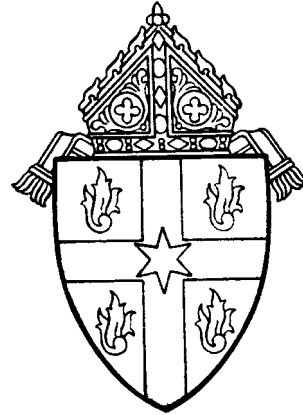


Catholic
Diocese of
Saginaw
Centralized
Programs and
Administration



Years Ended
June 30, 2013
and 2012

Financial
Statements
and
Supplementary
Financial
Information

CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

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INDEPENDENT AUDITORS' REPORT

January 14, 2014

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

We have audited the accompanying financial statements of the **Catholic Diocese of Saginaw Centralized Programs and Administration** (the "Diocese"), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Diocese's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Diocese's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

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

In our opinion, except for the effects of the matter 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, 2013 and 2012, 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	
	2013	2012
ASSETS		
Cash and cash equivalents	\$ 1,738,203	\$ 881,546
Deposits held with the Interparish Deposit and Loan Program	8,439,894	8,134,354
Michigan no fault self insurance loss reserve	19,324	-
Catholic Services Appeal (CSA) pledges receivable	1,470,649	1,296,281
Accounts receivable, net of allowance for doubtful accounts of \$154,767 (\$114,767 in 2012)	236,509	161,036
Other assets	91,538	103,188
Notes receivable, including CSA, net of allowance for losses of \$273,632 (\$224,297 in 2012)	1,411,119	1,544,692
Total assets	<u>\$ 13,407,236</u>	<u>\$ 12,121,097</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 187,013	\$ 295,799
Accrued expenses and other liabilities	164,026	154,342
Michigan no fault self insurance loss reserve	19,324	-
Funds held for others	683,708	435,951
Total liabilities	<u>1,054,071</u>	<u>886,092</u>
Commitments and contingencies (Note 5)		
Net assets		
Unrestricted		
Undesignated	3,148,142	3,148,142
Designated	1,741,935	1,447,968
Temporarily restricted		
For specified use	3,782,136	2,945,895
For use in future years	3,680,952	3,693,000
Total net assets	<u>12,353,165</u>	<u>11,235,005</u>
Total liabilities and net assets	<u>\$ 13,407,236</u>	<u>\$ 12,121,097</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, 2013			Year Ended June 30, 2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support						
Contributions	\$ 524,773	\$ 1,266,983	\$ 1,791,756	\$ 2,322,916	\$ 523,244	\$ 2,846,160
CSA	-	3,680,952	3,680,952	-	3,693,000	3,693,000
Interest income	154,678	15,285	169,963	147,741	15,065	162,806
Workshops and tuition	209,800	-	209,800	435,206	-	435,206
Rentals and other services	886,363	-	886,363	866,162	-	866,162
Related services	4,619	-	4,619	6,629	-	6,629
Other	439,590	-	439,590	553,381	-	553,381
Net assets released:						
Satisfaction of purpose restrictions	446,027	(446,027)	-	730,612	(730,612)	-
Expiration of time restrictions-CSA	3,693,000	(3,693,000)	-	3,693,000	(3,693,000)	-
Total revenues, gains, and other support	6,358,850	824,193	7,183,043	8,755,647	(192,303)	8,563,344
Expenses and transfers						
Program	5,358,931	-	5,358,931	9,567,192	-	9,567,192
Administration	517,989	-	517,989	581,183	-	581,183
Fundraising	174,323	-	174,323	201,021	-	201,021
Transfer to CCFMM	13,640	-	13,640	8,394	-	8,394
Total expenses and transfers	6,064,883	-	6,064,883	10,357,790	-	10,357,790
Change in net assets	293,967	824,193	1,118,160	(1,602,143)	(192,303)	(1,794,446)
Net assets - beginning of year	4,596,110	6,638,895	11,235,005	6,198,253	6,831,198	13,029,451
Net assets - end of year	\$ 4,890,077	\$ 7,463,088	\$ 12,353,165	\$ 4,596,110	\$ 6,638,895	\$ 11,235,005

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

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

STATEMENTS OF CASH FLOWS

	Year Ended June 30	
	2013	2012
Cash flows from operating activities		
Change in net assets	\$ 1,118,160	\$ (1,794,446)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Provision for uncollectible notes receivable	49,335	25,630
Provision for uncollectible accounts receivable	40,000	114,767
Forgiveness of notes receivable upon ordainment	-	29,319
Changes in assets and liabilities which (used) provided cash		
CSA pledges receivable	(284,212)	116,133
Accounts receivable	(115,473)	(8,625)
Other assets	11,650	222,547
Accounts payable	(108,786)	(209,477)
Accrued expenses and other liabilities	9,684	5,333
Funds held for others	247,757	11,310
Net cash provided by (used in) operating activities	968,115	(1,487,509)
Cash flows from investing activities		
Advances evidenced by notes receivable	(1,050)	(168,522)
Collections of notes receivable	195,132	219,790
Net cash provided by investing activities	194,082	51,268
Net increase (decrease) in cash and cash equivalents	1,162,197	(1,436,241)
Cash and cash equivalents - beginning of year	9,015,900	10,452,141
Cash and cash equivalents - end of year	\$ 10,178,097	\$ 9,015,900

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

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

1. MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Significant estimates include but are not limited to the determination of the allowance for losses on accounts and notes receivable.

Basis of Accounting

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

Financial Statement Presentation

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

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

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

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

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

Permanently restricted net assets represent funds subject to restrictions of gift and trust instruments requiring that the principal be invested in perpetuity and the income only be used for particular purposes. Income earned on these funds is reported as revenue in the temporarily restricted funds. The Diocese has no permanently restricted net assets as of June 30, 2013 and 2012.

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 Program 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, 2013 and 2012, the Diocese had not elected the fair value option for any financial assets or liabilities and the Diocese does not have any financial assets or liabilities reported at fair value other than impaired notes receivable which are not considered material.

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

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

The Diocese maintains cash accounts with insured financial institutions. Some of these accounts exceed federally insured limits resulting in uninsured balances of approximately \$1,492,000 at June 30, 2013. The Diocese also maintains uninsured deposits of approximately \$8,440,000 at June 30, 2013, with the Catholic Diocese of Saginaw Interparish Deposit and Loan Program. Management does not believe the Diocese is exposed to any significant interest, credit, or other financial risk as a result of these deposits.

Revenue Recognition

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

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. The Diocese provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Notes Receivable

Notes receivable consist of unsecured cash advances made to seminarians, catholic parishes, and Catholic organizations within the Diocese, and catholic parishes, primarily regarding receivables related to the Catholic Services Appeal (CSA). Collection terms vary and the notes bear interest at rates ranging from 0% to 4% as of June 30, 2013, and June 30, 2012.

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

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

Allowance for Notes Receivable

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

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

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

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

Contributions

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

Contributed Services

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

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

Designation of Unrestricted Net Assets

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

Donated Assets

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

Income Taxes

The Diocese is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from similar state and local taxes. Although the Diocese was granted income tax exemption by the Internal Revenue Service, such exemption does not apply to “unrelated business taxable income.”

In accordance with Accounting Standards Codification (“ASC”) Topic 740, *Accounting for Uncertainty in Income Taxes*, the Diocese analyzed its filing positions in the tax jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions. The Diocese has also elected to retain its existing accounting policy with respect to the treatment of interest and penalties attributable to income taxes, and continues to reflect any charges for such, to the extent they arise, as a component of its administrative expenses. The continued application of ASC Topic 740 has no significant impact on the Diocese’s financial statements.

The Diocese has evaluated the provisions of ASC Topic 740 for the fiscal years 2009 through 2013, the years which remain subject to examination by major tax jurisdictions as of June 30, 2013. 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, 2013 or 2012, and it is not aware of any claims for such amounts by federal or state income tax authorities.

Reclassification

Certain amounts as reported in the 2012 financial statements have been reclassified to conform with the 2013 presentation.

Subsequent Events

In preparing these financial statements, the Diocese has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to June 30, 2013, the most recent statement of financial position presented herein, through January 14, 2014, the date these financial statements were available to be issued. No significant such events or transactions were identified.

CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

2. NOTES RECEIVABLE AND ALLOWANCE FOR LOSSES

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

Notes receivable are summarized as follows at June 30:

	2013	2012
Seminarian	\$ 205,283	\$ 210,314
Parish and other organizations	763,199	831,379
Parish - CSA	140,126	130,122
CCFMM	<u>576,143</u>	<u>597,174</u>
Total notes	1,684,751	1,768,989
Allowance for losses	<u>273,632</u>	<u>224,297</u>
Notes receivable, net	<u>\$ 1,411,119</u>	<u>\$ 1,544,692</u>

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

2013	Seminarian	Parish and Other Organizations	Parish - CSA	Total
Allowance for losses:				
Balance at beginning of year	\$ 186,234	\$ 27,044	\$ 11,019	\$ 224,297
Provision for losses	<u>(1,332)</u>	<u>54,882</u>	<u>(4,215)</u>	<u>49,335</u>
Balance at end of year	<u>\$ 184,902</u>	<u>\$ 81,926</u>	<u>\$ 6,804</u>	<u>\$ 273,632</u>
2012	Seminarian	Parish and Other Organizations	Parish - CSA	Total
Allowance for losses:				
Balance at beginning of year	\$ 187,648	\$ -	\$ 11,019	\$ 198,667
Provision for losses	<u>(1,414)</u>	<u>27,044</u>	<u>-</u>	<u>25,630</u>
Balance at end of year	<u>\$ 186,234</u>	<u>\$ 27,044</u>	<u>\$ 11,019</u>	<u>\$ 224,297</u>

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

NOTES TO FINANCIAL STATEMENTS

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

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

2012	Credit Risk Profile by Payment Activity				
	Seminarian	Parish and Other Organizations	Parish - CSA	CCFMM	Total
Payment activity					
Performing	\$ 24,080	\$ 560,934	\$ 119,103	\$ -	\$ 704,117
Non-performing	<u>186,234</u>	<u>270,445</u>	<u>11,019</u>	<u>597,174</u>	<u>1,064,872</u>
Total	<u>\$ 210,314</u>	<u>\$ 831,379</u>	<u>\$ 130,122</u>	<u>\$ 597,174</u>	<u>\$ 1,768,989</u>

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

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

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

NOTES TO FINANCIAL STATEMENTS

2012	Accruing Interest			Total Nonaccrual	Total Loans
	Current	30-89 Days Past Due	More Than 90 Days Past Due		
Seminarian	\$ -	\$ -	\$ -	\$ 210,314	\$ 210,314
Parish and other organizations	17,688	-	-	813,691	831,379
Parish - CSA	111,143	790	18,189	-	130,122
CCFMM	597,174	-	-	-	597,174
Total	\$ 726,005	\$ 790	\$ 18,189	\$ 1,024,005	\$ 1,768,989

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

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

2012	Unpaid Principal Balance	Related Allowance	Average Unpaid Principal Balance
Notes receivable with an allowance recorded			
Seminarian	\$ 186,234	\$ 186,234	\$ 186,941
Parish and other organizations	270,445	27,044	270,445
Parish - CSA	11,019	11,019	11,019
CCFMM	597,174	-	597,174
Total impaired loans	\$ 1,064,872	\$ 224,297	\$ 1,065,579

Interest income recognized on impaired loans was not significant in 2013 or 2012.

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

CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

3. MULTI-EMPLOYER DEFINED BENEFIT PENSION PLAN

Diocese of Saginaw (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 \$112,981 and \$113,048 for fiscal 2013 and 2012, respectively. Based on information as of June 30, 2012, 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 remained at 6.6% of all full-time employee's wages during 2013 and 2012. 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	
	2012	2011
Total Plan assets	\$ 1,146,056,008 (a)	\$ 1,127,957,900
Actuarial present value of accumulated Plan benefits	\$ 1,316,111,748	\$ 1,179,994,333
Total contributions received by the Plan	\$ 21,156,354	\$ 22,756,639
Indicated level of funding	87.1%	95.6%

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

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4. RELATED PARTY TRANSACTIONS

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

The Diocese has interest bearing accounts on deposit with the Program of \$8,439,894 and \$8,134,354 at June 30, 2013 and 2012, respectively. Interest income from such deposits for fiscal years 2013 and 2012 was \$167,558 and \$159,533, respectively.

The Program pays management fees to the Diocese. These management fees amounted to \$144,641 and \$142,287 for fiscal years 2013 and 2012, 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, 2013 and 2012, construction costs paid by the Diocese in excess of contributions received from CCFMM amount to approximately \$2,270,000 and \$2,288,000, respectively, (see also Exhibit 1 and 2 included in the supplementary financial information).

CCFMM pays management fees to the Diocese. These management fees amounted to approximately \$225,000 and \$218,000 at June 30, 2013 and 2012, respectively. Accounts receivable related to these management fees was approximately \$19,000 and \$126,000 at June 30, 2013 and 2012, respectively. Subsequent to fiscal year end 2012, a portion of the total accounts receivable balance was restructured as a note receivable, as such, receivables in the amount of \$597,714 have been classified on the accompanying 2012 statement of financial position as notes receivable. The note which commenced as of February 1, 2013, calls for interest charged at 0.25% payable on an annual basis. A balloon payment of \$597,174 is due in February 2018. The balance of the note receivable at June 30, 2013, was \$576,143.

The Diocese also received rent and a management fee from Cemeteries in the amount of \$42,062 and \$43,080 for fiscal year 2013 and 2012, respectively.

5. COMMITMENTS AND CONTINGENCIES

General

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

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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.

Other Legal Matters

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

Self-Insurance

The Diocese participates in the Michigan Catholic Conference Protected Loss Fund Program. Coverage includes losses resulting from damage to property, from liability claims and for employee benefit coverage. Insurance expense representing the Diocesan contribution to the Program for Centralized Programs and Administration was \$75,407 for each of the years ended June 30, 2013 and 2012.

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, 2013 and 2014. 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 \$959,000 and \$1,112,000 as of June 30, 2013 and 2012, respectively. The debt is collateralized by real estate with a final maturity date of June 2031. During June 2012, the Diocese committed to matching \$1 for every \$2 paid by the Parish on this note over a 5 year period. In total, the Diocese matching payments over the 5 year period are estimated to be approximately \$325,000.

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6. DESIGNATED NET ASSETS

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

	2013	2012
Campaign for Human Development	\$ 253	\$ -
Protected Loss Fund	136,125	137,845
Catechesis/Evangelization	584	1,297
Future Full of Hope	11,296	11,296
Major Replacements	616,379	562,182
Bishop's Retirement Fund	163,861	163,861
Bishop's Discretionary Fund	606,188	231,145
75 th Anniversary Celebration	195,018	204,746
Priest Continuing Education Fund	15,959	2,000
Youth Encounter Saginaw	23,557	12,019
Catholic Schools	1,003	395
Bishop's Charity Fund	101,920	162,172
Diocesan Contingency Fund - Legacy of Faith	(2,269,907)	(2,287,678)
Diocesan Contingency Fund - Other	648,805	716,028
Parish Mission Projects	-	192
Center for Ministry	585,146	585,146
Bishop Untener Memorial Education Fund	7,163	6,187
Cathedral Renovation	102,001	102,001
Clergy Assistance Fund	287,182	320,403
Campus Ministry	60,000	60,000
World Youth Day	2,792	2,792
Religious Retirement Fund Local	101,416	101,416
Capital Campaign	52,127	54,808
Major Computer Replacement	120,243	114,694
Bishop's Vocational Fund	44,584	66,953
Black Catholic Ministry Fund	2,172	-
CFM Amenity Updates Fund	10,000	-
CFM Chapel Fund	116,068	116,068
Totals	<u>\$ 1,741,935</u>	<u>\$ 1,447,968</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 2012-2013 and 2011-2012 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

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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:

	2013	2012
Catholic Education	\$ 2,092,162	\$ 1,321,968
Adoration Sisters	1,056	1,035
Missions, CRS and CHD	423,121	406,605
Mother Teresa	1,245	3,396
Diocesan Priests Long-term Care	130,057	127,642
Bishop Untener Memorial Education Fund	42,756	42,756
Bishop's Charity Fund	325,639	325,639
Rel Ed/Children of Special Needs	13,875	13,875
Advocacy Network Fund	11,504	19,463
Fr. Jeff Donner Lay Ministry Fund	413	228
Migrant Assistance Fund	10,161	5,913
Religious Retirement	32,781	7,040
CFM-Chapel Fund	22,089	21,589
Cathedral Renovation	633,436	633,436
Poor Parish Fund	15,260	15,260
Colombian Mission Fund	50	50
Vocation Ministry Fund	26,124	-
Bishop's Discretionary Fund	407	-
CSA for periods after June 30	<u>3,680,952</u>	<u>3,693,000</u>
Total	<u>\$ 7,463,088</u>	<u>\$ 6,638,895</u>

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

	2013	2012
Purpose restrictions accomplished		
Catholic education	\$ 373,941	\$ 592,484
General diocesan needs	(7,330)	43,592
Missions	<u>79,416</u>	<u>94,536</u>
Total	446,027	730,612
Time restrictions expired		
Passage of specified time for CSA contributions	<u>3,693,000</u>	<u>3,693,000</u>
Total temporary restrictions released	<u>\$ 4,139,027</u>	<u>\$ 4,423,612</u>

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CENTRALIZED PROGRAMS AND ADMINISTRATION

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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, 2013 and 2012. Accounts receivable related to this lease and other receivables from Saginaw Area Catholic Schools were approximately \$286,277 and \$213,821 at June 30, 2013 and 2012, respectively (of which \$114,767 has been reserved for in the allowance for doubtful accounts receivable). Subsequent to fiscal year end 2012, a portion of the total accounts receivable balance was restructured as a note receivable, as such, receivables aggregating \$270,445 have been classified as notes receivable on the accompanying 2012 statement of financial position. At June 30, 2013 and 2012, note receivable related to this lease and other receivables from Saginaw Area Catholic Schools aggregated \$270,054 and \$270,445, respectively. The note which commenced February 1, 2013, calls for interest charged at 0.25% to be paid on an annual basis. A balloon payment in the amount of \$270,054 is due in February 2018.

9. SUPPLEMENTAL CASH FLOWS INFORMATION

Non-Cash Investing Activities

During 2012, two accounts receivable balances aggregating \$867,619 were reclassified as notes receivable (see discussion in Notes 4 and 8). During 2013, uncollected CSA pledges receivable totaling \$109,844 were reclassified as notes receivable.



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

January 14, 2014

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

We have audited the financial statements of the *Catholic Diocese of Saginaw Centralized Programs and Administration* for the years ended June 30, 2013 and 2012, and have issued our report thereon dated January 14, 2014, which appears on page 1. In that report our opinion was qualified because the Catholic Diocese of Saginaw follows the financial reporting policy of expensing property and equipment at the time of purchase rather than the capitalization of property and equipment acquired and depreciation of such assets over their estimated useful lives in accordance with accounting principles generally accepted in the United States of America. The supplementary financial information contained in the accompanying Exhibits 1 through 5 is presented for purposes of additional analysis and is not a required part of the financial statements. Information within Exhibits 1 through 5 has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

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

SUPPLEMENTARY FINANCIAL INFORMATION

CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION

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

Net Assets at Beginning of Year	Revenues, Gain or Other Support							Expenses							Net Assets End of Year	
	Contributions	Interest Income	Workshops and Tuition	Rental and Other Services	Related Services	Other	Total Revenues, Gains, and Other Support	Salary and Benefits	Operational Costs	Donations	Membership Conferences	Services	Total Expenses	Transfers		
Education Ministry Team	\$ 21,198	\$ -	\$ 167,661	\$ 6,164	\$ -	\$ 208	\$ 195,231	\$ 316,988	\$ 69,774	\$ 152,176	\$ 223,656	\$ 16,055	\$ 778,649	\$ 583,418		
Church Ministry Team	17,215	-	13,417	6,900	3,485	3,957	44,974	466,858	163,994	326,836	44,393	20,775	1,022,856	977,882		
Chancery Ministry Team	830	-	10,964	116,216	-	33,000	161,010	804,542	294,118	5,003	(420)	366,093	1,469,336	1,308,326		
Finance Ministry Team	-	149,928	-	585,571	-	22,284	757,783	665,255	235,342	3,346	7,007	249,238	1,160,188	402,405		
Development Ministry Team	282,328	4,553	-	157,500	-	-	444,381	271,113	41,119	32,069	104,164	5,070	453,535	9,154		
Christian Service Ministry Team	2,859	-	13,923	13,170	210	-	30,162	288,970	31,921	750	18,335	2,249	342,225	312,063		
Total Undesignated	\$ 3,148,142	324,430	154,481	205,965	885,521	3,695	59,449	1,633,541	2,813,726	836,268	520,180	397,135	659,480	5,226,789	3,593,248	\$ 3,148,142
Catholic Relief Services	-	-	-	-	-	-	-	7,988	120	-	-	2,286	10,394	10,394	-	
Campaign for Human Development	-	-	-	-	-	-	-	7,988	117	-	811	2,286	11,202	11,455	253	
Rice Bowl Local	-	-	-	-	-	-	-	-	-	21,200	-	-	21,200	21,200	-	
Protected Loss Fund	137,845	27,548	-	-	-	43,000	70,548	-	-	-	-	72,268	72,268	-	136,125	
Catechesis/Evangelization	1,297	-	-	-	-	-	-	-	-	-	-	-	-	(713)	584	
Future Full of Hope	11,296	-	-	-	-	-	-	-	-	-	-	-	-	-	11,296	
Major Replacements	562,182	-	-	-	-	128,700	128,700	-	74,503	-	-	-	74,503	-	616,379	
Missions	-	-	-	842	-	-	842	30,536	7,109	3,494	825	13,718	55,682	54,840	-	
Bishop's Retirement Fund	163,861	-	-	-	-	-	-	-	-	-	-	-	-	-	163,861	
Bishop's Discretionary Fund	231,145	4,225	-	-	-	58,441	62,666	-	55,012	1,048	-	759	56,819	369,196	606,188	
75th Anniversary Celebration	204,746	94,147	-	-	-	-	94,147	-	89,505	861	5,073	8,436	103,875	-	195,018	
Priest Continuing Education Fund	2,000	14,159	-	-	-	-	14,159	200	-	-	-	-	200	-	15,959	
Youth Encounter Saginaw	12,019	4,992	3,835	-	-	-	8,827	-	3	-	14,461	-	14,464	17,175	23,557	
Catholic Schools	395	608	-	-	-	-	608	-	-	-	-	-	-	-	1,003	
Bishop's Charity Fund	162,172	-	-	-	-	-	-	-	149	57,452	250	-	57,851	(2,400)	101,921	
Diocesan Contingency Fund																
Legacy of Faith	(2,287,678)	32,371	-	-	-	-	32,371	-	14,600	-	-	-	14,600	-	(2,269,907)	
Other	716,028	-	-	-	-	-	-	-	2,207	65,016	-	-	67,223	-	648,805	
Seminarian Trust Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Parish Mission Projects	192	-	145	-	-	-	145	-	3	14,860	-	-	14,863	14,526	-	
Mass Stipends	-	-	-	-	-	-	-	-	-	540	-	-	540	540	-	
Center for Ministry	585,146	-	-	-	-	-	-	-	-	-	-	-	-	-	585,146	
Bishop Untener Memorial Education Fund	6,187	-	52	-	924	-	976	-	-	-	-	-	-	-	7,163	
Cathedral Renovation	102,001	-	-	-	-	-	-	-	-	-	-	-	-	-	102,001	
Clergy Assistance Fund	320,403	19,014	-	-	-	149,000	168,014	72,417	245	-	1,204	127,369	201,235	-	287,182	
Colombian Mission Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Campus Ministry	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	60,000	
Mother Teresa Fund	-	-	-	-	-	-	-	-	-	19,548	-	-	19,548	19,548	-	
Migrant Assistance	-	1,799	-	-	-	-	1,799	3,213	105	1,248	-	200	4,766	2,967	-	
Faith Magazine	-	1,455	-	-	-	-	1,455	-	19	-	-	4,625	4,644	3,189	-	
World Youth Day	2,792	-	-	-	-	-	-	-	-	-	-	-	-	-	2,792	
Religious Retirement Fund Local	101,416	-	-	-	-	-	-	-	-	-	-	-	-	-	101,416	
Capital Campaign	54,808	-	-	-	-	-	-	-	-	-	-	-	-	(2,681)	52,127	
Major Computer Replacement	114,694	-	-	-	-	1,000	1,000	-	24,232	-	-	-	24,232	28,780	120,242	
Advocacy Network Fund	-	25	-	-	-	-	25	-	7,677	-	308	-	7,985	7,960	-	
Bishop's Vocational Fund	66,953	-	-	-	-	-	-	-	-	-	-	-	-	(22,369)	44,584	
Black Catholic Ministry	-	-	-	-	-	-	-	-	-	-	-	-	-	2,172	2,172	
CFM Amenity Updates Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	10,000	
CFM Chapel Fund	116,068	-	-	-	-	-	-	-	-	-	-	-	-	-	116,068	
Total Designated	1,447,968	200,343	197	3,835	842	924	380,141	586,282	122,342	275,606	185,267	22,932	231,947	838,094	545,779	1,741,935
Total Unrestricted Fund	\$ 4,596,110	\$ 524,773	\$ 154,678	\$ 209,800	\$ 886,363	\$ 4,619	\$ 439,590	\$ 2,219,823	\$ 2,936,068	\$ 1,111,874	\$ 705,447	\$ 420,067	\$ 891,427	\$ 6,064,883	\$ 4,139,027	\$ 4,890,077

CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION

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

	Revenues, Gain or Other Support							Expenses						Net Assets End of Year		
	Net Assets at Beginning of Year	Contributions	Interest Income	Workshops and Tuition	Rental and Other Services	Related Services	Other	Total Revenues, Gains, and Other Support	Salary and Benefits	Operational Costs	Donations	Membership Conferences	Services		Total Expenses	Transfers
Education Ministry Team		\$ 6,656	\$ -	\$ 372,881	\$ 2,228	\$ -	\$ 262	\$ 382,027	\$ 393,541	\$ 258,040	\$ 154,690	\$ 441,526	\$ 9,210	\$ 1,257,007	\$ 874,980	
Church Ministry Team		26,848	-	40,533	4,890	5,741	3,863	81,875	537,967	192,027	352,250	98,698	16,619	1,197,561	1,165,569	
Chancery Ministry Team		2,198	-	6,674	122,800	-	41,952	173,624	809,080	353,438	10,106	(1,532)	302,870	1,473,962	1,300,337	
Finance Ministry Team		-	143,059	310	569,393	-	7,223	719,985	615,380	192,172	4,490	6,322	181,240	999,604	279,619	
Development Ministry Team		262,194	4,487	-	152,592	-	1,735	421,008	252,415	48,684	60,679	104,838	9,502	476,118	55,110	
Christian Service Ministry Team		404	-	10,128	12,005	235	768	23,540	343,413	32,714	30	18,488	1,676	396,321	372,782	
Total Undesignated	\$ 3,098,259	298,300	147,546	430,526	863,908	5,976	55,803	1,802,059	2,951,796	1,077,075	582,245	668,340	521,117	5,800,573	4,048,397	\$ 3,148,142
Catholic Relief Services	-	-	-	-	-	-	-	-	7,871	225	-	354	2,244	10,694	10,694	-
Campaign for Human Development	-	-	-	-	-	-	-	-	7,870	231	5,173	22	2,244	15,540	15,540	-
Rice Bowl Local	-	-	-	-	-	-	-	-	-	-	19,000	-	-	19,000	19,000	-
Protected Loss Fund	183,459	-	-	-	-	-	-	-	-	-	-	-	45,614	45,614	-	137,845
Catechesis/Evangelization	-	952	-	-	-	-	-	952	-	-	-	-	-	-	345	1,297
Future Full of Hope	-	-	-	-	-	-	138,809	138,809	-	-	-	-	-	-	(127,513)	11,296
Major Replacements	504,244	-	-	-	-	-	80,000	80,000	-	71,136	-	-	-	71,136	49,074	562,182
Missions	-	115	-	-	2,254	-	-	2,369	27,431	7,113	755	1,616	13,467	50,382	48,013	-
Bishop's Retirement Fund	174,862	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,001)	163,861
Bishop's Discretionary Fund	114,295	1,600	-	-	-	-	-	1,600	-	1,359	2,992	-	-	4,351	119,601	231,145
75th Anniversary Celebration	157,195	-	-	-	-	-	50,000	50,000	-	593	-	830	1,026	2,449	-	204,746
Priest Continuing Education Fund	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000
Youth Encounter Saginaw	12,462	10,046	-	4,680	-	-	-	14,726	-	130	-	15,039	-	15,169	-	12,019
Catholic Schools	6,390	600	-	-	-	-	-	600	-	6,506	52,187	9,482	3,005	71,180	64,585	395
Bishop's Charity Fund	215,805	-	-	-	-	-	-	-	-	-	50,983	250	-	51,233	(2,400)	162,172
Diocesan Contingency Fund																
Legacy of Faith	(493,506)	1,964,098	-	-	-	-	42,149	2,006,247	-	3,782,767	-	260	17,392	3,800,419	-	(2,287,678)
Other	703,979	393	-	-	-	-	80,696	81,089	(3,538)	8,297	64,281	-	-	69,040	-	716,028
Parish Mission Projects	10,309	-	144	-	-	-	-	144	-	-	10,261	-	-	10,261	-	192
Mass Stipends	-	(115)	-	-	-	-	-	(115)	-	-	494	-	-	494	609	-
Center for Ministry	585,165	-	-	-	-	-	-	-	-	-	-	-	-	-	(19)	585,146
Bishop Untener Memorial																
Education Fund	5,218	265	51	-	-	653	-	969	-	-	-	-	-	-	-	6,187
Rel Ed/Children of Special Needs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Diocesan Priests																
Cathedral Renovation	75,189	-	-	-	-	-	50,000	50,000	-	788	-	-	22,400	23,188	-	102,001
Clergy Assistance Fund	399,474	17,541	-	-	-	-	8,280	25,821	92,210	6,118	-	-	149,564	247,892	143,000	320,403
Colombian Mission Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Campus Ministry	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,000
Mother Teresa Fund	-	8,394	-	-	-	-	-	8,394	-	-	16,402	-	-	16,402	8,008	-
Migrant Assistance	-	240	-	-	-	-	-	240	5,384	1,065	1,135	-	150	7,734	7,494	-
Faith Magazine	-	25	-	-	-	-	47,644	47,669	-	-	-	-	-	-	(47,669)	-
World Youth Day	2,749	-	-	-	-	-	-	-	-	(34)	-	(9)	-	(43)	-	2,792
Religious Retirement Fund Local	80,954	20,462	-	-	-	-	-	20,462	-	-	-	-	-	-	-	101,416
Capital Campaign	66,061	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,253)	54,808
Major Computer Replacement	66,622	-	-	-	-	-	-	-	-	-	-	-	-	-	48,072	114,694
Advocacy Network Fund	-	-	-	-	-	-	-	-	-	24,082	-	-	-	24,082	24,082	-
Bishop's Vocational Fund	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	16,953	66,953
CFM Chapel Fund	117,068	-	-	-	-	-	-	-	-	-	1,000	-	-	1,000	-	116,068
Total Designated	3,099,994	2,024,616	195	4,680	2,254	653	497,578	2,529,976	137,228	3,910,376	224,663	27,844	257,106	4,557,217	375,215	1,447,968
Total Unrestricted Fund	\$ 6,198,253	\$ 2,322,916	\$ 147,741	\$ 435,206	\$ 866,162	\$ 6,629	\$ 553,381	\$ 4,332,035	\$ 3,089,024	\$ 4,987,451	\$ 806,908	\$ 696,184	\$ 778,223	\$ 10,357,790	\$ 4,423,612	\$ 4,596,110

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

Trusts	Temporarily Restricted Net Assets at Beginning of Year	Revenues, Gains, and Other Support			Net Assets Released from Restrictions				Temporarily Restricted Net Assets End of Year
		Contributions	Interest Income	Total Revenues, Gains, and Other Support	Catholic Education	General Diocesan Needs	Missions	Total	
Berberovich Scholarship Fund	\$ 11,679	\$ 1,249	\$ 235	\$ 1,484	\$ -	\$ -	\$ -	\$ -	\$ 13,163
Kozak Trust	173,331	3,590	3,483	7,073	-	-	-	-	180,404
Bishop Carlson Seminarian Fund	121,624	647,944	5,545	653,489	217,212	-	-	217,212	557,901
Total Trusts	306,634	652,783	9,263	662,046	217,212	-	-	217,212	751,468
Adoration Sisters	1,035	-	21	21	-	-	-	-	1,056
Missions, CRS and CHD	406,605	92,346	3,586	95,932	-	-	79,416	79,416	423,121
Mother Teresa	3,396	3,758	-	3,758	-	5,909	-	5,909	1,245
Catholic Schools	1,015,334	482,089	-	482,089	156,729	-	-	156,729	1,340,694
Diocesan Priests Long-term Care	127,642	-	2,415	2,415	-	-	-	-	130,057
Bishop Untener Memorial Education Fund	42,756	-	-	-	-	-	-	-	42,756
Bishop's Charity Fund	325,639	-	-	-	-	-	-	-	325,639
Rel Ed/Children of Special Needs	13,875	-	-	-	-	-	-	-	13,875
Advocacy Network Fund	19,463	-	-	-	-	7,959	-	7,959	11,504
Fr. Jeff Donner Lay Ministry Fund	228	1,445	-	1,445	-	1,260	-	1,260	413
Migrant Assistance Fund	5,913	6,790	-	6,790	-	2,542	-	2,542	10,161
Religious Retirement	7,040	25,741	-	25,741	-	-	-	-	32,781
CFM-Chapel Fund	21,589	500	-	500	-	-	-	-	22,089
Cathedral Renovation	633,436	-	-	-	-	-	-	-	633,436
Poor Parish Fund	15,260	-	-	-	-	-	-	-	15,260
Colombian Mission Fund	50	-	-	-	-	-	-	-	50
Vocation Ministry Fund	-	1,124	-	1,124	-	(25,000)	-	(25,000)	26,124
Bishop's Discretionary Fund	-	407	-	407	-	-	-	-	407
CSA	3,693,000	3,680,952	-	3,680,952	-	3,693,000	-	3,693,000	3,680,952
Total	\$ 6,638,895	\$ 4,947,935	\$ 15,285	\$ 4,963,220	\$ 373,941	\$ 3,685,670	\$ 79,416	\$ 4,139,027	\$ 7,463,088

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

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

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

**SCHEDULE OF DONATIONS AND DISTRIBUTIONS FROM SPECIAL EVENTS
YEAR ENDED JUNE 30, 2013**

A&D Charitable Foundation	\$ 200
Apostolic Nunciature-Peter's Pence/Canon 1271	65,000
Ave Maria Radio	10,000
Bishops Charity Ball Grants to Parishes	21,064
Black and Indian Missions	17,000
Blessed Sacrament Parish, Midland	2,500
CAN Council	750
Catholic Community Foundation of Mid-Michigan	14,390
Catholic Family Service	255,000
Catholic University of America	4,000
Catholic Legal Immigrants	250
Catholic Volunteer Network	100
Child & Family Services	100
Christus Medicus Foundation	150
Cribs for Kids	3,564
Cross in the Woods	250
Diocese of Gaylord	129
Dominican Sisters	500
East Side Soup Kitchen	1,000
Emmaus House	150
Habitat for Humanity	250
Holy Family Parish, Saginaw	400
Hospital Hospitality	100
Institute on Religious Life	500
Miscellaneous Donations & Other Acts of Goodwill	20,295
National Catholic Rural Life	1,500
National Religious Vocations Conference	200
Nouvel Catholic Central, Saginaw	1,010
Oblates of St. Francis de Sales	540
Operation Rice Bowl Grants	
*Abortion Alternatives	1,500
*AU Gres Christian Charities	1,500
*Bay County Emergency Food Pantry Network	750
*Chesaning Area Emergency Relief	750

Continued...

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

**SCHEDULE OF DONATIONS AND DISTRIBUTIONS FROM SPECIAL EVENTS
YEAR ENDED JUNE 30, 2013**

*Circle of Love Community Development Corp	\$	750
*Coleman Food Pantry		500
*Cros-Lex Project Blessings		1,000
*East Side Soup Kitchen		1,000
*Emmaus House of Saginaw		1,000
*First Presbyterian Church Food Pantry		750
*Hard Times Café		750
*Hidden Harvest		750
*John H. Goodrow Fund		750
*Lighthouse Connection		200
*Midland Area Homes		1,500
*Mustard Seed Shelter		1,000
*Rosebush Emergency Assistance		1,000
*Sacred Heart Mission Food Pantry		500
*Society St. VincentDePaul Bay County Council		1,000
*SS. Peter & Paul Food Pantry		750
*St. Agatha Food Pantry		750
*St. Mary of Michigan		750
*St. Mary Cathedral Neighborhood Breakfast		750
*St. Paul's Episcopal Church		750
*Underground Railroad, Inc.		500
Our Lady of Guadalupe Parish, Bay City		500
Poor Clare Nuns		5,104
Right to Life - Bay County		350
Right to Life - Midland County		280
Right to Life - Saginaw County		425
Sacred Heart Major Seminary		5,000
Sacred Heart Parish, Mt. Pleasant		255
Servants of Jesus		650
Shrine of Christ's Passion		250
St. Agnes Parish, Freeland		500
St. Anthony and St. Joseph Parish, Auburn		2,000
St. Cecilia Parish, Clare		500
St. Denis Parish, Lexington		100

Continued...

CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION

SCHEDULE OF DONATIONS AND DISTRIBUTIONS FROM SPECIAL EVENTS
YEAR ENDED JUNE 30, 2013

St. Elizabeth Parish, Reese	\$	100
St. John the Evangelist Parish, St. John IN		250
St. Joseph Parish, Saginaw		65,016
St. Joseph the Worker Parish, Beal City		1,700
St. Josephat Parish, Saginaw		500
St. Mary Parish, Hemlock		865
St. Mary Parish, Port Sanilac		880
St. Mary University Parish, Mt. Pleasant		152,000
St. Mary's of Michigan Foundation		4,750
St. Michael Parish, Maple Grove		3,000
St. Michael Parish, Pinconning		280
St. Thomas Aquinas Parish, Saginaw		500
Toni and Trish House		500
USCCB-Church in Africa		4,000
USCCB-Church in Latin America		12,500
Women of Colors, Inc.		100
YMCA of Saginaw		500
Total	\$	705,447

January 14, 2014

Most Reverend Joseph R. Cistone
Roman Catholic Bishop
Catholic Diocese of Saginaw
5900 Weiss
Saginaw, MI 48603

Dear Bishop Cistone:

Enclosed are 17 bound copies and 1 unbound copy of the financial statements of Catholic Diocese of Saginaw Interparish Deposit and Loan Program for the years ended June 30, 2013 and 2012.

Also enclosed are 17 bound copies and 1 unbound copy of the financial statements of the Catholic Diocese of Saginaw Centralized Programs and Administration for the years ended June 30, 2013 and 2012, and 20 copies of the SAS No. 114/115 letter.

Sincerely,



Kelly J. Bebow, CPA
Principal

Enclosures