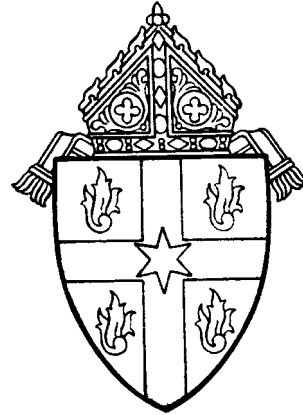


Catholic
Diocese of
Saginaw
Centralized
Programs and
Administration



Years Ended
June 30, 2012
and 2011

Financial
Statements
and
Supplementary
Financial
Information

CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

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INDEPENDENT AUDITORS' REPORT

April 8, 2013

Most Reverend Joseph R. Cistone
Roman Catholic Bishop
Catholic Diocese of Saginaw
Saginaw, Michigan

We have audited the accompanying statements of financial position of the ***Catholic Diocese of Saginaw Centralized Programs and Administration*** as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the management of the ***Catholic Diocese of Saginaw***. 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.

As explained in Note 1 to the financial statements, the ***Catholic Diocese of Saginaw*** follows the financial reporting policy of expensing property and equipment at the time of purchase. In our opinion, accounting principles generally accepted in the United States of America require capitalization of property and equipment acquired and depreciation of such assets over their estimated useful lives. The effects of this departure from generally accepted accounting principles on the accompanying financial statements have not been determined.

In our opinion, except for the effects of not capitalizing and depreciating property and equipment as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the ***Catholic Diocese of Saginaw Centralized Programs and Administration*** as of June 30, 2012 and 2011, 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.



CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

STATEMENTS OF FINANCIAL POSITION

	June 30	
	2012	2011
ASSETS		
Cash and cash equivalents	\$ 881,546	\$ 1,223,066
Deposits held with the Interparish Deposit and Loan Program	8,134,354	9,229,075
Catholic Services Appeal (CSA) pledges receivable	1,296,281	1,412,414
Accounts receivable, net of allowance for doubtful accounts of \$114,767 (no allowance in 2011)	161,036	1,134,797
Other assets	103,188	325,735
Notes receivable, including CSA, net of allowance for losses of \$224,297 (\$198,667 in 2011)	1,544,692	783,290
Total assets	<u>\$ 12,121,097</u>	<u>\$ 14,108,377</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 295,799	\$ 505,276
Accrued expenses and other liabilities	154,342	149,009
Funds held for others	435,951	424,641
Total liabilities	<u>886,092</u>	<u>1,078,926</u>
Commitments and contingencies (Note 5)		
Net assets		
Unrestricted		
Designated	1,447,968	3,099,994
Undesignated	3,148,142	3,098,259
Temporarily restricted		
For specified use	2,945,895	3,138,198
For use in future years	3,693,000	3,693,000
Total net assets	<u>11,235,005</u>	<u>13,029,451</u>
Total liabilities and net assets	<u>\$ 12,121,097</u>	<u>\$ 14,108,377</u>

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

**CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION**

STATEMENTS OF ACTIVITIES

	Year Ended June 30, 2012			Year Ended June 30, 2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support						
Contributions	\$ 2,322,916	\$ 523,244	\$ 2,846,160	\$ 604,384	\$ 1,411,391	\$ 2,015,775
CSA	-	3,693,000	3,693,000	-	3,693,000	3,693,000
Interest income	147,741	15,065	162,806	161,280	14,727	176,007
Workshops and tuition	435,206	-	435,206	179,598	-	179,598
Rentals and other services	866,162	-	866,162	918,810	-	918,810
Related services	6,629	-	6,629	648	-	648
Other	553,381	-	553,381	531,924	-	531,924
Net assets released:						
Satisfaction of purpose restrictions	730,612	(730,612)	-	1,426,437	(1,426,437)	-
Expiration of time restrictions-CSA	3,693,000	(3,693,000)	-	3,674,569	(3,674,569)	-
Total revenues, gains, and other support	8,755,647	(192,303)	8,563,344	7,497,650	18,112	7,515,762
Expenses and transfers						
Program	9,567,192	-	9,567,192	6,374,189	-	6,374,189
Administration	581,183	-	581,183	530,326	-	530,326
Fundraising	201,021	-	201,021	272,889	-	272,889
Transfer to CCFMM	8,394	-	8,394	6,533	-	6,533
Total expenses and transfers	10,357,790	-	10,357,790	7,183,937	-	7,183,937
Change in net assets	(1,602,143)	(192,303)	(1,794,446)	313,713	18,112	331,825
Net assets - beginning of year	6,198,253	6,831,198	13,029,451	5,884,540	6,813,086	12,697,626
Net assets - end of year	\$ 4,596,110	\$ 6,638,895	\$ 11,235,005	\$ 6,198,253	\$ 6,831,198	\$ 13,029,451

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

CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

STATEMENTS OF CASH FLOWS

	Year Ended June 30	
	2012	2011
Cash flows from operating activities		
Change in net assets	\$ (1,794,446)	\$ 331,825
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Provision for uncollectible notes receivable	25,630	14,883
Provision for uncollectible accounts receivable	114,767	35,000
Forgiveness of notes receivable upon ordainment	29,319	-
Changes in assets and liabilities which provided (used) cash		
CSA pledges receivable	116,133	(598)
Accounts receivable	(8,625)	(199,613)
Other assets	222,547	(234,913)
Accounts payable	(209,477)	229,183
Accrued expenses and other liabilities	5,333	(12,086)
Funds held for others	11,310	57,340
Net cash (used in) provided by operating activities	<u>(1,487,509)</u>	<u>221,021</u>
Cash flows from investing activities		
Advances evidenced by notes receivable	(168,522)	(359,856)
Collections of notes receivable	219,790	472,905
Net cash provided by investing activities	<u>51,268</u>	<u>113,049</u>
Net (decrease) increase in cash and cash equivalents	(1,436,241)	334,070
Cash and cash equivalents - beginning of year	<u>10,452,141</u>	<u>10,118,071</u>
Cash and cash equivalents - end of year	<u>\$ 9,015,900</u>	<u>\$ 10,452,141</u>

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

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

1. MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The accompanying financial statements report the centralized programs and administration assets, liabilities, activities and cash flows of the *Catholic Diocese of Saginaw* (the "Diocese"). The Centralized Programs of the Diocese enable the Bishop of the Diocese of Saginaw to offer on-going monetary support, in the name of the Diocese, to charitable causes on a national and international level and to offer programs and activities on a diocesan and parochial level by way of the personnel and resources in his employment. The accompanying financial statements exclude the assets, liabilities, activities and cash flows of the parishes and related parish organizations, St. Francis Home, St. Vincent Home, The Partnership Center, Emmaus House, Catholic Family Service, Clergy Benefit Society, Bay Area Catholic Schools, Saginaw Area Catholic Schools, Catholic School Foundation, Catholic Parish Endowment, Catholic Community Foundation of Mid-Michigan ("CCFMM"), Little Books, and St. Mary's Hospital. These excluded organizations are funded substantially from sources other than the Diocese. During the normal course of operations, the Diocese periodically makes cash and in-kind donations to these organizations. The Diocesan staff may also provide administrative support to these and other Catholic organizations. The support may be donated or provided for a fee.

The accompanying financial statements also exclude the assets, liabilities, activities and cash flows of the Catholic Diocese of Saginaw's Interparish Deposit and Loan Program (the "Program") and the Catholic Diocese of Saginaw Catholic Cemeteries (the "Cemeteries"). Accordingly, these financial statements do not present the consolidated financial position of the Diocese and related organizations under its control.

Use of Estimates

The preparation of financial statements in conformity with 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 year. Actual results could differ from those estimates. Significant estimates include but are not limited to the determination of the allowance for losses on accounts and notes receivable.

Basis of Accounting

The financial statements of the Diocese have been prepared on the accrual basis, and accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The Diocese reports information regarding its financial position and activities according to three classes of net assets depending on the existence or absence of donor-imposed restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

All financial transactions have been recorded and reported by net asset classes as follows:

Unrestricted net assets represent expendable funds available for support of Diocesan operations.

Temporarily restricted net assets represent expendable funds restricted by a donor, grantor or other outside party for particular operating purposes, or funds for use in a specified future period. These funds are reported as revenue when the Diocese receives the funds or the unconditional promise to give from the donor, and are reclassified to unrestricted net assets when the purpose restriction or time restrictions have been met.

Permanently restricted net assets represent funds subject to restrictions of gift and trust instruments requiring that the principal be invested in perpetuity and the income only be used for particular purposes. Income earned on these funds is reported as revenue in the temporarily restricted funds. The Diocese has no permanently restricted net assets as of June 30, 2012 and 2011.

Fair Value Measurements

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data such as the reporting entity's own data. At June 30, 2012 and 2011, the Diocese had not elected the fair value option for any financial assets or liabilities and the Diocese does not have any financial assets or liabilities reported at fair value.

Cash and Cash Equivalents, including Deposits Held with the Interparish Deposit and Loan Program

Cash and cash equivalents consist of cash on hand, demand deposits with banks or other financial institutions, and deposits with the Interparish Deposit and Loan Program.

The Diocese maintains cash accounts with insured financial institutions. Some of these accounts exceed federally insured limits resulting in uninsured balances of approximately \$2,000 at June 30, 2012. The Diocese also maintains uninsured deposits of approximately \$8,134,000 at June 30, 2012, with the Catholic Diocese of Saginaw Interparish Deposit and Loan Program. Management does not believe the Diocese is exposed to any significant interest, credit, or other financial risk as a result of these deposits.

Revenue Recognition

Other than contributions, including CSA, the Diocese's revenue consists of interest income, rentals, workshops, tuition, and other services. Revenues are generally recognized at the time of performance of the services.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. 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 accounts receivable.

Notes Receivable

Notes receivable consist of unsecured cash advances made to seminarians, catholic parishes, and Catholic organizations within the Diocese, and catholic parishes, primarily regarding receivables related to the Catholic Services Appeal (CSA). Collection terms vary and the notes bear interest at rates ranging from 0% to 4% as of June 30, 2012, and June 30, 2011.

Notes receivable are stated at the amount management expects to collect from outstanding balances. The Diocese provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. 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 notes receivable. Changes in the valuation allowance have not been material to the financial statements.

Nonperforming notes receivable are comprised of accruing notes receivable contractually past due 90 days or more as to interest or principal payments and not making regular payments, as well as notes receivable modified under troubled debt restructurings.

Allowance for Notes Receivable

The allowance for losses on notes receivable (“allowance”) is an estimate of losses inherent in the Diocese’s notes receivable portfolio. The allowance is established through a provision for losses which is charged to expense. Additions to the allowance are expected to maintain the appropriateness of the total allowance after losses on notes receivable. Losses on notes receivable are charged off against the allowance when the Diocese determines the notes receivable balance to be uncollectible. Cash received on previously charged off amounts is recorded as a recovery to the allowance.

The allowance is maintained by management at a level considered adequate to absorb estimated potential losses inherent in the notes receivable portfolio. At least annually, management reviews the appropriateness of the allowance, including consideration of collectability of notes receivable based on historical experiences, general economic conditions, information about specific borrower situations including their financial position, effects of current developments for a specific borrower, and other factors and estimates which are subject to change over time. If management determines that changes are warranted based on its review, the allowance is adjusted. Allowances for impaired receivables are generally determined based on the present value of estimated cash flows. In management’s judgment, the allowance for losses is maintained at a level adequate to provide for estimated losses inherent in the notes receivable portfolio. However, because of uncertainties inherent in the estimation process, it is possible that the allowance for losses may change in the near term.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

A note is considered impaired when, based on current information and events, it is probable that the Diocese will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the note receivable agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Notes receivable that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the note receivable and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a note-by-note basis by either the present value of expected future cash flows discounted at the note receivable's effective interest rate, the note receivable's obtainable market price.

Under certain circumstances, the Diocese will provide borrowers relief through note receivable restructurings. A note receivable restructuring constitutes a troubled debt restructuring ("TDR") if for economic or legal reasons related to the borrower's financial difficulties the Diocese grants a concession to the borrower that it would not otherwise consider. Restructured notes receivable typically present an elevated level of credit risk as the borrowers are not able to perform according to the original contractual terms. Loans that are reported as TDRs are considered impaired and measured for impairment as described above.

Property and Equipment

Property and equipment purchased by the Diocese are consistently charged to operations during the year purchased. Generally accepted accounting principles require capitalization of property and equipment purchases and depreciation of those assets over their estimated useful lives.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received and are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. The Diocese reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are received. 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 donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Contributed Services

Support arising from contributed services of certain religious and lay personnel has not been recorded in the financial statements as the rendering of such services does not involve creation of non-financial assets, and such services would not typically need to be procured if not provided by donation.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

Designation of Unrestricted Net Assets

It is the policy of the Finance Council of the Diocese to review its plans for future property improvements and acquisitions from time to time and to designate appropriate sums of unrestricted net assets to assure adequate financing of such improvements and acquisitions.

Donated Assets

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

Income Taxes

The Diocese is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from similar state and local taxes. Although the Diocese was granted income tax exemption by the Internal Revenue Service, such exemption does not apply to “unrelated business taxable income.” Such income, pursuant to the Internal Revenue Code and related regulations, includes investment income such as interest received from sources other than directly from operations. There was no unrelated business taxable income for either fiscal year 2012 or 2011.

Accounting Standards Codification (“ASC”) Topic 740, *Accounting for Uncertainty in Income Taxes*, seeks to reduce the significant diversity in practice associated with financial statement recognition and measurement in accounting for income taxes and prescribes the recognition threshold and measurement attribute for disclosures of tax positions previously taken or expected to be taken on an income tax return. The Diocese analyzed its filing positions in the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions. The Diocese has also elected to retain its existing accounting policy with respect to the treatment of interest and penalties attributable to income taxes, and continues to reflect any charges for such, to the extent they arise, as a component of its administrative expenses. The continued application of ASC Topic 740 has no significant impact on the Diocese’s financial statements.

The Diocese has evaluated the provisions of ASC Topic 740 for the fiscal years 2008 through 2012, the years which remain subject to examination by major tax jurisdictions as of June 30, 2012. The Diocese concluded that there are no significant uncertain tax positions requiring recognition in the Diocese’s financial statements. The Diocese does not expect the total amount of unrecognized tax benefits (“UTB”) (e.g., tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Diocese does not have any amounts accrued for interest and penalties related to UTBs at June 30, 2012 or 2011, and it is not aware of any claims for such amounts by federal or state income tax authorities.

Reclassification

Certain amounts as reported in the 2011 financial statements have been reclassified to conform with the 2012 presentation.

CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

Subsequent Events

In preparing these financial statements, the Diocese has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to June 30, 2012, the most recent statement of financial position presented herein, through April 8, 2013, the date these financial statements were available to be issued. No significant such events or transactions were identified, other than the restructuring of two accounts receivable into notes receivable, as discussed in Notes 4 and 8.

2. NOTES RECEIVABLE AND ALLOWANCE FOR LOSSES

The Diocese grants notes receivable to seminarians, Catholic parishes and Catholic organizations within the Diocese, Catholic parishes in regards to Catholic Services Appeal (CSA) receivables, and the CCFMM. Notes receivable are substantially unsecured and all are evaluated individually for impairment.

Notes receivable are summarized as follows at June 30:

	2012	2011
Seminarian	\$ 210,314	\$ 241,286
Parish and other organizations	831,379	607,376
Parish - CSA	130,122	133,295
CCFMM	597,174	-
Total notes	<u>1,768,989</u>	<u>981,957</u>
Allowance for losses	<u>224,297</u>	<u>198,667</u>
Notes receivable, net	<u>\$ 1,544,692</u>	<u>\$ 783,290</u>

The allowance for losses on notes receivable is as follows for the years ended June 30:

2012	Seminarian	Parish and Other Organizations	Parish - CSA	Total
Allowance for losses:				
Balance at beginning of year	\$ 187,648	\$ -	\$ 11,019	\$ 198,667
Provision for losses	<u>(1,414)</u>	<u>27,044</u>	<u>-</u>	<u>25,630</u>
Balance at end of year	<u>\$ 186,234</u>	<u>\$ 27,044</u>	<u>\$ 11,019</u>	<u>\$ 224,297</u>

**CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION**

NOTES TO FINANCIAL STATEMENTS

2011	Seminarian	Parish - CSA	Total
Allowance for losses:			
Balance at beginning of year	\$ 183,784	\$ -	\$ 183,784
Provision for losses	<u>3,864</u>	<u>11,019</u>	<u>14,883</u>
Balance at end of year	<u>\$ 187,648</u>	<u>\$ 11,019</u>	<u>\$ 198,667</u>

The following table shows the notes receivable allocated by payment activity as of June 30, 2012:

	Credit Risk Profile by Payment Activity				
	Seminarian	Parish and Other Organizations	Parish - CSA	CCFMM	Total
Payment activity					
Performing	\$ 24,080	\$ 560,934	\$ 119,103	\$ -	\$ 704,117
Non-performing	<u>186,234</u>	<u>270,445</u>	<u>11,019</u>	<u>597,174</u>	<u>1,064,872</u>
Total	<u>\$ 210,314</u>	<u>\$ 831,379</u>	<u>\$ 130,122</u>	<u>\$ 597,174</u>	<u>\$ 1,768,989</u>

The following table shows an aging analysis of the notes receivable portfolio by time past due as of June 30, 2012:

	Accruing Interest			Total Nonaccrual	Total Loans
	Current	30-89 Days Past Due	More Than 90 Days Past Due		
Seminarian	\$ -	\$ -	\$ -	\$ 210,314	\$ 210,314
Parish and other organizations	17,688	-	-	813,691	831,379
Parish - CSA	111,143	790	18,189	-	130,122
CCFMM	<u>597,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>597,174</u>
Total	<u>\$ 726,005</u>	<u>\$ 790</u>	<u>\$ 18,189</u>	<u>\$ 1,024,005</u>	<u>\$ 1,768,989</u>

At June 30, 2011, the Diocese had \$144,145 of current notes receivable accruing interest, \$825 of past due 30-89 days accruing interest, \$26,465 past due ninety days or more accruing interest, and \$810,522 of nonaccrual loans.

**CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION**

NOTES TO FINANCIAL STATEMENTS

The following table presents information related to impaired notes receivable as of June 30, 2012:

	Unpaid Principal Balance	Related Allowance	Average Unpaid Principal Balance
Notes receivable with an allowance recorded			
Seminarian	\$ 186,234	\$ 186,234	\$ 186,941
Parish and other organizations	270,445	27,044	270,445
Parish - CSA	11,019	11,019	11,019
CCFMM	<u>597,174</u>	<u>-</u>	<u>597,174</u>
Total impaired loans	<u>\$1,064,872</u>	<u>\$ 224,297</u>	<u>\$1,065,579</u>

Interest income recognized on impaired loans was not significant in 2012 or 2011.

The Program does not have material commitments to lend additional funds to borrowers whose loans are on nonaccrual.

The following is a summary of information pertaining to impaired loans as of, and for the year ended June 30, 2011:

Impaired loans with a valuation allowance, equal to total impaired loans	\$ 198,667
Valuation allowance related to impaired loans	\$ 198,667
Year to date average outstanding balance of impaired loans	\$ 191,226

A summary of loans that were modified in troubled debt restructurings during 2012 is as follows:

	Troubled Debt Restructurings	
	Number of Loans	Recorded Investment
Parish and other organizations	1	\$ 270,445
CCFMM	<u>1</u>	<u>597,174</u>
Total	<u>2</u>	<u>\$ 867,619</u>

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

Both loan modifications were considered TDRs as they were issued with terms that the borrowers would not be able to get from other financing institutions, and the Diocese granted concessions to the borrower that would not normally be considered to allow payments to be made on a regular basis. There were no TDRs for which there was a payment default during 2012, whereby the borrower was past due with respect to principal and/or interest.

3. RETIREMENT PLAN

The Diocese participates in the Michigan Catholic Conference Lay Employees' Retirement Plan, a defined benefit pension plan and a church plan, as described in Section 414(e) of the Internal Revenue Code. This plan covers all qualified lay employees (employees working a minimum of 20 hours per week). Benefits are based on an employee's years of credited service. The cost of the plan is 6.6% of gross wages of all eligible employees. Plan expense for the years ended June 30, 2012 and 2011, was \$113,048 and \$107,670, respectively.

4. RELATED PARTY TRANSACTIONS

Transactions with the Catholic Diocese of Saginaw Interparish Deposit and Loan Program

The Diocese has interest bearing accounts on deposit with the Program of \$8,134,354 and \$9,229,075 at June 30, 2012 and 2011, respectively. Interest income from such deposits for fiscal years 2012 and 2011 was \$159,533 and \$172,077, respectively.

The Program pays management fees to the Diocese. These management fees amounted to \$142,287 and \$138,353 for fiscal years 2012 and 2011, respectively.

Transactions with CCFMM

CCFMM has received pledges to fund two large construction projects that commenced in fiscal 2011 and continued into 2012 at two of the high schools within the Saginaw and Bay City Area Catholic Schools. The proceeds of this fund raising effort will be provided to the Diocese to pay the construction costs in future periods. As of June 30, 2012, construction costs paid by the Diocese in excess of contributions received from CCFMM amount to approximately \$2,288,000 (see also Exhibit 1 included in the supplementary financial information).

CCFMM pays management fees to the Diocese. These management fees amounted to approximately \$218,000 and \$231,000 at June 30, 2012 and 2011, respectively. Accounts receivable related to these management fees was approximately \$126,000 and \$778,000 at June 30, 2012 and 2011, respectively. Subsequent to fiscal year end 2012, a portion of the total accounts receivable balance was restructured as a note receivable, as such, receivables in the amount of \$597,714 have been classified on the accompanying 2012 statement of financial position as notes receivable. The note which commenced as of February 1, 2013, calls for interest charged at 0.25% payable on an annual basis. A balloon payment of \$ 597,174 is due in February 2018.

The Diocese also received rent and a management fee from Cemeteries in the amount of \$43,080 and \$41,946 for fiscal year 2012 and 2011, respectively.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

5. COMMITMENTS AND CONTINGENCIES

General

As indicated in Note 1, the assets, liabilities, activities and cash flows of the parishes, several other Catholic organizations and the Catholic Diocese of Saginaw Interparish Deposit and Loan Program are excluded from the accompanying financial statements. The Diocese, under current state statutes owns all of the assets of the parishes within the Diocese, certain other Catholic organizations, and the Catholic Diocese of Saginaw Interparish Deposit and Loan Program and is contingently liable for all third party debts of the parishes and the other Catholic organizations.

The Diocese is also contingently liable for any claims against the parishes and certain other Catholic organizations arising from legal actions and other claims incidental to normal operations of these organizations. It is believed that the amount of any uninsured liability would not have a material impact on the financial position of the Diocese.

Other Legal Matters

The Diocese is party to various legal claims arising in the normal course of carrying out its activities. Management believes that the financial responsibility that may be incurred in settlement of such claims would not be material to the Diocese's financial position or results of operations.

Self-Insurance

The Diocese participates in the Michigan Catholic Conference Protected Loss Fund Program. Coverage includes losses resulting from damage to property, from liability claims and for employee benefit coverage. Insurance expense representing the Diocesan contribution to the Program for Centralized Programs and Administration for fiscal years 2012 and 2011 was \$75,407 and \$78,085, respectively.

Loan Guarantee

The Diocese has guaranteed the debt of a related party aggregating approximately \$1,112,000 and \$1,249,000 as of June 30, 2012 and 2011, respectively. The debt is collateralized by real estate with a final maturity date of June 2031. During June 2011, the Diocese committed to matching \$1 for every \$2 paid by the Parish on this note over a 5 year period. In total, the Diocese matching payments over the 5 year period are estimated to be approximately \$329,000.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

6. DESIGNATED NET ASSETS

Certain unrestricted net assets have been designated by Diocesan management for the following purposes as of June 30:

	2012	2011
Protected Loss Fund	\$ 137,845	\$ 183,459
Catechesis/Evangelization	1,297	-
Future Full of Hope	11,296	-
Major Replacements	562,182	504,244
Bishop's Retirement Fund	163,861	174,862
Bishop's Discretionary Fund	231,145	114,295
75 th Anniversary Celebration	204,746	157,195
Priest Continuing Education Fund	2,000	2,000
Youth Encounter Saginaw	12,019	12,462
Catholic Schools	395	6,390
Bishop's Charity Fund	162,172	215,805
Diocesan Contingency Fund - Legacy of Faith	(2,287,678)	(493,506)
Diocesan Contingency Fund - Other	716,028	703,979
Parish Mission Projects	192	10,309
Center for Ministry	585,146	585,165
Bishop Untener Memorial Education Fund	6,187	5,218
Cathedral Renovation	102,001	75,189
Clergy Assistance Fund	320,403	399,474
Campus Ministry	60,000	60,000
World Youth Day	2,792	2,749
Religious Retirement Fund Local	101,416	80,954
Capital Campaign	54,808	66,061
Major Computer Replacement	114,694	66,622
Bishop's Vocational Fund	66,953	50,000
CFM Chapel Fund	<u>116,068</u>	<u>117,068</u>
Totals	<u>\$ 1,447,968</u>	<u>\$ 3,099,994</u>

7. RESTRICTED NET ASSETS

The Catholic Services Appeal ("CSA") Fund drive is used to fund Diocesan operations and programs and to provide for local and national charitable contributions. CSA donations are recorded as revenue when pledged. CSA donations pledged for the 2011-2012 and 2010-2011 drives are recorded as CSA donation income in temporarily restricted net assets. The outstanding pledge balance is recorded as CSA pledges receivable; all pledges are due within one year.

Other contributions recorded as temporarily restricted support represent unused funds received from a donor, grantor or other outside party who have restricted the use of the funds for particular operating purposes. Investment income, recorded as temporarily restricted, represents income restricted for a particular purpose which has been earned by temporarily restricted net assets. These funds will be classified as unrestricted net assets and reported in the statements of activities as net assets released from restrictions when the Diocese has incurred expenses in compliance with the specific restriction.

**CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION**

NOTES TO FINANCIAL STATEMENTS

Temporarily restricted net assets are available for the following purposes or periods at June 30:

	2012	2011
Catholic Education	\$ 1,321,968	\$ 1,722,568
Adoration Sisters	1,035	1,015
Missions, CRS and CHD	406,605	359,581
Mother Teresa	3,396	2,998
Diocesan Priests Long-term Care	127,642	125,261
Bishop Untener Memorial Education Fund	42,756	42,756
Bishop's Charity Fund	325,639	189,066
Rel Ed/Children of Special Needs	13,875	13,875
Advocacy Network Fund	19,463	-
Fr. Jeff Donner Lay Ministry Fund	228	228
Migrant Assistance Fund	5,913	6,693
Religious Retirement	7,040	6,346
CFM-Chapel Fund	21,589	21,589
Cathedral Renovation	633,436	633,436
Poor Parish Fund	15,260	12,736
Colombian Mission Fund	50	50
CSA for periods after June 30	<u>3,693,000</u>	<u>3,693,000</u>
Total	<u>\$ 6,638,895</u>	<u>\$ 6,831,198</u>

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows during the years ended June 30:

	2012	2011
Purpose restrictions accomplished		
Catholic education	\$ 592,484	\$ 640,543
General diocesan needs	43,592	594,773
Missions	<u>94,536</u>	<u>191,121</u>
Total	730,612	1,426,437
Time restrictions expired		
Passage of specified time for CSA contributions	<u>3,693,000</u>	<u>3,674,569</u>
Total temporary restrictions released	<u>\$ 4,423,612</u>	<u>\$ 5,101,006</u>

CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

8. LEASES

The Diocese leases portions of the Diocesan Center to Saginaw Area Catholic Schools. The current lease agreement is renegotiated on an annual basis. Lease revenue was \$171,000 for each of the years ended June 30, 2012 and 2011. Accounts receivable related to this lease and other receivables from Saginaw Area Catholic Schools were approximately \$114,767 (of which the total balance has been fully reserved for through the allowance for doubtful accounts receivable) and \$213,821 at June 30, 2012 and 2011, respectively. Subsequent to fiscal year end 2012, a portion of the total accounts receivable balance was restructured as a note receivable, as such, receivables aggregating \$270,445 have been classified as notes receivable on the accompanying 2012 statement of financial position. At June 30, 2012, note receivable related to this lease and other receivables from Saginaw Area Catholic Schools aggregated \$270,445. The note which commenced February 1, 2013, calls for interest charged at 0.25% to be paid on an annual basis. A balloon payment in the amount of \$270,445 is due in February 2018.

9. SUPPLEMENTAL CASH FLOWS INFORMATION

Non-Cash Investing Activities

During 2012, two accounts receivable balances aggregating \$867,619 were reclassified as notes receivable (see discussion in Notes 4 and 8). There were no such transfers during 2011.



**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY FINANCIAL INFORMATION**

April 8, 2013

Most Reverend Joseph R. Cistone
Roman Catholic Bishop
Catholic Diocese of Saginaw
Saginaw, Michigan

We have audited the financial statements of the *Catholic Diocese of Saginaw Centralized Programs and Administration* for the years ended June 30, 2012 and 2011, and have issued our report thereon dated April 8, 2013, which appears on page 1. In that report our opinion was qualified because the Catholic Diocese of Saginaw follows the financial reporting policy of expensing property and equipment at the time of purchase rather than the capitalization of property and equipment acquired and depreciation of such assets over their estimated useful lives in accordance with accounting principles generally accepted in the United States of America. The supplementary financial information contained in the accompanying Exhibits 1 through 5 is presented for purposes of additional analysis and is not a required part of the financial statements. Information within Exhibits 1 through 5 has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.



SUPPLEMENTARY FINANCIAL INFORMATION

CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION

SCHEDULE OF CHANGES IN UNRESTRICTED NET ASSETS
YEAR ENDED JUNE 30, 2012

Net Assets at Beginning of Year	Revenues, Gain or Other Support						Total Revenues, Gains, and Other Support	
	Contributions	Interest Income	Workshops and Tuition	Rental and Other Services	Related Services	Other		
Education Ministry Team	\$ 6,656	\$ -	\$ 372,881	\$ 2,228	\$ -	\$ 262	\$ 382,027	
Church Ministry Team	26,848	-	40,533	4,890	5,741	3,863	81,875	
Chancery Ministry Team	2,198	-	6,674	122,800	-	41,952	173,624	
Finance Ministry Team	-	143,059	310	569,393	-	7,223	719,985	
Development Ministry Team	262,194	4,487	-	152,592	-	1,735	421,008	
Christian Service Ministry Team	404	-	10,128	12,005	235	768	23,540	
Total Undesignated	\$ 3,098,259	298,300	147,546	430,526	863,908	5,976	55,803	1,802,059
Catholic Relief Services	-	-	-	-	-	-	-	
Campaign for Human Development	-	-	-	-	-	-	-	
Rice Bowl Local	-	-	-	-	-	-	-	
Protected Loss Fund	183,459	-	-	-	-	-	-	
Catechesis/Evangelization	-	952	-	-	-	-	952	
Future Full of Hope	-	-	-	-	-	138,809	138,809	
Major Replacements	504,244	-	-	-	-	80,000	80,000	
Missions	-	115	-	2,254	-	-	2,369	
Bishop's Retirement Fund	174,862	-	-	-	-	-	-	
Bishop's Discretionary Fund	114,295	1,600	-	-	-	-	1,600	
75th Anniversary Celebration	157,195	-	-	-	-	50,000	50,000	
Priest Continuing Education Fund	2,000	-	-	-	-	-	-	
Youth Encounter Saginaw	12,462	10,046	-	4,680	-	-	14,726	
Catholic Schools	6,390	600	-	-	-	-	600	
Bishop's Charity Fund	215,805	-	-	-	-	-	-	
Diocesan Contingency Fund								
Legacy of Faith	(493,506)	1,964,098	-	-	-	42,149	2,006,247	
Other	703,979	393	-	-	-	80,696	81,089	
Seminarian Trust Fund	-	-	-	-	-	-	-	
Parish Mission Projects	10,309	-	144	-	-	-	144	
Mass Stipends	-	(115)	-	-	-	-	(115)	
Center for Ministry	585,165	-	-	-	-	-	-	
Bishop Untener Memorial								
Education Fund	5,218	265	51	-	653	-	969	
Cathedral Renovation	75,189	-	-	-	-	50,000	50,000	
Clergy Assistance Fund	399,474	17,541	-	-	-	8,280	25,821	
Colombian Mission Fund	-	-	-	-	-	-	-	
Campus Ministry	60,000	-	-	-	-	-	-	
Mother Teresa Fund	-	8,394	-	-	-	-	8,394	
Migrant Assistance	-	240	-	-	-	-	240	
Faith Magazine	-	25	-	-	-	47,644	47,669	
World Youth Day	2,749	-	-	-	-	-	-	
Religious Retirement Fund Local	80,954	20,462	-	-	-	-	20,462	
Capital Campaign	66,061	-	-	-	-	-	-	
Major Computer Replacement	66,622	-	-	-	-	-	-	
Advocacy Network Fund	-	-	-	-	-	-	-	
Bishop's Vocational Fund	50,000	-	-	-	-	-	-	
CFM Chapel Fund	117,068	-	-	-	-	-	-	
Total Designated	3,099,994	2,024,616	195	4,680	2,254	653	497,578	2,529,976
Total Unrestricted Fund	\$ 6,198,253	\$ 2,322,916	\$ 147,741	\$ 435,206	\$ 866,162	\$ 6,629	\$ 553,381	\$ 4,332,035

Salary and Benefits	Expenses					Total Expenses	Transfers	Net Assets End of Year
	Operational Costs	Donations	Membership Conferences	Services				
\$ 399,388	\$ 252,193	\$ 154,690	\$ 441,526	\$ 9,210	\$ 1,257,007	\$ 874,980		
541,580	188,414	352,250	98,698	16,619	1,197,561	1,165,569		
818,905	343,613	10,106	(1,532)	302,870	1,473,962	1,300,337		
662,040	145,512	4,490	6,322	181,240	999,604	279,619		
256,550	44,549	60,679	104,838	9,502	476,118	55,110		
348,709	27,418	30	18,488	1,676	396,321	372,782		
3,027,172	1,001,699	582,245	668,340	521,117	5,800,573	4,048,397	\$ 3,148,142	
7,984	112	-	354	2,244	10,694	10,694	-	
7,984	117	5,173	22	2,244	15,540	15,540	-	
-	-	19,000	-	-	19,000	19,000	-	
-	-	-	-	45,614	45,614	-	137,845	
-	-	-	-	-	-	345	1,297	
-	-	-	-	-	-	(127,513)	11,296	
-	71,136	-	-	-	71,136	49,074	562,182	
27,431	7,113	755	1,616	13,467	50,382	48,013	-	
-	-	-	-	-	-	(11,001)	163,861	
-	1,359	2,992	-	-	4,351	119,601	231,145	
-	593	-	830	1,026	2,449	-	204,746	
-	-	-	-	-	-	-	2,000	
-	130	-	15,039	-	15,169	-	12,019	
-	6,506	52,187	9,482	3,005	71,180	64,585	395	
-	-	50,983	250	-	51,233	(2,400)	162,172	
-	3,782,767	-	260	17,392	3,800,419	-	(2,287,678)	
(3,538)	8,297	64,281	-	-	69,040	-	716,028	
-	-	-	-	-	-	-	-	
-	-	10,261	-	-	10,261	-	192	
-	-	494	-	-	494	609	-	
-	-	-	-	-	-	(19)	585,146	
-	-	-	-	-	-	-	6,187	
-	788	-	-	22,400	23,188	-	102,001	
92,705	5,623	-	-	149,564	247,892	143,000	320,403	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	60,000	
-	-	16,402	-	-	16,402	8,008	-	
5,384	1,065	1,135	-	150	7,734	7,494	-	
-	-	-	-	-	-	(47,669)	-	
-	(34)	-	(9)	-	(43)	-	2,792	
-	-	-	-	-	-	-	101,416	
-	-	-	-	-	-	(11,253)	54,808	
-	-	-	-	-	-	48,072	114,694	
-	24,082	-	-	-	24,082	24,082	-	
-	-	-	-	-	-	16,953	66,953	
-	-	1,000	-	-	1,000	-	116,068	
137,950	3,909,654	224,663	27,844	257,106	4,557,217	375,215	1,447,968	
\$ 3,165,122	\$ 4,911,353	\$ 806,908	\$ 696,184	\$ 778,223	\$ 10,357,790	\$ 4,423,612	\$ 4,596,110	

CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION

SCHEDULE OF CHANGES IN UNRESTRICTED NET ASSETS
YEAR ENDED JUNE 30, 2011

	Revenues, Gain or Other Support							Expenses						Net Assets End of Year		
	Net Assets at Beginning of Year	Contributions	Interest Income	Workshops and Tuition	Rental and Other Services	Related Services	Other	Total Revenues, Gains, and Other Support	Salary and Benefits	Operational Costs	Donations	Membership Conferences	Services		Total Expenses	Transfers
Education Ministry Team		\$ 1,944	\$ -	\$ 143,747	\$ -	\$ -	\$ 28	\$ 145,719	\$ 277,885	\$ 48,209	\$ 154,705	\$ 189,850	\$ 32,811	\$ 703,460	\$ 557,741	
Church Ministry Team		43,325	-	10,462	7,045	-	2,425	63,257	738,585	187,096	336,213	62,062	31,345	1,355,301	1,253,180	
Chancery Ministry Team		2,870	-	13,249	137,221	9	365	153,714	797,503	333,293	3,945	1,272	185,322	1,321,335	1,167,622	
Finance Ministry Team		-	156,704	-	607,285	-	118	764,107	707,452	171,223	3,630	8,621	164,162	1,055,088	279,962	
Development Ministry Team		319,958	4,386	120	162,640	-	140	487,244	261,777	17,758	74,088	114,360	13,898	481,881	(5,363)	
Christian Service Ministry Team		260	-	8,770	4,619	470	-	14,119	308,193	29,763	311	15,890	2,655	356,812	342,692	
Total Undesignated	\$ 3,148,142	368,357	161,090	176,348	918,810	479	3,076	1,628,160	3,091,395	787,342	572,892	392,055	430,193	5,273,877	3,595,834	\$ 3,098,259
Catholic Relief Services	-	-	-	-	-	-	-	-	7,639	122	-	90	2,244	10,095	10,095	-
Campaign for Human Development	-	-	-	-	-	-	-	-	7,641	12	-	68	2,244	9,965	9,965	-
Rice Bowl Local	-	-	-	-	-	-	-	-	-	-	21,000	-	-	21,000	21,000	-
Protected Loss Fund	111,072	-	-	-	-	-	48,436	48,436	-	500	-	-	35,549	36,049	60,000	183,459
Major Replacements	508,798	-	-	-	-	-	-	-	-	14,924	-	-	-	14,924	10,370	504,244
Missions	-	-	-	-	-	-	1,948	1,948	26,784	6,551	471	3,646	13,467	50,919	48,971	-
Bishop's Retirement Fund	142,640	-	-	-	-	-	-	-	-	-	-	-	-	-	32,222	174,862
Bishop's Discretionary Fund	9,070	3,750	-	-	-	-	-	3,750	-	-	1,500	-	-	1,500	102,975	114,295
75th Anniversary Celebration	20,026	-	-	-	-	-	100,000	100,000	-	1,767	-	1,064	-	2,831	40,000	157,195
Priest Continuing Education Fund	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000
Youth Encounter Saginaw	4,537	13,737	-	3,250	-	-	-	16,987	-	-	-	9,062	-	9,062	-	12,462
Catholic Schools	-	10,875	-	-	-	-	-	10,875	-	16,061	111,680	-	2,400	130,141	125,656	6,390
Bishop's Charity Fund	264,723	-	-	-	-	-	-	-	34,713	496,758	497,668	250	-	497,918	449,000	215,805
Diocesan Contingency Fund	465,678	-	-	-	-	-	276,266	276,266	-	-	-	-	-	531,471	-	210,473
Seminarian Trust Fund	56,174	-	-	-	-	-	-	-	-	-	-	-	-	-	(56,174)	-
Parish Mission Projects	3,016	-	140	-	-	-	25,000	25,140	-	-	17,847	-	-	17,847	-	10,309
Mass Stipends	-	-	-	-	-	-	-	-	-	-	1,350	-	-	1,350	1,350	-
Center for Ministry	648,565	-	-	-	-	-	16,250	16,250	-	79,650	-	-	-	79,650	-	585,165
Bishop Untener Memorial Education Fund	4,373	626	50	-	-	169	-	845	-	-	-	-	-	-	-	5,218
Rel Ed/Children of Special Needs	-	-	-	-	-	-	-	-	-	-	6,000	-	-	6,000	6,000	-
Diocesan Priests	-	-	-	-	-	-	-	-	-	-	-	55	-	55	55	-
Cathedral Renovation	50,000	16,315	-	-	-	-	-	16,315	-	-	50,000	-	-	50,000	58,874	75,189
Clergy Assistance Fund	190,253	114,359	-	-	-	-	13,304	127,663	62,750	4,636	-	-	141,056	208,442	290,000	399,474
Colombian Mission Fund	-	-	-	-	-	-	-	-	-	-	99,493	-	-	99,493	99,493	-
Campus Ministry	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,000
Mother Teresa Fund	-	6,533	-	-	-	-	-	6,533	-	-	10,623	-	-	10,623	4,090	-
Dick & Angela Wolohan Fund	-	-	-	-	-	-	-	-	-	-	98,555	-	-	98,555	98,555	-
Migrant Assistance	-	385	-	-	-	-	-	385	5,286	2,000	1,407	-	-	8,693	8,308	-
Faith Magazine	-	-	-	-	-	-	47,644	47,644	-	-	-	-	-	-	(47,644)	-
World Youth Day	2,792	-	-	-	-	-	-	-	-	34	-	9	-	43	-	2,749
Religious Retirement Fund Local	64,297	19,447	-	-	-	-	-	19,447	-	-	2,790	-	-	2,790	-	80,954
Capital Campaign	78,902	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,841)	66,061
Major Computer Replacement	49,482	-	-	-	-	-	-	-	-	9,644	-	-	-	9,644	26,784	66,622
Bishop's Vocational Fund	-	50,000	-	-	-	-	-	50,000	-	-	-	-	-	-	-	50,000
CFM Chapel Fund	-	-	-	-	-	-	-	-	-	-	1,000	-	-	1,000	118,068	117,068
Total Designated	2,736,398	236,027	190	3,250	-	169	528,848	768,484	144,813	632,659	921,384	14,189	197,015	1,910,060	1,505,172	3,099,994
Total Unrestricted Fund	\$ 5,884,540	\$ 604,384	\$ 161,280	\$ 179,598	\$ 918,810	\$ 648	\$ 531,924	\$ 2,396,644	\$ 3,236,208	\$ 1,420,001	\$ 1,494,276	\$ 406,244	\$ 627,208	\$ 7,183,937	\$ 5,101,006	\$ 6,198,253

■ SCHEDULE OF CHANGES IN TEMPORARILY RESTRICTED NET ASSETS
YEAR ENDED JUNE 30, 2012

Trusts	Temporarily Restricted Net Assets at Beginning of Year	Revenues, Gains, and Other Support			Net Assets Released from Restrictions				Temporarily Restricted Net Assets End of Year
		Contributions	Interest Income	Total Revenues, Gains, and Other Support	Catholic Education	General Diocesan Needs	Missions	Total	
Berberovich Scholarship Fund	\$ 11,448	\$ -	\$ 231	\$ 231	\$ -	\$ -	\$ -	\$ -	\$ 11,679
Kozak Trust	169,898	-	3,433	3,433	-	-	-	-	173,331
Bishop Carlson Seminarian Fund	518,903	125,155	5,465	130,620	527,899	-	-	527,899	121,624
Total Trusts	700,249	125,155	9,129	134,284	527,899	-	-	527,899	306,634
Adoration Sisters	1,015	-	20	20	-	-	-	-	1,035
Missions, CRS and CHD	359,581	138,025	3,535	141,560	-	-	94,536	94,536	406,605
Mother Teresa	2,998	8,404	-	8,404	-	8,006	-	8,006	3,396
Catholic Schools	1,022,319	57,600	-	57,600	64,585	-	-	64,585	1,015,334
Diocesan Priests Long-term Care	125,261	-	2,381	2,381	-	-	-	-	127,642
Bishop Untener Memorial Education Fund	42,756	-	-	-	-	-	-	-	42,756
Bishop's Charity Fund	189,066	140,583	-	140,583	-	4,010	-	4,010	325,639
Rel Ed/Children of Special Needs	13,875	-	-	-	-	-	-	-	13,875
Advocacy Network Fund	-	43,545	-	43,545	-	24,082	-	24,082	19,463
Fr. Jeff Donner Lay Ministry Fund	228	-	-	-	-	-	-	-	228
Migrant Assistance Fund	6,693	6,714	-	6,714	-	7,494	-	7,494	5,913
Religious Retirement	6,346	694	-	694	-	-	-	-	7,040
CFM-Chapel Fund	21,589	-	-	-	-	-	-	-	21,589
Cathedral Renovation	633,436	-	-	-	-	-	-	-	633,436
Poor Parish Fund	12,736	2,524	-	2,524	-	-	-	-	15,260
Colombian Mission Fund	50	-	-	-	-	-	-	-	50
CSA	3,693,000	3,693,000	-	3,693,000	-	3,693,000	-	3,693,000	3,693,000
Total	\$ 6,831,198	\$ 4,216,244	\$ 15,065	\$ 4,231,309	\$ 592,484	\$ 3,736,592	\$ 94,536	\$ 4,423,612	\$ 6,638,895

■ SCHEDULE OF CHANGES IN TEMPORARILY RESTRICTED NET ASSETS
YEAR ENDED JUNE 30, 2011

Trusts	Revenues, Gains, and Other Support				Net Assets Released from Restrictions				Temporarily Restricted Net Assets End of Year
	Temporarily Restricted Net Assets at Beginning of Year	Contributions	Interest Income	Total Revenues, Gains, and Other Support	Catholic Education	General Diocesan Needs	Missions	Total	
Berberovich Scholarship Fund	\$ 11,222	\$ -	\$ 226	\$ 226	\$ -	\$ -	\$ -	\$ -	\$ 11,448
Kozak Trust	166,542	-	3,356	3,356	-	-	-	-	169,898
Bishop Carlson Seminarian Fund	611,980	366,727	5,343	372,070	465,147	-	-	465,147	518,903
Dick & Angela Wolohan Fund	98,555	-	-	-	98,555	-	-	98,555	-
Total Trusts	888,299	366,727	8,925	375,652	563,702	-	-	563,702	700,249
Adoration Sisters	995	-	20	20	-	-	-	-	1,015
Missions, CRS and CHD	307,715	140,039	3,455	143,494	-	-	91,628	91,628	359,581
Mother Teresa	295	6,793	-	6,793	-	4,090	-	4,090	2,998
Catholic Schools	699,010	400,150	-	400,150	76,841	-	-	76,841	1,022,319
Diocesan Priests Long-term Care	122,989	-	2,327	2,327	-	55	-	55	125,261
Bishop Untener Memorial Education Fund	42,756	-	-	-	-	-	-	-	42,756
Bishop's Charity Fund	585,001	59,456	-	59,456	-	455,391	-	455,391	189,066
Rel Ed/Children of Special Needs	13,875	6,000	-	6,000	-	6,000	-	6,000	13,875
Fr. Jeff Donner Lay Ministry Fund	500	-	-	-	-	272	-	272	228
Migrant Assistance Fund	1,295	9,706	-	9,706	-	4,308	-	4,308	6,693
Religious Retirement	4,170	2,176	-	2,176	-	-	-	-	6,346
CFM-Chapel Fund	140,357	(700)	-	(700)	-	118,068	-	118,068	21,589
Cathedral Renovation	224,000	416,025	-	416,025	-	6,589	-	6,589	633,436
Poor Parish Fund	7,767	4,969	-	4,969	-	-	-	-	12,736
Colombian Mission Fund	99,493	50	-	50	-	-	99,493	99,493	50
CSA	3,674,569	3,693,000	-	3,693,000	-	3,674,569	-	3,674,569	3,693,000
Total	\$ 6,813,086	\$ 5,104,391	\$ 14,727	\$ 5,119,118	\$ 640,543	\$ 4,269,342	\$ 191,121	\$ 5,101,006	\$ 6,831,198

**CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION**

**SCHEDULE OF DONATIONS AND DISTRIBUTIONS FROM SPECIAL EVENTS
YEAR ENDED JUNE 30, 2012**

Apostolic Nunciature-Peter's Pence/Canon 1271	\$ 65,000
Auburn Area Catholic Schools	2,004
Au Gres Christian Charity	1,250
Ave Maria Radio	10,000
Bay Are Catholic Schools	10,853
Black and Indian Missions	17,000
Blessed Sacrament School, Midland	2,674
CAN Council	1,000
Catholic Campus Ministry Association	250
Catholic Community Foundation of Mid-Michigan	58,394
Catholic Family Service	220,000
Catholic University of America	4,000
Catholic Legal Immigrants	250
Catholic Relief Services	1,300
Catholic Volunteer Network	100
Catholic Youth Foundation	100
Children's Christmas Store Inc.	500
Christus Medicus Foundation	150
Covenant HealthCare Foundation	500
Cribs for Kids	8,009
Cros-Lex Project Blessing	1,250
Diocese of Marquette	300
Do-All, Inc.	50
Dominican Sisters	500
East Side Soup Kitchen	2,750
Ezekiel Project of Saginaw	378
Field Neurosciences Institute	4,500
Franciscan Poor Clare Nuns	5,772
Habitat for Humanity	200
Holy Apostles College	500
Institute for Priestly Formation	500
Institute on Religious Life	1,000
Midland Area Homes	1,250
Miscellaneous Donations & Other Acts of Goodwill	36,104

Continued...

CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION

SCHEDULE OF DONATIONS AND DISTRIBUTIONS FROM SPECIAL EVENTS
YEAR ENDED JUNE 30, 2012

Mundelein Seminary	\$	500
National Association of Catholic Chaplains		200
National Catholic Bioethics Center		500
National Catholic Rural Life		1,500
National Committee for Human Life Amendment		1,300
National Religious Vocations Conference		200
Nouvel Catholic Central, Saginaw		660
Office of Human Services		1,250
Operation Rice Bowl Grants		
*Abortion Alternatives		1,500
*AU Gres Christian Charities		1,500
*Central Michigan Chapter of the American Red Cross		500
*Chesaning Area Emergency Relief		750
*Coleman Food Pantry		500
*Cros-Lex Project Blessings		750
*East Side Soup Kitchen		750
*Emmaus House of Saginaw		750
*Food Pantry/First Presbyterian Church		500
*Habitat for Humanity		2,000
*Hidden Harvest		750
*Mexican American Council		250
*Midland Area Homes		1,500
*Mustard Seed Shelter		500
*Office of Human Services		750
*Pigeon Ecumenical Food		250
*Resurrection of the Lord Service Outreach		250
*Rosebush Emergency Assistance		500
*Sacred Heart Mission Food Pantry		500
*Society St. VincentDePaul Bay County Council		1,000
*SS. Peter & Paul Food Pantry		500
*St. Agatha Food Pantry		500
*St. Anthony/St. Joseph Parish Community		250
*St. Mary Cathedral		500
*St. Mary of Michigan		500

Continued...

**CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION**

**SCHEDULE OF DONATIONS AND DISTRIBUTIONS FROM SPECIAL EVENTS
YEAR ENDED JUNE 30, 2012**

*St. Paul's Episcopal Church	\$	500
*Underground Railroad, Inc.		500
Our Image, Inc.		250
Our Lady of Lake Huron School, Harbor Beach		2,456
Pax Christi Michigan		100
Pontifical North American College		500
Pope Benedict XVI		2,500
Pope Paul VI Institute		750
Regional Commissariat of the Holy Land		13,000
Right to Life - Bay County		350
Right to Life - Midland County		280
Right to Life - Central Michigan Mt. Pleasant		175
Right to Life - Saginaw County		335
Right to Life - Sanilac County		160
Rosebush Emergency Assistance Pantry		1,250
Sacred Heart Major Seminary		5,000
Sacred Heart Academy, Mt. Pleasant		7,017
Saginaw Area Catholic Schools		15,310
Saginaw Art Museum		250
Saginaw Bay Symphony		500
Saginaw Diocese Council Women		1,000
Society St. Vincent de Paul		1,250
St. Agatha Food Pantry		1,250
St. Anne Catholic School		1,860
St. Brigid School, Midland		2,846
St. Cecilia School, Clare		1,734
St. Elizabeth School, Reese		2,032
St. Helen Parish, Saginaw		173
St. Joseph Parish, Saginaw		61,538
St. Joseph the Worker School, Beal City		2,430
St. Mary of Michigan		4,850
St. Mary University Parish, Mt. Pleasant		150,000
St. Mary School, Alma		1,904
St. Michael School, Pinconning		2,349

Continued...

CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION

■ SCHEDULE OF DONATIONS AND DISTRIBUTIONS FROM SPECIAL EVENTS ■
YEAR ENDED JUNE 30, 2012

St. Stanislaus School, Bay City	\$ 3,483
St. Stephen School, Saginaw	139
St. Thomas Aquinas School, Saginaw	139
USCCB-Church in Africa	4,000
USCCB-Church in Latin America	12,500
USCCB-Catholic Communications Campaign	4,250
USCCB-Catholic Home Missions	8,500
Youth Encounter Service	<u>5,000</u>
Total	<u><u>\$ 806,908</u></u>