

CATHOLIC DIOCESE OF GREEN BAY, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Catholic Diocese of Green Bay, Inc.
Green Bay, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Catholic Diocese of Green Bay, Inc., which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Diocese of Green Bay, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Catholic Diocese of Green Bay, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

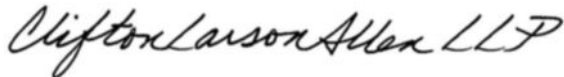
Auditors' Responsibilities for the Audit of the Financial Statements

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 Catholic Diocese of Green Bay, Inc.'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 Catholic Diocese of Green Bay, Inc.'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 audit, significant audit findings, and certain internal control related matters that we identified during the audits.



CliftonLarsonAllen LLP

Oshkosh, Wisconsin
September 23, 2022

CATHOLIC DIOCESE OF GREEN BAY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Cash and Interest in Cash	\$ 1,618,029	\$ 2,436,339
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$193,909 and \$196,624, Respectively	-	-
Inventory and Prepaid Expenses	52,521	34,855
Real Estate Held for Sale	359,129	348,014
Investments	16,614,794	17,510,383
Property and Equipment, Net	2,033,505	1,994,645
Deferred Gift Agreements	995,278	1,177,820
Cash Surrender Value of Life Insurance	164,581	162,084
	\$ 21,837,837	\$ 23,664,140
Total Assets	\$ 21,837,837	\$ 23,664,140
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,038,968	\$ 838,070
Collections and Custodial Funds	215,775	191,639
Deferred Revenue	691,958	771,428
Deferred Gifts Payable	300,018	330,116
Refundable Advance	-	882,825
Total Liabilities	2,246,719	3,014,078
NET ASSETS		
Without Donor Restrictions	8,043,157	6,980,520
With Donor Restrictions	11,547,961	13,669,542
Total Net Assets	19,591,118	20,650,062
Total Liabilities and Net Assets	\$ 21,837,837	\$ 23,664,140

See accompanying Notes to Financial Statements.

**CATHOLIC DIOCESE OF GREEN BAY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Bishop's Appeal	\$ 3,719,198	\$ -	\$ 3,719,198
Other Grants	15,000	-	15,000
Diocesan Assessment	2,191,776	-	2,191,776
Net Fees for Services and Sales	1,001,512	-	1,001,512
Contributions of Cash and Other Financial Assets	1,136,462	368,567	1,505,029
Contributions - Loan Forgiveness	882,825	-	882,825
Other	98,132	-	98,132
Net Assets Released from Restrictions	<u>942,651</u>	<u>(942,651)</u>	<u>-</u>
Total Revenues and Support	9,987,556	(574,084)	9,413,472
EXPENSES			
Salaries and Wages	2,339,484	-	2,339,484
Compensation of Clergy and Religious Personnel Benefits	425,500	-	425,500
Other Personnel Related Expenses	988,378	-	988,378
Purchased Services	144,288	-	144,288
Facilities, Buildings, and Grounds	1,372,349	-	1,372,349
Office	365,567	-	365,567
Grants and Direct Assistance	364,087	-	364,087
Other	2,333,142	-	2,333,142
Total Expenses	<u>402,742</u>	<u>-</u>	<u>402,742</u>
	8,735,537	-	8,735,537
REVENUES AND SUPPORT IN EXCESS (DEFICIENT) OF EXPENSES			
	1,252,019	(574,084)	677,935
OTHER CHANGES IN NET ASSETS			
Investment Return	(176,664)	(1,547,497)	(1,724,161)
Change in Value of Split-Interest Gift Annuity Agreements	<u>(12,718)</u>	<u>-</u>	<u>(12,718)</u>
Total Other Changes in Net Assets	<u>(189,382)</u>	<u>(1,547,497)</u>	<u>(1,736,879)</u>
CHANGE IN NET ASSETS			
	1,062,637	(2,121,581)	(1,058,944)
Net Assets - Beginning of Year	<u>6,980,520</u>	<u>13,669,542</u>	<u>20,650,062</u>
NET ASSETS - END OF YEAR	<u>\$ 8,043,157</u>	<u>\$ 11,547,961</u>	<u>\$ 19,591,118</u>

See accompanying Notes to Financial Statements.

**CATHOLIC DIOCESE OF GREEN BAY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Bishop's Appeal	\$ 3,193,588	\$ -	\$ 3,193,588
Other Grants	33,630	-	33,630
Diocesan Assessment	1,993,249	-	1,993,249
Net Fees for Services and Sales	913,344	-	913,344
Contributions of Cash and Other Financial Assets	1,867,778	811,124	2,678,902
Contributions - Loan Forgiveness	882,700	-	882,700
Other	96,234	-	96,234
Net Assets Released from Restrictions	840,123	(840,123)	-
Total Revenues and Support	<u>9,820,646</u>	<u>(28,999)</u>	<u>9,791,647</u>
EXPENSES			
Salaries and Wages	2,012,473	-	2,012,473
Compensation of Clergy and Religious Personnel Benefits	463,329	-	463,329
Other Personnel Related Expenses	892,141	-	892,141
Purchased Services	78,996	-	78,996
Facilities, Buildings, and Grounds	1,438,454	-	1,438,454
Office	412,274	-	412,274
Grants and Direct Assistance	417,504	-	417,504
Other	1,851,989	-	1,851,989
	275,893	-	275,893
Total Expenses	<u>7,843,053</u>	<u>-</u>	<u>7,843,053</u>
REVENUES AND SUPPORT IN EXCESS (DEFICIENT) OF EXPENSES			
	1,977,593	(28,999)	1,948,594
OTHER CHANGES IN NET ASSETS			
Investment Return	249,294	2,706,619	2,955,913
Change in Value of Split-Interest Gift Annuity Agreements	71,984	-	71,984
Total Other Changes in Net Assets	<u>321,278</u>	<u>2,706,619</u>	<u>3,027,897</u>
CHANGE IN NET ASSETS			
	2,298,871	2,677,620	4,976,491
Net Assets - Beginning of Year	<u>4,681,649</u>	<u>10,991,922</u>	<u>15,673,571</u>
NET ASSETS - END OF YEAR			
	<u>\$ 6,980,520</u>	<u>\$ 13,669,542</u>	<u>\$ 20,650,062</u>

See accompanying Notes to Financial Statements.

CATHOLIC DIOCESE OF GREEN BAY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributors	\$ 7,529,135	\$ 8,878,428
Cash Received from Sales and Fees for Services	922,042	1,035,570
Cash Paid to Suppliers	(2,329,413)	(2,092,644)
Cash Paid to and on Behalf of Employees	(3,866,907)	(3,382,451)
Cash Paid for Grants and Assistance	(2,333,142)	(1,851,989)
Net Cash Flows from Operating Activities	(78,285)	2,586,914
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(70,567)	(13,904)
Purchase of Real Estate Held for Sale	(11,115)	(12,046)
Proceeds from Sale of Property and Equipment	33,000	18,000
Cash Paid for Purchase of Investments	(1,060,563)	(2,544,200)
Proceeds from Sale of Investments	412,036	733,385
Net Cash Flows from Investing Activities	(697,209)	(1,818,765)
 CASH FLOWS FROM FINANCING ACTIVITY		
Cash Paid to Annuitants	(42,816)	(48,426)
 NET CHANGE IN CASH AND INTEREST IN CASH	(818,310)	719,723
 Cash and Interest in Cash - Beginning of Year	2,436,339	1,716,616
 CASH AND INTEREST IN CASH - END OF YEAR	\$ 1,618,029	\$ 2,436,339

See accompanying Notes to Financial Statements.

**CATHOLIC DIOCESE OF GREEN BAY, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (1,058,944)	\$ 4,976,491
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	31,707	40,788
Gain on Sale of Property and Equipment	(33,000)	(14,307)
Bad Debts	(2,715)	(119,083)
Investment Return	1,724,161	(2,955,913)
Change in Value of Split-Interest Gift Annuity Agreements	12,718	(71,984)
Changes in Certain Assets and Liabilities:		
Accounts Receivable	2,715	119,083
Inventory and Prepaid Expenses	(17,666)	37,671
Accounts Payable and Accrued Expenses	200,898	225,791
Deferred Gifts Payable	-	224,696
Collections and Custodial Funds	24,136	1,330
Deferred Revenue	(79,470)	122,226
Refundable Advance	(882,825)	125
Net Cash Flows from Operating Activities	\$ (78,285)	\$ 2,586,914
NONCASH INVESTING ACTIVITIES		
Interest and Dividends Reinvested Directly Back into Investment Funds	\$ 54,934	\$ 178,279

See accompanying Notes to Financial Statements.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 PRINCIPAL ACTIVITY

Catholic Diocese of Green Bay, Inc. (the Diocese) is a nonprofit corporation organized under the laws of the state of Wisconsin, without capital stock, operating primarily out of the Office of the Chancery under the management of the Bishop of the Diocese. The Diocese also fosters the growth of the Catholic Church in northeastern Wisconsin by providing grants to seminarians studying for the priesthood and support for vocations recruitment. Parishes, high schools, cemeteries and mausoleums, elderly housing, religious orders, lay societies, and religious and other Catholic organizations that operate within the Diocese are excluded from the accompanying financial statements as they do not meet criteria that would require consolidation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interest in Cash

The Diocese participates in a pooled cash account with an interdiocesan entity. This account sweeps daily to a zero balance. The total of the pooled cash account, at times, may exceed federally insured limits. The Diocese has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Accounts Receivable

The majority of the Diocese's accounts receivable are due from parishes, schools, seminarians, private parties within the Green Bay Diocese region, and government agencies. Credit is extended based on evaluation of financial condition and financial need and collateral is generally not required. Accounts receivable are due within 30 days or according to separately stated terms and are recorded net of allowance for doubtful accounts. The Diocese determines its allowance by considering a number of factors, including the length of time accounts receivable are past due, the Diocese's previous loss history, the debtor's current ability to pay its obligation, and the condition of the general economy.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are presented in the accompanying financial statements at fair value using methodologies described in Note 4 – Investments and Fair Value Measurements. All investment income and realized and unrealized gains and losses are accounted for on the accompanying statements of activities.

Investment income or losses are included in the accompanying statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Cash Surrender Value of Life Insurance

Donors have contributed multiple life insurance policies on their lives to the Diocese. Contribution revenue has been recorded for the cash surrender value of these policies, plus any future premium payments pledged by the donor.

Real Estate Held for Sale

The Diocese has property listed and available for sale as of June 30, 2022 and 2021. Real estate held for sale is carried at cost unless impaired. When deemed impaired, the asset is reviewed and the real estate held for sale is adjusted to fair value. Fair value is determined by a comparison with other comparable assets. Real estate held for sale was carried at cost at June 30, 2022.

Property and Equipment

Property and equipment are stated at cost, if purchased, or fair market value at date of the gift, if donated. All acquisitions of property in excess of \$5,000 and equipment in excess of \$1,000 and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs, and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Property and equipment is depreciated using the straight-line method over its estimated useful life.

Furniture and Equipment	3 to 10 Years
Land and Land Improvements	10 to 20 Years
Vehicles	3 Years

**CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Diocese reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Collections and Custodial Funds

Collections and custodial funds represent cash collected on behalf of parishes, Catholic organizations, and programs.

Deferred Revenue

Program service fees applying to services to be rendered in future periods are recorded as deferred revenue when received and reflected as support in the year when the program services fees are earned.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets available for use in general operation and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue

Fees for services are reflected as support in the year when the services are provided. Unearned fees for services are reflected as deferred revenue on the statements of financial position and were as follows at June 30:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Deferred Revenue	\$ 691,958	\$ 771,428	\$ 649,202

Revenue from fees for services is recognized over time and totaled \$1,001,512 and \$913,344 during the years ended June 30, 2022 and 2021, respectively.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contribution and Bequest Revenue Recognition

Contributions and bequests are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restrictions.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Diocese. The value of these donated services and time is not recognized in the accompanying financial statements because they do not meet the criteria for recognition.

In connection with its annual budget process, the Diocese is made aware of an estimated grant for its support from The Catholic Foundation for the Diocese of Green Bay, Inc. (the Foundation). Management does not consider this estimated grant as an unconditional promise to pay by the Foundation. The grant is recorded as revenue in the year in which it is actually received.

Refundable Advance

The Diocese received proceeds in the amount of \$882,825 and \$882,700 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loans) during the years ended June 30, 2021 and 2020, respectively. The PPP Loans may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreements and the CARES Act.

The Diocese classified these loans as PPP grants for accounting purposes. The Diocese recognized contributions of \$882,825 and \$882,700 related to these agreements during the years ended June 30, 2022 and 2021, respectively, which represents the portion of the PPP Loan funds for which the performance barriers have been met. Management believes the Diocese has satisfied the performance barriers attributable to the PPP Loan proceeds and, on November 9 and May 10, 2021, the Diocese received formal notification from the SBA that the full amount of the PPP Loans had been forgiven.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Diocese's financial position.

**CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax-Exempt Status

The Diocese has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) covered by the U.S. Internal Revenue Service group exemption letter of the United States Conference of Catholic Bishops and corresponding provisions of state law and, accordingly, is not subject to federal or state income taxes.

Subsequent Events

In preparing these financial statements, the Diocese has evaluated events and transactions for potential recognition or disclosure through September 23, 2022, the date the financial statements were available to be issued.

NOTE 3 LIQUIDITY AND AVAILABILITY

The Diocese regularly monitors liquidity required to meet its operating needs, liabilities, and other obligations as they become due. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

	<u>2022</u>	<u>2021</u>
Cash and Interest in Cash	\$ 1,618,029	\$ 2,436,339
Investments	16,614,794	17,510,383
Deferred Gift Agreements	995,278	1,177,820
Cash Surrender Value of Life Insurance	<u>164,581</u>	<u>162,084</u>
Subtotal	19,392,682	21,286,626
Less:		
Collections and Custodial Funds	(215,775)	(191,639)
Deferred Gifts Payable	(300,018)	(330,116)
Donor Restricted Net Assets	<u>(11,547,961)</u>	<u>(13,669,542)</u>
Total Financial Assets Available for General Expenditure	<u>\$ 7,328,928</u>	<u>\$ 7,095,329</u>

Endowment funds consist of donor-restricted endowments set up to support Seminarians and Vocations. These funds are set up so the initial contributions remain in perpetuity with only income to be spent on the related purpose. Donor-restricted endowment funds are not available for general expenditure.

The Diocese also maintains a \$2,000,000 line of credit, which could be drawn upon in the event of an anticipated liquidity need.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments are held by St. Francis Xavier Investment Corp. (St. Francis Xavier Corp.) and The Catholic Foundation for the Diocese of Green Bay, Inc. (Catholic Foundation), other interdiocesan entities. St. Francis Xavier Corp. has grouped their investments and created a unitized fixed income fund, an equity fund, and a money market fund. The Catholic Foundation has grouped their investments and created a unitized long term fund and a money market fund. The Diocese owns units in the fixed income, equity, long term, and money market funds.

Investments are carried at fair value and consisted of the following at June 30:

	Fair Value		Redemption Frequency	Termination Notice Period
	2022	2021		
St. Francis Xavier Corp. Fixed Income Fund	\$ 1,811,365	\$ 2,162,869	Daily	30 Days
St. Francis Xavier Corp. Equity Fund	3,523,045	4,263,917	Daily	30 Days
St. Francis Xavier Corp. Money Market Fund	6,129,983	5,213,558	Daily	30 Days
Catholic Foundation Long Term Fund	5,790,824	6,693,077	Daily	30 Days
Catholic Foundation Money Market Fund	354,855	354,782	Daily	30 Days
Total Funds	<u>\$ 17,610,072</u>	<u>\$ 18,688,203</u>		

The funds are included in the accompanying statements of financial position as follows at June 30:

	2022	2021
Investments	\$ 16,614,794	\$ 17,510,383
Deferred Gift Agreements	995,278	1,177,820
Total	<u>\$ 17,610,072</u>	<u>\$ 18,688,203</u>

The money market funds are intended to be utilized by intermediate and short-term money.

The fixed income fund is intended to be utilized by intermediate and long-term money. The target allocation of the fixed income fund is:

Intermediate Fixed Income	95 %
Cash	5
Total	<u>100 %</u>

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The equity fund is intended to be utilized by long-term money. The participant is not allowed to invest more than 70% of their funds in the equity fund. The target allocation of the equity fund is:

Small-Cap Domestic Stocks	20 %
Mid-Cap Domestic Stocks	20
Large-Cap Domestic Stocks	40
International Stocks	17
Cash and Cash Equivalents	3
Total	100 %

The long-term fund is intended to be utilized by long-term money. The target allocation of the long-term fund is:

Small-Cap Domestic Stocks	10 %
Mid-Cap Domestic Stocks	10
Large-Cap Domestic Stocks	20
International Stocks	20
Alternative Investments	7
Intermediate Fixed Income	30
Cash and Cash Equivalents	3
Total	100 %

As defined by current authoritative guidance, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Diocese uses various valuation methods including the market, income, and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible the Diocese attempts to utilize valuation methods that maximize the use of observable inputs and minimizes the use of unobservable inputs.

The fair value hierarchy ranks the quality and reliability of the information used to determine the fair values. Assets and liabilities measured, reported, and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

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.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The tables below present the balances of assets and liabilities measured at fair value on a recurring basis:

		June 30, 2022			
		Level 1	Level 2	Level 3	Total
Assets:					
St. Francis Xavier Corp. Fixed Income Fund	\$	-	\$ 1,811,365	\$ -	\$ 1,811,365
St. Francis Xavier Corp. Equity Fund		-	3,523,045	-	3,523,045
St. Francis Xavier Corp. Money Market Fund		-	6,129,983	-	6,129,983
Catholic Foundation Long Term Fund		-	5,790,824	-	5,790,824
Catholic Foundation Money Market Fund		-	354,855	-	354,855
Assets Presented at Fair Value	<u>\$</u>	<u>-</u>	<u>\$ 17,610,072</u>	<u>\$ -</u>	<u>\$ 17,610,072</u>
Liabilities:					
Deferred Gifts Payable	<u>\$</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 300,018</u>	<u>\$ 300,018</u>
		June 30, 2021			
		Level 1	Level 2	Level 3	Total
Assets:					
St. Francis Xavier Corp. Fixed Income Fund	\$	-	\$ 2,162,869	\$ -	\$ 2,162,869
St. Francis Xavier Corp. Equity Fund		-	4,263,917	-	4,263,917
St. Francis Xavier Corp. Money Market Fund		-	5,213,558	-	5,213,558
Catholic Foundation Long Term Fund		-	6,693,077	-	6,693,077
Catholic Foundation Money Market Fund		-	354,782	-	354,782
Assets Presented at Fair Value	<u>\$</u>	<u>-</u>	<u>\$ 18,688,203</u>	<u>\$ -</u>	<u>\$ 18,688,203</u>
Liabilities:					
Deferred Gifts Payable	<u>\$</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 330,116</u>	<u>\$ 330,116</u>

The fair value of the investment in the fixed income fund, the equity fund, the long-term fund, and the money market fund has been estimated using the net asset value per share of the fund as determined by the fund administrator. The funds are valued on a daily basis. The fair value of the deferred gifts payable has been estimated using the actuarial present value of future distributions back to the donor.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Investment return in the accompanying statements of activities for the years ended June 30 consisted of the following:

	<u>2022</u>	<u>2021</u>
Interest and Dividends	\$ 54,934	\$ 178,279
Realized and Unrealized Gains (Losses) on Investments	<u>(1,779,095)</u>	<u>2,777,634</u>
Total	<u>\$ (1,724,161)</u>	<u>\$ 2,955,913</u>

NOTE 5 PROPERTY AND EQUIPMENT

The major categories of property and equipment at June 30 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Furniture and Equipment	\$ 105,574	\$ 79,814
Land and Improvements	1,735,115	1,735,115
Buildings	321,200	321,200
Vehicles	<u>78,672</u>	<u>74,242</u>
Total - at Cost	2,240,561	2,210,371
Less: Accumulated Depreciation	<u>(207,056)</u>	<u>(215,726)</u>
Property and Equipment, Net	<u>\$ 2,033,505</u>	<u>\$ 1,994,645</u>

NOTE 6 LINE-OF-CREDIT

The Diocese has a line of credit financing agreement with a bank in the amount of \$2,000,000 with interest payable at the monthly LIBOR rate plus 1.75% with a floor of 2.25% (effectively 3.33% at June 30, 2022). The line of credit is unsecured and expires December 31, 2022.

There were no amounts drawn on the line of credit and no interest expense incurred during the years ended June 30, 2022 and 2021.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 7 DEFERRED GIFT AGREEMENTS

The Diocese has arrangements with donors classified as charitable gift annuities. In general, under these arrangements, the Diocese receives a gift from a donor in which it has a remainder interest and agrees to pay the donor stipulated amounts over the life of the donor. The arrangement may cover one or more lives. The Diocese invests and administers the related assets and makes distributions to the beneficiaries as required. When the agreement reaches the end of its term, remaining assets are retained by the Diocese as net assets either with or without donor restrictions, or in some instances, distributed to third-party beneficiaries.

When a gift is received under one of these arrangements, it is split into the amount representing the actuarial present value of future distributions back to the donor and the remaining gift value to be retained for the benefit of the Diocese or third-party beneficiaries. The actuarial liability is adjusted annually using actuarial tables appropriate for the type of arrangement, number of lives covered, and the age of the donor.

During the years ended June 30, 2022 and 2021, the Diocese received contributions of \$-0- and \$217,500, respectively, relating to deferred gift arrangements.

The Diocese serves as trustee of The Catholic Foundation for the Diocese of Green Bay, Inc. for agreements with assets of \$7,551 and \$9,657 and payables to the donors of \$6,302 and \$6,636 at June 30, 2022 and 2021, respectively. This asset and liability are included in the respective deferred gift account balances.

As of April 18, 2014, Wisconsin, through the Office of the Commissioner of Insurance, no longer regulates qualified charitable gift annuities. The Diocese has elected to continue to maintain an actuarially determined reserve as was done prior to April 18, 2014. The reserve was \$534,720 and \$608,960 at June 30, 2022 and 2021, respectively.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 8 FUNCTIONAL CLASSIFICATION OF EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include facilities, buildings, and grounds, which is allocated on a square footage basis, while the remaining natural expense categories are allocated on the basis of estimates of time and effort.

Expenses by function for the years ended June 30 are as follows:

	2022		
	Program Services	Management and General	Total
Salaries and Wages	\$ 2,149,216	\$ 190,268	\$ 2,339,484
Compensation of Clergy and Religious	326,576	98,924	425,500
Personnel Benefits	884,432	103,946	988,378
Other Personnel Related Expenses	144,288	-	144,288
Purchased Services	1,108,157	264,192	1,372,349
Facilities, Buildings, and Grounds	365,567	-	365,567
Office	364,087	-	364,087
Grants and Direct Assistance	2,333,142	-	2,333,142
Other	402,742	-	402,742
Total Expenses Included in the Expenses Section on the Statements of Activities	<u>\$ 8,078,207</u>	<u>\$ 657,330</u>	<u>\$ 8,735,537</u>
	2021		
	Program Services	Management and General	Total
Salaries and Wages	\$ 1,837,030	\$ 175,443	\$ 2,012,473
Compensation of Clergy and Religious	332,547	130,782	463,329
Personnel Benefits	782,954	109,187	892,141
Other Personnel Related Expenses	78,996	-	78,996
Purchased Services	1,185,974	252,480	1,438,454
Facilities, Buildings, and Grounds	412,274	-	412,274
Office	417,504	-	417,504
Grants and Direct Assistance	1,851,989	-	1,851,989
Other	275,893	-	275,893
Total Expenses Included in the Expenses Section on the Statements of Activities	<u>\$ 7,175,161</u>	<u>\$ 667,892</u>	<u>\$ 7,843,053</u>

**CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 9 INTERDIOCESAN TRANSACTIONS

The Diocese was a party to various transactions with other diocesan corporations during the years ended June 30 as noted below:

<u>Nature of Transaction</u>	<u>2022</u>	<u>2021</u>
Revenues:		
Bishop's Appeal Grant	\$ 3,713,245	\$ 3,185,953
Donation	916,714	1,830,077
Total Revenues	<u>\$ 4,629,959</u>	<u>\$ 5,016,030</u>
Expenses:		
Occupancy Expenses	\$ 397,394	\$ 390,944
Insurance Expenses	883,049	712,911
Donations	150,000	85,790
Administrative Service Fees	896,640	845,858
Investment Management Fees	24,615	31,807
Other	26,732	23,379
Total Expenses	<u>\$ 2,378,430</u>	<u>\$ 2,090,689</u>

The Diocese also holds annuities for the benefit of The Catholic Foundation for the Diocese of Green Bay, Inc. As of June 30, 2022 and 2021, the balance was \$2,479 and \$4,693, respectively. The balances are included in the accompanying statements of financial position as investments and accounts payable and accrued expenses.

NOTE 10 LEASES

The Diocese leases its office space at various locations from other diocesan entities on a month-to-month basis. In addition, one lease is held with a third party that is renewed on a yearly basis. Rent expense charged to operations for all operating leases was \$347,244 and \$345,504 for the years ended June 30, 2022 and 2021, respectively. All leases are accounted for as operating leases.

NOTE 11 RETIREMENT PLAN

The Diocese participates in the Catholic Diocese of Green Bay Employees' Retirement Plan. The defined contribution retirement plan covers most lay employees for both years ended June 30, 2022 and 2021. The vesting period of the plan is six months. Contributions are 9% of lay employee wages and 15% of clergy salary. Contributions are made each pay period. Retirement plan expense was \$234,000 and \$217,122 for the years ended June 30, 2022 and 2021, respectively.

**CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	<u>2022</u>	<u>2021</u>
Subject to Expenditure for Specified Purpose:		
Education at Catholic University, Washington, D.C.	\$ 1,253,095	\$ 1,495,792
Assistance to the Poor	1,650,330	1,997,534
Seminarians and Vocations	5,908,417	7,391,962
Various Programs	2,298,799	2,349,431
Subject to the Passage of Time:		
Cash Surrender Value of Life Insurance	164,581	162,084
Endowments:		
Subject to Endowment Spending Policy and Appropriation - Investment in Perpetuity Seminarians and Vocations	<u>272,739</u>	<u>272,739</u>
Total Net Assets with Donor Restrictions	<u>\$ 11,547,961</u>	<u>\$ 13,669,542</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Satisfaction of Purpose Restrictions:		
Programs and Initiatives	<u>\$ 942,651</u>	<u>\$ 840,123</u>