

**DIOCESE OF CHEYENNE
PAROCHIAL SCHOOL ANNUAL FINANCIAL REPORT
INSTRUCTIONS**

This form has been designed for use by the various parochial schools within the Diocese of Cheyenne. The form is now available as an Excel workbook which you can fill out on your computer and either email to the Chancery or print and mail. Please make every effort to complete the form by October 31, 2009. If you email the file please send to Loren Schillinger at the Chancery office (lschillinger@dioceseofcheyenne.org). If you email the completed report, please print the signature page (Page 1), obtain the required signatures (the preparer, the pastor and the Principal need to sign the report), and either scan, fax or mail the separate signature page to the Chancery, Attention Loren Schillinger.

You should enter the school name in cell A4 and the city name in cell D4 of the tab labeled "Balance Sheet". The Excel forms will automatically total for you and place the appropriate total in the Balance Sheet. Please read the entire instructions before completing the forms. You can download the forms from the Diocesan website (www.dioceseofcheyenne.org) Finance Office page (under Administrations). If you have any questions regarding these forms, please contact Loren Schillinger at (307) 638-1530 or 1-866-790-0014.

**BALANCE SHEET
INSTRUCTIONS**

Balance Sheet – Assets

Schools should list their assets according to category and should include the assets of their supporting foundation or other fund raising entities. The physical plant (buildings, real estate, furniture and equipment) should be included in the School report only if not reported by the Parish.

Line 1 – Petty Cash

Petty cash is actual cash not yet deposited in your bank. This might include collections, emergency assistance monies, or house cash.

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 Investment Custody program with the Chancery Office 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. If you know 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 Receivable Assets

Use Line 4 to list all receivable assets due to your school. 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 5 – Prepaid Expenses

Prepaid expenses are items which you pay for in June but are for services received in July. An example is the health insurance of your employees which is payable in June but is for coverage for the month of July. The total of these types of prepaid expenses should be placed on line 5 of your balance sheet.

Line 7 – Total Physical Plant – Exhibit C

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 school. Recent changes in accounting principals require parochial schools to account for plant assets at their depreciated value rather than replacement costs. 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 costs, 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-School 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.

Please total all assets and show on Total Assets line.

Balance Sheet – Liabilities

Lines 7-12 – Wages & Benefits – Owing

Use Lines 7-12 to show totals of wages and employee benefits not yet paid as of June 30. Examples of these various expenses not yet paid are given on each line

to assist you. Please sub-total these liabilities and show this total on the appropriate line.

Line 13 – Diocesan Collections / Assessments

Use Line 13 to show total amount owed to Chancery Office for unpaid assessments or collections (Rice Bowl, etc.), not yet sent to Chancery.

Line 14 – Notes, Bonds, Loans Payable – Exhibit D

Use Exhibit D 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 28 of your Expense Statement; column “Present Balance” included on Line 14 of your Balance Sheet; and column “Interest Paid This Year” included on Line 29 of your Expense Statement. In the new Excel form, these numbers are automatically placed on the appropriate lines for you.

Line 15 – 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.

Please total all liabilities and show on Total Liabilities Line.

Balance Sheet – School Equity

Total Assets less Total Liabilities on your Balance Sheet equals School Equity and should be shown on this line.

INCOME STATEMENT INSTRUCTIONS

Ordinary Income: Lines 1-8

This section reports the income received from parents and parish subsidy for the education of the students. It includes tuition and fees paid and outside scholarships received.

Extraordinary Income: Lines 9-14

This section reports income which has nothing to do with the number of students, such as investment income or miscellaneous or restricted donations. Payments on prior year tuition/fee accounts should be reported here. For investment income, only report the actual income received on your invested assets or the assets of your Foundation. This would include all interest and dividends, whether received in cash or automatically reinvested for you, thus increasing the cost of your asset. DO NOT include income reportable due to market valuation changes in your assets. This amount should be reported on Line 25 if you maintain the actual market price of your assets on your Balance Sheet.

Fund Raising Activities: Lines 15-19

Report income received from various school fund raising activities or parish activities if they directly benefit the school, such as bingo.

Miscellaneous Income: Lines 20-23

Report all other income in this section which you feel does not fit any of the above categories. Include any grants received and state who the grantor was (church, government or private organization).

Line 24 – Market Value Change Income

If you utilize the market value of your investments to 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. If you strictly keep track of the original cost of the asset on your Balance Sheet, this line should be ignored.

EXPENSE STATEMENT INSTRUCTIONS

Ordinary Expenses: Lines 1-7

This section should include expenses of running the education program such as supplies, bus, student activities and teacher training.

Maintenance Expenses: Lines 8-15

Expenses incurred for the maintenance of the school building and equipment, including insurance and maintenance supplies, should be reported in this section. Do not include major equipment purchases, major building repairs or additions on

this report, but in the Capital Outlay expense section of the Parish's Annual Financial Report.

Office Expenses: Lines 16-23

This section would include expenses for the administrative offices of the school such as postage, advertising, printing, etc.

Utility Expenses: Lines 24-27

Show the utility charges for the entire school complex, (school, convent, gym, etc.) in the appropriate line item.

Capital Outlay: Lines 28-33

Although assets of the school are listed on the Parish Balance Sheet, certain capital expenses may be charged to the school, such as a new school bus or copy machine. These expenses should be listed here as well as any write-off or prior tuition debts.

Personnel Expenses: Lines 34-43

Show direct salary expenses by employee position in this section. Religious brothers or sisters teaching at the school should be separated regardless of position.

Employee Benefits: Lines 44-49

Report all benefits paid to your employees on the appropriate line in this section.