests' Care Fund	Seminarian Scholarship Major Fund	Seminarian Scholarship Minor Fund	Bishop Zipfel and Other Small Endowment Funds	Family Named Endowment Funds	Home on the Range Endowment Funds	Catholic Educational Institutional Endowment Funds	Parish Endowment Funds	Donor Advised Fund
ASSETS											
Cash and cash equivalents	\$ 2,365	\$ 63,840	\$ 40,976	\$ (28,354)	\$ 48,153	\$ 592	\$ (35,787)	\$ 19,456	\$ 43,617	\$ 195,574	\$ 1,135
Accounts/pledges receivable, net of allowance for doubtful accounts	-	2,187	2,147	2,069	-	-	-	-	-	-	-
Interest receivable	-	5,509	6,115	15,927	4,001	404	5,566	1,814	2,594	15,105	106
Annuity receivable	-	-	49,893	313,135	-	-	-	-	-	-	-
Investments	-	2,312,232	2,566,429	6,719,912	1,997,886	169,630	2,335,969	761,511	1,088,697	6,338,870	44,455
Total assets	\$ 2,365	\$ 2,383,768	\$ 2,665,560	\$ 7,022,689	\$ 2,050,040	\$ 170,626	\$ 2,305,748	\$ 782,781	\$ 1,134,908	\$ 6,549,549	\$ 45,696
LIABILITIES AND NET ASSETS											
LIABILITIES											
Accounts payable and accrued expenses	\$ 2,365	\$ 20,533	\$ 40,512	\$ 163,549	\$ 12,278	\$ 1,048	\$ 14,434	\$ 4,705	\$ 6,727	\$ 39,175	\$ 275
Funds held for others	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	2,365	20,533	40,512	163,549	12,278	1,048	14,434	4,705	6,727	39,175	275
NET ASSETS											
With donor restrictions											
Catholic School and Education Endowment Fund	-	2,363,235	-	-	-	-	-	-	-	-	-
Priests' Care Fund	-	-	2,625,048	-	-	-	-	-	-	-	-
Seminarian Scholarship Major Fund	-	-	-	6,859,140	-	-	-	-	-	-	-
Seminarian Scholarship Minor Fund	-	-	-	-	2,037,762	-	-	-	-	-	-
Bishop Zipfel Endowment Fund	-	-	-	-	-	169,578	-	-	-	-	-
Family Named Endowment Funds	-	-	-	-	-	-	2,291,314	-	-	-	-
Home on the Range Endowment Funds	-	-	-	-	-	-	-	778,076	-	-	-
Catholic Educational Institutional Endowment Funds	-	-	-	-	-	-	-	-	1,128,181	-	-
Parish Endowment Funds	-	-	-	-	-	-	-	-	-	6,510,374	-
Donor Advised Fund	-	-	-	-	-	-	-	-	-	-	45,421
East Africa Mission	-	-	-	-	-	-	-	-	-	-	-
Brady Trust Fund	-	-	-	-	-	-	-	-	-	-	-
Hacker Trust Fund	-	-	-	-	-	-	-	-	-	-	-
Kuhn Trust Fund	-	-	-	-	-	-	-	-	-	-	-
Catholic Relief Fund	-	-	-	-	-	-	-	-	-	-	-
Total net assets with donor restriction	-	2,363,235	2,625,048	6,859,140	2,037,762	169,578	2,291,314	778,076	1,128,181	6,510,374	45,421
Total net assets	-	2,363,235	2,625,048	6,859,140	2,037,762	169,578	2,291,314	778,076	1,128,181	6,510,374	45,421
Total liabilities and net assets	\$ 2,365	\$ 2,383,768	\$ 2,665,560	\$ 7,022,689	\$ 2,050,040	\$ 170,626	\$ 2,305,748	\$ 782,781	\$ 1,134,908	\$ 6,549,549	\$ 45,696

See Notes to the Financial Statements

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
STATEMENT OF FINANCIAL POSITION - CONTINUED
JUNE 30, 2019

	Other	East Africa Mission	Brady Trust Fund	Hacker Trust Fund	Kuhn Trust Fund	Catholic Relief Fund	Bishop Ryan Mission Trip Scholarship and Other	Diocese of Bismarck Agency Fund	Home on the Range Agency Funds	Parish Agency Funds	Elmer Rapp Fund	Total
ASSETS												
Cash and cash equivalents	\$ 10,584	\$ 51,424	\$ 115	\$ (1,143)	\$ 756	\$ (69,116)	\$ 31,248	\$ 5,979	\$ 55,086	\$ 64,630	\$ 1,616	\$ 502,746
Accounts/pledges receivable, net of allowance for doubtful accounts	2,500	-	-	-	-	-	-	-	-	-	-	8,903
Interest receivable	264	4,698	-	-	-	479	78	557	5,137	6,027	151	74,532
Annuity receivable	-	-	-	-	-	109,192	-	-	-	-	-	472,220
Investments	106,507	1,972,054	19,000	70,213	125,000	231,251	6,766	233,944	2,155,981	2,529,542	63,273	31,849,122
Total assets	\$ 119,855	\$ 2,028,176	\$ 19,115	\$ 69,070	\$ 125,756	\$ 271,806	\$ 38,092	\$ 240,480	\$ 2,216,204	\$ 2,600,199	\$ 65,040	\$ 32,907,523
LIABILITIES AND NET ASSETS												
LIABILITIES												
Accounts payable and accrued expenses	\$ 658	\$ 12,185	\$ 115	\$ 415	\$ 756	\$ 66,473	\$ 229	\$ 1,446	\$ 13,322	\$ 15,630	\$ 391	\$ 417,221
Funds held for others	11,488	-	-	-	-	-	37,863	239,034	2,202,882	2,584,569	64,649	5,140,485
Total liabilities	12,146	12,185	115	415	756	66,473	38,092	240,480	2,216,204	2,600,199	65,040	5,557,706
NET ASSETS												
With donor restriction												
Catholic School and Education Endowment Fund	-	-	-	-	-	-	-	-	-	-	-	2,363,235
Priests' Care Fund	-	-	-	-	-	-	-	-	-	-	-	2,625,048
Seminarian Scholarship Major Fund	-	-	-	-	-	-	-	-	-	-	-	6,859,140
Seminarian Scholarship Minor Fund	-	-	-	-	-	-	-	-	-	-	-	2,037,762
Bishop Zipfel Endowment Fund	-	-	-	-	-	-	-	-	-	-	-	169,578
Home on the Range Endowment Funds	-	-	-	-	-	-	-	-	-	-	-	778,076
Catholic Educational Institutional Endowment Funds	-	-	-	-	-	-	-	-	-	-	-	1,128,181
Parish Endowment Funds	-	-	-	-	-	-	-	-	-	-	-	6,510,374
Other	107,709	-	-	-	-	-	-	-	-	-	-	107,709
East Africa Mission	-	2,015,991	-	-	-	-	-	-	-	-	-	2,015,991
Brady Trust Fund	-	-	19,000	-	-	-	-	-	-	-	-	19,000
Hacker Trust Fund	-	-	-	68,655	-	-	-	-	-	-	-	68,655
Kuhn Trust Fund	-	-	-	-	125,000	-	-	-	-	-	-	125,000
Catholic Relief Fund	-	-	-	-	-	205,333	-	-	-	-	-	205,333
Total net assets with donor restriction	107,709	2,015,991	19,000	68,655	125,000	205,333	-	-	-	-	-	27,349,817
Total net assets	107,709	2,015,991	19,000	68,655	125,000	205,333	-	-	-	-	-	27,349,817
Total liabilities and net assets	\$ 119,855	\$ 2,028,176	\$ 19,115	\$ 69,070	\$ 125,756	\$ 271,806	\$ 38,092	\$ 240,480	\$ 2,216,204	\$ 2,600,199	\$ 65,040	\$ 32,907,523

See Notes to the Financial Statements

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Catholic School and Education					
	Endowment Fund		Priests' Care Fund		Seminarian Scholarship Major Fund	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
SUPPORT AND REVENUE						
Contributions and bequests						
Other contributions	\$ -	\$ 6,526	\$ -	\$ 14,486	\$ -	\$ 189,235
Investment and interest income	-	45,064	-	50,067	-	133,893
Realized and unrealized gain (loss) on investments	-	102,724	-	114,419	-	316,343
Funds released from restrictions	136,511	(136,511)	157,173	(157,173)	408,575	(408,575)
Total support and revenue	136,511	17,803	157,173	21,799	408,575	230,896
EXPENSES						
Operating expenses	136,511	-	157,173	-	408,575	-
Total expenses	136,511	-	157,173	-	408,575	-
(DECREASE) INCREASE IN NET ASSETS						
Without donor restrictions	-	-	-	-	-	-
With donor restrictions	-	17,803	-	21,799	-	230,896
Total change in net assets	-	17,803	-	21,799	-	230,896
NET ASSETS, BEGINNING OF YEAR	-	2,363,235	-	2,625,048	-	6,859,140
NET ASSETS, END OF YEAR						
Without donor restrictions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
With donor restrictions	\$ -	\$ 2,381,038	\$ -	\$ 2,646,847	\$ -	\$ 7,090,036

See Notes to the Financial Statements

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020

	Seminarian Scholarship Minor Fund		Bishop Zipfel and Other Small Endowment Funds		Family Named Endowment Funds	
	Without	With	Without	With	Without	With
	Donor Restrictions	Donor Restrictions	Donor Restrictions	Donor Restrictions	Donor Restrictions	Donor Restrictions
SUPPORT AND REVENUE						
Contributions and bequests						
Other contributions	\$ -	\$ 22,557	\$ -	\$ 7,389	\$ -	\$ 82,705
Investment and interest income	-	33,106	-	6,914	-	82,757
Realized and unrealized gain (loss) on investments	-	75,362	-	8,055	-	107,208
Funds released from restrictions	97,069	(97,069)	14,223	(14,223)	165,582	(165,582)
Total support and revenue	97,069	33,956	14,223	8,135	165,582	107,088
EXPENSES						
Operating expenses	97,069	-	14,223	-	165,582	-
Total expenses	97,069	-	14,223	-	165,582	-
(DECREASE) INCREASE IN NET ASSETS						
Without donor restrictions	-	-	-	-	-	-
With donor restrictions	-	33,956	-	8,135	-	107,088
Total change in net assets	-	33,956	-	8,135	-	107,088
NET ASSETS, BEGINNING OF YEAR	-	2,037,762	-	169,578	-	2,291,314
NET ASSETS, END OF YEAR						
Without donor restrictions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
With donor restrictions	\$ -	\$ 2,071,718	\$ -	\$ 177,713	\$ -	\$ 2,398,402

See Notes to Financial Statements

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020

	Home on the Range Endowment Funds		Catholic Educational Institutional Endowment Funds		Parish Endowment Funds	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
SUPPORT AND REVENUE						
Contributions and bequests						
Other contributions	\$ -	\$ 35,100	\$ -	\$ 14,195	\$ -	\$ 1,282,094
Investment and interest income	-	15,539	-	21,996	-	142,113
Realized and unrealized gain (loss) on investments	-	36,108	-	51,329	-	303,259
Funds released from restrictions	39,219	(39,219)	54,333	(54,333)	19,288	(19,288)
Total support and revenue	39,219	47,528	54,333	33,187	19,288	1,708,178
EXPENSES						
Operating expenses	39,219	-	54,333	-	19,288	-
Total expenses	39,219	-	54,333	-	19,288	-
(DECREASE) INCREASE IN NET ASSETS						
Without donor restrictions	-	-	-	-	-	-
With donor restrictions	-	47,528	-	33,187	-	1,708,178
Total change in net assets	-	47,528	-	33,187	-	1,708,178
NET ASSETS, BEGINNING OF YEAR	-	778,076	-	1,128,181	-	6,510,374
NET ASSETS, END OF YEAR						
Without donor restrictions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
With donor restrictions	\$ -	\$ 825,604	\$ -	\$ 1,161,368	\$ -	\$ 8,218,552

See Notes to Financial Statements

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020

	Donor Advised Fund		Other		East Africa Mission		Brady Trust Fund	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
SUPPORT AND REVENUE								
Contributions and bequests								
Other contributions	\$ -	\$ 15,216	\$ -	\$ 10,984	\$ -	\$ 424,843	\$ -	\$ 5,493
Investment and interest income	-	966	-	-	-	40,978	-	-
Realized and unrealized gain (loss) on investments	-	2,271	-	5,621	-	117,398	-	-
Funds released from restrictions	2,297	(2,297)	(10,301)	10,301	333,449	(333,449)	-	-
Total support and revenue	2,297	16,156	(10,301)	26,906	333,449	249,770	-	5,493
EXPENSES								
Operating expenses	2,297	-	(10,301)	-	333,449	-	-	-
Total expenses	2,297	-	(10,301)	-	333,449	-	-	-
(DECREASE) INCREASE IN NET ASSETS								
Without donor restrictions	-	-	-	-	-	-	-	-
With donor restrictions	-	16,156	-	26,906	-	249,770	-	5,493
Total change in net assets	-	16,156	-	26,906	-	249,770	-	5,493
NET ASSETS, BEGINNING OF YEAR	-	45,421	-	107,709	-	2,015,991	-	19,000
NET ASSETS, END OF YEAR								
Without donor restrictions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
With donor restrictions	\$ -	\$ 61,577	\$ -	\$ 134,615	\$ -	\$ 2,265,761	\$ -	\$ 24,493

See Notes to the Financial Statements

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2020

	Hacker Trust Fund		Kuhn Trust Fund		Catholic Relief Fund		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
SUPPORT AND REVENUE							
Contributions and bequests							
Other contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,110,823
Investment and interest income	-	4,324	-	-	-	7,397	585,114
Realized and unrealized gain (loss) on investments	-	(2,477)	-	-	-	8,611	1,246,231
Funds released from restrictions	2,803	(2,803)	-	-	19,704	(19,704)	-
Total support and revenue	2,803	(956)	-	-	19,704	(3,696)	3,942,168
EXPENSES							
Operating expenses	2,803	-	-	-	19,704	-	1,439,925
Total expenses	2,803	-	-	-	19,704	-	1,439,925
(DECREASE) INCREASE IN NET ASSETS							
Without donor restrictions	-	-	-	-	-	-	-
With donor restrictions	-	(956)	-	-	-	(3,696)	2,502,243
Total change in net assets	-	(956)	-	-	-	(3,696)	2,502,243
NET ASSETS, BEGINNING OF YEAR	-	68,655	-	125,000	-	205,333	27,349,817
NET ASSETS, END OF YEAR							
Without donor restrictions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
With donor restrictions	\$ -	\$ 67,699	\$ -	\$ 125,000	\$ -	\$ 201,637	\$ 29,852,060

See Notes to the Financial Statements

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Catholic School and Education Endowment Fund		Priests' Care Fund		Seminarian Scholarship Major Fund	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
SUPPORT AND REVENUE						
Contributions and bequests						
Other contributions	\$ -	\$ -	\$ -	\$ 376	\$ -	\$ 184,120
Investment and interest income	-	48,943	-	54,349	-	139,128
Realized and unrealized gain (loss) on investments	-	174,452	-	193,414	-	505,129
Funds released from restrictions	136,538	(136,538)	146,521	(146,521)	307,997	(307,997)
Total support and revenue	136,538	86,857	146,521	101,618	307,997	520,380
EXPENSES						
Operating expenses	136,538	-	146,521	-	307,997	-
Total expenses	136,538	-	146,521	-	307,997	-
(DECREASE) INCREASE IN NET ASSETS						
Without donor restrictions	-	-	-	-	-	-
With donor restrictions	-	86,857	-	101,618	-	520,380
Total change in net assets	-	86,857	-	101,618	-	520,380
NET ASSETS, BEGINNING OF YEAR	-	2,276,378	-	2,523,430	-	6,338,760
NET ASSETS, END OF YEAR						
Without donor restrictions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
With donor restrictions	\$ -	\$ 2,363,235	\$ -	\$ 2,625,048	\$ -	\$ 6,859,140

See Notes to Financial Statements

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2019

	Seminarian Scholarship Minor Fund		Bishop Zipfel and Other Small Endowment Funds		Family Named Endowment Funds	
	Without	With	Without	With	Without	With
	Donor Restrictions	Donor Restrictions	Donor Restrictions	Donor Restrictions	Donor Restrictions	Donor Restrictions
SUPPORT AND REVENUE						
Contributions and bequests						
Other contributions	\$ -	\$ 43,695	\$ -	\$ -	\$ -	\$ 112,728
Investment and interest income	-	35,281	-	3,970	-	131,032
Realized and unrealized gain (loss) on investments	-	135,382	-	12,575	-	167,363
Funds released from restrictions	83,321	(83,321)	8,129	(8,129)	347,770	(347,770)
Total support and revenue	83,321	131,037	8,129	8,416	347,770	63,353
EXPENSES						
Operating expenses	83,321	-	8,129	-	347,770	-
Total expenses	83,321	-	8,129	-	347,770	-
(DECREASE) INCREASE IN NET ASSETS						
Without donor restrictions	-	-	-	-	-	-
With donor restrictions	-	131,037	-	8,416	-	63,353
Total change in net assets	-	131,037	-	8,416	-	63,353
NET ASSETS, BEGINNING OF YEAR	-	1,906,725	-	161,162	-	2,227,961
NET ASSETS, END OF YEAR						
Without donor restrictions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
With donor restrictions	\$ -	\$ 2,037,762	\$ -	\$ 169,578	\$ -	\$ 2,291,314

See Notes to Financial Statements

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2019

	Home on the Range Endowment Funds		Catholic Educational Institutional Endowment Funds		Parish Endowment Funds	
	Without	With	Without	With	Without	With
	Donor Restrictions	Donor Restrictions	Donor Restrictions	Donor Restrictions	Donor Restrictions	Donor Restrictions
SUPPORT AND REVENUE						
Contributions and bequests						
Other contributions	\$ -	\$ 38,122	\$ -	\$ 29,797	\$ -	\$ 391,026
Investment and interest income	-	15,417	-	22,423	-	129,105
Realized and unrealized gain (loss) on investments	-	54,542	-	79,218	-	448,468
Funds released from restrictions	35,324	(35,324)	6,956	(6,956)	244,315	(244,315)
Total support and revenue	35,324	72,757	6,956	124,482	244,315	724,284
EXPENSES						
Operating expenses	35,324	-	6,956	-	244,315	-
Total expenses	35,324	-	6,956	-	244,315	-
(DECREASE) INCREASE IN NET ASSETS						
Without donor restrictions	-	-	-	-	-	-
With donor restrictions	-	72,757	-	124,482	-	724,284
Total change in net assets	-	72,757	-	124,482	-	724,284
NET ASSETS, BEGINNING OF YEAR	-	705,319	-	1,003,699	-	5,786,090
NET ASSETS, END OF YEAR						
Without donor restrictions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
With donor restrictions	\$ -	\$ 778,076	\$ -	\$ 1,128,181	\$ -	\$ 6,510,374

See Notes to Financial Statements

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2019

	Donor Advised Fund		Other		East Africa Mission		Brady Trust Fund	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
SUPPORT AND REVENUE								
Contributions and bequests								
Other contributions	\$ -	\$ 20,154	\$ -	\$ 36,952	\$ -	\$ 434,316	\$ -	\$ 8,430
Investment and interest income	-	711	-	-	-	37,135	-	-
Realized and unrealized gain (loss) on investments	-	2,472	-	6,295	-	142,015	-	-
Funds released from restrictions	316	(316)	12,440	(12,440)	413,760	(413,760)	7,731	(7,731)
Total support and revenue	316	23,021	12,440	30,807	413,760	199,706	7,731	699
EXPENSES								
Operating expenses	316	-	12,440	-	413,760	-	7,731	-
Total expenses	316	-	12,440	-	413,760	-	7,731	-
(DECREASE) INCREASE IN NET ASSETS								
Without donor restrictions	-	-	-	-	-	-	-	-
With donor restrictions	-	23,021	-	30,807	-	199,706	-	699
Total change in net assets	-	23,021	-	30,807	-	199,706	-	699
NET ASSETS, BEGINNING OF YEAR	-	22,400	-	76,902	-	1,816,285	-	18,301
NET ASSETS, END OF YEAR								
Without donor restrictions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
With donor restrictions	\$ -	\$ 45,421	\$ -	\$ 107,709	\$ -	\$ 2,015,991	\$ -	\$ 19,000

See Notes to Financial Statements

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2019

	Hacker Trust Fund		Kuhn Trust Fund		Catholic Relief Fund		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
SUPPORT AND REVENUE							
Contributions and bequests							
Other contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,299,716
Investment and interest income	-	4,885	-	-	-	11,650	634,740
Realized and unrealized gain (loss) on investments	-	(2,074)	-	-	-	16,776	1,938,499
Funds released from restrictions	5,311	(5,311)	-	-	19,688	(19,688)	-
Total support and revenue	5,311	(2,500)	-	-	19,688	8,738	3,869,772
EXPENSES							
Operating expenses	5,311	-	-	-	19,688	-	1,776,117
Total expenses	5,311	-	-	-	19,688	-	1,776,117
(DECREASE) INCREASE IN NET ASSETS							
Without donor restrictions	-	-	-	-	-	-	-
With donor restrictions	-	(2,500)	-	-	-	8,738	2,093,655
Total change in net assets	-	(2,500)	-	-	-	8,738	2,093,655
NET ASSETS, BEGINNING OF YEAR	-	71,155	-	125,000	-	196,595	25,256,162
NET ASSETS, END OF YEAR							
Without donor restrictions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
With donor restrictions	\$ -	\$ 68,655	\$ -	\$ 125,000	\$ -	\$ 205,333	\$ 27,349,817

See Notes to Financial Statements

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,502,243	\$ 2,093,655
Adjustments to reconcile changes in net assets to net cash provided (used) for operating activities:		
Realized and unrealized (gain) loss on investments	(1,246,231)	(1,938,499)
Effects on operating cash flow due to changes in:		
Accounts/pledges receivable	2,500	14,488
Interest receivable	(18,965)	(12,954)
Annuity receivable	(16,837)	(16,358)
Accounts payable and accrued expenses	(186,830)	108,936
Funds held for others	(197,390)	149,993
CASH PROVIDED (USED) BY OPERATING ACTIVITIES	838,490	399,261
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(8,081,597)	(14,910,912)
Proceeds from sale of investments	7,979,893	14,835,595
CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(101,704)	(75,317)
NET CHANGE IN CASH AND CASH EQUIVALENTS	736,786	323,944
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	502,746	178,802
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,239,532	\$ 502,746

See Notes to the Financial Statements

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Catholic Foundation of Western North Dakota (the Foundation) was incorporated January 1, 2004 as the Provision for the Future. The Foundation restated its articles of incorporation as the Catholic Foundation for the People of the Diocese of Bismarck effective July 1, 2013. In November 2018, the name of the Foundation was changed to the Catholic Foundation of Western North Dakota. The purpose of the Foundation is to receive and administer funds to be used for Roman Catholic charitable purposes.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Accounting Standards Codification Topic 958, Accounting for Not-for-Profit Entities. The codification requires the Foundation to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The Foundation has both net assets without donor restrictions and net assets with donor restrictions.

Method of Accounting and Revenue Recognition

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America, ("GAAP"), as codified by the Financial Accounting Standards Board. As a result, the Foundation recognizes revenue in the period earned.

Funds Held for Others

Elmer Rapp Fund – This trust fund was established by a gift from Elmer Rapp. The annual income may be used to provide post-secondary education to Hidatsa, Arikara, or Mandan Indian students who have graduated from high schools in the surrounding areas with preference for the Fort Berthold Reservation high schools.

Other Agency Funds – These funds represent deposits from various entities throughout the Diocese of Bismarck to be held by the Foundation for a period of five years or longer. This fund affords the opportunity to pool funds in a balanced portfolio with a proportionate share of valuation increases and decreases of investment activity net of associated expenses. The account holder of the individual agency fund maintains full control of the disposition of the principal and earnings, however early withdrawal penalties may apply on principal withdrawals within the five year holding period. Individual funds currently held include: Bishop Ryan Catholic School Mission Trip Scholarship Fund, Diocese of Bismarck Agency Fund, Home on the Range Agency Funds and various Parish Agency Funds.

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020 AND 2019

Net Assets with Donor Restrictions

East Africa Mission Fund – These net assets consist of net contributions for the East African Mission.

Kathleen Brady Trust Fund – This trust was established by a gift from Sister Kathleen Brady. The annual income is to be used to provide subsidies to Catholic Schools in the Diocese.

Hacker Trust Fund – This fund, established by a gift from Bishop Hacker, provides that the annual earnings be paid to Christ the King School, Mandan, North Dakota so long as it is maintained as an eight-grade elementary school. If it should cease to operate as such, the fund is to be paid over to the Diocese of Bismarck.

John Kuhn Trust Fund – This trust fund was established by a gift from Reverend John Kuhn. The annual income is to be paid to Christ the King School, Mandan, North Dakota for its operation. If the school ceases to operate as a parish school, the remainder of the trust shall be distributed to the Diocese of Bismarck and the trust terminated.

Catholic Relief Fund – This fund was established in September 2003 through a bequest to the Diocese of Bismarck. The Last Will and Testament required that the funds be distributed to charity. The Last Will and Testament further states that the Bishop of the Roman Catholic Diocese of Bismarck is the trustee and has the discretion to utilize the principal of the fund for catholic relief services for which the trust was established.

Seminarian Scholarship Funds – These net assets consist of contributions for seminarian scholarships.

Various Endowment Fund Earnings Funds – Undistributed earnings realized from various endowment funds are individually held in Net Assets with Donor Restrictions. Net earnings on endowment principals held under Net Assets with Donor Restrictions are individually tracked through these funds and released for distribution to Net Assets without Donor Restrictions in accordance with distribution agreements of the endowed funds.

The Catholic Foundation of Western North Dakota has expanded its presence in the area with an added emphasis to further establish qualified endowment funds for future benefit of the entities of the Diocese of Bismarck. The principal amounts of each endowment fund are held in perpetuity with established guidelines distribution of net annual earnings.

Each parish, school and other entity under the jurisdiction of the Diocese of Bismarck has an established endowment fund for the benefit of the entity's operation. Additionally, previously established endowment funds such as Catholic Schools and Religious Education Fund, Priests' Care Fund, and Seminarian Scholarship Fund (previously held for the benefit of diocesan seminarians in the major seminaries) continue to exist. The previously held Seminarian Scholarship Fund has been renamed Seminarian Scholarship-Major Fund with the establishment of the Seminarian Scholarship-Minor Fund.

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020 AND 2019

Currently held endowment funds include: Bishop Zipfel Endowment Fund which provides benefit for seminarian scholarships for major seminaries and priests' care; Catholic Schools and Religious Educations Fund which provides assistance for religious education in the Diocese' catholic schools and parish religious education programs; Home on the Range Endowment Funds which provide benefits for the operational needs of Home on the Range; Catholic Educational Institutional Endowment Funds which provide operational support for the entities; Priests' Care Endowment Fund which provides support for the care of the retired priests of the Diocese; Seminarian Scholarship-Major fund which benefits our seminarians in major seminary; Seminarian Scholarship-Minor which provides scholarships available to seminarians in minor seminaries; various parish endowment funds with established benefit guidelines for each endowment; various family named endowments with established benefit guidelines for each endowment.

The Foundation takes advantage of matching grant programs to grow the endowment funds as well as hosting various fundraising events. Each of the endowed funds accepts funds from individuals and entities.

Contributions

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Net assets with donor restrictions are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

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 Foundation recognizes gains and losses on an investment in the designation or restriction owning the investment using the historical cost for that specific investment. Ordinary income from an investment is recorded in the designation or restriction owning the investment.

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.

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020 AND 2019

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.

Receivables and Allowance for Uncollectible Receivables

Accounts receivables are uncollateralized obligations due under normal trade terms requiring payment within 30 days from the invoice date. The receivables are non-interest bearing. Payments on accounts receivables are applied to the earliest unpaid amounts. The carrying amount of the accounts receivables is reduced by an amount that reflects management's best estimate of the amounts that will not be collected.

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 uncollectibility of an accounts receivable is confirmed. Subsequent recoveries, if any, are recognized as revenue.

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 accounts 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.

An accounts receivable is considered impaired when, based on current information and events, it is probable that the Foundation will be unable to collect the scheduled payments of principal when due according to the contractual terms of the pledge agreement. Factors considered by management in determining impairment include payment status, and the probability of collecting scheduled principal payments when due. Accounts receivable 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 accounts receivable and the prior payment record, and the amount of the shortfall in relation to the principal owed.

Annuities Receivable

This is the amount of charitable gift annuities receivable held on behalf of another organization to be paid out to the Foundation as of June 30, 2020 and 2019.

Fair Value Measurements

The Foundation follows Accounting Standards Codification Topic 820, Fair Value Measurements. This standard applies to all assets and liabilities that are being measured and reported on a fair value basis. It defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosure about fair value measurements.

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020 AND 2019

When fair value measurements are required, various data is used in determining those values. This statement requires that assets and liabilities that are carried at fair value must be classified and disclosed in the following levels based on the nature of the data used.

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

The application of valuation techniques applied to similar assets and liabilities has been consistently applied. The following is a description of the valuation methodologies used for instruments measured at fair value:

Investments

The fair value of investments is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Income Taxes

The Foundation is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. The Foundation 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 Foundation'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.

Functional Expenses

Expenses which are specifically identified to a particular program are charged directly to that program. Other expenses, such as rent, postage, insurance and other common expenses are allocated to each function or program based on a reasonable allocation of resources used by each program. Administrative staff salaries and related expenses are allocated to each function or program based on the actual time spent on each activity.

Recent Accounting Pronouncements

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists the Foundation in evaluation whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. We have implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying combined financial statements under a modified prospective basis. The implementation of this standard had no effect on net assets.

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020 AND 2019

Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to conform to the current year presentation.

NOTE 2 CONCENTRATIONS OF CREDIT RISK

The Foundation's cash balances are maintained in various bank deposit accounts. The amounts on deposit are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. At June 30, 2020, all the Foundation's deposits at financial institutions were insured by FDIC. These deposits consist of short term investments in commercial paper that are considered to be cash equivalents. FDIC does not insure commercial paper.

Accounts/Pledges receivable as of June 30, 2020 and 2019 are due from Catholic parishes and associated individuals located in western North Dakota.

NOTE 3 ACCOUNTS/PLEDGES RECEIVABLE

Pledges receivable as of June 30, 2020 and 2019 consist of amounts pledged as payable upon death of the donor as a result of the "A Vision for the Future Capital Campaign". The receivable is shown net of discounts and allowance of \$6,403 and \$8,903 at June 30, 2020 and 2019, respectively.

NOTE 4 INVESTMENTS

Investments are stated at fair value and are summarized as follows as of June 30, 2020 and 2019:

June 30, 2020	<u>Cost</u>	<u>Fair Value</u>
Certificates of deposit	\$ 144,000	\$ 144,000
Equities:		
U.S. large cap	7,856,335	14,423,992
U.S. mid cap	3,765,329	5,359,226
U.S. small cap	554,841	656,687
International developed/emerging markets	1,118,493	1,304,363
Fixed Income:		
Investment grade taxable	10,107,466	10,717,660
Investment grade tax exempt	100,610	101,133
International developed bonds	96,634	98,012
Fixed income - mutual funds	32,525	33,855
Life insurance and other	287,078	358,129
	<u>\$ 24,063,311</u>	<u>\$ 33,197,057</u>

The Foundation had a net realized loss of \$25,749 and an unrealized gain of \$1,271,980 for the year ended June 30, 2020.

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020 AND 2019

June 30, 2019

	Cost	Fair Value
Certificates of deposit	\$ 144,000	\$ 144,000
Equities:		
U.S. large cap	7,446,952	13,528,939
U.S. mid cap	4,130,966	5,022,343
U.S. small cap	880,885	981,021
International developed/emerging markets	1,118,320	1,359,726
Fixed Income:		
Investment grade taxable	9,802,448	10,039,884
Investment grade tax exempt	70,851	70,605
Fixed income - mutual funds	313,209	313,895
Public REITs	32,069	32,131
Life insurance and other	285,442	356,578
	\$ 24,225,142	\$ 31,849,122

The Foundation had a net realized gain of \$593,454 and an unrealized gain of \$1,345,045 for the year ended June 30, 2019.

NOTE 5 FAIR VALUE MEASUREMENTS

Assets measured at fair value on a recurring basis as of June 30, 2020 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)
Equities:				
U.S. large cap	\$14,423,992	\$ 14,423,992	\$ -	\$ -
U.S. mid cap	5,359,226	5,359,226	-	-
U.S. small cap	656,687	656,687	-	-
International developed/emerging markets	1,304,363	1,304,363	-	-
Fixed Income:				
Investment grade taxable	10,717,660	-	10,717,660	-
Investment grade tax exempt	101,133	-	101,133	-
International developed bonds	98,012	-	98,012	-
Fixed income - mutual funds	33,855	33,855	-	-
Other	502,129	144,000	358,129	-
	\$33,197,057	\$ 21,922,123	\$11,274,934	\$ -

CATHOLIC FOUNDATION OF WESTERN NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020 AND 2019

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)
Equities:				
U.S. large cap	\$ 13,528,939	\$ 13,528,939	\$ -	\$ -
U.S. mid cap	5,022,343	5,022,343	-	-
U.S. small cap	981,021	981,021	-	-
International developed/emerging markets	1,359,726	1,359,726	-	-
Fixed Income:				
Investment grade taxable	10,039,884	-	10,039,884	-
Investment grade tax exempt	70,605	-	70,605	-
Fixed income - mutual funds	313,895	-	313,895	-
Public REITs	32,131	-	32,131	-
Other	500,578	144,000	356,578	-
	<u>\$31,849,122</u>	<u>\$ 21,036,029</u>	<u>\$10,813,093</u>	<u>\$ -</u>

NOTE 6 INCOME TAXES

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

NOTE 7 ENDOWMENT FUNDS

Donor-designated:

The Foundation's endowments consist of 139 individual funds established for a variety of purposes. Its endowments include donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2020 AND 2019

the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters and Strategies:

The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return.

Spending Policy: The Foundation does not have a spending policy.

Endowment Net Asset Composition by Type of Fund as of June 30, 2020 and 2019 is as follows:

	2020	2019
Donor-restricted endowment funds:		
Original donor-restricted gift amount and amount required to be retained in perpetuity	\$ 19,607,918	\$ 17,665,868
Accumulated investment gains (losses)	4,376,955	3,848,201
	\$ 23,984,873	\$ 21,514,069

Changes in endowment net assets as of June 30, 2020 are as follows:

		With Donor Restrictions		
	Without Donor Restrictions	Restricted By Time or Purpose	Restricted in Perpetuity	Total Net Endowment Assets
Endowment net assets, beginning of year	\$ -	\$ 3,848,201	\$ 17,665,868	\$21,514,069
Investment income	-	428,443	-	428,443
Contributions	-	-	1,942,050	1,942,050
Net appreciation	-	871,439	-	871,439
Amounts appropriated for expenditures	-	(771,128)	-	(771,128)
Endowment net assets, end of year	\$ -	\$ 4,376,955	\$ 19,607,918	\$23,984,873

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Changes in endowment net assets as of June 30, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions		Total Net Endowment Assets
		Restricted By Time or Purpose	Restricted in Perpetuity	
Endowment net assets, beginning of year	\$ -	\$ 3,071,288	\$ 16,848,161	\$19,919,449
Investment income	-	472,622	-	472,622
Contributions	-	-	817,707	817,707
Net appreciation	-	1,381,964	-	1,381,964
Amounts appropriated for expenditures	-	(1,077,673)	-	(1,077,673)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 3,848,201</u>	<u>\$ 17,665,868</u>	<u>\$21,514,069</u>

NOTE 8 LIQUIDITY AND AVAILABILITY

The following reflects the Catholic Foundation of Western North Dakota's financial assets as of June 30, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of grantor restrictions. The following table reflects the Foundation's financial assets due within one year of the statement of financial position as of June 30, 2020 and 2019 for general expenditures:

	2020	2019
Financial assets at year end:		
Cash and cash equivalents	\$ 1,239,532	\$ 502,746
Accounts Receivable - net	6,403	8,903
Interest receivable	93,497	74,532
Annuity receivable	489,057	472,220
Investments	<u>33,197,057</u>	<u>31,849,122</u>
Total financial assets	<u>35,025,546</u>	<u>32,907,523</u>
Less amounts not available to be used within one year:		
Funds held for others	(4,943,095)	(5,140,485)
Funds with donor restrictions	<u>(29,852,060)</u>	<u>(27,349,817)</u>
	<u>(34,795,155)</u>	<u>(32,490,302)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 230,391</u>	<u>\$ 417,221</u>

The Foundation structures its financial assets available as its general expenditures, liabilities and other obligations come due.

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NOTE 9 FUNCTIONAL EXPENSES

Operating expenses consist of payments required by endowments and agreements, administrative expenses and other expenses.

	2020	2019
Program Expenses		
Donations/scholarships	\$ 1,116,404	\$ 1,215,720
Administrative expenses		
Management fees	146,284	138,370
Consulting and contract fees	1,991	21,308
Professional fees	12,422	12,898
Printing and postage	30,395	13,878
Bank fees	4,714	7,887
Other expenses	127,715	366,056
	\$ 1,439,925	\$ 1,776,117

The financial statements report certain expenses that are attributable to more than one donor specified fund or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The management fee expenses are allocated based upon the average monthly investment balance.

NOTE 10 FUTURE PRONOUNCEMENTS

ASU 2016-02, Leases (Topic 842)

During 2016, the FASB issued guidance to change the accounting for leases. The main provision of ASU 2016-02 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 Foundation for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.

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

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets are restricted for the specific donor purposes as outlined in Note 1 and on the Statement of Activities. Net assets were release from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors of \$1,439,925 and \$1,776,117 for the years ending June 30, 2020 and 2019, respectively.

NOTE 12 SUBSEQUENT EVENTS

No significant events occurred subsequent to the Foundation's year end. Subsequent events have been evaluated through November 3, 2020, which is the date these financial statements were available to be issued.