

# **Diocese of Lansing**

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**Financial Report  
with Additional Information  
June 30, 2007**

# Diocese of Lansing

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## Independent Auditor's Report

To the Most Reverend Carl F. Mengeling  
Diocese of Lansing

We have audited the accompanying balance sheet of the Diocese of Lansing as of June 30, 2007 and 2006 and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Diocese's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Diocese of Lansing at June 30, 2007 and 2006 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Plante & Moran, PLLC*

September 7, 2007

# Diocese of Lansing

## Balance Sheet

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,950,000	\$ 4,689,880
Accounts receivable	1,895,717	1,920,888
Cemetery inventory	31,057	32,883
Prepaid expenses	393,193	218,854
Contributions receivable	1,911,537	1,854,619
Allowance for uncollectible contributions	(183,585)	(260,158)
Investments (Note 2)	37,534,264	37,650,569
Accrued interest receivable	1,857,795	1,351,908
Unrecovered cost of crypts and niches	1,883,741	1,950,063
Undeveloped burial ground	553,771	553,771
Loans - Parishes, schools, and other - Net of allowance for doubtful loans of \$58,391 for 2007 and 2006	52,163,156	50,800,543
Property and equipment:		
Equipment	1,258,561	1,270,654
Land and buildings	16,987,151	16,939,313
Future sites	1,150,835	1,150,835
Accumulated depreciation	<u>(5,337,540)</u>	<u>(4,924,736)</u>
Total assets	<u><b>\$ 116,049,653</b></u>	<u><b>\$ 115,199,886</b></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 781,211	\$ 389,122
Gain due to depositors	1,115,102	532,182
Unremitted collections	315,893	270,139
Parishes, schools, and other deposits	80,238,727	82,580,241
Amounts due beneficiaries	124,000	126,973
Funds held for others	39,117	39,105
Cemetery trust funds	<u>1,210,221</u>	<u>1,186,427</u>
Total liabilities	83,824,271	85,124,189
<b>Net Assets</b>		
Unrestricted:		
Designated	25,616,830	23,881,776
Undesignated	846,809	823,934
Temporarily restricted (Note 3)	5,741,399	5,369,987
Permanently restricted (Note 4)	<u>20,344</u>	<u>-</u>
Total net assets	<u>32,225,382</u>	<u>30,075,697</u>
Total liabilities and net assets	<u><b>\$ 116,049,653</b></u>	<u><b>\$ 115,199,886</b></u>

# Diocese of Lansing

## Statement of Activities and Changes in Net Assets

	Year Ended	
	June 30, 2007	June 30, 2006
<b>Changes in Unrestricted Net Assets</b>		
Revenue:		
Diocese assessments	\$ 2,548,736	\$ 2,404,668
Diocese Services Appeal contributions	654,995	238,789
Cemetery operations	807,640	884,976
Participant premium	2,480,598	2,265,734
Interest	3,508,037	3,289,056
Dividends	454,564	716,634
Net realized and unrealized gain on investments	3,677,809	756,101
Loss on dispositions	(887)	(329)
Bequests and donations	853,913	834,815
Catholic charities activities	18,618	30,780
Mission office	37,506	39,317
Flint Region Hospital Ministries	91,010	108,218
Rental and other income	49,820	41,502
Program and project receipts:		
Tribunal	56,168	54,990
Formation	138,053	111,857
Finance department	31,229	2
Communications	45,612	49,302
Education	129,254	516,526
Catholic charities and other	12,000	5,616
Total revenue	15,594,675	12,348,554
Satisfaction of program restrictions:		
DSA Campaign	4,075,813	4,550,482
Other	163,314	13,490
Total released from restriction	4,239,127	4,563,972
Total unrestricted revenue and net assets released from restriction	19,833,802	16,912,526

# Diocese of Lansing

## Statement of Activities and Changes in Net Assets (Continued)

	Year Ended	
	June 30, 2007	June 30, 2006
<b>Changes in Unrestricted Net Assets (Continued)</b>		
Expenses:		
Central service ministries	\$ 6,172,956	\$ 6,323,603
Grants, assessments, and other ministries	2,085,528	2,157,372
Cemetery operations	1,360,946	1,421,865
FAITH operations	-	35,105
Distributions to depositors	4,738,281	3,587,007
Insurance premiums, fees, and claims	2,860,745	2,546,248
Administrative expenses	161,692	160,809
Depreciation	383,126	397,672
Plant expense	84,895	169,357
Self-supporting activities	227,704	243,354
Total expenses	<u>18,075,873</u>	<u>17,042,392</u>
<b>Increase (Decrease) in Unrestricted Net Assets</b>	1,757,929	(129,866)
<b>Changes in Temporarily Restricted Net Assets</b>		
Diocese Services Appeal contributions	4,406,033	4,075,813
Bequests and donations	109,626	28,490
Investment income	94,880	50,729
DSA campaign release from restriction	(4,075,813)	(4,550,482)
Other release from restriction	(163,314)	(13,490)
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	<u>371,412</u>	<u>(408,940)</u>
<b>Permanently Restricted Net Assets</b>		
Contributions	20,011	-
Investment income	333	-
<b>Increase in Permanently Restricted Net Assets</b>	<u>20,344</u>	<u>-</u>
<b>Increase (Decrease) in Net Assets</b>	2,149,685	(538,806)
<b>Net Assets - Beginning of year</b>	<u>30,075,697</u>	<u>30,614,503</u>
<b>Net Assets - End of year</b>	<u><b>\$ 32,225,382</b></u>	<u><b>\$ 30,075,697</b></u>

# Diocese of Lansing

## Statement of Cash Flows

	Year Ended	
	June 30, 2007	June 30, 2006
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets	\$ 2,149,685	\$ (538,806)
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Depreciation	463,562	478,860
Net gain on investments	(3,677,809)	(756,101)
Loss (gain) on dispositions	1,037	(329)
Change in allowance for uncollectible contributions	(76,573)	(30,300)
(Increase) decrease in assets:		
Accounts receivable	25,171	10,693
Contributions receivable	(56,918)	291,871
Cemetery inventory	1,826	63
Unrecovered cost of crypts and niches	66,322	78,310
Accrued interest receivable	(505,887)	(435,986)
Prepaid expenses	(174,339)	176,634
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	392,089	(426,123)
Cemetery trust fund	23,794	62,181
Distributions due to depositors	582,920	(14,570)
Deposits	(2,341,514)	6,918,536
Amounts due beneficiaries	(2,973)	(3,205)
Funds held for others	12	204
Unremitted collections	45,754	90,928
Net cash (used in) provided by operating activities	(3,083,841)	5,902,860
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of equipment	-	5,000
Proceeds from loan repayments	2,796,669	5,834,435
Issuance of loans	(4,159,282)	(11,349,224)
Purchase of equipment	(8,954)	(89,665)
Purchase of land and buildings	(78,586)	(174,856)
Net increase in investments	3,794,114	450,086
Net cash provided by (used in) investing activities	2,343,961	(5,324,224)
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(739,880)	578,636
<b>Cash and Cash Equivalents - Beginning of year</b>	4,689,880	4,111,244
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 3,950,000</b>	<b>\$ 4,689,880</b>

# Diocese of Lansing

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## Notes to Financial Statements June 30, 2007 and 2006

### Note I - Nature of Business and Significant Accounting Policies

**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.

The Diocese has recorded land and buildings in the Plant Fund for certain property owned by the Diocese but operated by such organizations. The Diocese, in the name of the bishop, Carl F. Mengeling, holds legal title to all diocesan properties.

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 annual Diocesan Services Appeal drive and diocesan assessments levied on each parish. Diocesan Services Appeal contributions are recorded as temporarily restricted revenue until the period that expenditures relating to each drive are made.

**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. 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.

**Savings and Loan Program** - Savings of and loans to diocesan units are accounted for in this program. Loans made to diocesan units have varying maturities and bear interest rates of 5.0 percent during 2007 and 2006. Interest was paid on deposits at a rate of 4.0 percent during 2007 and 2006. In addition, an annual special income distribution may be paid to depositors to recognize earnings received or investment returns in excess of the above rates. Special income distribution for 2007 and 2006 is \$349,229 and \$347,911, respectively.

The allowance for doubtful loans is reviewed annually and is considered adequate to cover potentially uncollectible loans at June 30, 2007.

**Trust and Endowment** - Trust and endowment funds are long-term savings of trusts, endowments, cemetery endowed care, and other restricted funds of diocesan units. Returns to the depositors are based on actual results of the investments.

# Diocese of Lansing

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## Notes to Financial Statements June 30, 2007 and 2006

### **Note I - Nature of Business and Significant Accounting Policies (Continued)**

**Protected Loss Program** - This program covers liability, property, and workers' compensation losses for all diocesan personnel and property. Loss coverage is provided through a self-insurance plan with the Michigan Catholic Conference (MCC) and premiums are billed to covered entities within the Diocese.

**Self-supporting Activities** - Self-supporting activities include activities of the central diocesan self-supporting enterprises, such as the senior priest center, mission office, and various Catholic charities activities.

**Designated Gift** - Gift funds are limited for special purposes. Restrictions are donor-imposed limitations and designations are management imposed.

**Custodial** - Gift funds are limited for special purposes. Restrictions are donor-imposed limitations and designations are management imposed.

**Cemetery** - Diocesan cemeteries accounts 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, and the central administrative and pre-need offices.

#### **Accounting Policies**

**Cash and Cash Equivalents** - The Diocese considers all highly liquid investments purchased with a maturity of three months or less to be cash and cash equivalents.

**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. In addition, a general valuation allowance is established for other accounts receivable based on historical loss experience. All amounts deemed uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. The Diocese has determined no allowance for uncollectibility is necessary.

Amounts received from cemetery trusts, included in investments, receivables, and liabilities, represent a portion of the proceeds from the sale of pre-need 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.

**Contributions Receivable** - Contributions receivable result from unconditional promises to fund Diocesan Services Appeal drives. All amounts are due within 12 months.

### **Note I - Nature of Business and Significant Accounting Policies (Continued)**

**Contributions** - Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received and measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows. Contributions resulting from split-interest agreements, measured at the time the agreements are entered into, are recognized based on the difference between the fair value of the assets received or promised and the present value of obligations to the third-party recipients under the related contracts. Contributions with donor-imposed time or purpose restrictions are reported as restricted support and all other contributions are reported as unrestricted support.

**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 construction costs for the mausoleums and columbaries. The costs of crypts and niches are written off as the entombment and inurnment rights are sold.

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

**Property and Equipment** - The Diocese maintains historical financial records of the cost of land, buildings, and certain equipment. Depreciation is calculated on the straight-line basis over the estimated useful lives of the various assets.

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

**Classification of Net Assets** - Net assets of the Diocese are classified as permanently restricted, temporarily restricted, or unrestricted depending on the presence and characteristics of donor-imposed restrictions limiting the Diocese's ability to use or dispose of contributed assets or the economic benefits embodied in those assets. Donor-imposed restrictions that expire with the passage of time or can be removed by meeting certain requirements result in temporarily restricted net assets. Donor-imposed restrictions that will be maintained permanently by the Diocese result in permanently restricted net assets. Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable law.

# Diocese of Lansing

## Notes to Financial Statements June 30, 2007 and 2006

### Note 1 - Nature of Business and Significant Accounting Policies (Continued)

**Tax Status** - The Diocese is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no income tax provision is reflected in the financial statements.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

**Functional Expenses** - The costs of providing program services, administrative expenses, and fund-raising are reported on a functional basis in Note 6. Costs are allocated between the various programs and support services on an actual basis, where available, or based upon reasonable methods. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different results.

### Note 2 - Investments

A summary of investments held by the Diocese at June 30 is as follows:

	<u>2007</u>	<u>2006</u>
Investment in MCC investment pool	\$ 37,109,946	\$ 37,339,512
Other	<u>424,318</u>	<u>311,057</u>
Total	<u>\$ 37,534,264</u>	<u>\$ 37,650,569</u>

The Diocese participates in an investment pool, which invests exclusively in mutual funds. The investment pool participates with other dioceses that MCC operates on the Diocese's behalf.

### **Note 3 - Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of the following:

- Central Services - Net assets with time restrictions related to Diocesan Services Appeal contributions
- Designated Gift - Net assets restricted for specific purposes as specified by the donors
- Cemetery Fund - Net assets restricted for specific purposes as specified by the donors

### **Note 4 - Permanently Restricted Net Assets**

Permanently restricted net assets consist of the following:

- Designated Gift - Net assets permanently restricted as specified by the donors

### **Note 5 - Self-insurance Plan**

The Diocese participates in a self-insurance plan with other Michigan dioceses for workers' compensation, liability, and property coverage. Initial losses of up to \$1,000,000 for workers' compensation, \$1,000,000 for liability, and \$500,000 for property per occurrence are the responsibility of the plan. In addition, liability and property losses have an additional \$500,000 corridor. Premiums paid to the plan by the Diocese are recorded in the expenses of the Protected Loss Program Fund.

The 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 \$500,000 for property per occurrence with an additional \$500,000 corridor for liability and property losses up to a limit of \$100,000,000 per occurrence for workers' compensation, \$100,000,000 per occurrence for liability, and \$125,000,000 per occurrence for property. In the current year, the plan is responsible for aggregate losses of up to \$11,390,659 annually. The Diocese, along with the other dioceses included in the plan, is contingently liable for claims in excess of these amounts. This contingency cannot be estimated or determined and has not been accounted for in the financial statements.

# Diocese of Lansing

## Notes to Financial Statements June 30, 2007 and 2006

### Note 6 - Functional Expenses

The Diocese provides various services to residents within its geographic area. Expenses related to providing these services at June 30 are as follows:

	<u>2007</u>	<u>2006</u>
Program services:		
Central service ministerial program and grants	\$ 6,827,553	\$ 6,842,922
Plant operational activities	468,020	567,029
Savings and loan operational activities	2,917,356	2,830,793
Trust and endowment operational activities	1,969,502	905,672
Protected loss program	2,860,745	2,546,248
Self-supporting ministries	227,704	243,354
Cemetery operations	1,360,946	1,421,865
FAITH operations	-	35,105
Designated gift fund activities	418,997	453,163
Total program services	<u>17,050,823</u>	<u>15,846,151</u>
General and administrative:		
Finance, property services, and technology systems	523,043	706,389
Building management	197,420	204,220
Total general and administrative	<u>720,463</u>	<u>910,609</u>
Fund-raising	<u>304,587</u>	<u>285,632</u>
Total	<u>\$ 18,075,873</u>	<u>\$ 17,042,392</u>

### Note 7 - Pension Plan for Lay Employees

The Diocese participates in a statewide, defined benefit pension plan that covers all lay employees. The plan is administered by the Michigan Catholic Conference. Contributions to the plan are based on the percentage (6.60 percent) of covered employees' wages and amounted to approximately \$181,000 and \$177,000 for the years ended June 30, 2007 and 2006, respectively, principally for employees of the central administrative offices. The pension plan's assets exceeded the actuarial computed present value of accumulated plan benefits as of July 1, 2006, the date of the last actuarial valuation. In the event of withdrawal from the plan and under certain circumstances, a contributor to a multiple-employer plan may be liable for a portion of any underfunded status. The weighted-average assumed rate of return used in the valuation was 8.0 percent. Information as to the actuarial present value of vested and nonvested accumulated plan benefits and the plan's net assets available for benefits attributable to employees of the Diocese of Lansing is not available since the MCC does not compute it for each participating diocese.

### **Note 8 - Replacement Value of Buildings**

The replacement value of parish, school, and other diocesan institution buildings owned by the Diocese is in excess of \$20,000,000 which does not include the amounts shown in the balance sheet under land and buildings, as determined by Marshall Swift Valuation Services Cost Indices as of June 30, 2007. The buildings included in this valuation are comprised substantially of buildings excluded from plant assets in the accompanying financial statements, as discussed in Note 1.

### **Note 9 - Commitments**

The savings and loan program has approved loans to parishes for construction projects during fiscal year 2007 totaling approximately \$10,700,000 which are expected to be distributed in 2008.

The Diocese has provided an irrevocable letter of credit with a bank related to a bond issued in its name for the benefit of Father Gabriel Richard High School. As of June 30, 2007, the outstanding balance on this bond issue is \$13,050,000 and is payable through May 1, 2032. The letter of credit is in force through April 25, 2009. Currently, the school is making all payments due on the bonds and all related expenses.

The Diocese has guaranteed a letter of credit related to a bond issue for the St. Vincent Catholic charities. As of June 30, 2007, the outstanding balance on this bond issue is \$6,270,000 and is payable through July 18, 2008. Currently, the other diocesan entity is making all payments due on the bonds and all related expenses.

As previously disclosed in Note 1, the scope of these financial statements excludes assets, liabilities, and the results of operations of schools or the other diocesan entity; therefore, the bonds and the asset constructed with the proceeds are not included in these financial statements. An appropriate liability will be recognized if a possibility reasonably exists that the school 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 and other diocesan entity.

### **Note 10 - Contingent Liabilities**

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

### **Note 11 - Fair Value of Financial Instruments**

A summary of the methods and significant assumptions used to estimate the fair value of financial instruments for the Diocese of Lansing is as follows:

**Short-term Financial Instruments** - The fair values of short-term financial instruments, including cash and cash equivalents, accrued interest, Diocesan Service Appeal contributions, assessment and accounts receivable, prepaid expenses, accounts payable, and accrued liabilities, approximate their carrying amounts in the accompanying financial statements due to the short maturity of such instruments.

**Investments** - The fair values of investments, which include mutual funds, are based on quoted market prices.

**Loans Receivable** - The fair values of loans receivable approximate the carrying amounts since interest rates reflect current market rates.

**Deposits Payable** - The fair value of deposits payable with no stated maturity is equal to the amount payable on demand.

## **Additional Information**

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To the Most Reverend Carl F. Mengeling  
Diocese of Lansing

We have audited the financial statements of the Diocese of Lansing as of June 30, 2007 and 2006. Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The additional information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Plante & Moran, PLLC*

September 7, 2007

# Diocese of Lansing

## Central Services Fund Balance Sheet

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b>Assets</b>		
Invested in savings and loan program	\$ 2,701,638	\$ 2,296,694
Accounts receivable	1,019,372	1,007,165
Prepaid expenses	389,980	210,840
Contributions receivable	1,911,537	1,854,619
Allowance for uncollectible contributions	<u>(183,585)</u>	<u>(260,158)</u>
Total assets	<b><u>\$ 5,838,942</u></b>	<b><u>\$ 5,109,160</u></b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b> - Accounts payable and accrued liabilities	\$ 586,098	\$ 209,413
<b>Net Assets</b>		
Unrestricted - Undesignated	846,809	823,934
Temporarily restricted	<u>4,406,035</u>	<u>4,075,813</u>
Total net assets	<u>5,252,844</u>	<u>4,899,747</u>
Total liabilities and net assets	<b><u>\$ 5,838,942</u></b>	<b><u>\$ 5,109,160</u></b>

# Diocese of Lansing

## Central Services Fund Statement of Activities and Changes in Net Assets

	Year Ended	
	June 30, 2007	June 30, 2006
<b>Changes in Unrestricted Net Assets</b>		
Revenue:		
Diocesan assessments	\$ 2,548,736	\$ 2,404,668
Diocesan Services Appeal contributions	654,995	238,789
Interest	88,049	102,769
Bequests and donations	4,748	608
Rental and other income	1,370	45
Program and project receipts:		
Tribunal	56,168	54,990
Finance department	190,804	173,149
Formation	138,053	111,857
Catholic charities	12,000	5,616
Communications	45,612	49,302
Education	129,119	516,436
Total revenue	3,869,654	3,658,229
Net assets released from restriction - DSA Campaign released from restriction	4,075,813	4,550,482
Total revenue and other support	7,945,467	8,208,711
Expenses:		
Catholic charities department	1,285,781	1,302,230
Education and Catechesis department	966,815	1,367,393
Formation department	1,097,391	853,014
Communications	461,422	448,063
Finance and administrative services department	1,353,842	1,339,180
Chancery services	989,690	1,018,097
Pastoral planning	156,046	138,564
Grants, assessments, and other ministries	1,679,604	1,715,561
Total expenses	7,990,591	8,182,102

# Diocese of Lansing

## Central Services Fund Statement of Activities and Changes in Net Assets (Continued)

	Year Ended	
	June 30, 2007	June 30, 2006
<b>(Decrease) Increase in Unrestricted Net Assets - Before other changes</b>	\$ (45,124)	\$ 26,609
<b>Other Changes in Unrestricted Net Assets - Transfer between funds</b>	<u>68,000</u>	<u>54,800</u>
<b>Increase in Unrestricted Net Assets</b>	22,876	81,409
<b>Changes in Temporarily Restricted Net Assets</b>		
Diocesan Services Appeal contributions	4,406,034	4,075,813
DSA campaign release from restriction	<u>(4,075,813)</u>	<u>(4,550,482)</u>
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	<u>330,221</u>	<u>(474,669)</u>
<b>Increase (Decrease) in Net Assets</b>	353,097	(393,260)
<b>Net Assets - Beginning of year</b>	<u>4,899,747</u>	<u>5,293,007</u>
<b>Net Assets - End of year</b>	<u><b>\$ 5,252,844</b></u>	<u><b>\$ 4,899,747</b></u>

# Diocese of Lansing

## Cemetery Fund Balance Sheet

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,200	\$ 2,070
Invested in diocesan savings program	3,527,006	3,463,488
Accounts receivable	308,722	453,597
Cemetery inventory	31,057	32,883
Unrecovered cost of crypts and niches	1,883,741	1,950,063
Undeveloped burial ground	553,771	553,771
Prepaid expenses	(1,522)	4,899
Investments	197,320	128,110
Accrued interest receivable	220,730	56,623
Equipment and real estate:		
Equipment	349,502	327,151
Real estate:		
Land and buildings	1,305,674	1,272,649
Accumulated depreciation	<u>(758,016)</u>	<u>(677,580)</u>
Net equipment and real estate	<u>897,160</u>	<u>922,220</u>
Total assets	<u><b>\$ 7,620,185</b></u>	<u><b>\$ 7,567,724</b></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 643,768	\$ 537,177
Cemetery trust funds	1,210,221	1,186,427
Note payable	<u>2,149,115</u>	<u>2,149,115</u>
Total liabilities	4,003,104	3,872,719
<b>Net Assets</b>		
Unrestricted - Designated	3,610,230	3,688,154
Temporarily restricted	<u>6,851</u>	<u>6,851</u>
Total net assets	<u>3,617,081</u>	<u>3,695,005</u>
	<u><b>\$ 7,620,185</b></u>	<u><b>\$ 7,567,724</b></u>

# Diocese of Lansing

## Cemetery Fund Statement of Activities and Changes in Net Assets

	Year Ended	
	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b>Changes in Unrestricted Net Assets</b>		
Revenue:		
General receipts	\$ 613,603	\$ 326,878
Products and services	<u>801,509</u>	<u>870,597</u>
Total revenue	1,415,112	1,197,475
Expenses:		
Product costs	228,851	251,706
Operational costs	<u>1,264,185</u>	<u>1,301,867</u>
Total expenses	<u>1,493,036</u>	<u>1,553,573</u>
<b>Decrease in Unrestricted Net Assets</b>	(77,924)	(356,098)
<b>Changes in Temporarily Restricted Net Assets - Cemetery</b> memorial and restorations - Net of releases	<u>-</u>	<u>(460)</u>
<b>Decrease in Net Assets</b>	(77,924)	(356,558)
<b>Net Assets - Beginning of year</b>	<u>3,695,005</u>	<u>4,051,563</u>
<b>Net Assets - End of year</b>	<u><b>\$ 3,617,081</b></u>	<u><b>\$ 3,695,005</b></u>

# Diocese of Lansing

## Plant Fund Balance Sheet

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b>Assets</b>		
Invested in savings and loan program	\$ 177	\$ 583
Equipment and real estate:		
Equipment	909,058	943,503
Real estate:		
Land and buildings	15,681,476	15,666,724
Future sites	1,150,835	1,150,835
Accumulated depreciation	<u>(4,579,525)</u>	<u>(4,247,216)</u>
Net equipment and real estate	<u>13,161,844</u>	<u>13,513,846</u>
Total assets	<u><b>\$ 13,162,021</b></u>	<u><b>\$ 13,514,429</b></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b> - Note payable	\$ 2,294,779	\$ 2,852,171
<b>Net Assets</b> - Unrestricted - Designated	<u>10,867,242</u>	<u>10,662,258</u>
Total liabilities and net assets	<u><b>\$ 13,162,021</b></u>	<u><b>\$ 13,514,429</b></u>

# Diocese of Lansing

## Plant Fund Statement of Activities and Changes in Net Assets

	Year Ended	
	June 30, 2007	June 30, 2006
<b>Revenue</b>		
Rental and other income	\$ -	\$ 906
Loss on dispositions	(887)	(329)
	<u>(887)</u>	<u>(329)</u>
Total revenue	(887)	577
<b>Expenses</b>		
Depreciation	383,126	397,672
Repairs and maintenance	53,105	58,309
Interest expense	142,609	171,406
Data processing	14,238	69,908
Equipment	5,024	27,377
Miscellaneous	12,527	13,763
	<u>610,629</u>	<u>738,435</u>
Total expenses	610,629	738,435
<b>Decrease in Net Assets - Before other changes</b>	(611,516)	(737,858)
<b>Other Changes in Net Assets - Transfer between funds</b>	<u>816,500</u>	<u>1,052,360</u>
<b>Increase in Net Assets</b>	204,984	314,502
<b>Net Assets - Beginning of year</b>	<u>10,662,258</u>	<u>10,347,756</u>
<b>Net Assets - End of year</b>	<u><b>\$ 10,867,242</b></u>	<u><b>\$ 10,662,258</b></u>

# Diocese of Lansing

## Savings and Loan Program Fund Balance Sheet

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,947,800	\$ 4,687,810
Investments	17,621,470	20,752,846
Accrued interest receivable	2,229,354	1,796,273
Loans:		
Parishes, schools, and others	56,665,441	55,860,220
Allowance for doubtful loans	<u>(58,391)</u>	<u>(58,391)</u>
Net loans	<u>56,607,050</u>	<u>55,801,829</u>
Total assets	<u><b>\$ 80,405,674</b></u>	<u><b>\$ 83,038,758</b></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 146,454	\$ 135,751
Deposits:		
Parishes, schools, and others	67,171,911	71,770,998
Other diocesan funds included in these financial statements	4,434,214	4,552,454
Gain due to depositors	<u>349,230</u>	<u>347,911</u>
Total deposits	<u>71,955,355</u>	<u>76,671,363</u>
Total liabilities	72,101,809	76,807,114
<b>Net Assets - Unrestricted - Designated</b>	<u>8,303,865</u>	<u>6,231,644</u>
Total liabilities and net assets	<u><b>\$ 80,405,674</b></u>	<u><b>\$ 83,038,758</b></u>

# Diocese of Lansing

## Savings and Loan Program Fund Statement of Activities and Changes in Net Assets

	Year Ended	
	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b>Revenue</b>		
Interest	\$ 3,442,159	\$ 3,274,683
Dividends	202,033	358,852
Net realized and unrealized gain on investments	<u>1,678,219</u>	<u>265,882</u>
Total revenue	5,322,411	3,899,417
<b>Expenses</b>		
Distributions to depositors	3,083,150	3,064,365
Administrative expenses	<u>167,040</u>	<u>178,871</u>
Total expenses	<u>3,250,190</u>	<u>3,243,236</u>
<b>Increase in Net Assets</b>	2,072,221	656,181
<b>Net Assets - Beginning of year</b>	<u>6,231,644</u>	<u>5,575,463</u>
<b>Net Assets - End of year</b>	<u><u>\$ 8,303,865</u></u>	<u><u>\$ 6,231,644</u></u>

# Diocese of Lansing

## Trust and Endowment Fund Balance Sheet

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b>Assets</b>		
Invested in savings and loan program	\$ 289,077	\$ 44,191
Investments	<u>19,715,474</u>	<u>16,769,614</u>
Total assets	<u><b>\$ 20,004,551</b></u>	<u><b>\$ 16,813,805</b></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 13,618	\$ 8,139
Gain due to depositors	765,873	184,271
Deposits:		
Parishes, schools, and others	14,708,120	12,522,753
Other diocesan funds included in these financial statements	<u>4,516,591</u>	<u>4,098,296</u>
Total deposits	<u>19,224,711</u>	<u>16,621,049</u>
Total liabilities	20,004,202	16,813,459
<b>Net Assets - Unrestricted - Designated</b>	<u>349</u>	<u>346</u>
Total liabilities and net assets	<u><b>\$ 20,004,551</b></u>	<u><b>\$ 16,813,805</b></u>

# Diocese of Lansing

## Trust and Endowment Fund Statement of Activities and Changes in Net Assets

	Year Ended	
	June 30, 2007	June 30, 2006
<b>Revenue</b>		
Interest	\$ 315,942	\$ 294,317
Dividends	252,531	357,782
Net realized and unrealized gain on investments	<u>1,999,591</u>	<u>490,219</u>
Total revenue	2,568,064	1,142,318
<b>Expenses</b>		
Distributions to depositors	2,504,216	1,088,601
Administrative expenses	<u>63,845</u>	<u>53,714</u>
Total expenses	<u>2,568,061</u>	<u>1,142,315</u>
<b>Increase in Net Assets</b>	3	3
<b>Net Assets - Beginning of year</b>	<u>346</u>	<u>343</u>
<b>Net Assets - End of year</b>	<u><u>\$ 349</u></u>	<u><u>\$ 346</u></u>

# Diocese of Lansing

## Protected Loss Program Fund Balance Sheet

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b>Assets</b>		
Invested in savings and loan program	\$ 120,826	\$ 509,135
Accounts receivable	567,624	460,125
Prepaid expense	<u>4,795</u>	<u>3,115</u>
Total assets	<u><b>\$ 693,245</b></u>	<u><b>\$ 972,375</b></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b> - Accounts payable	\$ 3,029	\$ 2,944
<b>Net Assets</b> - Unrestricted - Designated	<u>690,216</u>	<u>969,431</u>
Total liabilities and net assets	<u><b>\$ 693,245</b></u>	<u><b>\$ 972,375</b></u>

# Diocese of Lansing

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

	Year Ended	
	June 30, 2007	June 30, 2006
<b>Revenue</b>		
Interest	\$ 8,438	\$ 26,933
Participant premiums	<u>2,573,620</u>	<u>2,351,022</u>
Total revenue	2,582,058	2,377,955
<b>Expenses</b>		
Premiums paid to MCC	1,458,507	1,329,711
Reinsurance premiums paid	798,595	688,828
Insurance service fees and other	<u>604,171</u>	<u>529,392</u>
Total expenses	<u>2,861,273</u>	<u>2,547,931</u>
<b>Decrease in Net Assets - Before other changes</b>	(279,215)	(169,976)
<b>Other Changes in Net Assets - Transfer between funds</b>	<u>-</u>	<u>(94,000)</u>
<b>Decrease in Net Assets</b>	(279,215)	(263,976)
<b>Net Assets - Beginning of year</b>	<u>969,431</u>	<u>1,233,407</u>
<b>Net Assets - End of year</b>	<u><u>\$ 690,216</u></u>	<u><u>\$ 969,431</u></u>

# Diocese of Lansing

## Self-supporting Activities Fund Balance Sheet

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b>Assets</b>		
Invested in savings and loan program	\$ 432,691	\$ 466,375
Prepaid expenses	<u>-</u>	<u>-</u>
Total assets	<u><b>\$ 432,691</b></u>	<u><b>\$ 466,375</b></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 1,997	\$ 1,994
Unremitted collections	<u>170,864</u>	<u>189,186</u>
Total liabilities	172,861	191,180
<b>Net Assets - Unrestricted - Designated</b>	<u>259,830</u>	<u>275,195</u>
Total liabilities and net assets	<u><b>\$ 432,691</b></u>	<u><b>\$ 466,375</b></u>

# Diocese of Lansing

## Self-Supporting Activities Fund Statement of Activities and Changes in Net Assets

	Year Ended	
	June 30, 2007	June 30, 2006
<b>Revenue</b>		
Catholic charities activities	\$ 18,618	\$ 30,780
Mission office	56,535	56,613
Flint Region Hospital Ministries	91,010	108,218
Rental and other income	48,450	40,500
	<u>214,613</u>	<u>236,111</u>
Total revenue	214,613	236,111
<b>Expenses</b>		
Catholic charities	55,964	59,938
Senior Priest Center	44,652	46,356
Mission office	38,811	52,672
Flint Region Hospital Ministries	90,551	86,512
	<u>229,978</u>	<u>245,478</u>
Total expenses	229,978	245,478
<b>Decrease in Net Assets</b>	(15,365)	(9,367)
<b>Net Assets - Beginning of year</b>	<u>275,195</u>	<u>284,562</u>
<b>Net Assets - End of year</b>	<u>\$ 259,830</u>	<u>\$ 275,195</u>

# Diocese of Lansing

## Designated Gift Fund Balance Sheet

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<b>Assets</b>		
Invested in savings and loan program	\$ 2,975,365	\$ 3,139,436
Invested in trust and endowment	400,302	363,405
Prepaid expenses	(60)	-
Accrued interest receivable	<u>21,465</u>	<u>5,308</u>
Total assets	<b><u>\$ 3,397,072</u></b>	<b><u>\$ 3,508,149</u></b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Amounts due beneficiaries	\$ 124,000	\$ 126,973
Funds held for others	<u>39,117</u>	<u>39,105</u>
Total liabilities	163,117	166,078
<b>Net Assets</b>		
Unrestricted - Designated	1,885,098	2,054,748
Temporarily restricted	1,328,513	1,287,323
Permanently restricted	<u>20,344</u>	<u>-</u>
Total net assets	<u>3,233,955</u>	<u>3,342,071</u>
Total liabilities and net assets	<b><u>\$ 3,397,072</u></b>	<b><u>\$ 3,508,149</u></b>

# Diocese of Lansing

## Designated Gift Fund Statement of Activities and Changes in Net Assets

	Year Ended	
	June 30, 2007	June 30, 2006
<b>Changes in Unrestricted Net Assets</b>		
Revenue:		
Interest	\$ 126,624	\$ 104,964
Bequests and donations	849,165	834,207
Education	135	140
Total revenue	975,924	939,311
Net assets released from restrictions - Satisfaction of restriction	162,014	13,030
Total revenue and net assets released from restriction	1,137,938	952,341
Expenses:		
Grants	409,973	445,245
Administrative expenses	13,115	11,351
Total expenses	423,088	456,596
<b>Increase in Unrestricted Net Assets - Before other changes</b>	714,850	495,745
<b>Other Changes in Unrestricted Net Assets - Transfer between funds</b>	(884,500)	(1,013,160)
<b>Decrease in Unrestricted Net Assets</b>	(169,650)	(517,415)
<b>Changes in Temporarily Restricted Net Assets</b>		
Bequests and donations	108,326	28,490
Investment income	94,878	50,729
Net assets released from restrictions	(162,014)	(13,030)
<b>Increase in Temporarily Restricted Net Assets</b>	41,190	66,189
<b>Changes in Permanently Restricted Net Assets</b>		
Bequests and donations	20,010	-
Investment income	334	-
<b>Increase in Permanently Restricted Net Assets</b>	20,344	-
<b>Decrease in Net Assets</b>	(108,116)	(451,226)
<b>Net Assets - Beginning of year</b>	3,342,071	3,793,297
<b>Net Assets - End of year</b>	<b>\$ 3,233,955</b>	<b>\$ 3,342,071</b>

# Diocese of Lansing

## Custodial Fund Statement of Receipts, Disbursements, and Unremitted Collections

	Year Ended	
	June 30, 2007	June 30, 2006
<b>Receipts</b>		
Peter's Pence	\$ 120,007	\$ 129,871
Catholic Charities USA Disasters - Katrina	18,631	961,064
Campaign for Human Development	109,993	111,881
Retired Religious	207,233	198,395
Worldwide Evangelization	111,896	102,933
American Evangelization	149,271	145,006
Bishop Overseas Appeal	126,128	156,697
Rice Bowl	36,995	36,542
Tsunami relief	70,382	45,210
Pastoral Needs Collection	-	85,286
Miscellaneous	882	6,799
	<u>951,418</u>	<u>1,979,684</u>
<b>Disbursements</b> - Remittance of collections	<u>887,341</u>	<u>2,006,502</u>
<b>Excess of Receipts Over (Under) Disbursements</b>	64,077	(26,818)
<b>Unremitted Collections</b> - Beginning of year	<u>80,953</u>	<u>107,771</u>
<b>Unremitted Collections</b> - End of year	<u><u>\$ 145,030</u></u>	<u><u>\$ 80,953</u></u>