

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

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023



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**THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.
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YEARS ENDED JUNE 30, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Catholic Foundation for the 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 The Catholic Foundation for the 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 The Catholic Foundation for the 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 The Catholic Foundation for the 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, liabilities were overstated and net assets with donor restrictions were understated for the years ended June 30, 2023 and 2022. Accordingly, amounts reported for liabilities and net assets with donor restrictions have been restated in the 2024 financial statements now presented, and adjustments have been made to properly report net assets released from restrictions and grant expense for the year then ended. Our opinion is not modified with respect to this matter.

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 The Catholic Foundation for the 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 The Catholic Foundation for the 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 The Catholic Foundation for the 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 29, 2024

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

	2024	(As Restated) 2023
ASSETS		
Cash and Cash Equivalents	\$ 6,745,199	\$ 6,966,514
Bequest Receivable	606,136	411,672
Contributions Receivable, Net of Allowance for Credit Losses of \$2,100,000 and \$3,000,000, Respectively	27,108,784	36,852,081
Investments	169,332,874	152,330,364
Prepaid Expenses	7,377	8,487
Cash Surrender Value of Life Insurance	1,293,446	1,178,363
Beneficial Interest in Assets Held by Others	92,510	91,195
Property and Equipment	2,985	5,215
Total Assets	\$ 205,189,311	\$ 197,843,891
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,207,042	\$ 752,646
Funds Held for Others	67,142,368	62,933,441
Funds Held for Others - Shrine	2,167,800	1,921,263
Pledges Payable	115,351	345,016
Total Liabilities	70,632,561	65,952,366
NET ASSETS		
Without Donor Restrictions	28,414,074	24,403,767
With Donor Restrictions	106,142,676	107,487,758
Total Net Assets	134,556,750	131,891,525
Total Liabilities and Net Assets	\$ 205,189,311	\$ 197,843,891

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions of Cash and Other Financial Assets	\$ 2,918,844	\$ 8,120,566	\$ 11,039,410
Management Fees	1,307,532	-	1,307,532
Net Assets Released from Restrictions	15,363,154	(15,363,154)	-
Total Revenues and Support	19,589,530	(7,242,588)	12,346,942
EXPENSES			
Salaries and Wages	881,416	-	881,416
Personnel Benefits	304,315	-	304,315
Purchased Services	779,768	-	779,768
Occupancy	61,644	-	61,644
Office	397,623	-	397,623
Uncollectible Accounts	(900,000)	-	(900,000)
Grants	16,733,340	-	16,733,340
Total Expenses	18,258,106	-	18,258,106
REVENUES AND SUPPORT IN EXCESS (DEFICIT) OF EXPENSES	1,331,424	(7,242,588)	(5,911,164)
OTHER CHANGES IN NET ASSETS			
Investment Return:			
Interest and Dividends	759,162	1,486,154	2,245,316
Realized Gains (Losses)	285,095	(18,567)	266,528
Unrealized Gains	1,634,626	4,313,521	5,948,147
Change in Beneficial Interest in Assets Held by Others	-	1,315	1,315
Change in Cash Surrender Value of Life Insurance	-	115,083	115,083
Total Other Changes in Net Assets	2,678,883	5,897,506	8,576,389
CHANGE IN NET ASSETS	4,010,307	(1,345,082)	2,665,225
Net Assets - Beginning of Year, As Previously Reported	24,403,767	94,537,236	118,941,003
Restatement, As Disclosed in Note 3	-	12,950,522	12,950,522
Net Assets - Beginning of Year, As Restated	24,403,767	107,487,758	131,891,525
NET ASSETS - END OF YEAR	\$28,414,074	\$106,142,676	\$134,556,750

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	(As Restated) With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions of Cash and Other Financial Assets	\$ 3,340,228	\$ 35,695,724	\$ 39,035,952
Management Fees	1,144,579	-	1,144,579
Net Assets Released from Restrictions	17,864,881	(17,864,881)	-
Total Revenues and Support	22,349,688	17,830,843	40,180,531
EXPENSES			
Salaries and Wages	833,798	-	833,798
Personnel Benefits	342,918	-	342,918
Purchased Services	3,449,427	-	3,449,427
Occupancy	69,768	-	69,768
Office	555,072	-	555,072
Uncollectible Accounts	1,550,000	-	1,550,000
Grants	14,457,446	-	14,457,446
Total Expenses	21,258,429	-	21,258,429
REVENUES AND SUPPORT IN EXCESS OF EXPENSES	1,091,259	17,830,843	18,922,102
OTHER CHANGES IN NET ASSETS			
Investment Return:			
Interest and Dividends	500,083	723,314	1,223,397
Realized Gains (Losses)	42,539	(242,904)	(200,365)
Unrealized Gains	1,550,016	3,991,672	5,541,688
Change in Beneficial Interest in Assets Held by Others	-	9,304	9,304
Change in Cash Surrender Value of Life Insurance	-	115,725	115,725
Total Other Changes in Net Assets	2,092,638	4,597,111	6,689,749
CHANGE IN NET ASSETS	3,183,897	22,427,954	25,611,851
Net Assets - Beginning of Year, As Previously Reported	21,219,870	77,415,639	98,635,509
Restatement, As Disclosed in Note 3	-	7,644,165	7,644,165
Net Assets - Beginning of Year, As Restated	21,219,870	85,059,804	106,279,674
NET ASSETS - END OF YEAR	\$24,403,767	\$ 107,487,758	\$ 131,891,525

See accompanying Notes to Financial Statements.

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

	<u>2024</u>	<u>(As Restated) 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributors and Fees	\$21,895,775	\$28,709,554
Cash Received on Behalf of Others	4,455,464	8,079,920
Cash Paid to and on Behalf of Employees	(1,157,659)	(1,219,876)
Cash Paid to Suppliers	90,629	(5,300,400)
Cash Paid for Grants	<u>(16,963,005)</u>	<u>(14,646,906)</u>
Net Cash Flows from Operating Activities	8,321,204	15,622,292
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Paid for Purchases of Investments	(34,188,113)	(38,979,280)
Proceeds from Sale of Investments	<u>25,645,594</u>	<u>27,153,287</u>
Net Cash Flows from Investing Activities	<u>(8,542,519)</u>	<u>(11,825,993)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(221,315)	3,796,299
Cash and Cash Equivalents - Beginning of Year	<u>6,966,514</u>	<u>3,170,215</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,745,199</u>	<u>\$ 6,966,514</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 2,665,225	\$25,611,851
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	1,025	1,025
Loss on Disposal of Property and Equipment	1,205	-
Uncollectible Accounts	(900,000)	1,550,000
Investment Return	(8,575,074)	(6,680,445)
Change in Beneficial Interest in Assets Held by Others	(1,315)	(9,304)
Changes in Certain Assets and Liabilities:		
Accounts Receivable	-	23,500
Bequest Receivable	(194,464)	1,218,541
Contributions Receivable	10,643,297	(14,263,018)
Prepaid Expenses	1,110	(7,489)
Accounts Payable and Accrued Expenses	454,396	287,171
Funds Held for Others	4,455,464	8,079,920
Pledges Payable	<u>(229,665)</u>	<u>(189,460)</u>
Net Cash Flows from Operating Activities	<u>\$ 8,321,204</u>	<u>\$15,622,292</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Interest and Dividends Reinvested Directly into Investment Funds	<u>\$ 2,245,316</u>	<u>\$ 1,223,397</u>
Change in Funds Held for Others Related to Investment Returns	<u>\$ 4,490,722</u>	<u>\$ 3,549,726</u>

See accompanying Notes to Financial Statements.

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

NOTE 1 PRINCIPAL ACTIVITY

The Catholic Foundation for the Diocese of Green Bay, Inc. (the Foundation) is a nonprofit 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 there from and the principal thereof exclusively for religious, charitable, scientific, literary, or educational purposes, in support of the Catholic Church, with guidance from the Code of Canon Law of the Roman Catholic Church. For more than 25 years, the Catholic Foundation has benefited the Catholic Diocese of Green Bay, Catholic parishes and schools and other non-profit organizations through fundraising campaigns, planned giving services and endowment funds.

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.

Cash and Cash Equivalents

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

The Foundation's investment strategy incorporates a diversified Catholic social responsible asset allocation approach and maintains, within defined limits, exposure to the world equity and fixed income markets, including alternative investments. This strategy provides the Foundation with an asset mix that is most likely to meet its long-term return goals with an appropriate level of risk. The Foundation's Investment Committee has engaged independent external investment consultants to advise on asset allocation and conduct due diligence on investment managers. In addition, the Foundation monitors the portfolio asset allocation and performance regularly to ensure compliance with the investment policy.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 net assets with donor restrictions based on the fair market value of the assets.

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.

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

Management fees are recognized in the period the management activities are performed and represent fees charged to entities with funds held by the Foundation. Revenue from management fees is recognized over time and totaled \$1,307,532 and \$1,144,579 during the years ended June 30, 2024 and 2023, respectively.

THE CATHOLIC FOUNDATION FOR THE 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 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.

The Foundation determines its allowance for contributions received by considering a number of factors, including the length of time receivables are past due, the Foundation's previous loss history, the donor's 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 nonfinancial 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 fundraising 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.

Grant Expense

In connection with its annual budget process, the Foundation communicates its intent to support various Catholic and non-Catholic organizations with estimated grants. Management does not consider this intent to support or the communication of this intent to support an unconditional promise to give. The Foundation grant is recorded in the year in which the grant is distributed.

Tax-Exempt 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.

The Foundation incurred no unrelated business income tax for the years ended June 30, 2024 and 2023.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through October 29, 2024, the date the financial statements were available to be issued.

During the year ended June 30, 2025, the Foundation made a pledge of long-term support totaling \$2,500,000 to be paid in annual installments of \$500,000 over the next five years.

NOTE 3 RESTATEMENT

It was determined that net assets released from restrictions and grant expense of \$5,306,357 and \$7,644,165 were overstated for the years ended June 30, 2023 and 2022, respectively. Therefore, the financial statements have been restated to reflect the decreases in liabilities, net assets released from restrictions, and grants and increases in net assets with donor restrictions as noted below:

	2023		
	Balance Prior to Restatement	Adjustment	Balance as Restated
Funds Held for Others	\$ 75,883,963	\$ (12,950,522)	\$ 62,933,441
Net Assets With Donor Restrictions	94,537,236	12,950,522	107,487,758
Net Assets Released from Restrictions	23,171,238	(5,306,357)	17,864,881
Grants	19,763,803	(5,306,357)	14,457,446
	2022		
	Balance Prior to Restatement	Adjustment	Balance as Restated
Funds Held for Others	\$ 62,586,193	\$ (7,644,165)	\$ 54,942,028
Net Assets With Donor Restrictions	77,415,639	7,644,165	85,059,804
Net Assets Released from Restrictions	18,475,281	(7,644,165)	10,831,116
Grants	18,521,017	(7,644,165)	10,876,852

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

NOTE 4 LIQUIDITY AND AVAILABILITY

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

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 6,745,199	\$ 6,966,514
Bequest Receivable	606,136	411,672
Contributions Receivable	27,108,784	36,852,081
Investments	169,332,874	152,330,364
Beneficial Interest in Assets Held by Others	92,510	91,195
Subtotal	<u>203,885,503</u>	<u>196,651,826</u>
Less:		
Funds Held for Others	(69,310,168)	(64,854,704)
Donor Restricted Net Assets	<u>(106,142,676)</u>	<u>(107,487,758)</u>
Total Financial Assets Available for General Expenditure	<u>\$ 28,432,659</u>	<u>\$ 24,309,364</u>

Our endowment funds consist of donor-restricted endowments set up to support a variety of programs and initiatives. 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 CATHOLIC FOUNDATION FOR THE DIOCESE OF GREEN BAY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 5 INVESTMENTS

Investments consisted of the following pooled funds as of June 30:

	<u>2024</u>	<u>2023</u>
Bonds	\$ 35,638,666	\$ 31,728,498
Stocks	77,186,066	71,828,172
Treasury Money Market	55,587,932	47,936,364
Hedge Funds	920,210	837,330
Total	<u>\$ 169,332,874</u>	<u>\$ 152,330,364</u>

The Foundation entered into alternative investments in order to further diversify the Foundation's portfolio. Alternative investments are expected to provide equity-like returns with substantially reduced volatility over a full market cycle.

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

	<u>2024</u>	<u>2023</u>
Interest and Dividends	\$ 2,245,316	\$ 1,223,397
Realized Gains (Losses)	266,528	(200,365)
Unrealized Gains	5,948,147	5,541,688
Change in Cash Surrender Value of Life Insurance	115,083	115,725
Total	<u>\$ 8,575,074</u>	<u>\$ 6,680,445</u>

For the years ended June 30, 2024 and 2023, \$82,880 and \$29,589, respectively, of the net realized and unrealized gains (losses) on investments relate to the alternative investments and have been included in the net investment return on the accompanying statements of activities.

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

NOTE 6 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 minimize the use of unobservable inputs.

The fair value hierarchy ranks the quality and reliability of the information used to determine the 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 table presents the balances of assets measured at fair value on a recurring basis:

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Bonds	\$ 35,638,666	\$ -	\$ -	\$ 35,638,666
Stocks	77,186,066	-	-	77,186,066
Treasury Money Market	-	55,587,932	-	55,587,932
Beneficial Interest	-	-	92,510	92,510
Hedge Funds	-	-	920,210	920,210
Total Assets	<u>\$ 112,824,732</u>	<u>\$ 55,587,932</u>	<u>\$ 1,012,720</u>	<u>\$ 169,425,384</u>

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Bonds	\$ 31,728,498	\$ -	\$ -	\$ 31,728,498
Stocks	71,828,172	-	-	71,828,172
Treasury Money Market	-	47,936,364	-	47,936,364
Beneficial Interest	-	-	91,195	91,195
Hedge Funds	-	-	837,330	837,330
Total Assets	<u>\$ 103,556,670</u>	<u>\$ 47,936,364</u>	<u>\$ 928,525</u>	<u>\$ 152,421,559</u>

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

NOTE 6 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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 hedge funds. 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 treasury money market fund, which is valued based on quoted market prices, is classified as Level 2 as there is not an active market.

The beneficial interest is measured at fair value based on information received from the trustee of the funds. It is classified as Level 3 as the valuation is not corroborated by market data. The unobservable inputs are the underlying assets held by the trustee and its investment policy. The trustee does not have any restrictions on redemption frequency or a required redemption notice period.

The Foundation has chosen to employ a fund of funds approach in its allocation to alternative investments presented as 'hedge funds' in the fair value table above. The funds are in a private partnership structure and invest predominantly in other private partnerships. Since there is no readily available market for investments in certain private partnerships, such investments are classified as Level 3. A net asset value (NAV) is calculated monthly for each partnership and is used to subscribe or redeem limited partners. Following an initial lock up of twelve to twenty-five months, the Foundation may request liquidity or a full redemption from each partnership either on a periodic basis (usually quarterly, but in one case, annually) by giving notice of sixty-five to one hundred five days. As of June 30, 2024 and 2023, the Foundation had a 5.0% allocation to alternative investments. The funds were invested across three and four funds, respectively, and a total of over one hundred underlying funds. There are no unfunded future commitments to the funds.

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

	Beneficial Interest	Hedge Funds
BALANCE - JUNE 30, 2022	\$ 81,891	\$ 807,741
Sales	-	-
Net Realized and Unrealized Loss Included in Investment Return	9,304	29,589
BALANCE - JUNE 30, 2023	91,195	837,330
Sales	-	-
Net Realized and Unrealized Gain Included in Investment Return	1,315	82,880
BALANCE - JUNE 30, 2024	\$ 92,510	\$ 920,210

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

NOTE 7 CONTRIBUTIONS RECEIVABLE

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

	<u>2024</u>	<u>2023</u>
Less than One Year	\$ 12,660,742	\$ 14,186,713
One to Five Years	17,603,543	27,615,343
Less: Unamortized Discount (3%)	<u>(1,055,501)</u>	<u>(1,949,975)</u>
Present Value of Contributions Receivable	29,208,784	39,852,081
Less: Allowance for Uncollectible Contributions	<u>(2,100,000)</u>	<u>(3,000,000)</u>
Total Contributions Receivable, Net	<u>\$ 27,108,784</u>	<u>\$ 36,852,081</u>

A discount rate of 3% was used to determine the net present value of future cash flows.

The balance of contributions receivable included net contributions receivable of \$7,694,434 and \$10,921,609 at June 30, 2024 and 2023, respectively, that are being collected by the Foundation on behalf of other organizations. A corresponding liability of \$7,694,434 and \$10,921,609 was included in Funds Held for Others on the accompanying statements of financial position as of June 30, 2024 and 2023, respectively.

NOTE 8 PLEDGES PAYABLE

During the year ended June 30, 2022, the Foundation made a pledge of long-term support to St. John the Evangelist Homeless Shelter. The pledge calls for five annual payments of \$50,000, with the final payment due during the year ending June 30, 2027. The liability on the financial statements has been recorded at the net present value of the payments due using a discount factor of 3%. The remaining pledges payable of \$18,116 are expected to be paid during the year ending June 30, 2025.

Pledges payable are recorded net of discounts of \$2,765 and \$5,496 at June 30, 2024 and 2023, respectively.

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

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	(As Restated) 2023
	<u>2024</u>	<u>2023</u>
Subject to Expenditure for Specified Purpose:		
Catholic Education	\$ 1,982,943	\$ 1,697,366
Priest Education	360,336	345,033
Respect for Life	333,797	310,860
Children's Services	218,274	209,017
Seminarian Appeal	14,740,652	14,345,044
Bishop's Appeal	5,724,313	6,236,280
Other	3,348,261	3,332,706
Catholic Schools	118,036	113,026
Advancing the Mission Appeal	624,756	819,850
Priest Retirement	379,357	134,122
Scholarship Assistance	2,964,943	2,823,238
one by One Campaign	25,543,516	21,532,757
Contributions Receivable, the Proceeds from which have been Restricted by Donors for:		
Bishop's Appeal	430,010	380,726
one by One Campaign	18,984,340	25,549,746
Subject to the Passage of Time:		
Cash Surrender Value of Life Insurance	1,293,446	1,178,363
Beneficial Interest in Assets Held by Others	92,510	91,195
Other	329,955	381,805
Endowments:		
Subject to Appropriation and Expenditure when a Specified Event Occurs:		
Restricted by Donors for Priest Education, Seminarians, and the Bishop's Greatest Need	6,506,494	5,839,887
Subject to Endowment Spending Policy and Appropriation - Investment in Perpetuity		
Lumen Christi Appeal	10,368,821	10,368,821
Priest Care	1,792,658	1,792,658
Evangelization	1,877,557	1,877,557
Leadership	2,686,707	2,686,707
Life-Long Catechesis	1,781,757	1,781,757
Education	2,323,595	2,323,595
Parish Endowment	500,000	500,000
Charitable Giving	25,000	25,000
Priest Education, Seminarians, and the Bishop's Greatest Need	810,642	810,642
Total Net Assets with Donor Restrictions	<u>\$ 106,142,676</u>	<u>\$ 107,487,758</u>

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

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

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:

	2024	(As Restated) 2023
Satisfaction of Purpose Restrictions:		
Programs and Initiatives	<u>\$ 15,363,154</u>	<u>\$ 17,864,881</u>

NOTE 10 LEASES

The Foundation leases certain office space and equipment under operating lease agreements with St. Joseph Real Estate Services Corporation on a month-to-month basis. Total rent expense for the years ended June 30, 2024 and 2023 was \$61,644 and \$69,768, respectively.

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

NOTE 11 FUNCTIONAL CLASSIFICATION OF EXPENSES

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

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

	2024			Total
	Program Services	Management and General	Fundraising	
Salaries and Wages	\$ -	\$ -	\$ 881,416	\$ 881,416
Personnel Benefits	-	-	304,315	304,315
Purchased Services	-	591,466	188,302	779,768
Occupancy	-	41,388	20,256	61,644
Office	-	239,637	157,986	397,623
Uncollectible Accounts	-	-	(900,000)	(900,000)
Grants	16,733,340	-	-	16,733,340
Total Expenses by Function	<u>\$ 16,733,340</u>	<u>\$ 872,491</u>	<u>\$ 652,275</u>	<u>\$ 18,258,106</u>

	(As Restated) 2023			Total
	Program Services	Management and General	Fundraising	
Salaries and Wages	\$ -	\$ -	\$ 833,798	\$ 833,798
Personnel Benefits	-	-	342,918	342,918
Purchased Services	-	572,618	2,876,809	3,449,427
Occupancy	-	51,096	18,672	69,768
Office	-	144,611	410,461	555,072
Uncollectible Accounts	-	-	1,550,000	1,550,000
Grants	14,457,446	-	-	14,457,446
Total Expenses by Function	<u>\$ 14,457,446</u>	<u>\$ 768,325</u>	<u>\$ 6,032,658</u>	<u>\$ 21,258,429</u>

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

NOTE 12 RELATED PARTY TRANSACTIONS

The Foundation was a party to various transactions with related parties during the years ended June 30 as noted below:

<u>Nature of Transaction</u>	<u>2024</u>	<u>2023</u>
Revenues:		
Purchased Service	\$ 58,572	\$ 54,186
Donation	33,580	-
Total Revenues	<u>\$ 92,152</u>	<u>\$ 54,186</u>
Expenses:		
Occupancy Services	\$ 101,979	\$ 119,172
Insurance Expenses	137,679	174,271
Bishop's Appeal Grants	6,047,692	5,514,448
Donations	2,849,570	2,247,939
Administrative and Support Services	364,848	330,996
Advertising	36,899	72,643
Total Expenses	<u>\$ 9,538,667</u>	<u>\$ 8,459,469</u>

The Foundation also has a beneficial interest in annuities held by the Catholic Diocese of Green Bay, Inc. As of June 30, 2024 and 2023, the balance was \$14,844 and \$15,373, respectively.

NOTE 13 RETIREMENT PLAN

The 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 six months. Contributions are 9% of an employee's wages and are made each pay period. Retirement plan expense for the years ended June 30, 2024 and 2023 was \$76,965 and \$74,952, respectively.

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

NOTE 14 ENDOWMENTS

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, unless there are explicit donor stipulations to the contrary. At June 30, 2024 and 2023, there were no such donor stipulations.

As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purpose of the Foundation and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Foundation; and
7. The investment policies of the Foundation.

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 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.

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

NOTE 14 ENDOWMENTS (CONTINUED)

Investment Policies

The Foundation acknowledges the importance of the performance of the capital markets in providing returns to assist in meeting 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 evaluation investment policies. After review, the Foundation adopted a target asset allocation.

The Foundation defines the target asset allocation as something that 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 managers. The Foundation gives due consideration to the costs and fees of various investment options.

The Foundation does not consider contributions receivable to be a part of its endowment. Donor-restricted receipts are transferred into endowment funds on a monthly basis upon receipt.

Endowment net assets composition by type of fund consisted of the following at June 30:

	June 30, 2024		Total
	Without Donor Restrictions	With Donor Restrictions	
Donor Restricted:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	\$ -	\$ 22,166,737	\$ 22,166,737
Accumulated Investment Gains	-	6,506,494	6,506,494
Total Funds	<u>\$ -</u>	<u>\$ 28,673,231</u>	<u>\$ 28,673,231</u>

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

NOTE 14 ENDOWMENTS (CONTINUED)

	June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor Restricted:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	\$ -	\$ 22,166,737	\$ 22,166,737
Accumulated Investment Gains	-	5,839,887	5,839,887
Total Funds	<u>\$ -</u>	<u>\$ 28,006,624</u>	<u>\$ 28,006,624</u>

Changes in endowment net assets as of June 30, 2024 and 2023 are as follows:

	June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - June 30, 2023	\$ -	\$ 28,006,624	\$ 28,006,624
Investment Return:			
Interest and Dividends Realized and Unrealized Gains	-	49,616	49,616
Total Investment Return	-	2,014,301	2,014,301
Contributions	-	2,063,917	2,063,917
Appropriation for Expenditure	-	664,920	664,920
Total	<u>-</u>	<u>(2,062,230)</u>	<u>(2,062,230)</u>
Endowment Net Assets - June 30, 2024	<u>\$ -</u>	<u>\$ 28,673,231</u>	<u>\$ 28,673,231</u>

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

NOTE 14 ENDOWMENTS (CONTINUED)

	June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - June 30, 2022	\$ -	\$ 27,315,567	\$ 27,315,567
Investment Return:			
Interest and Dividends	-	82,539	82,539
Realized and Unrealized Losses	-	1,743,189	1,743,189
Total Investment Return	-	1,825,728	1,825,728
Contributions	-	649,988	649,988
Appropriation for Expenditure	-	(1,784,659)	(1,784,659)
Total	-	(1,134,671)	(1,134,671)
Endowment Net Assets - June 30, 2023	<u>\$ -</u>	<u>\$ 28,006,624</u>	<u>\$ 28,006,624</u>