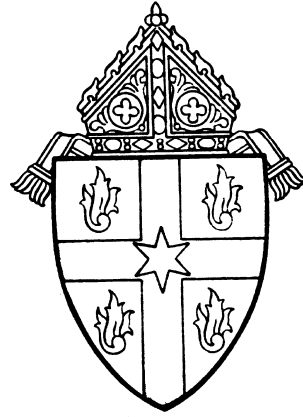


Catholic  
Diocese of  
Saginaw  
Centralized  
Programs and  
Administration



Years Ended  
June 30, 2017  
and 2016

Financial  
Statements  
and  
Supplementary  
Financial  
Information

# CATHOLIC DIOCESE OF SAGINAW CENTRALIZED PROGRAMS AND ADMINISTRATION

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## INDEPENDENT AUDITORS' REPORT

December 18, 2017

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, 2017 and 2016, 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, 2017 and 2016, 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, 2017 and 2016 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 Lobson LLC*

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

**STATEMENTS OF FINANCIAL POSITION**

	June 30	
	2017	2016
<b>ASSETS</b>		
Cash and cash equivalents	\$ 352,844	\$ 722,921
Deposits held with the Interparish Deposit and Loan Program	7,107,176	10,422,211
<b>Total cash and cash equivalents</b>	<b>7,460,020</b>	<b>11,145,132</b>
Michigan no fault self insurance loss reserve	29,845	25,590
Unconditional promises to give		
Catholic Services Appeal (CSA) pledges receivable	1,403,307	1,335,056
Other pledges receivable, net	914,074	-
Accounts receivable, net of allowance for doubtful accounts of \$67,767 for both years	238,804	199,213
Other assets	96,630	215,371
Notes receivable, including CSA, net of allowance for doubtful accounts of \$238,045 (\$238,845 in 2016)	1,005,896	1,190,462
<b>Total assets</b>	<b>\$ 11,148,576</b>	<b>\$ 14,110,824</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 451,651	\$ 427,823
Accrued expenses and other liabilities	150,634	217,043
Michigan no fault self insurance loss reserve	29,845	25,590
Funds held for others	485,892	253,943
<b>Total liabilities</b>	<b>1,118,022</b>	<b>924,399</b>
Commitments and contingencies (Note 6)		
<b>Net assets</b>		
Unrestricted		
Undesignated	3,148,142	3,148,142
Designated	175,478	2,352,175
Temporarily restricted		
For specified use	3,031,146	3,993,109
For use in future years	3,675,788	3,692,999
<b>Total net assets</b>	<b>10,030,554</b>	<b>13,186,425</b>
<b>Total liabilities and net assets</b>	<b>\$ 11,148,576</b>	<b>\$ 14,110,824</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, 2017		
	Unrestricted	Temporarily Restricted	Total
<b>Revenues, gains, and other support</b>			
Contributions	\$ 2,801,302	\$ 541,996	\$ 3,343,298
CSA	-	3,675,788	3,675,788
Interest income	208,816	68,978	277,794
Workshops and tuition	193,873		193,873
Rentals and other services	737,928		737,928
Related services	10,829		10,829
Other	272,007		272,007
Net assets released:			
Satisfaction of purpose restrictions	1,572,937	(1,572,937)	-
Expiration of time restrictions-CSA	3,692,999	(3,692,999)	-
<b>Total revenues, gains, and other support</b>	<b>9,490,691</b>	<b>(979,174)</b>	<b>8,511,517</b>
<b>Expenses and transfers</b>			
Program	10,897,248	-	10,897,248
Administration	576,010	-	576,010
Fundraising	157,646	-	157,646
Transfer to CCFMM	36,484	-	36,484
<b>Total expenses and transfers</b>	<b>11,667,388</b>	<b>-</b>	<b>11,667,388</b>
<b>Change in net assets</b>	<b>(2,176,697)</b>	<b>(979,174)</b>	<b>(3,155,871)</b>
Net assets - beginning of year	5,500,317	7,686,108	13,186,425
<b>Net assets - end of year</b>	<b>\$ 3,323,620</b>	<b>\$ 6,706,934</b>	<b>\$ 10,030,554</b>

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



Year Ended June 30, 2016

Unrestricted	Temporarily Restricted	Total
\$ 500,214	\$ 1,644,336	\$ 2,144,550
-	3,697,757	3,697,757
130,525	67,950	198,475
201,107	-	201,107
780,303	-	780,303
1,982	-	1,982
364,820	-	364,820
1,016,941	(1,016,941)	-
3,697,764	(3,697,764)	-
<u>6,693,656</u>	<u>695,338</u>	<u>7,388,994</u>
5,775,896	-	5,775,896
603,892	-	603,892
144,982	-	144,982
31,827	-	31,827
<u>6,556,597</u>	<u>-</u>	<u>6,556,597</u>
137,059	695,338	832,397
<u>5,363,258</u>	<u>6,990,770</u>	<u>12,354,028</u>
<u>\$ 5,500,317</u>	<u>\$ 7,686,108</u>	<u>\$ 13,186,425</u>

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

**STATEMENTS OF CASH FLOWS**

	Year Ended June 30	
	2017	2016
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (3,155,871)	\$ 832,397
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Reduction to uncollectible notes receivable	(800)	(1,569)
Changes in operating assets and liabilities which (used) provided cash		
CSA pledges receivable	(178,729)	(144,505)
Other pledges receivable	(914,074)	-
Accounts receivable	(39,591)	(44,806)
Other assets	118,741	(115,577)
Accounts payable	23,828	154,441
Accrued expenses and other liabilities	(66,409)	14,332
Funds held for others	231,949	13,443
<b>Net cash (used in) provided by operating activities</b>	<b>(3,980,956)</b>	<b>708,156</b>
<b>Cash flows from investing activities</b>		
Issuance of notes receivable	(23,434)	-
Collections of notes receivable	319,278	553,758
<b>Net cash provided by investing activities</b>	<b>295,844</b>	<b>553,758</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(3,685,112)</b>	<b>1,261,914</b>
Cash and cash equivalents - beginning of year	11,145,132	9,883,218
<b>Cash and cash equivalents - end of year</b>	<b>\$ 7,460,020</b>	<b>\$ 11,145,132</b>

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



# CATHOLIC DIOCESE OF SAGINAW

## CENTRALIZED PROGRAMS AND ADMINISTRATION

### NOTES TO FINANCIAL STATEMENTS

#### 1. MISSION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Organization

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

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

##### Use of Estimates

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

##### Basis of Accounting

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

##### Financial Statement Presentation

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

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

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

# CATHOLIC DIOCESE OF SAGINAW

## CENTRALIZED PROGRAMS AND ADMINISTRATION

### NOTES TO FINANCIAL STATEMENTS

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

Permanently restricted net assets represent funds subject to restrictions of gift and trust instruments requiring that the principal be invested in perpetuity and the income only be used for particular purposes. Income earned on these funds is reported as revenue in the temporarily restricted funds. The Diocese has no permanently restricted net assets as of June 30, 2017 and 2016.

#### 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, 2017 and 2016, 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 \$548,000 at June 30, 2017. The Diocese also maintains uninsured deposits of approximately \$7,107,000 at June 30, 2017, 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.

#### 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.

# CATHOLIC DIOCESE OF SAGINAW

## CENTRALIZED PROGRAMS AND ADMINISTRATION

### NOTES TO 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, 2017 and 2016.

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.

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

# CATHOLIC DIOCESE OF SAGINAW

## CENTRALIZED PROGRAMS AND ADMINISTRATION

### NOTES TO FINANCIAL STATEMENTS

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.

The Diocese reports unconditional promises to give at present value, discounted using the risk adjusted rate to reflect the time value of money. The Diocese evaluates the collectability of unconditional promises to give periodically. Management has determined that an allowance for uncollectible amounts is not necessary as of June 30, 2017.

#### 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 2013 through 2017, the years which remain subject to examination by major tax jurisdictions as of June 30, 2017. 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, 2017 or 2016, 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 2016 financial statements have been reclassified to conform with the 2017 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, 2017, the most recent statement of financial position presented herein, through December 18, 2017, 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. UNCONDITIONAL PROMISES TO GIVE**

During fiscal year 2016, the Diocese commenced a capital campaign to fund a renovation project on St. Mary's Cathedral, the parish of the Bishop. The outstanding pledge balance is recorded as other pledges receivable in the accompanying 2017 financial statements. Unconditional promises to give, net of discount, consist of the following amounts at June 30, 2017:

Less than one year	\$ 185,275
One to five years	730,145
Five to ten years	<u>35,040</u>
<b>Total</b>	<b>950,460</b>
Less unamortized discount (based on imputed interest rate of 1.95% in 2017)	<u>36,386</u>
<b>Net unconditional promises to give</b>	<b><u>\$ 914,074</u></b>

**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:

	2017	2016
Seminarian	\$ 182,553	\$ 162,719
Parish and other organizations	582,732	632,112
Parish - CSA	160,507	257,650
CCFMM	<u>318,149</u>	<u>376,826</u>
Total notes	1,243,941	1,429,307
Allowance for losses	<u>238,045</u>	<u>238,845</u>
<b>Notes receivable, net</b>	<b><u>\$ 1,005,896</u></b>	<b><u>\$ 1,190,462</u></b>

**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:

2017	Seminarian	Parish and Other Organizations	Total
------	------------	--------------------------------	-------

<b>Allowance for losses:</b>			
Balance at beginning of year	\$ 156,919	\$ 81,926	\$ 238,845
Recovery of bad debts	<u>800</u>	<u>-</u>	<u>800</u>
<b>Balance at end of year</b>	<b><u>\$ 156,119</u></b>	<b><u>\$ 81,926</u></b>	<b><u>\$ 238,045</u></b>

2016	Seminarian	Parish and Other Organizations	Total
------	------------	--------------------------------	-------

<b>Allowance for losses:</b>			
Balance at beginning of year	\$ 158,488	\$ 81,926	\$ 240,414
Recovery of bad debts	<u>1,569</u>	<u>-</u>	<u>1,569</u>
<b>Balance at end of year</b>	<b><u>\$ 156,919</u></b>	<b><u>\$ 81,926</u></b>	<b><u>\$ 238,845</u></b>

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

2017	Credit Risk Profile by Payment Activity				
	Seminarian	Parish and Other Organizations	Parish - CSA	CCFMM	Total

<b>Payment activity</b>					
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>
<b>Total</b>	<b><u>\$ 182,553</u></b>	<b><u>\$ 582,732</u></b>	<b><u>\$ 160,507</u></b>	<b><u>\$ 318,149</u></b>	<b><u>\$1,243,941</u></b>

2016	Credit Risk Profile by Payment Activity				
	Seminarian	Parish and Other Organizations	Parish - CSA	CCFMM	Total

<b>Payment activity</b>					
Performing	\$ 5,800	\$ 577,191	\$ 229,846	\$ 376,826	\$1,189,663
Non-performing	<u>156,919</u>	<u>54,921</u>	<u>27,804</u>	<u>-</u>	<u>239,644</u>
<b>Total</b>	<b><u>\$ 162,719</u></b>	<b><u>\$ 632,112</u></b>	<b><u>\$ 257,650</u></b>	<b><u>\$ 376,826</u></b>	<b><u>\$1,429,307</u></b>

**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:

2017	Accruing Interest			Total Nonaccrual	Total Loans
	Current	30-89 Days Past Due	More Than 90 Days Past Due		
Seminarian	\$ -	\$ -	\$ -	\$ 182,553	\$ 182,553
Parish and other organizations	527,811	-	-	54,921	582,732
Parish - CSA	130,648	-	29,859	-	160,507
CCFMM	318,149	-	-	-	318,149
<b>Total</b>	<b>\$ 976,608</b>	<b>\$ -</b>	<b>\$ 29,859</b>	<b>\$ 237,474</b>	<b>\$ 1,243,941</b>

2016	Accruing Interest			Total Nonaccrual	Total Loans
	Current	30-89 Days Past Due	More Than 90 Days Past Due		
Seminarian	\$ -	\$ -	\$ -	\$ 162,719	\$ 162,719
Parish and other organizations	577,191	-	-	54,921	632,112
Parish - CSA	229,846	-	27,804	-	257,650
CCFMM	376,826	-	-	-	376,826
<b>Total</b>	<b>\$ 1,183,863</b>	<b>\$ -</b>	<b>\$ 27,804</b>	<b>\$ 217,640</b>	<b>\$ 1,429,307</b>

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

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



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

**NOTES TO FINANCIAL STATEMENTS**

2016	Unpaid Principal Balance	Related Allowance	Average Unpaid Principal Balance
<b>Notes receivable with an allowance recorded</b>			
Seminarian	\$ 156,919	\$ 156,919	\$ 157,369
Parish and other organizations	<u>324,974</u>	<u>81,926</u>	<u>324,974</u>
<b>Total impaired loans</b>	<b><u>\$ 481,893</u></b>	<b><u>\$ 238,845</u></b>	<b><u>\$ 482,343</u></b>

Interest income recognized on impaired loans was not significant in fiscal 2017 or 2016.

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 fiscal 2017 or 2016.

**4. MULTI-EMPLOYER DEFINED BENEFIT PENSION PLANS**

**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 \$169,882 and \$157,141 in fiscal 2017 and 2016, respectively. Based on information as of June 30, 2016, 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% (8.1% in 2016) of all full-time employees' wages. Specific Plan information for the Diocese is not available from the Plan's administrator. A covered unit which is under the control of an Archbishop or Bishop of Michigan Diocese may not withdraw from participation in the Plan. The following information is based on the financial statements of the Plan as of June 30:

	Michigan Catholic Conference Lay Employees Retirement Plan	
	2016	2015
Total Plan assets	\$ 1,211,590,895	\$ 1,300,435,037
Actuarial present value of accumulated Plan benefits	\$ 1,450,159,731	\$ 1,445,713,866
Total contributions received by the Plan	\$ 25,705,756	\$ 23,936,354
Indicated level of funding	83.50%	90.0%

# CATHOLIC DIOCESE OF SAGINAW

## CENTRALIZED PROGRAMS AND ADMINISTRATION

### NOTES TO FINANCIAL STATEMENTS

#### Diocese of Saginaw Priests' Retirement Plan

The Diocese also 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 \$53,340 and \$49,424 in fiscal 2017 and 2016, respectively, by the Diocese on behalf of the Priests employed directly by Diocese. The following information is based on the financial statements of the Priests' Plan as of:

	Saginaw Priests' Retirement Plan	
	July 1, 2016	July 1, 2015
Total Plan assets	\$ 8,827,186	\$ 8,148,184
Actuarial present value of accumulated Plan benefits	\$ 14,921,356	\$ 13,888,887
Total contributions received by the Plan	\$ 1,457,431	\$ 801,758
Indicated level of funding	59.20%	58.70%

### 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 \$7,107,176 and \$10,422,211 at June 30, 2017 and 2016, respectively. Interest income from such deposits for fiscal 2017 and 2016 was \$176,738 and \$181,016, respectively.

The Program pays management fees to the Diocese. These management fees amounted to \$136,600 and \$144,012 for fiscal years 2017 and 2016, 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

# CATHOLIC DIOCESE OF SAGINAW

## CENTRALIZED PROGRAMS AND ADMINISTRATION

### NOTES TO FINANCIAL STATEMENTS

to pay the construction costs in future periods. As of June 30, 2017 and 2016, construction costs paid by the Diocese in excess of contributions received from CCFMM amount to approximately \$2,077,000 and \$2,102,000, respectively (see also Exhibit 1 included in the supplementary financial information).

CCFMM pays management fees to the Diocese. These management fees amounted to approximately \$142,000 and \$223,700 for the fiscal years 2017 and 2016, respectively. Accounts receivable from CCFMM was \$6,289 and \$17,645 at June 30, 2017 and 2016, 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. A balloon payment of \$318,149 is due in February 2018. The balance of the note receivable was \$318,149 and \$376,826 at June 30, 2017 and 2016, respectively.

#### Transactions with Cemeteries

The Diocese received rent and a management fee from Cemeteries in the amount of \$64,344 and \$51,078 for fiscal 2017 and 2016, respectively. Accounts receivable from cemeteries was \$164,055 and \$86,947 at June 30, 2017 and 2016, respectively.

#### Transactions with Little Books

The Diocese received rent and a management fee from Little Books in the amount of \$121,896 and \$100,368 for fiscal years 2017 and 2016, respectively.

#### Transactions with Catholic Family Services

The Diocese received rent from Catholic Family Services in the amount of \$9,918 and \$9,552 for fiscal 2017 and 2016, respectively. Accounts receivable from Catholic Family Services was \$58,642 and \$44,388 at June 30, 2017 and 2016, 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.

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

# CATHOLIC DIOCESE OF SAGINAW

## CENTRALIZED PROGRAMS AND ADMINISTRATION

### NOTES TO FINANCIAL STATEMENTS

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 \$103,779 and \$95,487 for fiscal 2017 and 2016, 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, 2017. 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 \$623,000 and \$703,000 as of June 30, 2017 and 2016, 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 \$249,000.

### 7. DESIGNATED NET ASSETS

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

	2017	2016
Bishop Untener Memorial Education Fund	\$ 10,343	\$ 9,810
Bishop's Ball Proceeds Fund	117,279	63,123
Bishop's Charity Fund	41,678	43,559
Bishop's Discretionary Fund	17,343	16,693
		(continued)

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

**NOTES TO FINANCIAL STATEMENTS**

	2017	2016
Bishop's Vocational Fund	\$ 44,584	\$ 44,584
Bishop's Retirement Fund	245,067	205,067
Black Catholic Ministry Fund	904	904
Budget Excess / Discretionary Fund	1,327,713	1,174,406
Campus Ministry	59,998	59,998
Capital Campaign	38,801	38,801
Catechesis/Evangelization	-	584
Cathedral Renovation	(1,981,129)	96,123
Catholic Schools	1,681	1,681
Center for Ministry	563,446	577,446
CFM Amenity Updates Fund	3,269	3,269
CFM Chapel Fund	113,568	113,568
Charles Keho Trust Fund	14,173	-
Diocesan Contingency Fund - Legacy of Faith	(2,076,907)	(2,101,907)
Diocesan Contingency Fund - Other	482,419	519,108
Faith Magazine	38,084	73,084
Future Full of Hope	61,572	70,167
Insurance Reimbursement Fund	57,807	138,174
Major Computer Replacement	148,531	161,591
Major Replacements	471,265	711,658
Parish Clergy Assignments Fund	293,188	293,188
Parish Mission Projects	2,899	2,899
Priest Continuing Education Fund	73,730	30,425
Rachel's Vineyard Scholarship Fund	1,380	1,380
World Youth Day	<u>2,792</u>	<u>2,792</u>
<b>Total unrestricted net assets</b>	<b><u>\$ 175,478</u></b>	<b><u>\$ 2,352,175</u></b>

**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 2017-2018 and 2016-2017 drives are recorded as CSA donation income in temporarily restricted net assets as of June 30, 2017 and 2016, 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, represents income restricted for a particular purpose which has been earned by temporarily restricted net assets. These funds will be classified as unrestricted net assets and reported in the statements of activities as net assets released from restrictions when the Diocese has incurred expenses in compliance with the specific restriction.

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

**NOTES TO FINANCIAL STATEMENTS**

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

	2017	2016
Catholic Education	\$ 1,659,935	\$ 1,804,381
Adoration Sisters	1,144	1,121
Bishop Untener Memorial Education Fund	44,839	44,498
Bishop's Charity Fund	-	20
Black and Native American Grant	3,447	6,349
Campus Ministry Fund	5,543	5,433
Cathedral Capital Fund	-	57,191
Cathedral Renovation	-	224,617
Cathedral Vestments	6,589	7,827
CCFMM Donations Fund	7,990	7,820
CFM-Chapel Fund	21,297	20,876
Colombian Mission Fund	53	52
Deacons Fund	45,132	45,504
Diocesan Priests Long-term Care	137,206	137,888
Disability Ministry	26	25
Faith Formation	-	7,408
Faith Magazine	1,120	602
Fr. Jeff Donner Lay Ministry Fund	7,856	7,415
Little Books Donation Fund	102,714	731,654
Lovay Fund for the Poor	2,900	2,843
Migrant Assistance Fund	9,176	9,767
Ministry to Priests	10	520
Ministry to Retired Priests & Religious	2,209	1,780
Missions, CRS and CHD	411,967	441,604
Mother Teresa	26,160	21,994
Permanent Deacon Picnic Fund	104	-
Poor Parish Fund	33,777	33,110
Priest Continuing Education Fund	190,108	160,288
Red Mass Fund	1,161	-
Religious Ed/Children of Special Needs	35,231	30,009
Religious Liberty Fund	8,531	9,747
Religious Retirement	5,636	24,150
Right to Life Fund	10,245	10,407
SPRED Program	7,018	-
St. Mary University FOCUS Program	128	125
Strasel Endowment	1,556	1,022
SVSU Ministry	651	1,004
Talbot Fund for Seminarian Education	101,761	-
Vocation Ministry Fund	29,974	28,986
Wolohan SACS Fund	103,295	101,255
Youth Encounter Saginaw	4,657	3,817
CSA for periods after June 30	3,675,788	3,692,999
<b>Total</b>	<b><u>\$ 6,706,934</u></b>	<b><u>\$ 7,686,108</u></b>

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

**NOTES TO FINANCIAL STATEMENTS**

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

	2017	2016
Purpose restrictions accomplished		
Catholic education	\$ 938,653	\$ 403,761
Cathedral needs	285,520	188,484
General diocesan needs	224,733	301,733
Missions	<u>124,031</u>	<u>122,963</u>
Total	1,572,937	1,016,941
Time restrictions expired		
Passage of specified time for CSA contributions	<u>3,692,999</u>	<u>3,697,764</u>
Total temporary restrictions released	<u>\$ 5,265,936</u>	<u>\$ 4,714,705</u>

**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 \$171,000 for each of the years ended June 30, 2017 and 2016. Accounts receivable related to this lease and other receivables from Saginaw Area Catholic Schools were \$68,474 and \$68,897 at June 30, 2017 and 2016, respectively (of which \$67,767 has been reserved for in the allowance for doubtful accounts receivable for both years).

A note receivable related to this lease and other receivables from Saginaw Area Catholic Schools aggregated \$270,054 for each of the years ended June 30, 2017 and 2016. The note which commenced February 1, 2014, calls for interest charged at 0.25% to be paid on an annual basis. A balloon payment in the amount of \$270,054 is due in February 2018.

**10. SUPPLEMENTAL CASH FLOWS INFORMATION**

**Non-Cash Investing Activities**

During 2017 and 2016, uncollected CSA pledges receivable totaling \$110,478 and \$214,443, respectively, were reclassified as notes receivable.



## SUPPLEMENTARY FINANCIAL INFORMATION



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

December 18, 2017

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, 2017 and 2016, and have issued our report thereon dated December 18, 2017, which appears on page 1. In that report, our opinion was qualified because the Catholic Diocese of Saginaw follows the financial reporting policy of expensing property and equipment at the time of purchase rather than the capitalization of property and equipment acquired and depreciation of such assets over their estimated useful lives in accordance with accounting principles generally accepted in the United States of America. The supplementary financial information contained in the accompanying Exhibits 1 through 5 is presented for purposes of additional analysis and is not a required part of the financial statements. Information within Exhibits 1 through 5 has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.



CATHOLIC DIOCESE OF SAGINAW  
CENTRALIZED PROGRAMS AND ADMINISTRATION

SCHEDULE OF CHANGES IN UNRESTRICTED NET ASSETS  
YEAR ENDED JUNE 30, 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>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>-</b>	<b>533</b>	<b>1,200</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>

See independent auditors' report on supplementary information.

EXHIBIT 1

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		
<b>3,454,823</b>	<b>1,690,213</b>	<b>1,082,602</b>	<b>287,223</b>	<b>5,152,527</b>	<b>11,667,388</b>	<b>9,957,875</b>	<b>\$ 3,148,142</b>	
-	-	-	-	-	-	-	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	
<b>\$ 3,454,823</b>	<b>\$ 1,690,213</b>	<b>\$ 1,082,602</b>	<b>\$ 287,223</b>	<b>\$ 5,152,527</b>	<b>\$ 11,667,388</b>	<b>\$ 5,265,936</b>	<b>\$ 3,323,620</b>	

CATHOLIC DIOCESE OF SAGINAW  
CENTRALIZED PROGRAMS AND ADMINISTRATION

SCHEDULE OF CHANGES IN UNRESTRICTED NET ASSETS  
YEAR ENDED JUNE 30, 2016

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	\$ 10,100	\$ -	\$ 155,112	\$ 1,344	\$ 270	\$ 21,900	\$ 188,726
Church Ministry Team	4,277	-	37,910	-	-	4,493	46,680
Chancery Ministry Team	1,693	-	-	76,756	301	242	78,992
Finance Ministry Team	-	130,525	-	570,216	-	158,273	859,014
Development Ministry Team	353,061	-	-	132,141	-	263	485,465
Christian Service Ministry Team	2,271	-	8,085	(154)	605	68	10,875
Parish Outreach Ministry Team	-	-	-	-	-	-	-
<b>Total Undesignated</b>	<b>\$ 3,148,142</b>	<b>371,402</b>	<b>130,525</b>	<b>201,107</b>	<b>780,303</b>	<b>1,176</b>	<b>1,669,752</b>
Bishop Untener Memorial Education Fund	9,004	-	-	-	806	-	806
Bishop's Ball Proceeds Fund	28,095	-	-	-	-	-	-
Bishop's Charity Fund	56,106	-	-	-	-	-	-
Bishop's Discretionary Fund	18,693	1,000	-	-	-	-	1,000
Bishop's Retirement Fund	205,067	-	-	-	-	-	-
Bishop's Vocational Fund	44,584	-	-	-	-	-	-
Black Catholic Ministry Fund	904	-	-	-	-	-	-
Budget Excess / Discretionary Fund	1,153,627	12	-	-	-	-	12
Campus Ministry	59,998	-	-	-	-	-	-
Capital Campaign	38,801	-	-	-	-	-	-
Catechesis/Evangelization	584	-	-	-	-	-	-
Cathedral Renovation	96,123	-	-	-	-	-	-
Catholic Schools	1,681	-	-	-	-	-	-
Center for Ministry	577,446	-	-	-	-	-	-
CFM Amenity Updates Fund	3,269	-	-	-	-	-	-
CFM Chapel Fund	113,568	-	-	-	-	-	-
Communications Fund	101,525	-	-	-	-	-	-
Diocesan Contingency Fund							
Legacy of Faith	(2,229,707)	127,800	-	-	-	-	127,800
Other	555,063	-	-	-	-	-	-
Faith Magazine	18,801	-	-	-	-	-	-
Future Full of Hope	71,296	-	-	-	-	-	-
Insurance Reimbursement Fund	61,594	-	-	-	-	178,358	178,358
Major Computer Replacement	118,214	-	-	-	-	-	-
Major Replacements	749,939	-	-	-	-	-	-
MYE Faith Event	31,380	-	-	-	-	-	-
Parish Clergy Assignments Fund	293,188	-	-	-	-	-	-
Parish Mission Projects	2,899	-	-	-	-	-	-
Priest Continuing Education Fund	29,202	-	-	-	-	1,223	1,223
Rachel's Vineyard Scholarship Fund	1,380	-	-	-	-	-	-
World Youth Day	2,792	-	-	-	-	-	-
<b>Total Designated</b>	<b>2,215,116</b>	<b>128,812</b>	<b>-</b>	<b>-</b>	<b>806</b>	<b>179,581</b>	<b>309,199</b>
<b>Total Unrestricted Fund</b>	<b>\$ 5,363,258</b>	<b>\$ 500,214</b>	<b>\$ 130,525</b>	<b>\$ 201,107</b>	<b>\$ 780,303</b>	<b>\$ 1,982</b>	<b>\$ 364,820</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	
\$ 375,970	\$ 201,972	\$ 180,600	\$ 255,553	\$ 43,764	\$ 1,057,859	\$ 869,133		
571,203	248,010	337,106	59,877	12,813	1,229,009	1,182,329		
921,028	327,391	84,337	(22,366)	620,008	1,930,398	1,851,406		
899,860	208,083	3,693	9,525	146,482	1,267,643	408,629		
254,772	47,440	125,533	86,282	8,442	522,469	37,004		
305,393	51,926	64,395	16,257	9,596	447,567	436,692		
65,455	10,279	-	-	25,918	101,652	101,652		
<b>3,393,681</b>	<b>1,095,101</b>	<b>795,664</b>	<b>405,128</b>	<b>867,023</b>	<b>6,556,597</b>	<b>4,886,845</b>	<b>\$ 3,148,142</b>	
-	-	-	-	-	-	-	9,810	
-	-	-	-	-	-	35,028	63,123	
-	-	-	-	-	-	(12,547)	43,559	
-	-	-	-	-	-	(3,000)	16,693	
-	-	-	-	-	-	-	205,067	
-	-	-	-	-	-	-	44,584	
-	-	-	-	-	-	-	904	
-	-	-	-	-	-	20,767	1,174,406	
-	-	-	-	-	-	-	59,998	
-	-	-	-	-	-	-	38,801	
-	-	-	-	-	-	-	584	
-	-	-	-	-	-	-	96,123	
-	-	-	-	-	-	-	1,681	
-	-	-	-	-	-	-	577,446	
-	-	-	-	-	-	-	3,269	
-	-	-	-	-	-	-	113,568	
-	-	-	-	-	-	(101,525)	-	
-	-	-	-	-	-	-	(2,101,907)	
-	-	-	-	-	-	(35,955)	519,108	
-	-	-	-	-	-	54,283	73,084	
-	-	-	-	-	-	(1,129)	70,167	
-	-	-	-	-	-	(101,778)	138,174	
-	-	-	-	-	-	43,377	161,591	
-	-	-	-	-	-	(38,281)	711,658	
-	-	-	-	-	-	(31,380)	-	
-	-	-	-	-	-	-	293,188	
-	-	-	-	-	-	-	2,899	
-	-	-	-	-	-	-	30,425	
-	-	-	-	-	-	-	1,380	
-	-	-	-	-	-	-	2,792	
-	-	-	-	-	-	(172,140)	2,352,175	
<b>\$ 3,393,681</b>	<b>\$ 1,095,101</b>	<b>\$ 795,664</b>	<b>\$ 405,128</b>	<b>\$ 867,023</b>	<b>\$ 6,556,597</b>	<b>\$ 4,714,705</b>	<b>\$ 5,500,317</b>	

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
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
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.

EXHIBIT 3

Inter-Fund Transfers	Temporarily Restricted Net Assets End of Year
\$ -	\$ 17,116
(1,736)	121,496
125,479	1,283,764
123,743	1,422,376
	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
(3,692,999)	3,675,788
<u>\$ (5,265,936)</u>	<u>\$ 6,706,934</u>

CATHOLIC DIOCESE OF SAGINAW  
CENTRALIZED PROGRAMS AND ADMINISTRATION

SCHEDULE OF CHANGES IN TEMPORARILY RESTRICTED NET ASSETS  
YEAR ENDED JUNE 30, 2016

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	\$ 16,447	\$ -	\$ 331	\$ 331
Kozak Trust	112,392		2,350	2,350
Bishop Carlson Seminarian Fund	792,232	96,267	19,502	115,769
<b>Total Trusts</b>	<b>921,071</b>	<b>96,267</b>	<b>22,183</b>	<b>118,450</b>
Adoration Sisters	1,099		22	22
Bishop Untener Memorial Education Fund	43,619	-	879	879
Bishop's Charity Fund	11,874	-	189	189
Black and Native American Grant	4,317	5,000	130	5,130
Campus Ministry Fund	-	150	67	217
Cathedral Capital Fund	-	54,482	709	55,191
Cathedral Renovation	403,197	-	7,616	7,616
Cathedral Vestments	11,886	-	229	229
Catholic Education Fund	40,656	-	1,234	1,234
Catholic Schools	502,421	439	10,738	11,177
CCFMM Donations Fund	-	234,372	20	234,392
CFM-Chapel Fund	20,464	-	412	412
Colombian Mission Fund	51	-	1	1
Deacons Fund	43,868	750	886	1,636
Diocesan Priests Long-term Care	137,688	450	2,750	3,200
Disability Ministry	-	25	-	25
Faith Formation	23,138	-	305	305
Faith Magazine	-	600	2	602
Fr. Jeff Donner Lay Ministry Fund	6,923	-	151	151
Little Books Donation Fund	338,730	1,000,000	2,762	1,002,762
Lovay Fund for the Poor	-	-	21	21
Migrant Assistance Fund	10,148	5,341	191	5,532
Ministry to Priests	510	-	10	10
Ministry to Retired Priests & Religious	762	1,000	18	1,018
Missions, CRS and CHD	463,896	91,568	9,103	100,671
Mother Teresa	17,215	4,077	364	4,441
MYE Faith Event	43,958	10,000	172	10,172
Poor Parish Fund	26,795	-	612	612
Priest Continuing Education Fund	115,945	-	2,857	2,857
Rel Ed/Children of Special Needs	29,416	-	593	593
Religious Liberty Fund	10,194	-	204	204
Religious Retirement	2,567	21,425	122	21,547
Right to Life Fund	10,202	-	205	205
Schools Grants Fund	3,295	-	-	-
St. Mary University FOCUS Program	15,068	90	267	357
Strasel Endowment	497	-	16	16
SVSU Ministry	5,366	5,000	54	5,054
Vocation Ministry Fund	23,272	5,000	485	5,485
Wolohan Fund for Notre Dame	-	7,500	-	7,500
Wolohan SACS Fund	-	100,000	1,255	101,255
Youth Encounter Saginaw	7,656	800	116	916
CSA	3,693,006	3,697,757	-	3,697,757
<b>Total</b>	<b>\$ 6,990,770</b>	<b>\$ 5,342,093</b>	<b>\$ 67,950</b>	<b>\$ 5,410,043</b>

See independent auditors' report on supplementary information.



EXHIBIT 4



Inter-Fund Transfers	Temporarily Restricted Net Assets End of Year
\$ -	\$ 16,778
6,074	120,816
139,929	1,047,930
<u>146,003</u>	<u>1,185,524</u>
-	1,121
-	44,498
(12,043)	20
(3,098)	6,349
5,216	5,433
2,000	57,191
(186,196)	224,617
(4,288)	7,827
29,427	71,317
33,942	547,540
(226,572)	7,820
-	20,876
-	52
-	45,504
(3,000)	137,888
-	25
(16,035)	7,408
-	602
341	7,415
(609,838)	731,654
2,822	2,843
(5,913)	9,767
-	520
-	1,780
(122,963)	441,604
338	21,994
(54,130)	-
5,703	33,110
41,486	160,288
-	30,009
(651)	9,747
36	24,150
-	10,407
(3,295)	-
(15,300)	125
509	1,022
(9,416)	1,004
229	28,986
(7,500)	-
-	101,255
(4,755)	3,817
<u>(3,697,764)</u>	<u>3,692,999</u>
<u>\$ (4,714,705)</u>	<u>\$ 7,686,108</u>

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

**SCHEDULE OF DONATIONS AND DISTRIBUTIONS FROM SPECIAL EVENTS  
YEAR ENDED JUNE 30, 2017**

Abortion Alternatives	\$ 3,600
Apostolic Nunciature-Peter's Pence/Canon 1271	65,000
Auburn Area Catholic Schools	11,200
Ave Maria Radio	10,000
Bay Area Catholic Schools	57,050
Bishops Charity Ball Grants	11,390
Blessed Sacrament Parish Missions	2,500
Blessed Sacrament School	17,675
Catholic Community Foundation of Mid-Michigan	36,484
Catholic Family Service	220,000
Catholic University of America	4,000
Courage International	1,000
Covenant HealthCare Foundation	500
Cribs for Kids / Mother Teresa Fund	6,717
Field Neurosciences Institute	600
Historical Society of Saginaw County	250
Holy Spirit Parish Missions	450
Institute for Priestly Formation	1,550
Miscellaneous Donations & Other Acts of Goodwill	40,720
Mission Sisters of the Holy Spirit	10,000
National Catholic Rural Life	1,500
National Committee for a Human Life Amendment	1,300
Operation Rice Bowl Grants	
*Abortion Alternatives	850
*AuGres Christian Charities	1,000
*Chesaning Area Emergency Relief	900
*Cros-Lex Project Blessings	1,000
*East Side Soup Kitchen	850
*Emmaus House of Saginaw	850
*Hidden Harvest	1,000
*HIS Restoration Ministries	500
*John H. Goodrow Fund	850
*Midland Area Homes Homelessness Prevention Program	1,000
*Mustard Seed Shelter	850
*Office of Human Services	1,000
*Our Lady of Czestochowa	500
*Rosebush Emergency Assistance	1,000
*Sacred Heart Mission Food Pantry	500
*Shared Blessings Food Pantry	500

(continued)

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

**SCHEDULE OF DONATIONS AND DISTRIBUTIONS FROM SPECIAL EVENTS  
YEAR ENDED JUNE 30, 2017**

Operation Rice Bowl Grants (continued)	
*Society St. Vincent DePaul Bay County Council	\$ 1,000
*SS. Peter & Paul Food Pantry	650
*St. Agatha Food Pantry	500
*St. Agnes Parish - Outreach Program	500
*St. Christopher Food Pantry	500
*St. Mary Cathedral Neighborhood Breakfast	850
*St. Mary's of Michigan Center of Hope	850
*St. Paul's Episcopal Church Feeding Ministry	500
*Vassar Food Pantry	500
*Vassar Ministerial Alliance	750
Our Lady of Lake Huron School	18,725
Regional Commissariat of the Holy Land	12,350
Religious Sisters of Mercy of Alma	10,000
Right to Life - Bay County	200
Right to Life - Midland County	200
Right to Life - Saginaw County	350
Sacred Heart Academy	80,150
Saginaw Area Catholic Schools	112,525
Sisters of Our Mother of Divine Grace	10,000
Sisters of St. Clare	20,000
St. Agnes Parish Missions	1,000
St. Brigid School	27,125
St. Elizabeth Catholic School	12,075
St. Joseph Parish, Saginaw	38,791
St. Joseph the Worker School	16,625
St. Mary School	9,275
St. Mary University Parish, Mt. Pleasant	150,000
St. Mary's of Michigan Foundation	3,300
St. Michael School	21,000
USCCB-Church in Africa	3,800
USCCB-Church in Latin America	11,875
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<b>Total</b>	<b>\$ 1,082,602</b>
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See independent auditors' report on supplementary information.