

Comments Regarding St. Jerome Catholic Church  
Financial Reports for Fiscal Year July 1, 2021 to June 30, 2022 (FY21/22)

The Financial Report for FY21/22 includes the Statement of Activities which provides a comparative view of our operating income and expense compared against the prior fiscal year. Also included is a second report entitled Statement of Financial Position which gives a snapshot of the parish assets and liabilities as of June 30, 2022 and June 30, 2021.

**STATEMENT OF ACTIVITIES**

- Overall, FY21/22 ended with unrestricted income of \$119,163 and temporarily restricted income of \$106,068 resulting in a total increase in Net Assets of \$225,231.
- In September 2021, the PPP and EIDL loans related to US Government COVID 19 assistance in 2020 were formally forgiven resulting in an increase of Other Regular Revenue of \$60,105 and a corresponding decrease in Loans Payable on the Statement of Financial Position.
- Offertory and other revenue sources (excluding the PPP and EIDL loan forgiveness of \$60,105) was slightly higher compared to FY20/21 by \$1,453.
  - While Offertory Income was down \$15,963, other sources of revenue filled in the gap.
  - Starting in May 2022, St. Jerome entered into a rental agreement with a daycare for use of 4 to 6 classrooms during the school year which added \$8,450 to FY 21/22 revenue. *(21/22 rent also includes 7/21 and 8/21 YMCA rent of \$7,300)*
  - One-time gifts were down \$14,526 compared to the prior fiscal year.
- Expenses for FY21/22 were up more than \$40,000 which is primarily due to increased in-person activities at the church and a significant increase in the cost of fuel oil used for heating.
  - During the first half of FY21/22, daily in-person activities were restricted due to Covid-19 and staff hours declined; however, as in-person activities have increased in 2022, compensation and benefits costs are up as compared to the same period in the prior fiscal year.
  - Contributions and assessments were flat for the year as our parish cut back on contributions to other organizations and remitted lower cathedraticum payments to the Diocese of Bridgeport in line with prior year revenue which has been decreasing for the past few years.
  - Professional fees (which include musicians and other contract labor) and utilities were higher due to an increased in-person use of the church building during the fiscal year.
  - Supplies, Repairs and Maintenance were up related to increased use of the church building.
- Temporarily Restricted Net Assets received are primarily composed of We Stand with Christ contributions.
- Net Ordinary Income excluding significant one-time adjustments was lower in FY 21/22 than the prior fiscal year due primarily to more in-person activities:

	<u>July 1, 2021- June 30, 2022</u>	<u>July 1, 2020 - June 30, 2021</u>
Net Ordinary Income	\$ 119,163	\$ 99,429
Add(Less);		
PPP and EIDL loan forgiveness	<u>(60,105)</u>	<u>NA</u>
Adjusted Net Ordinary Income	<u><u>\$ 59,058</u></u>	<u><u>\$ 99,429</u></u>

## STATEMENT OF FINANCIAL POSITION

- Overall, assets increased significantly, and liabilities decreased to result in \$225,231 increase in net assets as explained above.
- The most meaningful change was to unrestricted cash which increased over \$138,000 due to the positive net operating result for FY21/22 and PPP/EIDL loan forgiveness.
  - Contributions received during the year that are restricted for activities such as Total and specific improvements to the church building are retained in the unrestricted operating checking account; but tracked separately until they are utilized for the specific designated purposes. During FY21/22, restricted funds (excluding We Stand With Christ) increased by \$15,051 representing seven different categories of restricted use.
  - As of June 30, 2021, per direction from the Diocese of Bridgeport, our Operating Checking account included \$60,105 related to the outstanding loan payable for the pandemic assistance for EIDL and PPP. As indicated below, these funds became unrestricted once they were formally forgiven by the U.S. Government in September 2021.
  - All financial funds are currently held at Bank of America, and we are working with the Diocese of Bridgeport to gain approval to diversify the number of institutions during FY 22/23.
- We Stand With Christ funds increased \$91,018 in FY 21/22 and \$87,959 in FY 20/21 and the corresponding ending balance was \$286,317 as of June 30, 2022 and \$195,300 as of June 30, 2021. Efforts to utilize these funds towards construction of the proposed adoration chapel should begin in the Fall of 2022 and will incorporate developing an overall plan for what enhancements are needed to our existing building infrastructure to incorporate the chapel.
- Fixed Assets include our church building, land and all of the furniture and fixtures.
  - The current balance of \$137,046 primarily relates to the remaining undepreciated value of improvements made to the church building and rectory roofs in 2005, Honor Walk installed in 2017, and the Pascom sound system installed in 2018.
- Liabilities primarily consist of special collections to be sent to other organizations, accrued expenses, and the timing of the payroll liability that was paid on July 1, 2021.
  - The loan payable of \$60,105 as of June 30, 2021 related to \$8,000 St. Jerome received in April 2020 under the EIDL (Economic Injury Disaster Loan) program and \$52,105 received under the PPP (Payroll Protection Plan) program of the Federal government. In February 2021 St. Jerome filed our loan forgiveness application. In September 2021, the U.S. Government forgave these loans as part of the COVID 19 assistance. The loan forgiveness was recorded as other revenue as noted above.
- Net Assets is a key financial health measure showing the amount of financial assets which exceed our liabilities
  - Net Assets are tracked in our accounting records with and without donor restrictions. When donor restricted amounts are spent, the expense is reflected in our operating income and the offsetting amount is transferred from restricted assets to operating income