

Fill in this information to identify the case:

Debtor Name The Diocese of St. Cloud

United States Bankruptcy Court for the _____ District of Minnesota
(State)

Case number: 20-60337

Official Form 426

Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Debtor’s Estate Holds a Substantial or Controlling Interest

12/17

This is the *Periodic Report* as of 6/30/2020 on the value, operations, and profitability of those entities in which a Debtor holds, or two or more Debtors collectively hold, a substantial or controlling interest (a “Controlled Non-Debtor Entity”), as required by Bankruptcy Rule 2015.3. For purposes of this form, “Debtor” shall include the estate of such Debtor.

[Name of Debtor] holds a substantial or controlling interest in the following entities:

Name of Controlled Non-Debtor Entity	Interest of the Debtor	Tab #
Fully Engaged, LLC	50% Ownership	

This *Periodic Report* contains separate reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

Exhibit A contains the most recently available: balance sheet, statement of income (*loss*), statement of cash flows, and a statement of changes in shareholders’ or partners’ equity (*deficit*) for the period covered by the *Entity Report*, along with summarized footnotes.

Exhibit B describes the Controlled Non-Debtor Entity’s business operations.

Exhibit C describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

Exhibit D describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

Exhibit E describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity’s payment thereof or incurrence of any obligation with respect thereto.

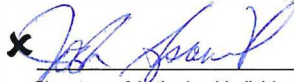
This *Periodic Report* must be signed by a representative of the trustee or debtor in possession.

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The undersigned, having reviewed the *Entity Reports* for each Controlled Non-Debtor Entity, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this *Periodic Report* and the attached *Entity Reports* are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3

For non-individual Debtors:


Signature of Authorized Individual
Joseph Spanio
Printed name of Authorized Individual
Date 7 30 2020
MM / DD / YYYY

For individual Debtors:

Signature of Debtor 1
Printed name of Debtor 1
Date _____
MM / DD / YYYY

Signature of Debtor 2
Printed name of Debtor 2
Date _____
MM / DD / YYYY

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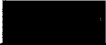


Exhibit A: Financial Statements for [Name of Controlled Non-Debtor Entity]

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Exhibit A-1: Balance Sheet for [Name of Controlled Non-Debtor Entity] as of [date]

[Provide a balance sheet dated as of the end of the most recent 3-month period of the current fiscal year and as of the end of the preceding fiscal year.

Describe the source of this information.]

See the attached Balance Sheets as of June 30, 2020 and June 30, 2019.

Fully Engaged, LLC
Balance Sheet as of 6/30/2020

	Unrestricted Balance
<u>Assets</u>	
Cash - Checking	\$ 14,825.57
Total Assets	<u>\$ 14,825.57</u>
<u>Liabilities</u>	
Accounts Payable	\$ 11,289.26
Total Liabilities	<u>\$ 11,289.26</u>
Net Assets	<u>\$ 3,536.31</u>
Total Liabilities and Net Assets	<u>\$ 14,825.57</u>

Fully Engaged, LLC
Balance Sheet as of 6/30/2019

	<u>Unrestricted Balance</u>
<u>Assets</u>	
Cash - Checking	<u>\$ 23,676.79</u>
Total Assets	<u><u>\$ 23,676.79</u></u>
<u>Liabilities</u>	
Accounts Payable	<u>\$ 13,425.76</u>
Total Liabilities	<u><u>\$ 13,425.76</u></u>
Net Assets	<u><u>\$ 10,251.03</u></u>
Total Liabilities and Net Assets	<u><u>\$ 23,676.79</u></u>

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Exhibit A-2: Statement of Income (Loss) for [Name of Controlled Non-Debtor Entity] for period ending [date]

[Provide a statement of income (loss) for the following periods:

(i) For the initial report:

- a. the period between the end of the preceding fiscal year and the end of the most recent 3-month period of the current fiscal year; and
- b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

Describe the source of this information.]

See the attached Profit and Loss Statements for the years ended June 30, 2020 and June 30, 2019.

Diocese of St. Cloud
Analysis of Fully Engaged LLC
July 1, 2019 thru June 30, 2020

7/1/2019 thru
6/30/2020

Revenues:

Sales:

Books, Booklets, & Workbooks & Scoring	148,343
Other	-
Total Revenues	<u>148,343</u>

Cost of Goods Sold:

Postage	15,924
Printing	15,739
General Supplies	<u>5,537</u>
Total Cost of Goods Sold	37,200

Gross Margin 111,143

General Expenses:

Wages and Benefits	89,705
Professional	16,549
Dues & Memberships	188
Advertising	530
Travel	7,635
Conferences/ meetings	1,595
Misc	<u>1,657</u>
Total Expenses	117,859

Net Income (loss) (6,716)

Diocese of St. Cloud
Analysis of Fully Engaged LLC
July 1, 2018 thru June 30, 2019

7/1/2018 thru
6/30/2019

Revenues:

Sales:

Books, Booklets, & Workbooks & Scoring	163,925
Other	-
Total Revenues	<u>163,925</u>

Cost of Goods Sold:

Postage	8,552
Printing	21,121
General Supplies	<u>8,795</u>
Total Cost of Goods Sold	38,468

Gross Margin 125,457

General Expenses:

Wages and Benefits	88,599
Professional	7,014
Dues & Memberships	
Advertising	405
Travel	6,689
Conferences/ meetings	500
Misc	<u>1,658</u>
Total Expenses	104,865

Net Income (loss) 20,592

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Exhibit A-3: Statement of Cash Flows for [Name of Controlled Non-Debtor Entity] for period ending [date]

[Provide a statement of changes in cash position for the following periods:

(i) For the initial report:

- a. the period between the end of the preceding fiscal year and the end of the most recent 3-month period of the current fiscal year; and
- b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

Describe the source of this information.]

See the attached Statements of Cash Flows as of June 30, 2020 and June 30, 2019.

Fully Engaged, LLC
Statement of Cash Flows
July 1 2019 through June 30 2020

07/01/2019 Beginning Balance	\$ 23,677.00
Sales	\$ 148,343.00
Checks Written	\$ (155,059.14)
Increase (Decrease) in accounts payable	<u>\$ (2,136.50)</u>
06/30/20 Cash Balance	\$ 14,824.36

Fully Engaged, LLC
Statement of Cash Flows
July 1 2018 through June 30 2019

07/01/2018 Beginning Balance	\$ 17,690.00
Sales	\$ 163,925.00
Checks Written	\$ (143,333.00)
Diocese Draw - First since inception	\$ (20,000.00)
Increase (Decrease) in accounts payable	<u>\$ 5,394.76</u>
06/30/19 Cash Balance	\$ 23,676.76

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Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (*Deficit*) for [Name of Controlled Non-Debtor Entity] for period ending [date]

[Provide a statement of changes in shareholders'/partners equity (*deficit*) for the following periods:

(i) For the initial report:

a. the period between the end of the preceding fiscal year and the end of the most recent 3-month period of the current fiscal year; and

b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

Describe the source of this information.]

See the attached Statements of Owner's Equity as of the year ended June 30, 2020 and June 30, 2019.

Fully Engaged, LLC
 Statement of Owner's Equity
 For the Year Ended June 30, 2020

	Diocese of St. Cloud (50% Owner)	Center for Family Counseling (50% Owner)
Beginning Equity July 1, 2019	\$ 5,595.29	\$ 4,656.02
Increases:		
Investment by Owner	\$ -	\$ -
Net Income (loss) for Year Ended June 30, 2020	\$ (3,357.50)	\$ (3,357.50)
Total Increase	\$ (3,357.50)	\$ (3,357.50)
Decreases:		
Draws by Owner	\$ -	\$ -
Total Decrease	\$ -	\$ -
Total Equity	<u>\$ 2,237.79</u>	<u>\$ 1,298.52</u>

Fully Engaged, LLC
 Statement of Owner's Equity
 For the Year Ended June 30, 2019

	Diocese of St. Cloud (50% Owner)	Center for Family Counseling (50% Owner)
Beginning Equity July 1, 2018	\$ 14,470.21	\$ (3,154.06)
Increases:		
Investment by Owner	\$ -	\$ -
Net Income (loss) for Year Ended June 30, 2019	\$ 11,125.08	\$ 11,125.08
Total Increase	\$ 11,125.08	\$ 11,125.08
Decreases:		
Draws by Owner	\$ 20,000.00	\$ 3,315.00
Total Decrease	\$ 20,000.00	\$ 3,315.00
Total Equity June 30, 2019	<u>\$ 5,595.29</u>	<u>\$ 4,656.02</u>

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Exhibit B: Description of Operations for [Name of Controlled Non-Debtor Entity]

[Describe the nature and extent of the Debtor's interest in the Controlled Non-Debtor Entity.

Describe the business conducted and intended to be conducted by the Controlled Non-Debtor Entity, focusing on the entity's dominant business segments.

Describe the source of this information.]

Fully Engaged, LLC offers pre-marital counseling materials for Catholic couples.

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Exhibit C: Description of Intercompany Claims

[List and describe the Controlled Non-Debtor Entity's claims against any other Controlled Non-Debtor Entity, together with the basis for such claims and whether each claim is contingent, unliquidated or disputed.

Describe the source of this information.]

Fully Engaged, LLC holds no claims.

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Exhibit D: Allocation of Tax Liabilities and Assets

[Describe how income, losses, tax payments, tax refunds, or other tax attributes relating to federal, state, or local taxes have been allocated between or among the Controlled Non-Debtor Entity and one or more other Controlled Non-Debtor Entities.

Include a copy of each tax sharing or tax allocation agreement to which the entity is a party with any other Controlled Non-Debtor Entity.

Describe the source of this information.]

Fully Engaged, LLC is a nonprofit 501(c)3 entity, therefore no taxes are assessed.

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Exhibit E: Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor

[Describe any payment made, or obligations incurred (or claims purchased), by the Controlled Non-Debtor Entity in connection with any claims, administrative expenses, or professional fees that have been or could be asserted against any Debtor.

Describe the source of this information.]

There have been no payments made by Fully Engaged, LLC that would be in connection to any claims, administrative expenses, or professional fees that have been or could be asserted against any debtor.