

THE CATHOLIC DIOCESE OF MADISON FOUNDATION, INC.

FINANCIAL STATEMENTS

June 30, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Catholic Diocese of Madison Foundation, Inc.
Madison, Wisconsin

We have audited the accompanying financial statements of The Catholic Diocese of Madison Foundation, Inc., which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, 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.

Auditor's 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 auditor's 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

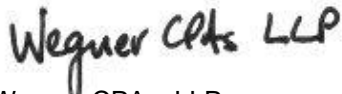
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Catholic Diocese of Madison Foundation, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, The Catholic Diocese of Madison Foundation, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended June 30, 2019. The requirements of the update have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Prior Period Adjustment

As described in Note 12 to the financial statements, certain errors resulting in the understatement of the amounts previously reported for net assets without donor restriction and the overstatement of beneficial interests held for others as of June 30, 2018, were discovered and corrected by management of The Catholic Diocese of Madison Foundation, Inc. during the current year. Our opinion is not modified with respect to that matter.

A handwritten signature in black ink that reads "Wegner CPAs LLP". The signature is written in a cursive, slightly slanted style.

Wegner CPAs, LLP
Madison, Wisconsin
September 27, 2019

THE CATHOLIC DIOCESE OF MADISON FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 783,239	\$ 847,577
Accounts receivable	110,689	100,965
Unconditional promises to give, net	1,844,598	10,157,294
Investments	<u>50,972,947</u>	<u>46,556,883</u>
Total assets	<u>\$ 53,711,473</u>	<u>\$ 57,662,719</u>
LIABILITIES		
Accounts payable	\$ 1,760	\$ 25
Accrued expenses	14,973	8,147
Beneficial interests held for others	<u>52,665,399</u>	<u>57,345,852</u>
Total liabilities	52,682,132	57,354,024
NET ASSETS		
Without donor restrictions	453,524	283,248
With donor restrictions	<u>575,817</u>	<u>25,447</u>
Total net assets	<u>1,029,341</u>	<u>308,695</u>
Total liabilities and net assets	<u>\$ 53,711,473</u>	<u>\$ 57,662,719</u>

See accompanying notes.

THE CATHOLIC DIOCESE OF MADISON FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2019 and 2018

	2019	2018
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Contributions	\$ 2,088,129	\$ 2,218,290
Less amounts for beneficial interests held for others	<u>(2,063,129)</u>	<u>(2,218,290)</u>
Contributions	25,000	-
Investment return, net	1,321,716	3,987,794
Less amounts for beneficial interests held for others	<u>(1,253,578)</u>	<u>(3,987,437)</u>
Investment return, net	1,211	-
Management fees	415,071	404,174
Interest	1,686	1,109
Donations	<u>840</u>	<u>27</u>
Total support and revenue	443,808	405,310
EXPENSES		
Grants and distributions	3,589,265	3,616,618
Less amounts from beneficial interests held for others	<u>(3,589,265)</u>	<u>(3,616,618)</u>
Grants	-	-
Raising funds for Catholic organizations	164,727	210,470
Management and general	<u>108,805</u>	<u>101,177</u>
Total expenses	<u>273,532</u>	<u>311,647</u>
Change in net assets without donor restrictions	170,276	93,663
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	483,443	25,090
Investment return, net	<u>66,927</u>	<u>357</u>
Change in net assets with donor restrictions	<u>550,370</u>	<u>25,447</u>
Change in net assets	720,646	119,110
Net assets at beginning of year, as restated	<u>308,695</u>	<u>189,585</u>
Net assets at end of year	<u><u>\$ 1,029,341</u></u>	<u><u>\$ 308,695</u></u>

See accompanying notes.

THE CATHOLIC DIOCESE OF MADISON FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2019 and 2018

	2019		
	Raising Funds for Catholic Organizations	Management and General	Total
Personnel	\$ 127,892	\$ 54,811	\$ 182,703
Professional fees	-	48,642	48,642
Office and occupancy	9,473	4,060	13,533
Donor relations and communications	24,345	-	24,345
Other administrative	3,017	1,292	4,309
Total expenses	\$ 164,727	\$ 108,805	\$ 273,532

	2018		
	Raising Funds for Catholic Organizations	Management and General	Total
Personnel	\$ 175,938	\$ 43,984	\$ 219,922
Professional fees	-	46,260	46,260
Office and occupancy	12,053	3,013	15,066
Donor relations and communications	21,090	4,539	25,629
Other administrative	1,389	3,381	4,770
Total expenses	\$ 210,470	\$ 101,177	\$ 311,647

See accompanying notes.

THE CATHOLIC DIOCESE OF MADISON FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 720,646	\$ 119,110
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Amortization of discount on pledges receivable	(75,718)	(161,472)
(Increase) decrease in assets		
Accounts receivable	(9,724)	(5,084)
Unconditional promises to give, net	8,388,414	5,921,659
Increase (decrease) in liabilities		
Accounts payable	1,735	(315)
Accrued expenses	6,826	(10,152)
Beneficial interests held for others	(7,214,413)	(1,237,213)
Net cash flows from operating activities	1,817,766	4,626,533
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(7,118,023)	(11,600,605)
Proceeds from sales of investments	5,235,919	6,980,335
Net cash flows from investing activities	(1,882,104)	(4,620,270)
Change in cash	(64,338)	6,263
Cash at beginning of year	847,577	841,314
Cash at end of year	\$ 783,239	\$ 847,577

See accompanying notes.

THE CATHOLIC DIOCESE OF MADISON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

The Catholic Diocese of Madison Foundation, Inc. (the "Foundation"), works to foster giving as a way of life by raising funds for long term support of Catholic organizations throughout the diocese, primarily through endowments. The program benefits the mission of the Church through support to parishes, Catholic education, vocations and Catholic ministries diocesan-wide.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounts Receivable

The Foundation considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been developed. If amounts become uncollectible, they will be charged to operations when that determination is made.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Management Fees

The Foundation charges each fund a quarterly fee ranging from 0.125% - 0.25% of the balance in each fund as of the end of the quarter. A fund is not charged a management fee in the quarter in which the fund is established.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, office and occupancy, and other administrative, which are allocated on the basis of estimates of time and effort.

Income Tax Status

The Foundation is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and, accordingly, there is no provision for federal or state income taxes.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

THE CATHOLIC DIOCESE OF MADISON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019 and 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of New Accounting Pronouncement

The Foundation adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended June 30, 2019. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The changes required by the update have been applied retrospectively to all periods presented. A key change required by the update is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

Date of Management's Review

Management has evaluated subsequent events through September 27, 2019, the date which the financial statements were available to be issued.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

NOTE 2 – INVESTMENTS

Investments at June 30, 2019 and 2018 consisted of the following:

	2019	2018
Common stocks	\$ 34,705,647	\$ 31,894,159
Bonds	13,763,121	12,804,277
Mutual funds	247,414	169,735
Money market funds	2,256,765	1,688,712
Investments	\$ 50,972,947	\$ 46,556,883

Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position.

THE CATHOLIC DIOCESE OF MADISON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 2 – INVESTMENTS (continued)

Investment return for the years ended June 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 1,175,004	\$ 885,093
Realized and unrealized gains	497,480	3,380,613
Investment fees	<u>(283,841)</u>	<u>(277,555)</u>
Investment return, net	<u>\$ 1,388,643</u>	<u>\$ 3,988,151</u>

Investment return for the years ended June 30, 2019 and 2018 included amounts with donor restrictions and without donor restrictions as follows:

	<u>2019</u>	<u>2018</u>
Investment return without donor restrictions	\$ 1,321,716	\$ 3,987,794
Investment return with donor restrictions	<u>66,927</u>	<u>357</u>
Investment return, net	<u>\$ 1,388,643</u>	<u>\$ 3,988,151</u>

NOTE 3 – FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis are as follows for the years ended June 30, 2019 and 2018:

	<u>Assets at Fair Value as of June 30, 2019</u>		
	<u>Fair Value</u>	<u>Quoted Prices in Active Market for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Common stocks	\$ 34,705,647	\$ 34,705,647	\$ -
Bonds	13,763,121	402,874	13,360,247
Mutual funds	247,414	247,414	-
Money market funds	<u>2,256,765</u>	<u>-</u>	<u>2,256,765</u>
	<u>\$ 50,972,947</u>	<u>\$ 35,355,935</u>	<u>\$ 15,617,012</u>

THE CATHOLIC DIOCESE OF MADISON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019 and 2018

NOTE 3 – FAIR VALUE MEASUREMENTS (continued)

	Assets at Fair Value as of June 30, 2018		
	Fair Value	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Common stocks	\$ 31,894,159	\$ 31,894,159	\$ -
Bonds	12,804,277	148,604	12,655,673
Mutual funds	169,735	169,735	-
Money market funds	1,688,712	-	1,688,712
	<u>\$ 46,556,883</u>	<u>\$ 32,212,498</u>	<u>\$ 14,344,385</u>

Fair values for the money market funds and stocks are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value of the mutual funds is based on quoted market prices as these securities are actively traded. Fair value of the bonds is determined based on the quoted yield on a security that is most similar to the security being valued, adjusted for variances in the maturity, coupon and other features. Level 1 and Level 2 investments can be sold in the open market without delay.

NOTE 4 – BENEFICIAL INTERESTS HELD FOR OTHERS

As part of its mission, the Foundation receives reciprocal transfers and donations from various donors and other entities, solely to support Catholic organizations in the Diocese of Madison. U.S. GAAP establishes standards for transactions in which a recipient entity accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to an entity that is specified by the donor. The Foundation refers to such funds as beneficial interests held for others. The Foundation maintains legal ownership of beneficial interests, and, therefore, reports the funds as assets of the Foundation. However, in accordance with U.S. GAAP, because the Foundation received these funds absent variance power, these transfers and donations are not recorded as revenue, and a liability has been established equal to the fair value of the assets held for the various Catholic organizations.

As of June 30, 2019 and 2018, the Foundation was the owner of 29 and 27 beneficial interests held for others with a combined fair value of \$52,665,399 and \$57,345,852. All financial activity related to these funds is segregated in the statements of activities and has been classified as a liability in the statements of financial position.

THE CATHOLIC DIOCESE OF MADISON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 4 – BENEFICIAL INTERESTS HELD FOR OTHERS (continued)

As of June 30, 2019 and 2018, the Foundation’s beneficial interests held for others consisted of the following:

	2019	2018
Cash	\$ 449,883	\$ 631,675
Unconditional promises to give	1,844,598	10,157,294
Investments	50,370,918	46,556,883
Total beneficial interests held for others	\$ 52,665,399	\$ 57,345,852

NOTE 5 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at June 30, 2019 and 2018 are summarized as follows:

	2019	2018
Amounts due in less than one year	\$ 1,844,598	\$ 5,117,031
Amounts due in one to five years	-	5,115,981
Unconditional promises to give	1,844,598	10,233,012
Less unamortized discount	-	(75,718)
Unconditional promises to give, net	\$ 1,844,598	\$ 10,157,294

Unconditional promises to give due in one to five years are reflected at present value of estimated future cash flows using a discount rate of 1.5%.

All of the promises to give are attributable to the *Priests for Our Future – The Church is Alive* capital campaign, which raised funds to provide educational support for the seminarians of the Diocese of Madison and to support the work of the Diocesan Office of Vocations in promoting vocations to the priesthood. All of the promises to give are included in the beneficial interests held for others liability as noted in Note 4, and therefore, do not have an effect on the Foundation’s statements of activities. While in previous years, the Foundation properly elected not to record an allowance for uncollectible promises to give, in fact, for the period ending June 30, 2019, the unconditional promises to give balance has been reduced by the sum of \$4,137,200, along with the corresponding beneficial interests held for others, as the promises to give are determined to be uncollectible.

Each parish in the Diocese of Madison had a goal to raise contributions for the campaign. A “waterfall” formula was adopted whereby a parish is entitled to a portion of the excess amounts given to the Foundation for the campaign. For contributions of 100% to 125% of the goal, 50% of these amounts will be a waterfall to the parish. For contributions above 125% of the goal, 80% of these amounts will be a waterfall to the parish. For the years ended June 30, 2019 and 2018, the Foundation made waterfall payments to the parishes totaling \$1,384,065 and \$1,132,985.

THE CATHOLIC DIOCESE OF MADISON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 5 – UNCONDITIONAL PROMISES TO GIVE (continued)

Based on the unconditional promises to give by donors as of June 30, 2019 and 2018, the amounts held for others are estimated to be split as follows:

	2019	2018
Diocese of Madison - Holy Name Seminary	\$ 1,150,021	\$ 4,264,781
Various parishes of the Diocese	694,577	5,892,513
Unconditional promises to give, net	\$ 1,844,598	\$ 10,157,294

NOTE 6 – CONCENTRATIONS OF CREDIT RISK

The Foundation maintains cash balances at a financial institution located in Madison, Wisconsin. The Federal Deposit Insurance Corporation insures accounts at each institution up to \$250,000. As of June 30, 2019 and 2018, the Foundation had uninsured cash balances totaling \$552,878 and \$605,258.

NOTE 7 – RELATED PARTY TRANSACTIONS

Diocese of Madison staff provide administrative services to the Foundation under an agreement ending June 30, 2020. The amount paid for these services by the Foundation for each of the years ended June 30, 2019 and 2018 was \$35,000. Also, the Foundation leases office space from the Diocese of Madison under a month-to-month lease agreement that requires monthly payments of \$686. Rent expense for each of the years ended June 30, 2019 and 2018 totaled \$8,232. The Foundation also participates in a defined contribution plan that is administered by the Diocese of Madison as described in note 10.

NOTE 8 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, such as without donor or other restrictions limiting their use, within one year of the statement of financial position date include cash of \$333,357 and accounts receivable of \$110,689 totaling \$444,046.

The Foundation manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures. Adjustments are made to plan as needed to ensure adequate liquidity. The Foundation's liquidity exceeds projected annual operating expenses by a ratio of 1.20 to 1.00, and as such, the Foundation has concluded that it is not necessary to secure a line of credit in support of liquidity requirements.

NOTE 9 – ENDOWMENT FUNDS

The Foundation's endowment assets consists of two donor-restricted funds. These funds were established to provide resources for corporal works of mercy and tuition assistance for Catholic grade schools. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

THE CATHOLIC DIOCESE OF MADISON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 9 – ENDOWMENT FUNDS (continued)

Application of UPMIFA - The Foundation is subject to Wisconsin's Uniform Prudent Management of Institutional Funds Act (UPMIFA), and thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors of the Foundation has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor restricted endowment funds, the Foundation considers a fund to be underwater when the fair value of the fund is less than the sum of (a) the original value of gifts donated to the fund, (b) the original value of subsequent gifts donated to the fund, (c) any accumulations to the fund that are required to be maintained in accordance with the direction of the applicable donor gift instrument.

The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the Foundation and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the investment policies of the Foundation.

Investment Policy - The funds are invested by and under the direction of the Foundation's investment committee with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the investment of a fund. Investments are diversified as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so. Risk is present in all types of securities and investment styles and the Foundation's investment committee recognize some risk is necessary to produce long-term investment results. However, reasonable effort is made to control risk.

The Foundation has adopted investment and fund distribution policies for endowment assets that attempt to provide additional income to fund programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). As of June 30, 2019 and 2018, there are not any amounts subject to time restrictions.

The Foundation's investment objective is for the value of investment assets, exclusive of contributions and withdrawals, to grow through returns generated by capital appreciation and investment income. The rate of return earned by the portfolio's asset classes is targeted to be at or above-weighted commonly accepted performance benchmarks. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets investments to achieve its long-term return objectives within prudent acceptance of risk as described above.

THE CATHOLIC DIOCESE OF MADISON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 9 – ENDOWMENT FUNDS (continued)

Fund Distribution Policy - The Foundation makes distributions in accordance with its fund distribution policy, which currently calls for an annual distribution of 5% of an endowment's value, based on a 12-quarter rolling average. The endowment agreements also empower the Foundation, in its sole discretion, to make additional distributions under certain circumstances.

Funds With Deficiencies - From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. The deficiencies result from unfavorable market fluctuations that have occurred. As of June 30, 2019 and 2018, the Foundation did not have any funds with deficiencies.

Endowment net asset composition by type of fund is as follows:

	2019	2018
Donor-restricted endowment funds:		
Donor-restricted gift amounts	\$ 508,533	\$ 25,090
Accumulated investment gains	67,284	357
Total funds	\$ 575,817	\$ 25,447

Changes in endowment net assets are as follows:

	2019	2018
Endowment net assets at beginning of year	\$ 25,447	\$ -
Contributions	483,443	25,090
Investment return, net	66,927	357
Endowment net assets at end of year	\$ 575,817	\$ 25,447

NOTE 10 – RETIREMENT PLAN

As a related employer, the Foundation participates in a defined contribution plan, instituted and administered by the Diocese of Madison. The plan covers lay employees who have completed 1,000 hours of service during a plan year and who are at least twenty one (21) years of age. Employees are permitted to make voluntary contributions to the plan. In accordance with the plan document, the Foundation contributes four percent (4.0%) of each eligible employee's compensation plus a matching contribution up to two percent (2.0%) of each eligible employee's voluntary salary deferral. Contributions to the plan totaled \$7,308 and \$9,564 for years ended June 30, 2019 and 2018, respectively.

THE CATHOLIC DIOCESE OF MADISON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 11 – NET ASSETS

Net assets without donor restrictions include donor advised funds of \$26,210 and \$0 for years ended June 30, 2019 and 2018.

Net assets with donor restrictions are as follows:

	<u>2019</u>	<u>2018</u>
Donor-restricted gift amounts	\$ 508,533	\$ 25,090
Endowment earnings subject to expenditure for specified purpose:		
Tuition assistance	\$ 64,750	\$ -
Corporal works of mercy	<u>2,534</u>	<u>357</u>
Total net assets with donor restrictions	<u>\$ 575,817</u>	<u>\$ 25,447</u>

NOTE 12 – PRIOR PERIOD ADJUSTMENTS

During the current year, an error was discovered that resulted in an understatement of contribution revenue of \$25,090, understatement of investment return of \$357, overstatement of beneficial interest held for others of \$25,447, and understatement of net assets with donor restrictions of \$25,447 at June 30, 2018. Total net assets at June 30, 2018 were previously reported as \$283,248, but were restated to \$308,695.