

**CATHOLIC CHARITIES OF THE  
DIOCESE OF GREEN BAY, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2022 AND 2021**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Catholic Charities of 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 Catholic Charities of the Diocese of Green Bay, Inc., which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Catholic Charities of the Diocese of Green Bay, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Catholic Charities of 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.

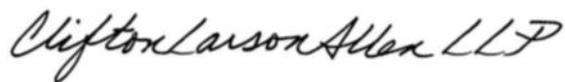
***Auditors' Responsibilities for the Audit of the Financial Statements***

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 Catholic Charities of 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 Catholic Charities of 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  
September 16, 2022

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

	2022	2021
<b>ASSETS</b>		
Cash and Interest in Cash	\$ 677,220	\$ 507,804
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$52,470 and \$56,500, Respectively	209,891	107,492
Pledges Receivable	103,207	85,712
Investments	4,635,330	5,248,258
Inventory and Prepaid Expenses	17,005	9,527
Furniture and Equipment, Net	8,838	3,138
 Total Assets	 \$ 5,651,491	 \$ 5,961,931
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 176,918	\$ 122,075
<b>NET ASSETS</b>		
Without Donor Restrictions	3,356,773	3,561,315
With Donor Restrictions	2,117,800	2,278,541
Total Net Assets	5,474,573	5,839,856
 Total Liabilities and Net Assets	 \$ 5,651,491	 \$ 5,961,931

See accompanying Notes to Financial Statements.

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

	2022		Total
	Without Donor Restrictions	With Donor Restrictions	
<b>REVENUES AND SUPPORT</b>			
Bishop's Appeal Grant	\$ 1,220,575	\$ -	\$ 1,220,575
Contracts and Grants	468,406	-	468,406
United Way	101,102	102,607	203,709
Contributions of Cash and Other Financial Assets	318,655	301,080	619,735
Contributions of Nonfinancial Assets	69,026	-	69,026
Fees for Services	490,622	-	490,622
Fundraising, Net	104,689	-	104,689
Other	2,804	-	2,804
Net Assets Released from Restrictions	346,525	(346,525)	-
Total Revenues and Support	<u>3,122,404</u>	<u>57,162</u>	<u>3,179,566</u>
<b>EXPENSES</b>			
Salaries and Wages	1,422,604	-	1,422,604
Personnel Benefits	515,954	-	515,954
Other Personnel Costs	51,467	-	51,467
Purchased Services	421,187	-	421,187
Facilities, Buildings, and Grounds	122,837	-	122,837
Office	68,468	-	68,468
Grants and Direct Assistance	288,567	-	288,567
Other	51,237	-	51,237
Total Expenses	<u>2,942,321</u>	<u>-</u>	<u>2,942,321</u>
<b>REVENUES AND SUPPORT IN EXCESS OF EXPENSES</b>	180,083	57,162	237,245
<b>OTHER CHANGE IN NET ASSETS</b>			
Investment Return	<u>(384,625)</u>	<u>(217,903)</u>	<u>(602,528)</u>
<b>CHANGE IN NET ASSETS</b>	(204,542)	(160,741)	(365,283)
Net Assets - Beginning of Year	<u>3,561,315</u>	<u>2,278,541</u>	<u>5,839,856</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 3,356,773</u>	<u>\$ 2,117,800</u>	<u>\$ 5,474,573</u>

See accompanying Notes to Financial Statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

	2021		Total
	Without Donor Restrictions	With Donor Restrictions	
<b>REVENUES AND SUPPORT</b>			
Bishop's Appeal Grant	\$ 965,653	\$ -	\$ 965,653
Contracts and Grants	119,174	-	119,174
United Way	109,177	83,891	193,068
Contributions of Cash and Other Financial Assets	304,812	175,815	480,627
Contributions - Loan Forgiveness	447,900	-	447,900
Fees for Services	645,857	-	645,857
Fundraising, Net	48,520	8,410	56,930
Other	16,120	-	16,120
Net Assets Released from Restrictions	269,174	(269,174)	-
Total Revenues and Support	<u>2,926,387</u>	<u>(1,058)</u>	<u>2,925,329</u>
<b>EXPENSES</b>			
Salaries and Wages	1,265,914	-	1,265,914
Personnel Benefits	484,356	-	484,356
Other Personnel Costs	16,686	-	16,686
Purchased Services	426,503	-	426,503
Facilities, Buildings, and Grounds	117,044	-	117,044
Office	60,535	-	60,535
Grants and Direct Assistance	44,385	-	44,385
Other	11,473	-	11,473
Total Expenses	<u>2,426,896</u>	<u>-</u>	<u>2,426,896</u>
<b>REVENUES AND SUPPORT IN EXCESS (DEFICIT) OF EXPENSES</b>	499,491	(1,058)	498,433
<b>OTHER CHANGES IN NET ASSETS</b>			
Loss on Return of Grant	(65,121)	-	(65,121)
Investment Return	651,192	368,543	1,019,735
Total Other Changes in Net Assets	<u>586,071</u>	<u>368,543</u>	<u>954,614</u>
<b>CHANGE IN NET ASSETS</b>	1,085,562	367,485	1,453,047
Net Assets - Beginning of Year	<u>2,475,753</u>	<u>1,911,056</u>	<u>4,386,809</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 3,561,315</u></u>	<u><u>\$ 2,278,541</u></u>	<u><u>\$ 5,839,856</u></u>

See accompanying Notes to Financial Statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Contributors and Clients	\$ 3,009,991	\$ 2,405,387
Cash Paid to Suppliers	(613,898)	(639,794)
Cash Paid to and on Behalf of Employees	(1,940,585)	(1,863,921)
Cash Paid to Donees	(288,567)	(44,385)
Net Cash Flows from Operating Activities	166,941	(142,713)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Furniture and Equipment	(7,925)	-
Cash Paid for Purchases of Investments	(63,608)	(60,911)
Proceeds from Sale of Investments	74,008	145,444
Net Cash Flows from Investing Activities	2,475	84,533
 <b>NET CHANGE IN CASH AND INTEREST IN CASH</b>	169,416	(58,180)
 Cash and Interest in Cash - Beginning of Year	507,804	565,984
 <b>CASH AND INTEREST IN CASH - END OF YEAR</b>	\$ 677,220	\$ 507,804

*See accompanying Notes to Financial Statements.*

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.  
STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (365,283)	\$ 1,453,047
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	2,225	1,830
Contributions of Inventory	(13,551)	-
Provision for Bad Debts	(4,030)	(18,500)
Investment Return	602,528	(1,019,735)
Changes in Certain Assets and Liabilities:		
Accounts Receivable	(98,369)	(13,209)
Pledges Receivable	(17,495)	4,970
Inventory and Prepaid Expenses	6,073	2,009
Accounts Payable and Accrued Expenses	54,843	(103,160)
Deferred Revenue	-	(2,065)
Refundable Advance	-	(447,900)
	<u>\$ 166,941</u>	<u>\$ (142,713)</u>
<b>NONCASH INVESTING ACTIVITIES</b>		
Interest and Dividends Reinvested Directly Back into Invested Funds	<u>\$ 19,922</u>	<u>\$ 48,611</u>

See accompanying Notes to Financial Statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 1 PRINCIPAL ACTIVITY**

Catholic Charities of the Diocese of Green Bay, Inc. (Catholic Charities) is a nonprofit corporation organized under the laws of the state of Wisconsin for the purpose of providing a variety of personal, family, and community services throughout sixteen counties of northeastern Wisconsin.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Interest in Cash**

Catholic Charities participates in a pooled cash account with an interdiocesan entity. This account sweeps daily to a zero balance. The total of the pooled cash account, at times, may exceed federally insured limits. Catholic Charities has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

**Accounts Receivable**

The majority of Catholic Charities' accounts receivable are due from private parties within the Green Bay Diocese region and government agencies. Credit is extended based on evaluation of financial condition and financial need and collateral is generally not required. Accounts receivable are due within 30 days or according to separately stated terms and are stated as amounts due, net of allowance for doubtful accounts. Catholic Charities provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The estimate is based on historical collection experience and a review of the current status of the accounts receivable.

**Pledges Receivable**

Unconditional promises to give made to Catholic Charities are recorded in the year the pledge is made. An allowance for uncollectible promises to give is determined based on experience. Management believes that all promises to give are collectible.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments**

Investments are presented in the accompanying financial statements at fair value using methodologies described in Note 4 – Investments and Fair Value Measurements. All investment income and realized and unrealized gains and losses are accounted for on the accompanying statements of activities.

Investment income or losses are included in the accompanying statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

**Furniture and Equipment**

Furniture 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.

Furniture and equipment are depreciated using the straight-line method over their estimated useful lives of 3 – 5 years.

**Impairment of Long-Lived Assets**

Catholic Charities reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Contribution 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.

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 Catholic Charities.

In connection with its annual budget process, Catholic Charities is made aware of an estimated grant for its support from The Catholic Foundation for the Diocese of Green Bay, Inc. (the Foundation). Management does not consider this estimated grant as an unconditional promise to pay by the Foundation. The grant is recorded as revenue in the year in which it is actually received.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government Contracts**

Contracts are received from various federal, state, and county governmental agencies. These programs are considered nonexchange transactions and are recorded as revenue without donor restrictions. Expenditures of government contract funds are for the purposes specified by the funding source. Revenue from government contracts is recognized when allowable and reimbursable expenditures are incurred upon meeting the legal or contractual requirements of the funding source.

**Revenue Recognition**

Revenue from fees for services is recognized in the month that the programs are held or services are provided.

Revenue from fees for services is recognized over time and totaled \$490,622 and \$645,857 during the years ended June 30, 2022 and 2021, respectively.

The timing of revenue recognition, billings, and cash collections results in receivables. Accounts receivable from fees for services were as follows at June 30:

	2022	2021	2020
Accounts Receivable, Net	\$ 68,382	\$ 110,400	\$ 69,112

**Refundable Advance**

Catholic Charities received proceeds in the amount of \$447,900 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan) during the year ended June 30, 2020. The PPP Loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act.

Catholic Charities classified this loan as a PPP grant for accounting purposes. Catholic Charities recognized contributions of \$447,900 related to this agreement during the year ended June 30, 2021, which represents the portion of the PPP Loan funds for which the performance barriers had been met. Management believes Catholic Charities has satisfied the performance barriers attributable to the PPP Loan proceeds and, on May 5, 2021, Catholic Charities received formal notification from the SBA that the full amount of the PPP Loan had been forgiven.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on Catholic Charities' financial position.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Tax-Exempt Status**

Catholic Charities has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) covered by the U.S. Internal Revenue Service group exemption letter of the United States Conference of Catholic Bishops and corresponding provisions of state law and, accordingly, is not subject to federal or state income taxes.

**Accounting Standard Update**

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-For-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new standard increases transparency and comparability among organizations through enhancements to presentation and disclosure requirements for contributed nonfinancial assets. Catholic Charities adopted ASU 2020-07 on a retrospective basis as of July 1, 2020. No cumulative-effect adjustment in net assets was necessary with the adoption of ASU 2020-07.

**Subsequent Events**

In preparing these financial statements, Catholic Charities has evaluated events and transactions for potential recognition or disclosure through September 16, 2022, the date the financial statements were available to be issued.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

Catholic Charities 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>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 677,220	\$ 507,804
Accounts Receivable	209,891	107,492
Pledges Receivable	103,207	85,712
Investments	4,635,330	5,248,258
Subtotal	<u>5,625,648</u>	<u>5,949,266</u>
Less: Donor Restricted Net Assets	<u>(2,117,800)</u>	<u>(2,278,541)</u>
Total Financial Assets Available for General Expenditure	<u>\$ 3,507,848</u>	<u>\$ 3,670,725</u>

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Investments are held by St. Francis Xavier Investment Corp. (St. Francis Xavier Corp.) and The Catholic Foundation for the Diocese of Green Bay, Inc. (Catholic Foundation), which are other interdiocesan entities. St. Francis Xavier Corp. has grouped their investments and created a unitized fixed income fund, an equity fund, and a money market fund. The Catholic Foundation has grouped their investments and created a unitized long term fund and a money market fund. Catholic Charities owns units in the fixed income, equity, long term, and money market funds.

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

	Fair Value		Redemption Frequency	Termination Notice Period
	2022	2021		
St. Francis Xavier Corp. Fixed Income Fund	\$ 879,682	\$ 1,012,168	Daily	30 Days
St. Francis Xavier Corp. Equity Fund	1,888,078	2,186,301	Daily	30 Days
St. Francis Xavier Corp. Money Market Fund	792,451	809,612	Daily	30 Days
Catholic Foundation Long Term Fund	1,019,684	1,193,743	Daily	30 Days
Catholic Foundation Money Market Fund	55,435	46,434	Daily	30 Days
Total Funds	<u>\$ 4,635,330</u>	<u>\$ 5,248,258</u>		

The fixed income fund is intended to be utilized by intermediate and long-term money. The target allocation of the fixed income fund is:

Intermediate Fixed Income	95%
Cash	<u>5%</u>
Total	<u>100%</u>

The equity fund is intended to be utilized by long-term money. The participant is not allowed to invest more than 70% of their funds in the equity fund. The target allocation of the equity fund is:

Small-Cap Domestic Stocks	20%
Mid-Cap Domestic Stocks	20%
Large-Cap Domestic Stocks	40%
International Stocks	17%
Cash and Cash Equivalents	<u>3%</u>
Total	<u>100%</u>

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

The long term fund is intended to be utilized by long-term money. The target allocation of the long term fund is:

Small-Cap Domestic Stocks	10%
Mid-Cap Domestic Stocks	10%
Large-Cap Domestic Stocks	20%
International Stocks	20%
Alternative Investments	7%
Intermediate Fixed Income	30%
Cash and Cash Equivalents	3%
Total	100%

The money market funds are intended to be utilized by intermediate and short-term money.

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, Catholic Charities 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, Catholic Charities 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.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

The table presents the balances of assets measured at fair value on a recurring basis as of June 30:

	2022			
	Level 1	Level 2	Level 3	Total
St. Francis Xavier Corp. Fixed Income Fund	\$ -	\$ 879,682	\$ -	\$ 879,682
St. Francis Xavier Corp. Fixed Equity Fund	-	1,888,078	-	1,888,078
St. Francis Xavier Corp. Money Market Fund	-	792,451	-	792,451
Catholic Foundation Long Term Fund	-	1,019,684	-	1,019,684
Catholic Foundation Money Market Fund	-	55,435	-	55,435
Total Investments	<u>\$ -</u>	<u>\$ 4,635,330</u>	<u>\$ -</u>	<u>\$ 4,635,330</u>

	2021			
	Level 1	Level 2	Level 3	Total
St. Francis Xavier Corp. Fixed Income Fund	\$ -	\$ 1,012,168	\$ -	\$ 1,012,168
St. Francis Xavier Corp. Fixed Equity Fund	-	2,186,301	-	2,186,301
St. Francis Xavier Corp. Money Market Fund	-	809,612	-	809,612
Catholic Foundation Long Term Fund	-	1,193,743	-	1,193,743
Catholic Foundation Money Market Fund	-	46,434	-	46,434
Total Investments	<u>\$ -</u>	<u>\$ 5,248,258</u>	<u>\$ -</u>	<u>\$ 5,248,258</u>

The fair value of the investment in the fixed income fund, the equity fund, the long term fund, and the money market fund has been estimated using the net asset value per share of the fund as determined by the fund administrator. The funds are valued on a daily basis.

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

	2022	2021
Interest and Dividends	\$ 19,922	\$ 48,611
Realized and Unrealized Gains (Losses) on Investments	(622,450)	971,124
Total Investment Return	<u>\$ (602,528)</u>	<u>\$ 1,019,735</u>

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
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**NOTE 5 PLEDGES RECEIVABLE**

Pledges receivable consist primarily of donor pledges for funds supporting a variety of activities. Net pledges receivable as of June 30 consisted of the following:

	<u>2022</u>	<u>2021</u>
Total Pledges Receivable	<u>\$ 103,207</u>	<u>\$ 85,712</u>

Catholic Charities considers all pledges receivable to be collectible. All payments on pledges receivable at June 30, 2022 are expected to be received during the year ended June 30, 2023.

**NOTE 6 FURNITURE AND EQUIPMENT**

The major categories of furniture and equipment at June 30 were summarized as follows:

	<u>2022</u>	<u>2021</u>
Furniture and Equipment	\$ 19,429	\$ 11,504
Less: Accumulated Depreciation	<u>(10,591)</u>	<u>(8,366)</u>
Net Furniture and Equipment	<u>\$ 8,838</u>	<u>\$ 3,138</u>

Total depreciation expense was \$2,225 and \$1,830 for the years ended June 30, 2022 and 2021, respectively.

**NOTE 7 CONTRIBUTED NONFINANCIAL ASSETS**

For the years ended June 30, contributed nonfinancial assets recognized within the statements of activities included:

	<u>2022</u>	<u>2021</u>
Household Items, Equipment, and Clothing	\$ 48,975	\$ -
Inventory and Prepaid Expenses	13,551	-
Miscellaneous	<u>6,500</u>	<u>-</u>
Total Contributed Nonfinancial Assets	<u>\$ 69,026</u>	<u>\$ -</u>

Catholic Charities recognized contributed nonfinancial assets within revenues and support, including contributed inventory and prepaid expenses, household items, equipment and clothing, and miscellaneous items. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Catholic Charities received donated inventory and prepaid expenses during the year ended June 30, 2022. The inventory and prepaid expenses will be used to provide grants and direct assistance to individuals in need. Catholic Charities estimated the fair value of the donated inventory and prepaid expenses on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
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**NOTE 7 CONTRIBUTED NONFINANCIAL ASSETS (CONTINUED)**

Contributed household items, equipment and clothing, and miscellaneous items were used to provide grants and direct assistance to individuals in need. In valuing household items, equipment and clothing, and miscellaneous items, Catholic Charities estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Additionally, Catholic Charities receives a significant amount of contributed time that does not meet the recognition criteria for contributed professional services. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying statements of activities.

**NOTE 8 FUNCTIONAL CLASSIFICATION OF EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include facilities, buildings, and grounds, which are 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:

	2022			
	Program Services	Management and General	Fundraising	Total
Salaries and Wages	\$ 1,350,181	\$ 66,746	\$ 5,677	\$ 1,422,604
Personnel Benefits	496,034	18,910	1,010	515,954
Other Personnel Costs	51,467	-	-	51,467
Purchased Services	316,739	104,448	-	421,187
Rent	122,512	-	-	122,512
Utilities and Maintenance	325	-	-	325
Office	68,468	-	-	68,468
Grants and Direct Assistance	288,567	-	-	288,567
Other	51,237	-	-	51,237
Fundraising Expenses	-	-	19,345	19,345
Total Expenses by Function	2,745,530	190,104	26,032	2,961,666
Less: Expenses Included with Revenues on the Statements of Activities:				
Fundraising Expenses	-	-	(19,345)	(19,345)
Total Expenses Included in the Expenses Section on the Statements of Activities	<u>\$ 2,745,530</u>	<u>\$ 190,104</u>	<u>\$ 6,687</u>	<u>\$ 2,942,321</u>

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
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**NOTE 8 FUNCTIONAL CLASSIFICATION OF EXPENSES (CONTINUED)**

	2021			
	Program Services	Management and General	Fundraising	Total
Salaries and Wages	\$ 1,207,254	\$ 54,425	\$ 4,235	\$ 1,265,914
Personnel Benefits	466,459	17,008	889	484,356
Other Personnel Costs	16,686	-	-	16,686
Purchased Services	317,627	108,876	-	426,503
Rent	116,834	-	-	116,834
Utilities and Maintenance	210	-	-	210
Office	60,535	-	-	60,535
Grants and Direct Assistance	44,385	-	-	44,385
Other	11,473	-	-	11,473
Fundraising Expenses	-	-	21,883	21,883
Total Expenses by Function	2,241,463	180,309	27,007	2,448,779
Less: Expenses Included with Revenues on the Statements of Activities:				
Fundraising Expenses	-	-	(21,883)	(21,883)
Total Expenses Included in the Expenses Section on the Statements of Activities	\$ 2,241,463	\$ 180,309	\$ 5,124	\$ 2,426,896

**NOTE 9 INTERDIOCESAN TRANSACTIONS**

Catholic Charities was a party to various transactions with other diocesan corporations during the years ended June 30, 2022 and 2021. Total revenues and support in the form of donations and grants from other diocesan corporations were \$1,669,370 and \$1,249,519 for the years ended June 30, 2022 and 2021, respectively. The revenue from interdiocesan transactions constitutes a substantial portion of the Catholic Charities' total revenues for the years ended June 30, 2022 and 2021. Total expenses paid to other diocesan corporations were \$730,438 and \$705,463 for the years ended June 30, 2022 and 2021, respectively, and relates to occupancy and administrative and support services.

**NOTE 10 RETIREMENT PLAN**

Catholic Charities 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 was \$125,271 and \$115,358 for the years ended June 30, 2022 and 2021, respectively.

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2022</u>	<u>2021</u>
Subject to Expenditure for Specified Purpose:		
Hispanic Outreach and Family Strengthening	\$ 33,379	\$ 33,446
Resettlement and Immigration	319,205	236,519
Deaf and Visually Impaired	189,649	207,144
Budget Counseling	31,888	29,638
Adoption and Birth Parent Services	912,281	1,089,046
Farm Grants	62,696	73,826
New Life Fund	106,080	126,231
Prentice Memorial Fund	214,610	253,605
Other Donor-Restricted Purposes	119,805	118,374
Subject to the Passage of Time:		
Contributions Receivable that are not Restricted by Donors, but which are Unavailable for Expenditure Until Due	103,207	85,712
Endowments:		
Subject to Organization's Endowment Spending Policy and Appropriation:		
Investment in Perpetuity	25,000	25,000
Total Net Assets with Donor Restrictions	<u>\$ 2,117,800</u>	<u>\$ 2,278,541</u>

From time-to-time, certain donor restricted endowment fund may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act to permit spending from underwater endowments in accordance with prudent measures required under law.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Expiration of Time Restrictions	\$ 85,112	\$ 88,861
Satisfaction of Purpose Restrictions:		
Programs and Initiatives	261,413	180,313
Total Net Assets Released from Donor Restrictions	<u>\$ 346,525</u>	<u>\$ 269,174</u>

**CATHOLIC CHARITIES OF THE DIOCESE OF GREEN BAY, INC.**  
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**NOTE 12 OPERATING LEASES**

Catholic Charities leases its office space at various locations. All leases are accounted for as operating leases.

Future minimum lease payments due to interdiocesan entities and third parties are as follows:

<u>Year Ending June 30,</u>	<u>Interdiocesan Entities</u>	<u>Third Parties</u>
2023	\$ 97,524	\$ 20,481
2024	-	14,019
2025	-	14,160
2026	-	5,924

Expense on the operating leases was \$122,512 and \$116,834 for the years ended June 30, 2022 and 2021, respectively.

**NOTE 13 COMMITMENTS AND CONTINGENCIES**

Financial awards from federal, state, and local governments in the form of grants are subject to special audit. Such audits could result in claims against the Catholic Charities for disallowed costs or noncompliance with grantor restrictions. Catholic Charities refunded \$- and \$65,121 under these provisions during the years ended June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021 no provision has been made for any liabilities that may arise from such audits.