
Diocese of Lansing

**Financial Report
with Additional Information
June 30, 2020**

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Independent Auditor's Report

To the Most Reverend Earl A. Boyea
Diocese of Lansing

We have audited the accompanying financial statements of the Diocese of Lansing (the "Diocese"), which comprise the balance sheet as of June 30, 2020 and 2019 and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Diocese of Lansing as of June 30, 2020 and 2019 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.

To the Most Reverend Earl A. Boyea
Diocese of Lansing

Emphasis of Matter

As described in Note 1 to the financial statements, the financial statements being presented are only for funds for which the Diocese of Lansing 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, 2020 and 2019 or the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Plante & Moran, PLLC

December 10, 2020

Diocese of Lansing

Balance Sheet

June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	\$ 7,630,830	\$ 7,560,639
Michigan no-fault self-insurance loss reserve	36,196	32,765
Investments (Note 3)	5,158,025	1,772,430
Accounts receivables - Net of allowances	1,422,674	1,767,539
Cemetery inventory	83,703	82,154
Unrecovered cost of crypts and niches	1,352,578	1,200,047
Undeveloped burial ground	85,000	85,000
Invested in Parish Savings and Loan Trust	6,306,599	3,524,442
Prepaid expenses and other current assets	208,018	175,159
Interest in net assets of Catholic Foundation of the Diocese of Lansing (Note 6)	8,593,273	9,602,381
Property and equipment:		
Land and buildings	13,127,340	13,122,987
Future sites	370,635	370,635
Equipment	1,195,764	1,142,624
Accumulated depreciation	(7,521,011)	(7,142,875)
Total property and equipment	7,172,728	7,493,371
Total assets	\$ 38,049,624	\$ 33,295,927
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 863,751	\$ 942,066
Unremitted collections	118,912	59,505
Related party accounts payable	857	214,569
Amounts due to beneficiaries	2,628	6,440
Cemetery preneed deferred revenue	2,791,402	2,689,301
Long-term debt (Note 15)	928,800	-
Total liabilities	4,706,350	3,911,881
Net Assets		
Without donor restrictions:		
Undesignated	3,647,113	3,512,581
Designated (Note 5)	17,294,867	15,550,773
With donor restrictions (Note 5)	12,401,294	10,320,692
Total net assets	33,343,274	29,384,046
Total liabilities and net assets	\$ 38,049,624	\$ 33,295,927

Diocese of Lansing

Statement of Activities and Changes in Net Assets

Years Ended June 30, 2020 and 2019

	2020	2019
Changes in Net Assets without Donor Restrictions		
Revenue, gains, and other support:		
Assessment receipts	\$ 2,482,859	\$ 2,769,914
Cemetery general receipts	1,852,797	1,482,698
Protected loss activities	888,793	825,104
Dividends	56,727	131,261
Bequests and donations	592,629	176,488
School assessment receipts	224,682	326,081
Program and project receipts	1,714,856	1,245,931
Net realized and unrealized gains and losses on investments	58,296	42,759
Interest income	37,710	8,643
(Loss) gain on sale of fixed assets	(128,499)	18,370
Distribution from related entity	1,806,000	1,563,852
Net assets released from restrictions	4,820,929	4,645,586
Total revenue, gains, and other support	14,407,779	13,236,687
Expenses:		
Salaries and benefits	5,337,841	5,088,091
Tuition expense	639,531	532,686
Assessments	122,268	122,582
Subsidies - Grants	1,866,995	2,845,161
Office expenses	1,446,338	1,802,853
Property and equipment	1,225,108	1,001,637
Cemetery cost of goods sold	231,104	411,952
Ministerial programming	1,102,426	956,881
Depreciation and impairment	445,428	707,596
Treasury Management Fund interest expense	26,249	37,515
Total expenses	12,443,288	13,506,954
Increase (Decrease) in Net Assets without Donor Restrictions - Before other changes in net assets without donor restrictions and transfers	1,964,491	(270,267)
Other Changes in Net Assets without Donor Restrictions - Impairment and forgiveness of loans and receivables (Note 1)	(85,865)	(30,127)
Increase (Decrease) in Net Assets without Donor Restrictions - Before transfers	1,878,626	(300,394)
Transfers (Note 7)	-	(4,790,351)
Increase (Decrease) in Net Assets without Donor Restrictions	1,878,626	(5,090,745)
Changes in Net Assets with Donor Restrictions		
Bequests and donations	3,104,293	53,044
Investment income	32,182	17,888
DSA release from restrictions	(4,774,164)	(4,527,303)
Other release from restrictions	(46,765)	(118,283)
Change in interest in net assets of Catholic Foundation of the Diocese of Lansing (Note 6)	3,765,056	5,342,182
Increase in Net Assets with Donor Restrictions	2,080,602	767,528
Increase (Decrease) in Net Assets	3,959,228	(4,323,217)
Net Assets - Beginning of year	29,384,046	33,707,263
Net Assets - End of year	\$ 33,343,274	\$ 29,384,046

Diocese of Lansing

Statement of Cash Flows

Years Ended June 30, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 3,959,228	\$ (4,323,217)
Adjustments to reconcile increase (decrease) in net assets to net cash and cash equivalents from operating activities:		
Depreciation	445,428	707,596
Net gain on investments	(58,296)	(42,759)
Impairment on loans and receivables net of change in allowance	85,865	30,127
Interest in net assets of Catholic Foundation of the Diocese of Lansing	(3,765,056)	(5,342,181)
Net asset transfer to St. Francis Retreat Center	-	4,790,351
Loss (gain) on sale of fixed assets	128,499	(18,370)
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Accounts receivable	259,000	263,489
Cemetery inventory	(1,549)	(4,206)
Unrecovered cost of crypts and niches	(152,531)	(228,396)
Prepaid expenses and other current assets	(32,859)	134,006
Accounts payable and accrued liabilities	(78,315)	(185,936)
Cemetery trust fund	102,101	343,135
Deposits	(213,712)	(53,053)
Amount due to beneficiaries	(3,812)	(705)
Funds held for others	-	(354)
Unremitted collections	59,407	(18,170)
Net cash and cash equivalents provided by (used in) operating activities	733,398	(3,948,643)
Cash Flows from Investing Activities		
Purchase of property, plant, and equipment	(253,284)	(277,096)
Proceeds from sale property, plant, and equipment	-	100,588
Proceeds from sale of investments	2,774,521	1,797,372
Purchases of investments	(6,101,820)	(764,016)
Invested in Parish Savings and Loan Trust	(2,782,157)	(66,687)
Net cash and cash equivalents (used in) provided by investing activities	(6,362,740)	790,161
Cash Flows from Financing Activities		
Distribution from beneficial interest in net assets of Catholic Foundation of the Diocese of Lansing	4,774,164	4,527,301
Proceeds from long-term debt	928,800	-
Net cash and cash equivalents provided by financing activities	5,702,964	4,527,301
Net Increase in Cash and Cash Equivalents	73,622	1,368,819
Cash and Cash Equivalents - Beginning of year	7,593,404	6,224,585
Cash and Cash Equivalents - End of year	\$ 7,667,026	\$ 7,593,404
Balance Sheet Classification of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 7,630,830	\$ 7,560,639
Michigan no-fault self-insurance loss reserve	36,196	32,765
Total cash and cash equivalents	\$ 7,667,026	\$ 7,593,404
Significant Noncash Transactions - Property and equipment transferred to St. Francis Retreat Center	\$ -	\$ (4,790,351)

June 30, 2020 and 2019

Note 1 - Nature of Business

Principles of Reporting

The accompanying financial statements include only those funds for which the Diocese of Lansing (the "Diocese") retains operational control. The financial statements do not reflect the assets, liabilities, and results of operations of parishes, schools, and other diocesan organizations. The excluded organizations receive financial support from other sources, and their activities are accounted for separately. All interfund balances and activity with each other have been eliminated.

The Diocese of Lansing provides various services primarily in the central area of lower Michigan. A description of these services and the funds maintained by the Diocese is as follows:

Central Services

Central Services accounts for the operations of the central administrative offices of the Diocese. The main sources of income are the Diocesan Services Appeal (DSA) campaign held annually by the Catholic Foundation of the Diocese of Lansing and diocesan assessments levied on each parish.

Cemetery

Diocesan cemeteries account for the activities of St. Joseph Catholic Cemetery in Lansing, New and Old Calvary Cemeteries in Flint, St. Patrick Cemetery in Clinton County, St. Michael Byzantine Cemetery in Flint, All Saints Cemetery in Flint, and the central administrative and preneed offices.

Protected Loss Activities

The Michigan Catholic Conference (MCC) forwards a part of the participant contributions to the Diocese to cover costs of loss prevention-type activities that the Diocese conducts directly.

Plant

Plant activities include purchase, renovation, or rehabilitation of land, buildings, and equipment. Equipment is recorded at cost. Land and future parish sites are recorded at cost. Contributed assets are recorded at fair value at the date of the gift. Plant activities include costs associated with property and equipment used in the operations included in these financial statements. Costs of operating and maintaining land, buildings, and equipment of parishes, schools, and other diocesan institutions are excluded.

Treasury Management

This fund maintains cash and investments for the various funds of the Diocese.

Designated & Restricted Gift

Gift funds are limited for special purposes. Restrictions of net assets are donor-imposed limitations, and designations of net assets are management imposed.

Note 2 - Significant Accounting Policies

Cash Equivalents

The Diocese considers all investments with an original maturity of three months or less when purchased to be cash and cash equivalents. However, this excludes any cash that is included in the Diocese's investment portfolio.

June 30, 2020 and 2019**Note 2 - Significant Accounting Policies (Continued)*****Concentration of Credit Risk***

Custodial credit risk is the risk that, in the event of a bank failure, the Diocese's deposits may not be returned to it. At year end, a significant portion of the Diocese's cash balance was held at one financial institution and exceeds the Federal Deposit Insurance Corporation (FDIC) insurance limits. Management believes that, due to the dollar amounts of cash deposits and the type of accounts held, it is impractical to insure all deposits.

Parish Savings and Loan Trust

The Diocese is a participant in the Parish Savings and Loan Trust (the "Trust"). Effective March 1, 2018, the Diocese of Lansing transferred the Savings and Loan Program to the Trust. The Savings and Loan Program is a cooperative savings, investment, and borrowing program administered by the Trust for the benefit of trust participants. The Diocese deposits excess funds into this program and earns interest. Interest was received at a rate of 2.5 percent during 2020 and 2019. Withdrawals are made by redeeming shares. Redemptions from the Savings and Loan Program can be made on a regular basis.

Accounts Receivable

Accounts receivable are stated at invoice amounts. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal payment periods. All amounts deemed uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. The allowance for doubtful accounts as of June 30, 2020 and 2019 was \$243,039 and \$157,173, respectively.

Amounts received from cemetery trusts, included in investments, receivables, and liabilities, represent a portion of the proceeds from the sale of preneed merchandise and services, deposited in accordance with state trusting laws with various financial institutions, together with accrued earnings. The Diocese will recognize and generally receive these amounts when the merchandise is delivered or the service is performed.

Investments

Investments are stated at fair value. Gifts of investment securities are initially recorded at fair value at the date of receipt. Investment income is recorded when earned.

Unrecovered Cost of Crypts and Niches

It is the policy of the Diocese to capitalize all land, drainage, landscaping costs, and costs of mausoleum crypts and columbarium niches. The costs of crypts and niches are charged to cost of sales as the entombment and interment rights are sold.

Undeveloped Burial Ground

Undeveloped burial ground represents cost of land not developed or available-for-sale burial rights at year end.

The Diocese has sold all burial rights in the land originally developed for burial rights and presently is selling burial rights in land previously used for other cemetery functions, as well as burial rights repurchased from individuals who no longer desire them.

Property and Equipment

The Diocese maintains historical financial records of the cost of land, buildings, and certain equipment when purchased or at fair value at the date of gift, if contributed. Depreciation is calculated on the straight-line basis over the estimated useful lives of the various assets. The Diocese calculates depreciation on a straight-line basis over the estimated useful life of 3-10 years for equipment and 15-50 years for buildings.

June 30, 2020 and 2019**Note 2 - Significant Accounting Policies (Continued)**

Gifts of long-lived assets, such as land, buildings, or equipment, are reported as support without donor restrictions unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets must be maintained, and expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Split-interest Agreements

The designated gift program includes resources and obligations created by various split-interest agreements with donors. Under the terms of the contracts, the Diocese is required to invest amounts received and distribute a percentage of that investment or a set amount to designated beneficiaries. Upon the death of a beneficiary, the principal remaining under each contract reverts to the Diocese or other designated beneficiaries in accordance with the terms of the respective contract. The split-interest agreements are recorded within the balance sheet as amounts due to beneficiaries.

Revenue and Cost Recognition

The Diocese records revenue such as contributions and promises to give at fair value when received unconditionally. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. Parish assessments are calculated on an annual basis and are recognized into revenue as billed.

The Diocese sponsors various educational and other programs that are necessary to fulfill its mission. The Diocese earns revenue from fees collected for such programs. Revenue is recognized and recorded when activities occur.

When individuals purchase a cemetery burial right (plot of ground) or mausoleum, crypt, or niche, cemetery revenue is recognized, and the plot, crypt, or niche is reserved for that individual and can no longer be sold.

When merchandise is sold on a preneed basis, the Diocese defers the revenue until the merchandise is delivered. An allowance for estimated contract cancellations based on historical experience is provided as a reserve against contracts receivable.

Distribution from related entity includes revenue received from Michigan Catholic Conference related to multiple programs administered by MCC. Each participating diocese pays premiums toward these programs, and excess funds are made available periodically to the Diocese.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in Note 9. Costs have been allocated between the various program and support services on several bases and estimates. Salaries and benefits are allocated based on the underlying job role, depreciation is allocated based on square footage dedicated to program or administrative purposes, and certain office expenses are allocated based on salaries and benefits expense. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Classification of Net Assets

Net assets of the Diocese are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Diocese.

June 30, 2020 and 2019**Note 2 - Significant Accounting Policies (Continued)**

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Diocese or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are released to net assets without donor restrictions.

Tax Status

The Diocese is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and the Diocese is a religious entity that is exempt from tax filings; therefore, a provision for income taxes has not been included in the 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

The Diocese invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the balance sheet.

Adoption of New Accounting Pronouncement

As of July 1, 2019, the Diocese adopted Financial Accounting Standards Board (FASB) Accounting Standards Update No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The Diocese adopted the new standard on a modified prospective basis, which impacted the recognition of certain contribution and grant agreements. Government grants now meet the criteria of a nonreciprocal (contribution) transaction, typically with conditions to be met before revenue is recognized. The standard did not require a restatement of prior year amounts and did not impact the timing of contribution revenue.

Upcoming Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for the Diocese's year ending June 30, 2021. The ASU permits application of the new revenue recognition guidance using one of two retrospective application methods. The Diocese has not yet determined which application method it will use.

June 30, 2020 and 2019**Note 2 - Significant Accounting Policies (Continued)*****Subsequent Events***

The financial statements and related disclosures include evaluation of events up through and including December 10, 2020, which is the date the financial statements were available to be issued.

Note 3 - Investments

A summary of investments held by the Diocese at June 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
National Catholic Investment Pool	\$ 3,128,217	\$ -
Certificates of deposit	106,070	103,725
Escrow trust account	<u>1,923,738</u>	<u>1,668,705</u>
Total	<u><u>\$ 5,158,025</u></u>	<u><u>\$ 1,772,430</u></u>

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following table presents information about the Diocese's assets measured at fair value on a recurring basis at June 30, 2020 and the valuation techniques used by the Diocese to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Diocese has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Diocese's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

At June 30, 2020 and 2019, there was \$2,029,808 and \$1,772,430, respectively, in escrow trust cash accounts and certificates of deposit, which is not reflected within the fair value table below. At June 30, 2019, there were no remaining investments subject to fair value leveling.

June 30, 2020 and 2019

Note 4 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis <u>at June 30, 2020</u>
	<u>Significant Other Observable Inputs (Level 2)</u>
Investments - National Catholic Investment Pool	\$ 3,128,217

The Diocese holds an interest in investments held in the National Catholic Investment Pool administered by the Michigan Catholic Conference at year end where the fair value of the investment held is estimated based on the underlying invested assets. The assets held by the National Catholic Investment Pool consist of investments in mutual funds, equity securities, fixed-income securities, and money markets for which an active market exists.

Note 5 - Net Assets

Net assets with donor restrictions and net assets without donor restrictions designated by the board are described as follows:

Central Services Fund - Net assets with time restrictions related to interest in net assets of the Catholic Foundation of the Diocese of Lansing

Cemetery Fund - Net assets restricted for purposes specified by the donors

Designated & Restricted Gift Fund - Net assets restricted related to interest in the net assets of the Catholic Foundation of the Diocese of Lansing and net assets restricted for purposes specified by the donors

Net assets with donor restrictions and net assets without donor restrictions designated by the board consist of the following amounts:

	2020	2019
Net assets with donor restrictions:		
Central Services Fund - Interest in net assets of the Catholic Foundation of the Diocese of Lansing	\$ 3,745,059	\$ 4,635,094
Designated & Restricted Gift Fund - Interest in net assets of the Catholic Foundation of the Diocese of Lansing	4,848,214	4,967,287
Designated & Restricted Gift Fund - Other donor-restricted net assets	3,799,158	709,448
Cemetery Fund - Donor-restricted net assets	8,863	8,863
Total net assets with donor restrictions	\$ 12,401,294	\$ 10,320,692
2020		
Designated net assets without donor restrictions:		
Cemetery Fund	\$ 4,482,330	\$ 4,009,108
Protected Loss Activities Fund	79,245	248,019
Plant Fund	6,638,606	6,877,325
Treasury Management Fund	-	(70,475)
Designated & Restricted Gift Fund	6,094,686	4,486,796
Total designated net assets without donor restrictions	\$ 17,294,867	\$ 15,550,773

June 30, 2020 and 2019**Note 6 - Beneficial Interest in Assets Held by Third Parties**

The Diocese is named as a sole beneficiary to the Diocesan Services Appeal campaign administered by the Catholic Foundation of the Diocese of Lansing. The Catholic Foundation of the Diocese of Lansing has solicited contributions from donors for the benefit of the Diocese. The Diocese's interest in the Catholic Foundation of the Diocese of Lansing was \$3,745,059 and \$4,635,094 related to the DSA campaign at June 30, 2020 and 2019, respectively.

The Diocese is named sole beneficiary to certain endowments transferred to the Catholic Foundation of the Diocese of Lansing during the years ended June 30, 2020 and 2019. At June 30, 2020 and 2019, the Diocese's interest in the Catholic Foundation of the Diocese of Lansing was \$4,848,214 and \$4,967,287, respectively, related to endowments in which the Diocese is the specified beneficiary. The change in corpus and accumulated earnings above corpus of these endowments are reflected in donor-restricted net assets.

Note 7 - Net Asset Transfers

During 2019, the Diocese transferred net assets consisting of property, plant, and equipment of \$4,790,351 to St. Francis Retreat Center, a related party of the Diocese. All net assets transferred were not donor restricted.

Note 8 - Self-insurance

The Diocese participates in a self-insurance plan (the "Insurance Plan") with other Michigan dioceses for workers' compensation, liability, and property coverage. The Insurance Plan is managed by the Michigan Catholic Conference, and claims are administered by a third-party administrator. Initial losses of up to \$1,000,000 for workers' compensation, \$1,000,000 for liability, and \$1,000,000 for property per occurrence are the direct responsibility of the Insurance Plan. Premiums paid to the Insurance Plan by the Diocese are recorded in the expenses of the Protected Loss Activities Fund.

The Insurance Plan's specific reinsurance carrier is responsible for all claims in excess of \$1,000,000 for workers' compensation, \$1,000,000 for liability, and \$1,000,000 for property per occurrence, as well as property losses up to a limit of \$100,000,000 per occurrence for workers' compensation, \$100,000,000 per occurrence for liability, and \$260,000,000 per occurrence for property. As of June 30, 2020, the Insurance Plan was responsible for aggregate losses of up to \$9,576,490 annually. The Diocese, along with the other dioceses included in the Insurance Plan, is contingently liable for claims in excess of these amounts. The Diocese has not recorded any contingencies on its balance sheet related to the MCC insurance plan, as there are sufficient funds held by MCC to cover any expected losses.

The Diocese is authorized by the Michigan Department of Insurance and Financial Services to self-insure no-fault risk for certain vehicles for the 12-month certification periods ended June 30, 2020 and 2019. An authorized self-insurer is required to establish a fully funded loss reserve to pay claims that are anticipated in or submitted for payment during the certification period to pay claims that have been incurred and submitted before then but have not yet been paid. The loss reserve for the Diocese has been determined by a qualified actuary and fully funded as of the commencement of the current certification period.

Diocese of Lansing

Notes to Financial Statements

June 30, 2020 and 2019

Note 9 - Functional Expenses

The Diocese provides various services to its members. Expenses related to providing these services are as follows for the year ended June 30, 2020:

	Program Services	Management and General	Total
Salaries and benefits	\$ 4,250,568	\$ 1,087,273	\$ 5,337,841
Tuition expense	639,531	-	639,531
Assessments	122,268	-	122,268
Subsidies - Grants	1,866,995	-	1,866,995
Office expenses	1,249,484	196,854	1,446,338
Property and equipment	844,450	380,658	1,225,108
Cemetery cost of goods sold	231,104	-	231,104
Ministerial programming	914,726	187,700	1,102,426
Depreciation	323,516	121,912	445,428
Treasury management interest expense	26,249	-	26,249
Total	\$ 10,468,891	\$ 1,974,397	\$ 12,443,288

Expenses related to providing services are as follows for the year ended June 30, 2019:

	Program Services	Management and General	Total
Salaries and benefits	\$ 4,143,081	\$ 945,010	\$ 5,088,091
Tuition expense	532,686	-	532,686
Assessments	122,582	-	122,582
Subsidies - Grants	2,845,161	-	2,845,161
Office expenses	1,491,704	311,149	1,802,853
Property and equipment	562,768	438,869	1,001,637
Cemetery cost of goods sold	411,952	-	411,952
Ministerial programming	816,943	139,938	956,881
Depreciation	492,634	214,962	707,596
Treasury management interest expense	37,515	-	37,515
Total	\$ 11,457,026	\$ 2,049,928	\$ 13,506,954

Note 10 - Multiemployer Pension Plans

The Diocese participates in the Michigan Catholic Conference Lay Employees Retirement Plan (the "Plan"), a multiemployer defined benefit pension plan that covers substantially all lay employees. The plan number and employer identification number of the Plan is 20-1769136.

Contributions to the Plan were approximately \$344,000 and \$357,000 for the years ended June 30, 2020 and 2019, respectively. Contributions to the Plan are based on a percentage (8.6 percent for June 30, 2020 and 2019) of covered employees' wages. Based on information as of June 30, 2020, the year end of the Plan, and June 30, 2019, the Diocese's contributions to the Plan did not represent more than 5 percent of the total contributions received by the Plan.

June 30, 2020 and 2019**Note 10 - Multiemployer Pension Plans (Continued)**

The financial risks of participating in multiemployer plans are different from single-employer defined benefit pension plans in the following respects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer discontinues contributions to a plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If a participating employer chooses to stop participating in a plan, a withdrawal liability may be created based on the unfunded vested benefits for all employees in the plan.

Specific plan information for the Diocese is not available from the Plan's administrator. If the Diocese withdraws its participation in the Plan, the Diocese would be responsible for making a contribution for its proportional share of any unfunded liability. The withdrawal liability would be calculated by the actuaries, as outlined in the plan document at the time of withdrawal. The following information is based on the financial statements of the Plan as of June 30, 2020:

	<u>Michigan Catholic Conference Lay Employees Retirement Plan</u>
Total plan assets	\$ 1,266,504,186
Actuarial present value of accumulated plan benefits as of July 1, 2019	\$ 1,469,920,323
Total contributions received by the Plan	\$ 27,806,094
Indicated level of funding	86.16 %

Note 11 - Replacement Value of Buildings

The replacement value of parish, school, and other diocesan institution buildings owned by the Diocese for the benefit of the parishes, schools, and other diocesan institutions is in excess of \$20,000,000, which does not include the amounts shown in the balance sheet under land and buildings, as determined by Marshall Swift Valuation Services Cost Indices as of June 30, 2020. The buildings included in this valuation are substantially composed of buildings excluded from plant assets in the accompanying financial statements, as discussed in Note 1.

Note 12 - Commitments

The Bishop of the Diocese of Lansing had a bond issued for the benefit of Father Gabriel Richard High School. The Diocese provided an irrevocable letter of credit with a bank related to the bond for the benefit of Father Gabriel Richard High School. Effective December 1, 2018, the debt was refinanced with a different financial institution for \$6,670,000, payable through 2028 at 3.78 percent. As of June 30, 2020 and 2019, the outstanding balance on this bond issue was \$6,299,444 and \$6,670,000, respectively. Currently, the other diocesan entity is making all payments due on the bonds and all related expenses.

June 30, 2020 and 2019**Note 12 - Commitments (Continued)**

During the fiscal year ended June 30, 2013, the Diocese of Lansing entered into a financing arrangement for the purpose of relocating Fr. Luke M. Powers Catholic High School (the "School"). This arrangement is structured for the purpose of making use of federal New Markets Tax Credit and certain state tax credits. As of June 30, 2020, the loan to the School held by the Parish Savings and Loan Trust was approximately \$670,000. The School is obligated and has been making certain payments for a facility lease and shared operational expenses since taking occupancy during fiscal year 2014. The Diocese has guaranteed certain lease payments of \$300,000 should the School be unable to make these lease payments.

As previously disclosed in Note 1, the scope of these financial statements excludes assets, liabilities, and the results of operations of the schools and the other diocesan entity; therefore, the bonds and the asset constructed with the proceeds are not included in these financial statements. An appropriate liability will be recognized if a possibility reasonably exists that the schools and other diocesan entity will not be able to meet their obligations of these bonds, and diocesan resources covered in this statement would need to be used to service the debt. Should this occur, the Diocese could seek to recover those amounts from the schools and other diocesan entity.

Note 13 - Contingent Liabilities

The Diocese is contingently liable in respect to litigation and claims incidental to the ordinary course of its operations. In the opinion of management, based on its consultation with legal counsel, the amount of loss, if any, is unknown at this time. Therefore, no provision has been made in the accompanying financial statements for losses that might result from the ultimate disposition of these matters.

Note 14 - Liquidity and Availability of Resources

The following reflects the Diocese's financial assets as of June 30, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

	2020	2019
Cash and cash equivalents	\$ 7,630,830	\$ 7,560,639
Michigan no-fault self-insurance loss reserve	36,196	32,765
Accounts receivable - Net of allowances	1,422,674	1,767,539
Investments	5,158,025	1,772,430
Invested in Parish Savings and Loan Trust	6,306,599	3,524,442
Interest in net assets of Catholic Foundation of the Diocese of Lansing	8,593,273	9,602,381
Financial assets - At year end	29,147,597	24,260,196
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Donor-restricted corpus associated with interest in net assets of the Catholic Foundation of the Diocese of Lansing	4,848,214	4,703,126
Contractually restricted Michigan no-fault self-insurance loss reserve	36,196	32,765
Long-term portion of accounts cemetery accounts receivable	325,103	581,712
Contractually restricted cemetery escrow investment	1,923,738	1,668,705
Earnings on donor-restricted beneficial interest not appropriated by the board for expenditure within one year	107,361	40,633
Board designations - Board designated for cemetery maintenance	3,290,653	3,524,442
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 18,616,332</u>	<u>\$ 13,708,813</u>

June 30, 2020 and 2019**Note 14 - Liquidity and Availability of Resources (Continued)**

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

The Diocese has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet six months of normal operating expenses, which are, on average, approximately \$6,200,000 and \$6,750,000 at June 30, 2020 and 2019, respectively. The Diocese has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Diocese invests cash in excess of daily requirements in various short-term investments, including money market and short-term treasury instruments.

The Diocese also realizes there could be unanticipated liquidity needs.

Note 15 - Long-term Debt

Long-term debt at June 30 is as follows:

	2020	2019
Paycheck Protection Program note payable from a bank, uncollateralized, bearing interest at 1.0 percent. Monthly installments of principal and interest of \$67,320 are due starting in March 2021, with a maturity date of April 16, 2022	<u>\$ 928,800</u>	<u>\$ -</u>

The balance of the above debt matures as follows:

Years Ending	Amount
2021	\$ 258,720
2022	<u>670,080</u>
Total	<u>\$ 928,800</u>

Note 16 - Impact of Disease Outbreak

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations. For the year ended June 30, 2020, the Diocese received a loan of \$928,800 from a bank, as disclosed in Note 15, pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act's Paycheck Protection Program. The note structure required diocesan officials to certify certain statements that permitted the Diocese to qualify for the loan and provides loan forgiveness for a portion up to all of the borrowed amount if the Diocese uses the loan proceeds for the permitted loan purpose described in the note agreement; the portion not forgiven will require the Diocese to pay back the amount in full by the maturity date.

During the fiscal year, the Diocese also determined it would not bill one month's assessment fee to parishes in light of the pandemic. The Diocese had minimal impact to its workforce, and no impairments were recorded as of the balance sheet date, as management determined no triggering events occurred as of year end; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future.

Additional Information



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Independent Auditor's Report on Additional Information

To the Most Reverend Earl A. Boyea
Diocese of Lansing

We have audited the financial statements of the Diocese of Lansing as of and for the years ended June 30, 2020 and 2019 and have issued our report thereon dated December 10, 2020, which contained an unmodified opinion on those financial statements.

Our audit was performed for the purpose of forming an opinion on the 2020 financial statements as a whole. The schedules on pages 19 through 30 are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the 2020 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2020 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2020 financial statements as a whole.

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

December 10, 2020

Diocese of Lansing

Central Services Fund Balance Sheet

June 30, 2020 and 2019

	2020	2019
Assets		
Invested in Treasury Management Fund	2,851,544	3,126,783
Accounts receivable - Net of allowance	814,046	581,857
Prepaid expenses	216,761	163,669
Interest in net assets of the		
Catholic Foundation of the Diocese of Lansing	3,745,059	4,635,094
Total assets	<u><u>\$ 7,627,410</u></u>	<u><u>\$ 8,507,403</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	224,239	335,044
Unremitted collections	10,999	24,684
Total liabilities	235,238	359,728
Net Assets		
Without Donor Restriction - Undesignated	3,647,113	3,512,581
With Donor Restriction	3,745,059	4,635,094
Total net assets	<u><u>7,392,172</u></u>	<u><u>8,147,675</u></u>
Total liabilities and net assets	<u><u>\$ 7,627,410</u></u>	<u><u>\$ 8,507,403</u></u>

Central Services Fund
Statement of Activities and Changes in Net Assets

Years Ended June 30, 2020 and 2019

	2020	2019
Changes in Net Assets without Donor Restriction		
Revenue:		
Diocesan assessments	\$ 2,482,859	\$ 2,769,914
Interest	82,381	108,449
Bequests and donations	587,824	168,887
Program and project receipts:		
Charities	42,981	-
Finance	500,851	473,910
Formation	162,918	192,659
New evangelization	143,740	371,871
Vocations	405,943	363,532
Communications	45,290	35,000
Education and catechesis	95,308	9,844
Subsidy Units	-	256,711
Grants, assessments, and other	42	38,143
Total revenue	4,550,137	4,788,920
Net assets released from restriction - DSA campaign released from restriction	4,774,164	4,527,303
Total revenue and net assets released from restriction	9,324,301	9,316,223
Expenses:		
Chancery services	1,194,968	1,273,699
Charities	674,290	732,693
Human resources	248,025	206,558
Formation	809,877	807,983
Communications	438,684	208,470
Education and catechesis	479,117	428,916
Finance	1,252,454	1,208,629
New evangelization	310,034	589,748
Vocations	1,342,281	1,162,157
Grants, assessments, and other ministries	1,988,240	2,213,087
Total expenses	8,737,970	8,831,940
Increase in Net Assets without Donor Restriction - Before other changes	586,331	484,283
Other Changes in Net Assets without Donor Restriction		
Recovery of loans and receivables	(85,865)	(28,765)
Transfers between funds	(365,934)	(192,110)
Increase in Net Assets without Donor Restriction	134,532	263,408
Changes in Net Assets with Donor Restriction		
Change in interest in net assets of the Catholic Foundation of the Diocese of Lansing	3,884,129	5,257,099
DSA campaign release from restriction	(4,774,164)	(4,527,303)
(Decrease) Increase in Net Assets with Donor Restriction	(890,035)	729,796
(Decrease) Increase in Net Assets	(755,503)	993,204
Net Assets - Beginning of year	8,147,675	7,154,471
Net Assets - End of year	\$ 7,392,172	\$ 8,147,675

Diocese of Lansing

Cemetery Fund Balance Sheet

June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	\$ 464,690	\$ 1,057,024
Invested in Parish Savings and Loan Trust	3,290,653	3,524,443
Accounts receivable - Net of allowance	709,064	646,472
Cemetery inventory	83,703	82,154
Prepaid expenses	(9,965)	17,015
Unrecovered cost of crypts and niches	1,352,578	1,200,047
Undeveloped burial ground	85,000	85,000
Investments	1,923,738	1,668,705
Equipment and real estate:		
Equipment	424,569	399,887
Real estate:		
Land and buildings	1,468,178	1,468,178
Accumulated depreciation	(1,358,625)	(1,298,342)
Net equipment and real estate	<u>534,122</u>	<u>569,723</u>
Total assets	<u><u>\$ 8,433,583</u></u>	<u><u>\$ 8,850,583</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 268,123	\$ 188,908
Loan from Treasury Management Fund	882,865	1,954,403
Cemetery pre-need deferred revenue	<u>2,791,402</u>	<u>2,689,301</u>
Total liabilities	<u>3,942,390</u>	<u>4,832,612</u>
Net Assets		
Without Donor Restriction - Designated	4,482,330	4,009,108
With Donor Restriction	<u>8,863</u>	<u>8,863</u>
Total net assets	<u>4,491,193</u>	<u>4,017,971</u>
Total liabilities and net assets	<u><u>\$ 8,433,583</u></u>	<u><u>\$ 8,850,583</u></u>

Diocese of Lansing

Cemetery Fund

Statement of Activities and Changes in Net Assets

Years Ended June 30, 2020 and 2019

	2020	2019
Changes in Net Assets without Donor Restriction		
Revenue:		
General receipts	\$ 454,500	\$ 32,287
Products and services	1,316,580	1,350,255
Investment and other income	<u>81,717</u>	<u>100,156</u>
Total revenue	1,852,797	1,482,698
Expenses:		
Product costs	231,104	411,952
Operational costs	<u>1,148,471</u>	<u>1,351,358</u>
Total expenses	<u>1,379,575</u>	<u>1,763,310</u>
Increase (Decrease) in Net Assets without Donor Restriction - Before other changes	473,222	(280,612)
Other Changes in Net Assets without Donor Restriction-		
Transfers between funds	-	-
Bad debt expense	<u>-</u>	<u>(1,362)</u>
Increase (Decrease) in Net Assets without Donor Restriction	473,222	(281,974)
Net Assets - Beginning of year	4,017,971	4,299,945
Net Assets - End of year	\$ 4,491,193	\$ 4,017,971

Diocese of Lansing

**Protected Loss Activities Fund
Balance Sheet**

June 30, 2020 and 2019

	2020	2019
Assets		
Invested in Treasury Management Fund	\$ (73,113)	\$ (147,412)
Accounts receivable - Net of allowance	123,207	394,135
Prepaid expenses	1,222	-
Michigan no-fault self-insurance loss reserve	<u>36,196</u>	<u>32,765</u>
Total assets	<u>\$ 87,512</u>	<u>\$ 279,488</u>
Liabilities and Net Assets		
Liabilities - Accounts payable	\$ 8,267	\$ 31,469
Net Assets without Donor Restriction - Designated	<u>79,245</u>	<u>248,019</u>
Total liabilities and net assets	<u>\$ 87,512</u>	<u>\$ 279,488</u>

Diocese of Lansing

Protected Loss Activities Fund
Statement of Activities and Changes in Net Assets

Years Ended June 30, 2020 and 2019

	2020	2019
Revenue		
Participant premiums	\$ 774,431	\$ 737,625
Other income	114,362	87,479
Distribution from related entity	<u>1,806,000</u>	<u>247,852</u>
Total revenue	2,694,793	1,072,956
Expenses - Insurance service fees and other	<u>1,357,567</u>	<u>1,025,395</u>
Increase in Net Assets - Before other changes	1,337,226	47,561
Other Changes in Net Assets		
Impairment of receivables	-	-
Transfer between funds	<u>(1,506,000)</u>	<u>-</u>
(Decrease) Increase in Net Assets	(168,774)	47,561
Net Assets - Beginning of year	<u>248,019</u>	<u>200,458</u>
Net Assets - End of year	<u>\$ 79,245</u>	<u>\$ 248,019</u>

Diocese of Lansing

**Plant Fund
Balance Sheet**

June 30, 2020 and 2019

	2020	2019
Assets		
Invested in Treasury Management Fund	\$ -	\$ -
Equipment and real estate:		
Equipment	771,195	742,737
Real estate:		
Land and buildings	11,659,162	11,654,809
Future sites	370,635	370,635
Accumulated depreciation	<u>(6,162,386)</u>	<u>(5,844,533)</u>
Net equipment and real estate	<u>6,638,606</u>	<u>6,923,648</u>
Total assets	<u>\$ 6,638,606</u>	<u>\$ 6,923,648</u>
Liabilities and Net Assets		
Liabilities - Accounts payable	\$ -	\$ 46,323
Net Assets without Donor Restriction - Designated	<u>6,638,606</u>	<u>6,877,325</u>
Total liabilities and net assets	<u>\$ 6,638,606</u>	<u>\$ 6,923,648</u>

Diocese of Lansing

Plant Fund
Statement of Activities and Changes in Net Assets

Years Ended June 30, 2020 and 2019

	2020	2019
Revenue		
Rental and other income	\$ 5,500	\$ 1,000
(Loss) gain on dispositions	<u>(128,499)</u>	<u>18,370</u>
Net revenue	(122,999)	19,370
Expenses		
Depreciation	385,144	647,236
Repairs and maintenance	22,877	24,492
Equipment	1,361	1,022
Property taxes	<u>126</u>	<u>2,336</u>
Total expenses	409,508	675,086
Decrease in Net Assets - Before other changes	(532,507)	(655,716)
Other Changes in Net Assets		
Transfer to St. Francis Retreat Center	-	(4,790,351)
Transfer between funds	<u>293,788</u>	<u>76,489</u>
Decrease in Net Assets	(238,719)	(5,369,578)
Net Assets - Beginning of year	6,877,325	12,246,903
Net Assets - End of year	\$ 6,638,606	\$ 6,877,325

Diocese of Lansing

**Treasury Management Fund
Balance Sheet**

June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	\$ 7,166,140	\$ 6,503,615
Investments	3,234,287	103,725
Accrued interest receivable	-	50,000
Prepaid expenses and other assets	-	(5,525)
Loans:		
Other diocesan funds included in these financial statements	931,266	1,056,266
Allowance for doubtful loans	(56,266)	(56,266)
Net loans	<u>875,000</u>	<u>1,000,000</u>
Total assets	<u><u>\$ 11,275,427</u></u>	<u><u>\$ 7,651,815</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 585,169	\$ 375,848
Deposits:		
Related party funds	857	214,570
Other diocesan funds included in these financial statements	<u>9,760,601</u>	<u>7,131,872</u>
Total deposits	<u>9,761,458</u>	<u>7,346,442</u>
Long-term debt	928,800	-
Total liabilities	11,275,427	7,722,290
Net Assets without Donor Restriction - Designated	<u>-</u>	<u>(70,475)</u>
Total liabilities and net assets	<u><u>\$ 11,275,427</u></u>	<u><u>\$ 7,651,815</u></u>

Diocese of Lansing

Treasury Management Fund
Statement of Activities and Changes in Net Assets

Years Ended June 30, 2020 and 2019

	2020	2019
Revenue		
Interest	\$ 119,891	\$ 58,643
Dividends	56,727	131,261
Net realized and unrealized gain on investments	<u>58,296</u>	<u>42,759</u>
Total revenue	234,914	232,663
Expenses		
Distributions to depositors	201,997	249,823
Designated and self-supporting activity	<u>26,335</u>	<u>19,627</u>
Total expenses	<u>228,332</u>	<u>269,450</u>
Increase (Decrease) in Net Assets without Donor Restrictions - Before other changes	6,582	(36,787)
Other Changes in Net Assets without Donor Restrictions-		
Transfers between funds	63,893	-
Transfer to Parish Savings and Loan Trust	<u>-</u>	<u>(109,535)</u>
Increase (Decrease) in Net Assets	70,475	(146,322)
Net Assets - Beginning of year	<u>(70,475)</u>	<u>75,847</u>
Net Assets - End of year	<u>\$ -</u>	<u>\$ (70,475)</u>

Diocese of Lansing

**Designated & Restricted Gift Fund
Balance Sheet**

June 30, 2020 and 2019

	2020	2019
Assets		
Invested in Treasury Management Fund	\$ 6,990,035	\$ 5,106,904
Invested in Parish Savings and Loan Trust	3,015,946	
Accounts receivable	-	145,075
Interest in net assets of the Catholic Foundation of the Diocese of Lansing	<u>4,848,214</u>	<u>4,967,287</u>
Total assets	<u>\$ 14,854,195</u>	<u>\$ 10,219,266</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 1,596	\$ 14,474
Unremitted collections	15,721	34,821
Amounts due beneficiaries	<u>94,820</u>	<u>6,440</u>
Total liabilities	112,137	55,735
Net Assets		
Without Donor Restrictions	6,094,686	4,486,796
With Donor Restrictions	<u>8,647,372</u>	<u>5,676,735</u>
Total net assets	<u>14,742,058</u>	<u>10,163,531</u>
Total liabilities and net assets	<u>\$ 14,854,195</u>	<u>\$ 10,219,266</u>

Diocese of Lansing

Designated & Restricted Gift Fund Statement of Activities and Changes in Net Assets

Years Ended June 30, 2020 and 2019

	2020	2019
Changes in Net Assets without Donor Restrictions		
Revenue:		
Interest	\$ 87,435	\$ 123,486
Bequests and donations	4,805	7,601
School assessment receipts	224,682	326,081
Distribution from related entity	-	1,316,000
Program and project receipts	<u>358,783</u>	<u>44,825</u>
Total revenue	<u>675,705</u>	<u>1,817,993</u>
Net assets released from restrictions - Satisfaction of restriction	<u>46,765</u>	<u>118,283</u>
Total revenue and net assets released from restrictions	<u>722,470</u>	<u>1,936,276</u>
Expenses:		
Grants	572,889	1,688,354
Administrative expenses	<u>55,944</u>	<u>76,918</u>
Total expenses	<u>628,833</u>	<u>1,765,272</u>
Increase in Net Assets without Donor Restrictions -		
Before other changes	93,637	171,004
Other Changes in Net Assets without Donor Restrictions -		
Transfers between funds	<u>1,514,253</u>	<u>225,156</u>
Increase in Net Assets without Donor Restrictions	<u>1,607,890</u>	<u>396,160</u>
Changes in Net Assets with Donor Restrictions		
Bequests and donations	3,104,293	53,044
Investment income	32,182	17,888
Change in interest in net assets of the Catholic Foundation of the Diocese of Lansing	(119,073)	85,083
Net assets released from restrictions	<u>(46,765)</u>	<u>(118,283)</u>
Increase in Net Assets with Donor Restrictions	<u>2,970,637</u>	<u>37,732</u>
Increase in Net Assets	<u>4,578,527</u>	<u>433,892</u>
Net Assets - Beginning of year	<u>10,163,531</u>	<u>9,729,639</u>
Net Assets - End of year	<u>\$ 14,742,058</u>	<u>\$ 10,163,531</u>