



CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Financial Statements and Schedules

December 31, 2018

(With Summarized Comparative Financial Information
as of December 31, 2017)

(With Independent Auditors' Report Thereon)



KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

To the Board of Trustees
Catholic Near East Welfare Association:

We have audited the accompanying consolidated financial statements of Catholic Near East Welfare Association (CNEWA), which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the consolidated 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 organization'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Catholic Near East Welfare Association as of December 31, 2018 and the changes in their net assets and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.



Emphasis of Matter

As discussed in Note 2(n) to the consolidated financial statements, in 2018, CNEWA adopted Financial Accounting Standards Board Accounting Standard Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited CNEWA's 2017 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 4, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived before the adjustments to adopt ASU 2016-14. As part of our audit of the 2018 consolidated financial statements, we also audited the adjustments described in Note 2(n) that were applied to adopt ASU 2016-14 retrospectively in the 2017 consolidated financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information included in Schedules 1 through 9 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

May 23, 2019

CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Statement of Financial Position

December 31, 2018

(with comparative amounts as of December 31, 2017)

Assets	2018	2017
Cash and cash equivalents	\$ 9,504,438	7,505,959
Contributions receivable	2,241,848	5,480,535
Accrued receivables and prepaid expenses	811,337	673,549
Investments (notes 4 and 6)	45,605,307	45,824,850
Trust investments held by others (note 4)	2,053,198	3,098,289
Fixed assets, net (notes 5 and 7)	7,127,873	7,314,369
Total assets	\$ 67,344,001	69,897,551
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,125,104	872,296
Actuarial liability for annuities payable (note 6)	4,786,032	5,085,398
Notes payable (note 7)	3,397,684	3,483,179
End-of-service liabilities	2,320,584	2,085,960
Total liabilities	11,629,404	11,526,833
Net assets (notes 2(n) and 11):		
Without donor restrictions		
Undesignated	15,324,561	16,444,543
Designated	6,614,902	7,061,310
Net Investment in plant	3,730,189	3,831,190
	25,669,652	27,337,043
With donor restrictions (note 10)	30,044,945	31,033,675
Total net assets	55,714,597	58,370,718
Total liabilities and net assets	\$ 67,344,001	69,897,551

See accompanying notes to consolidated financial statements.