

**GREEN BAY DIOCESE
CEMETERY CORPORATION**
Green Bay, Wisconsin

FINANCIAL STATEMENTS
June 30, 2015 and 2014

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Cash Flows	6
Notes to Financial Statements	8

INDEPENDENT AUDITORS' REPORT

Board of Directors
Green Bay Diocese Cemetery Corporation
Green Bay, Wisconsin

We have audited the accompanying financial statements of Green Bay Diocese Cemetery Corporation (a Wisconsin corporation), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Green Bay Diocese Cemetery Corporation as of June 30, 2015 and 2014, 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.

CliftonLarsonAllen LLP

Oshkosh, Wisconsin
September 2, 2015

GREEN BAY DIOCESE CEMETERY CORPORATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

ASSETS

	2015	2014
Cash and interest in cash	\$ 205,391	\$ 400
Accounts receivable, net of allowance for doubtful accounts of \$25,000	295,434	366,484
Prepaid expenses	1,577	-
Inventories	1,433,097	1,563,218
Investments designated for future care of cemeteries and mausoleums	3,329,229	3,427,559
Property and equipment, net	571,859	584,382
Note receivable, net of imputed interest of \$215,000 and \$230,000, respectively	922,191	907,191
TOTAL ASSETS	\$ 6,758,778	\$ 6,849,234

LIABILITIES AND NET ASSETS

LIABILITIES

Line of credit - Catholic Diocese of Green Bay, Inc.	\$ -	\$ 1,842,700
Accounts payable	69,730	16,204
Accrued expenses	27,079	520,627
Bank note payable	-	200,000
Deferred revenue	1,472,247	1,357,840
Total liabilities	1,569,056	3,937,371

NET ASSETS

Unrestricted - designated	3,391,910	3,366,060
Unrestricted - undesignated	1,792,890	(459,119)
Total unrestricted net assets	5,184,800	2,906,941
Temporarily restricted	4,922	4,922
Total net assets	5,189,722	2,911,863

TOTAL LIABILITIES AND NET ASSETS	\$ 6,758,778	\$ 6,849,234
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The accompanying notes are an integral part of the financial statements.

GREEN BAY DIOCESE CEMETERY CORPORATION
STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT			
Sales	\$ 1,126,133	\$ -	\$ 1,126,133
Cost of sales	(446,899)	-	(446,899)
Gross margin	679,234	-	679,234
Contributions	21,437	-	21,437
Other	25,852	-	25,852
Total revenues and support	<u>726,523</u>	<u>-</u>	<u>726,523</u>
EXPENSES			
Salaries and wages	250,777	-	250,777
Personnel benefits	103,494	-	103,494
Purchased services	126,911	-	126,911
Facilities, buildings, and grounds	251,749	-	251,749
Office	29,323	-	29,323
Interest	1,874	-	1,874
Other	5,729	-	5,729
Total expenses	<u>769,857</u>	<u>-</u>	<u>769,857</u>
Revenues and support in excess (deficient) of expenses	<u>(43,334)</u>	<u>-</u>	<u>(43,334)</u>
OTHER CHANGES IN NET ASSETS			
Investment return	100,877	-	100,877
Accretion of discount on note receivable	15,000	-	15,000
Loss on disposal of equipment	(507)	-	(507)
Gain on write off of debt related to 2011 discontinued operations	<u>2,205,823</u>	<u>-</u>	<u>2,205,823</u>
Total other changes in net assets	<u>2,321,193</u>	<u>-</u>	<u>2,321,193</u>
CHANGE IN NET ASSETS	2,277,859	-	2,277,859
NET ASSETS, BEGINNING OF YEAR	<u>2,906,941</u>	<u>4,922</u>	<u>2,911,863</u>
NET ASSETS, END OF YEAR	<u><u>\$ 5,184,800</u></u>	<u><u>\$ 4,922</u></u>	<u><u>\$ 5,189,722</u></u>

The accompanying notes are an integral part of the financial statements.

GREEN BAY DIOCESE CEMETERY CORPORATION
STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT			
Sales	\$ 1,008,254	\$ -	\$ 1,008,254
Cost of sales	<u>(406,527)</u>	<u>-</u>	<u>(406,527)</u>
Gross margin	601,727	-	601,727
Contributions	3,146	200	3,346
Other	<u>17,298</u>	<u>-</u>	<u>17,298</u>
Total revenues and support	<u>622,171</u>	<u>200</u>	<u>622,371</u>
EXPENSES			
Salaries and wages	231,127	-	231,127
Personnel benefits	99,376	-	99,376
Purchased services	134,930	-	134,930
Facilities, buildings, and grounds	256,045	-	256,045
Office	35,351	-	35,351
Interest	59,722	-	59,722
Other	<u>16,500</u>	<u>-</u>	<u>16,500</u>
Total expenses	<u>833,051</u>	<u>-</u>	<u>833,051</u>
Revenues and support in excess (deficient) of expenses	<u>(210,880)</u>	<u>200</u>	<u>(210,680)</u>
OTHER CHANGES IN NET ASSETS			
Investment return	499,300	-	499,300
Accretion of discount on note receivable	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total other changes in net assets	<u>514,300</u>	<u>-</u>	<u>514,300</u>
CHANGE IN NET ASSETS	303,420	200	303,620
NET ASSETS, BEGINNING OF YEAR	<u>2,603,521</u>	<u>4,722</u>	<u>2,608,243</u>
NET ASSETS, END OF YEAR	<u>\$ 2,906,941</u>	<u>\$ 4,922</u>	<u>\$ 2,911,863</u>

The accompanying notes are an integral part of the financial statements.

GREEN BAY DIOCESE CEMETERY CORPORATION
STATEMENTS OF CASH FLOWS
June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,358,879	\$ 1,114,618
Cash paid to and on behalf of employees	(556,624)	(522,840)
Cash paid to suppliers	(425,427)	(552,573)
Interest paid	<u>(1,874)</u>	<u>(6,816)</u>
Net cash flows from operating activities	<u>374,954</u>	<u>32,389</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchases of property and equipment	(34,248)	(9,875)
Cash paid for purchases of investments	(25,886)	(31,335)
Proceeds from sale of investments	<u>225,093</u>	<u>409,000</u>
Net cash flows from investing activities	<u>164,959</u>	<u>367,790</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on bank note payable	(200,000)	(290,000)
Payments received on note receivable	-	18,187
Principal payments on line of credit - Catholic Diocese of Green Bay, Inc.	<u>(134,922)</u>	<u>(128,366)</u>
Net cash flows from financing activities	<u>(334,922)</u>	<u>(400,179)</u>
NET CHANGE IN CASH AND INTEREST IN CASH	204,991	-
CASH AND INTEREST IN CASH, BEGINNING OF YEAR	<u>400</u>	<u>400</u>
CASH AND INTEREST IN CASH, END OF YEAR	<u><u>\$ 205,391</u></u>	<u><u>\$ 400</u></u>

The accompanying notes are an integral part of the financial statements.

GREEN BAY DIOCESE CEMETERY CORPORATION
STATEMENTS OF CASH FLOWS (CONTINUED)
June 30, 2015 and 2014

	2015	2014
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,277,859	\$ 303,620
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	46,264	47,119
Accretion of discount on notes receivable	(15,000)	(15,000)
Provision for doubtful accounts	-	(10,100)
Investment return	(100,877)	(499,300)
Loss on disposal of equipment	507	-
Gain on write off of debt related to 2011 discontinued operations	(2,205,823)	-
Changes in certain assets and liabilities:		
Accounts receivable	71,050	(103)
Prepaid expenses	(1,577)	732
Inventories	130,121	89,363
Accounts payable	53,526	(19,291)
Accrued expenses	4,497	39,426
Deferred revenue	114,407	95,923
Net cash flows from operating activities	<u>\$ 374,954</u>	<u>\$ 32,389</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Interest and dividends reinvested directly back into investment funds	\$ 59,561	\$ 48,666
Write off of principal and accrued interest related to 2011 discontinued operations	\$ 2,205,823	\$ -

The accompanying notes are an integral part of the financial statements.

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 1 - NATURE OF OPERATIONS

Green Bay Diocese Cemetery Corporation (the Cemetery) is a not-for-profit corporation organized under the laws of the state of Wisconsin for the purpose of receiving, providing, and maintaining placement facilities for the deceased parishioners of the Green Bay Diocese (the Diocese) and their families. The financial statements of the Cemetery include the accounts of Allouez Catholic Cemetery and Chapel Mausoleum which is located in Allouez, 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. Significant estimates include the allowance for notes receivable. Actual results could differ from those estimates.

Interest in Cash

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

Accounts Receivable

The majority of the Cemetery's accounts receivable are due from private parties within the Green Bay Diocese region. 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. The Cemetery 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. Interest on past due receivables is recorded in investment return. There was no interest recorded during the years ended June 30, 2015 and 2014.

Inventories

Inventories, which consist of urns, glass niches, mausoleum crypts, mausoleum niches, and ground crypts, are stated at cost of purchase or construction, with cost determined by specific identification.

Investments

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Investment return 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.

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

All acquisitions of property in excess of \$5,000 and equipment in excess of \$1,000 and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs, and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

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

	<u>Years</u>
Land improvements	10 - 50
Buildings	10 - 40
Furniture and equipment	3 - 20
Vehicles	5

Impairment of Long-Lived Assets

The Cemetery reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less cost to sell.

Deferred Revenue

Revenues for internments, entombments, and inscriptions to be provided in future periods are recorded as deferred revenue when received and reflected as revenue in the year when the fees are earned.

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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

Unrestricted - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted - Net assets subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Cemetery pursuant to those stipulations. At June 30, 2015 and 2014, temporarily restricted net assets are restricted for cemetery upkeep.

Permanently Restricted - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Cemetery. The Cemetery does not have any permanently restricted net assets as of June 30, 2015 and 2014.

Contribution Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions that are unrestricted by the donor are reported as increases in unrestricted net assets. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Cemetery. A substantial number of unpaid volunteers have made significant contributions of their time to the operations of the Cemetery. The value of this donated time and service is not recognized in the accompanying financial statements because they do not meet the criteria for recognition.

Revenue Recognition

Sales of cemetery spaces are recorded when sales are made. Sales of mausoleum crypts and niches are recognized only when all costs associated with a particular phase are known and the phase is completed. Sales of spaces in phases under development are deferred, along with related selling expenses, until completion.

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cost of Sales

The cost of mausoleum crypt space available for sale is recorded on the financial statements as inventory and expensed as a cost of sale as the individual crypts are sold. The inventoriable costs include the costs of the crypts and all common areas except the chapel and administrative offices.

The Cemetery carries inventory of ground space available for sale. The costs of ground space sold are expensed at cost as a cost of the sale. All cemetery ground space available prior to July 1, 1990 is not maintained in inventory because the amount is considered immaterial and undeterminable. Beginning July 1, 1990, development costs for the new sections of the cemetery are recorded and expensed as a cost of the sale upon the sale of the related ground space.

Advertising

Advertising costs, which are included in expenses, are expensed as incurred. Advertising expense was \$18,915 and \$19,407 for the years ended June 30, 2015 and 2014.

Tax-Exempt Status

The Cemetery received notification that they qualify as a tax-exempt organization under Section 501(c)(13) of the U.S. Internal Revenue Code and corresponding provisions of State law and accordingly, is not subject to federal or state income taxes.

The Cemetery files tax returns in the U.S. federal jurisdiction and one state.

Subsequent Events

In preparing these financial statements, the Cemetery has evaluated events and transactions for potential recognition or disclosure through September 2, 2015, the date the financial statements were available to be issued.

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 3 - NOTES RECEIVABLE

In conjunction with the transfer of assets and liabilities to the Calvary Catholic Cemetery and Mausoleum in 2011, the aforementioned location assumed a \$1,137,191 note payable to the Cemetery.

The note is unsecured and does not bear interest. Principal is due in \$50,000 annual installments beginning June 30, 2016, with a final payment of \$37,191 on June 30, 2038. The note was discounted using the five-year U.S. Treasury rate as of July 1, 2010 (1.79%).

Note receivable balances at June 30 were as follows:

	2015	2014
Calvary Catholic Cemetery and Mausoleum	\$ 1,137,191	\$ 1,137,191
Discount	(215,000)	(230,000)
Note receivable, net	\$ 922,191	\$ 907,191

Principal payments to be received on the note for years ending after June 30, 2015 are as follows:

2016	\$ 50,000
2017	50,000
2018	50,000
2019	50,000
2020	50,000
2021 and thereafter	887,191
Total	\$ 1,137,191

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 4 - INVESTMENTS

Investments are held by St. Francis Xavier Investment Corp. (St. Francis Xavier Corp.), an interdiocesan entity. St. Francis Xavier Corp. has grouped their investments and created a unitized fixed income fund, equity fund, and money market fund. The Cemetery owns units in the fixed income, equity, and money market funds.

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

	Fair Value		Redemption Frequency	Termination Notice Period
	<u>2015</u>	<u>2014</u>		
St. Francis Xavier Corp. fixed income fund	\$ 1,012,003	\$ 951,848	Daily	30 days
St. Francis Xavier Corp. equity fund	2,317,226	2,448,348	Daily	30 days
St. Francis Xavier Corp. money market fund	<u>-</u>	<u>27,363</u>	Daily	30 days
	<u>\$ 3,329,229</u>	<u>\$ 3,427,559</u>		

The money market fund is intended to be utilized by intermediate and short-term money.

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

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

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 4 - INVESTMENTS (CONTINUED)

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 Cemetery 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 Cemetery attempts to utilize valuation methods that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation methods, the Cemetery 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 the fair values. Assets and liabilities measured, reported, and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3 - Unobservable inputs that are not corroborated by market data.

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

	June 30, 2015			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
St. Francis Xavier Corp. fixed income fund	\$ 1,012,003	\$ -	\$ 1,012,003	\$ -
St. Francis Xavier Corp. equity fund	<u>2,317,226</u>	<u>-</u>	<u>2,317,226</u>	<u>-</u>
Total investments	<u>\$ 3,329,229</u>	<u>\$ -</u>	<u>\$ 3,329,229</u>	<u>\$ -</u>

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 4 - INVESTMENTS (CONTINUED)

	June 30, 2014			
	Total	Level 1	Level 2	Level 3
St. Francis Xavier Corp. fixed income fund	\$ 951,848	\$ -	\$ 951,848	\$ -
St. Francis Xavier Corp. equity fund	2,448,348	-	2,448,348	-
St. Francis Xavier Corp. money market fund	<u>27,363</u>	<u>-</u>	<u>27,363</u>	<u>-</u>
Total investments	<u>\$ 3,427,559</u>	<u>\$ -</u>	<u>\$ 3,427,559</u>	<u>\$ -</u>

The fair value of the investment in the fixed income fund, the equity 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:

	2015	2014
Interest and dividends on investments	\$ 59,561	\$ 48,666
Realized and unrealized gains (losses) on investments	<u>41,316</u>	<u>450,634</u>
Total investment return	<u>\$ 100,877</u>	<u>\$ 499,300</u>

Fees charged on investments have been netted against the investment return. Total fees for the years ended June 30, 2015 and 2014 were \$22,622 and \$23,917, respectively.

NOTE 5 - INVENTORIES

Inventories consisted of the following at June 30:

	2015	2014
Burial spaces	\$ 1,394,432	\$ 1,519,199
Supplies	<u>38,665</u>	<u>44,019</u>
Total inventories	<u>\$ 1,433,097</u>	<u>\$ 1,563,218</u>

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2015	2014
Land and improvements	\$ 309,336	\$ 309,336
Buildings	778,789	778,789
Furniture and equipment	482,951	531,705
Vehicles	28,376	28,376
Total - at cost	1,599,452	1,648,206
Less accumulated depreciation	(1,027,593)	(1,063,824)
Net property and equipment	\$ 571,859	\$ 584,382

Depreciation expense of \$46,264 and \$47,119 was recorded for the years ended June 30, 2015 and 2014, respectively.

NOTE 7 - PERPETUAL CARE FUNDS

The Cemetery's policy is to collect and account for the following fees as perpetual care funds:

Cemetery lots - Twenty-five percent (25%) of the gross sales price of each lot sold. This policy exceeds state law.

Mausoleum crypts and niches - Twenty-five percent (25%) of the gross sales price of each space sold until the fund equals twenty-five percent (25%) of the cost of constructing the mausoleum. This policy is consistent with state law.

The fees collected are maintained in perpetuity in accordance with state law. The investment income (including interest and dividends, unrealized gains/losses, and realized gains/losses on sales of investments) is undesignated and can be used for the maintenance of the cemetery grounds and mausoleums.

At June 30, 2015 and 2014, unrestricted net assets totaling \$3,391,910 and \$3,366,060 have been designated for the perpetual care of the cemetery.

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 8 - DEFERRED REVENUE

Deferred revenue consisted of the following as of June 30:

	2015	2014
Prepaid entombments	\$ 837,098	\$ 764,983
Prepaid internments	251,740	239,365
Prepaid inscriptions	360,503	330,622
Defaulted sales deposits	18,367	18,367
Deferred interest	4,539	4,503
Total deferred revenue	\$ 1,472,247	\$ 1,357,840

NOTE 9 - BANK NOTE PAYABLE

The Cemetery had an unsecured note payable. The note bore interest at the current LIBOR rate plus 1.25% and required annual principal payments of \$100,000 beginning in April 2012. The bank note was repaid in full and closed during 2015. Interest expense on the bank note for the years ended June 30, 2015 and 2014 was \$1,874 and \$6,816, respectively.

NOTE 10 - 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 benefitted.

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

	2015	2014
Program services	\$ 720,336	\$ 786,441
Management and general	49,521	46,610
Total	\$ 769,857	\$ 833,051

NOTE 11 - RETIREMENT PLAN

The Cemetery 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 expense for the years ended June 30, 2015 and 2014 was \$32,058 and \$28,066, respectively.

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 12 - INTERDIOCESAN TRANSACTIONS

The Cemetery was a party to various transactions with other diocesan corporations during the years ended June 30, 2015 and 2014. Total revenues earned from other diocesan corporations were \$20,000 and \$-0- for the years ended June 30, 2015 and 2014, respectively, and relate to donations. Total expenses paid to other diocesan corporations were \$200,311 and \$190,358 for the years ended June 30, 2015 and 2014, respectively, and relates to administrative and support services.

The Cemetery had signed an unsecured line-of-credit with the Catholic Diocese of Green Bay, Inc. for an amount up to \$3,000,000. Funds drawn on the line-of-credit accrued interest at a rate of 3.0% based on an average monthly balance. The principal and interest were due on demand. During the year ended June 30, 2015, the outstanding principal and accrued interest, which totaled \$2,205,823, was written off by the Catholic Diocese of Green Bay, Inc., and the amount available under the line-of-credit was reduced to \$500,000. Interest expense on the line-of-credit for the years ended June 30, 2015 and 2014 was \$-0- and \$52,906, respectively. Accrued interest at June 30, 2015 and 2014 was \$-0- and \$498,045, respectively.

This information is an integral part of the accompanying financial statements.