

Diocese of Tucson: PARISH ANNUAL FINANCIAL REPORT INSTRUCTIONS

1. Overview

Filing Date

The fiscal year for all parishes, missions, and schools runs from July 1 through June 30. After reconciling your June 30 bank statements (checking and savings), go through the closing process as soon as possible, work up the financial report, submit it to your Board of Directors for approval and submit the approved PAFR, along with the balance sheet and income statement created by your accounting software, to the Fiscal Office **by September 30**. In addition to the regular diocesan financial report, you will need to complete a simple balance sheet and income statement that will be used to file with the Arizona Corporation Commission to maintain your state non-profit corporate standing. This simplified financial report has been added into the Excel 2000 spreadsheet and will also be provided in Word 2000 and Acrobat Reader PDF formats.

Internet

Report items can now be downloaded from the diocesan website. Go to www.diocesetucson.org, and click the Fiscal link and then hover the mouse over Parish Annual Financial Report to see the downloadable files. The PAFR, Supplement, Simple Report and Pastor's Declaration (signature page), are normally mailed to the Fiscal Office but it is acceptable to email electronic versions to chrisb@diocesetucson.org.

Batch Accounting Parishes

If your parish participated in the Batch Accounting program, we complete the Annual Financial Report section since the Fiscal Office maintains your financial information in QuickBooks. A completed copy of the Annual Financial Report section will be sent to you soon after it is finished. **In the meantime, obtain a copy of the Supplementary Information Report, fill it out and return it to the Fiscal Office by September 30.**

Annual Financial Report section

The financial statement formats are contained on pages 2 through 4. Included with the report are schedules designed to describe and sub-total amounts required for the financial statements. As usual, it may be useful to refer to a copy of last year's financial report.

Attachments to the Annual Report

A. Report to Parish Community

As stated in the Parish Accounting Manual, Diocesan Policy, it is required that an annual report to the parish community be published. It is also required that a copy of that report be attached to the annual financial report to the Bishop. The condensed revisions of this report will meet the minimal requirement for publication.

B. Bingo Tax Reports [*Item Changed*]

For those parishes operating bingo games, **we no longer require copies of the quarterly Financial Report of Bingo Operations be attached to the parish financial report.** Please do not send copies with your report.

Pastor's Declaration

The name of the person directly responsible for completing the annual report should be entered on page one of the Annual Financial Report. After the financial report is completed and been reviewed and approved by the Parish Finance Council, the board president, board treasurer and report preparer should review the report, sign it on page one, and date the report before sending it to the Diocesan Fiscal Office.

Questions?

Please feel free to contact Katherine Preble or David Knight at (520) 792-3410 if you have any questions, concerns or require clarification.

2. Statement of Financial Position (Page 2)

Use the Schedules A through S to complete this page of the report. Each section has brief instructions included on the report itself except for Schedule J as follows.

Schedule J: Land, Buildings, Equipment & Vehicles

The book value of these assets is the acquisition cost, including taxes, shipping, installation, etc. This value is NOT adjusted from year to year according to market fluctuations.

Please note that equipment assets must have a value equal to or greater than an amount approved by the board in order to be capitalized; this restriction applies to any asset whether purchased or donated. The amount currently in use by the Diocesan Fiscal Office is \$5,000. The value of a donated piece of equipment with a value of less than the approved amount should be credited as income to account 419030, with an offsetting debit to the appropriate equipment expense account.

For Construction in Progress, additions should include all funds paid out for the construction project (not including land) during the year. If a project was incomplete on June 30, the project costs should be shown as Construction in Progress. If the project was finished on or before June 30, you must make a general journal entry to transfer the full cost to the "Buildings" accounts using the lines provided.

At this time, parishes do not need to depreciate any buildings or equipment.

The addition or subtraction of these numbers gives the current year-end total for the parish land, property improvements, buildings, equipment and vehicle accounts. The balances for each type of asset should be totaled by category, while each asset type should also be totaled across. The columns and rows should cross-foot. The adjusted total is reported on the Statement of Financial Position on page 2, line 210.

3. Statement of Support and Revenue & Expenses (Page 3)

The Chart of Accounts can be used as a guide to completing this page of the report. The Chart of Accounts can be downloaded from the website or you can request a copy from the Fiscal Office.

4. Statement of Changes in Parish Net Assets

Enter the Parish Net Assets for the beginning of the year, which is the same as that reported on the financial statements for the prior year under the 310000 account.

If you have made an adjustment to Prior Year's Net Assets, enter the change as a (debit) or credit on the second line, then carry forward the Adjusted Parish Net Assets for the beginning of the year. Provide an explanation for any adjustment.

Enter the Excess or <Deficiency> of Support and Revenue over Expenses for the year just ended, as reported on the Statement of Support and Revenue and Expenses on page 3.

Add or subtract the amounts as indicated. The result is the Parish Net Assets for the End of the Year, and must be equal to the Net Assets reported on the Statement of Financial Position on page 2, line 222.

5. Contributions, Grants & Bequests Schedule

This schedule provides a cross-balance mechanism with Page 3, Statement of Revenue. Enter the totals from all accounts for contributions, grants and bequests from the Community of Faith category. This amount must agree with the amount on Page 3, Line 301 (Community of Faith).

Record the General Ledger balances for Parish Fundraising (417400 series) and Parish Revenues (417500 series). Total Parish Revenues must balance to Page 3, Line 303 (Community of Faith). Please note that Net Bingo Revenue is only used if the parish does not have a parochial school.