
Diocese of Lansing

**Financial Report
with Additional Information
June 30, 2021**

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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, 2021 and 2020 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, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 3 to the financial statements, the Diocese of Lansing adopted the provisions of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, using the modified retrospective method as of July 1, 2020. Our opinion is not modified with respect to this matter.

To the Most Reverend Earl A. Boyea
Diocese of Lansing

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, 2021 and 2020 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 7, 2021

Balance Sheet

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 7,176,761	\$ 7,630,830
Michigan no-fault self-insurance loss reserve	35,101	36,196
Investments (Note 4)	8,925,019	5,158,025
Accounts receivable - Net of allowance	1,307,360	1,422,674
Cemetery inventory	77,514	83,703
Unrecovered cost of crypts and niches	1,341,751	1,352,578
Undeveloped burial ground	85,000	85,000
Deposited in Parish Savings and Loan Trust	5,505,318	6,306,599
Invested in Catholic Foundation Agency Fund (Note 4)	4,572,642	-
Prepaid expenses and other current assets	259,703	208,018
Interest in net assets of Catholic Foundation of the Diocese of Lansing (Note 7)	12,111,585	8,593,273
Property and equipment:		
Land and buildings	12,775,042	13,127,340
Future sites	370,635	370,635
Equipment	974,414	1,195,764
Accumulated depreciation	<u>(7,427,486)</u>	<u>(7,521,011)</u>
Total property and equipment	<u>6,692,605</u>	<u>7,172,728</u>
Total assets	<u>\$ 48,090,359</u>	<u>\$ 38,049,624</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 1,129,436	\$ 863,751
Unremitted collections	172,143	118,912
Related party accounts payable	123	857
Amounts due to beneficiaries	-	2,628
Cemetery preneed deferred revenue	3,416,321	2,791,402
Long-term debt (Note 15)	<u>-</u>	<u>928,800</u>
Total liabilities	4,718,023	4,706,350
Net Assets		
Without donor restrictions:		
Undesignated	3,758,928	3,647,113
Designated (Note 6)	20,199,460	17,294,867
With donor restrictions (Note 6)	<u>19,413,948</u>	<u>12,401,294</u>
Total net assets	<u>43,372,336</u>	<u>33,343,274</u>
Total liabilities and net assets	<u>\$ 48,090,359</u>	<u>\$ 38,049,624</u>

Diocese of Lansing

Statement of Activities and Changes in Net Assets

Years Ended June 30, 2021 and 2020

	2021	2020
Changes in Net Assets without Donor Restrictions		
Revenue, gains, and other support:		
Assessment receipts	\$ 2,768,394	\$ 2,482,859
Cemetery general receipts	1,813,236	1,852,797
Protected loss activities	765,836	888,793
Dividends	37,021	56,727
Bequests and donations	110,845	592,629
School assessment receipts	300,108	224,682
Program and project receipts	1,473,333	1,714,856
Net realized and unrealized (losses) gains on investments	(27,782)	58,296
Interest income	80,341	37,710
Loss on sale of fixed assets	(225,330)	(128,499)
Distribution from related entity	1,160,000	1,806,000
Paycheck Protection Program loan forgiveness (Note 16)	937,443	-
Net assets released from restrictions	5,652,381	4,820,929
	<u>14,845,826</u>	<u>14,407,779</u>
Total revenue, gains, and other support		
Expenses:		
Salaries and benefits	5,343,719	5,337,841
Tuition expense	785,051	639,531
Assessments	123,290	122,268
Subsidies - Grants	2,299,986	1,866,995
Offices expenses	1,052,686	1,446,338
Property and equipment	866,891	1,225,108
Cemetery cost of goods sold	321,795	231,104
Ministerial programming	582,716	1,102,426
Depreciation	423,404	445,428
Treasury Management Fund interest expense	30,730	26,249
	<u>11,830,268</u>	<u>12,443,288</u>
Total expenses		
Increase in Net Assets without Donor Restrictions - Before other changes in net assets without donor restrictions	3,015,558	1,964,491
Other Changes in Net Assets without Donor Restrictions - Recovery (impairment) of loans and receivables (Note 1)	850	(85,865)
	<u>3,016,408</u>	<u>1,878,626</u>
Increase in Net Assets without Donor Restrictions		
Changes in Net Assets with Donor Restrictions		
Bequests and donations	12,417	3,104,293
Investment income	313,323	32,182
DSA release from restrictions	(5,126,929)	(4,774,164)
Other release from restrictions	(525,452)	(46,765)
Change in interest in net assets of Catholic Foundation of the Diocese of Lansing (Note 7)	8,645,240	3,765,056
Transfers - With donor restrictions (Note 8)	3,694,055	-
	<u>7,012,654</u>	<u>2,080,602</u>
Increase in Net Assets with Donor Restrictions		
Increase in Net Assets	10,029,062	3,959,228
Net Assets - Beginning of year	33,343,274	29,384,046
Net Assets - End of year	<u>\$ 43,372,336</u>	<u>\$ 33,343,274</u>

Statement of Cash Flows

Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Increase in net assets	\$ 10,029,062	\$ 3,959,228
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Depreciation	423,404	445,428
Net loss (gain) on investments	27,782	(58,296)
(Recovery) impairment on loans and receivables - Net of change in allowance	(850)	85,865
Interest in net assets of Catholic Foundation of the Diocese of Lansing	(8,645,240)	(3,765,056)
Loss on sale of fixed assets	225,330	128,499
Forgiveness of debt	(937,443)	-
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Accounts receivable	116,164	259,000
Cemetery inventory	6,189	(1,549)
Unrecovered cost of crypts and niches	10,827	(152,531)
Prepaid expenses and other current assets	(51,685)	(32,859)
Accounts payable and accrued liabilities	274,327	(78,315)
Cemetery preneed deferred revenue	624,919	102,101
Deposits	(734)	(213,712)
Amount due to beneficiaries	(2,628)	(3,812)
Unremitted collections	53,231	59,407
Net cash and cash equivalents provided by operating activities	2,152,655	733,398
Cash Flows from Investing Activities		
Purchase of property, plant, and equipment	(168,611)	(253,284)
Proceeds from sale of investments	343,805	2,774,521
Purchases of investments	(4,138,581)	(6,101,820)
Net change in Parish Savings and Loan Trust and Catholic Foundation Agency Fund	(3,771,361)	(2,782,157)
Net cash and cash equivalents used in investing activities	(7,734,748)	(6,362,740)
Cash Flows from Financing Activities		
Distribution from beneficial interest in net assets of Catholic Foundation of the Diocese of Lansing	5,126,929	4,774,164
Proceeds from long-term debt	-	928,800
Net cash and cash equivalents provided by financing activities	5,126,929	5,702,964
Net (Decrease) Increase in Cash and Cash Equivalents	(455,164)	73,622
Cash and Cash Equivalents - Beginning of year	7,667,026	7,593,404
Cash and Cash Equivalents - End of year	<u>\$ 7,211,862</u>	<u>\$ 7,667,026</u>
Balance Sheet Classification of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 7,176,761	\$ 7,630,830
Michigan no-fault self-insurance loss reserve	35,101	36,196
Total cash and cash equivalents	<u>\$ 7,211,862</u>	<u>\$ 7,667,026</u>

June 30, 2021 and 2020

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, 2021 and 2020

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 Designated & Restricted Gift and Cemetery funds are participants in the Parish Savings and Loan Trust (the "Trust"). The Designated & Restricted Gift and Cemetery funds deposit excess funds into this program and earn interest. Interest was received at a rate of 2.0 and 2.5 percent during the years ended June 30, 2021 and 2020, respectively. Withdrawals are made by redeeming shares. Redemptions from the Savings and Loan Program can be made on a regular basis.

Catholic Foundation Agency Fund

The Designated & Restricted Gift fund is a participant in the Catholic Foundation of the Diocese of Lansing Agency Fund. The Diocese deposits donor-restricted funds into this fund and earns market gains and losses. Withdrawals are made by requesting distribution. Withdrawals from the Catholic Foundation of the Diocese of Lansing Agency Fund can be made as needed.

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, 2021 and 2020 was \$175,658 and \$243,039, 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.

Note 2 - Significant Accounting Policies (Continued)

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.

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.

Contributions and Assessments

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 received.

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.

Revenue Recognition

The Diocese generates its revenue from multiple sources, including program and project events, cemetery at-need conversions and sales, cemetery burial rights, and management fees. The related contract accounts receivable associated with these revenue streams totaled \$946,197, \$709,064, and \$646,472 as of June 30, 2021; June 30, 2020; and July 1, 2019, respectively.

For program and project events, the Diocese has performance obligations for a promise to deliver specific content on a specific date, time, and location to a customer. This is a distinct service and has the same pattern of transfer to the customer. The customer can benefit from the service on its own, and it is separately identifiable.

Under the typical payment terms, the customer purchases a ticket to the event based on published prices, explicitly stated. Revenue is recognized upon occurrence of the scheduled program or project event, at a point in time.

For cemetery at-need conversions, the Diocese has a performance obligation for interment services at a specific time and location. For cemetery at-need sales, the Diocese has performance obligations for specific goods requested of the customer, which may include containers, memorial markers, and grave accessories.

Under the typical payment terms, the customer purchases at-need conversion services or merchandise based on stated rates per the contract or price list. The price allocated to each performance obligation is the stand-alone selling price of the service/good purchased. Any discounts are applied based on the established program and are applied to the applicable performance obligation. At-need conversion services are provided within a few hours; therefore, as a practical expedient, revenue is recognized at a point in time. Additionally, the customer takes control of the merchandise at the time of delivery, and installation work is generally short in nature; therefore, as a practical expedient, revenue is recognized at a point in time.

For cemetery burial rights, the Diocese has performance obligations for the right of the customer to be buried in a specific location upon death.

Note 2 - Significant Accounting Policies (Continued)

Under the typical payment terms, the customer purchases the right to be interred at a specific location upon death in the future. The Diocese bills customers and collects cash prior to the satisfaction of the performance obligation as required by state law, which results in the Diocese recognizing contract liabilities recorded as cemetery preneed deferred revenue on the balance sheet totaling \$3,416,321, \$2,791,402, and \$2,689,301 as of June 30, 2021; June 30, 2020; and July 1, 2019, respectively.

For management fees, the Diocese has performance obligations for services provided, including, but not limited to, accounting, human resources, legal, information technology, and administrative services.

Under the typical payment terms, the customer is billed based on the rate structure of the service provided, as stated per the contract. The Diocese recognizes revenue over time, using an output method of time elapsed over the contract period, as the Diocese stands ready to provide the promised services throughout the contract period.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in Note 10. 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.

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, where 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.

Note 2 - Significant Accounting Policies (Continued)

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.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including December 7, 2021, which is the date the financial statements were available to be issued.

Note 3 - Adoption of New Accounting Pronouncement

As of July 1, 2020, the Diocese adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*. 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 Diocese adopted the new standard using the modified retrospective method to all contracts effective July 1, 2020 and is using a portfolio approach to group contracts with similar characteristics, such as cemetery contracts. Modified retrospective adoption requires entities to apply the standard retrospectively to the most current period presented in the financial statements, requiring the cumulative effect of the retrospective application as an adjustment to the opening balance of net assets at the date of initial application. No cumulative-effect adjustment in net assets was recorded, as the adoption of ASU did not significantly impact the Diocese's reported historical revenue.

Note 4 - Investments

A summary of investments held by the Diocese at June 30, 2021 and 2020 is as follows:

	2021	2020
National Catholic Investment Pool	\$ 6,180,873	\$ 3,128,217
Catholic Foundation Agency Fund - Underlying investments held in National Catholic Investment Pool	4,572,642	-
Certificates of deposit	105,529	106,070
Cemetery preneed escrow trust account	2,638,617	1,923,738
Total	<u>\$ 13,497,661</u>	<u>\$ 5,158,025</u>

Note 5 - 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 tables present information about the Diocese's assets measured at fair value on a recurring basis at June 30, 2021 and 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.

Note 5 - Fair Value Measurements (Continued)

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, 2021 and 2020, there was \$2,744,146 and \$2,029,808, respectively, in escrow trust cash accounts and certificates of deposit, which is not reflected within the fair value table below.

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2021 <u>Significant Other Observable Inputs (Level 2)</u>
Investments	
National Catholic Investment Pool	\$ 6,180,873
Invested in Catholic Foundation Agency Fund - Assets held in the National Catholic Investment Pool	<u>4,572,642</u>
Total investments	<u><u>\$ 10,753,515</u></u>
	Assets Measured at Fair Value on a Recurring Basis at June 30, 2020 <u>Significant Other Observable Inputs (Level 2)</u>
Investments - National Catholic Investment Pool	<u><u>\$ 3,128,217</u></u>

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 6 - 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:

	2021	2020
Net assets without donor restrictions:		
Cemetery Fund	\$ 5,293,191	\$ 4,482,330
Protected Loss Activities Fund	97,881	79,245
Plant Fund	6,146,781	6,638,606
Designated & Restricted Gift Fund	8,661,607	6,094,686
Total net assets without donor restrictions	\$ 20,199,460	\$ 17,294,867
	2021	2020
Net assets with donor restrictions:		
Central Services Fund - Interest in net assets of the Catholic Foundation of the Diocese of Lansing	\$ 6,387,487	\$ 3,745,059
Designated & Restricted Gift Fund - Interest in net assets of the Catholic Foundation of the Diocese of Lansing	5,724,098	4,848,214
Designated & Restricted Gift Fund - Other donor-restricted net assets	7,293,500	3,799,158
Cemetery Fund - Donor-restricted net assets	8,863	8,863
Total designated net assets with donor restrictions	\$ 19,413,948	\$ 12,401,294

Note 7 - 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 \$6,387,487 and \$3,745,059 related to the DSA annual campaigns at June 30, 2021 and 2020, 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, 2021 and 2020. At June 30, 2021 and 2020, the Diocese's interest in the Catholic Foundation of the Diocese of Lansing was \$5,724,098 and \$4,848,214, 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 8 - Net Asset Transfers

During 2021, the Catholic Foundation of the Diocese of Lansing, a related party of the Diocese, transferred net assets consisting of investments of \$3,694,055 to the Diocese. This transfer was related to donor-restricted assets that will be managed by the Diocese.

Note 9 - 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, 2021, the Insurance Plan was responsible for aggregate losses of up to \$9,098,837 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, 2021 and 2020. 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.

Note 10 - 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, 2021:

	Program Services	Management and General	Total
Salaries and benefits	\$ 4,198,478	\$ 1,145,241	\$ 5,343,719
Tuition expense	785,051	-	785,051
Assessments	123,290	-	123,290
Subsidies - Grants	2,299,986	-	2,299,986
Office expenses	861,086	191,600	1,052,686
Property and equipment	557,384	309,507	866,891
Cemetery cost of goods sold	321,795	-	321,795
Ministerial programming	387,328	195,388	582,716
Depreciation	312,301	111,103	423,404
Treasury management interest expense	30,730	-	30,730
Total	\$ 9,877,429	\$ 1,952,839	\$ 11,830,268

Note 10 - Functional Expenses (Continued)

Expenses related to providing 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	<u>\$ 10,468,891</u>	<u>\$ 1,974,397</u>	<u>\$ 12,443,288</u>

Note 11 - 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 \$332,000 and \$344,000 for the years ended June 30, 2021 and 2020, respectively. Contributions to the Plan are based on a percentage (8.6 percent for June 30, 2021 and 2020) of covered employees' wages. Based on information as of June 30, 2021, the year end of the Plan, and June 30, 2020, the Diocese's contributions to the Plan did not represent more than 5 percent of the total contributions received by the Plan.

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.

Note 11 - Multiemployer Pension Plans (Continued)

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, 2021:

	Michigan Catholic Conference Lay Employees <u>Retirement Plan</u>
Total plan assets	\$ 1,509,591,548
Actuarial present value of accumulated plan benefits as of July 1, 2020	\$ 1,463,960,471
Total contributions received by the Plan	\$ 26,412,355
Indicated level of funding	103.12 %

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, the outstanding balance on this bond issue was \$6,299,444. During 2021, this guarantee was assigned to the Parish Savings and Loan Trust, a related party of the Diocese.

As previously disclosed in Note 1, the scope of these financial statements excludes assets, liabilities, and the results of operations of the school; 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 school.

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.

June 30, 2021 and 2020

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:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 7,176,761	\$ 7,630,830
Michigan no-fault self-insurance loss reserve	35,101	36,196
Accounts receivable - Net of allowances	1,307,360	1,422,674
Investments	8,925,019	5,158,025
Deposited in Parish Savings and Loan Trust	5,505,318	6,306,599
Invested in Catholic Foundation Agency Fund	4,572,642	-
Interest in net assets of Catholic Foundation of the Diocese of Lansing	<u>12,111,585</u>	<u>8,593,273</u>
Financial assets - At year end	39,633,786	29,147,597
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	4,703,951	4,848,214
Restricted by donor with time or purpose restrictions	6,884,905	-
Contractually restricted Michigan no-fault self-insurance loss reserve	35,101	36,196
Long-term portion of cemetery accounts receivable	510,208	325,103
Contractually restricted cemetery escrow investment	2,638,617	1,923,738
Earnings on donor-restricted beneficial interest not appropriated by the board for expenditure within one year	762,562	107,361
Board designations	<u>3,220,329</u>	<u>3,290,653</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 20,878,113</u>	<u>\$ 18,616,332</u>

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 \$5,500,000 and \$6,200,000 at June 30, 2021 and 2020, 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:

	<u>2021</u>	<u>2020</u>
Paycheck Protection Program note payable from a bank, uncollateralized, bearing interest at 1.0 percent. The loan was forgiven as discussed in Note 16 on March 17, 2021	\$ -	\$ 928,800
Less current portion	-	<u>258,720</u>
Long-term portion	<u>\$ -</u>	<u>\$ 670,080</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. To negate the potential financial impact of the pandemic 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 year ended June 30, 2021, the SBA approved the loan for forgiveness on March 17, 2021; as a result, the \$928,800 loan and associated interest has been recognized as Paycheck Protection Program loan forgiveness revenue within the statement of activities and changes in net assets.

Additional Information

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, 2021 and 2020 and have issued our report thereon dated December 7, 2021, which contained an unmodified opinion on those financial statements.

Our audit was performed for the purpose of forming an opinion on the 2021 financial statements as a whole. The schedules on pages 20 through 31 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 2021 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 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 2021 financial statements as a whole.

Plante & Moran, PLLC

December 7, 2021

**Central Services Fund
Balance Sheet**

June 30, 2021 and 2020

	2021	2020
Assets		
Invested in Treasury Management Fund	3,514,848	2,851,544
Accounts receivable - Net of allowance	499,243	814,046
Prepaid expenses	219,692	216,761
Interest in net assets of the Catholic Foundation of the Diocese of Lansing	6,387,487	3,745,059
Total assets	\$ 10,621,270	\$ 7,627,410
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	469,730	224,239
Unremitted collections	5,125	10,999
Total liabilities	474,855	235,238
Net Assets		
Without Donor Restriction - Undesignated	3,758,928	3,647,113
With Donor Restriction	6,387,487	3,745,059
Total net assets	10,146,415	7,392,172
Total liabilities and net assets	\$ 10,621,270	\$ 7,627,410

Central Services Fund

Statement of Activities and Changes in Net Assets

June 30, 2021 and 2020

	2021	2020
Changes in Net Assets without Donor Restriction		
Revenue:		
Diocesan assessments	\$ 2,768,394	\$ 2,482,859
Interest	44,092	82,381
Bequests and donations	104,203	587,824
Program and project receipts:		
Charities	20,000	42,981
Finance	652,262	500,851
Formation	2,198	162,918
New evangelization	145	143,740
Vocations	745,645	405,943
Curia	200	-
Communications	27,750	45,290
Education and catechesis	15,904	95,308
Grants, assessments, and other	33	42
Total revenue	4,380,826	4,550,137
Net assets released from restriction - DSA campaign released from restriction	5,126,929	4,774,164
Total revenue and net assets released from restriction	9,507,755	9,324,301
Expenses:		
Chancery services	1,266,943	1,194,968
Charities	641,965	674,271
Human resources	286,850	248,025
Formation	556,095	809,877
Communications	447,328	438,703
Education and catechesis	385,678	479,117
Finance	1,365,325	1,252,454
New evangelization	196,582	310,034
Vocations	1,458,413	1,342,281
Grants, assessments, and other ministries	1,685,829	1,988,240
Total expenses	8,291,008	8,737,970
Increase in Net Assets without Donor Restriction - Before other changes	1,216,747	586,331
Other Changes in Net Assets without Donor Restriction		
Recovery of loans and receivables	-	(85,865)
Transfers between funds	(1,104,932)	(365,934)
Increase in Net Assets without Donor Restriction	111,815	134,532
Changes in Net Assets with Donor Restriction		
Change in interest in net assets of the Catholic Foundation of the Diocese of Lansing	7,769,357	3,884,129
DSA campaign release from restriction	(5,126,929)	(4,774,164)
Increase (Decrease) in Net Assets with Donor Restriction	2,642,428	(890,035)
Increase (Decrease) in Net Assets	2,754,243	(755,503)
Net Assets - Beginning of year	7,392,172	8,147,675
Net Assets - End of year	\$ 10,146,415	\$ 7,392,172

**Cemetery Fund
Balance Sheet**

June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 358,231	\$ 464,690
Invested in Parish Savings and Loan Trust	3,220,329	3,290,653
Accounts receivable - Net of allowance	946,197	709,064
Cemetery inventory	77,514	83,703
Prepaid expenses	(284)	(9,965)
Unrecovered cost of crypts and niches	1,341,751	1,352,578
Undeveloped burial ground	85,000	85,000
Investments	2,638,617	1,923,738
Equipment and real estate:		
Equipment	424,569	424,569
Real estate:		
Land and buildings	1,539,850	1,468,178
Accumulated depreciation	<u>(1,418,595)</u>	<u>(1,358,625)</u>
Net equipment and real estate	<u>545,824</u>	<u>534,122</u>
Total assets	<u>\$ 9,213,179</u>	<u>\$ 8,433,583</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 344,804	\$ 268,123
Loan from Treasury Management Fund	150,000	882,865
Cemetery pre-need deferred revenue	<u>3,416,321</u>	<u>2,791,402</u>
Total liabilities	3,911,125	3,942,390
Net Assets		
Without Donor Restriction - Designated	5,293,191	4,482,330
With Donor Restriction	<u>8,863</u>	<u>8,863</u>
Total net assets	<u>5,302,054</u>	<u>4,491,193</u>
Total liabilities and net assets	<u>\$ 9,213,179</u>	<u>\$ 8,433,583</u>

Cemetery Fund
Statement of Activities and Changes in Net Assets

June 30, 2021 and 2020

	2021	2020
Changes in Net Assets without Donor Restriction		
Revenue:		
General receipts	\$ 148,735	\$ 454,500
Products and services	1,599,027	1,316,580
Investment and other income	<u>65,474</u>	<u>81,717</u>
Total revenue	1,813,236	1,852,797
Expenses:		
Product costs	321,795	231,104
Operational costs	<u>1,258,352</u>	<u>1,148,471</u>
Total expenses	<u>1,580,147</u>	<u>1,379,575</u>
Increase in Net Assets without Donor Restriction - Before other changes	233,089	473,222
Other Changes in Net Assets without Donor Restriction-		
Transfers between funds	152,772	-
Loan forgiveness	425,000	-
Increase in Net Assets without Donor Restriction	<u>810,861</u>	<u>473,222</u>
Net Assets - Beginning of year	<u>4,491,193</u>	<u>4,017,971</u>
Net Assets - End of year	<u>\$ 5,302,054</u>	<u>\$ 4,491,193</u>

Protected Loss Activities Fund
Balance Sheet

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Invested in Treasury Management Fund	\$ -	\$ (73,113)
Accounts receivable - Net of allowance	72,631	123,207
Prepaid expenses	40,135	1,222
Michigan no-fault self-insurance loss reserve	<u>35,101</u>	<u>36,196</u>
Total assets	<u><u>\$ 147,867</u></u>	<u><u>\$ 87,512</u></u>
Liabilities and Net Assets		
Liabilities - Accounts payable	\$ 49,986	\$ 8,267
Net Assets without Donor Restriction - Designated	<u>97,881</u>	<u>79,245</u>
Total liabilities and net assets	<u><u>\$ 147,867</u></u>	<u><u>\$ 87,512</u></u>

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

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue		
Participant premiums	\$ 668,125	\$ 774,431
Other income	97,711	114,362
Distribution from related entity	<u>1,160,000</u>	<u>1,806,000</u>
Total revenue	1,925,836	2,694,793
Expenses - Insurance service fees and other	<u>777,567</u>	<u>1,357,567</u>
Increase in Net Assets - Before other changes	1,148,269	1,337,226
Other Changes in Net Assets		
Transfer between funds	<u>(1,129,633)</u>	<u>(1,506,000)</u>
Increase (Decrease) in Net Assets	18,636	(168,774)
Net Assets - Beginning of year	<u>79,245</u>	<u>248,019</u>
Net Assets - End of year	<u>\$ 97,881</u>	<u>\$ 79,245</u>

**Plant Fund
Balance Sheet**

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Equipment and real estate:		
Equipment	549,845	771,195
Real estate:		
Land and buildings	11,235,192	11,659,162
Future sites	370,635	370,635
Accumulated depreciation	<u>(6,008,891)</u>	<u>(6,162,386)</u>
Net equipment and real estate	<u>6,146,781</u>	<u>6,638,606</u>
Total assets	<u>\$ 6,146,781</u>	<u>\$ 6,638,606</u>
Liabilities and Net Assets		
Liabilities - Accounts payable	\$ -	\$ -
Net Assets without Donor Restriction - Designated	<u>6,146,781</u>	<u>6,638,606</u>
Total liabilities and net assets	<u>\$ 6,146,781</u>	<u>\$ 6,638,606</u>

Statement of Activities and Changes in Net Assets

June 30, 2021 and 2020

	2021	2020
Revenue		
Rental and other income	\$ -	\$ 5,500
(Loss) gain on dispositions	(225,330)	(128,499)
Net revenue	(225,330)	(122,999)
Expenses		
Depreciation	363,435	385,144
Repairs and maintenance	12,582	22,877
Equipment	5,627	1,361
Property taxes	-	126
Total expenses	381,644	409,508
Decrease in Net Assets - Before other changes	(606,974)	(532,507)
Other Changes in Net Assets		
Transfer between funds	115,149	293,788
Decrease in Net Assets	(491,825)	(238,719)
Net Assets - Beginning of year	6,638,606	6,877,325
Net Assets - End of year	\$ 6,146,781	\$ 6,638,606

**Treasury Management Fund
Balance Sheet**

June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 6,818,530	\$ 7,166,140
Investments	6,286,402	3,234,287
Prepaid expenses and other assets	25	-
Loans:		
Other diocesan funds included in these financial statements	205,291	931,266
Allowance for doubtful loans	(55,416)	(56,266)
Net loans	149,875	875,000
Total assets	\$ 13,254,832	\$ 11,275,427
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 472,392	\$ 585,169
Deposits:		
Related party funds	-	857
Other diocesan funds included in these financial statements	12,782,440	9,760,601
Total deposits	12,782,440	9,761,458
Long-term debt	-	928,800
Total liabilities	13,254,832	11,275,427
Net Assets without Donor Restriction - Designated	-	-
Total liabilities and net assets	\$ 13,254,832	\$ 11,275,427

Treasury Management Fund
Statement of Activities and Changes in Net Assets

June 30, 2021 and 2020

	2021	2020
Revenue		
Interest	\$ 131,689	\$ 119,891
Dividends	37,021	56,727
Net realized and unrealized gain on investments	(27,782)	58,296
Total revenue	140,928	234,914
Expenses		
Distributions to depositors	119,691	201,997
Designated and self-supporting activity	447,087	26,335
Total expenses	566,778	228,332
(Decrease) Increase in Net Assets without Donor Restrictions - Before other changes	(425,850)	6,582
Other Changes in Net Assets without Donor Restrictions-		
Transfers between funds	(512,443)	63,893
Loan forgiveness	937,443	-
Bad debt expense	850	-
Increase in Net Assets	-	70,475
Net Assets - Beginning of year	-	(70,475)
Net Assets - End of year	\$ -	\$ -

**Designated & Restricted Gift Fund
Balance Sheet**

June 30, 2021 and 2020

	2021	2020
Assets		
Invested in Treasury Management Fund	\$ 9,267,593	\$ 6,990,035
Deposited in Parish Savings and Loan Trust	2,284,990	3,015,946
Invested in Catholic Foundation Agency Fund	4,572,642	-
Interest in net assets of the Catholic Foundation of the Diocese of Lansing	5,724,098	4,848,214
Prepaid expenses	135	-
Total assets	\$ 21,849,458	\$ 14,854,195
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 3,235	\$ 1,596
Unremitted collections	6,764	15,721
Amounts due beneficiaries	160,254	94,820
Total liabilities	170,253	112,137
Net Assets		
Without Donor Restrictions	8,661,607	6,094,686
With Donor Restrictions	13,017,598	8,647,372
Total net assets	21,679,205	14,742,058
Total liabilities and net assets	\$ 21,849,458	\$ 14,854,195

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

June 30, 2021 and 2020

	2021	2020
Changes in Net Assets without Donor Restrictions		
Revenue:		
Interest	\$ 57,483	\$ 87,435
Bequests and donations	6,642	4,805
School assessment receipts	300,108	224,682
Distribution from related entity	-	
Program and project receipts	9,196	358,783
Total revenue	373,429	675,705
Net assets released from restrictions - Satisfaction of restriction	525,452	46,765
Total revenue and net assets released from restrictions	898,881	722,470
Expenses:		
Grants	702,607	572,889
Administrative expenses	108,440	55,944
Total expenses	811,047	628,833
Increase in Net Assets without Donor Restrictions -		
Before other changes	87,834	93,637
Other Changes in Net Assets without Donor Restrictions -		
Transfers between funds	2,479,087	1,514,253
Increase in Net Assets without Donor Restrictions	2,566,921	1,607,890
Changes in Net Assets with Donor Restrictions		
Bequests and donations	12,417	3,104,293
Investment income	313,323	32,182
Transfer from the Catholic Foundation of the Diocese of Lansing	3,694,055	-
Change in interest in net assets of the Catholic Foundation of the Diocese of Lansing	875,883	(119,073)
Net assets released from restrictions	(525,452)	(46,765)
Increase in Net Assets with Donor Restrictions	4,370,226	2,970,637
Increase in Net Assets	6,937,147	4,578,527
Net Assets - Beginning of year	14,742,058	10,163,531
Net Assets - End of year	\$ 21,679,205	\$ 14,742,058