

**DIOCESE OF CHEYENNE
PARISH ANNUAL FINANCIAL REPORT
INSTRUCTIONS**

The Parish Annual Financial Report form is to be used by all parishes and by larger mission churches which maintain separate financial records. Smaller mission churches can utilize the Mission Annual Financial Report form which is much shorter. The School Annual Financial Report form is to be completed by parochial schools. You should enter the parish name, mission name, or school name in cell A4 and the city name in cell D4 of the left most tab in the worksheet.

The forms are distributed only as Excel workbooks. Please do not make any changes to the Excel template which you receive or download. All financial reports must be completed in Excel, and the completed Excel file emailed to Loren Schillinger at the Chancery office (lschillinger@dioceseofcheyenne.org).

When the report is complete, please print the signature page (Page 1), obtain the required signatures (the preparer, the pastor and two trustees of the parish need to sign the report), and either scan, fax or mail the separate signature page to the Chancery, Attention Loren Schillinger.

Please make every effort to get the Excel workbook completed and emailed, and the signature page signed and transmitted to the Chancery by October 31, 2009.

We appreciate you preparing the annual report form in this manner. Please contact Loren Schillinger at (307) 638-1530 or 1-866-790-0014 if you need further help or instruction. Thank you!

BALANCE SHEET INSTRUCTIONS

Balance Sheet – Assets

Only assets which have received written approval by the Bishop for exclusion from the assessment and Bishop's Appeal goal calculations should be listed in the Total Excluded Assets (line 4) section of the Balance Sheet. All other financial assets should be listed in lines 1, 2, or 3 of the report. A "Restricted" financial asset is one which has been restricted for its use by the original donor. They may or may not have been excluded by the Bishop. Please indicate next to the asset listing if it has been so restricted, but be sure that it is listed in the appropriate Exhibit.

Line 1 – Petty Cash

Cash kept on hand for payment of minor items.

Line 2 – Total Current Assets – Exhibit A

Use Exhibit A to list all current assets. Current assets are assets whose value remains relatively stable and which can be readily converted to cash. Checking Accounts include accounts on which a bank check can be written such as bank, credit union or brokerage money market accounts. These accounts may or may not pay interest on your deposits. Savings accounts are accounts in banking institutions for which you are always paid interest and require the presentation of a withdrawal slip to remove your money. Liquid Capital accounts fall into this category. Certificates of Deposit are generally placed with a banking institution for a relatively short, specified period of time and at a specified, fixed rate of interest. A penalty may occur if money is removed from a C.D. before its maturity date. Because of current deposit insurance restrictions, no more than \$100,000 should ever be placed in one banking institution regardless of the type of accounts. Other Current Assets should include assets which do not meet the definitions given above. An example would be Commercial Paper or Bank Repurchase Agreements. Give a detailed description (issuer, date, rate, etc.) of your assets listed in this section.

Line 3 – Total Invested Assets – Exhibit B

Use Exhibit B to list all invested assets. Invested assets are assets which are generally invested for a longer, unspecified period of time and generally are purchased through an investment advisor. The cost of these assets should include any brokerage commissions paid to the trading broker or investment manager. Corporate Bonds, although having a maturity date, are investments in corporations paying a fixed rate of income return. Corporate Stocks, including common, preferred and convertible stock, are investments in the ownership of a corporation. The income from these investments is called dividends and can vary greatly by the profitability of the corporation. U.S. Government Securities include investments

guaranteed by the U.S. Government or one of its agencies. Examples of this type of investment are U.S. Treasury Notes and Bills and Federal Mortgage Association Notes. Mutual Funds are shares bought in a fund managed by a professional investment manager. Assets invested in the Parish Investment Custody program with the Chancery should be listed in this category. These funds can be classified as equity (stocks), bond (fixed income), balanced (stocks & bonds), or government. Because of the high volatility of price on invested assets, no purchase or sale of these types of assets should be done without the advice of a certified, professional investment advisor. Please give the name of your investment advisor and your account number at the bottom of this exhibit. Enter the actual market value of the asset as of June 30, place this amount in the appropriate column next to the actual cost of the asset. However, you must know the actual market value of all the items in that assets investment category or the total that is used will not be correct.

Line 4 – Total Excluded Assets – Exhibit C

Use Exhibit C to list all assets which have received the Bishop's approval for exclusion from the assessment and Bishop's Appeal calculations. These assets must show the current market value as of June 30. The exclusion type/name is described in your request for exclusion or in the Bishop's approval. Examples of types are building fund, Catholic school fund, special project fund, etc. The assets should be listed according to the type of asset. Please provide a copy of the approval letter from the Bishop when you submit your financial statements. If your parish has small mission churches which will be completing the Mission Parish Financial Report form, the financial assets of the mission should be reported on this Exhibit C.

Line 5 – Total Receivable Assets – Exhibit D

Use Exhibit D to list all receivable assets due to your parish. These assets would include the outstanding principal amount of loans made to diocesan institutions or parishes and personal loans. Show the name of the institution, the date the note is due and the interest rate being charged. For miscellaneous accounts receivable, do not include the outstanding pledge amounts made by parishioners for a special fund drive. A receivable is money that you are owed at the end of the fiscal year, but have not yet received. An example is rent for the month of June, but not received until the first week of July. Please describe fully the nature of the receivable, who owes the money to you, and the date the money is due.

Line 6 – Prepaid Expenses

Prepaid expenses are items which you pay for in advance. An example would be insurance coverage paid for 6 months in advance which is payable in June but is for coverage for the months of June-November. The month of June would be expensed in the current year and five months would be considered a prepaid expense. The total of these types of prepaid expenses should be placed on line 6 of your balance sheet.

Line 7 – Total Physical Plant – Exhibit E

Use Exhibit E to list all of your physical plant assets. Physical plant is all buildings, real property (equipment and furnishings) and real estate owned by the parish, its school and all its missions. Recent changes in accounting principals require churches to account for plant assets at their depreciated value rather than replacement cost. For years ending June 30, 1992 and later, the depreciated cost of the plant assets must be shown. A depreciation schedule, such as included with these instructions, should be maintained. Information you will need includes the date of acquisition, original cost, capital improvement dates and cost, and expected life of the asset (given on the depreciation schedule). All buildings associated with your parochial school, such as a separate gymnasium, should be included on the parochial school line. Capital improvements are defined as major improvements to a building such as expansion or major repairs and maintenance (in excess of \$7,500) which extend the life of the asset, such as a new roof. The expected life of the assets is given on the attached depreciation schedule example. The straight line method of depreciation should be utilized to calculate your yearly depreciation expense. This means if your asset has an expected life of 10 years, one-tenth of the cost should be expensed each year until written off in value. Non-Parish Plant assets are properties for which you are paying property taxes. These would include rental property or leased land. Please total all carrying value sub-totals and place final plant total on Line 7 of the balance sheet. Only items having a significant cost (in excess of \$1,000) and life expectancy (in excess of 5 years) should be capitalized and maintained on your depreciation schedule. All other items should just be included in the appropriate line of your Expense Statement.

Total assets will be calculated and shown on Total Assets line of the Balance Sheet on page 1.

Balance Sheet – Liabilities

Lines 8-13 – Wages & Benefits Owing

Use Lines 8-13 to show totals of wages and employee benefits owing as of June 30. Examples of these various expenses which the parish might owe are given on each line to assist you. The sub-total for these liabilities will be calculated and shown on the appropriate line.

Line 14 – Custodial Collections Payable

Use Line 14 to show total amount owed to the Chancery for unpaid custodial collections (Peter's Pence, Catholic Home Missions, etc.), not yet sent to the Chancery.

Line 15 – Notes, Bonds, Loans Payable – Exhibit F

Use Exhibit F to list all your notes, bonds and loans payable to someone else. Show the name of lender (To Whom Payable), date the loan was made, due date, the

original amount of the loan, principal paid this year, present balance, interest rate, and amount of interest paid this year. The totals of the column "Principal Paid This Year" should be included on line 56 of your Expense Statement; column "Present Balance" included on Line 15 of your Balance Sheet; and column "Interest Paid This Year" included on Line 55 of your Expense Statement. In the new Excel form, these numbers are automatically placed on the appropriate lines for you.

Line 16 – Miscellaneous Accounts Payable

Include on this line the total of all other accounts payable as of June 30. Example of this type of liability is a bill received for services already rendered but not yet paid, such as printing of your last Sunday bulletin in June.

Total liabilities will be calculated and shown on Total Liabilities line of the Balance Sheet on page 1.

Balance Sheet – Parish Equity

Total Assets less Total Liabilities will be calculated and shown under Parish Equity on your Balance Sheet on page 1.

INCOME STATEMENT INSTRUCTIONS

Income Statement – Ordinary Income

Line 1 – Envelope Collections

Included on this line should be regular Sunday contributions that can be uniquely identified to specific parishioners. It should include amounts placed in their regular envelopes, whether cash or check, as well as their checks just dropped in the basket without their envelopes.

Line 2 – Plate Collections

Included on this line should be Sunday cash contributions which cannot be attributable to a parishioner. This would include checks written by a person who is not registered as a member of your parish.

Line 3 – Christmas Collection

Include the total amount collected on this date whether in parishioner envelopes, checks or cash. Also include Christmas envelopes collected before or after this date.

Line 4 – Easter Collection

Include the total amount collected on Easter Sunday whether in parishioner envelopes, checks or cash. Also include Easter envelopes collected before or after this date.

Line 5 – Other Holy Days Collections

Include the total amount collected for all other Holy Day collections taken up on the Holy Day whether in parishioner envelopes, checks or cash. Also include parishioner envelope contributions placed in the Holy Day envelope even if received before or after the day itself.

Line 6 – Sacramental Offerings

Include on this line the total amount the parish receives for various sacramental offerings such as Baptism, Marriage, etc. Do not report any amounts the priest or deacon receives as a personal stipend.

Ordinary income will be calculated and shown as A. Sub-Total.

Income Statement – Extraordinary Income

Line 7 – Excluded Funds Collections

Include on this line all collections received on funds which have received the Bishop's exclusion approval. Specify the name of the fund.

Line 8 – Restricted Funds Collections

Include on this line all collections received on funds which have a restriction of their use placed on them by the donor or action by your Parish Finance Council and Board of Trustees.

Line 9 – World Poor and Hungry Collection

Include on this line all collections received to assist the poor and hungry around the world. This may be a special collection taken up by your parish each month or at special times during the year such as Thanksgiving or Holy Thursday or may come in special envelopes you provide your registered families. It should not include special collections called for by the Bishop such as a specific collection for a natural disaster or any of the other second collections called for by the National Church.

(Diocesan / National Collections – This line has been deleted)

All donations received for Diocesan or National Church Collections such as Mission Sunday, Peter's Pence, Catholic Home Missions, etc. are not reported as income. These amounts are to be recorded as a custodial liability on your balance sheet. The custodial payments made to the Chancery for these liabilities are to be recorded in the same custodial liability account. If there is a net liability owing at the end of the year, this amount will be recorded on line 14 of the Balance Sheet.

Line 11 – Unrestricted Extraordinary Donations

Included on this line is the total of donations received which have no restriction as to their use and cannot be counted on being received on a regular basis. Examples of this type of donation are "conscience" donations or donations received as a result of an extraordinary occurrence like someone winning the lottery.

Extraordinary income will be calculated and shown as B. Sub-Total.

Income Statement – Fund Raising Activities (Net)

All items reported in this section should be net of expenses incurred to put on the event such as prizes, tickets, publicity, etc. Any losses should be reported in (brackets).

Line 12 – Bingo, Bazaars and Raffles Income

Include on this line the NET income received from parish operated bingo nights, bazaars, raffles, rummage sales, etc.

Line 13 – Organization Income

Include on this line the net income received from parish groups such as youth or women's organizations for special fund raising activities.

Lines 14 & 15 – Other Activity Income

Include on these two lines the income you receive from other parish activities. Please specify in the space provided the nature of the activity.

Fund raising activities income will be calculated and shown as C. Sub-Total.

Income Statement – Investment Income

Line 16 – Current Assets (Exhibit A) Income

Include on this line all the income you received from assets recorded in Exhibit A. This would include interest on checking, savings, money market accounts and certificates of deposit. The interest may be actually paid to you or it may just be placed in the account or rolled over to a new maturity in your certificate of deposit.

Line 17 – Invested Assets (Exhibit B) Income

Include on this line all income you received from the assets you recorded in Exhibit B. This would include interest and dividends whether paid to you or reinvested in additional shares, units, or value of the asset. DO NOT include the change in market value of invested assets as this amount will be reported in Line 22.

Line 18 – Excluded Assets (Exhibit C) Income

Include on this line all income you received from the assets recorded in Exhibit C and have been excluded by the Bishop. This would include interest and dividends whether paid to you or reinvested in additional shares, units, or value of the asset. DO NOT include the change in market value of the excluded assets as this amount will be reported in Line 22.

Line 19 – Loan (Exhibit D) Income

Include on this line income received from your loans made to diocesan institutions or parishes and personal loans. Do not include payments received for the principal amount of the loan.

Line 20 – Rental Property Income (Net)

Report on these lines the NET income from rental of **non-parish plant** buildings or land such as a rental house, an activities building, farm land that is leased, etc. It should not include rent received from a retired priest if he is living in the rectory, rental of your church hall for a parishioner's wedding reception, rent of your classrooms to a parish sponsored day care, etc. It should include the NET rent received from non-parish plant buildings (you may be paying taxes on these buildings or property) and land from page 6 (Exhibit E) of the Balance Sheet report form. Net means that you should subtract your expenses for the property such as maintenance, insurance, utilities, etc. from the rent receipts. These expenses should not have been included in your Expense Report.

Line 21 – Royalty Income

Include payments received as a result of oil or mineral royalty lease agreements owned by the parish.

Line 22 – Market Value Change Income

To record the market value of your investments and track the actual value of your assets recorded in the Balance Sheet, use the proper subline to record the change in the market value of the appropriate asset category from last June 30. Be sure not to include the amount invested or the income that was automatically reinvested for you.

Investment Income will be calculated and shown as D. Sub-Total.

Income Statement – Education Income (Lines 23-28)

Use Lines 23-28 to report income received in support of your various types of education ministry programs. For your parochial school, include only amounts received by the church for the school. Do not include tuition or fee payments for the enrollment of a student, but do include donations received in lieu of tuition payments. This line item will be subtracted from the parish parochial school operating subsidy reported as Line 32 of your Expense Statement.

Education income will be calculated and shown as E. Sub-Total.

Income Statement – Fee Income (Lines 29-31)

Use Lines 29-31 to record income received for other ministerial programs other than education. Examples are fees for retreats or workshops.

Fee income will be calculated and shown as F. Sub-Total.

Income Statement – Miscellaneous Income (Lines 32-37)

Use this section of the Income Statement to report miscellaneous income such as grants, insurance payments, etc. Small furnishings are items which, when purchased, were of such a small cost (less than \$1,000) that it was not placed on your equipment or furnishings depreciation schedule.

Miscellaneous income will be calculated and shown as G. Sub-Total.

Income Statement – Proceeds From Sale Of (Lines 38-43)

Use this section of the Income Statement to report the proceeds, gain/(loss), from the sale of assets which were listed on last year's Balance Sheet. The carrying value is the net of the cost of the assets less accumulated depreciation that has been written off. The sale price is net of all commissions paid to transact the sale. The gain/(loss) recorded is the difference between the two previous numbers.

Total Gain/(Loss) column will be calculated and shown as H. Sub-Total. Be sure to remove the asset from your Balance Sheet and out of your Depreciation Schedule.

Income Statement – Bequests (Lines 44-46)

Bequests are income and/or assets you receive as a result of being named beneficiary in a person's will or planned giving estate even if the use of the asset is restricted. Use Line 44 to show actual cash receipts. Use Line 45 to show the appraised value of real estate and buildings received. The appraisal should be dated within three (3) months of the date you acquire the property. Show this new property on Physical Plant (Exhibit E) of the Balance Sheet. Use Line 46 to show the market value of securities (stocks and bonds) received. The market value should be as of the date acquired and can be obtained from your banker, investment advisor, or by calling the Chancery. Show the securities in Invested Assets (Exhibit B) or Excluded Assets (Exhibit C) of the Balance Sheet. This amount is the original cost of the asset.

Bequest income will be calculated and shown as I. Sub-Total.

Grand Total Income

Sub-Totals A thru I will be added and the total will be shown on the Grand Total Income line.

In-Kind Goods and Service Donations

Enter In-Kind Goods and Service Donations on Line 47. An In-Kind donation consists of something given (as goods or commodities) other than money. This amount is not added into Grand Total Income.

EXPENSE STATEMENT INSTRUCTIONS

Expense Statement – Assessment Expense (Lines 1-7)

Use this section to report assessment, subsidy and donation type of expenses. If your parish gave actual cash subsidy to your mission church, show the amount on the appropriate Line 5 and give the mission name or city on the space provided. On this line you should also include the dollar amount of all direct expense for the mission that you paid on behalf of your mission church. The subsidy does not include “in-kind” service, for example part of the priest’s salary or the main parish administrative expense. Emergency assistance/donations is money given to needy people or civic organizations. (The line for Diocesan / National Collection payments has been deleted as this amount should be recorded in your custodial liabilities account on the balance sheet to reduce the liability. Any balance owing at the end of the year should be reported on line 14 of the Balance Sheet.)

Assessment/Collection Expenses will be calculated and shown as A. Sub-Total.

Expense Statement – Asset Maintenance (Lines 8-15)

Use this section to report routine maintenance costs of your assets. Equipment maintenance expense should include yearly maintenance agreement charges on such items as copiers, computers, typewriters, etc. Maintenance agreements on building equipment such as heating and air-conditioning systems should be included under building maintenance. Real Estate maintenance would include lawn care and snow removal if paid to a maintenance company and not to your maintenance employee. Vehicle licensing cost should be included in Line 11, as well as maintenance and gas expenses. Property taxes on Non-Parish Plant assets should be included in Line 12. Property & Liability Insurance is the total amount paid to Catholic Mutual Insurance Group. If you insure your vehicles thru Catholic Mutual, separate out this part of their bill and show on Line 14. Depreciation expense is the total depreciation taken for the year from your depreciation schedule. Depreciation is a non-cash type of expense, but should be included in the total.

Asset Maintenance will be calculated and shown as B. Sub-Total.

Expense Statement – Office Expense (Lines 16-23)

Use this section to record expenses, other than salaries, of the parish office. Do not include expenses of the rectory or church in this section. Printing cost should include expenses for bulletin, stationery letterhead, collection envelopes, calendars, etc. “Small furnishings” is the purchase of equipment and furnishings costing less than \$1,000 and therefore not placed on your depreciation schedule. Purchases of single items exceeding this amount are reported in the Capital Outlay section of this statement. Bank service charges should include account service charges, check charges and safety deposit box charges. Personnel service awards such as hospital flowers, bonus or gifts should be included in the miscellaneous office expense line.

Because of the shortness of life expectancy for computer equipment, the purchase of such equipment and program software can be expensed rather than capitalized.

Office Expense will be calculated and shown as C. Sub-Total.

Expense Statement – Professional Service (Lines 24-29)

Use of outside professional consultants or firms is reported in this section. Investment services is the charge made by your investment advisor to manage your investments. Commissions or brokerage fees charged for the purchase or sale of a security should be included in the cost of the security and not reported here. The purchase of computer software should be included in Capital Outlay and only the consultative charges or computer processing of your records should be included in this section. Other professional services received might include security services, telephone answering services, etc.

Professional Service will be calculated and shown as D. Sub-Total.

Expense Statement – Education Expense (Lines 30-38)

This section is used to record the expenses, other than salaries, of your C.C.D. program, parochial school, adult education programs, and personnel training. Tuition Aid is money paid to your parochial school for a family who is unable to pay the full tuition charges for their children. This may or may not be kept separate from your school's operating subsidy. Do not include capital improvements such as expansion, new roof, or major equipment purchases for the school in this section, but rather in the Capital Outlay section.

Education Expense will be calculated and shown as E. Sub-Total.

Expense Statement – Ministerial Expense (Lines 39-45)

Use this section to record the expenses, other than salaries, for your parish programs other than education. The cost of items such as a parish picnic should be shown in Other Ministries on Line 45.

Ministerial Expense will be calculated and shown as F. Sub-Total.

Expense Statement – Rectory / Church Expense (Lines 46-50)

Use this section to record the expenses associated with the operations of the rectory and Church services. Include in Altar / Sacristy Expense the cost of wine, hosts, candles, flowers, missalettes, decorations, etc. Travel Reimbursements are automobile mileage reimbursements paid to your priests and other personnel according to your tax-accountable, travel reimbursement policy.

Rectory/Church Expense will be calculated and shown as G. Sub-Total.

Expense Statement – Utility Expense (Lines 51-54)

Use this section to record expenses paid for utility services. Telephone service should include the total bill received from your phone companies, including yellow page advertising, repair charges, long distance calls and local service. If you pay a separate charge for your internet or web service or your fax machine, include these charges in your telephone service line.

Utility Expense will be calculated and shown as H. Sub-Total.

Expense Statement – Debt Service (Line 55)

The only item in this section is the Debt Service Interest Payment reported from Exhibit F of your Balance Sheet.

Debt Service will be calculated and shown as I Sub-Total.

Expense Statement – Religious Personnel (Lines 65-69)

Use this section to record the wages / salary paid to the religious personnel of the parish. This should not include the benefits paid such as retirement or insurance, unless these cannot be separated out of your sisters or brothers contracts. It should include all religious other than separately reported mission or school personnel even if they are assigned to a particular parish program or ministry.

Religious Personnel will be calculated and shown as J. Sub-Total.

Expense Statement – Lay Personnel (Lines 70-77)

Use this section to record the wages and salaries paid to the lay personnel of the parish. Do not include benefits paid. Separate the expenses according to the position categories given in this section. Describe the position in the “Other” lines.

Lay Personnel will be calculated and shown as K. Sub-Total.

Expense Statement – Employee Benefits (Lines 78-85)

Use this section to record benefits paid on behalf of your employees regardless of whether religious or lay personnel. Medical payments should include payments made for your priests as part of the uncovered, co-insurance limitations of our health insurance. Monthly premiums for health and life insurance should be shown on the appropriate line. Moving expenses are benefits paid for transferring personnel. The outgoing parish pays the moving expenses for priests.

Employee Benefits will be calculated and shown as L Sub-Total.

Sub-Totals A thru L will be added and the total will be shown on the Grand Total Expense line.

Total Income Over Expense – This amount will be calculated by taking the Grand Total Income on Page 8 less the Grand Total Expense on page 11 and the net amount will be shown on this line.

Expense Statement – Capital Outlay (Lines 86-94)

Use this section to report changes made during the year to your assets. Debt Service figure (Principle Payment – Line 86) should come from Exhibit F of your Balance Sheet. Asset Purchases are of significant amounts that warrant the expense be placed on your depreciation schedule. Major building repair is defined as maintenance cost exceeding \$7,500, which generally extends the life or usability of the building. Furnishings and equipment purchases should generally exceed \$1,000 and have a life expectancy of at least five years before they are listed in this section and included on your depreciation schedule. Security investments is the purchase of new or additional securities through your investment advisor.

Capital Outlay will be calculated and shown as “Total Asset Purchases.”

TOTAL CASH OUTFLOW will be calculated and shown on this line.