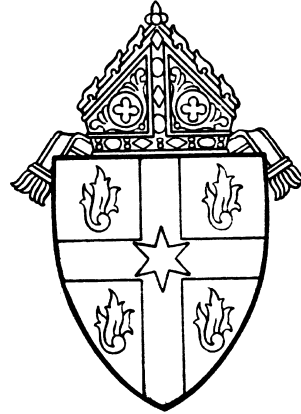


Catholic
Diocese of
Saginaw
Centralized
Programs and
Administration



Years Ended
June 30, 2015
and 2014

Financial
Statements
and
Supplementary
Financial
Information

CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

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INDEPENDENT AUDITORS' REPORT

October 19, 2015

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, 2015 and 2014, 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.

Opinion

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, 2015 and 2014, 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 Johnson LLC

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

STATEMENTS OF FINANCIAL POSITION

	June 30	
	2015	2014
ASSETS		
Cash and cash equivalents	\$ 460,127	\$ 1,059,716
Deposits held with the Interparish Deposit and Loan Program	9,423,091	8,666,986
Michigan no fault self insurance loss reserve	20,210	18,598
Catholic Services Appeal (CSA) pledges receivable	1,404,994	1,432,282
Accounts receivable, net of allowance for doubtful accounts of \$67,767 for both years	154,407	87,685
Other assets	99,794	64,181
Notes receivable, including CSA, net of allowance for doubtful accounts of \$240,414 (\$247,918 in 2014)	1,528,208	1,379,014
Total assets	<u>\$ 13,090,831</u>	<u>\$ 12,708,462</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 273,382	\$ 177,475
Accrued expenses and other liabilities	202,711	190,198
Michigan no fault self insurance loss reserve	20,210	18,598
Funds held for others	240,500	514,378
Total liabilities	<u>736,803</u>	<u>900,649</u>
Commitments and contingencies (Note 5)		
Net assets		
Unrestricted		
Undesignated	3,148,142	3,148,142
Designated	2,215,116	2,141,996
Temporarily restricted		
For specified use	3,297,764	2,856,437
For use in future years	3,693,006	3,661,238
Total net assets	<u>12,354,028</u>	<u>11,807,813</u>
Total liabilities and net assets	<u>\$ 13,090,831</u>	<u>\$ 12,708,462</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, 2015		
	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support			
Contributions	\$ 392,646	\$ 1,526,289	\$ 1,918,935
CSA	-	3,693,006	3,693,006
Interest income	134,141	54,580	188,721
Workshops and tuition	177,208	-	177,208
Rentals and other services	785,015	-	785,015
Related services	2,878	-	2,878
Other	418,924	-	418,924
Net assets released:			
Satisfaction of purpose restrictions	1,139,542	(1,139,542)	-
Expiration of time restrictions-CSA	3,661,238	(3,661,238)	-
Total revenues, gains, and other support	6,711,592	473,095	7,184,687
Expenses and transfers			
Program	5,941,365	-	5,941,365
Administration	514,635	-	514,635
Fundraising	154,398	-	154,398
Transfer to CCFMM	28,074	-	28,074
Total expenses and transfers	6,638,472	-	6,638,472
Change in net assets	73,120	473,095	546,215
Net assets - beginning of year	5,290,138	6,517,675	11,807,813
Net assets - end of year	\$ 5,363,258	\$ 6,990,770	\$ 12,354,028

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



Year Ended June 30, 2014

Unrestricted	Temporarily Restricted	Total
\$ 383,958	\$ 1,276,135	\$ 1,660,093
-	3,661,238	3,661,238
157,757	15,636	173,393
226,897	-	226,897
830,144	-	830,144
21,358	-	21,358
630,826	-	630,826
2,217,470	(2,217,470)	-
3,680,952	(3,680,952)	-
<u>8,149,362</u>	<u>(945,413)</u>	<u>7,203,949</u>
7,068,278	-	7,068,278
512,741	-	512,741
163,707	-	163,707
4,575	-	4,575
<u>7,749,301</u>	<u>-</u>	<u>7,749,301</u>
400,061	(945,413)	(545,352)
4,890,077	7,463,088	12,353,165
<u>\$ 5,290,138</u>	<u>\$ 6,517,675</u>	<u>\$ 11,807,813</u>

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

STATEMENTS OF CASH FLOWS

	Year Ended June 30	
	2015	2014
Cash flows from operating activities		
Change in net assets	\$ 546,215	\$ (545,352)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Reduction to uncollectible notes receivable	(7,504)	(25,714)
Reduction to uncollectible accounts receivable	-	(87,000)
Changes in assets and liabilities which (used) provided cash		
CSA pledges receivable	(266,628)	(123,404)
Accounts receivable	(66,722)	235,824
Other assets	(35,613)	27,357
Accounts payable	95,907	(9,538)
Accrued expenses and other liabilities	12,513	26,172
Funds held for others	(273,878)	(169,330)
Net cash provided by (used in) operating activities	4,290	(670,985)
Cash flows from investing activities		
Issuance of notes receivable	(99,439)	-
Collections of notes receivable	251,665	219,590
Net cash provided by investing activities	152,226	219,590
Net increase (decrease) in cash and cash equivalents	156,516	(451,395)
Cash and cash equivalents - beginning of year	9,726,702	10,178,097
Cash and cash equivalents - end of year	\$ 9,883,218	\$ 9,726,702

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 revenues 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, 2015 and 2014.

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, 2015 and 2014, 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 \$335,000 at June 30, 2015. The Diocese also maintains uninsured deposits of approximately \$9,423,000 at June 30, 2015, 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 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, 2015 and 2014.

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, operational expenditures 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 a religious entity exempt from tax filing requirements. It 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 treats interest and penalties attributable to income taxes, and reflects any charges for such, to the extent they arise, as a component of its administrative expenses.

The Diocese has evaluated its income tax filing positions for the fiscal years 2011 through 2015, the years which remain subject to examination by major tax jurisdictions as of June 30, 2015. 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, 2015 or 2014, and it is not aware of any claims for such amounts by federal or state income tax authorities.

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, 2015, the most recent statement of financial position presented herein, through October 19, 2015, 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 organizations within the Diocese, and Catholic parishes primarily regarding receivables related to the 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:

	2015	2014
Seminarian	\$ 166,688	\$ 175,968
Parish and other organizations	734,655	705,760
Parish - CSA	317,279	195,204
CCFMM	<u>550,000</u>	<u>550,000</u>
Total notes	1,768,622	1,626,932
Allowance for losses	<u>240,414</u>	<u>247,918</u>
Notes receivable, net	<u>\$ 1,528,208</u>	<u>\$ 1,379,014</u>

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

2015	Seminarian	Parish and Other Organization	Parish - CSA	Total
Allowance for losses:				
Balance at beginning of year	\$159,188	\$ 81,926	\$ 6,804	\$ 247,918
Notes charged off	<u>700</u>	<u>-</u>	<u>6,804</u>	<u>7,504</u>
Balance at end of year	<u>\$158,488</u>	<u>\$ 81,926</u>	<u>\$ -</u>	<u>\$ 240,414</u>
2014	Seminarian	Parish and Other Organization	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>

**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:

2015	Credit Risk Profile by Payment Activity				
	Seminarian	Parish and Other Organizations	Parish - CSA	CCFMM	Total
Payment activity					
Performing	\$ 8,200	\$ 679,734	\$ 295,492	\$ 550,000	\$1,263,373
Non-performing	<u>158,488</u>	<u>54,921</u>	<u>21,787</u>	<u>-</u>	<u>505,249</u>
Total	<u>\$ 166,688</u>	<u>\$ 734,655</u>	<u>\$ 317,279</u>	<u>\$ 550,000</u>	<u>\$1,768,622</u>

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>

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

2015	Accruing Interest			Total Nonaccrual	Total Loans
	Current	30-89 Days Past Due	More Than 90 Days Past Due		
Seminarian	\$ -	\$ -	\$ -	\$ 166,688	\$ 166,688
Parish and other organizations	679,734	-	-	54,921	734,655
Parish - CSA	293,917	1,575	21,787	-	317,279
CCFMM	<u>550,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550,000</u>
Total	<u>\$ 1,523,651</u>	<u>\$ 1,575</u>	<u>\$ 21,787</u>	<u>\$ 221,609</u>	<u>\$1,768,622</u>

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

NOTES TO FINANCIAL STATEMENTS

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	550,000	-	-	-	550,000
Total	\$ 983,491	\$ 4,252	\$ 29,175	\$ 610,014	\$ 1,626,932

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

2015	Unpaid Principal Balance	Related Allowance	Average Unpaid Principal Balance
Notes receivable with an allowance recorded			
Seminarian	\$ 158,488	\$ 158,488	\$ 158,837
Parish and other organizations	324,974	81,926	324,974
Total impaired loans	\$ 483,462	\$ 240,414	\$ 483,811

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

Interest income recognized on impaired loans was not significant in 2015 or 2014.

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 2015 or 2014.

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 \$152,777 and \$125,868 in fiscal 2015 and 2014, respectively. Based on information as of June 30, 2015, 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. The amount of the Diocese's contributions to the Plan was 7.6% (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	
	2014	2013
Total Plan assets	\$ 1,328,800,650(a)	\$ 1,200,845,031
Actuarial present value of accumulated Plan benefits	\$ 1,372,114,573	\$ 1,342,726,447
Total contributions received by the Plan	\$ 22,600,572	\$ 20,523,895
Indicated level of funding	96.8%	89.4%

(a) Total assets include approximately \$81.9 million transferred from 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 \$9,423,091 and \$8,666,986 at June 30, 2015 and 2014, respectively. Interest income from such deposits for fiscal 2015 and 2014 was \$171,013 and \$168,475, respectively.

The Program pays management fees to the Diocese. These management fees amounted to \$144,000 and \$144,641 for fiscal 2015 and 2014, respectively.

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, 2015 and 2014, construction costs paid by the Diocese in excess of contributions received from CCFMM amount to approximately \$2,230,000 and \$2,241,000, 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 \$223,700 and \$225,000 for the fiscal 2015 and 2014, respectively. There were no accounts receivable related to these management fees at June 30, 2015 or 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, 2015 and 2014, was \$550,000.

Transactions with Cemeteries

The Diocese received rent and a management fee from Cemeteries in the amount of \$50,044 and \$39,486 for fiscal 2015 and 2014, respectively.

Transactions with Little Books

The Diocese received rent and a management fee from Little Books in the amount of \$100,368 and \$97,433 for fiscal 2015 and 2014, respectively.

Transactions with Catholic Family Services

The Diocese received rent from Catholic Family Services in the amount of \$10,414 and \$12,231 for fiscal 2015 and 2014, respectively.

See Note 8, also.

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.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

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 \$85,942 and \$82,861 for fiscal 2015 and 2014, respectively.

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, 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 \$781,000 and \$848,000 as of June 30, 2015 and 2014, 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 as long as the note remains current. In total, the Diocese matching payments over the remaining life of the loan are estimated to be approximately \$330,000.

6. DESIGNATED NET ASSETS

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

	2015	2014
75 th Anniversary Celebration	\$ -	\$ 31,380
Bishop Untener Memorial Education Fund	9,004	8,234
Bishop's Ball Proceeds Fund	28,095	-
Bishop's Charity Fund	56,106	76,796
Bishop's Discretionary Fund	18,693	38,983
Bishop's Retirement Fund	205,067	163,861
Bishop's Vocational Fund	44,584	44,584
Black Catholic Ministry Fund	904	2,102
Budget Excess / Discretionary Fund	1,153,627	955,741
Campus Ministry	59,998	60,000
Capital Campaign	38,801	39,319
Catechesis/Evangelization	584	584
Cathedral Renovation	96,123	102,001
Catholic Schools	1,681	528
Center for Ministry	577,446	585,146
CFM Amenity Updates Fund	3,269	10,000

(continued)

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

NOTES TO FINANCIAL STATEMENTS

	2015	2014
CFM Chapel Fund	\$ 113,568	\$ 113,568
Communications Fund	101,525	101,525
Diocesan Contingency Fund - Legacy of Faith	(2,229,707)	(2,240,707)
Diocesan Contingency Fund - Other	555,063	588,063
Faith Magazine	18,801	254
Future Full of Hope	71,296	71,296
Insurance Reimbursement Fund	61,594	168,155
Major Computer Replacement	118,214	98,601
Major Replacements	749,939	702,515
MYE Faith Event	31,380	-
Parish Clergy Assignments Fund	293,188	297,162
Parish Mission Projects	2,899	149
Priest Continuing Education Fund	29,202	-
Rachel's Vineyard Scholarship Fund	1,380	1,130
Religious Retirement Fund Local	-	101,416
World Youth Day	2,792	2,792
Youth Encounter Saginaw	-	16,818
	<u> </u>	<u> </u>
Totals	<u>\$ 2,215,116</u>	<u>\$ 2,141,996</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 2015-2016 and 2014-2015 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:

	2015	2014
Catholic Education	\$ 1,467,443	\$ 1,244,697
Adoration Sisters	1,099	1,077
Bishop Untener Memorial Education Fund	43,619	42,756
Bishop's Charity Fund	11,874	11,641
Bishop's Discretionary Fund	-	886
Black and Native American Grant	4,317	2,660
Campus Ministry Fund	-	3,000
Cathedral Renovation	403,197	633,436
Cathedral Vestments	11,886	-
CCFMM Donations Fund	-	15,376
CFM-Chapel Fund	20,464	20,059
Colombian Mission Fund	51	50
Deacons Fund	43,868	43,000
Diocesan Priests Long-term Care	137,688	133,528
Faith Formation	23,138	1,425
Fr. Jeff Donner Lay Ministry Fund	6,923	3,657
Little Books Donation Fund	338,730	-
Migrant Assistance Fund	10,148	10,106
Ministry to Priests	510	500
Ministry to Retired Priests & Religious	762	-
Missions, CRS and CHD	463,896	453,753
Mother Teresa	17,215	13,525
MYE Faith Event	43,958	-
Poor Parish Fund	26,795	20,945
Priest Continuing Education Fund	115,945	77,527
Rel Ed/Children of Special Needs	29,416	20,875
Religious Liberty Fund	10,194	11,234
Religious Retirement	2,567	52,714
Right to Life Fund	10,202	10,000
St. Mary University FOCUS Program	15,068	-
Strasel Endowment	497	-
SVSU Ministry	5,366	-
Vocation Ministry Fund	23,272	28,010
Youth Encounter Saginaw	7,656	-
CSA for periods after June 30	<u>3,693,006</u>	<u>3,661,238</u>
Total	<u>\$ 6,990,770</u>	<u>\$ 6,517,675</u>

CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

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:

	2015	2014
Purpose restrictions accomplished		
Catholic education	\$ 547,270	\$ 1,765,185
General diocesan needs	496,182	396,125
Missions	<u>96,090</u>	<u>56,160</u>
Total	1,139,542	2,217,470
Time restrictions expired		
Passage of specified time for CSA contributions	<u>3,661,238</u>	<u>3,680,952</u>
Total temporary restrictions released	<u>\$ 4,800,780</u>	<u>\$ 5,898,422</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, 2015 and 2014. Accounts receivable related to this lease and other receivables from Saginaw Area Catholic Schools were \$68,700 and \$69,582 at June 30, 2015 and 2014, respectively (of which \$67,767 has been reserved for in the allowance for doubtful accounts receivable for both years).

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 2015 and 2014, uncollected CSA pledges receivable totaling \$293,916 and \$161,771, respectively, were reclassified as notes receivable.



SUPPLEMENTARY FINANCIAL INFORMATION

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

October 19, 2015

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, 2015 and 2014, and have issued our report thereon dated October 19, 2015, 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.



CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION

SCHEDULE OF CHANGES IN UNRESTRICTED NET ASSETS
YEAR ENDED JUNE 30, 2015

	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		\$ 10,220	\$ -	\$ 146,852	\$ 1,473	\$ 1,976	\$ 21,422	\$ 181,943
Church Ministry Team		7,749	-	12,345	-	112	3,125	23,331
Chancery Ministry Team		1,197	-	1,614	44,655	-	20	47,486
Finance Ministry Team		-	134,136	-	590,220	-	14,013	738,369
Development Ministry Team		291,552	-	-	132,381	-	-	423,933
Christian Service Ministry Team		594	-	10,682	14,677	20	14	25,987
Total Undesignated	\$ 3,148,142	311,312	134,136	171,493	783,406	2,108	38,594	1,441,049
75th Anniversary Celebration	31,380	-	-	-	-	-	-	-
Bishop Untener Memorial Education Fund	8,234	-	-	-	-	770	-	770
Bishop's Ball Proceeds Fund	-	-	-	-	-	-	-	-
Bishop's Charity Fund	76,796	200	-	-	-	-	-	200
Bishop's Discretionary Fund	38,983	4,525	-	-	-	-	-	4,525
Bishop's Retirement Fund	163,861	-	-	-	-	-	-	-
Bishop's Vocational Fund	44,584	-	-	-	-	-	-	-
Black and Native American Grant	-	-	-	-	-	-	-	-
Black Catholic Ministry Fund	2,102	1,000	-	-	-	-	-	1,000
Budget Excess / Discretionary Fund	955,741	16,343	-	-	-	-	-	16,343
Campaign for Human Development	-	-	-	-	-	-	-	-
Campus Ministry	60,000	-	-	-	-	-	-	-
Capital Campaign	39,319	-	-	-	-	-	-	-
Catechesis/Evangelization	584	-	-	-	-	-	-	-
Cathedral Renovation	102,001	-	-	-	-	-	-	-
Catholic Relief Services	-	-	-	-	-	-	-	-
Catholic Schools	528	1,153	-	-	-	-	-	1,153
Center for Ministry	585,146	-	-	-	-	-	-	-
CFM Amenity Updates Fund	10,000	-	-	-	-	-	-	-
CFM Chapel Fund	113,568	-	-	-	-	-	-	-
Communications Fund	101,525	-	-	-	-	-	-	-
Diocesan Contingency Fund								
Legacy of Faith	(2,240,707)	11,000	-	-	-	-	-	11,000
Other	588,063	-	-	-	-	-	-	-
Faith Magazine	254	-	-	-	-	-	-	-
Future Full of Hope	71,296	-	-	-	-	-	-	-
Insurance Reimbursement Fund	168,155	-	-	-	-	-	35,870	35,870
Major Computer Replacement	98,601	-	-	-	-	-	35,000	35,000
Major Replacements	702,515	-	-	-	-	-	84,420	84,420
Mass Stipends	-	-	-	-	-	-	-	-
Migrant Assistance	-	1,515	-	-	-	-	-	1,515
Missions	-	295	-	-	1,609	-	-	1,904
Mother Teresa Fund	-	-	-	-	-	-	-	-
MYE Faith Event	-	-	-	-	-	-	-	-
Parish Clergy Assignments Fund	297,162	-	-	-	-	-	225,040	225,040
Parish Mission Projects	149	15,000	-	-	-	-	-	15,000
Priest Continuing Education Fund	-	29,202	-	-	-	-	-	29,202
Rachel's Vineyard Scholarship Fund	1,130	250	-	-	-	-	-	250
Religious Liberty Fund	-	-	-	-	-	-	-	-
Religious Retirement Fund Local	101,416	-	-	-	-	-	-	-
Rice Bowl Local	-	-	-	-	-	-	-	-
St. Mary University FOCUS Program	-	-	-	-	-	-	-	-
World Youth Day	2,792	-	-	-	-	-	-	-
Youth Encounter Saginaw	16,818	851	5	5,715	-	-	-	6,571
Total Designated	2,141,996	81,334	5	5,715	1,609	770	380,330	469,763
Total Unrestricted Fund	\$ 5,290,138	\$ 392,646	\$ 134,141	\$ 177,208	\$ 785,015	\$ 2,878	\$ 418,924	\$ 1,910,812

Expenses							
Salary and Benefits	Operational Costs	Donations	Membership Conferences	Services	Total Expenses	Transfers	Net Assets End of Year
\$ 308,449	\$ 193,830	\$ 158,467	\$ 143,729	\$ 28,374	\$ 832,849	\$ 650,906	
505,766	174,827	350,912	59,598	10,760	1,101,863	1,078,532	
898,932	297,109	180,288	(20,451)	138,295	1,494,173	1,446,687	
841,277	188,337	665	6,645	81,968	1,118,892	380,523	
256,517	56,985	46,066	86,718	114	446,400	22,467	
284,586	37,082	188	23,435	2,727	348,018	322,031	
3,095,527	948,170	736,586	299,674	262,238	5,342,195	3,901,146	\$ 3,148,142
-	-	-	-	-	-	(31,380)	-
-	-	-	-	-	-	-	9,004
-	-	-	-	-	-	28,095	28,095
-	185	20,705	-	-	20,890	-	56,106
-	-	-	-	-	-	(24,815)	18,693
-	-	-	-	-	-	41,206	205,067
-	-	-	-	-	-	-	44,584
-	-	2,500	-	-	2,500	2,500	-
-	-	-	-	-	-	(2,198)	904
107,679	35,761	-	-	-	143,440	324,983	1,153,627
8,743	384	1,180	220	1,065	11,592	11,592	-
-	-	-	-	-	-	(2)	59,998
-	-	-	-	-	-	(518)	38,801
-	-	-	-	-	-	-	584
-	30,090	201,012	-	5,353	236,455	230,577	96,123
8,338	168	-	-	1,065	9,571	9,571	-
-	-	-	-	-	-	-	1,681
-	7,700	-	-	-	7,700	-	577,446
-	-	-	-	-	-	(6,731)	3,269
-	-	-	-	-	-	-	113,568
-	-	-	-	-	-	-	101,525
-	-	-	-	-	-	-	(2,229,707)
-	-	33,000	-	-	33,000	-	555,063
24,904	32,513	-	125	109,108	166,650	185,197	18,801
-	-	-	-	-	-	-	71,296
53,218	-	-	-	89,213	142,431	-	61,594
-	15,387	-	-	-	15,387	-	118,214
-	36,996	-	-	-	36,996	-	749,939
-	-	730	-	-	730	730	-
2,975	460	2,835	-	-	6,270	4,755	-
31,517	7,330	1,221	830	5,156	46,054	44,150	-
-	-	10,854	-	-	10,854	10,854	-
-	3,855	200	2,900	1,280	8,235	39,615	31,380
114,325	2,957	2	-	111,730	229,014	-	293,188
-	2,000	10,250	-	-	12,250	-	2,899
97,617	3,609	-	-	-	101,226	101,226	29,202
-	-	-	-	-	-	-	1,380
-	224	150	707	175	1,256	1,256	-
-	-	-	-	-	-	(101,416)	-
-	-	19,000	-	-	19,000	19,000	-
-	339	-	-	-	339	339	-
-	-	-	-	-	-	-	2,792
-	737	-	33,700	-	34,437	11,048	-
449,316	180,695	303,639	38,482	324,145	1,296,277	899,634	2,215,116
\$ 3,544,843	\$ 1,128,865	\$ 1,040,225	\$ 338,156	\$ 586,383	\$ 6,638,472	\$ 4,800,780	\$ 5,363,258

CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION

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

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	\$ 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	1,619,759	
75th Anniversary Celebration	195,018	6,000	-	6,894	-	-	12,894	
Bishop Carlson Seminarian Fund	-	-	-	-	-	-	-	
Bishop Untener Memorial Education Fund	7,163	-	54	-	1,017	-	1,071	
Bishop's Charity Fund	101,921	14,800	-	-	-	-	14,800	
Bishop's Discretionary Fund	606,188	2,275	-	-	-	26,500	28,775	
Bishop's Retirement Fund	163,861	-	-	-	-	-	-	
Bishop's Vocational Fund	44,584	-	-	-	-	-	-	
Black & Native American Grant	-	-	-	-	-	-	-	
Black Catholic Ministry Fund	2,172	-	-	-	-	-	-	
Budget Excess / Discretionary Fund	-	5,000	-	-	-	-	5,000	
Campaign for Human Development	253	-	-	-	-	-	-	
Campus Ministry	60,000	-	-	-	-	-	-	
Capital Campaign	52,127	-	-	-	-	-	-	
Catechesis/Evangelization	584	-	-	-	-	-	-	
Cathedral Renovation	102,001	-	-	-	-	-	-	
Catholic Relief Services	-	-	-	-	-	-	-	
Catholic Schools	1,003	309	-	-	-	-	309	
CCFMM Donation Fund	-	5,100	-	-	-	-	5,100	
Center for Ministry	585,146	-	-	-	-	-	-	
CFM Amenity Updates Fund	10,000	-	-	-	-	-	-	
CFM Chapel Fund	116,068	(2,500)	-	-	-	-	(2,500)	
Communications Fund	-	-	-	-	-	-	-	
Diocesan Contingency Fund Legacy of Faith	(2,269,907)	29,200	-	-	-	-	29,200	
Other	648,805	-	-	-	-	-	-	
Faith Magazine	-	10	-	-	-	-	10	
Future Full of Hope	11,296	-	-	-	-	-	-	
Insurance Reimbursement Fund	136,125	-	-	-	-	121,235	121,235	
Major Computer Replacement	120,242	-	-	-	-	-	-	
Major Replacements	616,379	5,300	-	-	-	133,000	138,300	
Mass Stipends	-	-	-	-	-	-	-	
Migrant Assistance	-	1,585	-	-	-	-	1,585	
Missions	-	-	-	1,338	-	-	1,338	
Mother Teresa Fund	-	-	-	-	-	-	-	
Parish Clergy Assignments Fund	287,182	-	-	-	-	250,000	250,000	
Parish Mission Projects	-	15,600	149	-	-	-	15,749	
Priest Continuing Education Fund	15,959	-	-	-	-	-	-	
Rachel's Vineyard Scholarship Fund	-	1,130	-	-	-	-	1,130	
Religious Liberty Fund	-	-	-	-	-	-	-	
Religious Retirement Fund Local	101,416	-	-	-	-	-	-	
Rice Bowl Local	-	-	-	-	-	-	-	
World Youth Day	2,792	-	-	-	-	-	-	
Youth Encounter Saginaw	23,557	2,600	-	4,585	-	-	7,185	
Total Designated	1,741,935	86,409	203	11,479	1,338	1,017	631,181	
Total Unrestricted Fund	\$ 4,890,077	\$ 383,958	\$ 157,757	\$ 226,897	\$ 830,144	\$ 21,358	\$ 630,826	\$ 2,250,940

EXHIBIT 2

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
3,222	78,837	425	38,871	55,177	176,532	-	31,380
-	-	48,000	-	-	48,000	48,000	-
-	-	-	-	-	-	-	8,234
-	-	378,947	-	-	378,947	339,022	76,796
-	860	-	-	-	860	(595,120)	38,983
-	-	-	-	-	-	-	163,861
-	-	-	-	-	-	-	44,584
-	216	707	532	-	1,455	1,455	-
-	-	-	-	-	-	(70)	2,102
30,514	-	-	-	-	30,514	981,255	955,741
8,054	580	312	-	2,300	11,246	10,993	-
-	-	-	-	-	-	-	60,000
-	-	-	-	-	-	(12,808)	39,319
-	-	-	-	-	-	-	584
-	-	-	-	-	-	-	102,001
8,055	147	-	-	2,300	10,502	10,502	-
-	784	1,022,000	-	-	1,022,784	1,022,000	528
-	-	-	-	-	-	(5,100)	-
-	-	-	-	-	-	-	585,146
-	-	-	-	-	-	-	10,000
-	-	-	-	-	-	-	113,568
-	-	-	-	-	-	101,525	101,525
-	-	-	-	-	-	-	(2,240,707)
-	11,579	49,163	-	-	60,742	-	588,063
-	(244)	-	-	-	(244)	-	254
-	-	-	-	-	-	60,000	71,296
2,719	-	-	-	86,486	89,205	-	168,155
-	21,641	-	-	-	21,641	-	98,601
-	102,164	-	-	-	102,164	50,000	702,515
-	-	1,770	-	-	1,770	1,770	-
3,312	602	2,000	-	100	6,014	4,429	-
32,708	6,184	2,399	705	13,500	55,496	54,158	-
-	-	9,447	-	-	9,447	9,447	-
85,415	1,052	-	-	153,553	240,020	-	297,162
-	-	15,600	-	-	15,600	-	149
114,826	13,997	-	-	-	128,823	112,864	-
-	-	-	-	-	-	-	1,130
-	270	-	-	-	270	270	-
-	-	-	-	-	-	-	101,416
-	37	16,850	-	-	16,887	16,887	-
-	-	-	-	-	-	-	2,792
-	36	-	13,953	-	13,989	65	16,818
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 TEMPORARILY RESTRICTED NET ASSETS
YEAR ENDED JUNE 30, 2015

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	\$ 16,122	\$ -	\$ 325	\$ 325
Kozak Trust	192,886	-	2,605	2,605
Bishop Carlson Seminarian Fund	543,144	87,755	10,452	98,207
Total Trusts	752,152	87,755	13,382	101,137
75th Anniversary Fund	-	-	54	54
Adoration Sisters	1,077	-	22	22
Bishop Untener Memorial Education Fund	42,756	-	863	863
Bishop's Charity Fund	11,641	-	233	233
Bishop's Discretionary Fund	886	-	-	-
Black and Native American Grant	2,660	2,000	55	2,055
Campus Ministry Fund	3,000	3,000	68	3,068
Cathedral Renovation	633,436	2,000	10,954	12,954
Cathedral Vestments	-	-	95	95
Catholic Education Fund	20,309	-	607	607
Catholic Schools	467,788	250	8,223	8,473
CCFMM Donation Fund	15,376	232,862	375	233,237
CFM-Chapel Fund	20,059	-	405	405
Colombian Mission Fund	50	-	1	1
Deacons Fund	43,000	-	868	868
Diocesan Priests Long-term Care	133,528	1,450	2,710	4,160
Faith Formation	1,425	-	93	93
Fr. Jeff Donner Lay Ministry Fund	3,657	-	105	105
Little Books Donation Fund	-	1,000,000	845	1,000,845
Migrant Assistance Fund	10,106	4,611	186	4,797
Ministry to Priests	500	-	10	10
Ministry to Retired Priests & Religious	-	750	2	752
Missions, CRS and CHD	453,753	104,562	9,308	113,870
Mother Teresa	13,525	4,599	310	4,909
MYE Faith Event	-	31,677	462	32,139
Poor Parish Fund	20,945	-	425	425
Priest Continuing Education Fund	77,527	-	1,258	1,258
Rel Ed/Children of Special Needs	20,875	7,000	449	7,449
Religious Liberty Fund (formerly Advocacy Network Fund)	11,234	-	216	216
Religious Retirement	52,714	21,483	941	22,424
Right to Life Fund	10,000	-	202	202
Schools Grants Fund	4,448	1,250	87	1,337
St. Mary University FOCUS Program	-	15,240	167	15,407
Strasel Endowment	-	-	5	5
SVSU Ministry	-	5,300	66	5,366
Vocation Ministry Fund	28,010	500	509	1,009
Youth Encounter Saginaw	-	-	19	19
CSA	3,661,238	3,693,006	-	3,693,006
Total	\$ 6,517,675	\$ 5,219,295	\$ 54,580	\$ 5,273,875

Net Assets Released from Restrictions					
Catholic Education	General Diocesan Needs	Missions	Total	Inter-Fund Transfers	Temporarily Restricted Net Assets End of Year
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,447
90,694	-	-	90,694	7,595	112,392
286,873	-	-	286,873	437,754	792,232
377,567	-	-	377,567	445,349	921,071
-	-	-	-	(54)	-
-	-	-	-	-	1,099
-	-	-	-	-	43,619
-	-	-	-	-	11,874
-	886	-	886	-	-
-	398	-	398	-	4,317
-	6,068	-	6,068	-	-
-	230,577	-	230,577	(12,616)	403,197
-	825	-	825	12,616	11,886
-	-	-	-	19,740	40,656
167,213	-	-	167,213	193,373	502,421
-	18,368	-	18,368	(230,245)	-
-	-	-	-	-	20,464
-	-	-	-	-	51
-	38,231	-	38,231	38,231	43,868
-	-	-	-	-	137,688
-	-	-	-	21,620	23,138
-	-	-	-	3,161	6,923
-	-	-	-	(662,115)	338,730
-	4,755	-	4,755	-	10,148
-	-	-	-	-	510
-	-	-	-	10	762
-	-	85,042	85,042	(18,685)	463,896
-	6,255	-	6,255	5,036	17,215
-	8,235	-	8,235	20,054	43,958
-	-	-	-	5,425	26,795
-	101,226	-	101,226	138,386	115,945
-	-	-	-	1,092	29,416
-	1,256	-	1,256	-	10,194
-	72,584	-	72,584	13	2,567
-	-	-	-	-	10,202
2,490	-	-	2,490	-	3,295
-	339	-	339	-	15,068
-	-	-	-	492	497
-	-	-	-	-	5,366
-	6,179	-	6,179	432	23,272
-	-	11,048	11,048	18,685	7,656
-	3,661,238	-	3,661,238	-	3,693,006
\$ 547,270	\$ 4,157,420	\$ 96,090	\$ 4,800,780	\$ -	\$ 6,990,770

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	\$ -	\$ 240	\$ 240
Kozak Trust	180,404	-	3,564	3,564
Bishop Carlson Seminarian Fund	557,901	65,598	5,672	71,270
Total Trusts	751,468	65,598	9,476	75,074
Adoration Sisters	1,056	-	21	21
Advocacy Network Fund	11,504	-	-	-
Bishop Untener Memorial Education Fund	42,756	-	-	-
Bishop's Charity Fund	325,639	274	-	274
Bishop's Discretionary Fund	407	-	-	-
Black and Native American Grant	-	4,115	-	4,115
Campus Ministry Fund	-	3,000	-	3,000
Cathedral Renovation	633,436	-	-	-
Catholic Education Fund	-	-	-	-
Catholic Schools	1,340,694	-	-	-
CCFMM Donations Fund	-	264,923	-	264,923
CFM-Chapel Fund	22,089	(2,030)	-	(2,030)
Colombian Mission Fund	50	-	-	-
Deacons Fund	-	-	-	-
Diocesan Priests Long-term Care	130,057	1,000	2,471	3,471
Faith Formation	-	-	-	-
Fr. Jeff Donner Lay Ministry Fund	413	-	-	-
Little Books Donation Fund	-	800,000	-	800,000
Migrant Assistance Fund	10,161	4,374	-	4,374
Ministry to Priests	-	-	-	-
Missions, CRS and CHD	423,121	83,124	3,668	86,792
Mother Teresa	1,245	11,824	-	11,824
Poor Parish Fund	15,260	-	-	-
Priest Continuing Education Fund	-	-	-	-
Rel Ed/Children of Special Needs	13,875	7,000	-	7,000
Religious Retirement	32,781	19,933	-	19,933
Right to Life Fund	-	10,000	-	10,000
Schools Grants Fund	-	-	-	-
Vocation Ministry Fund	26,124	3,000	-	3,000
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	Inter-Fund Transfers	Temporarily Restricted Net Assets End of Year
\$ -	\$ -	\$ -	\$ -	\$ 2,719	\$ 16,122
250	-	-	250	9,168	192,886
476,765	-	-	476,765	390,738	543,144
477,015	-	-	477,015	402,625	752,152
-	-	-	-	-	1,077
-	270	-	270	-	11,234
-	-	-	-	-	42,756
-	314,272	-	314,272	-	11,641
-	407	-	407	886	886
-	1,455	-	1,455	-	2,660
-	-	-	-	-	3,000
-	-	-	-	-	633,436
-	-	-	-	20,309	20,309
1,175,306	-	-	1,175,306	302,400	467,788
-	69,067	-	69,067	(180,480)	15,376
-	-	-	-	-	20,059
-	-	-	-	-	50
-	-	-	-	43,000	43,000
-	-	-	-	-	133,528
-	-	-	-	1,425	1,425
-	-	-	-	3,244	3,657
-	-	-	-	(800,000)	-
-	4,429	-	4,429	-	10,106
-	-	-	-	500	500
-	-	56,160	56,160	-	453,753
-	4,873	-	4,873	5,329	13,525
-	-	-	-	5,685	20,945
112,864	-	-	112,864	190,391	77,527
-	-	-	-	-	20,875
-	-	-	-	-	52,714
-	-	-	-	-	10,000
-	-	-	-	4,448	4,448
-	1,352	-	1,352	238	28,010
-	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 DONATIONS AND DISTRIBUTIONS FROM SPECIAL EVENTS
YEAR ENDED JUNE 30, 2015

A&D Charitable Foundation	\$	100
AFP Mid-Michigan Chapter		175
Apostolic Nunciature-Peter's Pence/Canon 1271		65,000
Archdiocese of Detroit		200
Ave Maria Radio		10,000
Bishops Charity Ball Grants		6,600
Black and Indian Missions		18,650
CAN Council		750
CARA		250
Catholic Community Foundation of Mid-Michigan		28,599
Catholic Family Service		220,000
Catholic University of America		4,000
Catholic Youth Foundation		100
Cribs for Kids / Mother Teresa Fund		6,255
East Side Soup Kitchen		610
Emmaus House		100
Field Neurosciences Institute		600
Have a Heart for Ernie		100
Historical Society of Saginaw County		250
Institute on Religious Life		200
Kibbe & Associates		400
Mid-Michigan Interfaith		500
Miscellaneous Donations & Other Acts of Goodwill		2,995
Music Ministry Alive		200
National Association of Catholic Chaplains		200
National Catholic Rural Life		1,500
National Committee for a Human Life Amendment		1,300
Oblates of St. Francis de Sales		570
One Week One Street		500
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		1,000
*Emmaus House of Saginaw		1,000

(continued)

CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION

SCHEDULE OF DONATIONS AND DISTRIBUTIONS FROM SPECIAL EVENTS
YEAR ENDED JUNE 30, 2015

*Hidden Harvest	\$ 1,000
*John H. Goodrow Fund	1,000
*Midland Area Homes	1,000
*Mustard Seed Shelter	1,000
*Office of Human Services	1,000
*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. Christopher Food Pantry	500
*St. Mary Cathedral Neighborhood Breakfast	1,000
*St. Mary's of Michigan	1,000
*Underground Railroad	500
Regional Commissariat of the Holy Land	12,350
Religious Sisters of Mercy	43,500
Right to Life - Bay County	350
Right to Life - Midland County	320
Right to Life - Saginaw County	350
Sacred Heart Major Seminary	10,000
Saginaw Area Catholic Schools	201,012
Saginaw Diocesan Council of Catholic Women	1,000
Servants of Jesus	150
Sisters of Our Mother of Divine Grace	43,500
Sisters of St. Clare	43,500
Society of Mission Sisters	43,500
St. Joseph Parish, Saginaw	33,100
St. Mary University Parish, Mt. Pleasant	150,000
St. Mary's of Michigan Foundation	4,325
St. Stephen Parish	500
SVSU	200
USCCB-Catholic Communication Campaign	4,250
USCCB-Catholic Home Missions Appeal	8,075
USCCB-Church in Africa	3,800
USCCB-Church in Latin America	11,875
VFW Post 1859	150
Total	\$ 1,005,511