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# Catholic Diocese of Lansing

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**Financial Report  
with Additional Information  
June 30, 2024**

<b>Independent Auditor's Report</b>	1-2
<b>Financial Statements</b>	
Balance Sheet	3
Statement of Activities and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6-14
<b>Additional Information</b>	15
<b>Independent Auditor's Report on Additional Information</b>	16
Central Services Fund:	
Balance Sheet	17
Statement of Activities and Changes in Net Assets	18
Cemetery Fund:	
Balance Sheet	19
Statement of Activities and Changes in Net Assets	20
Protected Loss Activities Fund:	
Balance Sheet	21
Statement of Activities and Changes in Net Assets	22
Plant Fund:	
Balance Sheet	23
Statement of Activities and Changes in Net Assets	24
Diocese of Lansing Fund:	
Balance Sheet	25
Statement of Activities and Changes in Net Assets	26
Designated & Restricted Gift Fund:	
Balance Sheet	27
Statement of Activities and Changes in Net Assets	28

## **Independent Auditor's Report**

To the Most Reverend Earl Boyea  
Catholic Diocese of Lansing

### ***Opinion***

We have audited the financial statements of the Catholic Diocese of Lansing (the "Diocese"), which comprise the balance sheet as of June 30, 2024 and 2023 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Diocese as of June 30, 2024 and 2023 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

### ***Emphasis of Matter***

As described in Note 1 to the financial statements, the financial statements being presented are only for funds for which the Catholic 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, 2024 and 2023 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.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audits of the Financial Statements***

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

To the Most Reverend Earl Boyea  
Catholic Diocese of Lansing

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Diocese's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Diocese's ability to continue as a going concern for a reasonable period of time.

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

*Plante & Moran, PLLC*

January 22, 2025

# Balance Sheet

June 30, 2024 and 2023

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 8,572,379	\$ 6,695,186
Michigan no-fault self-insurance loss reserve	56,024	51,606
Investments (Note 3)	7,336,839	7,070,097
Accounts receivable - Net of allowance	274,181	700,189
Prepaid expenses and other current assets	289,989	433,123
Interest in net assets of Catholic Foundation of the Diocese of Lansing (Note 6)	16,314,589	16,091,550
Property and equipment:		
Land and buildings	11,767,060	11,562,575
Future sites	265,391	265,391
Equipment	595,573	525,429
Accumulated depreciation	(6,773,620)	(6,489,099)
Total property and equipment	5,854,404	5,864,296
Total assets	<b>\$ 38,698,405</b>	<b>\$ 36,906,047</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 1,827,497	\$ 1,365,186
Unremitted collections	4,769	9,359
Amounts due beneficiaries	293,708	378,414
Total liabilities	2,125,974	1,752,959
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	4,283,119	4,214,411
Designated (Note 5)	12,302,950	11,886,552
With donor restrictions (Note 5)	19,986,362	19,052,125
Total net assets	36,572,431	35,153,088
Total liabilities and net assets	<b>\$ 38,698,405</b>	<b>\$ 36,906,047</b>

# Catholic Diocese of Lansing

## Statement of Activities and Changes in Net Assets

Years Ended June 30, 2024 and 2023

	2024	2023
<b>Changes in Net Assets without Donor Restrictions</b>		
Revenue, gains, and other support:		
Assessment receipts	\$ 2,833,705	\$ 2,792,007
Protected loss activities	849,953	822,406
Dividends	188,369	191,808
Bequests and donations	204,887	310,246
School assessment receipts	375,227	167,470
Program and project receipts	1,793,180	1,291,743
Net realized and unrealized gains (losses) on investments	60,908	(64,120)
Interest income	233,297	269,190
Distribution from related entity	1,317,699	-
Net assets released from restrictions	6,649,236	10,950,278
Total revenue, gains, and other support	14,506,461	16,731,028
Expenses:		
Salaries and benefits	4,955,312	4,853,461
Tuition expense	786,495	875,850
Assessments	124,040	124,052
Subsidies - Grants	2,545,209	9,819,373
Offices expenses	2,185,694	1,994,017
Property and equipment	462,309	711,677
Ministerial programming	2,633,196	1,197,768
Depreciation	284,520	377,286
Diocese of Lansing Fund interest expense	-	54,804
Total expenses	13,976,775	20,008,288
<b>Increase (Decrease) in Net Assets without Donor Restrictions - Before other changes in net assets without donor restrictions and transfers</b>	529,686	(3,277,260)
<b>Other Changes in Net Assets without Donor Restrictions</b> (Note 1)		
Other changes in net assets without donor restrictions	(44,580)	(85,490)
Recovery of loans and receivables	-	9,744
Total other changes in net assets without donor restrictions	(44,580)	(75,746)
<b>Increase (Decrease) in Net Assets without Donor Restrictions - Before transfers</b>	485,106	(3,353,006)
<b>Transfers</b> (Note 7)	-	(5,580,197)
<b>Increase (Decrease) in Net Assets without Donor Restrictions</b>	485,106	(8,933,203)
<b>Changes in Net Assets with Donor Restrictions</b>		
Bequests and donations	355,836	757,967
Investment income	152,312	54,533
DSA and Seminarian campaign release from restrictions	(6,649,236)	(5,681,308)
Other release from restrictions	-	(5,268,970)
Change in interest in net assets of Catholic Foundation of the Diocese of Lansing (Note 6)	7,030,745	11,130,739
Other changes in net assets	44,580	85,490
Transfers - With donor restrictions (Note 7)	-	(8,863)
<b>Increase in Net Assets with Donor Restrictions</b>	934,237	1,069,588
<b>Increase (Decrease) in Net Assets</b>	1,419,343	(7,863,615)
<b>Net Assets - Beginning of year</b>	35,153,088	43,016,703
<b>Net Assets - End of year</b>	<b>\$ 36,572,431</b>	<b>\$ 35,153,088</b>

# Catholic Diocese of Lansing

## Statement of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	2023
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets	\$ 1,419,343	\$ (7,863,615)
Adjustments to reconcile increase (decrease) in net assets to net cash and cash equivalents from operating activities:		
Depreciation	284,520	377,286
Net (gain) loss on investments	(60,908)	64,120
Impairment on loans and receivables - Net of change in allowance	-	9,744
Interest in net assets of Catholic Foundation of the Diocese of Lansing	(7,298,145)	(11,367,607)
Net asset transfer to Diocese of Lansing Cemeteries, Inc.	-	5,589,060
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Accounts receivable	215,297	(440,349)
Prepaid expenses and other current assets	143,134	(132,660)
Accounts payable and accrued liabilities	673,022	637,876
Deposits	(84,706)	378,414
Unremitted collections	(4,590)	(157,604)
Net cash and cash equivalents used in operating activities	(4,713,033)	(12,905,335)
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant, and equipment	(274,628)	(366,439)
Proceeds from sale of investments	33,009	4,555,878
Purchases of investments	(238,843)	(1,706,328)
Net change in Parish Savings and Loan Trust and Catholic Foundation Agency Fund	-	6,628,137
Cash transferred to Diocese of Lansing Cemeteries, Inc.	-	(294,367)
Net cash and cash equivalents (used in) provided by investing activities	(480,462)	8,816,881
<b>Cash Flows Provided by Financing Activities</b> - Distribution from beneficial interest in net assets of Catholic Foundation of the Diocese of Lansing	7,075,106	6,668,176
<b>Net Increase in Cash and Cash Equivalents</b>	1,881,611	2,579,722
<b>Cash and Cash Equivalents</b> - Beginning of year	6,746,792	4,167,070
<b>Cash and Cash Equivalents</b> - End of year	<b>\$ 8,628,403</b>	<b>\$ 6,746,792</b>
<b>Balance Sheet Classification of Cash and Cash Equivalents</b>		
Cash and cash equivalents	\$ 8,572,379	\$ 6,695,186
Michigan no-fault self-insurance loss reserve	56,024	51,606
Total cash and cash equivalents	<b>\$ 8,628,403</b>	<b>\$ 6,746,792</b>

## Note 1 - Nature of Business

### *Principles of Reporting*

The accompanying financial statements include only those funds for which the Catholic 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 Catholic 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. Diocese of Lansing Cemeteries, Inc. was established on July 1, 2022 to hold all diocesan cemeteries assets. Monetary cemeteries assets and real property have since been transferred to the new corporation. For fiscal year 2023, the impact of the transfer was a reduction in assets of approximately \$9.4 million, liabilities of \$3.8 million, and net assets of \$5.6 million.

### *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.

### *Diocese of Lansing*

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.



**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, the Diocese's cash balance was held at three financial institutions with \$2,576,125 exceeding the Federal Deposit Insurance Corporation (FDIC) insurance limits. The remaining cash deposits of \$5,996,254 were federally insured under the purchase of FDIC excess deposit insurance and a directed sweep account.

***Accounts Receivable***

Accounts receivable are stated at invoice amounts. An allowance for credit losses 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 credit losses in the period that determination is made. The allowance as of June 30, 2024 and 2023 was \$2,286.

***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.

***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.

Depreciation expense for property and equipment totaled \$284,520 and \$377,286 for the years ended June 30, 2024 and 2023, respectively.

***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 and management fees. Total revenue recognized over time was \$626,158 and \$463,565 at June 30, 2024 and 2023, respectively. Total revenue recognized at a point in time was \$345,556 and \$201,776 at June 30, 2024 and 2023, respectively.

For program and project events, the Diocese has performance obligations for a promise to deliver specific content at 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.

June 30, 2024 and 2023

**Note 2 - Significant Accounting Policies (Continued)**

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 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 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.

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.

June 30, 2024 and 2023

**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.

***Adoption of New Accounting Pronouncement***

As of July 1, 2023, the Diocese adopted Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The ASU includes increased disclosures and various changes to the accounting and measurement of financial assets. Under the standard, each financial asset presented on the statement of financial condition has a unique allowance for credit losses valuation account that is deducted from the amortized cost basis to present the net carrying value at the amount expected to be collected on the financial asset. The amendments in the ASU also eliminated the probable initial recognition threshold and instead reflect an entity's current estimate of all expected credit losses using reasonable and supportable forecasts. The ASU was applied using a modified retrospective transition method to the beginning of the first reporting period in which the guidance is effective. The Diocese reviewed its practices of the account and measurement of its allowance for credit losses on financial instruments and determined the impact of the adoption of the ASU was not significant to the financial statements as a whole.

***Subsequent Events***

The financial statements and related disclosures include evaluation of events up through and including January 22, 2025, 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, 2024 and 2023 is as follows:

	2024	2023
National Catholic Investment Pool	\$ 7,229,984	\$ 6,968,049
Certificates of deposit	106,855	102,048
Total	<u>\$ 7,336,839</u>	<u>\$ 7,070,097</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, 2024 and 2023 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.

June 30, 2024 and 2023

**Note 4 - Fair Value Measurements (Continued)**

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, 2024 and 2023, there was \$106,855 and \$102,048, respectively, in escrow trust cash accounts and certificates of deposit, which is not reflected within the fair value table below:

	Significant Other Observable Inputs (Level 2)	
	Assets Measured at Fair Value on a Recurring Basis at June 30, 2024	Assets Measured at Fair Value on a Recurring Basis at June 30, 2023
<b>Investments - National Catholic Investment Pool</b>	<b>\$ 7,229,984</b>	<b>\$ 6,968,049</b>

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 for fiscal year 2023

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:

	2024	2023
Net assets without donor restrictions - Designated:		
Protected Loss Activities Fund	\$ 1,417,051	\$ 132,917
Plant Fund	5,730,149	5,811,936
Designated & Restricted Gift Fund	5,155,750	5,941,699
Total net assets without donor restrictions - Designated	<u>\$ 12,302,950</u>	<u>\$ 11,886,552</u>

June 30, 2024 and 2023

**Note 5 - Net Assets (Continued)**

	2024	2023
Net assets with donor restrictions:		
Central Services Fund - Interest in net assets of the Catholic Foundation of the Diocese of Lansing	\$ -	\$ 5,771,659
Designated & Restricted Gift Fund - Interest in net assets of the Catholic Foundation of the Diocese of Lansing	16,314,589	10,319,891
Designated & Restricted Gift Fund - Other donor-restricted net assets	<u>3,671,773</u>	<u>2,960,575</u>
Total designated net assets with donor restrictions	<u>\$ 19,986,362</u>	<u>\$ 19,052,125</u>

**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 \$5,585,086 and \$5,771,659 related to the DSA annual campaigns at June 30, 2024 and 2023, 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, 2024 and 2023. At June 30, 2024 and 2023, the Diocese's interest in the Catholic Foundation of the Diocese of Lansing was \$10,729,503 and \$10,319,891, 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**

Effective July 1, 2022, the Diocese transferred all net assets related to cemetery operations to Diocese of Lansing Cemeteries, Inc., consisting of cash and cash equivalents, investments, accounts receivable, inventory, unrecovered cost of crypts and niches, undeveloped burial ground, prepaid expenses, property and equipment, accounts payable and accrued liabilities, and preneed deferred revenue. The total net assets transferred to Diocese of Lansing Cemeteries, Inc. was \$5,589,060.

**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. The program purchases insurance that provides liability coverage up to \$65,000,000 and \$80,000,000 per claim after a self-insurance retention of \$1,500,000 and \$1,000,000 per occurrence for the years ended June 30, 2024 and 2023, respectively. In addition, for the years ended June 30, 2024 and 2023, the program provides for up to \$260,000,000 per claim for property after a self-insurance retention of \$2,000,000 and \$1,500,000, respectively, per occurrence. For the years ended June 30, 2024 and 2023, the program provides for up to \$64,000,000 and \$100,000,000, respectively, per claim for workers' compensation after a self-insurance retention of \$1,000,000, per occurrence. Premiums paid to the Insurance Plan by the Diocese are recorded in the expenses of the Protected Loss Activities Fund.

The Diocese, along with the other participants included in the Insurance Plan, is contingently liable for claims in excess of these coverage limits: \$64,000,000 for workers' compensation, \$65,000,000 for liability, and \$260,000,000 for property. The Diocese has not recorded any contingencies on its balance sheet related to the MCC Insurance Plan.

## Notes to Financial Statements

June 30, 2024 and 2023

**Note 8 - Self-insurance (Continued)**

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, 2024 and 2023. 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 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, 2024:

	Program Services	Management and General	Total
Salaries and benefits	\$ 3,598,801	\$ 1,356,511	\$ 4,955,312
Tuition expense	785,792	703	786,495
Assessments	124,040	-	124,040
Subsidies - Grants	2,545,209	-	2,545,209
Office expenses	1,225,758	959,936	2,185,694
Property and equipment	10,975	451,334	462,309
Ministerial programming	2,633,196	-	2,633,196
Depreciation	174,664	109,856	284,520
Total	<u>\$ 11,098,435</u>	<u>\$ 2,878,340</u>	<u>\$ 13,976,775</u>

Expenses related to providing services are as follows for the year ended June 30, 2023:

	Program Services	Management and General	Total
Salaries and benefits	\$ 3,592,093	\$ 1,261,368	\$ 4,853,461
Tuition expense	874,806	1,044	875,850
Assessments	124,052	-	124,052
Subsidies - Grants	9,819,373	-	9,819,373
Office expenses	1,663,807	330,210	1,994,017
Property and equipment	257,974	453,703	711,677
Ministerial programming	1,197,768	-	1,197,768
Depreciation	231,612	145,674	377,286
Diocese of Lansing Fund interest expense	54,804	-	54,804
Total	<u>\$ 17,816,289</u>	<u>\$ 2,191,999</u>	<u>\$ 20,008,288</u>

**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 \$291,000 and \$264,000 for the years ended June 30, 2024 and 2023, respectively. Contributions to the Plan are based on a percentage (8.6 percent for June 30, 2024 and 2023) of covered employees' wages. Based on information as of June 30, 2024, the year end of the Plan, and June 30, 2023, the Diocese's contributions to the Plan did not represent more than 5 percent of the total contributions received by the Plan.

Notes to Financial Statements

June 30, 2024 and 2023

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, 2024:

	Michigan Catholic Conference Lay Employees <u>Retirement Plan</u>
Total plan assets	\$ 1,367,421,692
Actuarial present value of accumulated plan benefits as of July 1, 2023	\$ 1,500,115,867
Total contributions received by the Plan	\$ 31,754,946
Indicated level of funding	91.15 %

Note 11 - Contingent Liabilities

At year end, the Diocese was 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, no provision has been made in the accompanying financial statements. Subsequent to year end, all cases have been dismissed.



## Notes to Financial Statements

June 30, 2024 and 2023

### Note 12 - 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:

	2024	2023
Cash and cash equivalents	\$ 8,572,379	\$ 6,695,186
Michigan no-fault self-insurance loss reserve	56,024	51,606
Accounts receivable - Net of allowances	274,181	700,189
Investments	7,336,839	7,070,097
Interest in net assets of Catholic Foundation of the Diocese of Lansing	16,314,589	16,091,550
Financial assets - At year end	32,554,012	30,608,628
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	9,414,634	9,033,568
Restricted by donor with time or purpose restrictions	1,343,283	1,331,152
Contractually restricted Michigan no-fault self-insurance loss reserve	56,024	51,606
Board designations:		
Funds set aside for protected loss activities	1,373,723	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 20,366,348</u>	<u>\$ 20,192,302</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 \$7,000,000 and \$10,000,000 at June 30, 2024 and 2023, 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.



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## Additional Information

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### Independent Auditor's Report on Additional Information

To the Most Reverend Earl Boyea  
Catholic Diocese of Lansing

We have audited the financial statements of the Catholic Diocese of Lansing as of and for the years ended June 30, 2024 and 2023 and have issued our report thereon dated January 22, 2025, which contained an unmodified opinion on those financial statements.

Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The schedules on pages 17 through 28 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the 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 financial statements as a whole.

#### ***Emphasis of Matter***

As described in Note 1 to the financial statements, the financial statements being presented are only for funds for which the Catholic Diocese of Lansing retains operational control and do not reflect the assets, liabilities, and results of operations of parishes, schools, and other diocesan organizations.

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

January 22, 2025

**Central Services Fund  
Balance Sheet****June 30, 2024 and 2023**

	2024	2023
<b>Assets</b>		
Due from other funds	\$ 3,357,526	\$ -
Due from Diocese of Lansing Fund	2,128,243	5,206,548
Accounts receivable - Net of allowance	211,752	89,374
Prepaid expenses	225,627	372,390
Interest in net assets of the Catholic Foundation of the Diocese of Lansing	-	5,771,659
Total assets	<b>\$ 5,923,148</b>	<b>\$ 11,439,971</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,637,333	843,903
Due to other funds	-	606,892
Unremitted collections	2,696	3,106
Total liabilities	1,640,029	1,453,901
<b>Net Assets</b>		
Without Donor Restriction - Undesignated	4,283,119	4,214,411
With Donor Restriction	-	5,771,659
Total net assets	4,283,119	9,986,070
Total liabilities and net assets	<b>\$ 5,923,148</b>	<b>\$ 11,439,971</b>

## Statement of Activities and Changes in Net Assets

June 30, 2024 and 2023

	2024	2023
<b>Changes in Net Assets without Donor Restriction</b>		
Revenue:		
Diocesan assessments	\$ 2,833,705	\$ 2,792,007
Interest	207,122	134,330
Bequests and donations	86,993	96,020
Program and project receipts:		
Catholic Charities	-	-
Finance, Stewardship, and Human Resources	531,758	445,265
Disciple, Formation, Evangelization, and Catechesis	210,565	164,935
Clergy, Religious, and Seminarians	394,683	372,706
Chancery services and Communications	584,481	298,452
Catholic Education	90,803	35,904
Grants, assessments, and other	72	2,859
Total revenue	4,940,182	4,342,478
Net assets released from restriction - DSA and Seminarian campaigns released from restriction	-	5,681,308
Total revenue and net assets released from restriction	4,940,182	10,023,786
Expenses:		
Chancery services and Communications	2,318,830	2,160,542
Catholic Charities	835,857	803,232
Catholic Education	824,815	657,706
Finance, Stewardship, and Human Resources	2,758,669	2,651,507
Disciple, Formation, Evangelization, and Catechesis	1,752,762	1,610,062
Clergy, Religious, and Seminarians	1,738,672	1,975,912
Total expenses	10,229,605	9,858,961
<b>(Decrease) Increase in Net Assets without Donor Restriction - Before other changes</b>	(5,289,423)	164,825
<b>Other Changes in Net Assets without Donor Restriction</b>		
Bad debt recovery	-	9,644
Transfers between funds	5,358,131	90,140
<b>Increase in Net Assets without Donor Restriction</b>	68,708	264,609
<b>Changes in Net Assets with Donor Restriction</b>		
Change in interest in net assets of the Catholic Foundation of the Diocese of Lansing	-	5,873,197
Transfers between funds	(5,771,659)	(942,588)
DSA and Seminarian campaigns release from restriction	-	(5,681,308)
<b>(Decrease) Increase in Net Assets with Donor Restriction</b>	(5,771,659)	(750,699)
<b>(Decrease) Increase in Net Assets</b>	(5,702,951)	(486,090)
<b>Net Assets - Beginning of year</b>	9,986,070	10,472,160
<b>Net Assets - End of year</b>	<b>\$ 4,283,119</b>	<b>\$ 9,986,070</b>

# Cemetery Fund Balance Sheet

June 30, 2024 and 2023

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ -
Invested in Parish Savings and Loan Trust	-	-
Accounts receivable - Net of allowance	-	-
Cemetery inventory	-	-
Prepaid expenses	-	-
Unrecovered cost of crypts and niches	-	-
Undeveloped burial ground	-	-
Investments	-	-
Equipment and real estate:		
Equipment	-	-
Real estate:		
Land and buildings	-	-
Accumulated depreciation	-	-
Net equipment and real estate	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ -	\$ -
Cemetery pre-need deferred revenue	-	-
Total liabilities	-	-
<b>Net Assets</b>		
Without Donor Restriction - Designated	-	-
With Donor Restriction	-	-
Total net assets	-	-
Total liabilities and net assets	<u>\$ -</u>	<u>\$ -</u>

## Cemetery Fund

### Statement of Activities and Changes in Net Assets

June 30, 2024 and 2023

	2024	2023
<b>Changes in Net Assets without Donor Restriction</b>		
Revenue:		
General receipts	\$ -	\$ -
Products and services	-	-
Investment and other income	-	-
Total revenue	-	-
Expenses:		
Product costs	-	-
Operational costs	-	-
Total expenses	-	-
<b>Increase in Net Assets without Donor Restriction - Before other changes</b>	-	-
<b>Other Changes in Net Assets without Donor Restriction-</b>		
Net asset transfer to Diocese of Lansing Cemeteries, Inc.	-	(5,580,197)
Loan forgiveness	-	-
Bad debt expense	-	-
<b>Increase (Decrease) in Net Assets without Donor Restriction</b>	-	(5,580,197)
<b>Changes in Net Assets with Donor Restrictions</b>		
Net asset transfer to Diocese of Lansing Cemeteries, Inc.	-	(8,863)
<b>Decrease in Net Assets</b>	-	(5,589,060)
<b>Net Assets - Beginning of year</b>	-	5,589,060
<b>Net Assets - End of year</b>	<u>\$ -</u>	<u>\$ -</u>

Protected Loss Activities Fund  
Balance Sheet

June 30, 2024 and 2023

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 1,317,699	\$ -
Due from other funds	60,811	57,198
Accounts receivable - Net of allowance	62,429	97,368
Prepaid expenses	63,217	60,237
Michigan no-fault self-insurance loss reserve	56,024	51,606
Total assets	<u>\$ 1,560,180</u>	<u>\$ 266,409</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 49,926	\$ 62,623
Due to Diocese of Lansing Fund	93,203	70,869
Total liabilities	143,129	133,492
<b>Net Assets without Donor Restriction</b> - Designated	<u>1,417,051</u>	<u>132,917</u>
Total liabilities and net assets	<u>\$ 1,560,180</u>	<u>\$ 266,409</u>

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

**June 30, 2024 and 2023**

	2024	2023
<b>Revenue</b>		
Participant premiums	\$ 722,719	\$ 689,136
Other income	127,234	133,270
Distribution from related entity	<u>1,317,699</u>	<u>-</u>
Total revenue	2,167,652	822,406
<b>Expenses</b> - Insurance service fees and other	<u>883,518</u>	<u>883,218</u>
<b>Increase (Decrease) in Net Assets</b> - Before other changes	1,284,134	(60,812)
<b>Other Changes in Net Assets</b>		
Transfer between funds	<u>-</u>	<u>60,811</u>
<b>Decrease in Net Assets</b>	1,284,134	(1)
<b>Net Assets</b> - Beginning of year	<u>132,917</u>	<u>132,918</u>
<b>Net Assets</b> - End of year	<u><u>\$ 1,417,051</u></u>	<u><u>\$ 132,917</u></u>



## Catholic Diocese of Lansing

### Plant Fund Balance Sheet

June 30, 2024 and 2023

	2024	2023
<b>Assets</b>		
Due from other funds	\$ 539,488	\$ 327,138
Equipment and real estate:		
Equipment	595,573	525,429
Real estate:		
Land and buildings	11,767,060	11,562,575
Future sites	265,391	265,391
Accumulated depreciation	(6,773,620)	(6,489,099)
Net equipment and real estate	5,854,404	5,864,296
Total assets	<u>\$ 6,393,892</u>	<u>\$ 6,191,434</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 112,088
Due to Diocese of Lansing Fund	<u>663,743</u>	<u>267,410</u>
Total liabilities	663,743	379,498
<b>Net Assets without Donor Restriction - Designated</b>	<u>5,730,149</u>	<u>5,811,936</u>
Total liabilities and net assets	<u>\$ 6,393,892</u>	<u>\$ 6,191,434</u>

## Statement of Activities and Changes in Net Assets

June 30, 2024 and 2023

	2024	2023
<b>Revenue</b>		
Gain (loss) on dispositions	\$ -	-
Net revenue	-	-
<b>Expenses</b>		
Depreciation	284,520	377,286
Repairs and maintenance	-	-
Equipment	7,552	15,124
Total expenses	292,072	392,410
<b>(Decrease) in Net Assets - Before other changes</b>	(292,072)	(392,410)
<b>Other Changes in Net Assets</b>		
Transfer between funds	210,285	329,203
<b>(Decrease) in Net Assets</b>	(81,787)	(63,207)
<b>Net Assets - Beginning of year</b>	5,811,936	5,875,143
<b>Net Assets - End of year</b>	<u>\$ 5,730,149</u>	<u>\$ 5,811,936</u>

Diocese of Lansing Fund  
Balance Sheet

June 30, 2024 and 2023

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 7,254,680	\$ 6,695,186
Investments	7,336,839	7,070,097
Due from related parties	-	88,229
Due from other funds	751,915	338,279
Total assets	<u><b>\$ 15,343,434</b></u>	<u><b>\$ 14,191,791</b></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ -	\$ -
Deposits	15,343,434	14,191,791
Total liabilities	15,343,434	14,191,791
<b>Net Assets without Donor Restriction - Designated</b>	<u>-</u>	<u>-</u>
Total liabilities and net assets	<u><b>\$ 15,343,434</b></u>	<u><b>\$ 14,191,791</b></u>

## Diocese of Lansing Fund

### Statement of Activities and Changes in Net Assets

June 30, 2024 and 2023

	2024	2023
<b>Revenue</b>		
Interest	\$ 385,339	\$ 255,728
Dividends	188,369	191,808
Net realized and unrealized gain (loss) on investments	<u>60,908</u>	<u>(64,120)</u>
Total revenue	634,616	383,416
<b>Expenses</b>		
Distributions to depositors	590,570	348,536
Designated and self-supporting activity	<u>44,046</u>	<u>34,980</u>
Total expenses	<u>634,616</u>	<u>383,516</u>
<b>(Decrease) in Net Assets without Donor Restrictions - Before other changes</b>	-	(100)
<b>Other Changes in Net Assets without Donor Restrictions-</b>		
Transfers between funds	-	-
Bad debt recovery	<u>-</u>	<u>100</u>
<b>Change in Net Assets</b>	-	-
<b>Net Assets - Beginning of year</b>	<u>-</u>	<u>-</u>
<b>Net Assets - End of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**Designated & Restricted Gift Fund  
Balance Sheet**

**June 30, 2024 and 2023**

	2024	2023
<b>Assets</b>		
Due from Diocese of Lansing Fund	\$ 13,215,190	\$ 8,985,243
Due from other funds	-	612,569
Deposited in Parish Savings and Loan Trust	-	-
Invested in Catholic Foundation Agency Fund	-	-
Contributions receivable	-	425,218
Interest in net assets of the Catholic Foundation of the Diocese of Lansing	16,314,589	10,319,891
Prepaid expenses	1,145	496
Total assets	<b>\$ 29,530,924</b>	<b>\$ 20,343,417</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 140,238	\$ 346,572
Unremitted collections	2,073	6,253
Due to other funds	3,952,795	390,013
Amounts due beneficiaries	293,706	378,414
Total liabilities	4,388,812	1,121,252
<b>Net Assets</b>		
Without Donor Restrictions -designated	5,155,750	5,941,699
With Donor Restrictions	19,986,362	13,280,466
Total net assets	25,142,112	19,222,165
Total liabilities and net assets	<b>\$ 29,530,924</b>	<b>\$ 20,343,417</b>

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

June 30, 2024 and 2023

	2024	2023
<b>Changes in Net Assets without Donor Restrictions</b>		
Revenue:		
Interest	\$ 231,406	\$ 172,864
Bequests and donations	98,712	185,848
School assessment receipts	375,227	167,470
Program and project receipts	-	-
Total revenue	705,345	526,182
Net assets released from restrictions - Satisfaction of restriction	6,649,236	5,268,970
Total revenue and net assets released from restrictions	7,354,581	5,795,152
Expenses:		
Grants	1,285,674	8,436,949
Administrative expenses	1,241,860	346,966
Total expenses	2,527,534	8,783,915
<b>Increase (decrease) in Net Assets without Donor Restrictions -</b>		
Before other changes	4,827,047	(2,988,763)
<b>Other Changes in Net Assets without Donor Restrictions -</b>		
Other changes in net assets without donor restrictions	-	(85,490)
Transfers between funds	(5,612,996)	(480,154)
<b>(Decrease) in Net Assets without Donor Restrictions</b>	(785,949)	(3,554,407)
<b>Changes in Net Assets with Donor Restrictions</b>		
Bequests and donations	102,004	323,066
Grant Income	253,832	434,901
Investment (loss) income	152,312	54,533
Change in interest in net assets of the Catholic Foundation of the Diocese of Lansing	7,030,745	5,257,542
Transfers between funds	5,816,239	942,588
DSA and Seminarian campaigns release from restriction	(50,000)	(400,000)
Other release from restrictions	(6,599,236)	(4,868,970)
<b>Increase in Net Assets with Donor Restrictions -</b>		
Before other changes	6,705,896	1,743,660
<b>Other Changes in Net Assets with Donor Restrictions -</b>	-	85,490
<b>Increase in Net Assets with Donor Restrictions</b>	6,705,896	1,829,150
<b>Increase (Decrease) in Net Assets</b>	5,919,947	(1,725,257)
<b>Net Assets - Beginning of year</b>	19,222,165	20,947,422
<b>Net Assets - End of year</b>	<u>\$ 25,142,112</u>	<u>\$ 19,222,165</u>