

EXHIBIT 11

Catholic Bishop of Northern Alaska
Five Year Cash Flow Forecast
Summary of Significant Forecast Assumptions
For the Years Ending June 30, 2010 through June 30, 2014

Summary

The financial forecast presents, to the best of our knowledge and belief, the expected financial activity for the five fiscal years ending June 30, 2010 through June 30, 2014. Accordingly, the forecast reflects management's judgment as of December 10, 2009, the date of this forecast of the Catholic Bishop of Northern Alaska's (CBNA) most likely set of conditions and its most likely course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. In addition, the validity of the forecasts may decrease in proportion to the time elapsed since their determination. Subsequent events and circumstances may differ from those assumed as of the date of this forecast. Accordingly, the forecasted results should be evaluated in light of such changes. Historical revenues and operating expenditures form the basis for the assumptions used in the forecast.

Significant Assumptions

1. The eight parishes listed below are recognized as fully self-supporting parishes that are in no manner subsidized by CBNA. Their fully self-supporting status grants them financial autonomy. We further assume that these eight parishes will remain fully self-supporting through June 30, 2014. Accordingly, their financial data is not part of this forecast. The eight self supporting parishes are:
 - a. St. Patrick Church, Barrow
 - b. Immaculate Conception Church, Bethel
 - c. Our Lady of Sorrows, Delta Junction
 - d. Sacred Heart Cathedral, Fairbanks
 - e. Immaculate Conception Church, Fairbanks
 - f. St. Mark's University Parish, Fairbanks
 - g. St. Nicholas Church, North Pole
 - h. St. Raphael Church, Fairbanks.
2. There will be no change in support status for the subsidized parishes. All parishes that are currently subsidized by CBNA will continue to be subsidized through June 30, 2014.
3. Fairbanks Counseling and Adoption is sovereign and apart from CBNA. As such, their financial data is not part of this forecast.
4. Catholic Schools of Fairbanks is not its own juridical person.
5. KNOM radio station Plans to legally separate from CBNA. This separation will occur through a process of legal acquisition. Accordingly, KNOM's financial data is not part of this forecast.
6. CBNA receives custodial funds from various persons and entities that are passed on to the target entity on a quarterly, semi-annual, and/or annual basis. These monies are in no way part of CBNA's operating resources.
7. The following assumptions were made regarding ministry programs:
 - a. No current programs will be eliminated
 - b. Current programs that have seen reductions over the past five years will be funded back to their original level as funding becomes available.
 - c. The following new programs will be added if offsetting grant revenue can be obtained:
 - i. A Clergy Enculturation Program will be developed in 2009/2010 to better acclimate the new priests to ministry in the Alaska bush country. This program will be outsourced to a 1099 independent contractor at an anticipated fee of \$20,000 the first year, with successive annual fees of approximately \$10,000 per year.

ii. Synod Gathering in 2011/2012

1. Anticipated cost of \$300,000

8. The Endowment is and will remain a separately managed fund for the benefit of the programs, missions, and subsidized parishes of CBNA. Cap Trust, the investment advisor for CBNA, has calculated a collection scenario at the 6.50% level. That scenario, along with management's targeted collection is as follows:

Simulated Portfolio Scenario – 6.50% Collect

Percentile	2010				2011				2012			
	Cap Trust		CBNA Collect	6.50%	Cap Trust		CBNA Collect	6.50%	Cap Trust		CBNA Collect	6.50%
	Value	Collect			Value	Collect			Value	Collect		
10th	4,863,389	315,470	291,203		5,233,724	340,192	294,636		5,601,317	364,086	314,172	
25th	4,570,627	297,091			4,910,600	319,189			5,236,197	340,353		
50th	4,299,636	279,476			4,600,927	299,060			4,886,277	317,608		
75th	4,040,144	262,609			4,304,393	279,786			4,551,204	295,828		
90th	3,810,007	247,650			4,041,406	262,691			4,254,038	276,512		

Percentile	2013				2014			
	Cap Trust		CBNA Collect	6.50%	Cap Trust		CBNA Collect	6.50%
	Value	Collect			Value	Collect		
10th	5,922,489	384,962	330,898		6,233,545	405,180	367,560	
25th	5,514,972	358,473			6,126,003	398,190		
50th	5,124,420	333,087			5,692,180	369,992		
75th	4,750,438	308,778			5,276,763	342,990		
90th	4,418,765	287,220			4,908,342	319,042		

9. The following properties will be sold in FYE 2010:

Anderson town site 4 vacant lots	\$ 6,000.00
Cessna 172	\$ 25,000.00
Aluminum 24' Sea Boat	\$ 7,500.00
Harding Lake 2nd Tier Vacant Lot	\$ 3,000.00
Akulurak property sold	\$ 25,000.00
Vacant lot next to Catholic Schools	\$ 59,000.00
Oknagamut Property	\$ 10,000.00
Our Lady of the Lake Chapel	\$ 15,000.00
	<u>\$ 150,500.00</u>

10. The following assumptions were made regarding staffing, both secular and religious:

- Wages will remain frozen through FYE 2011, except for those position advancements that include increased responsibilities and duties. Longevity increases and a 3% COLA increase will be given in fiscal years 2012 through 2014. Management anticipates that the longevity increase will average \$7,000 each of those three years.
- The following secular personnel changes will occur in fiscal year 2010. All associated cost changes have been incorporated into the forecast.
 - Development Officer
 - The Development Office operation of \$50,000 will be offset by a \$35,000 grant for the first year and \$70,000 for three more years of operation
 - Management conservatively anticipates the following increases in donation revenue attributable to the development officer:
 - FYE 2010 \$0
 - FYE 2011 \$100,000
 - FYE 2012 \$150,000
 - FYE 2013 \$225,000
 - FYE 2014 \$300,000

- ii. The Director of Finance will cut back to a 30 hour work week as of July 1, 2009, with a salary reduction of \$30,000. All associated costs have been decreased accordingly.
 - iii. The Senior Accountant the position will be eliminated. All associated costs have been decreased accordingly showing a reduction of \$50,000.
 - iv. Bishop's office including the Bishop and his Executive Secretary and Assistant to the Bishop each reduced their wage by 20%. All associated costs have been decreased accordingly
 - v. A full time youth minister will be added if offsetting grants covering wages and benefits can be obtained.
 - vi. A part-time native liaison minister will be added if offsetting grants covering wages and benefits can be obtained.
 - vii. The Engineering assistant position was eliminated with saving of \$65,000. All associated costs have been decreased accordingly
 - viii. The Maintenance Director was reduced by 20% and assistant position was eliminated with saving of \$77,000. All associated costs have been decreased accordingly
 - ix. The Alaskan Shepherd office saw the receipt staff positions wages reduces 20%
 - x. We combined the positions of Library clerk and Receptionist for a savings of \$25,000. All associated costs have been decreased accordingly
 - xi. The Office of Worship and the Family Life Office were changed to contracts positions for special projects overall savings of \$90,000 All associated costs have been decreased accordingly
 - c. The following changes are anticipated for religious vocations. All associated cost changes have been incorporated into the forecast. All seminarian education costs will be funded by financial resources available through the seminary as well as by grants through national Catholic organizations and programs. Seminary is a 4 to 6 year program and costs approximately \$32,000 per seminarian per year.
 - i. FYE 2010
 - 1. 1 new priest with a base salary of \$31,000
 - 2. 1 new seminarian at ½ year entry point with a base salary of \$3,000 (1/2 year). This seminarian will be salaried as a full time seminarian in successive years.
 - ii. FYE 2011 – Two new religious sisters will be added. CBNA will be responsible for their base salary of \$28,000 each. The sisters' order will cover all other costs.
 - iii. FYE 2011, 2012, 2013, and 2014
 - 1. Add two new priests each year with a base salary of \$31,000 each
 - 2. Retirement of one priest each year with a base salary of \$31,000
 - 3. Add one full-time seminarian each year with a base salary of \$6,000
11. The following assumptions were made regarding temporarily restricted capital projects:
- a. CBNA will spend \$405,000 in FYE 2010 - 2014
 - b. Annual capital project costs are expected to be offset by grants of \$250,000 per year and any additional restricted donations. Capital project outlays will be limited to restricted grant and donation revenue actually received.
 - c. A necessary technology upgrade is scheduled for FYE 2011. The expected cost is \$100,000. The realization of offsetting grant revenue is too uncertain to be incorporated into the forecast at this time.
12. The following assumptions were made regarding recurring cash inflow:
- a. Historical data demonstrates that CBNA's contribution revenue appears to be insulated from economic downturns. As such, a reduction in donor contributions due to the current economic climate was not incorporated into the forecast.
 - b. A development officer will be hired early in FYE 2010. See item 10.b for details.
 - c. A new contribution program targeted at diocese external to Alaska is forecast to realize \$65,000 each year through FYE 2014.
 - d. Stamp contributions were forecast to reflect a historical slow, yet steady increase.
 - e. Legacies, bequests, and annuity donations are difficult to forecast based on the historical data, which denotes no trend or constancy in behavior. As such, management has chosen a conservative forecast position.

- f. A new diocesan wide bishop's appeal will begin in FYE 2010 and is expected to generate \$100,000, with an expected growth curve of 3% per year.
- g. Grant Revenue
 - i. General grant revenue
 - 1. Management has set \$1,273,000 in FYE 2010, \$1,322,000 in FYE 2011, \$1,554,000 in FYE 2012, \$1,586,000 in FYE 2013 and \$1,589,000 in FYE 2014.
 - 2. A special bishop's appeal for general operating costs (as a component of unrestricted grants) will be implemented as follows:
 - a. FYE 2010 \$200,000
 - b. FYE 2011 \$100,000
 - c. FYE 2012 \$50,000
 - ii. Capital project grants are expected to reach \$400,000 in FYE 2010 & FYE 2011, and maintain \$600,000 from FYE 2012 through FYE 2014.
 - iii. A first year, \$35,000 per year grant, for the purpose of offsetting development office operations is expected to begin in FYE 2010 with three more years of \$70,000 each.
 - iv. Financial aid through the seminary and education grants are expected to cover all costs for each seminarian. CBNA expects to promote one new seminarian each year through FYE 2014. Estimated cost is \$32,000 each.
- h. Parish assessments will increase at an anticipated inflation rate of 3.00%.
- i. Service Use Fees of \$75,000 are expected in FYE 2010 with an anticipated inflation adjustment of 3.00% per year through FYE 2014:
 - i. Portfolio management fees \$55,000
 - ii. ACCB \$7,200
 - iii. CTNA \$5,000
 - iv. Other \$7,800
- j. Interest revenue is expected to increase 3.00% per year.

Net assets released from restriction is expected to be \$1,546,959., \$1,606,615., \$1,847,500., \$1,880,706., \$1,904,982. for FYE 2010 through FYE 2014.

13. The following assumptions were made regarding recurring cash outflow:

- a. General operating costs: except as where specifically noted, our forecast demonstrates management's intent to first reduce, then maintain, or adjust for a minimal ½% to 3% inflation rate.
- b. Outreach support and charitable contributions will be held at \$25,000 per year through FYE 2014.
- c. The subsidy payment to Catholic Schools of Fairbanks will be held at \$100,000 per year through FYE 2014.
- d. The subsidy payment to Fairbanks Counseling and Adoption will be held at \$108,000 per year through FYE 2014.

14. The following assumptions were made regarding non-recurring cash inflow:

- a. A bishop's special appeal to the Alaskan Shepherd donors to pay for counseling for survivors will generate \$100,000 in FYE 2011 and FYE 2012. The appeal is expected to cost \$20,000 each year. However, payment to the fund will be limited to the donations received less costs incurred.

- b. For the sale of Pilgrim Hot Springs will generate \$1,850,000. The payment to the fund will be limited to the actual revenues received less costs incurred.
- c. Alaska National Ins. Co has committed \$1,400,000 cash inflows to the settlement.
- d. Monroe Foundation Inc for the Catholic Schools of Fairbanks will contribute \$150,000
- e. The parishes of the diocese will contribute from the Catholic Trust of Northern Alaska and other liquid asset \$650,000 toward the settlement.
- f. KNOM has committed cash assets of \$150,000 toward the settlement.
- g. CBNA will sell the following Real Property to the Endowment fund in exchange for cash and marketable securities:

1. Chancery	\$1,200,000
2. Warehouse	\$ 200,000
3. Kobuk Center	\$1,120,000
4. Catholic Schools	\$3,500,000
5. KNOM Buildings	\$ 430,000
6. Fairbanks Counseling & Adoption	\$ 600,000
7. Betty St. Convent	\$ 205,000
8. Hanger	\$ 346,000
9. Kateri Tekakwitha Center	\$ 175,000
10 Cessna 207	\$ 75,000
11 Vacant lot EM Jones Sub	\$ 31,000
	\$7,882,000

15. The following assumptions were made regarding non-recurring cash outflow:

- a. The Bishop's appeal(s), as schedule for FYE 2011 and 2012 will cost \$20,000 each year.
- b. Costs associated with Pilgrim Hot Springs will be \$10,000 in FYE 2010.
- c. Admin costs associated with the reorganization are conservatively projected at \$2,307,000 in FYE 2010. All admin costs will be paid out of settlement proceeds.
- d. Approximately \$105,000 plus interest will be paid to the pre-petition creditors and will be paid in three equal annual installments in fiscal years 2010, 2011, and 2012.

16. The following assumptions were made regarding cash flow from financing activities:

- a. Debt service is expected to begin in FYE 2010 as follows:

Accrued interest for The Great Falls-Billings Montana Diocese will be paid on the effective date totaling \$90,962 .

- 1. Principal payments on the Great Falls-Billings Montana loan will be made monthly based on a twenty year amortization at a rate of 7%.