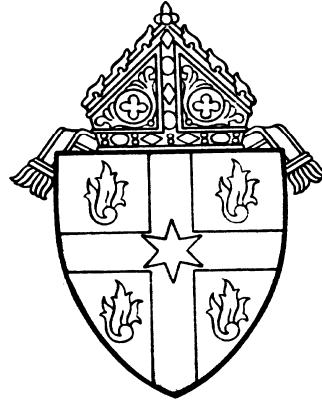


Catholic Diocese of
Saginaw
Centralized
Programs and
Administration



Years Ended
June 30,
2024 and 2023

Financial
Statements
and
Supplementary
Information

Rehmann

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

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INDEPENDENT AUDITORS' REPORT

January 20, 2025

The Most Reverend Robert D. Gruss
Roman Catholic Bishop
Catholic Diocese of Saginaw
Saginaw, Michigan

Opinion

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, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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, 2024 and 2023, 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.

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.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Independent Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Diocese and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



Change in Accounting Principle

As described in Note 1 to the consolidated financial statements, effective July 1, 2023, the Diocese adopted Accounting Standards Codification Topic 326, *Financial Instruments - Credit Losses*. Our opinion is not modified with respect to this matter.

Emphasis of Matters

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, 2024 and 2023 or the changes in their net assets, statements of functional expenses, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Diocese's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Diocese's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Rehmann Johnson LLC

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

Statements of Financial Position

	June 30	
	2024	2023
ASSETS		
Cash and cash equivalents	\$ 9,855,736	\$ 525,907
Michigan no fault self insurance loss reserve	13,440	15,052
Appeal pledges receivable	387,939	667,731
Accounts receivable	321,544	211,981
Investments	31,998,884	31,369,454
Other assets	128,064	249,117
Notes receivable, including Appeal, net of allowance for credit losses of \$54,921 (\$107,340 in 2023) (Notes 5 and 7)	164,474	93,301
Total assets	<u>\$ 42,870,081</u>	<u>\$ 33,132,543</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 404,599	\$ 216,270
Accrued expenses and other liabilities	234,223	270,197
Grants payable	172,805	455,505
Michigan no fault self insurance loss reserve	13,440	15,052
Funds held for others	254,741	173,162
Total liabilities	<u>1,079,808</u>	<u>1,130,186</u>
Net assets		
Without donor restrictions	37,163,378	26,833,761
With donor restrictions restricted for specific purpose	4,626,895	5,168,596
Total net assets	<u>41,790,273</u>	<u>32,002,357</u>
Total liabilities and net assets	<u>\$ 42,870,081</u>	<u>\$ 33,132,543</u>

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

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

Statement of Activities and Changes in Net Assets

	Year Ended June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Contributions	\$ 173,569	\$ 632,958	\$ 806,527
Christ's Mission Appeal (Appeal)	3,493,677	-	3,493,677
Net investment income	3,136,148	-	3,136,148
Workshops and tuition	151,381	-	151,381
Rentals and other services	424,526	-	424,526
Related services	994	-	994
Distribution of Protected Loss Fund assets	8,670,200	-	8,670,200
Other	346,710	-	346,710
Net assets released:			
Satisfaction of purpose restrictions	1,174,659	(1,174,659)	-
Total revenues, gains, and other support	17,571,864	(541,701)	17,030,163
Expenses and transfers			
Program	6,727,944	-	6,727,944
Administration	471,994	-	471,994
Fundraising	33,998	-	33,998
Transfer to CCFMM	8,311	-	8,311
Total expenses and transfers	7,242,247	-	7,242,247
Change in net assets	10,329,617	(541,701)	9,787,916
Net assets - beginning of year	26,833,761	5,168,596	32,002,357
Net assets - end of year	\$ 37,163,378	\$ 4,626,895	\$ 41,790,273

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

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

Statement of Activities and Changes in Net Assets

	Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Contributions	\$ 255,744	\$ 823,056	\$ 1,078,800
Christ's Mission Appeal (Appeal)	3,881,153	-	3,881,153
Net investment income	2,446,549	-	2,446,549
Workshops and tuition	73,590	-	73,590
Rentals and other services	527,872	-	527,872
Related services	1,592	-	1,592
Employee Retention Tax Credits	201,148	-	201,148
Other	35,228	-	35,228
Net assets released:			
Satisfaction of purpose restrictions	1,004,276	(1,004,276)	-
Total revenues, gains, and other support	8,427,152	(181,220)	8,245,932
Expenses and transfers			
Program	7,769,008	-	7,769,008
Administration	530,977	-	530,977
Fundraising	34,272	-	34,272
Transfer to CCFMM	5,216	-	5,216
Total expenses and transfers	8,339,473	-	8,339,473
Change in net assets	87,679	(181,220)	(93,541)
Net assets - beginning of year	26,746,082	5,349,816	32,095,898
Net assets - end of year	\$ 26,833,761	\$ 5,168,596	\$ 32,002,357

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

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

Statement of Functional Expenses

	Year Ended June 30, 2024			
	Program Services	Administration	Fundraising	Total
Grant and scholarship awards	\$ 1,159,993	\$ -	\$ -	\$ 1,159,993
Salaries and wages	2,681,424	205,037	-	2,886,461
Payroll taxes	167,789	11,320	-	179,109
Employee benefits	746,167	53,855	-	800,022
Travel, meals, and entertainment	179,063	29,060	10	208,133
Dues and staff development	157,526	41,225	-	198,751
Public relations and community development	7,877	5,266	466	13,609
Events	131,688	32,746	31,860	196,294
Professional fees	506,881	24,201	1,050	532,132
Office supplies and expenses	118,771	15,363	612	134,746
Occupancy	642,945	49,508	-	692,453
Furnishings and equipment	104,837	381	-	105,218
Insurance	109,098	4,032	-	113,130
Cost of service income	13,505	-	-	13,505
Other	380	-	-	380
Total expenses	\$ 6,727,944	\$ 471,994	\$ 33,998	\$ 7,233,936

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

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

Statement of Functional Expenses

	Year Ended June 30, 2023			
	Program Services	Administration	Fundraising	Total
Grant and scholarship awards	\$ 1,683,679	\$ -	\$ -	\$ 1,683,679
Salaries and wages	2,623,210	242,133	-	2,865,343
Payroll taxes	161,372	13,179	-	174,551
Employee benefits	728,558	75,975	-	804,533
Travel, meals, and entertainment	107,152	20,366	-	127,518
Dues and staff development	212,664	43,582	-	256,246
Public relations and community development	15,223	-	2,806	18,029
Events	96,771	26,471	26,229	149,471
Professional fees	470,681	19,164	1,050	490,895
Office supplies and expenses	125,919	32,680	1,089	159,688
Occupancy	996,924	52,593	3,098	1,052,615
Furnishings and equipment	101,722	245	-	101,967
Insurance	113,055	4,589	-	117,644
Cost of service income	11,843	-	-	11,843
Other	320,235	-	-	320,235
Total expenses	\$ 7,769,008	\$ 530,977	\$ 34,272	\$ 8,334,257

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	
	2024	2023
Cash flows from operating activities		
Change in net assets	\$ 9,787,916	\$ (93,541)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Net realized and unrealized appreciation on investments	(2,440,309)	(1,827,681)
Bad debt expense for accounts receivable	352	-
Bad debt expense for notes receivable	-	320,235
Reduction in allowance for uncollectible notes receivable	-	(450)
Increase in allowance for uncollectible pledges receivable	-	-
Acquisition of collateralized vehicle for satisfaction of a note receivable	10,108	28,205
Issuance of notes receivable in exchange for vehicles	(45,679)	-
Changes in operating assets and liabilities which provided (used) cash		
Appeal pledges receivable	155,990	(232,293)
Accounts receivable	(109,915)	(70,561)
Other assets	121,053	(108,234)
Accounts payable	188,329	66,179
Accrued expenses and other liabilities	(35,974)	34,856
Grants payable	(282,700)	455,505
Funds held for others	81,579	(162,687)
Net cash provided by (used in) operating activities	7,430,750	(1,590,467)
Cash flows from investing activities		
Proceeds from sales and maturities of investments	1,875,120	847,796
Purchases of investments	(64,241)	(237,583)
Issuance of notes receivable	(67,219)	(69,385)
Collections of notes receivable	155,419	143,909
Net cash provided by investing activities	1,899,079	684,737
Net increase (decrease) in cash and cash equivalents	9,329,829	(905,730)
Cash and cash equivalents - beginning of year	525,907	1,431,637
Cash and cash equivalents - end of year	\$ 9,855,736	\$ 525,907

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, functional expenses 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, functional expenses and cash flows of the parishes and related parish organizations, St. Francis Home, Holy Cross Services, The Partnership Center, Emmaus House, Catholic Family Service, Clergy Benefit Society, Bay Area Catholic Schools, Saginaw Area Catholic Schools, 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, functional expenses 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.

Risks and Economic Uncertainties

The Diocese invests in various investment securities through the National Catholic Investment Pool with the underlying assets consisting of any combination of stocks, bonds, fixed income securities, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of interest rate, market, and credit risks inherent with certain of the Diocese's investment securities, it is at least reasonably possible that changes in the fair values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and activities and changes in net assets.

In August 2021, the Diocese applied for an Employee Retention Tax Credit under the CARES Act in the amount of \$188,813, which was received and recognized as income in fiscal 2023. An additional \$12,335 in interest relating to these credits was also received and recognized as income in fiscal 2023. The combined amount of the Employee Retention Tax Credit and interest is included in revenues, gains, and other support on the accompanying 2023 statement of activities and changes in net assets.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

Notes to Financial Statements

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.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions:	Net assets available for use in general operations and not subject to donor restrictions. The Finance Council or the Bishop has designated, from net assets without donor restrictions, net assets to ensure appropriate sums of net assets without donor restrictions are available for operations.
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Net Assets With Donor Restrictions:	Net assets subject to donor imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where a donor stipulates that the resource be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, stipulated purpose for which the resources was restricted has been fulfilled or both.
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Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated on the basis of estimated time and effort. Although the method of allocation used is considered appropriate, other methods could be used that would produce a different amount.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

Notes to Financial Statements

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits with banks or other financial institutions, deposits in money market funds and investments with original maturities of less than three months.

The Diocese maintains cash accounts with insured financial institutions and short-term investment funds with the Michigan Catholic Conference National Catholic Investment Pool (the "Pool"). Some of these accounts exceed federally insured limits resulting in uninsured balances of approximately \$9,282,000 and \$118,000 at June 30, 2024 and 2023, respectively. Management does not believe the Diocese is exposed to any significant interest, credit, or other financial risk as a result of these deposits.

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 (Level 1) and the lowest priority to unobservable data such as the reporting entity's own data (Level 3).

A description of each category in the fair value hierarchy is as follows:

Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset.

For a further discussion of Fair Value Measurements, refer to Note 4 to the financial statements.

Investments

The Diocese reports its investment in the net assets of the Pool of investments at fair value, which is determined generally by using quoted market prices. Realized and unrealized gains and losses and investment dividends and interest are reflected in the statements of activities and changes in net assets within net investment income. Investment income is reported net of direct investment expenses.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

Notes to Financial Statements

Revenue Recognition

The Diocese's revenue consists of contributions, including the Christ's Mission Appeal (the "Appeal"), investment income, interest income, rentals, workshops, tuition, and other services. Rental income is exempt from compliance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, due to inclusion under lease standards. Investment and interest income are also exempt from Accounting Standards Codification Topic 606.

Revenue from Contracts with Customers and Deferred Revenue

Workshops, tuition, and other service revenue are recorded at the amount expected to be received. Payments in advance are considered contract liabilities and are recorded as accrued expenses and other liabilities in the accompanying statements of financial position. The Diocese satisfies its performance obligation over time as the workshop, program, or service is provided. Revenue is recognized in the month the performance obligation is met.

Lessor Revenue

Arrangements for rental agreements consist of leasing office space and room rentals, have terms of 12 months or less in which fixed lease payments are recognized on a straight-line basis monthly over such term and are not recognized on the statement of financial position. Variable lease cost, if any, is recognized as incurred for all leases.

Unconditional Promises to Give and Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received or when verifiable evidence that the promise was made exists. Such contributions are recorded as support without donor restrictions or support with donor restrictions 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 net assets without donor restrictions if the restrictions expire in the year in which the contributions are received. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions upon which they depend have been met.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

Notes to Financial Statements

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. Contributed services are immaterial to the overall financial statements.

Accounts Receivable and Pledges Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Payments on outstanding receivables vary based on the nature of the receivable, but they are generally due within one year. Management estimates an allowance for expected credit losses on accounts receivable based on the amount it expects to collect from customers, based on the length of time the receivables have been outstanding, historical collection experience, current market conditions and forecasted economic and business environments. Amounts that are deemed to be uncollectible are written off against the allowance for credit losses. Changes in the valuation allowance were \$0 and \$67,767 in 2024 and 2023 (Note 7). At June 30, 2024 and 2023, the allowance for credit losses related to accounts receivable was not material.

Accounts receivable were as follows for the years ended June 30:

	2024	2023
Accounts receivable, net, beginning of year	\$ 211,981	\$ 141,420
Accounts receivable, net, end of year	321,544	211,981

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 Appeal. Notes receivable are stated at their principal amount outstanding adjusted for any charge-offs and the allowance for credit losses. Collection terms vary and the notes bear interest at rates ranging from 0% to 4.5% as of June 30, 2024 and 2023. Accrued interest receivable was not material at June 30, 2024, and is excluded from the estimate of credit losses.

Nonperforming notes receivable are comprised of accruing notes receivable contractually past due 90 days or more as to interest or principal payments with the borrower not making regular payments, as well as notes receivable modified to borrowers experiencing financial difficulty (See Note 5).

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

Notes to Financial Statements

Allowance for Credit losses - Notes Receivable

The allowance for credit losses on notes receivable ("allowance") is a valuation account that is deducted from, or added to, the notes' amortized cost bases to present the net amount expected to be collected on the notes. The allowance is established through a provision for credit 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.

One note receivable in the amount of \$52,419, which was entirely reserved for, was written off through a charge to the valuation allowance during fiscal 2024 (see Note 5). The allowance was decreased by \$85,000 in fiscal 2023, due to a note receivable being forgiven (See Note 7).

Management estimates the allowance using relevant available information, from internal and external sources, related to past events, current conditions, and reasonable supportable forecasts. Notes receivable that share similar risk characteristics are evaluated on a pooled basis. Allowances for impaired receivables are generally determined based on the present value of estimated cash flows. In management's judgment, the allowance for credit 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.

Notes that do not share risk characteristics are evaluated on an individual basis, which primarily consist of impaired notes. 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.

For borrowers that are in financial distress, the Diocese may provide relief to the borrower by modifying the loan to provide concessions, such as a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance, or other actions intended to maximize collection. These types of modified notes typically present an elevated level of credit risk as the borrowers are not able to perform according to the original contractual terms. Notes receivable that are reported as modified notes to borrowers that are in financial distress may be considered impaired and individually evaluated as described above.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

Notes to Financial Statements

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.

Leases (as a Lessee)

The Diocese's lease arrangements relate to printers and phones. The Diocese's leases generally have initial terms of less than 3 years and may include renewal or early-termination options. The Diocese is typically required to make fixed minimum payments, variable payments, or a combination thereof, relating to its right to use an underlying leased asset. Right-of-use assets and lease liabilities related to lease arrangements are not considered material to these financial statements.

Designation of Net Assets Without Donor Restrictions

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 net assets without donor restrictions 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.

Grant and Scholarship Awards

Unconditional grants are recorded as an expense at the time of formal approval by the Finance Committee, regardless of the year in which the grant is paid. Conditional grants, if any, are expensed when such conditions are met. Payments made in advance to charitable organizations for which conditions have not yet been satisfied are classified as third-party advances in the statements of financial position.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

Notes to Financial Statements

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 2021 through 2024, the years which remain subject to examination by major tax jurisdictions as of June 30, 2024. 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, 2024 or 2023, and it is not aware of any claims for such amounts by federal or state income tax authorities.

Change in Accounting Principle

The Financial Accounting Standards Board issued Accounting Standards Update 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, in June 2016. The standard replaced the incurred loss impairment methodology with a new methodology that reflects current expected credit losses ("CECL") on financial assets, including receivables, held-to-maturity debt securities, and certain off-balance sheet commitments. The new methodology requires the measurement of all expected credit losses based on historical experience, current economic conditions, and reasonable and supportable forecasts. The standard also expands the required quantitative and qualitative disclosures for expected credit losses. On July 1, 2023, the Diocese adopted the standard using a modified retrospective method. The adoption of this standard did not have a material impact on these financial statements and disclosures.

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, 2024, the most recent statement of financial position presented herein, through January 20, 2025, 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. LIQUIDITY AND AVAILABILITY

The following table provides the Diocese financial assets on June 30, reduced by the amount not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations:

	2024	2023
Assets, at year end	\$ 42,870,081	\$ 33,132,543
Reduced by the following:		
Funds with donor restriction	(4,626,895)	(5,168,596)
Designated funds	(2,034,062)	(2,670,822)
Insurance loss reserve	(13,440)	(15,052)
Other assets	(128,064)	(249,117)
Notes receivable, net	(164,474)	(93,301)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 35,903,146</u>	<u>\$ 24,935,655</u>

The Organization has \$35,903,146 and \$24,935,655 of financial assets available within one year of June 30, 2024 and 2023, respectively, to meet cash needs for general expenditures. The Diocese manages its liquidity required to meet its operating needs while also trying to maximize its available funds. The cash balances include demand deposits with banks and other financial institutions and cash on hand which are not subject to any compensating balance restrictions. As of June 30, 2023, management designated funds excluded two funds, Cathedral Renovation and Legacy of Faith Fund, with deficit balances totaling \$4,067,309 at June 30, 2023. The Diocese funded the excess expenditures related to the projects for these funds and expected the deficit balances to be repaid through future fundraising and pledges as of June 30, 2023. In fiscal 2024, management has elected to transfer the deficit balances to the Budget Excess / Discretionary Fund, as they no longer expect to repay the deficit balances through future fundraising and pledges. Additionally, management designated funds exclude the Budget Excess/Discretionary Fund, which has a balance of \$10,629,714 and \$5,654,462 as of June 30, 2024 and 2023, respectively. While this fund is designated, it is designated to cover any expenses in the upcoming year that exceed budget. While a portion of notes receivable, net, could be collected in the next fiscal year, there is no formal repayment schedule, so they were excluded from financial assets available to meet cash needs for general expenditures within one year.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

Notes to Financial Statements

3. INVESTMENTS

The Diocese is invested in the National Catholic Investment Pool. Total net interest in investments in the Pool by the Diocese, at fair value, was \$31,998,884 and \$31,369,454 at June 30, 2024 and 2023, respectively. Total net interest in cash in the Pool by the Diocese was \$43,374 and \$50,539 at June 30, 2024 and 2023, respectively. Michigan Catholic Conference ("MCC") is the administrator of the Pool. The assets of the Pool are held by Northern Trust Company, the custodian of the Pool, and are managed by independent investment managers. At June 30, 2024 and 2023, the fair value of the Diocese's interest in the net assets of the Pool is based on the beginning of the year value of the Diocese's interest in the Pool, plus contributions and allocated investment income and appreciation/depreciation, less withdrawals and expenses.

Underlying investments held by the Pool are stated at fair value, as determined by Northern Trust Company, generally based on quoted market prices. Investment income for each investment manager is allocated to the individual investors based upon average monthly balances invested by each investor. Investors are responsible for asset allocation decisions among the investment managers. Purchases and sales of investments are recorded on a trade-date basis.

4. FAIR VALUE MEASUREMENTS

The Diocese utilizes fair value measurements to record fair value adjustments to its investment securities and to determine fair value disclosures. Investment securities are recorded at fair value on a recurring basis. Additionally, from time to time, the Diocese may be required to record at fair value other assets on a nonrecurring basis such as notes receivable. These nonrecurring fair value adjustments typically involve the application of lower of cost or market accounting or write-downs of individual assets. The Diocese had no assets or liabilities recorded at fair value on a nonrecurring basis at June 30, 2024 or 2023.

The assets' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology and key inputs used to measure financial assets recorded at fair value and an indication of the level of the fair value hierarchy in which the assets are classified.

National Catholic Investment Pool: The fair value measurement of the investment held is estimated based on the fair value of the underlying assets. The investments in the Pool as of June 30, 2024 and 2023 consist of investments in U.S. equities, International equities, U.S. fixed-income, International fixed-income, Alternatives, and Real Estate. The Diocese has an interest in the investments of the Pool or \$31,998,884 and \$31,369,454 as of June 30, 2024 and 2023, respectively. As the underlying investments in the Pool are primarily Level 1 and Level 2, such asset is classified Level 2.

CATHOLIC DIOCESE OF SAGINAW

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Notes to Financial Statements

The preceding method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Diocese believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

5. NOTES RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

The Diocese grants notes receivable to priests, seminarians, Catholic organizations within the Diocese, and Catholic parishes primarily regarding receivables related to the Appeal receivables. Notes receivable are substantially unsecured and all are evaluated individually for impairment.

Notes receivable are summarized as follows at June 30:

	2024	2023
Priest and seminarian	\$ 118,071	\$ 112,033
Parish and other organizations	54,921	54,921
Parish - Appeal	46,403	33,687
	<hr/>	<hr/>
Total notes	219,395	200,641
Allowance for credit losses	54,921	107,340
	<hr/>	<hr/>
Notes receivable, net	<u>\$ 164,474</u>	<u>\$ 93,301</u>

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

2024	Seminarian	Parish and Other Organizations	Total
Allowance for losses:			
Balance at beginning of year	\$ 52,419	\$ 54,921	\$ 107,340
Write-off	(52,419)	-	(52,419)
	<hr/>	<hr/>	<hr/>
Balance at end of year	<u>\$ -</u>	<u>\$ 54,921</u>	<u>\$ 54,921</u>

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

Notes to Financial Statements

2023	Seminararian	Parish and Other Organizations	Total
Allowance for losses:			
Balance at beginning of year	\$ 52,869	\$ 139,921	\$ 192,790
Write-off	-	(85,000)	(85,000)
Recovery of bad debts	(450)	-	(450)
Balance at end of year	<u>\$ 52,419</u>	<u>\$ 54,921</u>	<u>\$ 107,340</u>

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

2024	Credit Risk Profile by Payment Activity			
	Seminararian	Parish and Other Organizations	Parish - Appeal	Total
Payment activity				
Performing	\$ 118,071	\$ -	\$ 46,403	\$ 164,474
Non-performing	-	54,921	-	54,921
Total	<u>\$ 118,071</u>	<u>\$ 54,921</u>	<u>\$ 46,403</u>	<u>\$ 219,395</u>

2023	Credit Risk Profile by Payment Activity			
	Seminararian	Parish and Other Organizations	Parish - CSA	Total
Payment activity				
Performing	\$ 59,614	\$ -	\$ 33,687	\$ 93,301
Non-performing	52,419	54,921	-	107,340
Total	<u>\$ 112,033</u>	<u>\$ 54,921</u>	<u>\$ 33,687</u>	<u>\$ 200,641</u>

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

Notes to Financial Statements

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

2024	Accruing Interest All Current	Current Nonaccrual	Nonaccrual Nonperforming	Total Nonaccrual	Total Loans
Priest and seminarian	\$ 76,096	\$ 41,975	\$ -	\$ 41,975	\$ 118,071
Parish and other organizations	-		54,921	54,921	54,921
Parish - Appeal	-	46,403		46,403	46,403
Total	\$ 76,096	\$ 88,378	\$ 54,921	\$ 143,299	\$ 219,395

2023	Accruing Interest All Current	Current Nonaccrual	Nonaccrual Nonperforming	Total Nonaccrual	Total Loans
Priest and seminarian	\$ 43,708	\$ 68,325	\$ -	\$ 68,325	\$ 112,033
Parish and other organizations	-		54,921	54,921	54,921
Parish - Appeal	-	33,687		33,687	33,687
Total	\$ 43,708	\$ 102,012	\$ 54,921	\$ 156,933	\$ 200,641

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

Notes to Financial Statements

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

2024	Unpaid Principal Balance	Related Allowance	Average Unpaid Principal Balance
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**Notes receivable with an
allowance recorded**

Parish and other organizations	\$ 54,921	\$ 54,921	\$ 54,921
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2023	Unpaid Principal Balance	Related Allowance	Average Unpaid Principal Balance
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**Notes receivable with an
allowance recorded**

Seminarian	\$ 52,419	\$ 52,419	\$ 52,719
Parish and other organizations	54,921	54,921	170,392

Total impaired loans	<u>\$ 107,340</u>	<u>\$ 107,340</u>	<u>\$ 223,111</u>
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Interest income recognized on impaired loans was not significant in fiscal 2024 or 2023.

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

There were no loans modified due to financial distress during 2024 or 2023.

**CATHOLIC DIOCESE OF SAGINAW
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Notes to Financial Statements

6. MULTI-EMPLOYER DEFINED BENEFIT PENSION PLAN

Michigan Catholic Conference Lay Employees Retirement Plan

The Diocese participates in the Michigan Catholic Conference Lay Employees Retirement Plan (the Plan), a multi-employer defined benefit pension plan. The Plan Number and Employer Identification Number of the Plan is 38-1971920. Contributions to the Plan were \$211,334 and \$204,077 in fiscal 2024 and 2023, respectively. Based on information as of June 30, 2024, the year-end of the Plan, the Diocese's contributions to the Plan did not represent more than 5% of the total contributions received by the Plan.

The amount of the Diocese's contributions to the Plan was 8.6% of all full-time employees' wages in 2024 and 2023. 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:

	Michigan Catholic Conference Lay Employees Retirement Plan	
	July 1, 2023	July 1, 2022
Total Plan assets	\$ 1,330,470,951	\$ 1,322,476,717
Actuarial present value of accumulated Plan benefits	\$ 1,500,115,867	\$ 1,497,570,057
Total contribution received by the Plan	\$ 30,157,396	\$ 27,860,394
Indicated level of funding	88.70%	88.30%

Diocese of Saginaw Priests' Retirement Plan

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

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

CATHOLIC DIOCESE OF SAGINAW

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Notes to Financial Statements

Contributions to the Priests' Plan were \$4,706 and \$17,832 in fiscal 2024 and 2023, respectively, by the Diocese on behalf of the Priests employed directly by the Diocese. The following information is based on the financial statements of the Priests' Plan as of:

	Saginaw Priests' Retirement Plan	
	July 1, 2023	July 1, 2022
Total Plan assets	\$ 11,138,653	\$ 11,108,726
Actuarial present value of accumulated Plan benefits	\$ 11,112,094	\$ 11,164,129
Total contribution received by the Plan	\$ 573,007	\$ 593,370
Indicated level of funding	100.20%	99.50%

7. RELATED PARTY TRANSACTIONS

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

On July 1, 2021, the Diocese provided the Program with a line of credit, with a maximum limit of \$9,000,000 at the applicable short term federal rate. The line of credit expires on July 1, 2031, with an option to extend for an additional five years. The line of credit is collateralized by substantially all assets of the Program. There were no amounts outstanding in fiscal 2024 or 2023. The allowance for credit losses on this unfunded commitment was not material.

The Program pays management fees to the Diocese. These management fees amounted to \$102,150 and \$101,950 for fiscal years 2024 and 2023, respectively, and are included in rental and other services of revenues, gains and other support in the accompanying statements of activities and changes in net assets. Accounts receivable from the Program was \$6,603 and \$0 at June 30, 2024 and 2023, 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, 2023, construction costs paid by the Diocese in excess of contributions received from CCFMM amount to approximately \$1,808,000. In fiscal 2024, management determined to transfer the deficit balances to the Budget Excess / Discretionary Fund, as they no longer expect to repay the deficit balances through future fundraising and pledges.

CATHOLIC DIOCESE OF SAGINAW

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Notes to Financial Statements

CCFMM pays management fees to the Diocese. These management fees amounted to approximately \$20,000 and \$49,000 for fiscal 2024 and 2023, respectively, and are included in rental and other services of revenues, gains and other support in the accompanying statements of activities and changes in net assets. Accounts receivable from CCFMM was \$101 and \$4,259 at June 30, 2024 and 2023, respectively.

Transactions with Cemeteries

The Diocese received rent and a management fee from Cemeteries in the amount of \$58,000 for fiscal 2024 and 2023. Accounts receivable from Cemeteries was \$34 and \$5,376 at June 30, 2024 and 2023, respectively.

Transactions with Little Books

The Diocese received rent and a management fee from Little Books in the amount of \$87,000 for fiscal years 2024 and 2023. Accounts receivable from Little Books was \$8,048 and \$861 at June 30, 2024 and 2023, respectively.

Transactions with Catholic Family Services

Accounts receivable from Catholic Family Services was \$1,318 and \$560 at June 30, 2024 and 2023, respectively.

Catholic Family Services provides counseling, Victim Assistance Coordinator services and Safe Environment Training for the Diocese. Reimbursement for services paid was \$6,750 and \$4,773 for fiscal 2024 and 2023, respectively.

Transactions with Saginaw Area Catholic Schools (Non-cash transactions)

During 2023, the Diocese committed to supporting Saginaw Area Catholic Schools (SACS). This agreement included SACS assigning receivables aggregating approximately \$1,100,000 from various parishes to the Diocese, and the Diocese forgiving accounts receivable of \$67,767 (which had been previously reserved), and notes and interest receivable totaling \$405,235 (of which \$85,000 had been previously reserved) due from SACS to the Diocese. Although the Diocese intends to collect these assigned receivables, there is reasonable doubt to their collectability. Accordingly, in accordance with Topic 606, such receivables have not been recorded in these financial statements and revenue will be recognized in future periods on a cash basis as collections occur. The Diocese also pledged to make an unconditional grant to SACS in the amount of \$638,205. During each fiscal 2024 and 2023, the Diocese paid \$232,700 of the grant payable; the remaining \$172,805, which is reported as grants payable in the 2024 statement of financial position will be paid in semi-annual installments in fiscal 2025.

CATHOLIC DIOCESE OF SAGINAW

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Notes to Financial Statements

Transactions with St. Elizabeth Area Catholic School

During 2023, the Diocese committed to supporting St. Elizabeth Area Catholic School (the "School"). For the year ended June 30, 2023, the Diocese provided \$200,000 in unconditional support to the School. During fiscal 2023, cash was paid totaling \$150,000, with the remaining payment of \$50,000 paid in fiscal 2024, which is included in grants payable in the accompanying statement of financial position as of June 30, 2023. During fiscal 2024, the Diocese provided an additional \$150,000 in unconditional support to the School.

See Note 8 for Related Party commitments.

See Note 11 for Related Party lease transactions.

8. COMMITMENTS AND CONTINGENCIES (INCLUDING RELATED PARTY)

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 incorporated the parishes within the Diocese on July 1, 2021, transferring real, personal and mixed property to each parish corporation. The Interparish Deposit and Loan (IPDL) was established as a formal trust on July 1, 2021 and the accounts of each parish were transferred from the IPDL program to the IPDL Trust.

The Diocese may be contingently liable for any claims against the parishes and certain other Catholic organizations arising from legal actions and other claims incidental to normal operations of these organizations. It is believed that the amount of any uninsured liability would not have a material impact on the financial position of the Diocese.

Legal Matters

In 2017, the Diocese of Saginaw and Bishop Joseph R. Cistone were named in a civil suit, alleging gross negligence against the Diocese and Bishop Cistone in the supervision of a priest of the Diocese of Saginaw, accused in a criminal proceeding of child abuse. Two additional civil suits were subsequently filed against the same parties. In March 2019, the priest was found not guilty in one criminal proceeding and pleaded *no contest* to criminal charges brought by two other individuals. The civil litigation included the estate of Bishop Cistone, who passed away on October 16, 2018. These cases were settled in fiscal 2024 entirely through coverage provided by the Protected Loss Fund Program. The cases were dismissed as the result of the settlement.

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

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

Notes to Financial Statements

Self-Insurance

The Diocese participated in the Michigan Catholic Conference Protected Loss Fund Program ("PLFP") through June 30, 2024. 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 \$141,447 and \$130,113 for fiscal 2024 and 2023, respectively.

During fiscal 2024 Michigan Catholic Conference liquidated the Protected Loss Fund Program. In June 2024, the Diocese received a distribution in the amount of \$8,670,200, which represented the Diocese's portion of the PLFP fund. The distribution is included on the accompanying 2024 statement of activities and changes in net assets. Beginning in fiscal 2025, such losses will no longer be covered under the program and claims will be paid from the assets of the Diocese.

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, 2024. 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 had guaranteed the debt of a related party aggregating approximately \$107,000 as of June 30, 2023. During fiscal 2024, the debt was repaid in full. The Diocese did not guarantee any debt as of June 30, 2024.

Bay Area Catholic Schools Support

On June 1, 2023 the Diocese committed in theory to support Bay Area Catholic Schools in the amount of \$1,100,000 over five years. The approval of such grant is contingent on a detailed plan being developed and agreed to by the Diocese and Bay Area Catholic Schools. For the year ended June 30, 2024, the Diocese provided \$220,000 in unconditional support to the School. As of June 30, 2024 and 2023, the details of the requirements to receive the grant have not been agreed upon nor has the plan been approved by the Finance Committee; therefore, no liability or expense has been recorded in the accompanying statements of financial position and activities and changes in net assets.

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

Notes to Financial Statements

9. NET ASSETS WITHOUT DONOR RESTRICTIONS

Certain net assets without donor restrictions have been designated by the Finance Committee or the Bishop for the following purposes as of June 30:

	2024	2023
Administration - General	\$ -	\$ 7
Adoration Sisters	99	73
Bishop Untener Memorial Education Fund	705	404
Bishop's Ball Proceeds Fund	-	86,231
Bishop's Discretionary Fund	756,889	679,105
Bishop's Retirement Fund	350,067	335,067
Bishop's Vocational Fund	23,880	33,512
Black and Native American Grant	315	135
Budget Excess / Discretionary Fund	10,629,714	5,654,462
Campus Ministry	23	-
Capital Campaign	15,374	37,660
Cathedral Capital Fund	224	26,653
Cathedral Maintenance	2,337	1,206
Cathedral Renovation	-	(2,259,624)
Cathedral Support	-	45
Cathedral Vestments	182	87
Catholic Education	154,081	121,630
Catholic Heritage Museum	1,960	1,441
Catholic Schools	-	1,705
CCFMM Donations	89	-
Center for Ministry	292,071	325,730
CFM Chapel Fund	115,417	114,927
Charles Keho Trust Fund	37,295	38,472
Diocesan Contingency Fund - Legacy of Faith	-	(1,807,685)
Diocesan Contingency Fund - Other	-	482,419
Facilities & Construction Services	2	1
Hispanic & Multicultural Ministry	3	-
Insurance Reimbursement Fund	31,899	31,899
Lay Ministry	-	134
Lay Ministry Assembly	187	156
Legacies	1,461	-
Little Books Donation Fund	166,524	128,231
Major Computer Replacement	4,476	4,476

(continued)

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

Notes to Financial Statements

	2024	2023
Migrant Assistance Fund	\$ 1,648	\$ 870
Missionell Archive Records	8,810	-
Missions, CRS and CHD	43,460	30,786
Mother Teresa	420	264
NCC Chapel Fund	574	250
Parish Clergy Assignments Fund	-	108,730
Parish Mission Projects	341	189
Parish Outreach	15	-
Pastoral & Finance Council Leadership Training	7	-
Pfaff Fund	-	1,159
Poor Parish Fund	-	53
Priest Continuing Education Fund	11,030	28,899
Rachel's Vineyard Scholarship Fund	25	13
Religious Education for Children with Special Needs	3,493	2,578
Religious Liberty Fund	293	138
Rural School Tuition Assistance	1,011	485
School Internship	137	-
Schools Certification/PD	253	-
Schools Marketing Funds	-	317
Schools Scholarships	20	9
Schools Sustainability	-	36,121
Schools Teacher Awards	435	326
Scripture Scholarships	15	7
Special Donations & Subsidies	1	-
SPRED Program	873	418
Strasel Endowment Fund	-	17
SVSU Ministry	-	118
Tribunal	14	-
Walking with Moms	91	58
World Youth Day	-	2,792
Youth Encounter Saginaw	10	7
Youth Event	5,526	4,812
Total designated net assets without donor restrictions	<u>\$ 12,663,776</u>	<u>\$ 4,257,975</u>

On occasion, the Diocese funds excess expenditures that exceed revenues related to certain projects, resulting in a deficit balance in net assets. In fiscal 2024, management has elected to transfer the deficit balances to the Budget Excess / Discretionary Fund, as they no longer expect to repay the deficit balances through future fundraising and pledges.

CATHOLIC DIOCESE OF SAGINAW

CENTRALIZED PROGRAMS AND ADMINISTRATION

Notes to Financial Statements

The Christ's Mission Appeal ("Appeal") Fund drive is used to fund Diocesan operations and programs and to provide for local and national charitable contributions. Appeal donations are recorded as revenue when pledged. Appeal donations pledged for the 2023-2024 drive are recorded as Appeal donation income, assets without donor restrictions, as of June 30, 2024. Appeal donations pledged for the 2022-2023 drive are recorded as Appeal donation income, assets without donor restrictions, as of June 30, 2023. The outstanding pledge balance is recorded as Appeal pledges receivable; all pledges are due within one year.

10. NET ASSETS WITH DONOR RESTRICTIONS

Contributions recorded as net assets with donor restrictions 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 net assets with donor restrictions, represents income restricted for a particular purpose which has been earned by assets with donor restrictions. These funds will be classified as net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions when the Diocese has incurred expenses in compliance with the specific restriction.

Net assets with donor restrictions are available for the following purposes at June 30:

	2024	2023
Administration - General	\$ -	\$ 300
Adoration Sisters	1,214	1,214
Black and Native American Grant	9,882	7,882
Campus Ministry	2,500	-
Cathedral Maintenance	52,165	52,165
Cathedral Support	-	1,400
Cathedral Vestments	4,360	4,360
Catholic Education	1,841,959	1,736,571
Catholic Heritage Museum	23,974	23,974
Catholic Schools	-	382
CCFMM Donations Fund	9,250	-
CFM-Chapel Fund	22,610	22,610

(continued)

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

Notes to Financial Statements

	2024	2023
Development	\$ 50	\$ -
Facilities and Construction Services	50	50
Hispanic & Multicultural Ministry	250	-
Lay Ministry Fund	-	2,248
Lay Ministry Assembly	1,742	2,602
Legacies	102,755	-
Little Books Donation Fund	1,648,635	2,235,052
Liturgical Assistance	20	-
Marriage and Family Ministry	15	-
Migrant Assistance Fund	39,652	34,542
Missions, CRS and CHD	584,057	589,846
Mother Teresa	11,025	9,032
NCC Chapel Fund	12,250	20,000
Parish Mission Projects	9,435	9,435
Parish Outreach	1,059	-
Pastoral & Finance Council Leadership Training	500	-
Pfaff Fund	-	30,886
Priest Continuing Education Fund	56,563	62,742
Rachael Vineyard Scholarship Fund	1,300	1,150
Religious Ed / Children of Special Needs	42,218	42,218
Religious Liberty Fund	7,138	7,138
Rural School Tuition Assistance	24,260	24,260
School Internship	15,000	-
Schools Certification/PD	27,640	-
Schools Scholarships	519	469
Schools Sustainability	-	172,102
Schools Teacher Awards	3,159	2,997
Scripture Scholarships	386	386
SPRED Program	21,022	20,897
Strasel Endowment	-	523
SVSU Ministry	-	1,837
Tribunal	1,500	-
Vocation Ministry Fund	6,719	6,000
Walking with Moms	7,132	7,396
Youth Encounter Saginaw	-	975
Youth Event	32,930	32,930
Youth, Young Adult & Campus Ministry	-	25
Total net assets with donor restrictions	\$ 4,626,895	\$ 5,168,596

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

Notes to Financial Statements

Net assets with donor restrictions 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:

	2024	2023
Purpose restrictions accomplished		
Catholic education	\$ 929,311	\$ 835,190
Cathedral needs	1,420	-
General diocesan needs	166,226	140,646
Missions	77,702	28,440
Total net assets with donor restrictions released	<u>\$ 1,174,659</u>	<u>\$ 1,004,276</u>

11. 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 \$1 for fiscal 2024 and 2023. Accounts receivable related to this lease and other receivables from Saginaw Area Catholic Schools were \$276,657 and \$151,248 at June 30, 2024 and 2023, respectively. The allowance for credit losses on this receivable was not material.

12. SUPPLEMENTAL CASH FLOWS INFORMATION

Non-Cash Investing Activities

During fiscal years 2024 and 2023, uncollected Appeal pledges receivable totaling \$123,802 and \$117,870, respectively, were reclassified as notes receivable.

See Notes 7 and 11 for additional non-cash activities.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

January 20, 2025

The Most Reverend Robert D. Gruss
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, 2024 and 2023, and have issued our report thereon dated January 20, 2025 which appears on page 1. In that report, our opinion was qualified because the Catholic Diocese of Saginaw follows the financial reporting policy of expensing property and equipment at the time of purchase rather than the capitalization of property and equipment acquired and depreciation of such assets over their estimated useful lives in accordance with accounting principles generally accepted in the United States of America. The supplementary financial information contained in the accompanying Exhibits 1 through 5, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Information within Exhibits 1 through 5 has not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



**SUPPLEMENTARY FINANCIAL INFORMATION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

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

Schedule of Changes in Net Assets Without Donor Restrictions

Year Ended June 30, 2024

Net Assets Beginning of Year	Revenues, Gain or Other Support						Total Revenues, Gains, and Other Support
	Contributions	Interest and Investment Income	Workshops and Tuition	Rental and Other Services	Related Services	Other	
Office of Administrative Services	\$ -	\$ -	\$ -	\$ 132,841	\$ -	\$ 321,914	\$ 454,755
Office of Chancellor and Canonical & Civil Affairs	-	-	-	30,586	-	-	30,586
Office of Chief of Staff	109,993	-	320	58,386	-	5,052	173,751
Office of Finance	-	3,035,473	-	169,462	-	8,670,200	11,875,135
Office of Vicar General and Moderator of the Curia	1,573	49	26,530	2,200	-	19,744	50,096
Office of Parish Life and Evangelization	9,816	4	124,531	2,108	693	-	137,152
Office of Judicial Vicar and Tribunal	-	-	-	-	-	-	-
Office of Catholic School Education	15,400	-	-	28,943	-	-	44,343
Total Undesignated	\$ 22,575,786	136,782	3,035,526	151,381	693	9,016,910	12,765,818
Administration - General	7	-	3	-	-	-	3
Adoration Sisters	73	-	26	-	-	-	26
Bishop Untener Memorial Education Fund	404	-	-	-	301	-	301
Bishop's Ball Proceeds Fund	86,231	-	-	-	-	-	-
Bishop's Discretionary Fund	679,105	26,303	-	-	-	-	26,303
Bishop's Retirement Fund	335,067	-	-	-	-	-	-
Bishop's Vocational Fund	33,512	-	144	-	-	-	144
Black and Native American Grant	135	-	180	-	-	-	180
Budget Excess / Discretionary Fund	5,654,462	3,493,677	-	-	-	-	3,493,677
Campus Ministry	-	-	23	-	-	-	23
Capital Campaign	37,660	-	153	-	-	-	153
Cathedral Capital Fund	26,653	10,234	-	-	-	-	10,234
Cathedral Clinic	-	-	38	-	-	-	38
Cathedral Maintenance	1,206	-	1,131	-	-	-	1,131
Cathedral Renovation	(2,259,624)	-	-	-	-	-	-
Cathedral Support	45	-	12	-	-	-	12
Cathedral Vestments	87	-	95	-	-	-	95
Catholic Education	121,630	-	37,451	-	-	-	37,451
Catholic Heritage Museum	1,441	-	519	-	-	-	519
Catholic Schools	1,705	-	-	-	-	-	-
CCFMM Donations Fund	-	-	89	-	-	-	89
Center for Ministry	325,730	-	-	-	-	-	-
CFM Chapel Fund	114,927	-	490	-	-	-	490
Charles Keho Trust Fund	38,472	-	-	-	-	-	-
Diocesan Contingency Fund	-	-	-	-	-	-	-
Legacy of Faith	(1,807,685)	-	-	-	-	-	-
Other	482,419	-	-	-	-	-	-
Facilities and Construction Services	1	-	1	-	-	-	1
Hispanic & Multicultural Ministry	-	-	3	-	-	-	3
Insurance Reimbursement Fund	31,899	-	-	-	-	-	-
Lay Ministry	134	-	-	-	-	-	-
Lay Ministry Assembly	156	-	31	-	-	-	31
Legacies	-	-	1,461	-	-	-	1,461
Little Books Donation Fund	128,231	-	38,293	-	-	-	38,293
Major Computer Replacement	4,476	-	-	-	-	-	-
Migrant Assistance Fund	870	-	778	-	-	-	778
Missiondell Archive Records	-	-	-	-	-	-	-
Missions, CRS and CHD	30,786	-	12,674	-	-	-	12,674
Mother Teresa	264	-	156	-	-	-	156
NCC Chapel Fund	250	-	324	-	-	-	324
Parish Clergy Assignments Fund	108,730	-	-	-	-	-	-
Parish Mission Projects	189	-	152	-	-	-	152
Parish Support	-	-	15	-	-	-	15
Pastoral & Finance Council Leadership Training	-	-	7	-	-	-	7
Pfaff Fund	1,159	-	155	-	-	-	155
Poor Parish Fund	53	-	-	-	-	-	-
Priest Continuing Education Fund	28,899	-	1,565	-	-	-	1,565
Rachel's Vineyard Scholarship Fund	13	-	12	-	-	-	12
Religious Education for Children with Special Needs	2,578	-	915	-	-	-	915
Religious Liberty Fund	138	-	155	-	-	-	155
Rural School Tuition Assistance	485	-	526	-	-	-	526
School Internship	-	-	137	-	-	-	137
Schools Certification/PD	-	-	253	-	-	-	253
Schools Marketing Funds	317	-	-	-	-	-	-
Schools Scholarships	9	-	11	-	-	-	11

EXHIBIT 1

Expenses								
Salary and Benefits	Operational Costs	Donations	Membership Conferences	Services	Total Expenses	Transfers	Net Assets End of Year	
\$ 534,166	\$ 142,315	\$ -	\$ (26,737)	\$ 93,060	\$ 742,804	\$ 288,049		
270,590	84,044	-	7,558	118,624	480,816	450,230		
700,072	306,576	120,815	114,609	224,667	1,466,739	1,292,988		
738,943	138,148	433,825	4,985	244,319	1,560,220	(8,391,099)		
470,097	141,943	135,000	57,182	23,744	827,966	777,870		
792,688	227,187	100,354	111,581	1,388	1,233,198	1,096,046		
109,267	11,702	-	500	1,338	122,807	122,807		
323,143	67,280	370,000	18,639	28,635	807,697	763,354		
3,938,966	1,119,195	1,159,994	288,317	735,775	7,242,247	(3,599,755)	\$ 24,499,602	
-	-	-	-	-	-	(10)	-	
-	-	-	-	-	-	-	99	
-	-	-	-	-	-	-	705	
-	-	-	-	-	-	(86,231)	-	
-	-	-	-	-	-	51,481	756,889	
-	-	-	-	-	-	15,000	350,067	
-	-	-	-	-	-	(9,776)	23,880	
-	-	-	-	-	-	-	315	
-	-	-	-	-	-	1,481,575	10,629,714	
-	-	-	-	-	-	-	23	
-	-	-	-	-	-	(22,439)	15,374	
-	-	-	-	-	-	(36,663)	224	
-	-	-	-	-	-	(38)	-	
-	-	-	-	-	-	-	2,337	
-	-	-	-	-	-	2,259,624	-	
-	-	-	-	-	-	(57)	-	
-	-	-	-	-	-	-	182	
-	-	-	-	-	-	(5,000)	154,081	
-	-	-	-	-	-	-	1,960	
-	-	-	-	-	-	(1,705)	-	
-	-	-	-	-	-	-	89	
-	-	-	-	-	-	(33,659)	292,071	
-	-	-	-	-	-	-	115,417	
-	-	-	-	-	-	(1,177)	37,295	
-	-	-	-	-	-	1,807,685	-	
-	-	-	-	-	-	(482,419)	-	
-	-	-	-	-	-	-	2	
-	-	-	-	-	-	-	3	
-	-	-	-	-	-	-	31,899	
-	-	-	-	-	-	(134)	-	
-	-	-	-	-	-	-	187	
-	-	-	-	-	-	-	1,461	
-	-	-	-	-	-	-	166,524	
-	-	-	-	-	-	-	4,476	
-	-	-	-	-	-	-	1,648	
-	-	-	-	-	-	8,810	8,810	
-	-	-	-	-	-	-	43,460	
-	-	-	-	-	-	-	420	
-	-	-	-	-	-	-	574	
-	-	-	-	-	-	(108,730)	-	
-	-	-	-	-	-	-	341	
-	-	-	-	-	-	-	15	
-	-	-	-	-	-	-	7	
-	-	-	-	-	-	(1,314)	-	
-	-	-	-	-	-	(53)	-	
-	-	-	-	-	-	(19,434)	11,030	
-	-	-	-	-	-	-	25	
-	-	-	-	-	-	-	3,493	
-	-	-	-	-	-	-	293	
-	-	-	-	-	-	-	1,011	
-	-	-	-	-	-	-	137	
-	-	-	-	-	-	-	253	
-	-	-	-	-	-	(317)	-	
-	-	-	-	-	-	-	20	

(continued)

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

Schedule of Changes in Net Assets Without Donor Restrictions

Year Ended June 30, 2024

	Revenues, Gain or Other Support							Total Revenues, Gains, and Other Support
	Net Assets Beginning of Year	Contributions	Interest and Investment Income	Workshops and Tuition	Rental and Other Services	Related Services	Other	
Schools Sustainability	\$ 36,121	\$ 250	\$ 1,170	\$ -	\$ -	\$ -	\$ -	\$ 1,420
Schools Teacher Awards	326	-	109	-	-	-	-	109
Scripture Scholarships	7	-	8	-	-	-	-	8
Special Donations & Subsidies	-	-	1	-	-	-	-	1
SPRED Program	418	-	455	-	-	-	-	455
Strasel Endowment Fund	17	-	2	-	-	-	-	2
SVSU Ministry	118	-	5	-	-	-	-	5
Tribunal	-	-	14	-	-	-	-	14
Walking with Moms	58	-	163	-	-	-	-	163
World Youth Day	2,792	-	-	-	-	-	-	-
Youth Encounter Saginaw	7	-	3	-	-	-	-	3
Youth Event	4,812	-	714	-	-	-	-	714
Total Management Designated	4,257,975	3,530,464	100,622	-	-	301	-	3,631,387
Total Net Assets Without Donor Restrictions	\$ 26,833,761	\$ 3,667,246	\$ 3,136,148	\$ 151,381	\$ 424,526	\$ 994	\$ 9,016,910	\$ 16,397,205

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (37,541)	\$ -
-	-	-	-	-	-	-	435
-	-	-	-	-	-	-	15
-	-	-	-	-	-	-	1
-	-	-	-	-	-	-	873
-	-	-	-	-	-	(19)	-
-	-	-	-	-	-	(123)	-
-	-	-	-	-	-	-	14
-	-	-	-	-	-	(130)	91
-	-	-	-	-	-	(2,792)	-
-	-	-	-	-	-	-	10
-	-	-	-	-	-	-	5,526
-	-	-	-	-	-	4,774,414	12,663,776
\$ 3,938,966	\$ 1,119,195	\$ 1,159,994	\$ 288,317	\$ 735,775	\$ 7,242,247	\$ 1,174,659	\$ 37,163,378

See independent auditors' report on supplementary information.

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

Schedule of Changes in Net Assets Without Donor Restrictions

Year Ended June 30, 2023

	Revenues, Gain or Other Support							Total Revenues, Gains, and Other Support
	Net Assets Beginning of Year	Contributions	Interest and Investment Income	Workshops and Tuition	Rental and Other Services	Related Services	Other	
Office of Administrative Services		\$ 300	\$ -	\$ -	\$ 157,527	\$ -	\$ 10,554	\$ 168,381
Office of Chancellor and Canonical & Civil Affairs		-	-	-	18,253	-	8	18,261
Office of Chief of Staff		93,897	-	-	47,959	-	12,083	153,939
Office of Finance		-	2,347,690	-	244,710	-	202,049	2,794,449
Office of Vicar General and Moderator of the Curia		-	31	23,860	42,804	-	4,774	71,469
Office of Parish Life and Evangelization		8,396	1	49,730	16,619	1,188	6,908	82,842
Office of Judicial Vicar and Tribunal		-	-	-	-	-	-	-
Office of Catholic School Education		750	-	-	-	-	-	750
Total Undesignated	\$ 23,381,244	103,343	2,347,722	73,590	527,872	1,188	236,376	3,290,091
Administration - General	1	-	6	-	-	-	-	6
Adoration Sisters	49	-	24	-	-	-	-	24
Bishop Untener Memorial Education Fund	-	-	-	-	-	404	-	404
Bishop's Ball Proceeds Fund	86,231	-	-	-	-	-	-	-
Bishop's Discretionary Fund	681,633	111,919	-	-	-	-	-	111,919
Bishop's Retirement Fund	320,067	-	-	-	-	-	-	-
Bishop's Vocational Fund	43,441	-	13	-	-	-	-	13
Black and Native American Grant	51	-	84	-	-	-	-	84
Budget Excess / Discretionary Fund	4,535,808	3,881,153	-	-	-	-	-	3,881,153
Campus Ministry	3,363	-	1	-	-	-	-	1
Capital Campaign	37,660	-	-	-	-	-	-	-
Cathedral Capital Fund	6,181	20,472	-	-	-	-	-	20,472
Cathedral Maintenance	163	-	1,043	-	-	-	-	1,043
Cathedral Renovation	(2,259,624)	-	-	-	-	-	-	-
Cathedral Support	17	-	28	-	-	-	-	28
Cathedral Vestments	-	-	87	-	-	-	-	87
Catholic Education	88,678	-	32,952	-	-	-	-	32,952
Catholic Heritage Museum	961	-	480	-	-	-	-	480
Catholic Schools	1,342	-	363	-	-	-	-	363
CCFMM Donations Fund	-	-	82	-	-	-	-	82
Center for Ministry	325,730	-	-	-	-	-	-	-
CFM Chapel Fund	114,475	-	452	-	-	-	-	452
Charles Keho Trust Fund	38,472	-	-	-	-	-	-	-
Diocesan Contingency Fund	-	-	-	-	-	-	-	-
Legacy of Faith	(1,827,685)	20,000	-	-	-	-	-	20,000
Other	482,419	-	-	-	-	-	-	-
Facilities and Construction Services	-	-	1	-	-	-	-	1
Insurance Reimbursement Fund	31,899	-	-	-	-	-	-	-
Lay Ministry	-	-	134	-	-	-	-	134
Lay Ministry Assembly	104	-	52	-	-	-	-	52
Little Books Donation Fund	84,327	-	43,904	-	-	-	-	43,904
Major Computer Replacement	32,922	-	-	-	-	-	-	-
Major Replacements	185,779	-	-	-	-	-	-	-
Migrant Assistance Fund	178	-	692	-	-	-	-	692
Ministry - Retired Priests & Religious	-	-	4	-	-	-	-	4
Missions, CRS and CHD	19,651	-	11,220	-	-	-	-	11,220
Mother Teresa	-	-	264	-	-	-	-	264
NCC Chapel Fund	-	-	250	-	-	-	-	250
Parish Clergy Assignments Fund	257,681	-	-	-	-	-	-	-
Parish Mission Projects	-	-	189	-	-	-	-	189
Pfaff Fund	542	-	617	-	-	-	-	617
Poor Parish Fund	-	-	53	-	-	-	-	53
Priest Continuing Education Fund	27,836	-	1,063	-	-	-	-	1,063
Rachel's Vineyard Scholarship Fund	-	-	13	-	-	-	-	13
Religious Education for Children with Special Needs	1,731	-	847	-	-	-	-	847
Religious Liberty Fund	-	-	138	-	-	-	-	138
Religious Vocations & Support	1	-	-	-	-	-	-	-
Rural School Tuition Assistance	-	-	485	-	-	-	-	485
Schools Marketing Funds	775	-	290	-	-	-	-	290
Schools Scholarships	-	-	9	-	-	-	-	9

Expenses								
Salary and Benefits	Operational Costs	Donations	Membership Conferences	Services	Total Expenses	Transfers	Net Assets End of Year	
\$ 467,022	\$ 586,608	\$ -	\$ (28,765)	\$ 98,228	\$ 1,123,093	\$ 954,712		
272,376	88,008	-	5,045	62,250	427,679	409,418		
749,368	281,626	181,475	103,800	289,008	1,605,277	1,451,338		
709,653	149,689	468,300	6,209	150,445	1,484,296	(2,115,611)		
600,541	120,809	144,161	23,008	45,624	934,143	862,674		
815,896	150,471	51,538	98,092	1,843	1,117,840	1,034,998		
99,462	13,214	-	125	2,200	115,001	115,001		
288,528	1,006,669	200,000	11,951	24,996	1,532,144	1,531,394		
4,002,846	2,397,094	1,045,474	219,465	674,594	8,339,473	4,243,924	\$ 22,575,786	
-	-	-	-	-	-	-	7	
-	-	-	-	-	-	-	73	
-	-	-	-	-	-	-	404	
-	-	-	-	-	-	-	86,231	
-	-	-	-	-	-	(114,447)	679,105	
-	-	-	-	-	-	15,000	335,067	
-	-	-	-	-	-	(9,942)	33,512	
-	-	-	-	-	-	-	135	
-	-	-	-	-	-	(2,762,499)	5,654,462	
-	-	-	-	-	-	(3,364)	-	
-	-	-	-	-	-	-	37,660	
-	-	-	-	-	-	-	26,653	
-	-	-	-	-	-	-	1,206	
-	-	-	-	-	-	-	(2,259,624)	
-	-	-	-	-	-	-	45	
-	-	-	-	-	-	-	87	
-	-	-	-	-	-	-	121,630	
-	-	-	-	-	-	-	1,441	
-	-	-	-	-	-	-	1,705	
-	-	-	-	-	-	(82)	-	
-	-	-	-	-	-	-	325,730	
-	-	-	-	-	-	-	114,927	
-	-	-	-	-	-	-	38,472	
-	-	-	-	-	-	-	(1,807,685)	
-	-	-	-	-	-	-	482,419	
-	-	-	-	-	-	-	1	
-	-	-	-	-	-	-	31,899	
-	-	-	-	-	-	-	134	
-	-	-	-	-	-	-	156	
-	-	-	-	-	-	-	128,231	
-	-	-	-	-	-	(28,446)	4,476	
-	-	-	-	-	-	(185,779)	-	
-	-	-	-	-	-	-	870	
-	-	-	-	-	-	(4)	-	
-	-	-	-	-	-	(85)	30,786	
-	-	-	-	-	-	-	264	
-	-	-	-	-	-	-	250	
-	-	-	-	-	-	(148,951)	108,730	
-	-	-	-	-	-	-	189	
-	-	-	-	-	-	-	1,159	
-	-	-	-	-	-	-	53	
-	-	-	-	-	-	-	28,899	
-	-	-	-	-	-	-	13	
-	-	-	-	-	-	-	2,578	
-	-	-	-	-	-	-	138	
-	-	-	-	-	-	(1)	-	
-	-	-	-	-	-	-	485	
-	-	-	-	-	-	(748)	317	
-	-	-	-	-	-	-	9	

(continued)

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

Schedule of Changes in Net Assets Without Donor Restrictions

Year Ended June 30, 2023

	Net Assets Beginning of Year	Revenues, Gain or Other Support					Total Revenues, Gains, and Other Support	
		Contributions	Interest and Investment Income	Workshops and Tuition	Rental and Other Services	Related Services		Other
Schools Sustainability	\$ 34,551	\$ 10	\$ 1,560	\$ -	\$ -	\$ -	\$ -	\$ 1,570
Schools Teacher Awards	182	-	144	-	-	-	-	144
Schools Welcome Scholarships	300	-	-	-	-	-	-	-
Scripture Scholarships	-	-	7	-	-	-	-	7
SPRED Program	-	-	418	-	-	-	-	418
Strasel Endowment Fund	-	-	17	-	-	-	-	17
SVSU Ministry	-	-	118	-	-	-	-	118
Walking with Moms	-	-	58	-	-	-	-	58
World Youth Day	2,792	-	-	-	-	-	-	-
Youth Encounter Saginaw	-	-	7	-	-	-	-	7
Youth Event	4,154	-	658	-	-	-	-	658
Total Management Designated	3,364,838	4,033,554	98,827	-	-	404	-	4,132,785
Total Net Assets Without Donor Restrictions	\$ 26,746,082	\$ 4,136,897	\$ 2,446,549	\$ 73,590	\$ 527,872	\$ 1,592	\$ 236,376	\$ 7,422,876

See independent auditors' report on supplementary information.

EXHIBIT 2

Expenses								
Salary and Benefits	Operational Costs	Donations	Membership Conferences	Services	Total Expenses	Transfers	Net Assets End of Year	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,121	
-	-	-	-	-	-	-	326	
-	-	-	-	-	-	(300)	-	
-	-	-	-	-	-	-	7	
-	-	-	-	-	-	-	418	
-	-	-	-	-	-	-	17	
-	-	-	-	-	-	-	118	
-	-	-	-	-	-	-	58	
-	-	-	-	-	-	-	2,792	
-	-	-	-	-	-	-	7	
-	-	-	-	-	-	-	4,812	
-	-	-	-	-	-	(3,239,648)	4,257,975	
\$ 4,002,846	\$ 2,397,094	\$ 1,045,474	\$ 219,465	\$ 674,594	\$ 8,339,473	\$ 1,004,276	\$ 26,833,761	

See independent auditors' report on supplementary information.

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

Schedule of Changes in Net Assets With Donor Restrictions

Year Ended June 30, 2024

Trusts	Revenues, Gains, and Other Support					Net Assets With Donor Restrictions End of Year
	Net Assets With Donor Restrictions at Beginning of Year	Contributions	Interest Income	Total Revenues, Gains, and Other Support	Inter-Fund Transfers	
Berberovich Scholarship Fund	\$ 19,587	\$ -	\$ -	\$ -	\$ -	\$ 19,587
Kozak Trust	43,931	-	-	-	(14,865)	29,066
Bishop Carlson Seminarian Fund	1,659,707	58,587	-	58,587	(37,592)	1,680,702
Total Trusts	1,723,225	58,587	-	58,587	(52,457)	1,729,355
Administration - General	300	-	-	-	(300)	-
Adoration Sisters	1,214	-	-	-	-	1,214
Bishop's Charity Fund	-	200	-	200	(200)	-
Black and Native American Grant	7,882	3,500	-	3,500	(1,500)	9,882
Campus Ministry	-	2,500	-	2,500	-	2,500
Cathedral Clinic	-	15,000	-	15,000	(15,000)	-
Cathedral Maintenance Fund	52,165	-	-	-	-	52,165
Cathedral Support	1,400	20	-	20	(1,420)	-
Cathedral Vestments	4,360	-	-	-	-	4,360
Catholic Education Fund	13,346	250	-	250	99,008	112,604
Catholic Heritage Museum	23,974	-	-	-	-	23,974
Catholic Schools	382	-	-	-	(382)	-
CCFMM Donations Fund	-	278,282	-	278,282	(269,032)	9,250
CFM-Chapel Fund	22,610	-	-	-	-	22,610
Christian Service - General	-	270	-	270	(270)	-
Development	-	50	-	50	-	50
Facilities and Construction Services	50	-	-	-	-	50
Hispanic and Multicultural Ministry	-	250	-	250	-	250
Lay Ministry Fund	2,248	40	-	40	(2,288)	-
Lay Ministry Assembly	2,602	-	-	-	(860)	1,742
Legacies	-	103,755	-	103,755	(1,000)	102,755
Little Books Donation Fund	2,235,052	50,000	-	50,000	(636,417)	1,648,635
Liturgical Assistance or Training	-	20	-	20	-	20
Marriage and Family Ministry	-	15	-	15	-	15
Masses - Live Stream & Televised	-	120	-	120	(120)	-
Migrant Assistance Fund	34,542	8,275	-	8,275	(3,165)	39,652
Missions, CRS and CHD	589,846	69,818	-	69,818	(75,607)	584,057
Mother Teresa	9,032	8,311	-	8,311	(6,318)	11,025
NCC Chapel Fund	20,000	-	-	-	(7,750)	12,250
Parish Mission Projects	9,435	-	-	-	-	9,435
Parish Support	-	1,059	-	1,059	-	1,059
Pastoral & Finance Council						
Leadership Training	-	500	-	500	-	500
Pfaff Fund	30,886	-	-	-	(30,886)	-
Priest Continuing Education Fund	62,742	-	-	-	(6,179)	56,563
Rachael Vineyard Scholarship Fund	1,150	150	-	150	-	1,300
Rel Ed/Children of Special Needs	42,218	-	-	-	-	42,218
Religious Liberty Fund	7,138	-	-	-	-	7,138
Religious Vocations & Support	-	-	-	-	-	-
Rural School Tuition Assistance	24,260	-	-	-	-	24,260
School Internship	-	-	-	-	15,000	15,000
Schools Certification/PD	-	-	-	-	27,640	27,640
Schools Scholarships	469	50	-	50	-	519
Schools Sustainability	172,102	14,148	-	14,148	(186,250)	-
Schools Teacher Awards	2,997	-	-	-	162	3,159
Scripture Scholarships	386	-	-	-	-	386
Special Donations and Subsidies	-	-	-	-	-	-
SPRED Program	20,897	125	-	125	-	21,022
Strasel Endowment	523	-	-	-	(523)	-

(continued)

See independent auditors' report on supplementary information.

CATHOLIC DIOCESE OF SAGINAW
CENTRALIZED PROGRAMS AND ADMINISTRATION

Schedule of Changes in Net Assets With Donor Restrictions
Year Ended June 30, 2024

Trusts	Revenues, Gains, and Other Support					Net Assets With Donor Restrictions End of Year
	Net Assets With Donor Restrictions at Beginning of Year	Contributions	Interest Income	Total Revenues, Gains, and Other Support	Inter-Fund Transfers	
SVSU Ministry	\$ 1,837	\$ -	\$ -	\$ -	\$ (1,837)	\$ -
Tribunal	-	1,500	-	1,500	-	1,500
Vocation Ministry Fund	6,000	2,689	-	2,689	(1,970)	6,719
Walking with Moms	7,396	13,474	-	13,474	(13,738)	7,132
Youth Encounter Saginaw	975	-	-	-	(975)	-
Youth Event	32,930	-	-	-	-	32,930
Youth, Young Adult, & Campus Ministry	25	-	-	-	(25)	-
	\$ 5,168,596	\$ 632,958	\$ -	\$ 632,958	\$ (1,174,659)	\$ 4,626,895

See independent auditors' report on supplementary information.

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

Schedule of Changes in Net Assets With Donor Restrictions
Year Ended June 30, 2023

Trusts	Revenues, Gains, and Other Support					Net Assets With Donor Restrictions End of Year
	Net Assets With Donor Restrictions at Beginning of Year	Contributions	Interest Income	Total Revenues, Gains, and Other Support	Inter-Fund Transfers	
Berberovich Scholarship Fund	\$ 19,587	\$ -	\$ -	\$ -	\$ -	\$ 19,587
Kozak Trust	58,636	-	-	-	(14,705)	43,931
Bishop Carlson Seminarian Fund	1,638,791	54,831	-	54,831	(33,915)	1,659,707
Total Trusts	1,717,014	54,831	-	54,831	(48,620)	1,723,225
Administration - General	300	-	-	-	-	300
Adoration Sisters	1,214	-	-	-	-	1,214
Black and Native American Grant	4,732	4,900	-	4,900	(1,750)	7,882
Campus Ministry	-	100	-	100	(100)	-
Cathedral Maintenance Fund	52,165	-	-	-	-	52,165
Cathedral Support	1,400	-	-	-	-	1,400
Cathedral Vestments	4,360	-	-	-	-	4,360
Catholic Education Fund	12,946	400	-	400	-	13,346
Catholic Heritage Museum	23,974	-	-	-	-	23,974
Catholic Schools	35,914	1,100	-	1,100	(36,632)	382
CCFMM Donations Fund	8,834	253,310	-	253,310	(262,144)	-
CFM-Chapel Fund	22,610	-	-	-	-	22,610
Clergy Support	-	9,161	-	9,161	(9,161)	-
Communications and Evangelization	-	25	-	25	(25)	-
Facilities and Construction Services	-	50	-	50	-	50
Lay Ministry Fund	9,653	-	-	-	(7,405)	2,248
Lay Ministry Assembly	2,602	-	-	-	-	2,602
Little Books Donation Fund	2,455,210	350,000	-	350,000	(570,158)	2,235,052
Masses - Live Stream & Televised	-	1,370	-	1,370	(1,370)	-
Migrant Assistance Fund	34,271	7,162	-	7,162	(6,891)	34,542
Missions, CRS and CHD	550,954	65,962	-	65,962	(27,070)	589,846
Mother Teresa	13,434	5,216	-	5,216	(9,618)	9,032
NCC Chapel Fund	-	20,000	-	20,000	-	20,000
Parish Mission Projects	9,435	-	-	-	-	9,435
Parish Support	-	695	-	695	(695)	-
Pfaff Fund	30,886	-	-	-	-	30,886
Priest Continuing Education Fund	46,400	-	-	-	16,342	62,742
Rachael Vineyard Scholarship Fund	-	1,150	-	1,150	-	1,150
Rel Ed/Children of Special Needs	43,158	-	-	-	(940)	42,218
Religious Liberty Fund	7,138	-	-	-	-	7,138
Religious Vocations & Support	50	-	-	-	(50)	-
Rural School Tuition Assistance	24,260	-	-	-	-	24,260
Schools Scholarships	469	-	-	-	-	469
Schools Sustainability	145,813	29,249	-	29,249	(2,960)	172,102
Schools Teacher Awards	4,335	-	-	-	(1,338)	2,997
Schools Marketing Funds	19,323	-	-	-	(19,323)	-
Scripture Scholarships	-	386	-	386	-	386
Special Donations and Subsidies	-	1,144	-	1,144	(1,144)	-
SPRED Program	20,897	-	-	-	-	20,897
Strasel Endowment	556	-	-	-	(33)	523
SVSU Ministry	8,163	7,000	-	7,000	(13,326)	1,837
Vocation Ministry Fund	4,416	322	-	322	1,262	6,000
Walking with Moms	-	8,523	-	8,523	(1,127)	7,396
Youth Encounter Saginaw	-	975	-	975	-	975
Youth Event	32,930	-	-	-	-	32,930
Youth, Young Adult, & Campus Ministry	-	25	-	25	-	25
	\$ 5,349,816	\$ 823,056	\$ -	\$ 823,056	\$ (1,004,276)	\$ 5,168,596

See independent auditors' report on supplementary information.

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

Schedule of Donations and Distributions from Special Events

Year Ended June 30, 2024

Apostolic Nunciature-Peter's Pence/Canon 1271	\$	55,000
Ascension St. Mary's Foundation		7,500
Ave Maria Radio		10,000
Bay Area Catholic Schools		220,050
Black & Indian Mission		15,000
Cathedral Clinic		15,038
Catholic Community Foundation of Mid-Michigan		8,311
Catholic Family Service		200,000
Catholic Media Association		432
Catholic Mobilizing Network		1,000
Catholic Rural Life		5,000
Catholic University of America		4,000
Child Abuse & Neglect Council		1,500
Commissariat of the Holy Land		10,000
Courage International		1,000
Emmaus House		2,250
Ezekiel Project		135
Gratiot County Hope House		2,500
Life Clinic Community Resources		13,002
Migrant Donations & Goodwill		2,445
Miscellaneous Donations & Other Acts of Goodwill		34,786
National Committee for a Human Life Amendment		1,300
National Rural Life Conference		1,500
Operation Rice Bowl Grants		
*Assumption of the Blessed Virgin Mary Parish of Midland		500
*Cros-Lex Project Blessing		500
*First Presbyterian Church		1,000
*Holy Name of Mary Parish of Harbor Beach		1,000
*New Beginnings Ministries Outreach		1,000
*Our Lady of Czestochowa Parish		800
*Reach the Forgotten		1,000
*Resurrection of the Lord of Standish		1,000
*Rosebush Emergency Assist Pantry		1,000
*Sacred Heart Mission for Gladwin County		1,500
*St. Agnes Parish of Freeland		500
*St. Christopher Food Pantry		1,000
*St. Elizabeth of Hungary Parish of Reese		1,000
*St. Gabriel Parish of Auburn		1,500
*St. Joseph Parish of Saginaw		1,000
*St. Mark Parish of Au Gres		1,000
*St. Paul's Episcopal Church Feeding Ministry		1,525
*St. Vincent de Paul Bay City		1,000
*Vassar Food Pantry		1,500
Partnership Center		5,000
Pontifical North American College		5,000
Right to Life of Michigan		200
Sacred Heart Major Seminary		1,000
Saginaw Catholic Mustard Seed		5,560
Saginaw County Right to Life		375
Scholarships		1,710
Shelterhouse		5,000
St. Elizabeth of Hungary Parish of Reese		150,000
St. John Paul II Parish of Carrollton		1,000
St. Joseph Parish, Saginaw		40,991
St. Mary Cathedral		120,000
St. Mary University Parish, Mt. Pleasant		150,000
Strangers No Longer		10,000
Toni and Trish House		500
USCCB-Catholic Communications Campaign		4,250

(continued)

See independent auditors' report on supplementary information.

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

■ Schedule of Donations and Distributions from Special Events	
Year Ended June 30, 2024	
USCCB-Catholic Home Missions	\$ 7,000
USCCB-Church in Africa	3,800
USCCB-Church in Latin America	10,000
USCCB-Missions	975
Walking with Moms Donations	<u>6,559</u>
Total	<u>\$ 1,159,994</u>

See independent auditors' report on supplementary information.