

**THE CATHOLIC FOUNDATION FOR THE
DIOCESE OF GREEN BAY, INC.**

Green Bay, Wisconsin

FINANCIAL STATEMENTS

June 30, 2009 and 2008

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

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INDEPENDENT AUDITORS' REPORT

Mr. Robert Endries and the Board of Directors
The Catholic Foundation for the Diocese of Green Bay, Inc.
Green Bay, Wisconsin

We have audited the accompanying statements of financial position of The Catholic Foundation for the Diocese of Green Bay, Inc. as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the The Catholic Foundation for the Diocese of Green Bay, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Catholic Foundation for the Diocese of Green Bay, Inc.'s internal control over financial reporting. Accordingly we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Catholic Foundation for the Diocese of Green Bay, Inc. as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Baker Tilly Virchow Krause, LLP

Appleton, Wisconsin
September 30, 2009

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash	\$ 985,179	\$ 1,179,515
Accounts and bequests receivable	22,853	3,720
Contributions receivable, net	11,129,683	15,976,152
Investments	40,714,176	43,139,855
Prepaid expenses	2,424	1,652
Property and equipment, net	161	484
Cash surrender value of life insurance	114,800	93,422
Beneficial interest in trusts held by others	<u>170,669</u>	<u>231,475</u>
TOTAL ASSETS	<u>\$ 53,139,945</u>	<u>\$ 60,626,275</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 140,272	\$ 78,858
Funds held for others	7,663,379	8,711,077
Pledges payable	<u>112,118</u>	<u>126,039</u>
Total Liabilities	<u>7,915,769</u>	<u>8,915,974</u>
NET ASSETS		
Unrestricted	4,275,795	6,208,465
Temporarily restricted	40,162,741	44,716,196
Permanently restricted	<u>785,640</u>	<u>785,640</u>
Total Net Assets	<u>45,224,176</u>	<u>51,710,301</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 53,139,945</u>	<u>\$ 60,626,275</u>

See accompanying notes to financial statements.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT				
Contributions	\$ 408,184	\$ 7,344,443	\$ -	\$ 7,752,627
Management fees	158,151	-	-	158,151
Net assets released from restrictions	<u>9,306,659</u>	<u>(9,306,659)</u>	-	-
Total Revenues and Support	<u>9,872,994</u>	<u>(1,962,216)</u>	-	<u>7,910,778</u>
EXPENSES				
Salaries and benefits	459,318	-	-	459,318
Grants	9,335,481	-	-	9,335,481
Facility, buildings and grounds	48,720	-	-	48,720
Purchased services	399,879	-	-	399,879
Office	<u>194,586</u>	-	-	<u>194,586</u>
Total Expenses	<u>10,437,984</u>	-	-	<u>10,437,984</u>
Revenues and Support Deficient of Expenses	(564,990)	(1,962,216)	-	(2,527,206)
OTHER CHANGES IN NET ASSETS				
Change in beneficial interest in trust	-	(60,806)	-	(60,806)
Investment return	<u>(1,367,680)</u>	<u>(2,530,433)</u>	-	<u>(3,898,113)</u>
Total Other Changes in Net Assets	<u>(1,367,680)</u>	<u>(2,591,239)</u>	-	<u>(3,958,919)</u>
Change in Net Assets	(1,932,670)	(4,553,455)	-	(6,486,125)
NET ASSETS - Beginning of Year	<u>6,208,465</u>	<u>44,716,196</u>	<u>785,640</u>	<u>51,710,301</u>
NET ASSETS - END OF YEAR	<u>\$ 4,275,795</u>	<u>\$ 40,162,741</u>	<u>\$ 785,640</u>	<u>\$ 45,224,176</u>

See accompanying notes to financial statements.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT				
Contributions	\$ 1,663,931	\$ 18,607,304	\$ 260,640	\$ 20,531,875
Management fees	174,369	-	-	174,369
Net assets released from restrictions	<u>11,289,190</u>	<u>(11,289,190)</u>	<u>-</u>	<u>-</u>
Total Revenues and Support	<u>13,127,490</u>	<u>7,318,114</u>	<u>260,640</u>	<u>20,706,244</u>
EXPENSES				
Salaries and benefits	450,011	-	-	450,011
Grants	9,189,580	-	-	9,189,580
Facility, buildings and grounds	47,076	-	-	47,076
Purchased services	1,374,458	-	-	1,374,458
Office	<u>273,205</u>	<u>-</u>	<u>-</u>	<u>273,205</u>
Total Expenses	<u>11,334,330</u>	<u>-</u>	<u>-</u>	<u>11,334,330</u>
Revenues and Support in Excess of Expenses	1,793,160	7,318,114	260,640	9,371,914
OTHER CHANGES IN NET ASSETS				
Change in beneficial interest in trust	-	(36,894)	-	(36,894)
Investment return	<u>(431,701)</u>	<u>(1,033,193)</u>	<u>-</u>	<u>(1,464,894)</u>
Total Other Changes in Net Assets	<u>(431,701)</u>	<u>(1,070,087)</u>	<u>-</u>	<u>(1,501,788)</u>
Change in Net Assets	1,361,459	6,248,027	260,640	7,870,126
NET ASSETS - Beginning of Year	<u>4,847,006</u>	<u>38,468,169</u>	<u>525,000</u>	<u>43,840,175</u>
NET ASSETS - END OF YEAR	<u>\$ 6,208,465</u>	<u>\$ 44,716,196</u>	<u>\$ 785,640</u>	<u>\$ 51,710,301</u>

See accompanying notes to financial statements.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

STATEMENTS OF CASH FLOWS Years Ended June 30, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributors and fees	\$ 12,716,736	\$ 18,200,516
Cash paid to and on behalf of employees	(470,731)	(446,705)
Cash paid to suppliers	(1,618,505)	(1,692,297)
Cash paid to donees	<u>(9,349,402)</u>	<u>(9,253,100)</u>
Net Cash Flows From Operating Activities	<u>1,278,098</u>	<u>6,808,414</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(18,492,244)	(22,131,689)
Sale of investments	17,019,810	15,924,906
Proceeds from sale of property held for sale	-	128,108
Net Cash Flows from Investing Activities	<u>(1,472,434)</u>	<u>(6,078,675)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on line of credit	-	(700,852)
Permanently restricted contributions received	-	260,640
Net Cash Flows from Financing Activities	<u>-</u>	<u>(440,212)</u>
Net Change in Cash	(194,336)	289,527
CASH - Beginning of Year	<u>1,179,515</u>	<u>889,988</u>
CASH - END OF YEAR	<u>\$ 985,179</u>	<u>\$ 1,179,515</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (6,486,125)	\$ 7,870,126
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	323	322
Provision for bad debt	(417,700)	292,600
Investment return	3,876,735	1,475,411
Permanently restricted contributions	-	(260,640)
Changes in certain assets and liabilities:		
Contributions receivable	5,264,169	(4,300,313)
Accounts and bequests receivable	(19,133)	(3,720)
Prepaid expenses	(772)	(1,172)
Beneficial interest in trusts held by others	60,806	36,894
Accounts payable and accrued expenses	61,414	6,598
Funds held for others	(1,047,698)	1,755,829
Pledges payable	<u>(13,921)</u>	<u>(63,521)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,278,098</u>	<u>\$ 6,808,414</u>
Noncash investing and financing activities		
Interest and dividends were reinvested directly back into investment funds	\$ 798,306	\$ 1,020,377
The change in funds held for others related to investment returns	(1,417,435)	(517,615)

See accompanying notes to financial statements.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

NOTES TO FINANCIAL STATEMENTS June 30, 2009 and 2008

NOTE 1 - Nature of Activities

The Catholic Foundation for the Diocese of Green Bay, Inc. (the "Foundation") is a not-for-profit corporation organized under the laws of the State of Wisconsin for the purpose of receiving and maintaining a fund or funds of real or personal property and to use or apply the whole or any part of the income therefrom and the principal thereof exclusively for religious, charitable, scientific, literary or educational purposes, in connection with the Catholic Diocese of Green Bay, in accordance with the teachings and the Code of Canon Law of the Roman Catholic Church.

NOTE 2 - Significant Accounting Policies

Net Assets

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

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations. Accounting principles generally accepted in the United States of America provide that if the governing body of an organization has the unilateral power to redirect the use of a donor's contribution to another beneficiary, such contributions must be classified as unrestricted net assets. The Board of Directors of the Foundation has that ability known as variance power over certain funds.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation.

Cash

The Foundation defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less. The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Investment income or loss and unrealized gains or losses are included in the statements of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

Contribution Receivables

The Foundation determines its allowance by considering a number of factors, including the length of time receivable are past due, the Foundation's previous loss history, the debtors' current ability to pay its obligation, and the condition of the general economy.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

NOTE 2 - Significant Accounting Policies (cont.)

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 are depreciated using the straight-line method over their estimated useful lives.

	<u>Years</u>
Furniture and equipment	5-10

Beneficial Interest in Trusts Held by Others

The Foundation has arrangements with donors classified as charitable remainder trusts and charitable gift annuities. The Foundation has recognized its interest in the estimated future cash flows as temporarily restricted net assets based on the fair market value of the assets.

Contribution Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions that are unrestricted by the donor are reported as increases in unrestricted net assets. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets 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 non-financial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Foundation. A substantial number of volunteers have donated significant amounts of their time in the Foundation's program services and in its fund-raising campaigns. 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.

Funds Held for Others

The Foundation has a number of funds for which it acts as a custodian. Receipts are held and disbursements are made according to the intentions of the organization from which the funds were received. These funds are reported as funds held for others in the financial statements. Investment income and distributions of these funds are not considered revenues or expenses of the Foundation.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

NOTES TO FINANCIAL STATEMENTS June 30, 2009 and 2008

NOTE 2 - Significant Accounting Policies (cont.)

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.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in Note 7 to the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Tax Status

The Foundation 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.

Reclassification

For comparability, certain 2008 amounts have been reclassified to conform with classifications adopted in 2009. The reclassifications have no effect on reported amounts of net assets or change in net assets.

NOTE 3 - Fair Value of Financial Instruments

Effective July 1, 2008, the Foundation adopted FASB Statement No. 157, *Fair Value Measurements* ("SFAS No. 157"), which provides a framework for measuring, reporting and disclosing fair value under generally accepted accounting principles. SFAS No. 157 applies to all assets and liabilities that are measured, reported and/or disclosed on a fair value basis. There was no effect on the net assets of the Foundation as a result of the adoption of SFAS No. 157.

As defined in SFAS No. 157, 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 Foundation 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 Foundation attempts to utilize valuation methods that maximize the use of observable inputs and minimizes the use of unobservable inputs. Based on the observability of the inputs used in the valuation methods the Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine 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:

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

NOTES TO FINANCIAL STATEMENTS June 30, 2009 and 2008

NOTE 3 - Fair Value of Financial Instruments (cont.)

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 - Unobservable inputs that are not corroborated by market data.

The table below presents the balances of assets and measured at fair value on a recurring basis.

	June 30, 2009			
	Total	Level 1	Level 2	Level 3
Investments	\$ 40,714,176	\$ 8,187,496	\$ 32,526,680	\$ -
Beneficial interest	170,669	-	-	170,669
Total Assets	\$ 40,884,845	\$ 8,187,496	\$ 32,526,680	\$ 170,669

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis are summarized as follows:

	Beneficial Interest
Balance, July 1, 2008	\$ 231,475
Net gains (losses) (realized and unrealized) included in:	
Net income	(60,806)
Balance, June 30, 2009	\$ 170,669

NOTE 4 - Investments

Investments are carried at market value and consist of the following as of June 30, 2009 and 2008:

	2009	2008
Stock funds	\$ 16,237,094	\$ 20,730,819
Bond funds	8,075,847	11,204,041
Money Market	16,401,235	11,204,995
Total	\$ 40,714,176	\$ 43,139,855

All of the investments were held by St. Francis Xavier Investment Corp. (a related party) as of June 30, 2008. By June 30, 2009 the funds were directly titled in the Foundation's name. Some of the investments are in unitized manager accounts which are also utilized by St. Francis Xavier Investment Corp.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

NOTES TO FINANCIAL STATEMENTS June 30, 2009 and 2008

NOTE 4 - Investments (cont.)

The Foundation considers money market funds held by brokers to be investments. Additional investments consist of stocks, bonds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the financial statements.

Investment return in the statements of activities for the years ended June 30, 2009 and 2008 consist of the following:

	<u>2009</u>	<u>2008</u>
Interest and dividends	\$ 820,975	\$ 1,020,377
Realized and unrealized loss on investments	<u>(4,719,088)</u>	<u>(2,485,271)</u>
Total	<u>\$ (3,898,113)</u>	<u>\$ (1,464,894)</u>

Fees charged on investments have been netted against the investment return. Total fees for the years ended June 30, 2009 and 2008 were \$228,213 and \$312,945, respectively.

NOTE 5 - Contributions Receivable

Contributions receivable consist primarily of donor pledges for funds supporting a variety of activities. Net contributions receivable as of June 30, 2009 and 2008 consist of the following:

	<u>2009</u>	<u>2008</u>
Total contributions receivable	\$ 12,061,430	\$ 17,760,853
Less: Discount to present value	<u>(116,847)</u>	<u>(552,101)</u>
Present value of contributions receivable	11,944,583	17,208,752
Less: Allowance for uncollectible contributions	<u>(814,900)</u>	<u>(1,232,600)</u>
Total contributions receivable, net	<u>\$ 11,129,683</u>	<u>\$ 15,976,152</u>

The discount rates used to determine the present value of contributions are risk-free interest rates applicable to the years in which the promises are received and ranged from 2.56% to 3.34%.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

NOTES TO FINANCIAL STATEMENTS June 30, 2009 and 2008

NOTE 5 - Contributions Receivable (cont.)

Payments on contributions receivable at June 30, 2009 are expected to be received as follows:

Year ending June 30,	
2010	\$ 9,916,641
2011	1,727,846
2012	298,712
2013	88,161
2014	16,670
Thereafter	<u>13,400</u>
	<u>\$ 12,061,430</u>

NOTE 6 - Line of Credit

At June 30, 2007, the Foundation had a line of credit financing agreement with a bank. \$1,500,000 was available to the Foundation. The interest rate on the line was 0%. The line of credit was secured by all of the Foundation's assets and expired on December 12, 2007. The line of credit was redone on December 12, 2007 with a total amount available of \$500,000 with a due date of June 12, 2008. There was no interest expense for the year ended June 30, 2008 as the line of credit is structured in a way that allows the bank to make nightly sweeps from the cash account to the line of credit. The line of credit was not extended when it expired on June 12, 2008.

There was no outstanding balance on the line of credit at June 30, 2008.

NOTE 7 - Functional Classification of Expenses

The costs of providing program and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Expenses by function for the years ended June 30, 2009 and 2008 is as follows:

	<u>2009</u>	<u>2008</u>
Program services:		
Grants	\$ 9,335,481	\$ 9,189,580
Supporting services:		
Management and general	162,983	164,533
Fundraising	<u>939,520</u>	<u>1,980,217</u>
Total	<u>\$ 10,437,984</u>	<u>\$ 11,334,330</u>

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

NOTES TO FINANCIAL STATEMENTS June 30, 2009 and 2008

NOTE 8 - Leases

Foundation leases certain office space and equipment under operating lease agreements on a month to month basis. Total rent expense for the years ended June 30, 2009 and 2008 was \$48,720 and \$47,076, respectively.

NOTE 9 - Related Party Transactions

Foundation is the beneficiary of various assets, received various revenues and incurred various charges from related entities during the year ended June 30, 2009 and 2008 as follows:

<u>Entity</u>	<u>Nature of Transaction</u>	<u>2009</u>	<u>2008</u>
Assets:			
Catholic Diocese of Green Bay, Inc.	Beneficial interest in annuities held by the Catholic Diocese of Green Bay, Inc.	\$ 131,513	\$ 183,194
Revenues:			
Catholic Diocese of Green Bay, Inc.	Donation	-	295,640
	Purchased Services	3,079	-
Camp Tekawitha Retreat and Conference Center, Inc.	Purchased Services	23,990	9,527
The Chapel of Our Lady of Good Help, Inc.	Purchased Services	12,439	9,528
Holy Name Retreat House, Inc.	Purchased services	8,293	9,527
Catholic Charities of the Diocese of Green Bay, Inc.	Purchased services	9,248	28,582
Charges:			
St. Joseph Real Estate Services Corporation	Occupancy expense	99,896	104,220
	Insurance expenses	3,272	1,480
St. Francis Xavier Investment Corp.	Investment management charges	226,589	312,945
St. Luke Benefit & Insurance Services Corp.	Insurance expenses	-	1,498
	Human resources expenses	5,208	5,256
	Unemployment compensation	-	3,106
Catholic Diocese of Green Bay, Inc.	Bishop's Appeal Grant	3,394,900	3,241,270
	Donation	98,125	57,340
The Green Bay Catholic Compass, Inc.	Advertising and subscriptions	36,064	34,139
	Bishop's Appeal grant	195,461	248,990
Catholic Charities of the Diocese of Green Bay, Inc.	Donation	52,517	35,047
	Bishop's Appeal grant	810,396	893,632

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

NOTES TO FINANCIAL STATEMENTS June 30, 2009 and 2008

NOTE 9 - Related Party Transactions (cont.)

	<u>Nature of Transaction</u>	<u>2009</u>	<u>2008</u>
St. Therese of the Little Flower, Inc.	Accounting expenses	\$ 85,464	\$ 87,204
	Computer expenses	42,768	39,192
	Donation	-	250,000
	Communications expenses	16,380	11,984
Newman Center of Oshkosh, Inc.	Bishop's Appeal grant	215,916	208,956
Holy Name Retreat House Inc.	Fees on beneficial interest in trust	5,499	9,300
	Bishop's Appeal grant	19,836	17,865
Camp Tekawitha Retreat and Conference Center, Inc.	Bishop's Appeal grant	7,377	-
	Donation	38,184	58,285
Sacred Heart Seminary Corporation	Donation	42,488	16,374
McCormick Memorial Home for the Aged, Inc.	Donation	12,460	18,073
St. John the Evangelist Homeless Shelter, Inc.	Donation	500	-
The Chapel of Our Lady of Good Help, Inc.	Donation	5,000	-

NOTE 10 - Retirement Plan

Foundation participates in the Catholic Diocese of Green Bay Employees' Retirement Plan. The defined contribution retirement plan covers most lay employees. The plan was altered in 2009 to decrease the vesting period from 5 years to 6 months. Contributions are 9% of an employee's current year salary rather than 9% of the previous calendar year salary as was the case under the old plan. Whereas contributions were made in December for eligible employees under the old plan, the revised agreement specifies that contributions will be made each pay period. Retirement plan expense was \$31,383 and \$25,216 for the years ended June 30, 2009 and 2008, respectively.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

NOTE 11 - Restrictions on Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

	<u>2009</u>	<u>2008</u>
Catholic education	\$ 28,814	\$ 37,000
Priest education	269,772	351,822
Respect for life	241,144	310,867
Children's services	160,968	208,965
Seminarians	1,359,695	895,833
Bishop's appeal	4,881,547	5,396,145
Lumen Christi	10,469,932	13,152,064
Catholic schools	1,112,590	1,395,657
Advancing the mission	20,549,781	22,155,009
Future periods	398,496	332,187
Other Interests	<u>690,002</u>	<u>480,647</u>
	<u>\$ 40,162,741</u>	<u>\$ 44,716,196</u>

Permanently restricted net assets are for endowment purposes. Portions of the investment earnings are used for priest education, seminarians and at the discretion of the Bishop for the areas of greatest needs in the Diocese of Green Bay.

NOTE 12 - Endowment

Effective July 1, 2008 the Foundation adopted the provisions of FASB Staff Position FSP 117-1, "Endowments of Not for Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds". The FSP provides guidance on classifying net assets associated with donor-restricted endowment funds held by an organization. A key component of the FSP (when UPMIFA adopted) is a requirement to classify the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure. Another key component of the FSP is a requirement for expanded disclosures about all endowment funds.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

NOTES TO FINANCIAL STATEMENTS June 30, 2009 and 2008

NOTE 12 - Endowment (cont.)

Interpretation of Relevant Law

The Foundation has interpreted Wisconsin's adoption of the Uniform Management of Institutional Funds Act of 1972 (UMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. The Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to permanent endowments which include outstanding uncollected pledges, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment funds in excess of the original fair value that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are spent in a manner consistent with the donor's wishes. If the market value of the permanently restricted net asset at year end is below the original fair value, the deficit is recorded as an unrestricted unrealized loss.

Fund Objectives

Funds are established to assist the Foundation in its mission as defined in Note 1.

Investment Objective and Cash Flow Policy

The Foundation manages endowments with the intention of preserving and maintaining their existence in perpetuity. The Foundation exercises ordinary business care and prudence under the facts and circumstances prevailing at the time with respect to the making or retaining of investments, or the delegation of investment management to any independent investment counsel or managers (including banks and trust companies) who will act in place of the Foundation in investment and reinvestment of endowment funds. The general policy for investment of the funds shall be primarily directed to preserving the principal of the funds, and secondarily to obtaining reasonable income and capital appreciation thereon.

The distribution policy varies by fund. A typical policy provides an annual distribution based on 5% of the December 31st market value. Depending on the fund and the donor agreement, the annual distribution may temporarily consist of principal until earnings are sufficient to bring the fund back up to its principal balance.

Investment Policies

The Foundation acknowledges the importance of the performance of the capital markets in providing returns to assist in securing the cash flow needs of the Foundation. The Foundation also gives due consideration to the costs and fees of various investment options. As a result, a historical analysis of the performance of the capital markets was developed including various assumptions for projected market conditions. Several combinations of each asset class in varying percentages were examined. Profiles and distributions of expected returns were projected for 20 consecutive years. These outputs were not viewed as predictions, but rather a systematic and consistent method for evaluating investment policies. After review, the Foundation adopted a target asset allocation.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

NOTES TO FINANCIAL STATEMENTS June 30, 2009 and 2008

NOTE 12 - Endowment (cont.)

Investment Policies (cont.)

The Foundation defines the target asset allocation as something which can be controlled and measured. There may be occasions when the Foundation and/or the retained investment manager(s) feel a significant increase or decrease to any of these or other classes of securities may be warranted based on the current and/or anticipated conditions.

The assets of endowments are to be diversified in order to minimize risk of large losses to them by any one or more individual investments. The Foundation believes diversification is, in part, accomplished through the selection of asset mix and investment manager(s).

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. In accordance with generally accepted accounting principals ("GAAP"), deficiencies of this nature that are reported in unrestricted net assets were \$65,726 and \$11,677 as of June 30, 2009 and 2008, respectively. These deficiencies resulted from unfavorable market fluctuations. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in unrestricted net assets.

Endowment net asset composition by type of fund consists of the following as of June 30:

	2009			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor restricted	\$ (65,726)	\$ 144,460	\$ 785,640	\$ 864,374
	2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted	\$ (11,677)	\$ 312,296	\$ 785,640	\$ 1,086,259

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

NOTES TO FINANCIAL STATEMENTS June 30, 2009 and 2008

NOTE 12 - Endowment (cont.)

	2009			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, June 30, 2008	\$ (11,677)	\$ 312,296	\$ 785,640	\$ 1,086,259
Investment return				
Interest and dividends	-	26,008	-	26,008
Realized and unrealized gain (loss)	-	(208,439)	-	(208,439)
Total Investment Return	-	(182,431)	-	(182,431)
Contributions	-	10,873	-	10,873
Appropriation for expenditure	-	(50,327)	-	(50,327)
Redesignation of net assets	(54,049)	54,049	-	-
Total	(54,049)	14,595	-	(39,454)
 Endowment Net Assets, June 30, 2009	 \$ (65,726)	 \$ 144,460	 \$ 785,640	 \$ 864,374
	2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, June 30, 2007	\$ -	\$ 377,032	\$ 525,000	\$ 902,032
Investment return				
Interest and dividends	-	26,425	-	26,425
Realized and unrealized gain (loss)	-	(103,198)	-	(103,198)
Total Investment Return	-	(76,773)	-	(76,773)
Contributions	-	10,000	260,640	270,640
Appropriation for expenditure	-	(9,640)	-	(9,640)
Redesignation of net assets	(11,677)	11,677	-	-
Total	(11,677)	12,037	260,640	261,000
 Endowment Net Assets, June 30, 2008	 \$ (11,677)	 \$ 312,296	 \$ 785,640	 \$ 1,086,259

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.

NOTES TO FINANCIAL STATEMENTS June 30, 2009 and 2008

NOTE 13 - Pledges Payable

During the year ended June 30, 2005, the Foundation made a pledge of long term support. The pledge calls for ten annual payments of \$25,000 each to be made, with the final payment due in fiscal 2014. The liability on the financial statements at June 30, 2009 has been recorded at the net present value of the payments due.

NOTE 14 - Subsequent Event

Foundation has evaluated subsequent events through September 30, 2009 which is the date that the financial statements were approved and available to be issued.

On July 21, 2009, the State of Wisconsin passed a bill that replaces UMIFA with the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The Foundation is currently analyzing the potential impact this law will have on future financial statements.

NOTE 15 - New Accounting Standards

In June 2009, the FASB issued SFAS 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles. SFAS 168 will become the single source of authoritative nongovernmental U.S. GAAP, superseding existing FASB, American Institute of Certified Public Accountants ("AICPA"), Emerging Issues Task Force ("EITF"), and related accounting literature. SFAS 168 reorganizes the thousands of GAAP pronouncements into roughly 90 accounting topics and displays them using a consistent structure. Also included is relevant Securities and Exchange Commission guidance organized using the same topical structure in separate sections. SFAS 168 will be effective for the period ending June 30, 2010. This will have an impact on Foundation's disclosures in its financial statements since all future references to authoritative accounting literature will be referenced in accordance with the Accounting Standards Codification.