

**GREEN BAY DIOCESE
CEMETERY CORPORATION**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019



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**GREEN BAY DIOCESE CEMETERY CORPORATION
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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, 2020 and 2019, 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.

Board of Directors
Green Bay Diocese Cemetery Corporation

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, 2020 and 2019, 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

CliftonLarsonAllen LLP

Oshkosh, Wisconsin
September 17, 2020

GREEN BAY DIOCESE CEMETERY CORPORATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Interest in Cash	\$ 417,352	\$ 136,909
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$75,000 and \$40,000, Respectively	17,862	51,936
Prepaid Expenses	561	2,315
Inventories	1,118,832	1,193,132
Investments	4,103,310	4,092,912
Property and Equipment, Net	1,191,862	1,142,247
Total Assets	\$ 6,849,779	\$ 6,619,451
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 128,210	\$ 47,425
Accrued Expenses	43,966	33,236
Deferred Revenue	1,830,718	1,777,199
Refundable Advance	101,120	-
Total Liabilities	2,104,014	1,857,860
NET ASSETS		
Without Donor Restrictions:		
Designated for the Perpetual Care of the Cemetery	3,567,851	3,505,626
Undesignated	1,177,914	1,251,043
Total Net Assets Without Donor Restrictions	4,745,765	4,756,669
With Donor Restrictions:		
Restricted for Cemetery Upkeep	-	4,922
Total Net Assets	4,745,765	4,761,591
Total Liabilities and Net Assets	\$ 6,849,779	\$ 6,619,451

See accompanying Notes to Financial Statements.

GREEN BAY DIOCESE CEMETERY CORPORATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
REVENUES AND SUPPORT			
Sales	\$ 1,305,551	\$ -	\$ 1,305,551
Cost of Sales	(413,121)	-	(413,121)
Gross Margin	892,430	-	892,430
Contributions	302	-	302
Other	7,785	-	7,785
Net Assets Released for Cemetery Upkeep	4,922	(4,922)	-
Total Revenues and Support	<u>905,439</u>	<u>(4,922)</u>	<u>900,517</u>
EXPENSES			
Salaries and Wages	274,255	-	274,255
Personnel Benefits	80,265	-	80,265
Purchased Services	132,933	-	132,933
Facilities, Buildings, and Grounds	391,320	-	391,320
Office	38,389	-	38,389
Other	35,218	-	35,218
Total Expenses	<u>952,380</u>	<u>-</u>	<u>952,380</u>
Expenses in Excess of Revenues and Support	(46,941)	(4,922)	(51,863)
OTHER CHANGES IN NET ASSETS			
Investment Return	31,611	-	31,611
Gain on Disposal of Equipment	4,426	-	4,426
Total Other Changes in Net Assets	<u>36,037</u>	<u>-</u>	<u>36,037</u>
CHANGE IN NET ASSETS	(10,904)	(4,922)	(15,826)
Net Assets - Beginning of Year	<u>4,756,669</u>	<u>4,922</u>	<u>4,761,591</u>
NET ASSETS - END OF YEAR	<u>\$ 4,745,765</u>	<u>\$ -</u>	<u>\$ 4,745,765</u>

See accompanying Notes to Financial Statements.

GREEN BAY DIOCESE CEMETERY CORPORATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
REVENUES AND SUPPORT			
Sales	\$ 1,056,295	\$ -	\$ 1,056,295
Cost of Sales	(366,251)	-	(366,251)
Gross Margin	690,044	-	690,044
Contributions	440	-	440
Other	12,970	-	12,970
Total Revenues and Support	<u>703,454</u>	<u>-</u>	<u>703,454</u>
EXPENSES			
Salaries and Wages	267,264	-	267,264
Personnel Benefits	77,397	-	77,397
Purchased Services	138,037	-	138,037
Facilities, Buildings, and Grounds	374,762	-	374,762
Office	32,832	-	32,832
Other	667	-	667
Total Expenses	<u>890,959</u>	<u>-</u>	<u>890,959</u>
Expenses in Excess of Revenues and Support	(187,505)	-	(187,505)
OTHER CHANGES IN NET ASSETS			
Investment Return	216,465	-	216,465
Gain on Disposal of Equipment	150	-	150
Total Other Changes in Net Assets	<u>216,615</u>	<u>-</u>	<u>216,615</u>
CHANGE IN NET ASSETS	29,110	-	29,110
Net Assets - Beginning of Year	<u>4,727,559</u>	<u>4,922</u>	<u>4,732,481</u>
NET ASSETS - END OF YEAR	<u>\$ 4,756,669</u>	<u>\$ 4,922</u>	<u>\$ 4,761,591</u>

See accompanying Notes to Financial Statements.

GREEN BAY DIOCESE CEMETERY CORPORATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 1,401,231	\$ 1,143,097
Cash Paid to and On Behalf of Employees	(531,459)	(509,328)
Cash Paid to Suppliers	<u>(576,244)</u>	<u>(717,679)</u>
Net Cash Flows Provided (Used) by Operating Activities	293,528	(83,910)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Paid for Purchases of Property and Equipment	(145,418)	(288,202)
Proceeds from Sale of Equipment	10,000	150
Cash Paid for Purchases of Investments	(288,787)	(127,540)
Proceeds from Sale of Investments	<u>310,000</u>	<u>265,000</u>
Net Cash Flows Used by Investing Activities	(114,205)	(150,592)
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from Refundable Advance	<u>101,120</u>	<u>-</u>
NET CHANGE IN CASH AND INTEREST IN CASH	280,443	(234,502)
Cash and Interest in Cash - Beginning of Year	<u>136,909</u>	<u>371,411</u>
CASH AND INTEREST IN CASH - END OF YEAR	<u><u>\$ 417,352</u></u>	<u><u>\$ 136,909</u></u>

See accompanying Notes to Financial Statements.

GREEN BAY DIOCESE CEMETERY CORPORATION
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (15,826)	\$ 29,110
Adjustments to Reconcile Change in Net Assets to Net Cash Flows Provided (Used) by Operating Activities:		
Depreciation	90,229	71,553
Provision For Doubtful Accounts	35,000	-
Investment Return	(31,611)	(216,465)
Gain on Disposal of Equipment	(4,426)	(150)
(Increase) Decrease in Assets:		
Accounts Receivable	(926)	12,960
Prepaid Expenses	1,754	887
Inventories	74,300	49,263
Increase (Decrease) in Liabilities:		
Accounts Payable	80,785	(87,151)
Accrued Expenses	10,730	(4,349)
Deferred Revenue	53,519	60,432
	<u>\$ 293,528</u>	<u>\$ (83,910)</u>
Net Cash Flows Provided (Used) by Operating Activities		
	<u>\$ 293,528</u>	<u>\$ (83,910)</u>
 SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Interest and Dividends Reinvested Directly Back Into Investment Funds	<u>\$ 104,051</u>	<u>\$ 76,901</u>

See accompanying Notes to Financial Statements.

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 PRINCIPAL ACTIVITY

Green Bay Diocese Cemetery Corporation (the Cemetery) is a nonprofit 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. 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, 2020 and 2019.

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 net assets without donor restrictions unless the income or loss is restricted by donor or law.

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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.

Land Improvements	10 to 50 Years
Buildings	10 to 40 Years
Furniture and Equipment	3 to 20 Years
Vehicles	5 Years

Impairment of Long-Lived Assets

The Cemetery 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.

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 goods or services are provided and the fees are earned.

Refundable Advance

The Cemetery received proceeds from the Small Business Administration's Paycheck Protection Program during 2020. Management expects that the substantial portion of the proceeds will be treated as a contribution once certain barriers are completed. Management has determined barriers for the recognition of these funds to be maintenance of FTEs, incurrence of allowable costs as defined under the program, and submission and approval of forgiveness application to obtain full or partial forgiveness. Management expects those barriers to be met during the coming year. Because these barriers have not been met as of June 30, 2020, an advance payment of \$101,120 has been recognized in the statements of financial position as a refundable advance.

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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 for Cemetery Upkeep.

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.

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Unearned revenues for sales of cemetery spaces and mausoleum crypts and niches, which totaled \$1,830,718 and \$1,777,199 at June 30, 2020 and 2019, respectively, are reflected as deferred revenue on the statements of financial position.

Revenue from sales of cemetery spaces and mausoleum crypts and niches is recognized at a point in time and totaled \$1,305,551 and \$1,056,295 during the years ended June 30, 2020 and 2019, respectively.

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 \$17,387 and \$20,824 for the years ended June 30, 2020 and 2019, respectively.

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 17, 2020, the date the financial statements were available to be issued.

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3 ACCOUNTING STANDARDS UPDATE

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable financial statement users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

In June 2018, the FASB issued ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made.

The Cemetery's financial statements reflect the application of ASC 606 guidance and adoption of ASU 2018-08 beginning in 2019. No cumulative-effect adjustment in net assets was recorded because the adoption of ASUs 2014-09 and 2018-08 did not significantly impact the Cemetery's reported historical revenue.

NOTE 4 LIQUIDITY AND AVAILABILITY

The Cemetery 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:

	2020	2019
Cash and Interest in Cash	\$ 417,352	\$ 136,909
Accounts Receivable	17,862	51,936
Investments	4,103,310	4,092,912
Subtotal	<u>4,538,524</u>	<u>4,281,757</u>
Less: Net Assets Designated for the Perpetual Care of the Cemetery	(3,567,851)	(3,505,626)
Less: Donor Restricted Net Assets	<u>-</u>	<u>(4,922)</u>
Total Financial Assets Available for General Expenditure	<u>\$ 970,673</u>	<u>\$ 771,209</u>

Although management does not intend to utilize the amounts designated for the perpetual care of the Cemetery for general expenditures, these amounts could be made available if necessary.

The Cemetery also maintains a \$300,000 line of credit, which could be drawn upon in the event of an anticipated liquidity need.

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 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 fair value and consisted of the following at June 30:

	Fair Value		Redemption Frequency	Termination Notice Period
	2020	2019		
St. Francis Xavier Corp.				
Fixed Income Fund	\$ 1,007,438	\$ 1,073,459	Daily	30 Days
Equity Fund	2,354,037	2,511,083	Daily	30 Days
Money Market Fund	741,835	508,370	Daily	30 Days
Total	<u>\$ 4,103,310</u>	<u>\$ 4,092,912</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	5
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	3
Total	<u>100%</u>

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.

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 INVESTMENTS (CONTINUED)

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, 2020			
	Total	Level 1	Level 2	Level 3
St. Francis Xavier Corp.				
Fixed Income Fund	\$ 1,007,438	\$ -	\$ 1,007,438	\$ -
Equity Fund	2,354,037	-	2,354,037	-
Money Market Fund	741,835	-	741,835	-
Total Investments	<u>\$ 4,103,310</u>	<u>\$ -</u>	<u>\$ 4,103,310</u>	<u>\$ -</u>
	June 30, 2019			
	Total	Level 1	Level 2	Level 3
St. Francis Xavier Corp.				
Fixed Income Fund	\$ 1,073,459	\$ -	\$ 1,073,459	\$ -
Equity Fund	2,511,083	-	2,511,083	-
Money Market Fund	508,370	-	508,370	-
Total Investments	<u>\$ 4,092,912</u>	<u>\$ -</u>	<u>\$ 4,092,912</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:

	2020	2019
Interest and Dividends on Investments	\$ 104,051	\$ 76,901
Realized and Unrealized Gains (Losses) on Investments	(72,440)	139,564
Total Investment Return	<u>\$ 31,611</u>	<u>\$ 216,465</u>

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 6 INVENTORIES

Inventories consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Burial Spaces	\$ 1,086,398	\$ 1,157,761
Supplies	32,434	35,371
Total Inventories	<u>\$ 1,118,832</u>	<u>\$ 1,193,132</u>

NOTE 7 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Land and Improvements	\$ 428,966	\$ 392,048
Buildings	1,308,037	1,308,037
Furniture and Equipment	566,977	520,150
Vehicles	37,597	37,597
Total - At Cost	<u>2,341,577</u>	<u>2,257,832</u>
Less: Accumulated Depreciation	<u>(1,149,715)</u>	<u>(1,115,585)</u>
Net Property and Equipment	<u>\$ 1,191,862</u>	<u>\$ 1,142,247</u>

Depreciation expense of \$90,229 and \$71,553 was recorded for the years ended June 30, 2020 and 2019, respectively.

NOTE 8 PERPETUAL CARE FUNDS

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

Cemetery Lots – 25% of the gross sales price of each lot sold. This policy exceeds state law.

Mausoleum Crypts and Niches – 25% of the gross sales price of each space sold until the fund equals 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.

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 9 LINE-OF-CREDIT

The Cemetery has a line of credit financing agreement with a bank in the amount of \$300,000 with interest payable at the monthly LIBOR rate plus 1.75% (effectively 1.91% at June 30, 2020). The line of credit is unsecured and expires December 31, 2020.

There were no amounts drawn on the line of credit and no interest expense during the years ended June 30, 2020 and 2019.

NOTE 10 DEFERRED REVENUE

Deferred revenue consisted of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Prepaid Entombments	\$ 1,032,768	\$ 996,505
Prepaid Internments	357,789	351,144
Prepaid Inscriptions	417,146	406,535
Defaulted Sales Deposits	18,130	18,130
Deferred Interest	4,885	4,885
Total Deferred Revenue	<u>\$ 1,830,718</u>	<u>\$ 1,777,199</u>

NOTE 11 FUNCTIONAL CLASSIFICATION OF EXPENSES

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

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 11 FUNCTIONAL CLASSIFICATION OF EXPENSES (CONTINUED)

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

	2020		
	Program Services	Management and General	Total
Salaries and Wages	\$ 399,064	\$ 7,530	\$ 406,594
Personnel Benefits	133,337	2,003	135,340
Purchased Services	99,768	33,165	132,933
Maintenance	215,590	-	215,590
Depreciation	90,229	-	90,229
Other Facilities, Buildings, and Grounds	111,917	-	111,917
Office	11,973	-	11,973
Other	35,218	-	35,218
Cost of Sales	225,707	-	225,707
Total Expenses by Function	<u>1,322,803</u>	<u>42,698</u>	<u>1,365,501</u>
Less: Expenses Included with Revenues on the Statements of Activities:			
Cost of Sales	<u>(413,121)</u>	<u>-</u>	<u>(413,121)</u>
Total Expenses Included in the Expenses Section on the Statements of Activities	<u>\$ 909,682</u>	<u>\$ 42,698</u>	<u>\$ 952,380</u>
	2019		
	Program Services	Management and General	Total
Salaries and Wages	\$ 370,027	\$ 7,529	\$ 377,556
Personnel Benefits	125,918	1,505	127,423
Purchased Services	103,837	34,200	138,037
Maintenance	195,704	-	195,704
Depreciation	71,553	-	71,553
Other Facilities, Buildings, and Grounds	126,983	-	126,983
Office	13,354	-	13,354
Other	667	-	667
Cost of Sales	205,933	-	205,933
Total Expenses by Function	<u>1,213,976</u>	<u>43,234</u>	<u>1,257,210</u>
Less: Expenses Included with Revenues on the Statements of Activities:			
Cost of Sales	<u>(366,251)</u>	<u>-</u>	<u>(366,251)</u>
Total Expenses Included in the Expenses Section on the Statements of Activities	<u>\$ 847,725</u>	<u>\$ 43,234</u>	<u>\$ 890,959</u>

GREEN BAY DIOCESE CEMETERY CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 12 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 was \$32,461 and \$30,563 for the years ended June 30, 2020 and 2019, respectively.

NOTE 13 RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Cemetery, COVID-19 may impact various parts of its 2021 operations and financial results, including sales. Management believes the Cemetery is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

NOTE 14 INTERDIOCESAN TRANSACTIONS

The Cemetery was a party to various transactions with other diocesan corporations during the years ended June 30, 2020 and 2019. Total expenses paid to other diocesan corporations were \$187,902 and \$183,411 for the years ended June 30, 2020 and 2019, respectively, and relates to administrative and support services.

The Cemetery had an unsecured line-of-credit with the Catholic Diocese of Green Bay, Inc. for an amount up to \$250,000 that was eliminated on October 15, 2019. Funds drawn on the line-of-credit accrued interest at a rate of 3.0% based on an average monthly balance. There was no balance outstanding on the line-of-credit at June 30, 2019.