

CATHOLIC DIOCESE OF GREEN BAY, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**CATHOLIC DIOCESE OF GREEN BAY, INC.
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	8



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, 2023 and 2022, 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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of 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
October 11, 2023

CATHOLIC DIOCESE OF GREEN BAY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS	<u>2023</u>	<u>2022</u>
Cash and Interest in Cash	\$ 1,910,225	\$ 1,618,029
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$309,705 and \$193,909, Respectively	4,857	-
Inventory and Prepaid Expenses	87,453	52,521
Real Estate Held for Sale	374,274	359,129
Investments	17,822,654	16,614,794
Property and Equipment, Net	2,024,557	2,033,505
Deferred Gift Agreements	1,042,820	995,278
Cash Surrender Value of Life Insurance	<u>165,965</u>	<u>164,581</u>
Total Assets	<u>\$ 23,432,805</u>	<u>\$ 21,837,837</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 928,177	\$ 1,038,968
Collections and Custodial Funds	253,783	215,775
Deferred Revenue	616,181	691,958
Deferred Gifts Payable	<u>316,892</u>	<u>300,018</u>
Total Liabilities	2,115,033	2,246,719
NET ASSETS		
Without Donor Restrictions	8,882,972	8,043,157
With Donor Restrictions	<u>12,434,800</u>	<u>11,547,961</u>
Total Net Assets	<u>21,317,772</u>	<u>19,591,118</u>
Total Liabilities and Net Assets	<u>\$ 23,432,805</u>	<u>\$ 21,837,837</u>

See accompanying Notes to Financial Statements.

CATHOLIC DIOCESE OF GREEN BAY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Bishop's Appeal	\$ 3,873,056	\$ -	\$ 3,873,056
Diocesan Assessment	2,377,983	-	2,377,983
Net Fees for Services and Sales	1,443,312	-	1,443,312
Contributions of Cash and Other Financial Assets	1,144,442	920,326	2,064,768
Contributions - Employee Retention Credit	787,496	-	787,496
Other	74,721	-	74,721
Net Assets Released from Restrictions	1,027,324	(1,027,324)	-
Total Revenues and Support	10,728,334	(106,998)	10,621,336
EXPENSES			
Salaries and Wages	2,660,965	-	2,660,965
Compensation of Clergy and Religious	485,122	-	485,122
Personnel Benefits	1,114,394	-	1,114,394
Other Personnel Related Expenses	175,621	-	175,621
Purchased Services	1,605,798	-	1,605,798
Facilities, Buildings, and Grounds	396,583	-	396,583
Office	446,929	-	446,929
Grants and Direct Assistance	2,558,916	-	2,558,916
Other	711,788	-	711,788
Total Expenses	10,156,116	-	10,156,116
REVENUES AND SUPPORT IN EXCESS (DEFICIT) OF EXPENSES	572,218	(106,998)	465,220
OTHER CHANGES IN NET ASSETS			
Investment Return	315,912	993,837	1,309,749
Change in Value of Split-Interest Gift			
Annuity Agreements	(48,315)	-	(48,315)
Total Other Changes in Net Assets	267,597	993,837	1,261,434
CHANGE IN NET ASSETS	839,815	886,839	1,726,654
Net Assets - Beginning of Year	8,043,157	11,547,961	19,591,118
NET ASSETS - END OF YEAR	\$ 8,882,972	\$ 12,434,800	\$ 21,317,772

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
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	942,651	(942,651)	-
Total Revenues and Support	<u>9,987,556</u>	<u>(574,084)</u>	<u>9,413,472</u>
EXPENSES			
Salaries and Wages	2,339,484	-	2,339,484
Compensation of Clergy and Religious	425,500	-	425,500
Personnel Benefits	988,378	-	988,378
Other Personnel Related Expenses	144,288	-	144,288
Purchased Services	1,372,349	-	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	<u>8,735,537</u>	<u>-</u>	<u>8,735,537</u>
REVENUES AND SUPPORT IN EXCESS (DEFICIT) 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	(12,718)	-	(12,718)
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.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributors	\$ 8,390,528	\$ 7,529,135
Cash Received from Contributors - Employee Retention Credit	787,496	-
Cash Received from Sales and Fees for Services	1,366,854	922,042
Cash Paid to Suppliers	(3,099,264)	(2,329,413)
Cash Paid to and on Behalf of Employees	(4,550,112)	(3,866,907)
Cash Paid for Grants and Assistance	(2,558,916)	(2,333,142)
Net Cash Flows from Operating Activities	336,586	(78,285)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(56,560)	(70,567)
Purchase of Real Estate Held for Sale	(15,145)	(11,115)
Proceeds from Sale of Property and Equipment	26,000	33,000
Cash Paid for Purchase of Investments	(988,671)	(1,060,563)
Proceeds from Sale of Investments	1,041,634	412,036
Net Cash Flows from Investing Activities	7,258	(697,209)
CASH FLOWS FROM FINANCING ACTIVITY		
Cash Paid to Annuitants	(51,648)	(42,816)
NET CHANGE IN CASH AND INTEREST IN CASH	292,196	(818,310)
Cash and Interest in Cash - Beginning of Year	1,618,029	2,436,339
CASH AND INTEREST IN CASH - END OF YEAR	\$ 1,910,225	\$ 1,618,029

See accompanying Notes to Financial Statements.

**CATHOLIC DIOCESE OF GREEN BAY, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,726,654	\$ (1,058,944)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	43,730	31,707
Gain on Sale of Property and Equipment	(4,222)	(33,000)
Bad Debts	115,796	(2,715)
Investment Return	(1,309,749)	1,724,161
Change in Value of Split-Interest Gift Annuity Agreements	48,315	12,718
Changes in Certain Assets and Liabilities:		
Accounts Receivable	(120,653)	2,715
Inventory and Prepaid Expenses	(34,932)	(17,666)
Accounts Payable and Accrued Expenses	(110,791)	200,898
Deferred Gifts Payable	20,207	-
Collections and Custodial Funds	38,008	24,136
Deferred Revenue	(75,777)	(79,470)
Refundable Advance	-	(882,825)
Net Cash Flows from Operating Activities	\$ 336,586	\$ (78,285)
NONCASH INVESTING ACTIVITIES		
Interest and Dividends Reinvested Directly Back into Investment Funds	\$ 256,837	\$ 54,934

See accompanying Notes to Financial Statements.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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, 2023 AND 2022

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, 2023 and 2022. 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, 2023.

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, 2023 AND 2022**

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:

	2023	2022	2021
Deferred Revenue	\$ 616,181	\$ 691,958	\$ 771,428

Revenue from fees for services is recognized over time and totaled \$1,447,488 and \$1,001,512 during the years ended June 30, 2023 and 2022, respectively.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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.

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. During 2023, the Diocese received Employee Retention Credit (ERC) funding from the Internal Revenue Service in the amount of \$787,496 in compliance with the program.

Grants related to this program are included in Contributions – Employee Retention Credit on the statement of activities. The Diocese recognized \$787,496 of contributions related to performance requirements being met and costs being incurred in compliance with the program during the year ended June 30, 2023.

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 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loans) during the year ended June 30, 2021. The PPP Loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act.

The Diocese classified the loan as a PPP grant for accounting purposes. The Diocese recognized contributions of \$882,825 related to this agreement during the year ended June 30, 2022, which represents the portion of the PPP Loan funds for which the performance barriers had been met. Management believes the Diocese has satisfied the performance barriers attributable to the PPP Loan proceeds and, on November 9, 2021, the Diocese received formal notification from the SBA that the full amount of the PPP Loan had been forgiven.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Refundable Advance (Continued)

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.

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.

Accounting Standards Update

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations related to leasing activities. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Implementation of the new standard did not result in material changes to amounts reported in the financial statements. The Diocese adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption, with certain practical expedients available. The Diocese has elected to adopt the package of practical expedients available in the year of adoption.

The Diocese has no long-term leases that would require the recognition of right-of use (ROU) assets and lease liabilities on the statements of financial position. Therefore, the standard has no impact on the statements of financial position, activities, or cash flows.

Subsequent Events

In preparing these financial statements, the Diocese has evaluated events and transactions for potential recognition or disclosure through October 11, 2023, the date the financial statements were available to be issued.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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>2023</u>	<u>2022</u>
Cash and Interest in Cash	\$ 1,910,225	\$ 1,618,029
Accounts Receivable	4,857	-
Investments	17,822,654	16,614,794
Deferred Gift Agreements	1,042,820	995,278
Cash Surrender Value of Life Insurance	165,965	164,581
Subtotal	<u>20,946,521</u>	<u>19,392,682</u>
Less:		
Collections and Custodial Funds	(253,783)	(215,775)
Deferred Gifts Payable	(316,892)	(300,018)
Donor Restricted Net Assets	<u>(12,434,800)</u>	<u>(11,547,961)</u>
Total Financial Assets Available for General Expenditure	<u>\$ 7,941,046</u>	<u>\$ 7,328,928</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.

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 treasury money market fund. The Catholic Foundation has grouped their investments and created a unitized long term fund and a treasury money market fund. The Diocese owns units in the fixed income, equity, long term, and treasury money market funds.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

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

	Fair Value		Redemption Frequency	Termination Notice Period
	2023	2022		
St. Francis Xavier Corp. Fixed Income Fund	\$ 1,952,893	\$ 1,811,365	Daily	30 Days
St. Francis Xavier Corp. Equity Fund	3,828,669	3,523,045	Daily	30 Days
St. Francis Xavier Corp. Treasury Money Market Fund	6,526,213	6,129,983	Daily	30 Days
Catholic Foundation Long Term Fund	6,299,313	5,790,824	Daily	30 Days
Catholic Foundation Treasury Money Market Fund	258,386	354,855	Daily	30 Days
Total Funds	<u>\$ 18,865,474</u>	<u>\$ 17,610,072</u>		

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

	2023	2022
Investments	\$ 17,822,654	\$ 16,614,794
Deferred Gift Agreements	1,042,820	995,278
Total	<u>\$ 18,865,474</u>	<u>\$ 17,610,072</u>

The treasury 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, 2023 AND 2022

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, 2023 AND 2022

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, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
St. Francis Xavier Corp. Fixed Income Fund	\$ -	\$ 1,952,893	\$ -	\$ 1,952,893
St. Francis Xavier Corp. Equity Fund	-	3,828,669	-	3,828,669
St. Francis Xavier Corp. Treasury Money Market Fund	-	6,526,213	-	6,526,213
Catholic Foundation Long Term Fund	-	6,299,313	-	6,299,313
Catholic Foundation Treasury Money Market Fund	-	258,386	-	258,386
Assets Presented at Fair Value	<u>\$ -</u>	<u>\$ 18,865,474</u>	<u>\$ -</u>	<u>\$ 18,865,474</u>
Liabilities:				
Deferred Gifts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,892</u>	<u>\$ 316,892</u>
	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. Treasury Money Market Fund	-	6,129,983	-	6,129,983
Catholic Foundation Long Term Fund	-	5,790,824	-	5,790,824
Catholic Foundation Treasury Money Market Fund	-	354,855	-	354,855
Assets Presented at Fair Value	<u>\$ -</u>	<u>\$ 17,610,072</u>	<u>\$ -</u>	<u>\$ 17,610,072</u>
Liabilities:				
Deferred Gifts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,018</u>	<u>\$ 300,018</u>

The fair value of the investment in the fixed income fund, the equity fund, the long-term fund, and the treasury 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, 2023 AND 2022

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>2023</u>	<u>2022</u>
Interest and Dividends	\$ 256,837	\$ 54,934
Realized and Unrealized Gains (Losses) on Investments	1,052,912	(1,779,095)
Total	<u>\$ 1,309,749</u>	<u>\$ (1,724,161)</u>

NOTE 5 PROPERTY AND EQUIPMENT

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

	<u>2023</u>	<u>2022</u>
Furniture and Equipment	\$ 134,134	\$ 105,574
Land and Improvements	1,735,115	1,735,115
Buildings	321,200	321,200
Vehicles	78,672	78,672
Total - at Cost	<u>2,269,121</u>	<u>2,240,561</u>
Less: Accumulated Depreciation	(244,564)	(207,056)
Property and Equipment, Net	<u>\$ 2,024,557</u>	<u>\$ 2,033,505</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 AMERIBOR rate plus 1.75% with a floor of 2.25% (effectively 6.89% at June 30, 2023). The line of credit is unsecured and expires December 31, 2023.

There were no amounts drawn on the line of credit and no interest expense incurred during the years ended June 30, 2023 and 2022.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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, 2023 and 2022, the Diocese received contributions of \$20,000 and \$-0-, 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 \$27,636 and \$7,551 and payables to the donors of \$13,485 and \$6,302 at June 30, 2023 and 2022, 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 \$577,859 and \$534,720 at June 30, 2023 and 2022, respectively.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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:

	2023		
	Program Services	Management and General	Total
Salaries and Wages	\$ 2,455,480	\$ 205,485	\$ 2,660,965
Compensation of Clergy and Religious	377,070	108,052	485,122
Personnel Benefits	1,010,280	104,114	1,114,394
Other Personnel Related Expenses	175,621	-	175,621
Purchased Services	1,328,202	277,596	1,605,798
Facilities, Buildings, and Grounds	396,583	-	396,583
Office	446,929	-	446,929
Grants and Direct Assistance	2,558,916	-	2,558,916
Other	711,788	-	711,788
Total Expenses Included in the Expenses Section on the Statements of Activities	<u>\$ 9,460,869</u>	<u>\$ 695,247</u>	<u>\$ 10,156,116</u>
	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>

**CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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>2023</u>	<u>2022</u>
Revenues:		
Bishop's Appeal Grant	\$ 3,873,056	\$ 3,713,245
Donation	1,728,906	916,714
Total Revenues	<u>\$ 5,601,962</u>	<u>\$ 4,629,959</u>
Expenses:		
Occupancy Expenses	\$ 425,309	\$ 397,394
Insurance Expenses	1,012,644	883,049
Donations	99,740	240,918
Administrative Service Fees	906,408	896,640
Investment Management Fees	21,252	24,615
Other	20,990	26,732
Total Expenses	<u>\$ 2,486,343</u>	<u>\$ 2,469,348</u>

The Diocese also holds annuities for the benefit of The Catholic Foundation for the Diocese of Green Bay, Inc. As of June 30, 2023 and 2022, the balance was \$15,373 and \$2,479, 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 \$363,252 and \$347,244 for the years ended June 30, 2023 and 2022, 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, 2023 and 2022. 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 \$266,257 and \$234,000 for the years ended June 30, 2023 and 2022, respectively.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose:		
Education at Catholic University, Washington, D.C.	\$ 1,321,357	\$ 1,253,095
Assistance to the Poor	1,731,500	1,650,330
Seminarians and Vocations	6,404,086	5,908,417
Various Programs	2,539,153	2,298,799
Subject to the Passage of Time:		
Cash Surrender Value of Life Insurance	165,965	164,581
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>\$ 12,434,800</u>	<u>\$ 11,547,961</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>2023</u>	<u>2022</u>
Satisfaction of Purpose Restrictions:		
Programs and Initiatives	<u>\$ 1,027,324</u>	<u>\$ 942,651</u>

NOTE 13 CONTINGENCIES

The Diocese is subject to legal actions in the normal course of operations, some of which involve claims for compensatory or punitive damages. Although litigation is subject to many uncertainties and the ultimate exposure cannot be ascertained, the Diocese does not believe the final outcome of any outstanding claims will have a material effect on its financial position.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.