

CATHOLIC DIOCESE OF GREEN BAY, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023



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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, 2024 and 2023, 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, 2024 and 2023, 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 14, 2024

CATHOLIC DIOCESE OF GREEN BAY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Interest in Cash	\$ 1,845,516	\$ 1,910,225
Accounts Receivable, Net of Allowance for Credit Losses of \$205,583 and \$309,705, Respectively	-	4,857
Inventory and Prepaid Expenses	270,630	87,453
Real Estate Held for Sale	384,899	374,274
Investments	19,687,134	17,822,654
Property and Equipment, Net	2,009,391	2,024,557
Deferred Gift Agreements	1,179,520	1,042,820
Cash Surrender Value of Life Insurance	169,892	165,965
	<u>25,546,982</u>	<u>23,432,805</u>
Total Assets	<u>\$ 25,546,982</u>	<u>\$ 23,432,805</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,138,045	\$ 928,177
Collections and Custodial Funds	347,960	253,783
Deferred Revenue	715,407	616,181
Deferred Gifts Payable	375,246	316,892
Total Liabilities	<u>2,576,658</u>	<u>2,115,033</u>
NET ASSETS		
Without Donor Restrictions	9,556,940	8,882,972
With Donor Restrictions	13,413,384	12,434,800
Total Net Assets	<u>22,970,324</u>	<u>21,317,772</u>
Total Liabilities and Net Assets	<u>\$ 25,546,982</u>	<u>\$ 23,432,805</u>

See accompanying Notes to Financial Statements.

CATHOLIC DIOCESE OF GREEN BAY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Bishop's Appeal	\$ 4,051,541	\$ -	\$ 4,051,541
Contracts and Grants	45,000	-	45,000
Diocesan Assessment	2,386,213	-	2,386,213
Net Fees for Services and Sales	1,613,843	-	1,613,843
Contributions of Cash and Other Financial			
Assets	2,348,438	592,853	2,941,291
Other	72,050	-	72,050
Net Assets Released from Restrictions	724,168	(724,168)	-
Total Revenues and Support	11,241,253	(131,315)	11,109,938
EXPENSES			
Salaries and Wages	2,872,711	-	2,872,711
Compensation of Clergy and Religious	520,699	-	520,699
Personnel Benefits	1,172,432	-	1,172,432
Other Personnel Related Expenses	204,119	-	204,119
Purchased Services	1,432,675	-	1,432,675
Facilities, Buildings, and Grounds	442,322	-	442,322
Office	505,442	-	505,442
Grants and Direct Assistance	2,893,452	-	2,893,452
Other	940,624	-	940,624
Total Expenses	10,984,476	-	10,984,476
REVENUES AND SUPPORT IN EXCESS (DEFICIT) OF EXPENSES	256,777	(131,315)	125,462
OTHER CHANGES IN NET ASSETS			
Investment Return	479,543	1,109,899	1,589,442
Change in Value of Split-Interest Gift			
Annuity Agreements	(62,352)	-	(62,352)
Total Other Changes in Net Assets	417,191	1,109,899	1,527,090
CHANGE IN NET ASSETS	673,968	978,584	1,652,552
Net Assets - Beginning of Year	8,882,972	12,434,800	21,317,772
NET ASSETS - END OF YEAR	\$ 9,556,940	\$ 13,413,384	\$ 22,970,324

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	<u>10,728,334</u>	<u>(106,998)</u>	<u>10,621,336</u>
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	<u>10,156,116</u>	<u>-</u>	<u>10,156,116</u>
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	<u>267,597</u>	<u>993,837</u>	<u>1,261,434</u>
CHANGE IN NET ASSETS	839,815	886,839	1,726,654
Net Assets - Beginning of Year	<u>8,043,157</u>	<u>11,547,961</u>	<u>19,591,118</u>
NET ASSETS - END OF YEAR	<u>\$ 8,882,972</u>	<u>\$ 12,434,800</u>	<u>\$ 21,317,772</u>

See accompanying Notes to Financial Statements.

CATHOLIC DIOCESE OF GREEN BAY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributors	\$ 9,496,095	\$ 8,390,528
Cash Received from Contributors - Employee Retention Credit	-	787,496
Cash Received from Sales and Fees for Services	1,721,026	1,366,854
Cash Paid to Suppliers	(3,192,136)	(3,099,264)
Cash Paid to and on Behalf of Employees	(4,689,603)	(4,550,112)
Cash Paid for Grants and Assistance	(2,893,452)	(2,558,916)
Net Cash Flows from Operating Activities	<u>441,930</u>	<u>336,586</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(25,021)	(56,560)
Purchase of Real Estate Held for Sale	(10,625)	(15,145)
Proceeds from Sale of Property and Equipment	-	26,000
Cash Paid for Purchase of Investments	(1,108,382)	(988,671)
Proceeds from Sale of Investments	692,717	1,041,634
Net Cash Flows from Investing Activities	<u>(451,311)</u>	<u>7,258</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Cash Paid to Annuitants	<u>(55,328)</u>	<u>(51,648)</u>
NET CHANGE IN CASH AND INTEREST IN CASH	(64,709)	292,196
Cash and Interest in Cash - Beginning of Year	<u>1,910,225</u>	<u>1,618,029</u>
CASH AND INTEREST IN CASH - END OF YEAR	<u><u>\$ 1,845,516</u></u>	<u><u>\$ 1,910,225</u></u>

See accompanying Notes to Financial Statements.

**CATHOLIC DIOCESE OF GREEN BAY, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,652,552	\$ 1,726,654
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	40,187	43,730
Gain on Sale of Property and Equipment	-	(4,222)
Credit Losses	(104,122)	115,796
Investment Return	(1,589,442)	(1,309,749)
Change in Value of Split-Interest Gift Annuity Agreements	62,352	48,315
Changes in Certain Assets and Liabilities:		
Accounts Receivable	108,979	(120,653)
Inventory and Prepaid Expenses	(183,177)	(34,932)
Accounts Payable and Accrued Expenses	209,868	(110,791)
Deferred Gifts Payable	51,330	20,207
Collections and Custodial Funds	94,177	38,008
Deferred Revenue	99,226	(75,777)
Net Cash Flows from Operating Activities	<u>\$ 441,930</u>	<u>\$ 336,586</u>
NONCASH INVESTING ACTIVITIES		
Interest and Dividends Reinvested Directly Back into Investment Funds	<u>\$ 391,283</u>	<u>\$ 256,837</u>

See accompanying Notes to Financial Statements.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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 stated as amounts due, net of allowance for credit losses. The Diocese determines an allowance for credit losses by identifying troubled accounts and by using historical experience applied to an aging of accounts that is adjusted for reasonable expectations of future collection performance, net of estimated recoveries. The Diocese periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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, 2024 and 2023. 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, 2024.

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, 2024 AND 2023

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:

	2024	2023	2022
Deferred Revenue	\$ 715,407	\$ 616,181	\$ 691,958

Revenue from fees for services is recognized over time and totaled \$1,616,943 and \$1,447,488 during the years ended June 30, 2024 and 2023, respectively.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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.

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.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Standards Update

On July 1, 2023, the Diocese adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Diocese adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Diocese's financial statements but did result in changes to the Diocese's accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses. The Diocese also updated its accounting policies for determining the recoverability of accounts receivable.

Subsequent Events

In preparing these financial statements, the Diocese has evaluated events and transactions for potential recognition or disclosure through October 14, 2024, 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:

	2024	2023
Cash and Interest in Cash	\$ 1,845,516	\$ 1,910,225
Accounts Receivable	-	4,857
Investments	19,687,134	17,822,654
Deferred Gift Agreements	1,179,520	1,042,820
Cash Surrender Value of Life Insurance	169,892	165,965
Subtotal	22,882,062	20,946,521
Less:		
Collections and Custodial Funds	(347,960)	(253,783)
Deferred Gifts Payable	(375,246)	(316,892)
Donor Restricted Net Assets	(13,413,384)	(12,434,800)
Total Financial Assets Available for General Expenditure	<u>\$ 8,745,472</u>	<u>\$ 7,941,046</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, 2024 AND 2023

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.

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

	Fair Value		Redemption Frequency	Termination Notice Period
	2024	2023		
St. Francis Xavier Corp. Fixed Income Fund	\$ 2,147,346	\$ 1,952,893	Daily	30 Days
St. Francis Xavier Corp. Equity Fund	4,102,325	3,828,669	Daily	30 Days
St. Francis Xavier Corp. Treasury Money Market Fund	7,360,382	6,526,213	Daily	30 Days
Catholic Foundation Long Term Fund	6,896,780	6,299,313	Daily	30 Days
Catholic Foundation Treasury Money Market Fund	359,821	258,386	Daily	30 Days
Total Funds	<u>\$ 20,866,654</u>	<u>\$ 18,865,474</u>		

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

	2024	2023
Investments	\$ 19,687,134	\$ 17,822,654
Deferred Gift Agreements	1,179,520	1,042,820
Total	<u>\$ 20,866,654</u>	<u>\$ 18,865,474</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, 2024 AND 2023

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	<u>100 %</u>

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	<u>100 %</u>

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, 2024 AND 2023

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, 2024			
		Level 1	Level 2	Level 3	Total
Assets:					
St. Francis Xavier Corp. Fixed Income Fund	\$	-	\$ 2,147,346	\$ -	\$ 2,147,346
St. Francis Xavier Corp. Equity Fund		-	4,102,325	-	4,102,325
St. Francis Xavier Corp. Treasury Money Market Fund		-	7,360,382	-	7,360,382
Catholic Foundation Long Term Fund		-	6,896,780	-	6,896,780
Catholic Foundation Treasury Money Market Fund		-	359,821	-	359,821
Assets Presented at Fair Value	\$	-	\$ 20,866,654	\$ -	\$ 20,866,654
Liabilities:					
Deferred Gifts Payable	\$	-	\$ -	\$ 375,246	\$ 375,246
		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	\$	-	\$ 18,865,474	\$ -	\$ 18,865,474
Liabilities:					
Deferred Gifts Payable	\$	-	\$ -	\$ 316,892	\$ 316,892

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, 2024 AND 2023

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:

	2024	2023
Interest and Dividends	\$ 391,283	\$ 256,837
Realized and Unrealized Gains on Investments	1,198,159	1,052,912
Total	<u>\$ 1,589,442</u>	<u>\$ 1,309,749</u>

NOTE 5 PROPERTY AND EQUIPMENT

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

	2024	2023
Furniture and Equipment	\$ 159,155	\$ 134,134
Land and Improvements	1,735,115	1,735,115
Buildings	321,200	321,200
Vehicles	78,672	78,672
Total - at Cost	2,294,142	2,269,121
Less: Accumulated Depreciation	(284,751)	(244,564)
Property and Equipment, Net	<u>\$ 2,009,391</u>	<u>\$ 2,024,557</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 7.13% at June 30, 2024). The line of credit is unsecured and expires December 31, 2024.

There were no amounts drawn on the line of credit and no interest expense incurred during the years ended June 30, 2024 and 2023.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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, 2024 and 2023, the Diocese received contributions of \$91,330 and \$20,000, 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 \$20,659 and \$27,636 and payables to the donors of \$7,052 and \$13,485 at June 30, 2024 and 2023, 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 \$660,094 and \$577,859 at June 30, 2024 and 2023, respectively.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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 Diocese's 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:

	2024		
	Program Services	Management and General	Total
Salaries and Wages	\$ 2,643,172	\$ 229,539	\$ 2,872,711
Compensation of Clergy and Religious	411,583	109,116	520,699
Personnel Benefits	1,049,339	123,093	1,172,432
Other Personnel Related Expenses	204,119	-	204,119
Purchased Services	1,124,179	308,496	1,432,675
Facilities, Buildings, and Grounds	442,322	-	442,322
Office	505,442	-	505,442
Grants and Direct Assistance	2,893,452	-	2,893,452
Other	940,624	-	940,624
Total Expenses Included in the Expenses Section on the Statements of Activities	<u>\$ 10,214,232</u>	<u>\$ 770,244</u>	<u>\$ 10,984,476</u>

	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>

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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>2024</u>	<u>2023</u>
Revenues:		
Bishop's Appeal Grant	\$ 4,051,541	\$ 3,873,056
Donation	2,181,850	1,728,906
Total Revenues	<u>\$ 6,233,391</u>	<u>\$ 5,601,962</u>
Expenses:		
Occupancy Expenses	\$ 445,386	\$ 425,309
Insurance Expenses	1,038,377	1,012,644
Donations	249,020	99,740
Administrative Service Fees	1,035,360	906,408
Investment Management Fees	72,781	67,085
Other	14,699	20,990
Total Expenses	<u>\$ 2,855,623</u>	<u>\$ 2,532,176</u>

The Diocese also holds annuities for the benefit of The Catholic Foundation for the Diocese of Green Bay, Inc. As of June 30, 2024 and 2023, the balance was \$14,844 and \$15,373, 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 \$410,796 and \$363,252 for the years ended June 30, 2024 and 2023, 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, 2024 and 2023. 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 \$283,473 and \$266,257 for the years ended June 30, 2024 and 2023, respectively.

CATHOLIC DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2024</u>	<u>2023</u>
Subject to Expenditure for Specified Purpose:		
Education at Catholic University, Washington, D.C.	\$ 1,341,168	\$ 1,321,357
Assistance to the Poor	1,834,106	1,731,500
Seminarians and Vocations	7,022,370	6,404,086
Various Programs	2,773,109	2,539,153
Subject to the Passage of Time:		
Cash Surrender Value of Life Insurance	169,892	165,965
Endowments:		
Subject to Endowment Spending Policy and		
Appropriation - Investment in Perpetuity		
Seminarians and Vocations	272,739	272,739
Total Net Assets with Donor Restrictions	<u>\$ 13,413,384</u>	<u>\$ 12,434,800</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>2024</u>	<u>2023</u>
Satisfaction of Purpose Restrictions:		
Programs and Initiatives	<u>\$ 724,168</u>	<u>\$ 1,027,324</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.