

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

FINANCIAL STATEMENTS
Including Independent Auditors' Report

June 30, 2010 and 2009

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

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INDEPENDENT AUDITORS' REPORT

Ms. Mary Schaupp 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, 2010 and 2009, 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, 2010 and 2009, 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
October 6, 2010

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

STATEMENTS OF FINANCIAL POSITION June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Interest in cash	\$ 25,800	\$ -
Cash	<u>642,514</u>	<u>985,179</u>
Cash and Cash Equivalents	668,314	985,179
Accounts and bequests receivable	-	22,853
Contributions receivable, net	6,642,773	11,129,683
Investments	45,373,790	40,714,176
Prepaid expenses and other	2,315	2,585
Cash surrender value of life insurance	213,896	114,800
Beneficial interest in assets held by others	<u>201,589</u>	<u>170,669</u>
TOTAL ASSETS	<u>\$ 53,102,677</u>	<u>\$ 53,139,945</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 191,201	\$ 140,272
Funds held for others	8,576,964	7,663,379
Pledges payable	<u>86,628</u>	<u>112,118</u>
Total Liabilities	<u>8,854,793</u>	<u>7,915,769</u>
NET ASSETS		
Unrestricted	4,842,853	4,275,795
Temporarily restricted	38,619,391	40,162,741
Permanently restricted	<u>785,640</u>	<u>785,640</u>
Total Net Assets	<u>44,247,884</u>	<u>45,224,176</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 53,102,677</u>	<u>\$ 53,139,945</u>

See accompanying notes to financial statements.

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

STATEMENT OF ACTIVITIES Year Ended June 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND SUPPORT				
Contributions	\$ 741,368	\$ 6,078,538	\$ -	\$ 6,819,906
Management fees	330,696	-	-	330,696
Net assets released from restrictions	<u>9,253,914</u>	<u>(9,253,914)</u>	-	-
Total Revenues and Support	<u>10,325,978</u>	<u>(3,175,376)</u>	-	<u>7,150,602</u>
EXPENSES				
Salaries and benefits	451,384	-	-	451,384
Grants	9,239,899	-	-	9,239,899
Facility, buildings and grounds	51,672	-	-	51,672
Purchased services	514,301	-	-	514,301
Office	<u>200,645</u>	-	-	<u>200,645</u>
Total Expenses	<u>10,457,901</u>	-	-	<u>10,457,901</u>
Revenues and Support Deficient of Expenses	<u>(131,923)</u>	<u>(3,175,376)</u>	-	<u>(3,307,299)</u>
OTHER CHANGES IN NET ASSETS				
Change in beneficial interest in assets held by others	-	30,920	-	30,920
Investment return	<u>698,981</u>	<u>1,601,106</u>	-	<u>2,300,087</u>
Total Other Changes in Net Assets	<u>698,981</u>	<u>1,632,026</u>	-	<u>2,331,007</u>
Change in Net Assets	567,058	(1,543,350)	-	(976,292)
NET ASSETS - Beginning of Year	<u>4,275,795</u>	<u>40,162,741</u>	<u>785,640</u>	<u>45,224,176</u>
NET ASSETS - END OF YEAR	<u>\$ 4,842,853</u>	<u>\$ 38,619,391</u>	<u>\$ 785,640</u>	<u>\$ 44,247,884</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>9,252,610</u>	<u>(9,252,610)</u>	-	-
Total Revenues and Support	<u>9,818,945</u>	<u>(1,908,167)</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	<u>(619,039)</u>	<u>(1,908,167)</u>	-	<u>(2,527,206)</u>
OTHER CHANGES IN NET ASSETS				
Change in beneficial interest in assets held by others	-	(60,806)	-	(60,806)
Investment return	<u>(1,313,631)</u>	<u>(2,584,482)</u>	-	<u>(3,898,113)</u>
Total Other Changes in Net Assets	<u>(1,313,631)</u>	<u>(2,645,288)</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.

STATEMENTS OF CASH FLOWS Years Ended June 30, 2010 and 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributors and fees	\$ 11,574,270	\$ 12,716,736
Cash paid to and on behalf of employees	(453,403)	(470,731)
Cash paid to suppliers	187,184	(1,618,505)
Cash paid for grants	(9,265,389)	(9,349,402)
Net Cash Flows From Operating Activities	2,042,662	1,278,098
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(22,817,862)	(18,492,244)
Sale of investments	20,458,335	17,019,810
Net Cash Flows from Investing Activities	(2,359,527)	(1,472,434)
Net Change in Cash	(316,865)	(194,336)
CASH AND CASH EQUIVALENTS - Beginning of Year	985,179	1,179,515
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 668,314	\$ 985,179
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (976,292)	\$ (6,486,125)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	161	323
Provision (benefit) for uncollectible contributions	(64,900)	(417,700)
Investment return	(2,399,183)	3,876,735
Change in beneficial interest in assets held by others	(30,920)	60,806
Changes in certain assets and liabilities:		
Contributions receivable	4,551,810	5,264,169
Accounts and bequests receivable	22,853	(19,133)
Prepaid expenses	109	(772)
Accounts payable and accrued expenses	50,929	61,414
Funds held for others	913,585	(1,047,698)
Pledges payable	(25,490)	(13,921)
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 2,042,662	\$ 1,278,098
Noncash investing and financing activities		
Interest and dividends reinvested directly back into investment funds	\$ 481,827	\$ 798,306
Change in funds held for others related to investment returns	747,055	(1,417,435)

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2010 and 2009

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 using or applying 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.

Interest in Cash

The Foundation participates in a pooled cash account with a related entity. This account sweeps daily to a zero balance. The total of the pooled cash account, 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.

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.

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

NOTES TO FINANCIAL STATEMENTS June 30, 2010 and 2009

NOTE 2 - Significant Accounting Policies (cont.)

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. Donor-restricted investment income and unrealized gains or losses are reported as increases or decreases in temporarily restricted net assets. 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.

Beneficial Interest in Assets 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.

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

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, 2010 and 2009

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 6 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 2009 amounts have been reclassified to conform with classifications adopted in 2010. The reclassifications have no effect on reported amounts of net assets or change in net assets.

NOTE 3 - Investments

For the year ended June 30, 2009, the Foundation had grouped their investments with St. Francis Xavier investment Corp. ("St. Francis Xavier Corp.") and created a unitized fixed income pool, equity pool and money market pool. During the year ended June 30, 2010, the pooled funds were segregated and are now fully owned by the Foundation. Investments consist of the following as of June 30:

	<u>2010</u>	<u>2009</u>
Bonds	\$ 19,539,500	\$ -
Stocks	13,093,402	-
Money market	12,740,888	-
Fixed income pool	-	8,075,847
Equity pool	-	16,237,094
Money market pool	-	16,401,235
	<u> </u>	<u> </u>
Total	\$ <u>45,373,790</u>	\$ <u>40,714,176</u>

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

NOTES TO FINANCIAL STATEMENTS June 30, 2010 and 2009

NOTE 3 - Investments (cont.)

The money market fund is intended to be utilized by intermediate and short-term money. The fixed income fund is to be utilized by intermediate and long-term money. The target allocation includes aggregate, intermediate, and short-term fixed income securities in addition to cash. The equity fund is intended to be utilized by long-term money. The target allocation includes small, mid and large domestic stocks, international stocks and cash and cash equivalents.

Investment return in the statements of activities for the years ended June 30, 2010 and 2009 consist of the following:

	<u>2010</u>	<u>2009</u>
Interest and dividends	\$ 582,672	\$ 820,975
Realized and unrealized gains/(losses) on investments	<u>1,717,415</u>	<u>(4,719,088)</u>
Total	<u>\$ 2,300,087</u>	<u>\$ (3,898,113)</u>

Fees charged on investments have been netted against the investment return. Total fees for the years ended June 30, 2010 and 2009 were \$361,375 and \$228,213, respectively.

NOTE 4 - Fair Value of Financial Instruments

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 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 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.

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

NOTES TO FINANCIAL STATEMENTS June 30, 2010 and 2009

NOTE 4 - Fair Value of Financial Instruments (cont.)

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

	June 30, 2010			
	Total	Level 1	Level 2	Level 3
Bonds	\$ 19,539,500	\$ 19,539,500	\$ -	\$ -
Stocks	13,093,402	13,093,402	-	-
Money market	12,740,889	-	12,740,889	-
Beneficial Interest	<u>201,589</u>	<u>-</u>	<u>-</u>	<u>201,589</u>
Total Assets	<u>\$ 45,575,380</u>	<u>\$ 32,632,902</u>	<u>\$ 12,740,889</u>	<u>\$ 201,589</u>
	June 30, 2009			
	Total	Level 1	Level 2	Level 3
Fixed income pool	\$ 8,075,847	\$ 2,506,404	\$ 5,569,443	\$ -
Equity pool	16,237,094	5,621,482	10,615,612	-
Money market pool	16,401,235	59,610	16,341,625	-
Beneficial Interest	<u>170,669</u>	<u>-</u>	<u>-</u>	<u>170,669</u>
Total Assets	<u>\$ 40,884,845</u>	<u>\$ 8,187,496</u>	<u>\$ 32,526,680</u>	<u>\$ 170,669</u>

The following methods and assumptions were used to estimate the fair value for each of the investments measured at fair value:

Investments consist of stocks, bonds, mutual funds and unitized manager accounts. The stocks, bonds and mutual funds are measured at fair value using quoted market prices. They are classified as Level 1 as they are traded in an active market for which closing prices are readily available. The fixed income, equity and money market pools are unitized manager funds which are measured at fair value based on the net asset value per share provided by the fund administrator. The unitized manager funds are classified as Level 2 as there is not an active market for the units.

The beneficial interest is measured at fair value based on information received from the managers of the funds. It is classified as Level 3 as the valuation is not corroborated by market data.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 4 - Fair Value of Financial Instruments (cont.)

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

	<u>Beneficial Interest</u>
Balance, June 30, 2008	\$ 231,475
Net losses (realized and unrealized) included in:	
Change in net assets	<u>(60,806)</u>
Balance, June 30, 2009	\$ 170,669
Net gains (realized and unrealized) included in:	
Change in net assets	<u>30,920</u>
Balance, June 30, 2010	<u>\$ 201,589</u>

NOTE 5 - Contributions Receivable

Contributions receivable consist primarily of donor pledges for funds supporting a variety of activities. Contributions receivable expect to be realized as follows at June 30:

	<u>2010</u>	<u>2009</u>
Less than one year	\$ 6,894,123	\$ 12,061,430
One to five years	523,754	-
Less: Discount to present value	<u>(25,104)</u>	<u>(116,847)</u>
Present value of contributions receivable	7,392,773	11,944,583
Less: Allowance for uncollectible contributions	<u>(750,000)</u>	<u>(814,900)</u>
Total Contributions Receivable, Net	<u>\$ 6,642,773</u>	<u>\$ 11,129,683</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 1.79% to 2.56%.

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

NOTES TO FINANCIAL STATEMENTS June 30, 2010 and 2009

NOTE 6 - 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, 2010 and 2009 are as follows:

	2010	2009
Program services:		
Grants	\$ 9,245,741	\$ 9,335,481
Supporting services:		
Management and general	280,779	162,983
Fundraising	931,381	939,520
Total	\$ 10,457,901	\$ 10,437,984

NOTE 7 - Leases

Foundation leases certain office space and equipment under operating lease agreements with a related party on a month to month basis. Total rent expense for the years ended June 30, 2010 and 2009 was \$51,672 and \$48,720, respectively.

NOTE 8 - Related Party Transactions

Foundation is the beneficiary of various assets, received various revenues and incurred various charges from related entities during the years ended June 30, 2010 and 2009 as noted below. All activity is settled between the entities, therefore there is no accounts receivable or accounts payable between the entities as of June 30, 2010 and 2009.

Entity	Nature of Transaction	2010	2009
Assets:			
Catholic Diocese of Green Bay, Inc.	Beneficial interest in annuities held by the Catholic Diocese of Green Bay, Inc.	\$ 158,361	\$ 131,513
Revenues:			
Catholic Diocese of Green Bay, Inc.	Purchased Services	-	3,079
Camp Tekawitha Retreat and Conference Center, Inc.	Purchased Services	59,544	23,990
The Shrine of Our Lady of Good Help, Inc.	Purchased Services	10,000	12,439
Holy Name Retreat House, Inc.	Purchased services	-	8,293
Catholic Charities of the Diocese of Green Bay, Inc.	Purchased services	-	9,248

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 8 - Related Party Transactions (cont.)

<u>Entity</u>	<u>Nature of Transaction</u>	<u>2010</u>	<u>2009</u>
Charges:			
St. Joseph Real Estate Services Corporation	Occupancy expense	\$ 106,902	\$ 99,896
	Insurance expenses	3,254	3,272
St. Luke Benefit & Insurance Services Corp.	Insurance expenses	12,135	-
	Human resources expenses	5,208	5,208
Catholic Diocese of Green Bay, Inc.	Bishop's Appeal Grant	2,646,226	3,394,900
	Donation	146,700	98,125
The Green Bay Catholic Compass, Inc.	Advertising and subscriptions	38,819	36,064
	Bishop's Appeal grant	193,175	195,461
	Donation	5,000	-
Catholic Charities of the Diocese of Green Bay, Inc.	Bishop's Appeal grant	822,799	810,396
	Donation	53,934	52,517
	Spalding golf outing advertising/sponsorship	250	-
St. Therese of the Little Flower, Inc.	Accounting expenses	120,888	85,464
	Computer expenses	40,620	42,768
	Communications expenses	13,452	16,380
Newman Center of Oshkosh, Inc.	Bishop's Appeal grant	182,759	215,916
Holy Name Retreat House Inc.	Bishop's Appeal grant	-	19,836
	Donation	8,390	-
Camp Tekawitha Retreat and Conference Center, Inc.	Bishop's Appeal grant	-	7,377
	Donation	7,654	38,184
Sacred Heart Seminary Corporation	Donation	77,529	42,488
McCormick Memorial Home for the Aged, Inc.	Donation	14,525	12,460
St. John the Evangelist Homeless Shelter, Inc.	Donation	500	500
The Shrine of Our Lady of Good Help, Inc.	Donation	5,540	5,000

NOTE 9 - Retirement Plan

Foundation participates in the Catholic Diocese of Green Bay Employees' Retirement Plan. The defined contribution retirement plan covers most lay employees. The vesting period of the plan is 6 months. Contributions are 9% of an employee's current year wages and are made each pay period. Retirement plan expense for the years ended June 30, 2010 and 2009 was \$30,934 and \$31,383, respectively.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2010 and 2009

NOTE 10 - Restricted Net Assets

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

	<u>2010</u>	<u>2009</u>
Catholic education	\$ 30,785	\$ 28,814
Priest education	287,659	269,772
Respect for life	256,818	241,144
Children's services	171,702	160,968
Seminarians	1,941,664	1,359,695
Bishop's appeal	5,152,607	4,881,547
Lumen Christi	11,077,061	10,469,932
Catholic schools	1,199,330	1,112,590
Advancing the mission	16,481,502	20,549,781
Future periods	523,171	398,496
Other interests	<u>1,497,092</u>	<u>690,002</u>
	<u>\$ 38,619,391</u>	<u>\$ 40,162,741</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 11 - Endowment

Interpretation of Relevant Law

The Foundation has interpreted Wisconsin's adoption of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 appropriated in a manner consistent with the donor's wishes and the standard of prudence prescribed by UPMIFA. If the market value of the permanently restricted net assets 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.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2010 and 2009

NOTE 11 - Endowment (cont.)

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 fair 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. 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 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). The Foundation gives due consideration to the costs and fees of various investment options.

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 \$50,904 and \$65,726 as of June 30, 2010 and 2009, 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.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 11 - Endowment (cont.)

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

	2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted	<u>\$ (50,904)</u>	<u>\$ 199,810</u>	<u>\$ 785,640</u>	<u>\$ 934,546</u>
	2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted	<u>\$ (65,726)</u>	<u>\$ 144,460</u>	<u>\$ 785,640</u>	<u>\$ 864,374</u>
	2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, June 30, 2009	<u>\$ (65,726)</u>	<u>\$ 144,460</u>	<u>\$ 785,640</u>	<u>\$ 864,374</u>
Investment return				
Interest and dividends	-	18,176	-	18,176
Realized and unrealized gain	-	97,841	-	97,841
Total Investment Return	-	116,017	-	116,017
Contributions	-	10,809	-	10,809
Appropriation for expenditure	-	(56,654)	-	(56,654)
Investment return released from restrictions	14,822	(14,822)	-	-
Total	<u>14,822</u>	<u>(60,667)</u>	<u>-</u>	<u>(45,845)</u>
Endowment Net Assets, June 30, 2010	<u>\$ (50,904)</u>	<u>\$ 199,810</u>	<u>\$ 785,640</u>	<u>\$ 934,546</u>

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 11 - Endowment (cont.)

	2009			Total
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
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 loss	-	(208,439)	-	(208,439)
Total Investment Return	-	(182,431)	-	(182,431)
Contributions	-	10,873	-	10,873
Appropriation for expenditure	-	(50,327)	-	(50,327)
Investment return released from restrictions	(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

NOTE 12 - 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, 2010 has been recorded at the net present value of the payments due discounted at 6%.

NOTE 13 - Subsequent Event

Foundation has evaluated subsequent events through October 6, 2010 which is the date that the financial statements were approved and available to be issued.