

**ST. FRANCIS XAVIER INVESTMENT CORP.  
GREEN BAY, WISCONSIN**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2023 AND 2022**



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**ST. FRANCIS XAVIER INVESTMENT CORP.  
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YEARS ENDED JUNE 30, 2023 AND 2022**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
St. Francis Xavier Investment Corp.  
Green Bay, Wisconsin

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of St. Francis Xavier Investment Corp., which comprise the statements of assets and liabilities and schedules of investments as of June 30, 2023 and 2022, and the related statements of operations and changes in net assets 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 St. Francis Xavier Investment Corp. as of June 30, 2023 and 2022, and the results of its operations and changes in its net assets 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 St. Francis Xavier Investment Corp. 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 St. Francis Xavier Investment Corp.'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 St. Francis Xavier Investment Corp.'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 St. Francis Xavier Investment Corp.'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 2, 2023

**ST. FRANCIS XAVIER INVESTMENT CORP.  
STATEMENTS OF ASSETS AND LIABILITIES  
JUNE 30, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
Interest in Pooled Cash	\$ 35,347	\$ 42,327
Investment Securities Held for Investors, at Fair Value:		
Fixed Income Fund	30,237,620	28,959,177
Equity Fund	55,100,065	51,449,206
Treasury Money Market Fund	21,474,221	20,421,055
Total Investment Securities	106,811,906	100,829,438
 Total Assets	 \$ 106,847,253	 \$ 100,871,765
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 23,750	\$ 15,000
<b>NET ASSETS</b>		
Available for Investors:		
Fixed Income Fund	\$ 30,237,620	\$ 28,959,177
Equity Fund	55,100,065	51,449,206
Treasury Money Market Fund	21,010,916	19,949,109
Total Available for Investors	106,348,601	100,357,492
 Net Assets Without Donor Restrictions	 474,902	 499,273
Total Net Assets	106,823,503	100,856,765
 Total Liabilities and Net Assets	 \$ 106,847,253	 \$ 100,871,765

See accompanying Notes to Financial Statements.

**ST. FRANCIS XAVIER INVESTMENT CORP.**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2023**

	Shares	Cost	Fair Value	Percentage of Fund
<b>FIXED INCOME FUND</b>				
<b>Mutual Funds</b>				
Baird Intermediate Bond Fund	637,958	\$ 7,003,924	\$ 6,449,755	21.33 %
Blackrock Strategic Income	268,921	2,730,087	2,468,698	8.16
Pimco Moderate Duration Fund	1,242,482	12,878,125	11,256,891	37.23
The Blackrock Global Long/Short	163,914	1,718,795	1,432,604	4.74
<b>Treasury Money Market Funds</b>				
Federated US Treasury Cash Reserve Fund Class I	3,393,539	3,393,539	3,393,539	11.22
<b>Bonds</b>				
Utilities	*	322,331	307,781	1.02
Financials	*	1,038,385	956,973	3.16
Industrials	*	1,593,455	1,459,883	4.83
Federal Agencies	*	859,991	776,886	2.57
State and Municipal	*	1,534,863	1,382,212	4.57
Foreign Obligations	*	392,888	352,398	1.17
Total Fixed Income Fund		<u>\$ 33,466,383</u>	<u>\$ 30,237,620</u>	<u>100.00 %</u>
<b>EQUITY FUND</b>				
<b>Mutual Funds</b>				
Baird Mid Cap Fund	214,001	\$ 3,496,611	\$ 5,240,886	9.51 %
Vanguard Institutional Index Fund	26,556	8,295,373	9,863,864	17.91
Vanguard Small Cap Index Fund	57,978	3,268,062	5,525,955	10.03
Oakmark International Fund #109	142,187	2,757,596	3,836,194	6.96
Catholic Responsible Investments Equity Index Fund	1,228,578	12,251,033	11,941,782	21.67
WCM Focused International Growth Fund	129,803	1,629,244	2,923,163	5.31
Catholic Responsible Investments International Equity Fund	205,501	2,045,649	1,900,881	3.45
DFA Emerging Markets Core	66,486	1,308,071	1,438,765	2.61
<b>Treasury Money Market Funds</b>				
Federated US Treasury Cash Reserve Fund Class I	1,764,445	1,764,445	1,764,445	3.20
<b>Common Stocks</b>				
EMCOR Group, Inc.	1,528	69,124	282,344	0.51
Keysight Technologies, Inc.	1,640	44,289	274,618	0.50
Winnebago Industries	3,840	158,112	256,090	0.46
Laboratory Corporation	1,003	129,727	242,054	0.44
Jacobs Energy Group, Inc.	2,009	76,863	238,850	0.43
CBRE Group, Inc.	2,950	76,731	238,095	0.43
Euronet Worldwide, Inc.	1,973	99,356	231,571	0.42

See accompanying Notes to Financial Statements.

**ST. FRANCIS XAVIER INVESTMENT CORP.**  
**SCHEDULE OF INVESTMENTS (CONTINUED)**  
**JUNE 30, 2023**

	Shares	Cost	Fair Value	Percentage of Fund
<b>Common Stocks (Continued)</b>				
Genpact Limited	6,065	169,847	227,862	0.41 %
Equinix, Inc.	287	116,483	224,991	0.41
Ross Stores, Inc.	2,006	65,355	224,933	0.41
American Wood Mark Corp.	2,880	247,471	219,946	0.40
Agilent Technologies, Inc.	1,810	62,018	217,653	0.40
Essent Group Limited	4,560	158,477	213,408	0.39
Mid-America Apartment Communities, Inc.	1,403	130,074	213,060	0.39
Occidental Petroleum Corp.	3,595	208,060	211,386	0.38
Black Knight, Inc.	3,500	237,194	209,055	0.38
Becton Dickinson & Co.	790	111,473	208,568	0.38
Air Lease Corporation	4,437	177,000	185,688	0.34
Wabtec Corporation	1,662	137,214	182,272	0.33
Alexandria Real Estate Equities, Inc.	1,590	215,337	180,449	0.33
Albermarle Corp.	788	47,148	175,795	0.32
Gildan Activewear, Inc.	5,440	125,960	175,386	0.32
Helen of Troy Limited	1,620	233,243	174,992	0.32
Air Lease Corporation	4,090	126,188	171,167	0.31
Intercontinental Exchange, Inc.	1,492	159,760	168,715	0.31
Woodward, Inc.	1,415	120,607	168,258	0.31
Virtu Financial, Inc.	9,487	229,807	162,133	0.29
PGT Innovations, Inc.	5,510	87,006	160,617	0.29
RB Global, Inc.	2,603	177,646	156,180	0.28
ESAB Corp.	2,323	89,496	154,572	0.28
Gentex Corp.	5,267	154,031	154,112	0.28
SBA Communications Corp.	633	172,255	146,704	0.27
Roper Technologies, Inc.	298	35,453	143,278	0.26
Perrigo Co. PLC	4,110	158,643	139,535	0.25
Dream Finders Homes, Inc.	5,431	94,957	133,548	0.24
<b>Industry Groupings</b>				
Communication Services	1,732	63,102	130,385	0.24
Consumer Discretionary	41,109	1,010,139	957,657	1.74
Consumer Staples	4,345	171,870	178,635	0.32
Energy	5,540	207,293	98,390	0.18
Financials	24,049	964,366	954,172	1.73
Health Care	12,090	467,558	465,190	0.84
Industrials	32,149	644,734	606,955	1.10
Information Technology	1,700	156,307	188,792	0.34
Materials	3,020	165,795	216,069	0.39
Total Equity Fund		<u>\$ 45,369,653</u>	<u>\$ 55,100,065</u>	<u>100.00 %</u>
<b>TREASURY MONEY MARKET FUND</b>				
Federated US Treasury Cash Reserve Fund Class I	21,474,221	<u>\$ 21,474,221</u>	<u>\$ 21,474,221</u>	<u>100.00 %</u>

\* Share data not applicable.

See accompanying Notes to Financial Statements.

**ST. FRANCIS XAVIER INVESTMENT CORP.**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2022**

	Shares	Cost	Fair Value	Percentage of Fund
<b>FIXED INCOME FUND</b>				
<b>Mutual Funds</b>				
Baird Intermediate Bond Fund	620,649	\$ 6,828,075	\$ 6,436,134	22.22 %
Blackrock Strategic Income	255,760	2,607,984	2,424,609	8.37
Pimco Moderate Duration Fund	1,319,238	13,751,791	12,572,340	43.42
The Blackrock Global Long/Short	151,414	1,613,551	1,385,441	4.78
<b>Treasury Money Market Funds</b>				
Federated US Treasury Cash Reserve Fund Class I	924,439	924,439	924,439	3.19
<b>Bonds</b>				
Utilities	*	312,976	292,713	1.01
Financials	*	948,110	887,617	3.07
Industrials	*	1,495,914	1,384,172	4.78
Federal Agencies	*	835,030	781,975	2.70
State and Municipal	*	1,629,632	1,512,080	5.22
Foreign Obligations	*	392,888	357,657	1.24
Total Fixed Income Fund		<u>\$ 31,340,390</u>	<u>\$ 28,959,177</u>	<u>100.00 %</u>
<b>EQUITY FUND</b>				
<b>Mutual Funds</b>				
Baird Mid Cap Fund	210,618	\$ 3,424,445	\$ 4,307,133	8.37 %
Vanguard Institutional Index Fund	32,411	10,110,046	10,391,456	20.16
Vanguard Small Cap Index Fund	56,988	3,180,678	4,809,792	9.35
Oakmark International Fund #109	137,639	2,653,087	3,113,389	6.05
Catholic Responsible Investments Equity Index Fund	1,209,619	12,050,118	9,894,685	19.23
WCM Focused International Growth Fund	129,671	1,626,566	2,449,482	4.76
Catholic Responsible Investments International Equity Fund	202,303	2,002,667	1,561,779	3.04
DFA Emerging Markets Core	63,846	1,256,264	1,343,956	2.61
<b>Treasury Money Market Funds</b>				
Federated US Treasury Cash Reserve Fund Class I	3,550,674	3,550,674	3,550,674	6.90
<b>Common Stocks</b>				
Jacobs Energy Group, Inc.	2,009	76,863	255,404	0.50
Mid-America Apartment Communities, Inc.	1,403	130,074	245,062	0.48
Laboratory Corporation	1,003	129,727	235,063	0.46
Black Knight, Inc.	3,500	237,194	228,865	0.44
Keysight Technologies, Inc.	1,640	44,289	226,074	0.44
CBRE Group, Inc.	2,950	76,731	217,150	0.42
Agilent Technologies, Inc.	1,810	62,018	214,974	0.42

See accompanying Notes to Financial Statements.



**ST. FRANCIS XAVIER INVESTMENT CORP.**  
**SCHEDULE OF INVESTMENTS (CONTINUED)**  
**JUNE 30, 2022**

	Shares	Cost	Fair Value	Percentage of Fund
<b>Common Stocks (Continued)</b>				
SLM Corporation	12,822	108,478	204,383	0.40 %
East West Bancorp, Inc.	3,145	147,266	203,796	0.40
Genpact Limited	4,807	120,697	203,625	0.40
Euronet Worldwide, Inc.	1,973	99,356	198,464	0.39
Becton Dickinson & Co.	790	111,473	194,759	0.38
Equinix, Inc.	287	116,484	188,565	0.37
Helen of Troy Limited	1,160	185,587	188,396	0.37
Winnebago Industries	3,840	158,112	186,470	0.36
Virtu Financial, Inc.	7,588	194,702	177,635	0.35
Essent Group Limited	4,490	155,823	174,661	0.34
Albermarle Corp.	788	47,148	164,676	0.32
Plexus Corp.	2,090	157,352	164,065	0.32
EMCOR Group, Inc.	1,528	69,125	157,323	0.31
First Republic Bank San Francisco	1,060	40,521	152,852	0.30
WSFS Financial Corp.	3,790	187,650	151,941	0.30
Perrigo Co. PLC	3,710	150,120	150,515	0.29
Air Lease Corporation	4,437	177,000	148,329	0.29
Firstcash, Inc.	2,130	148,644	148,056	0.29
IAA, Inc.	4,460	221,746	146,154	0.28
Gildan Activewear, Inc.	5,050	115,481	145,339	0.28
Umpqua Holdings Corporation	8,660	159,640	145,228	0.28
Integra Lifesciences Holdings	2,670	149,563	144,260	0.28
Glacier Bancorp, Inc.	3,020	114,833	143,208	0.28
Alexandria Real Estate Equities, Inc.	978	117,939	141,839	0.28
Ross Stores, Inc.	2,006	65,355	140,881	0.27
PGT Innovations, Inc.	8,350	131,851	138,944	0.27
Syneos Health, Inc.	1,930	100,944	138,342	0.27
SBA Communications Corp.	417	117,690	133,461	0.26
<b>Industry Groupings</b>				
Communication Services	1,732	63,102	109,930	0.21
Consumer Discretionary	36,893	1,195,964	911,357	1.77
Consumer Staples	710	63,847	62,594	0.12
Energy	5,100	198,828	91,953	0.18
Financials	10,422	580,884	670,573	1.30
Health Care	3,998	111,664	86,138	0.17
Industrials	42,153	1,284,474	1,386,634	2.70
Information Technology	3,314	268,501	278,122	0.54
Materials	4,290	228,905	230,800	0.45
Total Equity Fund		<u>\$ 48,278,190</u>	<u>\$ 51,449,206</u>	<u>100.00 %</u>
<b>TREASURY MONEY MARKET FUND</b>				
Federated US Treasury Cash Reserve Fund Class I	20,421,055	<u>\$ 20,421,055</u>	<u>\$ 20,421,055</u>	<u>100.00 %</u>

\* Share data not applicable.

See accompanying Notes to Financial Statements.

**ST. FRANCIS XAVIER INVESTMENT CORP.  
STATEMENTS OF OPERATIONS  
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>REVENUES</b>		
Investment Income	\$ 2,634,624	\$ 2,507,467
Investment Management Fees	245,172	277,606
Total Revenues	2,879,796	2,785,073
<b>EXPENSES</b>		
Investment Management	35,000	50,366
General and Administrative	157,296	139,951
Total Expenses	192,296	190,317
<b>NET INVESTMENT INCOME</b>	2,687,500	2,594,756
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net Realized Gain on Investments	149,226	72,472
Change in Net Unrealized Gain (Loss) on Investments	6,050,018	(15,144,859)
Total Realized and Unrealized Gain (Loss) on Investments	6,199,244	(15,072,387)
<b>NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	\$ 8,886,744	\$ (12,477,631)

See accompanying Notes to Financial Statements.

**ST. FRANCIS XAVIER INVESTMENT CORP.  
STATEMENTS OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 100,856,765	\$ 114,819,958
Net Increase (Decrease) in Net Assets from Operations	8,886,744	(12,477,631)
Add: Subscriptions	8,034,833	10,356,587
Less: Redemptions	(10,954,839)	(11,842,149)
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 106,823,503</b>	<b>\$ 100,856,765</b>

*See accompanying Notes to Financial Statements.*

**ST. FRANCIS XAVIER INVESTMENT CORP.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 1 PRINCIPAL ACTIVITY**

St. Francis Xavier Investment Corp. (St. Francis Xavier Corp.) is a nonprofit corporation organized under the laws of the state of Wisconsin for the purpose of managing investments for the Catholic entities within the Diocese of Green Bay (Diocese). Investors have signed agreements authorizing St. Francis Xavier Corp. to manage their assets responsibly and in accordance with Catholic values. This agreement can be terminated with 30 days advance written notice.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

St. Francis Xavier Corp. had only net assets without donor restrictions as of June 30, 2023 and 2022.

**Interest in Pooled Cash**

St. Francis Xavier Corp. participates in a pooled cash account with an interdiocesan entity. St. Francis Xavier Corp.'s cash balance sweeps daily to the related party pooled cash account. The total of the pooled cash account, at times, may exceed federally insured limits. St. Francis Xavier Corp. has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**ST. FRANCIS XAVIER INVESTMENT CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

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

**Investments**

Investments are recorded at fair value. Fair value of investments in mutual or pooled funds is based on their net asset or unit value. The net asset or unit value (NAV) of the shares of each fund was determined as of the close of regular session trading on the New York Stock Exchange (NYSE) (usually 4:00 p.m. CST) each day the NYSE was open for regular session trading. Fair value of common stock is based on the value as of the close of regular session trading on the NYSE each day the NYSE was open for regular session trading. Corporate bonds and US Treasury obligations are valued based on an evaluation model. The NAV of each fund or unitized manager account (the Fund) was determined by dividing the value of each Fund's securities and other assets less its liabilities by the outstanding number of investor units.

**Revenue Recognition**

Investment management fees are recognized in the period the management activities are performed and represent fees charged to investors. Gross revenues from investment management fees totaled \$245,172 and \$277,606 during the years ended June 30, 2023 and 2022, respectively.

Investment income is recognized in the period it is earned. Securities transactions are recorded on a trade date basis.

**Investment Management Expense**

Investment management expense includes custodial fees, unitization fees, and the fee to the investment consultant. Individual investment manager fees are deducted prior to computing the unitized net asset value of the unitized manager accounts.

**Functional Expenses**

All of St. Francis Xavier Corp.'s expenses are considered management and general expenses.

**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.

**Tax-Exempt Status**

St. Francis Xavier Corp. 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.

**ST. FRANCIS XAVIER INVESTMENT CORP.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

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

**Accounting Standards Update**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations related to leasing activities. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Implementation of the new standard did not result in material changes to amounts reported in the financial statements. St. Francis Xavier Corp. adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption, with certain practical expedients available. St. Francis Xavier Corp. has elected to adopt the package of practical expedients available in the year of adoption.

St. Francis Xavier Corp. has no long-term leases that would require the recognition of right-of use (ROU) assets and lease liabilities on the statements of assets and liabilities. Therefore, the standard has no impact on the statements of assets and liabilities, operations, or changes in net assets.

**Subsequent Events**

In preparing these financial statements, St. Francis Xavier Corp. has evaluated events and transactions for potential recognition or disclosure through October 2, 2023, the date the financial statements were available to be issued.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

St. Francis Xavier Corp. 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 date of the statement of assets and liabilities, comprise the following at June 30:

	<u>2023</u>	<u>2022</u>
Interest in Pooled Cash	\$ 35,347	\$ 42,327
Investment Securities Held for Investors	106,811,906	100,829,438
Subtotal	<u>106,847,253</u>	<u>100,871,765</u>
Less: Net Assets Available for Investors	<u>(106,348,601)</u>	<u>(100,357,492)</u>
Total Financial Assets Available for General Expenditure	<u>\$ 498,652</u>	<u>\$ 514,273</u>

**ST. FRANCIS XAVIER INVESTMENT CORP.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS**

As defined by current authoritative language, fair value is the price that would be received to sell an asset or paid transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, St. Francis Xavier Corp. 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, St. Francis Xavier Corp. attempts to utilize valuation methods that maximize the use of observable inputs and minimizes the use of unobservable inputs.

The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets measured, reported, and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

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

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

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

The following tables present the balances of assets measured at fair value on a recurring basis.

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Investment Securities:				
Fixed Income Fund:				
Mutual Funds	\$ 21,607,948	\$ -	\$ -	\$ 21,607,948
Treasury Money Market Funds	-	3,393,539	-	3,393,539
Bonds	-	5,236,133	-	5,236,133
Equity Fund:				
Mutual Funds	42,671,490	-	-	42,671,490
Treasury Money Market Funds	-	1,764,445	-	1,764,445
Common Stocks	10,664,130	-	-	10,664,130
Treasury Money Market Fund	-	21,474,221	-	21,474,221
Total Investments	<u>\$ 74,943,568</u>	<u>\$ 31,868,338</u>	<u>\$ -</u>	<u>\$ 106,811,906</u>

**ST. FRANCIS XAVIER INVESTMENT CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Investment Securities:				
Fixed Income Fund:				
Mutual Funds	\$ 22,818,524	\$ -	\$ -	\$ 22,818,524
Treasury Money Market Funds	-	924,439	-	924,439
Bonds	-	5,216,214	-	5,216,214
Equity Fund:				
Mutual Funds	37,871,672	-	-	37,871,672
Treasury Money Market Funds	-	3,550,674	-	3,550,674
Common Stocks	10,026,860	-	-	10,026,860
Treasury Money Market Fund	-	20,421,055	-	20,421,055
Total Investments	<u>\$ 70,717,056</u>	<u>\$ 30,112,382</u>	<u>\$ -</u>	<u>\$ 100,829,438</u>

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

The fixed income and equity funds consist of mutual funds, common stocks, bonds, and treasury money market funds. The mutual funds and common stocks 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 bonds and debentures are classified as Level 2 as they are valued on a valuation model. The treasury money market funds are valued at amortized cost which approximates fair value. As such, they are classified as Level 2 investments.

**NOTE 5 INVESTMENTS**

Investors may elect to invest in any of the three funds maintained by St. Francis Xavier Corp. All financial assets are held by St. Francis Xavier Corp. in custody accounts by BMO Harris Bank, N.A. The Equity and Fixed Income Funds are actively managed by third-party investment managers or within index funds as indicated in the schedules of investments.

The average annual return is calculated for the investor balances taken as a whole. An individual investor's return and ratios may vary based on participation in different funds and timing of investment transactions.

Total return is measured by comparing the ending value of the investors' accounts to the beginning value of such investors' accounts adjusted for cash flows related primarily to subscriptions or redemptions during the period. Returns are linked based on the timing of cash flows during the period. An individual investors' return may vary from these returns based on their timing of transactions and the investment options chosen.

The net investment income and the expense ratios for individual investors may vary from these ratios based on the timing of transactions.



**ST. FRANCIS XAVIER INVESTMENT CORP.**  
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**NOTE 5 INVESTMENTS (CONTINUED)**

**Fixed Income Fund**

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	5
Total	<u>100 %</u>

Whenever the actual allocation varies from the target allocation by more than 5%, the fund is rebalanced.

As of June 30, 2023 and 2022, there were 409,429.257 and 392,439.424 units outstanding in the fixed income fund with a net asset value per unit of \$73.853 and \$73.793, respectively.

The per-unit detail of investment return, realized and unrealized gains and losses and expenses was not readily available.

Following is the average annual return of the fixed income fund for the indicated time periods ended June 30:

	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
2023	0.1 %	(2.0)%	1.0 %
2022	(7.6)%	(0.2)%	0.9 %

The weighted expense ratio for the fixed income funds was 0.81% and 0.84% for the years ended June 30, 2023 and 2022, respectively.

**Equity Fund**

The equity fund is intended to be utilized by long-term money. No investor is 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 Equivalents	3
Total	<u>100 %</u>

Whenever the actual allocation varies from the target allocation by more than 5%, the fund is rebalanced.

As of June 30, 2023 and 2022, there were 257,033.146 and 278,923.632 units outstanding in the equity fund with a net asset value per unit of \$214.369 and \$184.456, respectively.

**ST. FRANCIS XAVIER INVESTMENT CORP.**  
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**NOTE 5 INVESTMENTS (CONTINUED)**

The per-unit detail of investment return, realized and unrealized gains and losses and expenses was not readily available.

Following is the average annual return of the equity fund for the indicated time periods ended June 30:

	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
2023	16.2 %	11.7 %	7.3 %
2022	(16.9)%	5.0 %	6.4 %

The weighted expense ratio for the equity fund was 0.81% and 0.79% for the years ended June 30, 2023 and 2022, respectively.

**Treasury Money Market Fund**

The treasury money market fund is intended to be utilized by intermediate and short-term money. The entire balance is invested in the Federated US Treasury Cash Reserve Fund Class I at June 30, 2023 and 2022.

As of June 30, 2023 and 2022, there were 21,474,221 and 20,421,055 units outstanding in the treasury money market fund, respectively, with a net asset value per unit of \$1.

Following is the average annual return for the indicated time periods ended June 30:

	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
2023	3.54 %	1.21 %	1.40 %
2022	0.13 %	0.47 %	0.93 %

The weighted expense ratio for the treasury money market fund was 0.18% for the years ended June 30, 2023 and 2022.

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

**ST. FRANCIS XAVIER INVESTMENT CORP.**  
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**NOTE 6 INTERDIOCESAN TRANSACTIONS**

St. Francis Xavier Corp. received various revenues from and incurred various charges to other diocesan entities during the years ended June 30, 2023 and 2022. All activity is settled between the entities; therefore, there are no accounts receivable or accounts payable between the entities as of June 30, 2023 and 2022.

Total revenues from other diocesan corporations were \$61,744 and \$68,877 for the years ended June 30, 2023 and 2022, respectively, and related primarily to fees charged for investment management services. These amounts include each entity's proportionate share of the fee retained by St. Francis Xavier Corp., and the fees paid to the individual investment managers, custodial fees, and unitization fees. The portion of these fees remitted directly to the individual investment managers is shown net on the statements of operations. The revenue from interdiocesan transaction constitutes a substantial portion of the St. Francis Xavier Corp.'s investment management fees for the years ended June 30, 2023 and 2022, respectively.

Total expenses paid to other diocesan corporations were \$149,428 and \$132,392 for the years ended June 30, 2023 and 2022, respectively, the majority of which relates to administrative and support services provided by St. Therese of the Little Flower, Inc.



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