

**WE BELONG TO
CHRIST CAMPAIGN, INC.**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2009

WE BELONG TO CHRIST CAMPAIGN, INC.

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Hawkins, Ash, Baptie

& COMPANY, LLP

Certified Public Accountants | Business Advisors

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INDEPENDENT AUDITORS' REPORT

To the Most Reverend Bishop Jerome E. ListECKi and the Board of Directors
We Belong to Christ Campaign, Inc.

We have audited the accompanying statements of financial position of We Belong to Christ Campaign, Inc., (a nonprofit organization) as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of We Belong to Christ Campaign, Inc., as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Hawkins, Ash, Baptie & Company, LLP

La Crosse, Wisconsin
December 2, 2009

WE BELONG TO CHRIST CAMPAIGN, INC.
STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	YEAR ENDED JUNE 30,	
	2009	2008
Cash and cash equivalents	\$ 1,143,918	\$ 2,707,745
Accrued interest receivable	5,546	7,282
Investments	852,537	-
Unconditional promises to give, net	23,082,097	29,484,708
TOTAL ASSETS	\$ 25,084,098	\$ 32,199,735
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable - Diocese of La Crosse	\$ 1,405,058	\$ 1,674,892
NET ASSETS		
Unrestricted	(2,543,268)	(2,807,186)
Temporarily restricted	26,222,308	33,332,029
TOTAL NET ASSETS	23,679,040	30,524,843
TOTAL LIABILITIES AND NET ASSETS	\$ 25,084,098	\$ 32,199,735

The accompanying notes are an integral part of these statements.

WE BELONG TO CHRIST CAMPAIGN, INC.
STATEMENTS OF ACTIVITIES

	YEAR ENDED JUNE 30, 2009		
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUE AND OTHER SUPPORT			
Contributions at present value	\$ 387,687	\$ 1,101,939	\$ 1,489,626
In-kind contributions	97,838	-	97,838
Investment income	49,600	-	49,600
Net realized (loss) on investments	(1,525)	-	(1,525)
Net unrealized gain on investments	237	-	237
Net assets released from restrictions	8,211,660	(8,211,660)	-
TOTAL REVENUE AND OTHER SUPPORT	<u>8,745,497</u>	<u>(7,109,721)</u>	<u>1,635,776</u>
EXPENSES			
Program Services			
Campaign Case Statement Distributions			
Diocese	1,792,882	-	1,792,882
Parishes	5,376,963	-	5,376,963
Schools	1,049,194	-	1,049,194
TOTAL PROGRAM SERVICES	8,219,039	-	8,219,039
Supporting Services			
Management and general	91,785	-	91,785
Fundraising	170,755	-	170,755
TOTAL EXPENSES	<u>8,481,579</u>	<u>-</u>	<u>8,481,579</u>
CHANGE IN NET ASSETS	263,918	(7,109,721)	(6,845,803)
NET ASSETS, BEGINNING OF YEAR	<u>(2,807,186)</u>	<u>33,332,029</u>	<u>30,524,843</u>
NET ASSETS, END OF YEAR	<u>\$(2,543,268)</u>	<u>\$26,222,308</u>	<u>\$23,679,040</u>

The accompanying notes are an integral part of these statements.

YEAR ENDED JUNE 30, 2008		
<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
\$ 7,619,590	\$22,839,517	\$30,459,107
79,385	-	79,385
236,768	-	236,768
(10,807)	-	(10,807)
-	-	-
<u>3,796,095</u>	<u>(3,796,095)</u>	<u>-</u>
<u>11,721,031</u>	<u>19,043,422</u>	<u>30,764,453</u>
2,216,174	-	2,216,174
7,219,284	-	7,219,284
<u>1,510,130</u>	<u>-</u>	<u>1,510,130</u>
10,945,588	-	10,945,588
1,193,935	-	1,193,935
<u>1,021,181</u>	<u>-</u>	<u>1,021,181</u>
<u>13,160,704</u>	<u>-</u>	<u>13,160,704</u>
(1,439,673)	19,043,422	17,603,749
<u>(1,367,513)</u>	<u>14,288,607</u>	<u>12,921,094</u>
<u>\$ (2,807,186)</u>	<u>\$33,332,029</u>	<u>\$30,524,843</u>

WE BELONG TO CHRIST CAMPAIGN, INC.
STATEMENTS OF CASH FLOWS

	YEAR ENDED	
	JUNE 30,	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (6,845,803)	\$ 17,603,749
Adjustments to reconcile change in net assets to net cash (used in) operating activities		
Net unrealized loss on investments	(237)	-
Allowance for uncollectible promises to give	(408,698)	1,112,032
Present value discount on promises to give	(196,221)	(11,185)
Change in assets and liabilities		
(Increase) decrease in assets		
Accrued interest receivable	1,736	8,299
Unconditional promises to give	7,007,530	(18,534,058)
(Decrease) in liabilities		
Accounts payable - Diocese of La Crosse	(269,834)	(1,855,052)
NET CASH (USED IN) OPERATING ACTIVITIES	(711,527)	(1,676,215)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,152,300)	-
Proceeds on sales of investments	300,000	-
NET CASH (USED IN) INVESTING ACTIVITIES	(852,300)	-
 NET (DECREASE) IN CASH	(1,563,827)	(1,676,215)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,707,745	4,383,960
 CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,143,918	\$ 2,707,745

The accompanying notes are an integral part of these statements.

WE BELONG TO CHRIST CAMPAIGN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

NOTE 1 - Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization:

We Belong to Christ Campaign, Inc., was incorporated in 2006 under the Wisconsin nonprofit laws. The purpose of the Organization is to raise funds for the parishes, schools, and Administration Offices within the Diocese of La Crosse. The Organization is entirely supported through contributions from the parishioners of the Diocese of La Crosse.

Summary of Significant Accounting Policies:

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of June 30, 2009 and 2008, the Organization has no permanently restricted net assets.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of the three months or less to be cash equivalents.

Investments - Investments consist of funds administered by a financial institution. These assets are carried at market value determined at the date of the statement of financial position. Unrealized gains and losses are reflected in the statement of activities.

Unconditional Promises to Give - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Management provides for probable uncollectible promises through a provision for estimated uncollectibles and an adjustment to a valuation allowance based on its assessment of the current status of individual promises to give. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to unconditional promises to give.

Unconditional promises to give that are paid with stock are recorded at the fair market value of the stock on the date of donation. It is the policy of the Organization to sell the stock upon receipt. A gain or loss is recorded on the difference of the fair market value of the stock upon sale and the fair market value of the stock on the date of donation. Realized losses of \$1,525 and \$10,807 were recognized on the Statement of Activities as of June 30, 2009 and 2008, respectively.

Restricted and Unrestricted Revenue and Support - The Organization's revenue sources are contributions and investment income. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

WE BELONG TO CHRIST CAMPAIGN, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2009 AND 2008

NOTE 1 - Nature of Organization and Summary of Significant Accounting Policies - Continued

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Services - Donated services shall be recognized if the services received: (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. We Belong to Christ Campaign, Inc. receives accounting and administrative support from the Diocese of La Crosse Administration Offices. The value of this contributed time is reflected in these financial statements because the criteria for recognition has been satisfied.

Advertising - The Organization expenses advertising costs as they are incurred. Advertising expense was \$4,040 and \$4,491 for the years ended June 30, 2009 and 2008, respectively.

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status - The Organization is organized as a Section 501(c)(3) corporation and is exempt from federal and state income taxes.

Fair Value Measurements - The Organization has determined the fair value of certain assets in accordance with the provisions of FASB Statement No. 157, Fair Value Measurements, which provides a framework for measuring fair value under generally accepted accounting principles.

Statement No. 157 defines fair value as the exchange price that would be received for an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. SFAS No. 157 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. SFAS No. 157 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset. Level 3 inputs are unobservable inputs related to the asset.

Functional Expense Allocation - The costs of providing various programs and other activities have been summarized on a functional basis in the notes to the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events - The Organization has evaluated subsequent events through December 2, 2009, the date which the financial statements were available to be issued.

WE BELONG TO CHRIST CAMPAIGN, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2009 AND 2008

NOTE 2 - Concentration of Credit Risk

The Organization maintains its cash balances at two financial institutions. The balances are insured up to \$250,000 and \$100,000 as of June 30, 2009 and 2008, respectively, by the Federal Deposit Insurance Corporation. The Organization's uninsured cash balances totaled \$835,344 and \$2,553,747 as of June 30, 2009 and 2008, respectively.

NOTE 3 - Investments

Investments are stated at fair value and consist of the following:

	JUNE 30, 2009		
	FAIR VALUE	COST	UNREALIZED APPRECIATION (DEPRECIATION)
U.S. Government Issues	\$ 251,875	\$ 252,300	\$ (425)
Corporate CD's	600,662	600,000	662
	\$ 852,537	\$ 852,300	\$ 237
	JUNE 30, 2008		
	FAIR VALUE	COST	UNREALIZED APPRECIATION (DEPRECIATION)
U.S. Government Issues	\$ -	\$ -	\$ -
Corporate CD's	-	-	-
	\$ -	\$ -	\$ -

The following schedule summarizes the investment return for both the above investments and the money market account and their classification in the statement of activities:

	UNRESTRICTED	
	2009	2008
Interest income	\$ 49,600	\$ 236,768
Net unrealized gains	237	-
Fees	(10,093)	(16,546)
	\$ 39,744	\$ 220,222

NOTE 4 - Unconditional Promises to Give

The Organization began a campaign in 2006, to raise funds to address the needs of the parishes, schools, and Administration Offices of the Diocese of La Crosse. Promises to give are temporarily restricted until payment of the distributions to the parishes, schools and Diocese of La Crosse.

WE BELONG TO CHRIST CAMPAIGN, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2009 AND 2008

NOTE 4 - Unconditional Promises to Give - Continued

Unconditional promises to give are as follows:

	JUNE 30,	
	2009	2008
Unconditional promises to give before unamortized discount and allowance for doubtful accounts	\$ 25,231,348	\$ 32,238,878
Less: Unamortized discount	(623,617)	(819,838)
Less: Allowance for uncollectible accounts (6 percent)	(1,525,634)	(1,934,332)
NET UNCONDITIONAL PROMISES TO GIVE	<u>\$ 23,082,097</u>	<u>\$ 29,484,708</u>
Amounts due in:		
Less than one year	\$ 7,373,755	\$ 8,438,174
One to five years	17,857,593	23,115,610
Thereafter	-	685,094
TOTAL	<u>\$ 25,231,348</u>	<u>\$ 32,238,878</u>

The discount rates ranged from 1.125 - 2.625 percent as per the U.S. Treasury Note rates at June 30, 2009. The discount rates ranged from 1.95 to 2.13 percent as per the U.S. Treasury Bill rates, at June 30, 2008.

NOTE 5 - Fair Value of Assets

Assets measured at fair value on a recurring basis at June 30, 2009 and 2008, respectively, are as follows:

	JUNE 30, 2009	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
		2009	(LEVEL 1)	(LEVEL 2)
Investments	\$ 852,537	\$ 852,537	\$ -	\$ -
Unconditional promises to give, net	<u>23,082,097</u>	<u>-</u>	<u>-</u>	<u>23,082,097</u>
TOTALS	<u>\$ 23,934,634</u>	<u>\$ 852,537</u>	<u>\$ -</u>	<u>\$ 23,082,097</u>
	JUNE 30, 2008	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
	2008	(LEVEL 1)	(LEVEL 2)	(LEVEL 3)
Investments	\$ -	\$ -	\$ -	\$ -
Unconditional promises to give, net	<u>29,484,708</u>	<u>-</u>	<u>-</u>	<u>29,484,708</u>
TOTALS	<u>\$ 29,484,708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,484,708</u>

WE BELONG TO CHRIST CAMPAIGN, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2009 AND 2008

NOTE 5 - Fair Value of Assets - Continued

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value for the unconditional promises to give, net are determined by calculating the present value of the estimated future cash flows using a discount rate of 1.125 - 2.625 and 1.950 - 2.130 percent at June 30, 2009 and 2008, respectively.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs):

Unconditional promises to give, net

	2009	2008
Balance, beginning of year	\$ 29,484,708	\$ 12,051,497
Amortization of discount	196,221	11,185
Allowance for doubtful accounts	683,644	(1,112,032)
Write off of promise to give	(683,644)	(115,273)
Additional pledges	1,293,405	30,447,922
Payments received	(7,892,237)	(11,798,591)
BALANCE, END OF YEAR	\$ 23,082,097	\$ 29,484,708

The amortization of discount is included in contribution revenue on the statement of activities.

NOTE 6 - Related Party Transactions

The Organization, the parishes, schools, and Administration Offices of the Diocese of La Crosse are financially related entities as they have an economic interest in one another. The Organization's sole purpose is to raise funds to address the needs of the parishes, schools, and Administration Offices of the Diocese of La Crosse.

According to SFAS No. 136, Transfers of Assets to a Non-Profit Organization That Raises or Holds Contributions for Others, due to their relationship, the Organization is to record contributions as income and distributions to the Diocese and parishes as expenses. The parishes, schools, and Administration Offices of the Diocese of La Crosse are to record an interest in the net assets of We Belong to Christ Campaign, Inc.

NOTE 7 - Temporarily Restricted Net Assets

Temporarily restricted net assets consist of contributions received through the campaign for distribution to the parishes, schools, and Administration Offices of the Diocese of La Crosse as per the individual parish's case statement and per individual donor designations.

NOTE 8 - Donated Services

The Organization received donated employee labor from the Diocesan Administration Offices. The value of these donated services are recorded as an in-kind contribution and as expenses on the financial statements. The following is a detailed listing of expenses:

WE BELONG TO CHRIST CAMPAIGN, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2009 AND 2008

NOTE 8 - Donated Services - Continued

	YEARS ENDED	
	JUNE 30,	
	2009	2008
Wages	\$ 74,706	\$ 60,531
Payroll taxes	5,382	4,330
Employee benefits	17,750	14,524
	\$ 97,838	\$ 79,385

NOTE 9 - Functional Expenses

The costs of providing supporting services have been summarized on a functional basis as follows:

	JUNE 30, 2009		
	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Wages	\$ 56,460	\$ 47,042	\$ 103,502
Payroll taxes	4,091	3,333	7,424
Employee benefits	14,070	9,617	23,687
Supplies	-	1,431	1,431
Printing and postage	3,399	16,995	20,394
Telephone	-	1,114	1,114
Travel	-	745	745
Professional fees	13,765	-	13,765
Advertising	-	4,040	4,040
Investment fees	-	10,093	10,093
Estimated uncollectible	-	-	-
Processing fees	-	60,780	60,780
Miscellaneous	-	15,565	15,565
	\$ 91,785	\$ 170,755	\$ 262,540

	JUNE 30, 2008		
	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Wages	\$ 42,773	\$ 44,430	\$ 87,203
Payroll taxes	3,067	3,059	6,126
Employee benefits	11,459	9,004	20,463
Supplies	-	5,197	5,197
Printing and postage	13,343	66,712	80,055
Telephone	-	2,345	2,345
Travel	-	95,087	95,087
Professional fees	11,261	575,000	586,261
Advertising	-	4,491	4,491
Investment fees	-	16,546	16,546
Estimated uncollectible	1,112,032	115,273	1,227,305
Processing fees	-	62,685	62,685
Miscellaneous	-	21,352	21,352
	\$1,193,935	\$1,021,181	\$2,215,116