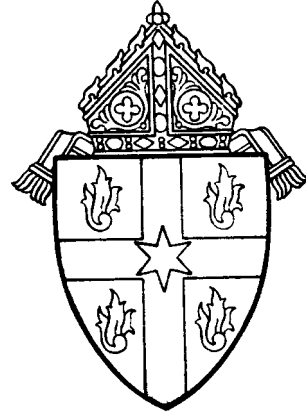


Catholic
Diocese of
Saginaw
Centralized
Programs and
Administration



Years Ended
June 30, 2014
and 2013

Financial
Statements
and
Supplementary
Financial
Information

CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

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INDEPENDENT AUDITORS' REPORT

December 1, 2014

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

We have audited the accompanying financial statements of the **Catholic Diocese of Saginaw Centralized Programs and Administration** (the "Diocese"), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor 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 Diocese'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 Diocese'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.

Basis for Qualified Opinion

As explained in Note 1 to the financial statements, the Diocese 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 and notes thereto have not been determined.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion 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, 2014 and 2013, 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.

Rehmann Lobson LLC

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

STATEMENTS OF FINANCIAL POSITION

	June 30	
	2014	2013
ASSETS		
Cash and cash equivalents	\$ 1,059,716	\$ 1,738,203
Deposits held with the Interparish Deposit and Loan Program	8,666,986	8,439,894
Michigan no fault self insurance loss reserve	18,598	19,324
Catholic Services Appeal (CSA) pledges receivable	1,432,282	1,470,649
Accounts receivable, net of allowance for doubtful accounts of \$67,767 (\$154,767 in 2013)	87,685	236,509
Other assets	64,181	91,538
Notes receivable, including CSA, net of allowance for losses of \$247,918 (\$273,632 in 2013)	1,379,014	1,411,119
Total assets	<u>\$ 12,708,462</u>	<u>\$ 13,407,236</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 177,475	\$ 187,013
Accrued expenses and other liabilities	190,198	164,026
Michigan no fault self insurance loss reserve	18,598	19,324
Funds held for others	514,378	683,708
Total liabilities	<u>900,649</u>	<u>1,054,071</u>
Commitments and contingencies (Note 5)		
Net assets		
Unrestricted		
Undesignated	3,148,142	3,148,142
Designated	2,141,996	1,741,935
Temporarily restricted		
For specified use	2,856,437	3,782,136
For use in future years	3,661,238	3,680,952
Total net assets	<u>11,807,813</u>	<u>12,353,165</u>
Total liabilities and net assets	<u>\$ 12,708,462</u>	<u>\$ 13,407,236</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, 2014		
	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support			
Contributions	\$ 383,958	\$ 1,276,135	\$ 1,660,093
CSA	-	3,661,238	3,661,238
Interest income	157,757	15,636	173,393
Workshops and tuition	226,897	-	226,897
Rentals and other services	830,144	-	830,144
Related services	21,358	-	21,358
Other	630,826	-	630,826
Net assets released:			
Satisfaction of purpose restrictions	2,217,470	(2,217,470)	-
Expiration of time restrictions-CSA	3,680,952	(3,680,952)	-
Total revenues, gains, and other support	8,149,362	(945,413)	7,203,949
Expenses and transfers			
Program	7,068,278	-	7,068,278
Administration	512,741	-	512,741
Fundraising	163,707	-	163,707
Transfer to CCFMM	4,575	-	4,575
Total expenses and transfers	7,749,301	-	7,749,301
Change in net assets	400,061	(945,413)	(545,352)
Net assets - beginning of year	4,890,077	7,463,088	12,353,165
Net assets - end of year	\$ 5,290,138	\$ 6,517,675	\$ 11,807,813

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



Year Ended June 30, 2013

Unrestricted	Temporarily Restricted	Total
\$ 524,773	\$ 1,266,983	\$ 1,791,756
-	3,680,952	3,680,952
154,678	15,285	169,963
209,800	-	209,800
886,363	-	886,363
4,619	-	4,619
439,590	-	439,590
446,027	(446,027)	-
3,693,000	(3,693,000)	-
6,358,850	824,193	7,183,043
5,358,931	-	5,358,931
517,989	-	517,989
174,323	-	174,323
13,640	-	13,640
6,064,883	-	6,064,883
293,967	824,193	1,118,160
4,596,110	6,638,895	11,235,005
\$ 4,890,077	\$ 7,463,088	\$ 12,353,165

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

STATEMENTS OF CASH FLOWS

	Year Ended June 30	
	2014	2013
Cash flows from operating activities		
Change in net assets	\$ (545,352)	\$ 1,118,160
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
(Reduction to) provision for uncollectible notes receivable	(25,714)	49,335
(Reduction to) provision for uncollectible accounts receivable	(87,000)	40,000
Changes in assets and liabilities which (used) provided cash		
CSA pledges receivable	(123,404)	(284,212)
Accounts receivable	235,824	(115,473)
Other assets	27,357	11,650
Accounts payable	(9,538)	(108,786)
Accrued expenses and other liabilities	26,172	9,684
Funds held for others	(169,330)	247,757
Net cash (used in) provided by operating activities	<u>(670,985)</u>	<u>968,115</u>
Cash flows from investing activities		
Advances evidenced by notes receivable	-	(1,050)
Collections of notes receivable	219,590	195,132
Net cash provided by investing activities	<u>219,590</u>	<u>194,082</u>
Net (decrease) increase in cash and cash equivalents	(451,395)	1,162,197
Cash and cash equivalents - beginning of year	<u>10,178,097</u>	<u>9,015,900</u>
Cash and cash equivalents - end of year	<u><u>\$ 9,726,702</u></u>	<u><u>\$ 10,178,097</u></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.

Financial Statement 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.

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.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

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, 2014 and 2013.

Summary of Significant Accounting Policies

Accounting policies used in preparation of the accompanying financial statements are in conformity with accounting principles generally accepted in the United States. The principles which materially affect the determination of the financial position and results of operations of the Diocese are summarized below.

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, 2014 and 2013, 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 other than impaired notes receivable which are not considered material.

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 \$1,099,000 at June 30, 2014. The Diocese also maintains uninsured deposits of approximately \$8,667,000 at June 30, 2014, 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 the Catholic Services Appeal ("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. 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 accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Notes Receivable

Notes receivable consist of unsecured cash advances made to seminarians, Catholic parishes, 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, 2014, and June 30, 2013.

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. (See Note 2.)

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, or 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 that exceed a specific threshold and one year of service 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 that is 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.”

The Diocese analyzes its income tax 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, to identify potential uncertain tax positions. 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 the above has no significant impact on the Diocese’s financial statements.

The Diocese has analyzed its income tax positions for the fiscal years 2010 through 2014, the years which remain subject to examination by major tax jurisdictions as of June 30, 2014. 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, 2014 or 2013, 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 2013 financial statements have been reclassified to conform with the 2014 presentation.

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, 2014, the most recent statement of financial position presented herein, through December 1, 2014, the date these financial statements were available to be issued. No significant such events or transactions were identified.

CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

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:

	2014	2013
Seminarian	\$ 175,968	\$ 205,283
Parish and other organizations	705,760	763,199
Parish - CSA	195,204	140,126
CCFMM	<u>550,000</u>	<u>576,143</u>
Total notes	1,626,932	1,684,751
Allowance for losses	<u>247,918</u>	<u>273,632</u>
Notes receivable, net	<u>\$ 1,379,014</u>	<u>\$ 1,411,119</u>

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

2014	Seminarian	Parish and Other Organizations	Parish - CSA	Total
Allowance for losses:				
Balance at beginning of year	\$ 184,902	\$ 81,926	\$ 6,804	\$ 273,632
Notes charged off	<u>(25,714)</u>	<u>-</u>	<u>-</u>	<u>(25,714)</u>
Balance at end of year	<u>\$ 159,188</u>	<u>\$ 81,926</u>	<u>\$ 6,804</u>	<u>\$ 247,918</u>
2013	Seminarian	Parish and Other Organizations	Parish - CSA	Total
Allowance for losses:				
Balance at beginning of year	\$ 186,234	\$ 27,044	\$ 11,019	\$ 224,297
Provision for losses	<u>(1,332)</u>	<u>54,882</u>	<u>(4,215)</u>	<u>49,335</u>
Balance at end of year	<u>\$ 184,902</u>	<u>\$ 81,926</u>	<u>\$ 6,804</u>	<u>\$ 273,632</u>

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

NOTES TO FINANCIAL STATEMENTS

The following tables show the notes receivable allocated by payment activity as of June 30:

2014	Credit Risk Profile by Payment Activity				
	Seminarian	Parish and Other Organizations	Parish - CSA	CCFMM	Total
Payment activity					
Performing	\$ 16,780	\$ 380,786	\$ 166,029	\$ 550,000	\$ 1,113,595
Non-performing	<u>159,188</u>	<u>324,974</u>	<u>29,175</u>	<u>-</u>	<u>513,337</u>
Total	<u>\$ 175,968</u>	<u>\$ 705,760</u>	<u>\$ 195,204</u>	<u>\$ 550,000</u>	<u>\$ 1,626,932</u>

2013	Credit Risk Profile by Payment Activity				
	Seminarian	Parish and Other Organizations	Parish - CSA	CCFMM	Total
Payment activity					
Performing	\$ 20,381	\$ 438,225	\$ 133,322	\$ -	\$ 591,928
Non-performing	<u>184,902</u>	<u>324,974</u>	<u>6,804</u>	<u>576,143</u>	<u>1,092,823</u>
Total	<u>\$ 205,283</u>	<u>\$ 763,199</u>	<u>\$ 140,126</u>	<u>\$ 576,143</u>	<u>\$ 1,684,751</u>

The following tables show an aging analysis of the notes receivable portfolio by time past due as of June 30:

2014	Accruing Interest			Total Nonaccrual	Total Loans
	Current	30-89 Days Past Due	More Than 90 Days Past Due		
Seminarian	\$ -	\$ -	\$ -	\$ 175,968	\$ 175,968
Parish and other organizations	271,714	-	-	434,046	705,760
Parish - CSA	161,777	4,252	29,175	-	195,204
CCFMM	<u>550,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550,000</u>
Total	<u>\$ 983,491</u>	<u>\$ 4,252</u>	<u>\$ 29,175</u>	<u>\$ 610,014</u>	<u>\$ 1,626,932</u>

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

NOTES TO FINANCIAL STATEMENTS

2013	Accruing Interest			Total Nonaccrual	Total Loans
	Current	30-89 Days Past Due	More Than 90 Days Past Due		
Seminarian	\$ -	\$ -	\$ -	\$ 205,283	\$ 205,283
Parish and other organizations	280,553	-	-	482,646	763,199
Parish - CSA	131,291	2,031	6,804	-	140,126
CCFMM	576,143	-	-	-	576,143
Total	\$ 987,987	\$ 2,031	\$ 6,804	\$ 687,929	\$ 1,684,751

The following tables present information related to impaired notes receivable as of June 30:

2014	Unpaid Principal Balance	Related Allowance	Average Unpaid Principal Balance
Notes receivable with an allowance recorded			
Seminarian	\$ 159,188	\$ 159,188	\$ 172,045
Parish and other organizations	324,974	81,926	203,451
Parish - CSA	29,175	6,804	17,990
Total impaired loans	\$ 513,337	\$ 247,918	\$ 393,486

2013	Unpaid Principal Balance	Related Allowance	Average Unpaid Principal Balance
Notes receivable with an allowance recorded			
Seminarian	\$ 184,902	\$ 184,902	\$ 185,568
Parish and other organizations	324,974	81,926	297,710
Parish - CSA	6,804	6,804	8,912
CCFMM	576,143	-	586,659
Total impaired loans	\$ 1,092,823	\$ 273,632	\$ 1,078,849

Interest income recognized on impaired loans was not significant in 2014 or 2013.

The Diocese does not have material commitments to lend additional funds to borrowers whose loans are classified as nonaccrual.

There were no loans modified in troubled debt restructurings during 2014 or 2013.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

3. MULTI-EMPLOYER DEFINED BENEFIT PENSION PLAN

The Diocese participates in the Michigan Catholic Conference Lay Employees Retirement Plan (the Plan), a multi-employer defined benefit pension plan. The Plan Number and Employer Identification Number of the Plan is 38-1971920. Contributions to the Plan were \$125,868 and \$112,981 for fiscal 2014 and 2013, respectively. Based on information as of June 30, 2013, the year-end of the Plan, the Diocese's contributions to the Plan did not represent more than 5% of the total contributions received by the Plan. During 2014, the amount of the Diocese's contributions to the Plan increased from 6.6% in 2013 to 7.1% in 2014 of all full-time employees' wages. Specific Plan information for the Diocese is not available from the Plan's administrator. A covered unit which is under the control of an Archbishop or Bishop of Michigan Diocese may not withdraw from participation in the Plan. The following information is based on the financial statements of the Plan as of June 30:

	Michigan Catholic Conference Lay Employees Retirement Plan	
	2013	2012
Total Plan assets	\$ 1,200,845,031 (a)	\$ 1,146,056,008
Actuarial present value of accumulated Plan benefits	\$ 1,342,726,447	\$ 1,316,111,748
Total contributions received by the Plan	\$ 20,523,895	\$ 21,156,354
Indicated level of funding	89.4%	87.1%

(a) Total assets include approximately \$81.9 million transferred from the Health Care Trust.

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 \$8,666,986 and \$8,439,894 at June 30, 2014 and 2013, respectively. Interest income from such deposits for fiscal years 2014 and 2013 was \$168,475 and \$167,558, respectively.

The Program pays management fees to the Diocese. These management fees amounted to \$144,641 for each of the fiscal years 2014 and 2013.

Transactions with CCFMM

CCFMM has received pledges to fund two large construction projects that commenced in fiscal 2011 and were completed in 2013 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, 2014 and 2013, construction costs paid by the Diocese in excess of contributions received from CCFMM amount to approximately \$2,241,000 and \$2,270,000, respectively, (see also Exhibit 1 and 2 included in the supplementary financial information).

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

CCFMM pays management fees to the Diocese. These management fees amounted to approximately \$225,000 for each of the fiscal years ending June 30, 2014 and 2013. Accounts receivable related to these management fees was approximately \$19,000 at June 30, 2013. There were no accounts receivable related to these management fees at June 30, 2014.

The Company holds a note receivable from CCFMM. 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 \$550,000 is due in February 2018. The balance of the note receivable at June 30, 2014 and 2013, was \$550,000.

The Diocese also received rent and a management fee from Cemeteries in the amount of \$39,486 and \$42,062 for fiscal year 2014 and 2013, respectively.

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 was \$82,861 and \$75,407 for fiscal years 2014 and 2013, respectively.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

The Diocese is authorized by the Michigan Department of Insurance and Financial Services to self-insure no-fault risk for its vehicles for the 12 month certification period ending June 30, 2014 and 2015. An authorized self-insurer is required to establish a fully funded loss reserve to pay claims which are anticipated in, and/or submitted for payment during, the certification period, as well as to pay claims which have been incurred and submitted before then but have not yet been paid. The loss reserve for the Diocese has been determined by a qualified actuary and fully funded as of the commencement of the current certification period.

Loan Guarantee

The Diocese has guaranteed the debt of a related party aggregating approximately \$848,000 and \$959,000 as of June 30, 2014 and 2013, respectively. The debt is collateralized by real estate. During fiscal 2014, the note was refinanced with a final maturity date of August 2039. During June 2012, 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 remaining three year period are estimated to be approximately \$80,000.

6. DESIGNATED NET ASSETS

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

	2014	2013
Campaign for Human Development	\$ -	\$ 253
Protected Loss Fund	168,155	136,125
Catechesis/Evangelization	584	584
Future Full of Hope	71,296	11,296
Major Replacements	702,515	616,379
Bishop's Retirement Fund	163,861	163,861
Bishop's Discretionary Fund	38,983	606,188
Budget Excess / Discretionary Fund	955,741	-
75 th Anniversary Celebration	31,380	195,018
Priest Continuing Education Fund	-	15,959
Youth Encounter Saginaw	16,818	23,557
Catholic Schools	528	1,003
Bishop's Charity Fund	76,796	101,921
Diocesan Contingency Fund - Legacy of Faith	(2,240,707)	(2,269,907)
Diocesan Contingency Fund - Other	588,063	648,805
Parish Mission Projects	149	-
Center for Ministry	585,146	585,146
Bishop Untener Memorial Education Fund	8,234	7,163
Cathedral Renovation	102,001	102,001
Clergy Assistance Fund	297,162	287,182
Campus Ministry	60,000	60,000
Rachel's Vineyard Scholarship Fund	1,130	-
Faith Magazine	254	-
World Youth Day	2,792	2,792
Religious Retirement Fund Local	101,416	101,416
Capital Campaign	39,319	52,127

(continued)

CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

	2014	2013
Major Computer Replacement	\$ 98,601	\$ 120,242
Bishop's Vocational Fund	44,584	44,584
Black Catholic Ministry Fund	2,102	2,172
Communications Fund	101,525	-
CFM Amenity Updates Fund	10,000	10,000
CFM Chapel Fund	<u>113,568</u>	<u>116,068</u>
Totals	<u>\$ 2,141,996</u>	<u>\$ 1,741,935</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 2013-2014 and 2012-2013 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.

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

	2014	2013
Catholic Education	\$ 1,244,697	\$ 2,092,162
Adoration Sisters	1,077	1,056
Missions, CRS and CHD	453,753	423,121
Black and Native American Grant	2,660	-
Mother Teresa	13,525	1,245
Diocesan Priests Long-term Care	133,528	130,057
Bishop Untener Memorial Education Fund	42,756	42,756
Bishop's Charity Fund	11,641	325,639
Rel Ed/Children of Special Needs	20,875	13,875
Advocacy Network Fund	11,234	11,504
Fr. Jeff Donner Lay Ministry Fund	3,657	413
Campus Ministry Fund	3,000	-
Faith Formation	1,425	-
Right to Life Fund	10,000	-

(continued)

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

NOTES TO FINANCIAL STATEMENTS

	2014	2013
Migrant Assistance Fund	\$ 10,106	\$ 10,161
Religious Retirement	52,714	32,781
CFM-Chapel Fund	20,059	22,089
Cathedral Renovation	633,436	633,436
Poor Parish Fund	20,945	15,260
Colombian Mission Fund	50	50
Priest Continuing Education Fund	77,527	-
Vocation Ministry Fund	28,010	26,124
Ministry to Priests	500	-
Deacons Fund	43,000	-
Bishop's Discretionary Fund	886	407
CCFMM Donations Fund	15,376	-
CSA for periods after June 30	<u>3,661,238</u>	<u>3,680,952</u>
Total	<u>\$ 6,517,675</u>	<u>\$ 7,463,088</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:

	2014	2013
Purpose restrictions accomplished		
Catholic education	\$ 1,765,185	\$ 373,941
General diocesan needs	396,125	(7,330)
Missions	<u>56,160</u>	<u>79,416</u>
Total	2,217,470	446,027
Time restrictions expired		
Passage of specified time for CSA contributions	<u>3,680,952</u>	<u>3,693,000</u>
Total temporary restrictions released	<u>\$ 5,898,422</u>	<u>\$ 4,139,027</u>

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, 2014 and 2013. Accounts receivable related to this lease and other receivables from Saginaw Area Catholic Schools were \$69,582 and \$286,277 at June 30, 2014 and 2013, respectively (of which \$67,767 has been reserved for in the allowance for doubtful accounts receivable).

CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

■ NOTES TO FINANCIAL STATEMENTS

A note receivable related to this lease and other receivables from Saginaw Area Catholic Schools aggregated \$270,054 for each of the years ended June 30, 2014 and 2013. The note which commenced February 1, 2014, calls for interest charged at 0.25% to be paid on an annual basis. A balloon payment in the amount of \$270,054 is due in February 2018.

■ 9. SUPPLEMENTAL CASH FLOWS INFORMATION

Non-Cash Investing Activities

During 2014 and 2013, uncollected CSA pledges receivable totaling \$161,771 and \$109,844, respectively, were reclassified as notes receivable.

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

December 1, 2014

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, 2014 and 2013, and have issued our report thereon dated December 1, 2014, 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.

A handwritten signature in black ink that reads "Rehmann Robson LLC".

SUPPLEMENTARY FINANCIAL INFORMATION

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

**SCHEDULE OF CHANGES IN UNRESTRICTED NET ASSETS
YEAR ENDED JUNE 30, 2014**

	Revenues, Gain or Other Support							Total Revenues, Gains, and Other Support
	Net Assets at Beginning of Year	Contributions	Interest Income	Workshops and Tuition	Rental and Other Services	Related Services	Other	
Education Ministry Team		\$ 400	\$ -	\$ 156,231	\$ 10,140	\$ 19,906	\$ 60	\$ 186,737
Church Ministry Team		8,605	-	43,160	5,450	225	3,375	60,815
Chancery Ministry Team		800	-	6,476	70,061	-	3,071	80,408
Finance Ministry Team		-	152,898	-	568,939	-	93,585	815,422
Development Ministry Team		287,744	4,656	1,790	158,962	-	-	453,152
Christian Service Ministry Team		-	-	7,761	15,254	210	-	23,225
Total Undesignated	\$ 3,148,142	297,549	157,554	215,418	828,806	20,341	100,091	1,619,759
Catholic Relief Services	-	-	-	-	-	-	-	-
Campaign for Human Development	253	-	-	-	-	-	-	-
Rice Bowl Local	-	-	-	-	-	-	-	-
Protected Loss Fund	136,125	-	-	-	-	-	121,235	121,235
Catechesis/Evangelization	584	-	-	-	-	-	-	-
Future Full of Hope	11,296	-	-	-	-	-	-	-
Major Replacements	616,379	5,300	-	-	-	-	133,000	138,300
Missions	-	-	-	-	1,338	-	-	1,338
Bishop's Retirement Fund	163,861	-	-	-	-	-	-	-
Bishop's Discretionary Fund	606,188	2,275	-	-	-	-	26,500	28,775
Budget Excess / Discretionary Fund	-	5,000	-	-	-	-	-	5,000
75th Anniversary Celebration	195,018	6,000	-	6,894	-	-	-	12,894
Priest Continuing Education Fund	15,959	-	-	-	-	-	-	-
Bishop Carlson Seminarian Fund	-	-	-	-	-	-	-	-
Youth Encounter Saginaw	23,557	2,600	-	4,585	-	-	-	7,185
Catholic Schools	1,003	309	-	-	-	-	-	309
Bishop's Charity Fund	101,921	14,800	-	-	-	-	-	14,800
Diocesan Contingency Fund								
Legacy of Faith	(2,269,907)	29,200	-	-	-	-	-	29,200
Other	648,805	-	-	-	-	-	-	-
Parish Mission Projects	-	15,600	149	-	-	-	-	15,749
Mass Stipends	-	-	-	-	-	-	-	-
Center for Ministry	585,146	-	-	-	-	-	-	-
Bishop Untener Memorial								
Education Fund	7,163	-	54	-	-	1,017	-	1,071
Cathedral Renovation	102,001	-	-	-	-	-	-	-
Clergy Assistance Fund	287,182	-	-	-	-	-	250,000	250,000
Campus Ministry	60,000	-	-	-	-	-	-	-
Mother Teresa Fund	-	-	-	-	-	-	-	-
Rachel's Vineyard Scholarship Fund	-	1,130	-	-	-	-	-	1,130
Migrant Assistance	-	1,585	-	-	-	-	-	1,585
Faith Magazine	-	10	-	-	-	-	-	10
World Youth Day	2,792	-	-	-	-	-	-	-
Religious Retirement Fund Local	101,416	-	-	-	-	-	-	-
Capital Campaign	52,127	-	-	-	-	-	-	-
Major Computer Replacement	120,242	-	-	-	-	-	-	-
Advocacy Network Fund	-	-	-	-	-	-	-	-
Bishop's Vocational Fund	44,584	-	-	-	-	-	-	-
Black Catholic Ministry	2,172	-	-	-	-	-	-	-
Black & Native American Grant	-	-	-	-	-	-	-	-
CCFMM Donation Fund	-	5,100	-	-	-	-	-	5,100
Communications Fund	-	-	-	-	-	-	-	-
CFM Amenity Updates Fund	10,000	-	-	-	-	-	-	-
CFM Chapel Fund	116,068	(2,500)	-	-	-	-	-	(2,500)
Total Designated	1,741,935	86,409	203	11,479	1,338	1,017	530,735	631,181
Total Unrestricted Fund	\$ 4,890,077	\$ 383,958	\$ 157,757	\$ 226,897	\$ 830,144	\$ 21,358	\$ 630,826	\$ 2,250,940

Expenses								
Salary and Benefits	Operational Costs	Donations	Membership Conferences	Services	Total Expenses	Transfers	Net Assets End of Year	
\$ 286,167	\$ 105,773	\$ 151,214	\$ 212,743	\$ 18,205	\$ 774,102	\$ 587,365		
533,683	220,463	383,355	81,879	12,401	1,231,781	1,170,966		
901,508	295,989	10,434	5,622	219,593	1,433,146	1,352,738		
715,946	129,635	3,242	10,582	230,000	1,089,405	273,983		
284,139	56,084	51,818	96,438	1,794	490,273	37,121		
229,595	33,616	506	20,681	3,532	287,930	264,705		
2,951,038	841,560	600,569	427,945	485,525	5,306,637	3,686,878	\$ 3,148,142	
8,055	147	-	-	2,300	10,502	10,502	-	
8,054	580	312	-	2,300	11,246	10,993	-	
-	37	16,850	-	-	16,887	16,887	-	
2,719	-	-	-	86,486	89,205	-	168,155	
-	-	-	-	-	-	-	584	
-	-	-	-	-	-	60,000	71,296	
-	102,164	-	-	-	102,164	50,000	702,515	
32,708	6,184	2,399	705	13,500	55,496	54,158	-	
-	-	-	-	-	-	-	163,861	
-	860	-	-	-	860	(595,120)	38,983	
30,514	-	-	-	-	30,514	981,255	955,741	
3,222	78,837	425	38,871	55,177	176,532	-	31,380	
114,826	13,997	-	-	-	128,823	112,864	-	
-	-	48,000	-	-	48,000	48,000	-	
-	36	-	13,953	-	13,989	65	16,818	
-	784	1,022,000	-	-	1,022,784	1,022,000	528	
-	-	378,947	-	-	378,947	339,022	76,796	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	(2,240,707)	
-	11,579	49,163	-	-	60,742	-	588,063	
-	-	15,600	-	-	15,600	-	149	
-	-	1,770	-	-	1,770	1,770	-	
-	-	-	-	-	-	-	585,146	
-	-	-	-	-	-	-	8,234	
-	-	-	-	-	-	-	102,001	
85,415	1,052	-	-	153,553	240,020	-	297,162	
-	-	-	-	-	-	-	60,000	
-	-	9,447	-	-	9,447	9,447	-	
-	-	-	-	-	-	-	1,130	
3,312	602	2,000	-	100	6,014	4,429	-	
-	(244)	-	-	-	(244)	-	254	
-	-	-	-	-	-	-	2,792	
-	-	-	-	-	-	-	101,416	
-	-	-	-	-	-	(12,808)	39,319	
-	21,641	-	-	-	21,641	-	98,601	
-	270	-	-	-	270	270	-	
-	-	-	-	-	-	-	44,584	
-	-	-	-	-	-	(70)	2,102	
-	216	707	532	-	1,455	1,455	-	
-	-	-	-	-	-	(5,100)	-	
-	-	-	-	-	-	101,525	101,525	
-	-	-	-	-	-	-	10,000	
-	-	-	-	-	-	-	113,568	
288,825	238,742	1,547,620	54,061	313,416	2,442,664	2,211,544	2,141,996	
\$ 3,239,863	\$ 1,080,302	\$ 2,148,189	\$ 482,006	\$ 798,941	\$ 7,749,301	\$ 5,898,422	\$ 5,290,138	

CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION

SCHEDULE OF CHANGES IN UNRESTRICTED NET ASSETS
YEAR ENDED JUNE 30, 2013

	Revenues, Gain or Other Support							Total Revenues, Gains, and Other Support
	Net Assets at Beginning of Year	Contributions	Interest Income	Workshops and Tuition	Rental and Other Services	Related Services	Other	
Education Ministry Team		\$ 21,198	\$ -	\$ 167,661	\$ 6,164	\$ -	\$ 208	\$ 195,231
Church Ministry Team		17,215	-	13,417	6,900	3,485	3,957	44,974
Chancery Ministry Team		830	-	10,964	116,216	-	33,000	161,010
Finance Ministry Team		-	149,928	-	585,571	-	22,284	757,783
Development Ministry Team		282,328	4,553	-	157,500	-	-	444,381
Christian Service Ministry Team		2,859	-	13,923	13,170	210	-	30,162
Total Undesignated	\$ 3,148,142	324,430	154,481	205,965	885,521	3,695	59,449	1,633,541
Catholic Relief Services	-	-	-	-	-	-	-	-
Campaign for Human Development	-	-	-	-	-	-	-	-
Rice Bowl Local	-	-	-	-	-	-	-	-
Protected Loss Fund	137,845	27,548	-	-	-	-	43,000	70,548
Catechesis/Evangelization	1,297	-	-	-	-	-	-	-
Future Full of Hope	11,296	-	-	-	-	-	-	-
Major Replacements	562,182	-	-	-	-	-	128,700	128,700
Missions	-	-	-	-	842	-	-	842
Bishop's Retirement Fund	163,861	-	-	-	-	-	-	-
Bishop's Discretionary Fund	231,145	4,225	-	-	-	-	58,441	62,666
75th Anniversary Celebration	204,746	94,147	-	-	-	-	-	94,147
Priest Continuing Education Fund	2,000	14,159	-	-	-	-	-	14,159
Youth Encounter Saginaw	12,019	4,992	-	3,835	-	-	-	8,827
Catholic Schools	395	608	-	-	-	-	-	608
Bishop's Charity Fund	162,172	-	-	-	-	-	-	-
Diocesan Contingency Fund								
Legacy of Faith	(2,287,678)	32,371	-	-	-	-	-	32,371
Other	716,028	-	-	-	-	-	-	-
Seminarian Trust Fund	-	-	-	-	-	-	-	-
Parish Mission Projects	192	-	145	-	-	-	-	145
Mass Stipends	-	-	-	-	-	-	-	-
Center for Ministry	585,146	-	-	-	-	-	-	-
Bishop Untener Memorial								
Education Fund	6,187	-	52	-	-	924	-	976
Cathedral Renovation	102,001	-	-	-	-	-	-	-
Clergy Assistance Fund	320,403	19,014	-	-	-	-	149,000	168,014
Colombian Mission Fund	-	-	-	-	-	-	-	-
Campus Ministry	60,000	-	-	-	-	-	-	-
Mother Teresa Fund	-	-	-	-	-	-	-	-
Migrant Assistance	-	1,799	-	-	-	-	-	1,799
Faith Magazine	-	1,455	-	-	-	-	-	1,455
World Youth Day	2,792	-	-	-	-	-	-	-
Religious Retirement Fund Local	101,416	-	-	-	-	-	-	-
Capital Campaign	54,808	-	-	-	-	-	-	-
Major Computer Replacement	114,694	-	-	-	-	-	1,000	1,000
Advocacy Network Fund	-	25	-	-	-	-	-	25
Bishop's Vocational Fund	66,953	-	-	-	-	-	-	-
Black Catholic Ministry	-	-	-	-	-	-	-	-
CFM Amenity Updates Fund	-	-	-	-	-	-	-	-
CFM Chapel Fund	116,068	-	-	-	-	-	-	-
Total Designated	1,447,968	200,343	197	3,835	842	924	380,141	586,282
Total Unrestricted Fund	\$ 4,596,110	\$ 524,773	\$ 154,678	\$ 209,800	\$ 886,363	\$ 4,619	\$ 439,590	\$ 2,219,823

Expenses							
Salary and Benefits	Operational Costs	Donations	Membership Conferences	Services	Total Expenses	Transfers	Net Assets End of Year
\$ 316,988	\$ 69,774	\$ 152,176	\$ 223,656	\$ 16,055	\$ 778,649	\$ 583,418	
466,858	163,994	326,836	44,393	20,775	1,022,856	977,882	
804,542	294,118	5,003	(420)	366,093	1,469,336	1,308,326	
665,255	235,342	3,346	7,007	249,238	1,160,188	402,405	
271,113	41,119	32,069	104,164	5,070	453,535	9,154	
288,970	31,921	750	18,335	2,249	342,225	312,063	
2,813,726	836,268	520,180	397,135	659,480	5,226,789	3,593,248	\$ 3,148,142
7,988	120	-	-	2,286	10,394	10,394	-
7,988	117	-	811	2,286	11,202	11,455	253
-	-	21,200	-	-	21,200	21,200	-
-	-	-	-	72,268	72,268	-	136,125
-	-	-	-	-	-	(713)	584
-	-	-	-	-	-	-	11,296
-	74,503	-	-	-	74,503	-	616,379
30,536	7,109	3,494	825	13,718	55,682	54,840	-
-	-	-	-	-	-	-	163,861
-	55,012	1,048	-	759	56,819	369,196	606,188
-	89,505	861	5,073	8,436	103,875	-	195,018
200	-	-	-	-	200	-	15,959
-	3	-	14,461	-	14,464	17,175	23,557
-	-	-	-	-	-	-	1,003
-	149	57,452	250	-	57,851	(2,400)	101,921
-	14,600	-	-	-	14,600	-	(2,269,907)
-	2,207	65,016	-	-	67,223	-	648,805
-	-	-	-	-	-	-	-
-	3	14,860	-	-	14,863	14,526	-
-	-	540	-	-	540	540	-
-	-	-	-	-	-	-	585,146
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	7,163
-	-	-	-	-	-	-	102,001
72,417	245	-	1,204	127,369	201,235	-	287,182
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	60,000
-	-	19,548	-	-	19,548	19,548	-
3,213	105	1,248	-	200	4,766	2,967	-
-	19	-	-	4,625	4,644	3,189	-
-	-	-	-	-	-	-	2,792
-	-	-	-	-	-	-	101,416
-	-	-	-	-	-	(2,681)	52,127
-	24,232	-	-	-	24,232	28,780	120,242
-	7,677	-	308	-	7,985	7,960	-
-	-	-	-	-	-	(22,369)	44,584
-	-	-	-	-	-	2,172	2,172
-	-	-	-	-	-	10,000	10,000
-	-	-	-	-	-	-	116,068
122,342	275,606	185,267	22,932	231,947	838,094	545,779	1,741,935
\$ 2,936,068	\$ 1,111,874	\$ 705,447	\$ 420,067	\$ 891,427	\$ 6,064,883	\$ 4,139,027	\$ 4,890,077

CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION

■ SCHEDULE OF CHANGES IN TEMPORARILY RESTRICTED NET ASSETS
YEAR ENDED JUNE 30, 2014

Trusts	Temporarily Restricted Net Assets at Beginning of Year	Revenues, Gains, and Other Support		
		Contributions	Interest Income	Total Revenues, Gains, and Other Support
Berberovich Scholarship Fund	\$ 13,163	\$ 2,719	\$ 240	\$ 2,959
Kozak Trust	180,404	9,168	3,564	12,732
Bishop Carlson Seminarian Fund	557,901	456,336	5,672	462,008
Total Trusts	751,468	468,223	9,476	477,699
Adoration Sisters	1,056	-	21	21
Missions, CRS and CHD	423,121	83,124	3,668	86,792
Black and Native American Grant	-	4,115	-	4,115
Mother Teresa	1,245	17,153	-	17,153
Catholic Schools	1,340,694	302,400	-	302,400
Diocesan Priests Long-term Care	130,057	1,000	2,471	3,471
Bishop Untener Memorial				
Education Fund	42,756	-	-	-
Bishop's Charity Fund	325,639	274	-	274
Rel Ed/Children of Special Needs	13,875	7,000	-	7,000
Advocacy Network Fund	11,504	-	-	-
Fr. Jeff Donner Lay Ministry Fund	413	3,244	-	3,244
Campus Ministry Fund	-	3,000	-	3,000
Faith Formation	-	1,425	-	1,425
Right to Life Fund	-	10,000	-	10,000
Catholic Education Fund	-	20,309	-	20,309
Schools Grants Fund	-	4,448	-	4,448
Migrant Assistance Fund	10,161	4,374	-	4,374
Religious Retirement	32,781	19,933	-	19,933
CFM-Chapel Fund	22,089	(2,030)	-	(2,030)
Cathedral Renovation	633,436	-	-	-
Poor Parish Fund	15,260	5,685	-	5,685
Colombian Mission Fund	50	-	-	-
Priest Continuing Education Fund	-	190,391	-	190,391
Vocation Ministry Fund	26,124	3,238	-	3,238
Ministry to Priests	-	500	-	500
Deacons Fund	-	43,000	-	43,000
Bishop's Discretionary Fund	407	886	-	886
CCFMM Donations Fund	-	84,443	-	84,443
CSA	3,680,952	3,661,238	-	3,661,238
Total	\$ 7,463,088	\$ 4,937,373	\$ 15,636	\$ 4,953,009

Net Assets Released from Restrictions				
Catholic Education	General Diocesan Needs	Missions	Total	Temporarily Restricted Net Assets End of Year
\$ -	\$ -	\$ -	\$ -	\$ 16,122
250	-	-	250	192,886
476,765	-	-	476,765	543,144
477,015	-	-	477,015	752,152
-	-	-	-	1,077
-	-	56,160	56,160	453,753
-	1,455	-	1,455	2,660
-	4,873	-	4,873	13,525
1,175,306	-	-	1,175,306	467,788
-	-	-	-	133,528
-	-	-	-	42,756
-	314,272	-	314,272	11,641
-	-	-	-	20,875
-	270	-	270	11,234
-	-	-	-	3,657
-	-	-	-	3,000
-	-	-	-	1,425
-	-	-	-	10,000
-	-	-	-	20,309
-	-	-	-	4,448
-	4,429	-	4,429	10,106
-	-	-	-	52,714
-	-	-	-	20,059
-	-	-	-	633,436
-	-	-	-	20,945
-	-	-	-	50
112,864	-	-	112,864	77,527
-	1,352	-	1,352	28,010
-	-	-	-	500
-	-	-	-	43,000
-	407	-	407	886
-	69,067	-	69,067	15,376
-	3,680,952	-	3,680,952	3,661,238
\$ 1,765,185	\$ 4,077,077	\$ 56,160	\$ 5,898,422	\$ 6,517,675

CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION

■ SCHEDULE OF CHANGES IN TEMPORARILY RESTRICTED NET ASSETS
YEAR ENDED JUNE 30, 2013

Trusts	Temporarily Restricted Net Assets at Beginning of Year	Revenues, Gains, and Other Support		
		Contributions	Interest Income	Total Revenues, Gains, and Other Support
Berberovich Scholarship Fund	\$ 11,679	\$ 1,249	\$ 235	\$ 1,484
Kozak Trust	173,331	3,590	3,483	7,073
Bishop Carlson Seminarian Fund	121,624	647,944	5,545	653,489
Total Trusts	306,634	652,783	9,263	662,046
Adoration Sisters	1,035	-	21	21
Missions, CRS and CHD	406,605	92,346	3,586	95,932
Mother Teresa	3,396	3,758	-	3,758
Catholic Schools	1,015,334	482,089	-	482,089
Diocesan Priests Long-term Care	127,642	-	2,415	2,415
Bishop Untener Memorial Education Fund	42,756	-	-	-
Bishop's Charity Fund	325,639	-	-	-
Rel Ed/Children of Special Needs	13,875	-	-	-
Advocacy Network Fund	19,463	-	-	-
Fr. Jeff Donner Lay Ministry Fund	228	1,445	-	1,445
Migrant Assistance Fund	5,913	6,790	-	6,790
Religious Retirement	7,040	25,741	-	25,741
CFM-Chapel Fund	21,589	500	-	500
Cathedral Renovation	633,436	-	-	-
Poor Parish Fund	15,260	-	-	-
Colombian Mission Fund	50	-	-	-
Vocation Ministry Fund	-	1,124	-	1,124
Bishop's Discretionary Fund	-	407	-	407
CSA	3,693,000	3,680,952	-	3,680,952
Total	\$ 6,638,895	\$ 4,947,935	\$ 15,285	\$ 4,963,220

Net Assets Released from Restrictions				
Catholic Education	General Diocesan Needs	Missions	Total	Temporarily Restricted Net Assets End of Year
\$ -	\$ -	\$ -	\$ -	\$ 13,163
-	-	-	-	180,404
217,212	-	-	217,212	557,901
217,212	-	-	217,212	751,468
-	-	-	-	1,056
-	-	79,416	79,416	423,121
-	5,909	-	5,909	1,245
156,729	-	-	156,729	1,340,694
-	-	-	-	130,057
-	-	-	-	42,756
-	-	-	-	325,639
-	-	-	-	13,875
-	7,959	-	7,959	11,504
-	1,260	-	1,260	413
-	2,542	-	2,542	10,161
-	-	-	-	32,781
-	-	-	-	22,089
-	-	-	-	633,436
-	-	-	-	15,260
-	-	-	-	50
-	(25,000)	-	(25,000)	26,124
-	-	-	-	407
-	3,693,000	-	3,693,000	3,680,952
\$ 373,941	\$ 3,685,670	\$ 79,416	\$ 4,139,027	\$ 7,463,088

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

**SCHEDULE OF DONATIONS AND DISTRIBUTIONS FROM SPECIAL EVENTS
YEAR ENDED JUNE 30, 2014**

All Saints Central High School	\$	750
Apostolic Nunciature-Peter's Pence/Canon 1271		65,000
Auburn Area Catholic Schools		25,200
Ave Maria Radio		10,000
Bay Area Catholic Schools		171,950
Bay Area Women's Center		200
Bishops Charity Ball Grants to Parishes		9,495
Black and Indian Missions		17,000
Blessed Sacrament School		52,000
CAN Council		500
Catholic Campus Ministry Association		250
Catholic Charities West Michigan		250
Catholic Community Foundation of Mid-Michigan		409,211
Catholic Family Service		223,000
Catholic University of America		4,000
Catholic Legal Immigration Network		250
Catholic Volunteer Network		100
Catholic Youth Foundation		200
Children's Christmas Store		500
Cribs for Kids		2,687
East Side Soup Kitchen		500
Field Neurosciences Institute		600
Habitat for Humanity		1,000
Historical Society of Saginaw County		250
Institute for Priestly Formation		3,400
Institute on Religious Life		500
Isabella Community Soup Kitchen		250
John H. Goodrow Fund		500
Mayville Area Share Shop		1,800
Miscellaneous Donations & Other Acts of Goodwill		7,608
Mundelein Seminary		2,000
National Association of Catholic Chaplains		200
National Catholic Bioethics Center		500
National Catholic Rural Life		1,500
National Committee for a Human Life Amendment		1,300

Continued...

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

**SCHEDULE OF DONATIONS AND DISTRIBUTIONS FROM SPECIAL EVENTS
YEAR ENDED JUNE 30, 2014**

Oblates of St. Francis de Sales	\$	1,485
Operation Rice Bowl Grants		
*Abortion Alternatives		1,000
*AU Gres Christian Charities		1,000
*Chesaning Area Emergency Relief		1,000
*Coleman Food Pantry		500
*Cros-Lex Project Blessings		1,000
*East Side Soup Kitchen		500
*Emmaus House of Saginaw		750
*John H. Goodrow Fund		500
*Mayville Area Share Store		750
*Midland Area Homes		1,500
*Midland's Open Door		500
*Mustard Seed Shelter		500
*Pigeon Ecumenical Food Pantry		500
*Rosebush Emergency Assistance		1,000
*Sacred Heart Mission Food Pantry		500
*Shared Blessings Food Pantry		500
*Society St. Vincent DePaul Bay County Council		1,000
*SS. Peter & Paul Food Pantry		500
*St. Agatha Food Pantry		500
*St. Agnes Parish - Outreach Program		500
*St. Mary Cathedral Neighborhood Breakfast		500
*St. Mary's of Michigan		500
*St. Paul's Episcopal Church		500
Our Lady of Lake Huron Catholic School		42,800
Poor Clare Nuns		10,400
Pope Paul VI Institute		500
Regional Commissariat of the Holy Land		26,000
Right to Life - Bay County		350
Right to Life - Midland County		350
Right to Life - Saginaw County		350
Right to Life - Sanilac County		160
Rosebush Emergency Assist Pantry		1,800
Sacred Heart Academy		164,000

Continued...

CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION

■ SCHEDULE OF DONATIONS AND DISTRIBUTIONS FROM SPECIAL EVENTS
YEAR ENDED JUNE 30, 2014

Sacred Heart Major Seminary	\$	5,700
Sacred Heart Mission/Food Pantry		1,800
Saginaw Area Catholic Schools		339,060
Saginaw Diocesan Council of Catholic Women		800
Saved by God's Grace		437
Servants of Jesus		650
Shared Blessings Food Pantry		1,800
Sisters of St. Clare		6,250
St. Agatha Food Pantry		1,800
St. Agnes Parish, Freeland - Outreach Program		1,800
St. Agnes Parish, Freeland		500
St. Brigid School		65,600
St. Cecilia School		14,000
St. Elizabeth Catholic School		36,000
St. Elizabeth Parish, Reese		1,500
St. Joseph Parish, Saginaw		49,163
St. Joseph the Worker School		39,200
St. Mary School		25,600
St. Mary University Parish, Mt. Pleasant		150,000
St. Mary's of Michigan Foundation		4,450
St. Michael Catholic School		48,000
USCCB-Catholic Communication Campaign		8,500
USCCB-Catholic Home Missions Appeal		17,000
USCCB-Church in Africa		4,000
USCCB-Church in Latin America		12,500
Total	\$	2,114,756