

ST. FRANCIS OF ASSISI PARISH
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2020 AND 2019



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**ST. FRANCIS OF ASSISI PARISH
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
PRIVATE SCHOOL CHOICE PROGRAMS (PSCP) RESERVE BALANCE FOR STANDARD FINANCIAL AUDITS	23



INDEPENDENT AUDITORS' REPORT

Finance Council
St. Francis of Assisi Parish
Manitowoc, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of St. Francis of Assisi Parish (the Organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As described in Note 1 to the financial statements, property and equipment acquired prior to June 30, 2013 are not recorded in the financial statements. Accounting principles generally accepted in the United States of America require that all property and equipment be reported in the statement of financial position based on historical cost and subsequently depreciated over the asset's estimated useful life. The effects on the financial statements for not recording the property and equipment and related depreciation for those assets acquired prior to June 30, 2013 have not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of St. Francis of Assisi Parish as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Other Matter

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Private School Choice Programs (PSCP) Reserve Balance Schedule, as required by the Wisconsin Department of Public Instruction, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In addition, the balances have been subjected to auditing procedures required by Wis. Stats. 118.60 and 119.23 and Wis. Admin. Codes PI 35 and PI 48. In our opinion, the PSCP Reserve Balance schedule is free of material misstatements and fairly presents the private school's eligible education expenses as required under Wis. Stats. 118.60 and 119.23 and Wis. Admin. Codes PI 35 and PI 48.



CliftonLarsonAllen LLP

Sheboygan, Wisconsin
October 13, 2020

**ST. FRANCIS OF ASSISI PARISH
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,405,618	\$ 301,678
Tuition Receivable, Net of Allowance of \$15,300	79,270	98,782
Extended Care Receivable	8,417	9,927
Other Receivable, Net of Allowance of \$375,189 and \$305,189, Respectively	5,766	53,542
Unconditional Promises to Give	-	106,072
Prepaid Expenses	41,728	19,960
Scrip Inventory	140,131	164,592
Total Current Assets	1,680,930	754,553
PROPERTY AND EQUIPMENT, NET	205,798	118,903
OTHER ASSET		
Investments Held for Endowment	210,051	206,624
Total Assets	\$ 2,096,779	\$ 1,080,080
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 93,966	\$ 55,323
Accrued Payroll Liabilities and Other	437,925	398,952
Deferred Revenue	42,319	62,957
Refundable Advance	688,265	-
Total Current Liabilities	1,262,475	517,232
Other Liabilities	43,587	43,587
Total Liabilities	1,306,062	560,819
NET ASSETS		
Without Donor Restrictions:		
Undesignated (Deficit)	203,823	(144,175)
Designated by the Board for Endowment Fund	210,051	206,624
Total Without Donor Restrictions	413,874	62,449
With Donor Restrictions:		
Purpose Restrictions	376,843	350,740
Time Restricted for Future Periods	-	106,072
Total With Donor Restrictions	376,843	456,812
Total Net Assets	790,717	519,261
Total Liabilities and Net Assets	\$ 2,096,779	\$ 1,080,080

See accompanying Notes to Financial Statements.

**ST. FRANCIS OF ASSISI PARISH
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Public Support:			
Parish Support	\$ 2,147,362	\$ -	\$ 2,147,362
Mass Stipends	9,070	-	9,070
Mass Stole Fees	5,815	-	5,815
Donations	117,882	584,124	702,006
Total Public Support	<u>2,280,129</u>	<u>584,124</u>	<u>2,864,253</u>
Revenue:			
Tuition	817,721	-	817,721
Private School Choice Program Income	1,037,934	-	1,037,934
Educational Assessments	14,148	-	14,148
Scrip Proceeds	2,528,353	-	2,528,353
Less: Scrip Expenses	<u>(2,438,472)</u>	<u>-</u>	<u>(2,438,472)</u>
Net Scrip Revenue	89,881	-	89,881
Fundraising Proceeds from Special Events	240,001	-	240,001
Less: Fundraising Expenses of Special Events	<u>(63,677)</u>	<u>-</u>	<u>(63,677)</u>
Net Fundraising Special Events Revenue	176,324	-	176,324
Extended Care Proceeds	42,678	-	42,678
Less: Extended Care Expenses	<u>(33,317)</u>	<u>-</u>	<u>(33,317)</u>
Net Extended Care Revenue	9,361	-	9,361
Hot Lunch Proceeds	137,942	-	137,942
Less: Hot Lunch Expenses	<u>(116,134)</u>	<u>-</u>	<u>(116,134)</u>
Net Hot Lunch Revenue	21,808	-	21,808
Cemetery Service Revenues	71,103	-	71,103
Less: Cemetery Expenses	<u>(71,103)</u>	<u>-</u>	<u>(71,103)</u>
Net Cemetery Service Revenue	-	-	-
Rental Income	7,375	-	7,375
Endowment Income	48,726	-	48,726
Investment Return	7,126	-	7,126
Bulletin Income	8,605	-	8,605
Lumen Christi	21,196	-	21,196
Other Income	<u>29,427</u>	<u>-</u>	<u>29,427</u>
Total Revenue	2,289,632	-	2,289,632
Net Assets Released from Restriction:			
Satisfaction of Program Restrictions	664,093	(664,093)	-
Total Revenue, Support, and Gains	<u>5,233,854</u>	<u>(79,969)</u>	<u>5,153,885</u>
EXPENSES AND LOSSES			
Program Services Expense:			
Catholic Ministry	1,201,263	-	1,201,263
Youth Education	<u>2,815,908</u>	<u>-</u>	<u>2,815,908</u>
Total Program Services Expense	4,017,171	-	4,017,171
Supporting Services Expense:			
Management and General	702,421	-	702,421
Fundraising	<u>162,837</u>	<u>-</u>	<u>162,837</u>
Total Supporting Services Expenses	865,258	-	865,258
Total Expenses and Losses	<u>4,882,429</u>	<u>-</u>	<u>4,882,429</u>
CHANGE IN NET ASSETS	351,425	(79,969)	271,456
Net Assets - Beginning of Year	<u>62,449</u>	<u>456,812</u>	<u>519,261</u>
NET ASSETS - END OF YEAR	<u>\$ 413,874</u>	<u>\$ 376,843</u>	<u>\$ 790,717</u>

See accompanying Notes to Financial Statements.

**ST. FRANCIS OF ASSISI PARISH
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Public Support:			
Parish Support	\$ 2,234,349	\$ -	\$ 2,234,349
Mass Stipends	10,110	-	10,110
Mass Stole Fees	6,215	-	6,215
Donations	<u>253,592</u>	<u>261,369</u>	<u>514,961</u>
Total Public Support	2,504,266	261,369	2,765,635
Revenue:			
Tuition	846,355	-	846,355
Private School Choice Program Income	829,678	-	829,678
Educational Assessments	30,319	-	30,319
Scrip Proceeds	3,091,079	-	3,091,079
Less: Scrip Expenses	<u>(3,002,208)</u>	<u>-</u>	<u>(3,002,208)</u>
Net Scrip Revenue	88,871	-	88,871
Fundraising Proceeds from Special Events	254,546	-	254,546
Less: Fundraising Expenses of Special Events	<u>(74,125)</u>	<u>-</u>	<u>(74,125)</u>
Net Fundraising Special Events Revenue	180,421	-	180,421
Extended Care Proceeds	59,008	-	59,008
Less: Extended Care Expenses	<u>(23,102)</u>	<u>-</u>	<u>(23,102)</u>
Net Extended Care Revenue	35,906	-	35,906
Hot Lunch Proceeds	114,574	59,455	174,029
Less: Hot Lunch Expenses	<u>(141,553)</u>	<u>-</u>	<u>(141,553)</u>
Net Hot Lunch Revenue	(26,979)	59,455	32,476
Cemetery Service Revenues	80,154	-	80,154
Less: Cemetery Expenses	<u>(79,839)</u>	<u>-</u>	<u>(79,839)</u>
Net Cemetery Service Revenue	315	-	315
Rental Income	8,775	-	8,775
Endowment Income	46,485	-	46,485
Investment Return	15,424	-	15,424
Bulletin Income	8,000	-	8,000
Lumen Christi	20,668	-	20,668
Other Income	<u>39,796</u>	<u>-</u>	<u>39,796</u>
Total Revenue	2,124,034	59,455	2,183,489
Net Assets Released from Restriction:			
Satisfaction of Program Restrictions	<u>138,180</u>	<u>(138,180)</u>	<u>-</u>
Total Revenue, Support, and Gains	4,766,480	182,644	4,949,124
EXPENSES AND LOSSES			
Program Services Expense:			
Catholic Ministry	1,115,926	-	1,115,926
Youth Education	<u>2,804,226</u>	<u>-</u>	<u>2,804,226</u>
Total Program Services Expense	3,920,152	-	3,920,152
Supporting Services Expense:			
Management and General	669,986	-	669,986
Fundraising	<u>161,659</u>	<u>-</u>	<u>161,659</u>
Total Supporting Services Expenses	831,645	-	831,645
Total Expenses and Losses	<u>4,751,797</u>	<u>-</u>	<u>4,751,797</u>
CHANGE IN NET ASSETS	14,683	182,644	197,327
Net Assets - Beginning of Year	<u>47,766</u>	<u>274,168</u>	<u>321,934</u>
NET ASSETS - END OF YEAR	<u>\$ 62,449</u>	<u>\$ 456,812</u>	<u>\$ 519,261</u>

See accompanying Notes to Financial Statements.

**ST. FRANCIS OF ASSISI PARISH
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020**

	Program Services			Management and General	Fundraising	Total
	Catholic Ministry	Youth Education	Total			
Personnel Expenses:						
Wages	\$ 457,881	\$ 1,559,584	\$ 2,017,465	\$ 457,880	\$ 101,751	\$ 2,577,096
Employee Benefits	122,448	408,162	530,610	122,449	27,211	680,270
Payroll Taxes	32,879	109,598	142,477	32,879	7,307	182,663
Workers' Compensation Insurance	3,727	12,426	16,153	3,728	828	20,709
Staff Development	222	745	967	223	50	1,240
Travel and Lodging	140	465	605	140	31	776
Recruiting	62	203	265	61	14	340
Total Personnel Expenses	617,359	2,091,183	2,708,542	617,360	137,192	3,463,094
Purchased Services and Supplies:						
Insurance	18,598	52,073	70,671	3,720	-	74,391
Professional Fees	-	-	-	29,700	-	29,700
Computer Supplies	746	-	746	597	149	1,492
Computer Service Fees	13,206	-	13,206	10,566	2,641	26,413
Advertising and Promotion	1,153	1,154	2,307	-	577	2,884
Liturgical Services	90,954	-	90,954	-	-	90,954
Youth Ministry	16,069	-	16,069	-	-	16,069
Faith Formation	21,044	189,402	210,446	-	-	210,446
Library Books and Supplies	-	1,646	1,646	-	-	1,646
Parish Life	15,397	-	15,397	-	-	15,397
Student/other Transport Services	-	19,852	19,852	-	-	19,852
Food Supplies	-	116,134	116,134	-	-	116,134
Fundraising Supplies	-	-	-	-	2,502,149	2,502,149
Family Ministry	5,206	5,205	10,411	-	-	10,411
Total Purchased Services and Supplies	182,373	385,466	567,839	44,583	2,505,516	3,117,938
Building and Grounds Expense:						
Utilities	24,785	69,397	94,182	3,966	991	99,139
Housekeeping and Janitorial	4,664	4,665	9,329	-	-	9,329
Equipment Repairs and Maintenance	156	364	520	-	-	520
Building and Grounds Maintenance	92,418	36,539	128,957	3,045	-	132,002
Depreciation	-	8,005	8,005	-	-	8,005
Total Building and Grounds Expense	122,023	118,970	240,993	7,011	991	248,995
General and Office Expense:						
Office Supplies	6,640	5,534	12,174	4,427	5,534	22,135
Postage	2,714	3,801	6,515	1,086	3,258	10,859
Telephone	4,849	7,760	12,609	3,880	2,910	19,399
Printing	2,663	3,329	5,992	3,329	3,995	13,316
Equipment and Rental Maintenance	777	776	1,553	517	517	2,587
Membership, Dues and Subscriptions	1,354	1,694	3,048	339	-	3,387
Total General and Office Expense	18,997	22,894	41,891	13,578	16,214	71,683
Other:						
Meetings and Workshops	890	382	1,272	-	-	1,272
Interest and Bank Fees	-	-	-	9,308	-	9,308
Diocesan Assessments	74,918	-	74,918	-	-	74,918
Educational Subsidies	-	335,416	335,416	-	-	335,416
Donations and Grants	172,166	-	172,166	-	-	172,166
Stewardship	-	-	-	-	120	120
Recruitment	-	-	-	70	-	70
Development	-	-	-	-	4,909	4,909
Strategic Planning	-	-	-	10,468	-	10,468
Bad Debt Expense	83,595	-	83,595	-	-	83,595
Capital Expenditures	-	11,048	11,048	-	-	11,048
Miscellaneous	45	-	45	43	44	132
Total Other	331,614	346,846	678,460	19,889	5,073	703,422
Total Expenses by Function	1,272,366	2,965,359	4,237,725	702,421	2,664,986	7,605,132
Less: Expenses Included with Revenues on the Statements of Activities:						
Scrip	-	-	-	-	(2,438,472)	(2,438,472)
Fundraising of Special Events	-	-	-	-	(63,677)	(63,677)
Extended Care	-	(33,317)	(33,317)	-	-	(33,317)
Hot Lunch	-	(116,134)	(116,134)	-	-	(116,134)
Cemetery	(71,103)	-	(71,103)	-	-	(71,103)
Total Expenses Included in the Expense Section on the Statement of Activities	\$ 1,201,263	\$ 2,815,908	\$ 4,017,171	\$ 702,421	\$ 162,837	\$ 4,882,429

See accompanying Notes to Financial Statements.

**ST. FRANCIS OF ASSISI PARISH
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019**

	Program Services			Management and General	Fundraising	Total
	Catholic Ministry	Youth Education	Total			
Personnel Expenses:						
Wages	\$ 440,491	\$ 1,491,403	\$ 1,931,894	\$ 440,490	\$ 97,887	\$ 2,470,271
Employee Benefits	111,513	371,712	483,225	111,514	24,781	619,520
Payroll Taxes	31,957	106,523	138,480	31,957	7,102	177,539
Workers' Compensation Insurance	4,138	13,795	17,933	4,139	920	22,992
Staff Development	534	1,782	2,316	535	119	2,970
Travel and Lodging	141	469	610	141	31	782
Recruiting	48	157	205	47	10	262
Total Personnel Expenses	588,822	1,985,841	2,574,663	588,823	130,850	3,294,336
Purchased Services and Supplies:						
Insurance	17,879	50,062	67,941	3,576	-	71,517
Professional Fees	-	-	-	15,695	-	15,695
Computer Support	13,713	-	13,713	10,971	2,743	27,427
Advertising and Promotion	1,807	1,808	3,615	-	904	4,519
Liturgical Services	109,526	-	109,526	-	-	109,526
Youth Ministry	26,301	-	26,301	-	-	26,301
Faith Formation	25,616	230,549	256,165	-	-	256,165
Library Books and Supplies	-	3,728	3,728	-	-	3,728
Parish Life	14,224	-	14,224	-	-	14,224
Student/Other Transport Services	-	24,832	24,832	-	-	24,832
Food Supplies	-	141,553	141,553	-	-	141,553
Fundraising Supplies	-	-	-	-	3,076,333	3,076,333
Family Ministry	5,774	5,773	11,547	-	-	11,547
Total Purchased Services and Supplies	214,840	458,305	673,145	30,242	3,079,980	3,783,367
Building and Grounds Expense:						
Utilities	27,526	77,071	104,597	4,404	1,101	110,102
Housekeeping and Janitorial	4,844	4,845	9,689	-	-	9,689
Equipment Repairs and Maintenance	270	629	899	-	-	899
Building and Grounds Maintenance	104,864	42,900	147,764	3,575	-	151,339
Depreciation	-	8,006	8,006	-	-	8,006
Total Building and Grounds Expense	137,504	133,451	270,955	7,979	1,101	280,035
General and Office Expense:						
Office Supplies	6,028	5,025	11,053	4,020	5,025	20,098
Postage	2,494	3,493	5,987	998	2,994	9,979
Telephone	5,349	8,559	13,908	4,280	3,210	21,398
Printing	2,613	3,266	5,879	3,266	3,919	13,064
Equipment and Rental Maintenance	603	602	1,205	401	401	2,007
Membership, Dues and Subscriptions	1,766	2,209	3,975	442	-	4,417
Total General and Office Expense	18,853	23,154	42,007	13,407	15,549	70,963
Other:						
Meetings and Workshops	861	369	1,230	-	-	1,230
Interest and Bank Fees	-	-	-	10,410	-	10,410
Diocesan Assessments	75,556	-	75,556	-	-	75,556
Educational Subsidies	-	350,148	350,148	-	-	350,148
Donations and Grants	83,199	-	83,199	-	-	83,199
Stewardship	-	-	-	-	5,244	5,244
Recruitment	-	-	-	518	-	518
Development	-	-	-	-	4,487	4,487
Strategic Planning	-	-	-	17,802	-	17,802
Bad Debt Expense	69,978	-	69,978	-	-	69,978
Capital Expenditures	5,370	17,613	22,983	-	-	22,983
Miscellaneous	782	-	782	805	781	2,368
Total Other	235,746	368,130	603,876	29,535	10,512	643,923
Total Expenses by Function	\$ 1,195,765	\$ 2,968,881	\$ 4,164,646	\$ 669,986	\$ 3,237,992	\$ 8,072,624
Less: Expenses Included with Revenues on the Statements of Activities:						
Scrip	-	-	-	-	(3,002,208)	(3,002,208)
Fundraising of Special Events	-	-	-	-	(74,125)	(74,125)
Extended Care	-	(23,102)	(23,102)	-	-	(23,102)
Hot Lunch	-	(141,553)	(141,553)	-	-	(141,553)
Cemetery	(79,839)	-	(79,839)	-	-	(79,839)
Total Expenses Included in the Expense Section on the Statement of Activities	\$ 1,115,926	\$ 2,804,226	\$ 3,920,152	\$ 669,986	\$ 161,659	\$ 4,751,797

See accompanying Notes to Financial Statements.

**ST. FRANCIS OF ASSISI PARISH
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 271,456	\$ 197,327
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	8,005	8,006
Unrealized Loss (Gain) on Investments	36,357	6,422
Realized Gain on Sale of Investments	(32,197)	(15,473)
Change in Operating Assets and Liabilities:		
Tuition Receivable	19,512	(45,006)
Extended Care Receivable	1,510	-
Other Receivable	47,776	32,739
Unconditional Promises to Give	106,072	(43,881)
Prepaid Expenses	(21,768)	(500)
Scrip Inventory	24,461	(47,254)
Accounts Payable	38,643	(75,207)
Accrued Payroll Liabilities and Other	38,973	15,192
Deferred Revenue	(20,638)	14,458
Net Cash Provided by Operating Activities	518,162	46,823
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(94,900)	(35,000)
Proceeds from Sale of Investments	-	1,294
Purchase of Investments	(7,587)	(5,675)
Net Cash Used by Investing Activities	(102,487)	(39,381)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on Refundable Advance	688,265	-
Net Cash Provided by Financing Activities	688,265	-
 NET CHANGE IN CASH AND CASH EQUIVALENTS	1,103,940	7,442
Cash and Cash Equivalents - Beginning of Year	301,678	294,236
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,405,618	\$ 301,678

See accompanying Notes to Financial Statements.

**ST. FRANCIS OF ASSISI PARISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

St. Francis of Assisi Parish, (the Organization, we, us, our) is a charitable organization under the control of the Catholic Diocese of Green Bay. The Organization exists to provide worship and religious education in Manitowoc, Wisconsin. The Organization is supported primarily through contributions and fees from the congregation.

Departure from Generally Accepted Accounting Principles

Prior to June 30, 2013, purchases of property and equipment were charged to expense as incurred, rather than capitalized and depreciated over their useful lives. The effect on the financial statements of this departure from accounting principles generally accepted in the United States of America (U.S. GAAP) is not reasonably determinable.

Cash and Cash Equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for education programs, including outstanding tuition, food program, and other miscellaneous amounts. We determine the allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible.

Other receivable is stated at the amount management expects to collect from Calvary Cemetery for the subcontracting of employees.

Promises to Give

We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. We determine the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2020 and 2019, we believe unconditional promises to be fully collectible; accordingly, no allowance for uncollectible unconditional promises to give is required to state promises receivable at net realizable value.

**ST. FRANCIS OF ASSISI PARISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Scrip Inventory

Scrip inventory is stated at the lower of cost or net realizable value. Cost is generally determined using the specific identification method. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in the statement of activities in the period in which it occurs.

Property and Equipment

We record property and equipment additions acquired after June 30, 2013 over \$10,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 7 to 39 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Investments

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Refundable Advance

On April 16, 2020, the Organization received proceeds in the amount of \$688,265 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The PPP loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. Therefore, the Organization has classified this loan as a conditional contribution for accounting purposes. As of June 30, 2020, the Organization has not satisfied the performance barriers attributable to the PPP loan proceeds, and this is classified as a refundable advance in the accompanying statement of financial position. The SBA has not formally forgiven any portion of the Organization's obligation under this PPP loan. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. The covered period from April 16, 2020 to October 1, 2020 is the time that an organization has to spend their PPP Loan funds.

**ST. FRANCIS OF ASSISI PARISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated net assets for the endowment fund.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as Net Released from Restrictions.

Tuition and fee revenue is recognized in the period in which the related educational instruction is performed. Unearned tuition and fee revenue, which totaled \$33,969 and \$64,076 at June 30, 2020 and 2019, respectively, is reflected as Deferred Revenue on the statements of financial position. Revenue from tuition and fees is recognized over time.

Proceeds from the Wisconsin Parental Choice Program is funding for individual students qualifying for the program and is recognized over time for the respective school year in which the related education instruction is performed. (See Note 13 on the Private School Program).

**ST. FRANCIS OF ASSISI PARISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition (Continued)

Revenues from Organization activities are recognized as revenue when the programs are held or goods or services are provided. Receivables for extended care totaled \$8,417 and \$9,927 at June 30, 2020 and 2019, respectively, and is reflected as Other Receivable on the statements of financial position. Unearned hot lunch revenue, which totaled \$8,350 and \$1,119 at June 30, 2020 and 2019, respectively, is reflected as Deferred Revenue on the statements of financial position. Revenues from Organization activities are recognized at a point in time. Income received for special events is evaluated for treatment as an exchange transaction or a contribution. Revenue equal to the fair value of direct benefits to donors are deferred until the event occurs. Contribution income for the excess received are reported as increases in net assets with donor restrictions when received and released from restrictions when the event occurs.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America. Contributed goods are recorded at fair value at the date of donation. We record donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during the years ended June 30, 2020 and 2019.

Advertising Costs

Advertising costs are expensed as incurred and approximated \$2,884 and \$4,519 during the years ended June 30, 2020 and 2019, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

St. Francis of Assisi Parish is organized as a Wisconsin nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as organization described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Section 170(b)(1)(A), and has been determined not to be a private foundation under IRC Section 509(a)(2). As a member of the Catholic Diocese of Green Bay, Inc., the Organization is covered by the United States Catholic Conference's group exemption and, therefore, is not required to file information returns with the IRS or state of Wisconsin.

**ST. FRANCIS OF ASSISI PARISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash and money market accounts with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members, governmental agencies, and foundations supportive of our mission. Investments are made by diversified investment managers whose performance is monitored by us and the investment committee of the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Recent Accounting Guidance

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which is expected to increase transparency and comparability among organizations. The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases. The standard requires lessees to reflect most leases on their statement of financial position sheet as lease liabilities with a corresponding right-of-use asset, while leaving presentation of lease expense in the statement of activities largely unchanged. The standard also eliminates the real-estate specific provisions that exist under current U.S. GAAP and modifies the classification criteria and accounting which lessors must apply to sales-type and direct-financing leases. The standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact of ASU 2016-02 on the School's financial statements.

**ST. FRANCIS OF ASSISI PARISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

For the year ended June 30, 2020, we adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. No cumulative-effect adjustment in net assets was recorded because the adoption of ASU 2014-09 did not significantly impact our reported historical revenue.

For the year ended June 30, 2020, we adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies when a transfer of cash or other assets received and made qualifies as a contribution or an exchange transaction and establishes criteria for determining whether the asset provider is receiving commensurate value in return for those assets. The ASU also provides guidance for determining whether a contribution is conditional. No cumulative-effect adjustment in net assets was recorded because the adoption of ASU 2018-08 did not significantly impact our reported historical revenue.

Subsequent Events

We have evaluated subsequent events through October 13, 2020, the date the financial statements were available to be issued.

Beginning July 1, 2020, our elementary and middle school was combined with Roncalli High School to form Roncalli Catholic Schools, Inc.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2020	2019
Cash and Cash Equivalents	\$ 1,405,618	\$ 301,678
Tuition Receivable	79,270	98,782
Other Receivable	5,766	53,542
Promises to Give	-	106,072
Less: Net Assets with Donor Restrictions	(376,843)	(350,740)
Total	<u>\$ 1,113,811</u>	<u>\$ 209,334</u>

Our endowment fund consists of funds designated by the board as endowments.

**ST. FRANCIS OF ASSISI PARISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

Our board-designated endowment of \$210,051 and \$206,624, as of June 30, 2020 and 2019, respectively, is subject to an annual spending rate of 5% as described in Note 9. The amounts appropriated for general expenditure as part of our board's annual budget approval and appropriation are available for spending each year.

We have available, \$200,000 and \$500,000 revolving line of credit agreements with Bank First National as described in Note 7.

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES

We report certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

ST. FRANCIS OF ASSISI PARISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

A significant portion of our investment assets are classified within Level 2 because they comprise various funds developed by our investment company which are further invested in open-end mutual funds with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis at June 30, 2020.

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
ASSETS				
Endowment Investments:				
Mutual Bond Funds	\$ 62,952	\$ -	\$ 62,952	\$ -
Mutual Stock Funds	147,099	-	147,099	-
Total	<u>\$ 210,051</u>	<u>\$ -</u>	<u>\$ 210,051</u>	<u>\$ -</u>

The following table presents assets measured at fair value on a recurring basis at June 30, 2019:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
ASSETS				
Endowment Investments:				
Mutual Bond Funds	\$ 61,898	\$ -	\$ 61,898	\$ -
Mutual Stock Funds	144,726	-	144,726	-
Total	<u>\$ 206,624</u>	<u>\$ -</u>	<u>\$ 206,624</u>	<u>\$ -</u>

NOTE 4 PROMISES TO GIVE

Unconditional promises to give are estimated to be collected as follows at June 30:

	2020	2019
Within One Year	<u>\$ -</u>	<u>\$ 106,072</u>

**ST. FRANCIS OF ASSISI PARISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	2020	2019
Buildings and Improvements	\$ 173,410	\$ 78,510
Furniture and Equipment	60,120	60,120
Subtotal	233,530	138,630
Less: Accumulated Depreciation and Amortization	(27,732)	(19,727)
Total Property and Equipment	\$ 205,798	\$ 118,903

Depreciation expense totaled \$8,005 and \$8,006 for the years ended June 30, 2020 and 2019, respectively.

Our property and equipment in the statements of financial position include property that did not meet the requirements of Wis. Admin. Codes PI 35 and 48 because the underlying assets were for the Catholic Ministry program. For the years ended June 30, 2020 and 2019, the book cost of these assets were \$ 145,109 and \$50,209 and had accumulated depreciation of \$6,156 and \$3,984, respectively. Depreciation expense for this property and equipment for the years ended June 30, 2020 and 2019 was \$2,172 and \$2,173, respectively.

NOTE 6 INVESTMENT RETURN

Investment return consists of the following at June 30:

	2020	2019
Interest and Dividend Income	\$ 11,286	\$ 6,373
Unrealized Gain (Loss) on Investments	(36,357)	(6,422)
Realized Gain on Sale of Investments	32,197	15,473
Total	\$ 7,126	\$ 15,424

NOTE 7 LINE OF CREDIT

We have a \$500,000 revolving line of credit with Bank First National, secured by substantially all assets of the Organization. For the year ended June 30, 2020, interest accrued at the Bank First prime rate plus 1% (4.25%) while the year ended June 30, 2019 had interest accrued at the Bank First prime rate (5.25%). Accrued interest and principal are due at maturity (December 1, 2022). At June 30, 2020 and 2019, there was no balance outstanding.

**ST. FRANCIS OF ASSISI PARISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 7 LINE OF CREDIT (CONTINUED)

We also have a \$200,000 revolving line of credit with Bank First National, secured by substantially all assets of the Organization. For the year ended June 30, 2020, interest accrued at the Bank First prime rate plus 1% (4.25%) while the year ended June 30, 2019 had interest accrued at the Bank First prime rate (5.25%). Accrued interest and principal are due at maturity (December 1, 2022). At June 30, 2020 and 2019, there was no balance outstanding.

NOTE 8 CONCENTRATION OF CREDIT RISK

Accounting principles generally accepted in the United States of America require disclosure of information about certain significant estimates and current vulnerabilities due to certain concentrations. This matter includes the following:

Revenues

Approximately 20% and 17% of total revenues are from the Wisconsin Department of Public Instruction for participation in the Wisconsin Parental Choice Program for years ended June 30, 2020 and 2019, respectively.

Receivables

At June 30, 2019, one donor accounted for 100% of total promises to give.

NOTE 9 ENDOWMENT

As of June 30, 2020 and 2019, the Organization's endowment fund consists of board-designated funds established to provide annual funds for general operations.

Our board of directors has interpreted the State of Wisconsin Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2020 and 2019, there were no such donor stipulations. As a result of this interpretation, we retain in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts including promises to give at fair value) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

**ST. FRANCIS OF ASSISI PARISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 9 ENDOWMENT (CONTINUED)

We consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the School
- The investment policies of the Organization

Endowment net asset composition was entirely board-designated as of June 30, 2020 and 2019.

Investment and Spending Policies

The Organization has a spending policy that allows them to request up to 5% of the fair value of the fund. Restricted gifts and bequests shall be allocated in accordance with their stated restrictions. Income and assets, as permitted from the fund, shall be distributed annually and at such other times as deemed necessary and/or feasible for capital improvements, debt reduction, or specific program development for the Organization, as approved by the Organization's board of directors.

The Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which includes mutual funds.

Changes in endowment net assets for the years ended June 30 are as follows:

June 30, 2020	Without Donor Restriction	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 206,624	\$ -	\$ 206,624
Investment Return, Net	427	-	427
Contributions	3,000	-	3,000
Endowment Net Assets - End of Year	<u>\$ 210,051</u>	<u>\$ -</u>	<u>\$ 210,051</u>
June 30, 2019	Without Donor Restriction	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 193,132	\$ -	\$ 193,132
Investment Return, Net	11,492	-	11,492
Contributions	2,000	-	2,000
Endowment Net Assets - End of Year	<u>\$ 206,624</u>	<u>\$ -</u>	<u>\$ 206,624</u>

**ST. FRANCIS OF ASSISI PARISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods.

	<u>2020</u>	<u>2019</u>
Subject to Expenditure for Specified Purpose:		
New School Project	\$ 16,065	\$ 1,182
Good Shepard	32,669	8,378
Mass Stipend	2,460	2,425
Pastor Discretionary Funds	54,869	44,693
School Revolving Funds	20,015	13,029
Music/Choir Fund	2,719	3,369
Annual Appeal	3,450	25,291
Scholarship	-	39,628
Memorials	50,000	-
Service Organizations Funds	28,798	27,892
Other	13,368	10,039
Wish List	13,856	12,558
Family and Youth Ministry	5,979	4,557
Capital Improvements	128,350	157,699
COVID-19	4,245	-
Total	<u>376,843</u>	<u>350,740</u>
Subject to the Passage of Time:		
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	<u>-</u>	<u>106,072</u>
Total Net Assets with Donor Restrictions	<u>\$ 376,843</u>	<u>\$ 456,812</u>

NOTE 11 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, purchased services and supplies, buildings and grounds, general office, and other, which are allocated on the basis of estimates of time and effort.

**ST. FRANCIS OF ASSISI PARISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 12 EMPLOYEE BENEFITS

We sponsor a tax-deferred annuity plan (the Plan) qualified under IRC Section 403(b) covering substantially all full-time employees. The Organization made no contributions under this plan for the years ended June 30, 2020 and 2019.

The Organization also participates in a retirement plan administered by Empower, formerly Great West Retirement Service. Employees that are expected to work a minimum of 1,000 hours in a calendar year are eligible to participate. The Organization is required to contribute 6% of all eligible employees' salaries into the plan. The Organization contributes 15% of all eligible priests' salaries into the plan. During the years ended June 30, 2020 and 2019, we made contributions to the plan of \$181,137 and \$173,036, respectively.

NOTE 13 PRIVATE SCHOOL CHOICE PROGRAM

The Organization participates in the Private School Choice Program (the Program), formerly Wisconsin Parental Choice Program, which is administered by the Wisconsin Department of Public Instruction (DPI). The Program subsidizes tuition costs for students that meet certain eligibility requirements. Total revenues from the Program for the years ended June 30, 2020 and 2019 were \$1,038,585 and \$829,678, respectively. On an annual basis, the Organization performs an evaluation of the use of this funding on eligible education expenses with respect to those pupils participating in the Program. A reserve balance at the end of the year indicates that the Organization has not yet spent the program revenue received on eligible education expenses for program pupils. DPI requires that reserve balances be retained for future eligible education expenses for program pupils. For the years ended June 30, 2020 and 2019, the Organization had a reserve balance in the amount of \$147,251 and \$46,013, respectively.

NOTE 14 RELATED PARTY TRANSACTIONS

The Organization is the sole recipient of investment income from an endowment fund owned and managed by the St. Francis of Assisi School Foundation, Inc.

Composition of and changes in the endowment fund for the years ended June 30, 2020 and 2019 were as follows:

	2020	2019
Beginning of the Year	\$ 1,054,610	\$ 1,039,157
Contributions	6,000	14,628
Investment Income, Net	7,963	9,858
Net Appreciation (Realized and Unrealized)	34,603	35,452
Distributions to St. Francis of Assisi Parish	(45,726)	(44,485)
End of Year	\$ 1,057,450	\$ 1,054,610

The Organization provides administrative and maintenance services to Calvary Cemetery of Manitowoc, Inc. (the Calvary), a corporation. During the years ended June 30, 2020 and 2019, the Organization recognized revenue of \$71,103 and \$80,154, respectively, for administrative and maintenance services provided to Calvary.

**ST. FRANCIS OF ASSISI PARISH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 14 RELATED PARTY TRANSACTIONS (CONTINUED)

For the years ended June 30, 2020 and 2019, the Organization's other receivable of \$380,955 and \$358,731, respectively is due from Calvary for services provided. Management of the Organization believes that the majority of the receivable balance as of June 30, 2020 and 2019 is not collectible and has recorded a provision for uncollectible amounts for \$375,189 and \$305,189, respectively.

NOTE 15 RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its 2021 operations and financial results, including investment return, and general donations. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

**ST. FRANCIS OF ASSISI PARISH
PRIVATE SCHOOL CHOICE PROGRAMS (PSCP) RESERVE BALANCE
FOR STANDARD FINANCIAL AUDITS
YEAR ENDED JUNE 30, 2020**

Saint Francis of Assisi School - Manitowoc
Private School Choice Programs (PSCP) Reserve Balance for Standard Financial Audits
Year Ending June 30, 2020

NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS			
Line	A Line Description	B Non-Eligible Expenses & Offsetting Revenue	C Amount
1	Expenses on Statement of Activities		\$ 4,882,429
2	Ineligible Depreciation Expense	2,173	
3	Contributed Expenses Other Than Fixed Assets	-	
4	Bad Debt Expense	83,595	
5	Scholarship Awards & Other Financial Support for Pupils	-	
6	Daycare Expenses	-	
7	School District Partnership Expenses	-	
8	Church Expenses	1,541,394	
9	Eligible Education Expenses Primarily for SNSP Pupils	-	
10	Eligible Education Expenses on SNSP Statements of Actual Cost	-	
11	Other Non-Eligible Expenses	-	
12	Less: Total Non-Eligible Expenses		\$ 1,627,162
13	Add: Eligible Education Expense for Land		-
14	Eligible Education Expenses		\$ 3,255,267
15	Government Assistance	57,744	
16	Fundraising Revenue	24,432	
17	Insurance Proceeds	-	
18	Less: Total Offsetting Revenue		\$ 82,176
19	Adjustments to Prior Year Net Eligible Education Expenses		-
20	Net Eligible Education Expenses for All Pupils		\$ 3,173,091
PERCENTAGE OF PUPILS PARTICIPATING IN PSCP			
21	PSCP Pupil Average Full-Time Equivalent <i>3rd Friday Sept & 2nd Friday Jan Average FTE</i>		129.00
22	All Pupil Average Full-Time Equivalent <i>3rd Friday Sept & 2nd Friday Jan Average FTE</i>		437.00
23	Percentage of Pupils Participating in PSCP		29.52%
PSCP RESERVE BALANCE			
24	2019-20 PSCP Revenue		1,037,934
25	2019 Summer School PSCP Revenue		-
26	Total 2019-20 PSCP Revenue		\$ 1,037,934
27	Less: Net Eligible Education Expenses for PSCP Pupils <i>Line 20 times Line 23</i>		936,696
28	Add: June 30, 2019 PSCP Reserve Balance		46,013
29	Less: Repayment of June 30, 2019 PSCP Reserve Balance		-
30	June 30, 2020 PSCP Reserve Balance		\$ 147,251
31	Plan for PSCP Reserve Required		Not Required
REQUIRED CASH AND INVESTMENT BALANCE			
32	June 30, 2020 PSCP Reserve Balance <i>Line 30</i>		147,251
33	June 30, 2020 SNSP Reserve Balance		-
34	Less: Remaining Depreciation on Fixed Assets		66,845
35	Less: Land Purchases that have not Been Included as Eligible		
36	Required Cash and Investment Balance		\$ 80,406
MANAGEMENT LETTER			
37	Did the auditor issue a management letter for the 2019-20 financial audit? If yes, submit with audit.		Yes