



**Combined Financial Statements as of and for the fiscal year ended June 30, 2020**

**(unaudited)**

**Saint Gerald Parish  
Combined Balance Sheet  
Unaudited**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Assets		
Cash		
Parish	447,987	129,100
Building Fund	222,321	207,398
Total Cash	<u>670,308</u>	<u>336,498</u>
Investments		
Endowments-Restricted	1,331,978	1,340,134
Restricted	10,342	3,015
Unrestricted	389,478	286,844
Total Investments	<u>1,731,798</u>	<u>1,629,993</u>
Fixed Assets	6,035,190	6,225,190
HOPE Inventory	51,453	49,448
African Community Assets*	93,544	94,496
Other Assets	-	3,357
<b>Total Assets</b>	<b><u>8,582,293</u></b>	<b><u>8,338,982</u></b>
Liabilities and Equity		
Prepaid Tuition	34,303	47,896
Other Current Liabilities	4,668	334
PPP Loan Payable Reserve	17,300	-
Mortgage Payable	-	144,073
Total Liabilities	<u>56,271</u>	<u>192,303</u>
Equity		
Beginning of Year Equity	8,146,679	8,233,094
Net Income (Loss)	379,343	(86,415)
Total Equity	<u>8,526,022</u>	<u>8,146,679</u>
<b>Total Liabilities and Equity</b>	<b><u>8,582,293</u></b>	<b><u>8,338,982</u></b>

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**Saint Gerald Parish**  
**Combined Statement of Income and Expense**  
**Unaudited**  
**For the period July 1, 2019 through June 30, 2020**

	<u>Parish</u>	<u>School</u>	<u>Other</u>	<u>TOTAL</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>GENERAL CONTRIBUTIONS</b>	1,982,552	9,579	-	1,992,131
<b>SCHOOL TUITION &amp; FEES</b>	10,160	916,310	38,768	965,238
<b>SCHOOL INCOME</b>	-	131,299	14,739	146,038
<b>ACTIVITY &amp; ENTERTAINMENT INCOME</b>	25,300	18,830	60,759	104,889
<b>PPP GRANT</b>	91,500	273,750	-	365,250
<b>OTHER OPERATING REVENUE</b>	44,995	15,639	57,704	118,338
<b>Total Income</b>	<u>2,154,507</u>	<u>1,355,828</u>	<u>171,970</u>	<u>3,691,884</u>
<b>Gross Profit</b>	2,154,507	1,355,828	171,970	3,691,884
<b>Expense</b>				
<b>RELIGIOUS PERSONNEL COSTS</b>	110,409	-	-	110,409
<b>LAY PERSONNEL COSTS</b>	362,623	1,509,291	-	1,871,914
<b>ADMIN. SERVICES &amp; SUPPLIES</b>	817,818	230,981	226	1,049,025
<b>SCHOOL EXPENSES</b>	-	108,161	60,613	168,774
<b>ACTIVITY &amp; ENTERTAINMENT</b>	31,301	464	87,841	119,606
<b>Total Expense</b>	<u>1,322,151</u>	<u>1,848,897</u>	<u>148,680</u>	<u>3,319,728</u>
<b>Net Ordinary Income</b>	832,356	-493,069	23,290	372,156
<b>Other Income/Expense</b>				
<b>Other Income</b>				
<b>Unrealized G/L on Endowment</b>	7,187	-	-	7,187
<b>Total Other Income</b>	<u>7,187</u>	<u>-</u>	<u>-</u>	<u>7,187</u>
<b>Net Other Income</b>	7,187	-	-	7,187
<b>Net Income</b>	<u><u>839,543</u></u>	<u><u>-493,069</u></u>	<u><u>23,290</u></u>	<u><u>379,343</u></u>



**Notes to the Combined Financial Statements**  
**June 30, 2020**

**General**

The fiscal year for St. Gerald Parish is July 1 through June 30. The accompanying unaudited combined balance sheets and statement of income and expense (“Combined Financial Statements”) includes the Parish, School and Parish groups and activities. Parish groups and activities primarily include the endowment funds, Deferred Parish Maintenance Fund “Building Fund”, (which includes funds not yet spent related to the recently ended Ignite the Faith/Forging a Future of Faith Capital Campaign (“Campaign” or “Capital Campaign”)), Home and School Association, Men’s Club, Athletics, the Parish Festival and Raffle, H.O.P.E, and the Guardian Angel Auction. St. Gerald Parish, School and Parish groups and activities operate under the same tax-exempt federal tax identification number.

The Archdiocese of Omaha conducts a financial review of each Parish in the Archdiocese every two years. This review includes review of accounting policy and procedures. The Archdiocese conducted its most recent review of St. Gerald Parish in 2020, noting no deficiencies, however, suggested we gross up our Fixed Asset values to be more in line with their respective fair market or insured values. See Note “c” for more information on this topic. Our Parish financial statements are not audited by an independent auditor.

On an annual basis, the Finance Committee develops a zero-based budget for the fiscal year for the Parish and School operations. The actual results compared to budgeted amounts are monitored throughout the year. As the budget process relies on certain assumptions and estimates, income and expense items will exceed or be less than budget resulting in net income or loss in any given period. The accompanying statement of income and expense is presented on a cash basis with the exception of unrealized investment gains associated with our endowment investment portfolios. These investment gains along with the timing of cash receipts and disbursements and differences between budgeted and actual results will likely cause volatility in net income (loss) in any given period.

**COVID-19 Impact**

COVID-19 and the governmental responses to contain the spread of COVID-19 have significantly impacted our Parish community.

At the beginning of March 2020, Father Mark presented his annual appeal to our Parish regarding financial stewardship. Our collections and certain special fundraising before that time were trending to be well below budget for the fiscal year. COVID-19 related restrictions on attending religious services began the weekend of March 14 with all in-person religious services suspended shortly thereafter. Without taking any sort of additional concentrated measures, we estimated at that time that our collections would be down an additional \$10,000 per week due to these COVID-19 restrictions.

At the end of March, our leadership appealed to our Parish community with a video regarding the financial status of St. Gerald. In response to the COVID-19 restrictions, our Parish leadership team implemented several outreach efforts and instituted live streaming mass and other events utilizing new camera systems purchased through generous restricted donations which enabled the purchase of the needed technology.

As a result of these specific appeals the parish experienced an increase in collections primarily due to an increase in the number of one-time general donations as well as several large one-time donations from recurring and one-time donors. We have also seen an increased number of families signing up for a regular monthly auto payment.



**Notes to the Combined Financial Statements  
June 30, 2020**

If you have not yet signed up for a monthly recurring gift, please visit [www.stgerald.org/give](http://www.stgerald.org/give) today and sign up for ACH (auto-withdrawal).

**CARES Act Loan for Operations**

St. Gerald Parish and School continued to employ and pay all full-time hourly and salaried employees through June 30, 2020. At the beginning of April, under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and upon guidance and approval from the Archdiocese of Omaha, St. Gerald applied for and on April 14, 2020, received a loan for \$382,550 (equivalent to approximately 2.5 times our average monthly payroll expense) through the Paycheck Protection Program (“PPP”). Under this Program, the loan amount is forgiven if the proceeds from the loan are used primarily for payroll expense. St. Gerald utilized the proceeds from the loan for payroll expense and is in the process of finalizing the corresponding loan forgiveness which was part of the governmental program. Based on this fact, the “loan” is reflected as a grant received in the financial statements and allocated pro rata to the Church and School based on proportion of total payroll. Total PPP Grant reflected on the Statement of Income and Expense is \$365,250. We have maintained a small portion of the loan as a payable (\$17,300) in the event less than 100% of the loan is forgiven as we anticipate 97-98% forgiveness based on the regulations within the CARES act. Should the loan be forgiven at 100%, the remaining \$17,300 will be reflected as grant income in the 2020/2021 financial report.

**Other transactions**

General Contributions and Administrative Services and Supplies include approximately \$40,000 in each line item for unbudgeted, restricted donations to purchase a parish piano and technology enabling high quality live streaming. Both of these donations and corresponding expenditures were unbudgeted and the income and corresponding expense essentially net each other out.

**Income**

The combined net income of approximately \$379,000 for the 2019/2020 fiscal year was primarily due to the following income (loss) items.

- Inflows greater than budgeted in regards to
  - \$365,000 Grants: Relates to the CARES Act PPP Loan/Grant received (Less the reserve for \$17,000 payable)
  - \$119,000 in Donations and \$35,000 Sunday giving. The Donations consisted of various larger than average 1 time donations, such as unrestricted gifts of \$10,000 and \$5,000 increments, lump sum gifts in the form of distributions from retirement savings (i.e. 401k distributions) and individual gifting of CARES Act tax relief payments from parishioners. It should be noted that parish giving was nearly \$40,000 below budget at the end of January 2020 so the parish responded with incredible generosity to the appeals to help offset the impact of COVID-19 on giving
  - Lay wages and benefits savings of \$130,000 driven by payroll savings as salaries and benefits are under budget due to the Director of Development vacancy and lower than expected teacher salaries.



**Notes to the Combined Financial Statements  
June 30, 2020**

- \$35,000 savings due to COVID-19 reduction vs. budget in the Archdiocese of Omaha Parish assessment
- A decrease of \$60,000 relates to results of tuition collection vs. budget. This is made up of essentially 2 numbers, the variance in total potential tuition based on actual enrollment vs. budgeted enrollment plus tuition not yet collected by June 30, 2020.
- Spend of \$161,000 in 2019/2020 related to closing out Capital Campaign obligations and a payment related to deferred maintenance: Final payment to Archdiocese of \$130,000 and \$31,000 to engineering contractor related to designs for future construction projects on school HVAC systems.
- The remaining \$49,000 of impacts to net income are results of insignificant differences between budgeted and actual amounts throughout the Parish budget covering both Church and School related line items. Some expenses were reduced/eliminated due to the COVID-19 impact of closing the school to physical attendance. No additional costs were incurred related to the virtual learning environment.

The Parish subsidized approximately 42% of the School's operating budget for the 2019/2020 fiscal year (omitting the impact of the PPP grant) compared to 43% in 2018/2019, 40% in 2017/2018, 44% in 2016/2017 and 49% in 2015/2016. For the 2020/2021 fiscal year, the budgeted Parish subsidy is 41%. The Finance Committee continues to give careful consideration to the appropriate Parish subsidy while keeping tuition rates affordable for all families and in line with area Catholic grade schools. Additionally, Parish and School fundraisers sponsored by various groups (Angel Auction, Walk of Pride, Home and School, Men's Club, Athletics and HOPE) assist greatly in maintaining this ratio.

**(a) Cash and investments**

Parish cash balances include cash from operations and cash belonging to Parish groups which are held in a local bank with the Building Fund while unrestricted investment balances are held on our behalf by the Archdiocese.

**(b) Endowments - restricted**

The Parish holds three endowment funds.

<b>Name</b>	<b>Value as of June 30, 2020</b>	<b>Purpose</b>
Father Foster Parish Endowment	\$1,073,846	General Parish
Education Endowment	\$130,363	School and Religious Education
St. Gerald Grade School Endowment	\$127,768	School

Generally, contributions to the endowments are made by individuals or estates and will vary from period to period. The investments in each endowment are part of the Catholic Values Screening Portfolio. Investment gains and losses represent the unrealized gains and losses from changes in the fair market values of the investments and will likely fluctuate significantly from period to period based on market conditions. The 2019/2020 unrealized gains in the endowment totaled \$7,187 and is reflected on the income statement as Other Income. Subsequent to year end, the stock market increased significantly after a steep spring decline related to impacts from COVID-19. Those unrealized gains are in the 2020/2021 fiscal year.



**Notes to the Combined Financial Statements  
June 30, 2020**

Interest income received on the endowment investments is reinvested in the endowment funds. 2019/2020 Interest reinvested into the endowment totaled \$34,505. Annually, a portion of the December 31 balance of the endowments (as determined by the Parish Endowment Committee) is allocated to support the Parish and School budget and is recorded within Other Operating Revenue. In 2019/2020, these distributions into Parish and School Operations totaled \$49,848.

**(c) Fixed Assets**

Presently the Parish's Fixed Asset values are reflected on an at cost basis, with no depreciation recognized due to our accounting on a cash basis. This results in a presentation dramatically below fair market value for the Parish campus assets. The Archdiocese has recommended that we adjust our Fixed Asset value via a lump sum adjustment to make the total values more in line with our insured or Fair Market Value. This adjustment will be made next fiscal year. The current year decrease in fixed asset value of \$195,000 is due to removing the old rectory upon its sale. As part of the sale and due to the parish's then current cash position, the Parish paid off all debts associated with the newly remodeled rectory.

**(d) African Community Assets**

The African Community Assets reflected belong to the African Community that utilizes St. Gerald's Lakeview chapel as they continue to grow. This cash does not belong to St. Gerald Parish.

**(e) General Contributions**

General Contributions consists of Collections (include all cash, coin and electronic donations for weekend masses, Christmas and Easter) along with other Donations (including donations, restricted gifts, memorials, votive lights and church bookstore).

Collections for 2019/2020 totaled \$1,753,539 while Donations totaled \$238,592 accumulating to General Contributions of \$1,992,131. Budgeted Collections for the 2020/2021 fiscal year are \$1,789,318 which is comparable to the 2019/2020 results reflected above. The Finance Committee, along with Father Mark, will continue to monitor actual results compared to the fiscal year budget and budget adjustments will be made as necessary. In addition, information regarding actual collections compared to budgeted collections continues to be made available in the bulletin on a monthly basis including breakouts related to ACH and online giving. The following are meaningful statistics regarding registered parishioners, donors, Collections and mass attendance.



**Notes to the Combined Financial Statements  
June 30, 2020**

<b>Fiscal Year</b>	<b>Registered Households</b>	<b>Donors*</b>	<b>Collections</b>
2015/2016	2,376	1,207	1,509,283
2016/2017	2,406	1,256	1,578,263
2017/2018	2,388	1,105	1,720,598
2018/2019	2,404	1,086	1,716,523
2019/2020	2,427	1,266	1,753,539

\*Defined as individuals giving more than \$1 registered at St. Gerald

<b>Fiscal Year</b>	<b>Annual Pew Count for 1 Weekend All Masses**</b>
2015/2016	1,642
2016/2017	1,746
2017/2018	1,616
2018/2019	1,482
2019/2020	656

\*\*Pew Count reflected is as of October of the latter year shown.

Covid has greatly impacted the capacity and attendance at Masses.

**(f) Tuition and Fees**

Tuition and Fees includes amounts received for the School and Family Formation program. School tuition rates for the 2019/2020 and 2020/2021 years are summarized below. Tuition rates are carefully considered each year and are compared to Catholic Schools in the Omaha Archdiocese to remain competitive. Total Tuition and Fees collected in 2019/2020 was \$965,239.

	<b>2019/2020</b>	<b>2020/2021</b>
Pre-kindergarten	\$ 1,900	\$ 2,000
1 Child	3,050	3,100
2 Children	5,300	5,400
3 Children	7,000	7,150
4 Children	7,400	7,600



**Notes to the Combined Financial Statements  
June 30, 2020**

Enrollment data for the School and Family Formation program is summarized below.

<b>Fiscal Year</b>	<b>Family Formation Enrollment</b>	<b>St. Gerald School Enrollment K-8</b>	<b>St. Gerald School Enrollment Pre-K</b>
2015/2016	177	378	Not open
2016/2017	188	351	19
2017/2018	180	341	22
2018/2019	177	347	22
2019/2020	169	347	21
2020/2021	90	301	13

2020/2021 Decrease driven by COVID-19.

**(g) School Income**

School Income from 2019/2020 totaled \$146,038 and included funds received for School lunches combined with the Guardian Angel Auction net proceeds of \$59,000 contributed into the school operating funds.

**(h) Activity & Entertainment Income**

Activity and Entertainment Income includes revenues from various Parish affiliated groups including Home and School, Athletics, and income from the Festival and Raffle tickets. Corresponding expenses for these groups is reflected in Activity and Entertainment Expenses. The net impact of these accounts resulted in net loss to the Parish of \$14,716 primarily due to how eliminations remove certain revenues from “Other” and allocate to Parish and School. In the current year, Athletics contributed \$17,456 into the School operating funds and \$9,000 from the Festival/Raffle was contributed into Parish operating funds. Additional items may have expense reflected here but corresponding contributions in “Other Operating Revenue.”

**(i) Other Operating Revenue**

Other Operating Revenue includes income from Stole fees, Parish Facility rentals, contributions to the Parish from Home & School (H&S) (Walk of Pride) and Men’s Club as well as Endowment distributions. In the current year, H&S contributed \$40,000 and Men’s Club contributed \$13,000 into the School operating funds.

**(j) Lay Personnel Costs**

Employee salaries and benefits represent approximately 60% of the total expenses of our combined Parish operations for the 2019/2020 fiscal year. The following is a summary of employee data reported separately by Parish staff, excluding



**Notes to the Combined Financial Statements  
June 30, 2020**

Clergy, and School staff based on a full time equivalent.

<u>Fiscal Year</u>	<u>School Staff based on Full Time Equivalent*</u>	<u>School Staff Payroll</u>	<u>Parish Staff based on Full Time Equivalent*</u>	<u>Parish Staff Payroll Expense*</u>
2017/2018	37	1,613,350	6	378,608
2018/2019	36	1,583,989	6	422,669
2019/2020	36	1,509,291	11	362,623
2020/2021	35	1,583,582 ^	9	383,432 ^

^2020/2021 budget

\*Employee counts as of September 1 of the earlier year presented. Excludes clergy.

**(k) Administration, Services and Supplies**

Administration, services and Supplies include the general costs associated with running maintaining the parish facilities. This includes utilities (electric power, natural gas, water and sewer), communications (phone and internet), office supplies (printing, postage, general), liturgical supplies, and general/grounds maintenance and repairs expense.

Additional significant items in the 2019/2020 total include

- \$161,000 related to closing out Capital Campaign obligations: Final payment to Archdiocese of \$130,000 and \$31,000 to an engineering contractor related to designs for future School HVAC construction projects.
- \$72,000 related to finalizing the remodel of the new rectory and costs associated with selling the previous rectory
- Archdiocese of Omaha Assessment of \$177,000.

The Archdiocese of Omaha assesses all Parishes based on historical Sunday collections of the Parish and issues a fee to provide support for Archdiocesan administration and essential services. Due to impact on Parish 2019/2020 collections, the Archdiocese forgave \$35,427 of the obligation during the March and April 2020 COVID-19 crisis. Total assessment paid during the current 12 month period was \$177,073.

**(l) School Expenses**

School Expenses include classroom costs associated with running the School including textbooks, instructional materials and costs associated with School Lunches.

**(m) Activity and Entertainment**

Activity and Entertainment expense includes the expenses associated with the various clubs, groups and ministry expenses which can be netted against the Activity and Entertainment income line item as noted above.

**(n) Capital Improvements**

In 2014, St. Gerald Parish purchased a home at 7858 Tilford Circle (“Tilford home”) located directly behind the Parish office. Since the purchase through the spring of 2019, St. Gerald rented the property, which substantially offset the ownership costs. Beginning in the summer and through September 2019 the Tilford home was remodeled into the new



**Notes to the Combined Financial Statements  
June 30, 2020**

Parish Rectory. The remodeling cost the parish approximately \$61,000 in 2019/2020 which is included in the Parish Administrative Services and Supplies line item (totaling \$110,000 over the past 2 years), but when combined with donated materials and over 2,200 volunteer hours the overall market value of the renovations are estimated to be \$200,000. We now have a beautiful parish rectory with all new appliances that should be relatively maintenance free for a number of years. The funds from the sale of the previous rectory assisted in the elimination of all debt associated with the rectory.

**(o) Deferred maintenance**

In 2014, the Campaign Committee identified several deferred maintenance needs. Several of the projects were completed during the five-year window as available funding allowed. See the June 30, 2019 Annual Report for more details.

Subsequent to the completion of that campaign, the Parish and School continue to monitor a deferred maintenance list and continue to address needs as priority and funding allow. All unspent funds from the original campaign are now classified as “Building Fund” funds and are used to address deferred maintenance and capital projects as current and future funding allow. The Building Fund is increased by any donations received via the white ‘Building Fund’ monthly envelopes, donations restricted to that fund and transfers from the operating fund. The Building Fund balance at June 30, 2020 was \$222,321.

During the year ended June 30, 2020, funds spent from the Building fund included:

- \$129,613 as the final payment to the Archdiocese of Omaha fulfilling St. Gerald’s 5 year commitment
- \$31,300 to a 3<sup>rd</sup> party Engineering firm related to designs for future construction projects on school HVAC systems which are presently on our deferred maintenance list

Significant items in Deferred Maintenance include:

- School HVAC Replacement of 7 Heat Pumps, Estimated \$450K
- Renovate Lakeview Campus Restrooms (nearest chapel) to comply with ADA, Estimated \$300K
- Miscellaneous Site Improvements at 96<sup>th</sup> and Q (precast repairs, Cedar Soffit Refinish), Estimated \$100K
- School Replacement of main floor windows, Estimated \$100K
- Rehabilitate basement of Parish Office, Estimated \$20K
- Concrete replacement at entrance to 96<sup>th</sup> and Q, Estimated \$20K

**(n) Fiscal year 2020/2021 Budget**

Below is the view of the 2020/2021 Parish Budget. This budget includes that of the parish and school operations only and does not include parish groups and activities except as noted for operating contributions as applicable. The budget is prepared based on essentially a zero-based budget using assumptions and estimates. Actual income and expenses will vary. Additionally, the full impact of COVID-19 on parish and school operations could not reasonably be forecast in spring 2020 when this budget was being finalized. Assembling future annual budgets will be hampered by the same issues. The budget presumes a 41% Parish supplement of School operations.

The budget includes the following amounts, which similar to Parish and School collections, may be at risk due to impacts of COVID-19 on parish and group fundraising efforts and the economy at large.

- Endowment Distributions \$66,432
- Guardian Angel Auction, net \$50,000
- Home & School \$30,000



**Notes to the Combined Financial Statements  
June 30, 2020**

- Festival/Raffle \$12,000
- Men's Club \$10,000
- Athletics \$10,000

	<u>School</u>	<u>Parish</u>	<u>TOTAL</u>
	<u>Jul '20 - Jun</u>	<u>Jul '20 - Jun</u>	<u>Jul '20 - Jun</u>
	<u>21</u>	<u>21</u>	<u>21</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
GENERAL CONTRIBUTIONS	3,000	1,786,318	1,789,318
SCHOOL TUITION & FEES	908,560	15,000	923,560
SCHOOL INCOME	141,000	-	141,000
ACTIVITY & ENTERTAINMENT INCOME	10,000	27,000	37,000
OTHER OPERATING REVENUE	<u>71,552</u>	<u>77,400</u>	<u>148,952</u>
<b>Total Income</b>	<u>1,134,112</u>	<u>1,905,718</u>	<u>3,039,830</u>
<b>Gross Profit</b>	1,134,112	1,905,718	3,039,830
<b>Expense</b>			
LAY PERSONNEL COSTS	1,583,582	383,432	1,967,014
RELIGIOUS PERSONNEL COSTS	-	118,360	118,360
ADMIN. SERVICES & SUPPLIES	230,145	559,790	789,935
SCHOOL EXPENSES	105,295	-	105,295
ACTIVITY & ENTERTAINMENT	500	58,250	58,750
OTHER OPERATION EXPENSES	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expense</b>	<u>1,919,522</u>	<u>1,119,832</u>	<u>3,039,354</u>
<b>Net Ordinary Income</b>	<u>(785,410)</u>	<u>785,886</u>	<u>477</u>
<b>Net Income</b>	<u><u>(785,410)</u></u>	<u><u>785,886</u></u>	<u><u>477</u></u>