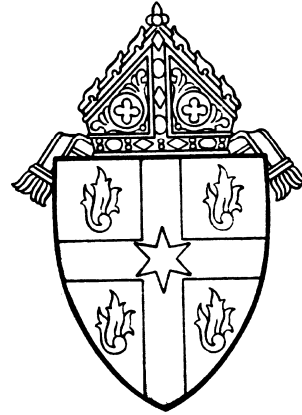


Catholic  
Diocese of  
Saginaw  
Centralized  
Programs and  
Administration



Years Ended  
June 30, 2018  
and 2017

Financial  
Statements  
and  
Supplementary  
Financial  
Information

# CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

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## INDEPENDENT AUDITORS' REPORT

January 23, 2019

The Most Reverend Walter A. Hurley  
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, 2018 and 2017, 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, 2018 and 2017, 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.

*Emphasis of Matter*

As discussed in Note 1 to the financial statements, the financial statements being presented are only for funds for which the *Catholic Diocese of Saginaw Centralized Programs and Administration* retains operational control and do not reflect the assets, liabilities, and results of operations of parishes, schools, and other diocesan organizations. Accordingly, the accompanying financial statements are not intended to present the financial position of the parishes, schools, and other diocesan organizations as of June 30, 2018 and 2017 or the changes in their net assets and cash flows for the years then ended, in conformity 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	
	2018	2017
<b>ASSETS</b>		
Cash and cash equivalents	\$ 402,548	\$ 352,844
Deposits held with the Interparish Deposit and Loan Program	8,085,260	7,107,176
<b>Total cash and cash equivalents</b>	<b>8,487,808</b>	<b>7,460,020</b>
Michigan no fault self insurance loss reserve	30,807	29,845
Catholic Services Appeal (CSA) pledges receivable	1,393,677	1,403,307
Other pledges receivable, net	614,741	914,074
Accounts receivable, net of allowance for doubtful accounts of \$67,767 for both years	325,840	238,804
Other assets	117,973	96,630
Notes receivable, including CSA, net of allowance for doubtful accounts of \$236,021 (\$238,045 in 2017)	949,857	1,005,896
<b>Total assets</b>	<b>\$ 11,920,703</b>	<b>\$ 11,148,576</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 119,347	\$ 451,651
Accrued expenses and other liabilities	150,491	150,634
Michigan no fault self insurance loss reserve	30,807	29,845
Funds held for others	658,204	485,892
<b>Total liabilities</b>	<b>958,849</b>	<b>1,118,022</b>
Commitments and contingencies (Note 6)		
Net assets		
Unrestricted		
Undesignated	3,148,142	3,148,142
Designated	(272,514)	175,478
Temporarily restricted		
For specified use	4,393,229	3,031,146
For use in future years	3,692,997	3,675,788
<b>Total net assets</b>	<b>10,961,854</b>	<b>10,030,554</b>
<b>Total liabilities and net assets</b>	<b>\$ 11,920,703</b>	<b>\$ 11,148,576</b>

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, 2018		
	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support			
Contributions	\$ 340,620	\$ 1,948,670	\$ 2,289,290
CSA	-	3,693,561	3,693,561
Interest income	151,436	75,570	227,006
Workshops and tuition	278,335	-	278,335
Rentals and other services	705,507	-	705,507
Related services	4,071	-	4,071
Other	343,514	-	343,514
Net assets released:			
Satisfaction of purpose restrictions	662,344	(662,344)	-
Expiration of time restrictions-CSA	3,676,165	(3,676,165)	-
<b>Total revenues, gains, and other support</b>	<b>6,161,992</b>	<b>1,379,292</b>	<b>7,541,284</b>
Expenses and transfers			
Program	5,945,196	-	5,945,196
Administration	582,458	-	582,458
Fundraising	78,137	-	78,137
Transfer to CCFMM	4,193	-	4,193
<b>Total expenses and transfers</b>	<b>6,609,984</b>	<b>-</b>	<b>6,609,984</b>
Change in net assets	(447,992)	1,379,292	931,300
Net assets - beginning of year	3,323,620	6,706,934	10,030,554
Net assets - end of year	\$ 2,875,628	\$ 8,086,226	\$ 10,961,854

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

Year Ended June 30, 2017		
Unrestricted	Temporarily Restricted	Total
\$ 2,801,302	\$ 541,996	\$ 3,343,298
-	3,675,788	3,675,788
208,816	68,978	277,794
193,873	-	193,873
737,928	-	737,928
10,829	-	10,829
272,007	-	272,007
1,572,937	(1,572,937)	-
3,692,999	(3,692,999)	-
<u>9,490,691</u>	<u>(979,174)</u>	<u>8,511,517</u>
10,897,248	-	10,897,248
576,010	-	576,010
157,646	-	157,646
36,484	-	36,484
<u>11,667,388</u>	<u>-</u>	<u>11,667,388</u>
(2,176,697)	(979,174)	(3,155,871)
<u>5,500,317</u>	<u>7,686,108</u>	<u>13,186,425</u>
<u>\$ 3,323,620</u>	<u>\$ 6,706,934</u>	<u>\$ 10,030,554</u>

CATHOLIC DIOCESE OF SAGINAW  
CENTRALIZED PROGRAMS AND ADMINISTRATION

Statements of Cash Flows

	Year Ended June 30	
	2018	2017
Cash flows from operating activities		
Change in net assets	\$ 931,300	\$ (3,155,871)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Reduction in allowance for uncollectible notes receivable	(2,024)	(800)
Issuance of notes receivable for repayment of seminarian expenses	(60,598)	-
Changes in operating assets and liabilities which (used) provided cash		
CSA pledges receivable	(81,062)	(178,729)
Other pledges receivable	299,333	(914,074)
Accounts receivable	(87,036)	(39,591)
Other assets	(21,343)	118,741
Accounts payable	(332,304)	23,828
Accrued expenses and other liabilities	(143)	(66,409)
Funds held for others	172,312	231,949
Net cash provided by (used in) operating activities	<u>818,435</u>	<u>(3,980,956)</u>
Cash flows from investing activities		
Issuance of notes receivable	(22,096)	(23,434)
Collections of notes receivable	231,449	319,278
Net cash provided by investing activities	<u>209,353</u>	<u>295,844</u>
Net increase (decrease) in cash and cash equivalents	1,027,788	(3,685,112)
Cash and cash equivalents - beginning of year	<u>7,460,020</u>	<u>11,145,132</u>
Cash and cash equivalents - end of year	<u>\$ 8,487,808</u>	<u>\$ 7,460,020</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 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.

# CATHOLIC DIOCESE OF SAGINAW

## CENTRALIZED PROGRAMS AND ADMINISTRATION

### Notes to Financial Statements

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

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

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

Permanently restricted net assets represent funds subject to restrictions of gift and trust instruments requiring that the principal be invested in perpetuity and the income only be used for particular purposes. Income earned on these funds is reported as revenue in the temporarily restricted funds. The Diocese has no permanently restricted net assets as of June 30, 2018 and 2017.

#### 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, 2018 and 2017, 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 \$468,000 at June 30, 2018. The Diocese also maintains uninsured deposits of approximately \$8,085,000 at June 30, 2018, 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, 2018 and 2017.

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 3)

#### 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.

#### Unconditional Promises to Give and Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received or when verifiable evidence that the promise was made exists. Such contributions 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 2014 through 2018, the years which remain subject to examination by major tax jurisdictions as of June 30, 2018. 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, 2018 or 2017, and it is not aware of any claims for such amounts by federal or state income tax authorities.

#### Upcoming Accounting Pronouncement

The Financial Accounting Standards Board has issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which will be effective for the Diocese’s year ending June 30, 2019. ASU 2016-14 changes how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Management will evaluate the provisions of ASU 2016-14 to determine the potential impact on the Diocese’s financial statements.

# CATHOLIC DIOCESE OF SAGINAW

## CENTRALIZED PROGRAMS AND ADMINISTRATION

### Notes to Financial Statements

#### Subsequent Events

In preparing these financial statements, the Diocese has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to June 30, 2018, the most recent statement of financial position presented herein, through January 23, 2019, the date these financial statements were available to be issued. No significant such events or transactions were identified.

### 2. UNCONDITIONAL PROMISES TO GIVE

During fiscal year 2016, the Diocese commenced a capital campaign to fund a renovation project on the Cathedral of Mary of the Assumption, the parish of the Bishop. The outstanding pledge balance is recorded as other pledges receivable in the accompanying financial statements. Unconditional promises to give, net of discount, consist of the following amounts at June 30:

	2018	2017
Less than one year	\$ 99,861	\$ 185,275
One to five years	538,441	730,145
Five to ten years	<u>4,900</u>	<u>35,040</u>
Total	643,202	950,460
Less unamortized discount (based on imputed interest rate of 2.73% in 2018 and 1.95% in 2017)	<u>28,461</u>	<u>36,386</u>
Net unconditional promises to give	<u>\$ 614,741</u>	<u>\$ 914,074</u>

### 3. 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:

	2018	2017
Seminarian	\$ 257,899	\$ 182,553
Parish and other organizations	554,543	582,732
Parish - CSA	120,287	160,507
CCFMM	<u>253,149</u>	<u>318,149</u>
Total notes	1,185,878	1,243,941
Allowance for losses	<u>236,021</u>	<u>238,045</u>
Notes receivable, net	<u>\$ 949,857</u>	<u>\$ 1,005,896</u>

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

**Notes to Financial Statements**

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

2018	Seminarian	Parish and Other Organizations	Total
Allowance for losses:			
Balance at beginning of year	\$ 156,119	\$ 81,926	\$ 238,045
Recovery of bad debts	<u>600</u>	<u>1,424</u>	<u>2,024</u>
Balance at end of year	<u>\$ 155,519</u>	<u>\$ 80,502</u>	<u>\$ 236,021</u>

2017	Seminarian	Parish and Other Organizations	Total
Allowance for losses:			
Balance at beginning of year	\$ 156,919	\$ 81,926	\$ 238,845
Recovery of bad debts	<u>800</u>	<u>-</u>	<u>800</u>
Balance at end of year	<u>\$ 156,119</u>	<u>\$ 81,926</u>	<u>\$ 238,045</u>

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

2018	Credit Risk Profile by Payment Activity				
	Seminarian	Parish and Other Organizations	Parish - CSA	CCFMM	Total
Payment activity					
Performing	\$ 102,380	\$ 499,622	\$ 90,692	\$ 253,149	\$ 945,843
Non-performing	<u>155,519</u>	<u>54,921</u>	<u>29,595</u>	<u>-</u>	<u>240,035</u>
Total	<u>\$ 257,899</u>	<u>\$ 554,543</u>	<u>\$ 120,287</u>	<u>\$ 253,149</u>	<u>\$ 1,185,878</u>

2017	Credit Risk Profile by Payment Activity				
	Seminarian	Parish and Other Organizations	Parish - CSA	CCFMM	Total
Payment activity					
Performing	\$ 26,434	\$ 527,811	\$ 130,648	\$ 318,149	\$ 1,003,042
Non-performing	<u>156,119</u>	<u>54,921</u>	<u>29,859</u>	<u>-</u>	<u>240,899</u>
Total	<u>\$ 182,553</u>	<u>\$ 582,732</u>	<u>\$ 160,507</u>	<u>\$ 318,149</u>	<u>\$ 1,243,941</u>

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

**Notes to Financial Statements**

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

2018	Accruing Interest			Total Nonaccrual	Total Loans
	Current	30-90 Days Past Due	More Than 90 Days Past Due		
Seminarian Parish and other organizations	\$ 56,050	\$ -	\$ -	\$ 201,849	\$ 257,899
Parish - CSA	243,814	-	255,808	54,921	554,543
CCFMM	90,692	-	29,595	-	120,287
	<u>253,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>253,149</u>
<b>Total</b>	<b><u>\$ 643,705</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 285,403</u></b>	<b><u>\$ 256,770</u></b>	<b><u>\$ 1,185,878</u></b>

2017	Accruing Interest			Total Nonaccrual	Total Loans
	Current	30-90 Days Past Due	More Than 90 Days Past Due		
Seminarian Parish and other organizations	\$ -	\$ -	\$ -	\$ 182,553	\$ 182,553
Parish - CSA	527,811	-	-	54,921	582,732
CCFMM	130,648	-	29,859	-	160,507
	<u>318,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>318,149</u>
<b>Total</b>	<b><u>\$ 976,608</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 29,859</u></b>	<b><u>\$ 237,474</u></b>	<b><u>\$ 1,243,941</u></b>

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

2018	Unpaid Principal Balance	Related Allowance	Average Unpaid Principal Balance
Notes receivable with an allowance recorded			
Seminarian	\$ 155,519	\$ 155,519	\$ 155,519
Parish and other organizations	<u>310,729</u>	<u>80,502</u>	<u>317,852</u>
<b>Total impaired loans</b>	<b><u>\$ 466,248</u></b>	<b><u>\$ 236,021</u></b>	<b><u>\$ 473,371</u></b>



CATHOLIC DIOCESE OF SAGINAW  
CENTRALIZED PROGRAMS AND ADMINISTRATION

Notes to Financial Statements

2017	Unpaid Principal Balance	Related Allowance	Average Unpaid Principal Balance
Notes receivable with an allowance recorded			
Seminarian	\$ 156,119	\$ 156,119	\$ 156,519
Parish and other organizations	<u>324,974</u>	<u>81,926</u>	<u>324,974</u>
Total impaired loans	<u>\$ 481,093</u>	<u>\$ 238,045</u>	<u>\$ 481,493</u>

Interest income recognized on impaired loans was not significant in 2018 or 2017.

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 2018 or 2017.

4. MULTI-EMPLOYER DEFINED BENEFIT PENSION PLAN

Michigan Catholic Conference Lay Employees Retirement 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 \$166,927 and \$169,882 in fiscal 2018 and 2017, respectively. Based on information as of June 30, 2017, 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 8.6% of all full-time employees' wages in 2018 and 2017. 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	
	2017	2016
Total Plan assets	\$ 1,276,078,635	\$ 1,211,590,895
Actuarial present value of accumulated Plan benefits	\$ 1,453,824,228	\$ 1,450,159,731
Total contributions received by the Plan	\$ 27,111,183	\$ 25,705,756
Indicated level of funding	87.80%	83.50%

# CATHOLIC DIOCESE OF SAGINAW

## CENTRALIZED PROGRAMS AND ADMINISTRATION

### Notes to Financial Statements

#### Diocese of Saginaw Priests' Retirement Plan

The Diocese participates in the Diocese of Saginaw Priests' Retirement Plan (the "Priests' Plan"), a church defined benefit pension plan as defined in Internal Revenue Code Section 414(e). As a church plan, it is not subject to the Employee Retirement Income Security Act of 1974 or the minimum funding requirements of Code Section 430. The Priests' Plan is noncontributory and can be terminated at any time at the direction of the Bishop of Saginaw, upon written consent of the Board of Directors of the Priests' Retirement Association.

Benefits are based on months of credited service and compensation prior to retirement. Annually, the Priests' Plan actuary determines the amount of employer contributions necessary to provide benefits under the Priests' Plan and based on this information the Bishop determines and approves the amount each participating employer shall contribute to the Plan for each Priests' Plan year.

Contributions to the Priests' Plan were \$42,690 and \$53,340 in fiscal 2018 and 2017, respectively, by the Diocese on behalf of the Priests employed directly by the Diocese. The following information is based on the financial statements of the Priests' Plan as of:

	Saginaw Priests' Retirement Plan	
	July 1, 2017	July 1, 2016
Total Plan assets	\$ 8,893,179	\$ 8,827,186
Actuarial present value of accumulated Plan benefits	\$ 14,790,504	\$ 14,921,356
Total contributions received by the Plan	\$ 732,281	\$ 1,457,431
Indicated level of funding	60.10%	59.20%

### 5. 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 \$8,085,260 and \$7,107,176 at June 30, 2018 and 2017, respectively. Interest income from such deposits for fiscal 2018 and 2017 was \$142,964 and \$176,738, respectively. The Diocese also received a member distribution of excess earnings from the Program of \$67,881 and \$85,507 during the fiscal years ending in 2018 and 2017, respectively.

The Program pays management fees to the Diocese. These management fees amounted to \$124,000 and \$136,600 for fiscal years 2018 and 2017, respectively, and are included in rental and other services of revenues, gains and other support in the accompanying statements of changes in activities.

# CATHOLIC DIOCESE OF SAGINAW

## CENTRALIZED PROGRAMS AND ADMINISTRATION

### Notes to Financial Statements

#### 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, 2018 and 2017, construction costs paid by the Diocese in excess of contributions received from CCFMM amount to approximately \$2,007,000 (see also Exhibit 1 included in the supplementary financial information).

CCFMM pays management fees to the Diocese. These management fees amounted to approximately \$61,610 and \$142,000 for the fiscal years 2018 and 2017, respectively, and are included in rental and other services of revenues, gains and other support in the accompanying statements of changes in activities. Accounts receivable from CCFMM was \$7,501 and \$6,289 at June 30, 2018 and 2017, respectively.

The Diocese 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. In February 2018 the Diocese extended the loan agreement from the original due date of February 2018 to February 2021. A balloon payment of \$253,149 is due in February 2021. The balance of the note receivable was \$253,149 and \$318,149 at June 30, 2018 and 2017, respectively.

#### Transactions with Cemeteries

The Diocese received rent and a management fee from Cemeteries in the amount of \$64,821 and \$64,344 for fiscal 2018 and 2017, respectively. Accounts receivable from cemeteries was \$232,627 and \$164,055 at June 30, 2018 and 2017, respectively.

#### Transactions with Little Books

The Diocese received rent and a management fee from Little Books in the amount of \$119,978 and \$121,896 for fiscal years 2017 and 2016, respectively. Accounts receivable from Little Books was \$201 and \$313 at June 30, 2018 and 2017, respectively.

#### Transactions with Catholic Family Services

The Diocese received rent from Catholic Family Services in the amount of \$11,736 and \$9,918 for fiscal 2018 and 2017, respectively. Accounts receivable from Catholic Family Services was \$71,981 and \$58,642 at June 30, 2018 and 2017, respectively.

See Note 9, also.

### 6. 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.

# CATHOLIC DIOCESE OF SAGINAW

## CENTRALIZED PROGRAMS AND ADMINISTRATION

### Notes to Financial Statements

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.

#### Legal Matters

In 2017, the Diocese of Saginaw and Bishop Joseph R. Cistone were named in a civil suit, alleging gross negligence against the Diocese and Bishop Cistone in the supervision of a priest of the Diocese of Saginaw, accused in a criminal proceeding of child abuse. Depending upon the outcome of ongoing discovery, amended pleadings and the litigation process, this matter may not be covered by the Diocese's insurance. If found liable, and there is no coverage, there could be a significant impact on the Diocese's financial position.

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 \$108,996 and \$103,779 for fiscal 2018 and 2017, 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, 2018. 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 is 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 \$544,000 and \$623,000 as of June 30, 2018 and 2017, respectively. The debt is collateralized by real estate and has 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 \$212,000.

# CATHOLIC DIOCESE OF SAGINAW

## CENTRALIZED PROGRAMS AND ADMINISTRATION

### Notes to Financial Statements

#### 7. DESIGNATED NET ASSETS

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

	2018	2017
Bishop Untener Memorial Education Fund	\$ 10,819	\$ 10,343
Bishop's Ball Proceeds Fund	112,844	117,279
Bishop's Charity Fund	50,813	41,678
Bishop's Discretionary Fund	16,743	17,343
Bishop's Retirement Fund	260,067	245,067
Bishop's Vocational Fund	42,806	44,584
Black Catholic Ministry Fund	904	904
Budget Excess / Discretionary Fund	1,284,956	1,327,713
Campus Ministry	47,998	59,998
Capital Campaign	37,660	38,801
Cathedral Renovation	(2,348,833)	(1,981,129)
Catholic Schools	-	1,681
Center for Ministry	528,715	563,446
CFM Amenity Updates Fund	-	3,269
CFM Chapel Fund	113,568	113,568
Charles Keho Trust Fund	31,696	14,173
Diocesan Contingency Fund - Legacy of Faith	(2,006,907)	(2,076,907)
Diocesan Contingency Fund - Other	482,419	482,419
Faith Magazine	38,084	38,084
Future Full of Hope	49,344	61,572
Insurance Reimbursement Fund	10,071	57,807
Major Computer Replacement	83,290	148,531
Major Replacements	524,782	471,265
MY Faith Event	3,000	-
Parish Clergy Assignments Fund	281,368	293,188
Parish Mission Projects	-	2,899
Priest Continuing Education Fund	67,114	73,730
Rachel's Vineyard Scholarship Fund	1,373	1,380
World Youth Day	2,792	2,792
Total unrestricted designated net (deficit) assets	<u>\$ (272,514)</u>	<u>\$ 175,478</u>

#### 8. 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 2018-2019 and 2017-2018 drives are recorded as CSA donation income in temporarily restricted net assets as of June 30, 2018 and 2017, respectively. 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,

# CATHOLIC DIOCESE OF SAGINAW

## CENTRALIZED PROGRAMS AND ADMINISTRATION

### Notes to Financial Statements

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:

	2018	2017
Catholic Education	\$ 1,715,680	\$ 1,659,935
Adoration Sisters	1,167	1,144
Bishop Untener Memorial Education Fund	41,506	44,839
Black and Native American Grant	1,376	3,447
Campus Ministry Fund	5,655	5,543
Cathedral Maintenance	50,125	-
Cathedral Vestments	6,722	6,589
Catholic Heritage Museum	23,036	-
CCFMM Donations Fund	8,489	7,990
CFM-Chapel Fund	21,726	21,297
Colombian Mission Fund	54	53
Deacons Fund	35,573	45,132
Diocesan Priests Long-term Care	132,753	137,206
Disability Ministry	-	26
Faith Magazine	1,744	1,120
Fr. Jeff Donner Lay Ministry Fund	7,100	7,856
Lay Ministry Assembly	1,649	-
Little Books Donation Fund	1,296,827	102,714
Lovay Fund for the Poor	2,958	2,900
Migrant Assistance Fund	8,633	9,176
Ministry to Priests	10	10
Ministry to Retired Priests & Religious	173	2,209
Missions, CRS and CHD	446,840	411,967
Mother Teresa	26,006	26,160
Permanent Deacon Picnic Fund	106	104
Poor Parish Fund	36,914	33,777
Priest Continuing Education Fund	170,900	190,108
Red Mass Fund	512	1,161
Religious Ed/Children of Special Needs	41,470	35,231
Religious Liberty Fund	8,173	8,531
Religious Retirement	2,012	5,636
Right to Life Fund	8,313	10,245
Schools Grant Fund	8,020	-
SPRED Program	7,360	7,018
St. Mary University FOCUS Program	131	128
Strasel Endowment	2,094	1,556
SVSU Ministry	3,223	651
Talbot Fund for Seminarian Education	103,812	101,761
Vocation Ministry Fund	27,369	29,974

(continued)

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

**Notes to Financial Statements**

	2018	2017
Wolohan SACS Fund	\$ 105,376	\$ 103,295
Youth Encounter Saginaw	-	4,657
Youth Event	31,642	-
CSA for periods after June 30	<u>3,692,997</u>	<u>3,675,788</u>
<b>Total</b>	<b><u>\$ 8,086,226</u></b>	<b><u>\$ 6,706,934</u></b>

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:

	2018	2017
Purpose restrictions accomplished		
Catholic education	\$ 384,836	\$ 938,653
Cathedral needs	-	285,520
General diocesan needs	191,304	224,733
Missions	<u>86,204</u>	<u>124,031</u>
<b>Total</b>	<b>662,344</b>	<b>1,572,937</b>
Time restrictions expired		
Passage of specified time for CSA contributions	<u>3,676,165</u>	<u>3,692,999</u>
<b>Total temporary restrictions released</b>	<b><u>\$ 4,338,509</u></b>	<b><u>\$ 5,265,936</u></b>

**9. LEASES (RELATED PARTIES)**

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 \$211,000 and \$171,000 for the years ended June 30, 2018 and 2017, respectively. Accounts receivable related to this lease and other receivables from Saginaw Area Catholic Schools were \$69,634 and \$68,474 at June 30, 2018 and 2017, 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 \$255,808 and \$270,054 as of June 30, 2018 and 2017, respectively. The note which commenced February 1, 2014, calls for interest charged at 0.25% to be paid on an annual basis. The loan was due in February 2018 and is expected to be renewed.

# CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

## Notes to Financial Statements

### 10. SUPPLEMENTAL CASH FLOWS INFORMATION

#### Non-Cash Investing Activities

During 2018 and 2017, uncollected CSA pledges receivable totaling \$90,692 and \$110,478, respectively, were reclassified as notes receivable.

During 2018, tuition and other seminarian expenses paid by the Diocese on behalf of a seminarian aggregating \$60,598 were reclassified as a note receivable. This reclassification was a result of an individual leaving the seminary program prior to his becoming ordained as a priest.

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

January 23, 2019

The Most Reverend Walter A. Hurley  
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, 2018 and 2017, and have issued our report thereon dated January 23, 2019, 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, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Information within Exhibits 1 through 5 has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.



## SUPPLEMENTARY FINANCIAL INFORMATION

CATHOLIC DIOCESE OF SAGINAW  
CENTRALIZED PROGRAMS AND ADMINISTRATION

Schedule of Changes in Unrestricted Net Assets

Year Ended June 30, 2018

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	\$ 12,753	\$ -	\$ 208,294	\$ 923	\$ -	\$ 26,427	\$ 248,397
Church Ministry Team	4,193	1,947	58,161	700	3,219	878	69,098
Chancery Ministry Team	-	-	1,270	171,099	-	141,907	314,276
Finance Ministry Team	-	149,489	-	531,111	-	165,133	845,733
Development Ministry Team	135,712	-	-	-	-	-	135,712
Christian Service Ministry Team	2,213	-	10,610	749	376	-	13,948
Parish Outreach Ministry Team	200	-	-	925	-	-	1,125
<b>Total Undesignated</b>	<b>\$ 3,148,142</b>	<b>155,071</b>	<b>151,436</b>	<b>278,335</b>	<b>705,507</b>	<b>3,595</b>	<b>1,628,289</b>
Bishop Untener Memorial Education Fund	10,343	-	-	-	476	-	476
Bishop's Ball Proceeds Fund	117,279	-	-	-	-	-	-
Bishop's Charity Fund	41,678	10,000	-	-	-	-	10,000
Bishop's Discretionary Fund	17,343	900	-	-	-	-	900
Bishop's Retirement Fund	245,067	-	-	-	-	-	-
Bishop's Vocational Fund	44,584	-	-	-	-	-	-
Black Catholic Ministry Fund	904	-	-	-	-	-	-
Budget Excess / Discretionary Fund	1,327,713	26,290	-	-	-	-	26,290
Campus Ministry	59,998	-	-	-	-	-	-
Capital Campaign	38,801	57,836	-	-	-	-	57,836
Cathedral Renovation	(1,981,129)	-	-	-	-	9,169	9,169
Catholic Schools	1,681	-	-	-	-	-	-
Center for Ministry	563,446	-	-	-	-	-	-
CFM Amenity Updates Fund	3,269	-	-	-	-	-	-
CFM Chapel Fund	113,568	-	-	-	-	-	-
Charles Keho Trust Fund	14,173	17,523	-	-	-	-	17,523
Diocesan Contingency Fund Legacy of Faith	(2,076,907)	70,000	-	-	-	-	70,000
Other	482,419	-	-	-	-	-	-
Faith Magazine	38,084	-	-	-	-	-	-
Future Full of Hope	61,572	-	-	-	-	-	-
Insurance Reimbursement Fund	57,807	-	-	-	-	-	-
Major Computer Replacement	148,531	-	-	-	-	-	-
Major Replacements	471,265	-	-	-	-	-	-
MYE Faith Event	-	3,000	-	-	-	-	3,000
Parish Clergy Assignments Fund	293,188	-	-	-	-	-	-
Parish Mission Projects	2,899	-	-	-	-	-	-
Priest Continuing Education Fund	73,730	-	-	-	-	-	-
Rachel's Vineyard Scholarship Fund	1,380	-	-	-	-	-	-
World Youth Day	2,792	-	-	-	-	-	-
<b>Total Designated</b>	<b>175,478</b>	<b>185,549</b>	<b>-</b>	<b>-</b>	<b>476</b>	<b>9,169</b>	<b>195,194</b>
<b>Total Unrestricted Fund</b>	<b>\$ 3,323,620</b>	<b>\$ 340,620</b>	<b>\$ 151,436</b>	<b>\$ 278,335</b>	<b>\$ 705,507</b>	<b>\$ 4,071</b>	<b>\$ 1,823,483</b>

See independent auditors' report on supplementary information.

Expenses							
Salary and Benefits	Operational Costs	Donations	Membership Conferences	Services	Total Expenses	Transfers	Net Assets End of Year
\$ 399,067	\$ 217,861	\$ 152,049	\$ 195,093	\$ 43,322	\$ 1,007,392	\$ 758,995	
544,831	227,944	379,248	49,217	13,821	1,215,061	1,145,963	
863,643	304,676	81,212	(6,407)	818,564	2,061,688	1,747,412	
901,070	206,807	1,150	11,662	254,485	1,375,174	529,441	
208,228	39,279	16,305	32,200	7,666	303,678	167,966	
338,927	50,880	50,312	17,679	2,130	459,928	445,980	
156,346	22,211	-	-	7,006	185,563	184,438	
<u>3,412,112</u>	<u>1,069,658</u>	<u>680,276</u>	<u>299,444</u>	<u>1,146,994</u>	<u>6,608,484</u>	<u>4,980,195</u>	<u>\$ 3,148,142</u>
-	-	-	-	-	-	-	10,819
-	-	-	-	-	-	(4,435)	112,844
-	-	-	-	-	-	(865)	50,813
-	-	1,500	-	-	1,500	-	16,743
-	-	-	-	-	-	15,000	260,067
-	-	-	-	-	-	(1,778)	42,806
-	-	-	-	-	-	-	904
-	-	-	-	-	-	(69,047)	1,284,956
-	-	-	-	-	-	(12,000)	47,998
-	-	-	-	-	-	(58,977)	37,660
-	-	-	-	-	-	(376,873)	(2,348,833)
-	-	-	-	-	-	(1,681)	-
-	-	-	-	-	-	(34,731)	528,715
-	-	-	-	-	-	(3,269)	-
-	-	-	-	-	-	-	113,568
-	-	-	-	-	-	-	31,696
-	-	-	-	-	-	-	(2,006,907)
-	-	-	-	-	-	-	482,419
-	-	-	-	-	-	-	38,084
-	-	-	-	-	-	(12,228)	49,344
-	-	-	-	-	-	(47,736)	10,071
-	-	-	-	-	-	(65,241)	83,290
-	-	-	-	-	-	53,517	524,782
-	-	-	-	-	-	-	3,000
-	-	-	-	-	-	(11,820)	281,368
-	-	-	-	-	-	(2,899)	-
-	-	-	-	-	-	(6,616)	67,114
-	-	-	-	-	-	(7)	1,373
-	-	-	-	-	-	-	2,792
<u>-</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>(641,686)</u>	<u>(272,514)</u>
<u>\$ 3,412,112</u>	<u>\$ 1,069,658</u>	<u>\$ 681,776</u>	<u>\$ 299,444</u>	<u>\$ 1,146,994</u>	<u>\$ 6,609,984</u>	<u>\$ 4,338,509</u>	<u>\$ 2,875,628</u>

CATHOLIC DIOCESE OF SAGINAW  
CENTRALIZED PROGRAMS AND ADMINISTRATION

Schedule of Changes in Unrestricted Net Assets  
Year Ended June 30, 2017

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	\$ 11,165	\$ -	\$ 166,843	\$ 723	\$ 34	\$ 25,154	\$ 203,919	
Church Ministry Team	4,816	-	16,000	-	9,658	2,355	32,829	
Chancery Ministry Team	612	-	3,480	114,913	-	161,511	280,516	
Finance Ministry Team	-	208,816	-	572,083	-	81,787	862,686	
Development Ministry Team	268,051	-	-	50,486	-	-	318,537	
Christian Service Ministry Team	3,149	-	7,550	(277)	604	-	11,026	
Parish Outreach Ministry Team	-	-	-	-	-	-	-	
<b>Total Undesignated</b>	<b>\$ 3,148,142</b>	<b>287,793</b>	<b>208,816</b>	<b>193,873</b>	<b>737,928</b>	<b>10,296</b>	<b>270,807</b>	<b>1,709,513</b>
Bishop Untener Memorial Education Fund	9,810	-	-	-	533	-	533	
Bishop's Ball Proceeds Fund	63,123	-	-	-	-	-	-	
Bishop's Charity Fund	43,559	10,000	-	-	-	-	10,000	
Bishop's Discretionary Fund	16,693	650	-	-	-	-	650	
Bishop's Retirement Fund	205,067	-	-	-	-	-	-	
Bishop's Vocational Fund	44,584	-	-	-	-	-	-	
Black Catholic Ministry Fund	904	-	-	-	-	-	-	
Budget Excess / Discretionary Fund	1,174,406	1	-	-	-	-	1	
Campus Ministry	59,998	-	-	-	-	-	-	
Capital Campaign	38,801	-	-	-	-	-	-	
Catechesis/Evangelization	584	-	-	-	-	-	-	
Cathedral Renovation	96,123	2,420,380	-	-	-	1,200	2,421,580	
Catholic Schools	1,681	-	-	-	-	-	-	
Center for Ministry	577,446	-	-	-	-	-	-	
CFM Amenity Updates Fund	3,269	-	-	-	-	-	-	
CFM Chapel Fund	113,568	-	-	-	-	-	-	
Charles Keho Trust Fund	-	14,173	-	-	-	-	14,173	
Diocesan Contingency Fund Legacy of Faith	(2,101,907)	25,000	-	-	-	-	25,000	
Other	519,108	-	-	-	-	-	-	
Faith Magazine	73,084	-	-	-	-	-	-	
Future Full of Hope	70,167	-	-	-	-	-	-	
Insurance Reimbursement Fund	138,174	-	-	-	-	-	-	
Major Computer Replacement	161,591	-	-	-	-	-	-	
Major Replacements	711,658	-	-	-	-	-	-	
Parish Clergy Assignments Fund	293,188	-	-	-	-	-	-	
Parish Mission Projects	2,899	-	-	-	-	-	-	
Priest Continuing Education Fund	30,425	43,305	-	-	-	-	43,305	
Rachel's Vineyard Scholarship Fund	1,380	-	-	-	-	-	-	
World Youth Day	2,792	-	-	-	-	-	-	
<b>Total Designated</b>	<b>2,352,175</b>	<b>2,513,509</b>	<b>-</b>	<b>-</b>	<b>533</b>	<b>1,200</b>	<b>2,515,242</b>	
<b>Total Unrestricted Fund</b>	<b>\$ 5,500,317</b>	<b>\$ 2,801,302</b>	<b>\$ 208,816</b>	<b>\$ 193,873</b>	<b>\$ 737,928</b>	<b>\$ 10,829</b>	<b>\$ 272,007</b>	<b>\$ 4,224,755</b>

See independent auditors' report on supplementary information.

Expenses							
Salary and Benefits	Operational Costs	Donations	Membership Conferences	Services	Total Expenses	Transfers	Net Assets End of Year
\$ 403,497	\$ 151,855	\$ 153,757	\$ 146,644	\$ 52,085	\$ 907,838	\$ 703,919	
624,051	192,253	325,095	55,785	17,534	1,214,718	1,181,889	
897,712	884,420	491,781	(24,073)	4,707,500	6,957,340	6,676,824	
882,364	368,382	3,047	7,851	312,330	1,573,974	711,288	
222,137	40,038	55,351	88,104	39,447	445,077	126,540	
322,453	45,624	53,571	12,912	11,055	445,615	434,589	
102,609	7,641	-	-	12,576	122,826	122,826	
<u>3,454,823</u>	<u>1,690,213</u>	<u>1,082,602</u>	<u>287,223</u>	<u>5,152,527</u>	<u>11,667,388</u>	<u>9,957,875</u>	<u>\$ 3,148,142</u>
-	-	-	-	-	-	-	10,343
-	-	-	-	-	-	54,156	117,279
-	-	-	-	-	-	(11,881)	41,678
-	-	-	-	-	-	-	17,343
-	-	-	-	-	-	40,000	245,067
-	-	-	-	-	-	-	44,584
-	-	-	-	-	-	-	904
-	-	-	-	-	-	153,306	1,327,713
-	-	-	-	-	-	-	59,998
-	-	-	-	-	-	-	38,801
-	-	-	-	-	-	(584)	-
-	-	-	-	-	-	(4,498,832)	(1,981,129)
-	-	-	-	-	-	-	1,681
-	-	-	-	-	-	(14,000)	563,446
-	-	-	-	-	-	-	3,269
-	-	-	-	-	-	-	113,568
-	-	-	-	-	-	-	14,173
-	-	-	-	-	-	-	(2,076,907)
-	-	-	-	-	-	(36,689)	482,419
-	-	-	-	-	-	(35,000)	38,084
-	-	-	-	-	-	(8,595)	61,572
-	-	-	-	-	-	(80,367)	57,807
-	-	-	-	-	-	(13,060)	148,531
-	-	-	-	-	-	(240,393)	471,265
-	-	-	-	-	-	-	293,188
-	-	-	-	-	-	-	2,899
-	-	-	-	-	-	-	73,730
-	-	-	-	-	-	-	1,380
-	-	-	-	-	-	-	2,792
-	-	-	-	-	-	(4,691,939)	175,478
<u>\$ 3,454,823</u>	<u>\$ 1,690,213</u>	<u>\$ 1,082,602</u>	<u>\$ 287,223</u>	<u>\$ 5,152,527</u>	<u>\$ 11,667,388</u>	<u>\$ 5,265,936</u>	<u>\$ 3,323,620</u>

CATHOLIC DIOCESE OF SAGINAW  
CENTRALIZED PROGRAMS AND ADMINISTRATION

Schedule of Changes in Temporarily Restricted Net Assets  
Year Ended June 30, 2018

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	\$ 17,116	\$ -	\$ 345	\$ 345
Kozak Trust	121,496	-	2,320	2,320
Bishop Carlson Seminarian Fund	1,283,764	232,986	26,632	259,618
<b>Total Trusts</b>	<b>1,422,376</b>	<b>232,986</b>	<b>29,297</b>	<b>262,283</b>
Adoration Sisters	1,144	-	23	23
Bishop Untener Memorial				
Education Fund	44,839	-	846	846
Black and Native American Grant	3,447	-	41	41
Campus Ministry Fund	5,543	-	112	112
Cathedral Maintenance Fund	-	50,000	125	50,125
Cathedral Vestments	6,589	-	133	133
Catholic Education Fund	93,436	-	2,079	2,079
Catholic Heritage Museum	-	22,750	286	23,036
Catholic Schools	144,123	-	1,349	1,349
CCFMM Donations Fund	7,990	225,081	499	225,580
CFM-Chapel Fund	21,297	-	429	429
Colombian Mission Fund	53	-	1	1
Deacons Fund	45,132	-	822	822
Diocesan Priests Long-term Care	137,206	-	2,747	2,747
Disability Ministry	26	-	-	-
Faith Magazine	1,120	600	24	624
Fr. Jeff Donner Lay Ministry Fund	7,856	-	143	143
Lay Ministry Assembly	-	1,645	4	1,649
Little Books Donation Fund	102,714	1,250,000	16,908	1,266,908
Lovay Fund for the Poor	2,900	-	58	58
Migrant Assistance Fund	9,176	3,819	134	3,953
Ministry to Priests	10	-	-	-
Ministry to Retired Priests & Religious	2,209	-	23	23
Missions, CRS and CHD	411,967	112,413	8,664	121,077
Mother Teresa	26,160	4,193	525	4,718
Permanent Deacon Picnic Fund	104	-	2	2
Poor Parish Fund	33,777	-	686	686
Priest Continuing Education Fund	190,108	-	3,205	3,205
Red Mass Fund	1,161	725	15	740
Rel Ed/Children of Special Needs	35,231	5,500	739	6,239
Religious Liberty Fund	8,531	-	170	170
Religious Retirement	5,636	20,144	199	20,343
Right to Life Fund	10,245	-	185	185
Schools Grant Fund	-	-	20	20
SPRED Program	7,018	-	142	142
St. Mary University FOCUS Program	128	-	3	3
Strasel Endowment	1,556	-	33	33
SVSU Ministry	651	7,300	72	7,372
Talbot Fund for Seminarian Education	101,761	-	2,051	2,051
Vocation Ministry Fund	29,974	-	518	518
Wolohan Fund for Notre Dame	-	7,500	-	7,500
Wolohan SACS Fund	103,295	-	2,081	2,081
Youth Encounter Saginaw	4,657	4,052	97	4,149
Youth Event	-	149	80	229
CSA	3,675,788	3,693,374	-	3,693,374
<b>Total</b>	<b>\$ 6,706,934</b>	<b>\$ 5,642,231</b>	<b>\$ 75,570</b>	<b>\$ 5,717,801</b>

See independent auditors' report on supplementary information.

Inter-Fund Transfers	Temporarily Restricted Net Assets End of Year
\$ -	\$ 17,461
(13,341)	110,475
(68,163)	1,475,219
<u>(81,504)</u>	<u>1,603,155</u>
-	1,167
(4,179)	41,506
(2,112)	1,376
-	5,655
-	50,125
-	6,722
17,010	112,525
-	23,036
(145,472)	-
(225,081)	8,489
-	21,726
-	54
(10,381)	35,573
(7,200)	132,753
(26)	-
-	1,744
(899)	7,100
-	1,649
(72,795)	1,296,827
-	2,958
(4,496)	8,633
-	10
(2,059)	173
(86,204)	446,840
(4,872)	26,006
-	106
2,451	36,914
(22,413)	170,900
(1,389)	512
-	41,470
(528)	8,173
(23,967)	2,012
(2,117)	8,313
8,000	8,020
200	7,360
-	131
505	2,094
(4,800)	3,223
-	103,812
(3,123)	27,369
(7,500)	-
-	105,376
(8,806)	-
31,413	31,642
<u>(3,676,165)</u>	<u>3,692,997</u>
<u>\$ (4,338,509)</u>	<u>\$ 8,086,226</u>



CATHOLIC DIOCESE OF SAGINAW  
CENTRALIZED PROGRAMS AND ADMINISTRATION

Schedule of Changes in Temporarily Restricted Net Assets  
Year Ended June 30, 2017

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	\$ 16,778	\$ -	\$ 338	\$ 338
Kozak Trust	120,816	-	2,416	2,416
Bishop Carlson Seminarian Fund	1,047,930	87,324	23,031	110,355
<b>Total Trusts</b>	<b>1,185,524</b>	<b>87,324</b>	<b>25,785</b>	<b>113,109</b>
Adoration Sisters	1,121	-	23	23
Bishop Untener Memorial				
Education Fund	44,498	-	891	891
Bishop's Charity Fund	20	-	-	-
Black and Native American Grant	6,349	-	98	98
Campus Ministry Fund	5,433	-	110	110
Cathedral Capital Fund	57,191	-	1,771	1,771
Cathedral Renovation	224,617	-	549	549
Cathedral Vestments	7,827	-	154	154
Catholic Education Fund	71,317	-	1,643	1,643
Catholic Schools	547,540	398	5,884	6,282
CCFMM Donations Fund	7,820	209,875	170	210,045
CFM-Chapel Fund	20,876	-	421	421
Colombian Mission Fund	52	-	1	1
Deacons Fund	45,504	500	914	1,414
Diocesan Priests Long-term Care	137,888	-	2,760	2,760
Disability Ministry	25	-	1	1
Faith Formation	7,408	-	57	57
Faith Magazine	602	500	18	518
Fr. Jeff Donner Lay Ministry Fund	7,415	-	154	154
Little Books Donation Fund	731,654	-	7,945	7,945
Lovay Fund for the Poor	2,843	-	57	57
Migrant Assistance Fund	9,767	1,898	179	2,077
Ministry to Priests	520	-	5	5
Ministry to Retired Priests & Religious	1,780	1,500	44	1,544
Missions, CRS and CHD	441,604	85,878	8,516	94,394
Mother Teresa	21,994	4,716	447	5,163
MYE Faith Event	-	-	-	-
Permanent Deacon Picnic Fund	-	102	2	104
Poor Parish Fund	33,110	-	667	667
Priest Continuing Education Fund	160,288	-	3,456	3,456
Red Mass Fund	-	2,650	17	2,667
Rel Ed/Children of Special Needs	30,009	4,500	722	5,222
Religious Liberty Fund	9,747	-	192	192
Religious Retirement	24,150	20,905	529	21,434
Right to Life Fund	10,407	-	206	206
Schools Grants Fund	-	-	-	-
SPRED Program	-	7,000	18	7,018
St. Mary University FOCUS Program	125	-	3	3
Strasel Endowment	1,022	-	26	26
SVSU Ministry	1,004	6,000	64	6,064
Talbot Fund for Seminarian Education	-	100,000	1,761	101,761
Vocation Ministry Fund	28,986	-	588	588
Wolohan Fund for Notre Dame	-	7,500	-	7,500
Wolohan SACS Fund	101,255	-	2,040	2,040
Youth Encounter Saginaw	3,817	750	90	840
CSA	3,692,999	3,675,788	-	3,675,788
<b>Total</b>	<b>\$ 7,686,108</b>	<b>\$ 4,217,784</b>	<b>\$ 68,978</b>	<b>\$ 4,286,762</b>

See independent auditors' report on supplementary information.

Inter-Fund Transfers	Temporarily Restricted Net Assets End of Year
\$ -	\$ 17,116
(1,736)	121,496
125,479	1,283,764
<u>123,743</u>	<u>1,422,376</u>
-	1,144
(550)	44,839
(20)	-
(3,000)	3,447
-	5,543
(58,962)	-
(225,166)	-
(1,392)	6,589
20,476	93,436
(409,699)	144,123
(209,875)	7,990
-	21,297
-	53
(1,786)	45,132
(3,442)	137,206
-	26
(7,465)	-
-	1,120
287	7,856
(636,885)	102,714
-	2,900
(2,668)	9,176
(515)	10
(1,115)	2,209
(124,031)	411,967
(997)	26,160
-	-
-	104
-	33,777
26,364	190,108
(1,506)	1,161
-	35,231
(1,408)	8,531
(39,948)	5,636
(368)	10,245
-	-
-	7,018
-	128
508	1,556
(6,417)	651
-	101,761
400	29,974
(7,500)	-
-	103,295
-	4,657
<u>(3,692,999)</u>	<u>3,675,788</u>
<u>\$ (5,265,936)</u>	<u>\$ 6,706,934</u>

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

**Schedule of Donations and Distributions from Special Events  
Year Ended June 30, 2018**

Abortion Alternatives	\$ 4,150
Apostolic Nunciature-Peter's Pence/Canon 1271	65,000
Ave Maria Radio	10,000
Beacon of Hope Pregnancy Care Center	2,343
Bishop Baraga Association	2,000
Black & Indian Mission	32,300
Blessed Sacrament Parish Missions	2,000
Boy Scouts of America	100
Catholic Community Foundation of Mid-Michigan	4,193
Catholic Family Service	221,050
Catholic Rural Life	1,500
Catholic University of America	4,000
Christ the Good Shepherd Parish	150
Commissariat of the Holy Land	12,350
East Side Soup Kitchen	300
HIS Restoration Ministries	225
Historical Society of Saginaw County	250
Holy Spirit Parish Missions	400
Isabella Community Soup Kitchen	200
Life Choices of Central Michigan	1,610
Miscellaneous Donations & Other Acts of Goodwill	28,305
Mission Sisters of the Holy Spirit	6,000
National Committee for a Human Life Amendment	1,300
National Council of Catholic Women	200
New Ezekiel Project of Saginaw	5,000
Nouvel Catholic Central	480
Operation Rice Bowl Grants	
*Abortion Alternatives	625
*All Saints Parish	375
*AuGres Christian Charities	750
*Ave Maria Parish	250
*Blessed Sacrament School	500
*Chesaning Area Emergency Relief	750
*Cros-Lex Project Blessings	750
*East Side Soup Kitchen	500
*Emmaus House of Saginaw	750

(continued)

See independent auditors' report on supplementary information.

CATHOLIC DIOCESE OF SAGINAW  
CENTRALIZED PROGRAMS AND ADMINISTRATION

Schedule of Donations and Distributions from Special Events  
Year Ended June 30, 2018

Operation Rice Bowl Grants (continued)	
*Hidden Harvest	\$ 500
*Holy Family Parish	250
*Holy Name of Mary Parish	250
*I Support the 1%	625
*Midland Area Homes Homelessness Prevention Program	750
*Mustard Seed Shelter	750
*Office of Human Services	500
*Our Lady of Czestochowa	375
*Resurrection of the Lord Parish	375
*Rosebush Emergency Assistance	750
*Sacred Heart Mission Food Pantry	250
*Society St. Vincent DePaul Bay County Council	500
*Ss. Francis and Clare Parish	375
*Ss. Peter & Paul Food Pantry	750
*St. Agatha Food Pantry	375
*St. Agnes Parish - Outreach Program	250
*St. Athanasius Parish	375
*St. Christopher Food Pantry	375
*St. Elizabeth Parish	250
*St. Francis de Sales Parish	250
*St. Mary Cathedral Neighborhood Breakfast	500
*St. Mary's of Michigan Center of Hope	500
*St. Paul's Episcopal Church Feeding Ministry	500
*State Street United Methodist Church	250
*Vassar Food Pantry	375
*Vassar Ministerial Alliance	750
Partnership Center	150
Pregnancy Resource Center	2,530
Religious Sisters of Mercy of Alma	6,000
Sacred Heart Academy	85
Sacred Heart Major Seminary	1,500
Saginaw-Shiawassee Habitat for Humanity	500
Sisters of Our Mother of Divine Grace	6,000
Sisters of St. Clare	6,000
St. Christopher Parish Missions	2,000

(continued)

See independent auditors' report on supplementary information.

CATHOLIC DIOCESE OF SAGINAW  
CENTRALIZED PROGRAMS AND ADMINISTRATION

**Schedule of Donations and Distributions from Special Events**  
Year Ended June 30, 2018

St. Gabriel Parish Missions	\$ 1,500
St. Joseph Parish, Saginaw	36,127
St. Lorenz Lutheran Church - Girls of Grace	250
St. Mary University Parish, Mt. Pleasant	150,000
St. Mary's of Michigan Foundation	4,700
USCCB-Catholic Communications Campaign	8,500
USCCB-Catholic Home Missions	16,150
USCCB-Church in Africa	3,800
USCCB-Church in Latin America	13,103
VFW Post 1859	75
World Outreach Campus	150
YMCA of Saginaw	250
	<hr/>
Total	<u><u>\$ 681,776</u></u>

See independent auditors' report on supplementary information.