

Our Lady Queen of Peace Parish and Subsidiary

Consolidated Financial Report
June 30, 2019

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Independent Auditor's Report

RSM US LLP

Reverend Monsignor Kenneth J. Fiedler, Pastor
Our Lady Queen of Peace Parish and Subsidiary

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Our Lady Queen of Peace Parish and Subsidiary (the Parish), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, 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.

Auditor's 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Our Lady Queen of Peace and Subsidiary as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the Parish adopted the Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit*, for the year ended June 30, 2019. The adoption of the standard resulted in additional note disclosures and required changes to the classification of net assets and disclosures related to net assets. Our opinion is not modified with respect to this matter.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating and other supplementary as noted in the table on contents is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual companies 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 consolidating and other supplementary 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Madison, Wisconsin
September 19, 2019

Our Lady Queen of Peace Parish and Subsidiary

**Consolidated Statements of Financial Position
June 30, 2019 and 2018**

	2019	2018
Assets		
Cash and cash equivalents	\$ 132,752	\$ 141,683
Cash, restricted	1,271,097	1,435,155
Cash, board designated	9,201	135,830
Accounts receivable, less allowance for doubtful receivables \$31,565 in 2019 and 2018, respectively	92,348	60,723
Contributions receivable	1,000	-
Prepaid expenses	122,499	100,623
Certificates of deposit	960,000	1,180,000
Certificates of deposit, restricted	860,000	870,000
Investments, restricted	2,293,816	2,227,894
Building, property and equipment, net	5,549,491	5,594,371
Total assets	\$ 11,292,204	\$ 11,746,279
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 165,114	\$ 303,823
Accrued expenses	210,345	196,645
Advanced tuition	110,509	113,268
Unearned revenue	57,328	22,082
Capital lease obligations	73,331	93,297
Total liabilities	616,627	729,115
Net assets:		
Without donor restrictions:		
Undesignated	6,241,463	6,348,285
Board designated	9,201	135,830
Total without donor restrictions	6,250,664	6,484,115
With donor restrictions:	4,424,913	4,533,049
Total net assets	10,675,577	11,017,164
Total liabilities and net assets	\$ 11,292,204	\$ 11,746,279

See notes to consolidated financial statements.

Our Lady Queen of Peace Parish and Subsidiary

**Consolidated Statement of Activities
Year Ended June 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Contributions	\$ 2,084,403	\$ 816,201	\$ 2,900,604
Contributions - In-kind building rent	310,500	-	310,500
School tuition and fees	1,966,881	-	1,966,881
Legacy and bequests	19,588	1,008	20,596
Operating	388,246	-	388,246
Investment income	26,341	146,185	172,526
Fundraising events	318,422	3,254	321,676
Catering services	-	341,160	341,160
Other	66,919	136,885	203,804
Total revenue	<u>5,181,300</u>	<u>1,444,693</u>	<u>6,625,993</u>
Expenses:			
Salaries	3,506,913	-	3,506,913
Payroll taxes	260,602	-	260,602
Employee benefits	139,318	-	139,318
Health insurance	255,583	-	255,583
Training and development	49,524	-	49,524
Programs	265,888	-	265,888
Culinary Creations - catering	172,466	-	172,466
Maintenance	296,613	-	296,613
Insurance	60,027	-	60,027
Utilities	224,152	-	224,152
In-kind building rent	310,500	-	310,500
Administration expenses	189,858	-	189,858
Network services and supplies	116,207	-	116,207
Catholic Herald subscriptions	26,823	-	26,823
Tuition assistance	65,118	-	65,118
Other	30,103	-	30,103
Fees	22,957	-	22,957
Instructional	247,585	-	247,585
Diocesan annual assessment	109,893	-	109,893
Fundraising events	286,121	-	286,121
Total expenses	<u>6,636,251</u>	<u>-</u>	<u>6,636,251</u>
Excess (deficiency) of revenues over (under) expenses before depreciation	(1,454,951)	1,444,693	(10,258)
Depreciation	(331,329)	-	(331,329)
Net assets released from restrictions	1,552,829	(1,552,829)	-
Change in net assets	(233,451)	(108,136)	(341,587)
Net assets, beginning of year	6,484,115	4,533,049	11,017,164
Net assets, end of year	<u>\$ 6,250,664</u>	<u>\$ 4,424,913</u>	<u>\$ 10,675,577</u>

See notes to consolidated financial statements.

Our Lady Queen of Peace Parish and Subsidiary

**Consolidated Statement of Activities
Year Ended June 30, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Contributions	\$ 2,082,341	\$ 923,512	\$ 3,005,853
Contributions - In-kind building rent	293,750	-	293,750
School tuition and fees	1,918,213	-	1,918,213
Legacy and bequests	259,142	10,000	269,142
Operating	407,672	-	407,672
Investment income	10,045	303,030	313,075
Fundraising events	341,410	12,099	353,509
Catering services income	-	251,012	251,012
Other	68,625	109,916	178,541
Total revenue	<u>5,381,198</u>	<u>1,609,569</u>	<u>6,990,767</u>
Expenses:			
Salaries	3,418,046	-	3,418,046
Payroll taxes	249,076	-	249,076
Employee benefits	126,860	-	126,860
Health insurance	254,827	-	254,827
Training and development	45,054	-	45,054
Programs	365,113	-	365,113
Culinary Creations - catering	144,600	-	144,600
Maintenance	154,751	-	154,751
Insurance	61,529	-	61,529
Utilities	218,591	-	218,591
In-kind building rent	293,750	-	293,750
Administration expenses	207,378	-	207,378
Network services and supplies	147,286	-	147,286
Catholic Herald subscriptions	27,361	-	27,361
Tuition assistance	79,631	-	79,631
Other	26,881	-	26,881
Fees	19,554	-	19,554
Instructional	293,263	-	293,263
Diocesan annual assessment	102,589	-	102,589
Fundraising events	335,223	-	335,223
Total expenses	<u>6,571,363</u>	<u>-</u>	<u>6,571,363</u>
Excess (deficiency) of revenues over (under) expenses before depreciation and loss on sale of equipment	(1,190,165)	1,609,569	419,404
Depreciation	(316,770)	-	(316,770)
Loss on sale of equipment	(34,876)	-	(34,876)
Net assets released from restriction	1,398,495	(1,398,495)	-
Change in net assets	(143,316)	211,074	67,758
Net assets, beginning of year	6,627,431	4,321,975	10,949,406
Net assets, end of year	<u>\$ 6,484,115</u>	<u>\$ 4,533,049</u>	<u>\$ 11,017,164</u>

See notes to consolidated financial statements.

Our Lady Queen of Peace Parish and Subsidiary

**Consolidated Statements of Cash Flows
Years Ended June 30, 2019 and 2018**

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ (341,587)	\$ 67,758
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	331,329	316,770
Net loss on disposals of obsolete equipment	-	34,876
Contribution restricted for permanent endowment	(36,464)	(42,621)
Realized and unrealized gain on investments	(32,277)	(155,621)
Increase (decrease) from changes in:		
Accounts receivable	(31,625)	(5,274)
Contributions receivable	(1,000)	-
Prepaid expenses	(21,876)	(4,082)
Accounts payable	(78,540)	(54,628)
Accrued expenses	13,700	5,876
Advanced tuition	(2,759)	(29,205)
Unearned revenue	35,246	(24,296)
Net cash (used in) provided by operating activities	(165,853)	109,553
Cash flows from investing activities:		
Proceeds from sale of investments	461,243	896,175
Purchases of investments	(494,888)	(864,840)
Proceeds from maturity of certificates of deposit	1,510,000	1,476,000
Purchases of certificates of deposit	(1,280,000)	(1,780,000)
Purchases of equipment	(346,618)	(155,920)
Net cash used in investing activities	(150,263)	(428,585)
Cash flows from financing activities:		
Contributions received for permanent endowment	36,464	42,621
Payments on capital lease obligations	(19,966)	(33,280)
Net cash provided by financing activities	16,498	9,341
Net decrease in cash and cash equivalents	(299,618)	(309,691)
Cash and cash equivalents, beginning	1,712,668	2,022,359
Cash and cash equivalents, ending	\$ 1,413,050	\$ 1,712,668
Supplemental disclosure of cash flow information:		
Cash payments for interest	\$ 5,051	\$ 5,547
Purchase of equipment in accounts payable	7,000	67,169
Capital lease obligations incurred for use of equipment	-	107,829
Capital lease obligations retired for use of equipment	-	(7,948)

See notes to consolidated financial statements.

Our Lady Queen of Peace Parish and Subsidiary

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization: Our Lady Queen of Peace Parish and Subsidiary (the Parish) is a not for profit Catholic Church and grade school in Madison, Wisconsin. The Parish also operates the Catholic Multicultural Center (CMC) located in Madison, Wisconsin. The Diocese of Madison (the Diocese) appoints the priests who serve the Parish members and also approves the guidelines the Parish must follow. The Parish has one wholly-owned subsidiary, CMC West, LLC.

CMC West, LLC, a Wisconsin limited liability company, was organized as a single member limited liability company for the purpose of holding title to certain real estate located in Madison, Wisconsin.

Principles of consolidation: The consolidated financial statements include the accounts of the Parish and its subsidiary noted above (collectively referred to as the Parish). All significant intercompany accounts and transactions have been eliminated in consolidation.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). A summary of the Parish's significant accounting policies follows:

Basis of presentation: The Parish has presented its assets and liabilities on the consolidated statements of financial position in an unclassified manner, but in order of liquidity.

Use of estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses, including functional allocations during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: The Parish considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents unless the investments are held for meeting restrictions of a capital or endowment nature. The Parish has on deposit several balances in excess of amounts insured by the Federal Deposit Insurance Corporation. The Parish believes it is not exposed to any significant credit risk related to cash.

Accounts receivable: Accounts receivable includes tuition and other program receivables. Receivables are carried at original invoice amount, less an estimate made for doubtful receivables based on a periodic review of all outstanding amounts. Management determines the allowance for doubtful accounts by regularly evaluating individual receivables. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Interest is not charged on past due receivables.

Certificates of deposit: Certificates of deposit are stated at cost.

Investments: Investments are recorded at fair value. Investments, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements. Gains and losses on sales of investments are determined on the basis of specific identification of the cost of the security sold and are included in the statements of activities. Interest and dividend income is recorded when it is earned. Earnings on investments are recorded without restrictions unless restricted by donor or law.

Our Lady Queen of Peace Parish and Subsidiary

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Buildings, property and equipment: Buildings, property and equipment are carried at cost less accumulated depreciation. For donated buildings, property and equipment, cost represents the fair value at the time of donation. Depreciation is computed by the straight-line method over the estimated useful lives as follows:

Buildings and improvements	15 to 40 years
Furniture and equipment	5 to 15 years

Expenditures for additions and improvements are capitalized, while replacements, maintenance, and repairs, which do not improve the useful lives of the assets, are expensed as incurred.

Advanced tuition: Tuition and fees revenue is recognized in the school year in which it applies. Tuition and fees revenue received prior to the start of the related school year is recorded as advance tuition (deferred revenue).

Unearned revenue: Unearned revenue consists primarily of cash receipts for youth trips, early payment of the cell tower lease, and SCRIP rebates. Unearned revenue is earned when related services are performed or rebates claimed.

Classification of net assets: The financial statements report net assets and changes in net assets in two classes based upon the existence or absence of restrictions by donors.

Net assets without donor restrictions: Net assets without donor restrictions represent resources that are generally available for support of the Parish's operating activities and are not subject to donor-imposed purpose or time restrictions.

Board designated net assets - represent amounts received without donor restrictions that have been designated by the Finance Council for specific use and are included in net assets without donor restrictions. At June 30, 2019 and 2018, the Finance Council has designated \$9,201 and \$135,830, respectively, for improvements, replacements and repairs to buildings, property and equipment.

Net assets with donor restrictions: Net assets with donor restrictions are resources whose use has been limited by donors to a specific time period or for a specific purpose. Some donor imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor imposed restrictions are perpetual in nature, and the Parish must continue to use the resources in accordance with the donor's instructions. This includes the portion of the Parish's donor-restricted endowment funds that must be maintained in perpetuity.

Contributions: Contributions and operating revenue are recognized as revenue when received and are measured at their fair values. The members of the Parish contribute a major portion of its revenue. Bequests from wills are recognized when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received which are restricted for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restrictions.

Our Lady Queen of Peace Parish and Subsidiary

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

The Parish reports contribution of goods and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Contribution of long-lived assets with explicit restrictions and contribution of cash or other assets that must be used to acquire long-lived assets are reported as contributions with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Parish reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions receivable represent unconditional promises to give are included in net assets without donor restrictions unless use is specifically restricted by the donor. Amounts that are expected to be collected in future years and are recorded at the present value of their estimated future cash flows.

Donor restricted contributions whose restrictions are met within the same year as received are recorded as contributions without donor restrictions in the accompanying financial statements.

Catering services: Catering service revenue is generated by the Catholic Multicultural Center's Culinary Creations Catering program. Culinary Creations provides catering services to the Parish as well as businesses, organizations, and individuals in the community. Revenue is recognized upon performance. All revenue generated is restricted for use by the Catholic Multicultural Center.

Maintenance disbursements: In addition to ordinary repairs and upkeep, the category "maintenance" on the consolidated statements of activities includes certain disbursements for the benefit of the priests of the Parish, including food and housing. These disbursements are recorded in this category in accordance with accounting policies prescribed by the Diocese of Madison.

Income taxes: The Parish is exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code as a religious organization. The Parish is also exempt from Wisconsin income taxes and the City of Madison real estate and personal property taxes.

Functional expenses: The Parish records expenses by natural and functional categories and allocates common expenses to individual programs and general and administrative expenses. See Note 9.

Reclassification: Certain amounts reported on the financial statements as of and for the year ended June 30, 2018 have been reclassified, with no effect on net assets or changes in net assets, to be consistent with the classifications adopted as of and for the year ended June 30, 2019.

Subsequent events: The Parish has evaluated subsequent events for potential recognition and/or disclosure through September 19, 2019, the date the financial statements were issued, for possible measurement and/or disclosure effects on the consolidated financial statements.

Recently adopted accounting standards: In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions", and expands disclosures about the nature and amount of any donor restrictions. The Parish implemented ASU 2016-14 in the current year, applying the changes retrospectively.

Our Lady Queen of Peace Parish and Subsidiary

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

The new standard changes the following aspects of the financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions. Net assets with donor restrictions at July 1, 2018, were previously reported as temporarily restricted net assets of \$2,731,905 and permanently restricted net assets of \$1,801,144.
- The unrestricted net asset class has been renamed net assets without donor restrictions. Net assets without donor restrictions at June 30, 2018, of \$6,484,115 was previously reported as unrestricted net assets, including \$135,830 of unrestricted board designated net assets.
- The financial statements include disclosure about liquidity and availability of resources (Note 2).
- As required by the ASU, the Parish has netted \$354 of investment fees to investment income on the statement of activities for the year ended June 30, 2018.
- As permitted by the ASU, the Parish has omitted the liquidity and availability of resources and the analysis of expenses by both natural classification and functional classification for the year ended June 30, 2018.

Pending accounting standards: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, to supersede nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity is expected to be entitled for those goods or services. The FASB has also issued several updates to ASU 2014-09. The new standard supersedes U.S.GAAP guidance on revenue recognition and requires the use of more estimates and judgment than in present standards and it requires additional disclosures. The Parish adopted ASU 2014-09 on July 1, 2019, using the modified retrospective method of transition. The effect on the Parish financial statements of adopting ASU 2014-09 is not considered material.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance on how certain cash receipts and cash payments should be presented and classified in the statement of cash flows with the objective of reducing existing diversity in practice with respect to these items. ASU 2016-15 is effective for Parish's fiscal year ending June 30, 2020. ASU 2016-15 requires a retrospective transition method. However, if it is impracticable to apply the amendments retrospectively for some of the issues, the amendments for those issues would be applied prospectively as of the earliest date practicable. The Parish is currently evaluating the impact the adoption of this guidance will have on its statement of cash flows.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. ASU 2016-18 applies to all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows. Its provisions require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The new standard will be effective for the Parish's June 30, 2020 financial statements. ASU 2016-18 requires a retrospective transition method. The Parish is currently evaluating the effect of the new standard on the financial statements.

Our Lady Queen of Peace Parish and Subsidiary

Notes to Consolidated Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The ASU has different effective dates for resource recipients and resource providers. For resource recipients: Where the Parish is the resource recipient, the ASU is applicable to contributions received for the year ending June 30, 2020. For resource providers: Where the Parish is a resource provider, the ASU is effective for annual periods ending June 30, 2021. Early adoption is permitted. The Parish is currently evaluating the impact of the adoption of this guidance on its financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statements of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. A modified retrospective transition approach is required. An entity may adopt the guidance either (1) retrospectively to each prior reporting period presented in the financial statements with a cumulative-effect adjustment recognized at the beginning of the earliest comparative period presented or (2) retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. The new standard is effective for the Parish's year ending June 30, 2021, with early adoption permitted. The Parish is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. ASU 2018-13 is effective for the Parish's fiscal year ending June 30, 2021. An entity is permitted to early adopt any removed or modified disclosures and delay adoption of the additional disclosures until their effective date. The Parish is currently evaluating the impact of this new standard on its financial statements.

Our Lady Queen of Peace Parish and Subsidiary

Notes to Consolidated Financial Statements

Note 2. Liquidity

The Parish regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to maximize the return on investment of its funds not required for annual operations. The tables below represent financial assets available for general expenditures within one year of June 30, 2019:

Financial assets at year-end:	
Cash and cash equivalents	\$ 1,413,050
Accounts and contributions receivable, net	93,348
Certificates of deposit	1,820,000
Investments	2,293,816
Total financial assets	<u>5,620,214</u>
Less amounts not available to be used within one year:	
Cash, donor restricted	(1,046,909)
Cash, board designated	(9,201)
Certificates of deposit, donor restricted	(860,000)
Certificates of deposit, maturing after one year	(480,000)
Investments, donor restricted	(1,594,014)
Financial assets not available to be used within one year	<u>(3,990,124)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,630,090</u>
Financial assets available to meet general expenditures includes:	
Catholic Multicultural Center fund	\$ 957,280
Queen of Peace Parish and School	672,810
	<u>\$ 1,630,090</u>

The Parish and the Catholic Multicultural Center are substantially supported by contributions with and without donor restrictions. The Parish's school is substantially supported by tuition and fees, but is also supported by contributions with and without donor restrictions.

The Parish has a School Endowment Fund to help defray the rising cost of a quality Catholic school education. Only investment earnings are disbursed. The corpus (total of all gifts to the fund) is not disbursed for any reason. Parish support also subsidizes the cost to educate.

Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Parish must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Parish's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Each year, the Finance Council approves the annual balanced budget prior to the start of the fiscal year. In addition, the Parish invests cash in excess of daily requirements in short-term (and long-term) investments. In the event of an unanticipated liquidity need, the Parish also maintains a \$250,000 line of credit.

Our Lady Queen of Peace Parish and Subsidiary

Notes to Consolidated Financial Statements

Note 3. Related Parties

The Parish incurred the following expenses to the Diocese during the years ended June 30, 2019 and 2018:

	2019	2018
Diocesan school tax	\$ 4,801	\$ 4,446
Diocesan service appeal	109,893	102,589
Total	<u>\$ 114,694</u>	<u>\$ 107,035</u>

The Parish also collects contributions on behalf of the Diocese and periodically remits amounts collected during the year. Total amounts remitted to the Diocese were \$35,430 in 2019 and \$33,301 in 2018.

The Parish rents the Catholic Multicultural Center building from the Diocese for \$1 annually under a lease agreement in effect through December 31, 2021. The fair value of the rent is estimated at \$310,500 and \$293,750 for the years ended June 30, 2019 and 2018, respectively, and is included as in-kind revenue and expenses in the consolidated statements of activities. The Diocese also contributed \$140,000 to the Catholic Multicultural Center Fund during 2019 and 2018.

The Diocese operates a Self Insurance Program to provide uniform property and blanket liability coverage under one comprehensive plan for all parishes and agencies which are a part of the Diocese. The program includes all workers' compensation, property, casualty, and liability insurance coverage. Related insurance assessments included in expenses were \$58,542 and \$57,582 in 2019 and 2018, respectively. The Diocese has a priest retirement fund to which the Parish contributed \$10,292 and \$11,000 in 2019 and 2018, respectively. The Parish also paid health insurance for priests to the Diocese of \$10,500 and \$10,417 in 2019 and 2018, respectively.

Note 4. Fair Value Measurements and Investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To value investments, the Parish utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described as follows:

- Level 1. Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2. Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; and fair value is determined through the use of models or other valuation methodologies. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.
- Level 3. Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

Our Lady Queen of Peace Parish and Subsidiary

Notes to Consolidated Financial Statements

Note 4. Fair Value Measurements and Investments (Continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Parish's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risks associated with investing in those instruments.

The Parish assesses the levels of the investments at each measurement day, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer. There were no transfers among Levels 1, 2, and 3 during the year.

The table below presents the balances of investments measured at fair value on a recurring basis within Level 1 of the fair value hierarchy as of June 30:

Investments:	2019	2018
Mutual funds:		
Small-cap	\$ 183,421	\$ 239,271
Mid-cap	769,205	726,476
Large-cap	1,026,222	1,004,308
International	314,968	257,839
Total investments	\$ 2,293,816	\$ 2,227,894

There were no level 2 or 3 investments at June 30, 2019 and 2018.

The Parish's investment portfolio is made up of assets which are traded on the New York Stock Exchange and NASDAQ. For the years ended June 30, 2019 and 2018, valuation techniques for investment securities have been consistent.

Investment income included the following for the years ended June 30, 2019 and 2018:

	2019	2018
Interest and dividends	\$ 156,849	\$ 174,389
Investment fees	(16,600)	(16,581)
Net realized and unrealized gain (loss)	32,277	155,267
	\$ 172,526	\$ 313,075

Our Lady Queen of Peace Parish and Subsidiary

Notes to Consolidated Financial Statements

Note 5. Property and Equipment

A summary of building, property and equipment as of June 30, 2019 and 2018 is as follows:

	2019	2018
Land	\$ 402,370	\$ 402,370
Buildings and improvements	10,717,514	10,531,398
Furniture and equipment	1,232,942	1,139,607
Construction in progress	7,000	-
	<hr/> 12,359,826	<hr/> 12,073,375
Less accumulated depreciation	6,810,335	6,479,004
	<hr/> <hr/> \$ 5,549,491	<hr/> <hr/> \$ 5,594,371

Note 6. Retirement Plans

The Parish has a 403(b) plan for eligible Parish and school staff to contribute up to the required amount within the federal guidelines. There is no Parish or school participation in this plan. The plan is limited to staff who invest at least \$200 annually and work a normal minimum work week of 20 hours.

There is also a profit sharing plan to provide a Parish contribution for eligible employees. There are no employee contributions to this plan. The Finance Council determines the parish and school contribution percentage annually and the contributions for the fiscal year will be made in the first quarter of the following fiscal year. The contribution rate was 2 percent of the salaries of eligible employees for the years ended June 30, 2019 and 2018.

Eligibility requirements for Parish and school staff require 1,000 hours of service to constitute a year of eligibility service and employment for one year and 364 days. A participant will be a qualifying participant, and entitled to share in the employer profit sharing contribution for any plan year, only if the participant has satisfied all of the eligibility requirements. Profit sharing contributions are made at the conclusion of the second year of eligible employment. Staff is fully vested.

Profit sharing contributions accrued during the years then ended June 30, 2019 and 2018 were \$55,499 and \$49,044, respectively.

Note 7. Line of Credit

The Parish has a \$250,000 demand note revolver which bears interest at the 30 day LIBOR plus 3.0 percent (LIBOR was 2.398 and 2.092 percent at June 30, 2019 and 2018, respectively). The agreement shall be effective until all loans are paid in full or until the parties agree in writing to terminate the agreement. There were no borrowings during the years ended June 30, 2019 and 2018, and there was no outstanding balance against the demand note revolver as of June 30, 2019 and 2018.

Our Lady Queen of Peace Parish and Subsidiary

Notes to Consolidated Financial Statements

Note 8. Capital Leases

The Parish leases copiers, school lab computers, and iPads under capital lease agreements. The capitalized cost of the leased equipment was \$107,829 as of June 30, 2019 and 2018. Accumulated depreciation on leased equipment as of June 30, 2019 and 2018 was \$32,349 and \$10,783, respectively. The Parish's future minimum lease payments under capital lease obligations together with the present value of the net minimum lease payments as of June 30, 2019, are as shown below:

Years ending June 30,		
2020	\$	24,891
2021		24,891
2022		24,891
2023		6,223
Total		<u>80,896</u>
Less amount representing interest		<u>7,565</u>
Net present value of lease payments	\$	<u><u>73,331</u></u>

In 2018, the Parish's future minimum lease payments under capital lease obligations were \$105,787 less interest of \$12,490 for net present value of lease payments totaling \$93,297.

Total interest cost incurred during the years ended June 30, 2019 and 2018 was \$5,051 and \$5,547, respectively, and is included in other expenses in the consolidated statements of activities.

Note 9. Endowment Fund

The Parish's School Endowment Fund (the Fund) was established in 1985 to provide an additional source of financial support for the operation of the Parish's school. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Finance Council of the Parish has interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Parish classified as net assets with donor restrictions in perpetuity, (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restriction until those amounts are appropriated for expenditure by the Parish in a manner consistent with the standard of prudence prescribed by UPMIFA.

Our Lady Queen of Peace Parish and Subsidiary

Notes to Consolidated Financial Statements

Note 9. Endowment Fund (Continued)

The Parish's endowment net asset composition by type of fund is as follows as of June 30, 2019 and 2018:

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted	\$ -	\$ 2,370,477	\$ 2,370,477	\$ -	\$ 2,324,600	\$ 2,324,600

The changes in endowment net assets for the Parish were as follows for the years ended June 30, 2019 and 2018:

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 2,324,600	\$ 2,324,600	\$ -	\$ 2,160,978	\$ 2,160,978
Investment return:						
Investment income	-	78,980	78,980	-	94,067	94,067
Net appreciation:						
Realized and unrealized gains	-	20,433	20,433	-	106,934	106,934
Total investment return	-	99,413	99,413	-	201,001	201,001
Contributions	-	36,464	36,464	-	42,621	42,621
Appropriation of endowment assets for expenditures	-	(90,000)	(90,000)	-	(80,000)	(80,000)
Endowment net assets, end of year	\$ -	\$ 2,370,477	\$ 2,370,477	\$ -	\$ 2,324,600	\$ 2,324,600

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Wisconsin UPMIFA requires the Parish to retain as a fund of perpetual duration. There was no deficiency of this nature that is reported in net assets with donor restrictions as of June 30, 2019 and 2018. The deficiency, if any, results from unfavorable market fluctuations that occurs after the investment of new donor-restricted contributions and continued appropriation for certain programs that were deemed prudent by the Finance Council.

Return Objectives and Risk Parameters

The Parish has adopted investment and spending policies for endowment assets that attempt to provide additional future funding for the activity supported by its endowment, the Parish's school operations. Endowment assets include those assets of donor-restricted funds that the Parish must hold in perpetuity. Under this policy, as approved by the pastor and trustees, the endowment assets are invested in a manner that is intended to conserve capital and provide reasonable growth and income, while assuming a moderate level of investment risk. The Parish expects its endowment funds, over time, to provide a modest rate of return.

Our Lady Queen of Peace Parish and Subsidiary

Notes to Consolidated Financial Statements

Note 9. Endowment Fund (Continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term growth and modest return objectives, the Parish relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Parish targets a moderate asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Parish has a policy of appropriating for distribution each year an amount not to exceed accumulated investment returns of the Fund less necessary expenses to maintain and administer the Fund. In establishing this policy, the Parish considered the long-range goals and purpose of its endowment, as well as the modest return expected on its endowment. This is consistent with the Parish's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Note 10. Functional Expenses

The financial statements report certain categories of expenses that are attributable to program and/or support functions of the Parish. The costs of providing the Parish's programs and other activities are summarized below on a functional basis for the years ended June 30, 2019 and 2018:

	2019					
	Program Services			Supporting Services		
	Catholic Multicultural Center	School	Parish Programs	Management and General	Fundraising	Total
Salaries	\$ 720,564	\$ 2,136,858	\$ 513,820	\$ 98,951	\$ 36,720	\$ 3,506,913
Payroll taxes	53,738	159,454	35,328	9,273	2,809	260,602
Employee benefits	17,927	68,255	25,971	24,020	3,145	139,318
Health insurance	39,912	133,480	50,713	28,305	3,173	255,583
Training and development	9,516	23,643	6,541	9,824	-	49,524
Programs	8,924	105,540	150,922	502	-	265,888
Culinary Creations - catering	172,466	-	-	-	-	172,466
Maintenance	160,273	51,876	6,720	75,106	2,638	296,613
Insurance	18,790	20,513	12,308	4,313	4,103	60,027
Utilities	67,311	85,295	46,142	25,404	-	224,152
In-kind building rent	310,500	-	-	-	-	310,500
Administration expenses	45,049	58,807	25,917	59,021	1,064	189,858
Network services and supplies	8,702	79,337	25,727	1,366	1,075	116,207
Catholic Herald subscriptions	-	-	26,823	-	-	26,823
Tuition assistance	-	65,118	-	-	-	65,118
Other	595	5,673	18,947	4,888	-	30,103
Fees	-	-	-	22,957	-	22,957
Instructional	736	119,906	126,943	-	-	247,585
Diocesan annual assessment	-	36,594	36,704	1	36,594	109,893
Fundraising events	-	-	-	-	286,121	286,121
Depreciation	32,673	119,462	119,462	29,866	29,866	331,329
Total expenses	\$ 1,667,676	\$ 3,269,811	\$ 1,228,988	\$ 393,797	\$ 407,308	\$ 6,967,580
For the year ended June 30, 2018	\$ 1,507,043	\$ 3,308,599	\$ 1,314,237	\$ 392,100	\$ 401,030	\$ 6,923,009

Our Lady Queen of Peace Parish and Subsidiary

Notes to Consolidated Financial Statements

Note 10. Functional Expenses (Continued)

Program services consist of the operation of the Catholic Multicultural Center, which provides community outreach services such as basic needs, education and employment resources, and immigration legal services, the Parish's school, which operates for the purpose of providing an enriching Catholic grade school education, and other Parish programs. The Parish's other programs include pastoral care and health ministry and community outreach to support the physical, social, emotional, and spiritual well-being of individuals in need. Management and general expenses include costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Parish. Fundraising expenses support the fundraising efforts of the Parish.

Identifiable direct costs specifically associated with programs are first allocated directly to those programs. Parish expenses that benefit multiple programs or are comprised of both program and supporting services elements require allocation on a reasonable basis. Expenses that are allocated include salaries, payroll taxes, employee benefits, and health insurance, which are allocated based on the estimated time and effort of employees. Insurance, utilities, and depreciation expenses are allocated based on the estimated square footage of building space used. The Diocesan annual assessment is allocated based on the estimated services that the Parish receives from the Diocese for its programs and fundraising activities.

Note 11. Net Assets with Donor Restrictions

Net assets with donor restrictions were restricted for purpose for the following activities as of June 30:

	2019	2018
Subject to expenditure for specified purpose:		
Catholic Multicultural Center fund	\$ 1,504,100	\$ 1,690,337
Maintain Our Vision fund	474,692	414,790
Other	75,644	103,322
	<u>2,054,436</u>	<u>2,208,449</u>
Subject to Parish spending policy and appropriation:		
Investment in perpetuity (including amounts above original gift amount of \$532,869 and \$523,456 in 2019 and 2018, respectively), which, once appropriated, is expendable to support Parish's school	2,370,477	2,324,600
Total net assets with donor restrictions	<u><u>\$ 4,424,913</u></u>	<u><u>\$ 4,533,049</u></u>

Our Lady Queen of Peace Parish and Subsidiary

Notes to Consolidated Financial Statements

Note 11. Net Assets with Donor Restrictions (Continued)

Net assets with donor restrictions were released for the following purposes for the years ended June 30:

	2019	2018
Purpose restrictions accomplished:		
Catholic Multicultural Center operations and support	\$ 1,364,938	\$ 1,210,921
Capital expenditures	54,436	-
Worship expenses	-	86,893
School operations	22,150	17,808
Parish and other	21,305	2,873
	<u>1,462,829</u>	<u>1,318,495</u>
 Release of appropriated endowment amounts with purpose restrictions:		
School operations	90,000	80,000
	<u>\$ 1,552,829</u>	<u>\$ 1,398,495</u>

Supplemental Schedules

Our Lady Queen of Peace Parish and Subsidiary

**Consolidating Statement of Financial Position
June 30, 2019**

	Our Lady Queen of Peace Parish	CMC West, LLC	Eliminations	Consolidated
Assets				
Cash and cash equivalents	\$ 130,976	\$ 1,776	\$ -	\$ 132,752
Cash, restricted	1,271,097	-	-	1,271,097
Cash, board designated	9,201	-	-	9,201
Accounts receivable, less allowance for doubtful receivables	92,348	200	(200)	92,348
Contributions receivable	1,000	-	-	1,000
Prepaid expenses	122,499	-	-	122,499
Certificates of deposit	960,000	-	-	960,000
Certificates of deposit, restricted	860,000	-	-	860,000
Investments, restricted	2,293,816	-	-	2,293,816
Building, property and equipment, net	4,840,892	708,599	-	5,549,491
Investment in subsidiary	710,575	-	(710,575)	-
Total assets	\$ 11,292,404	\$ 710,575	\$ (710,775)	\$ 11,292,204
Liabilities and Net Assets				
Liabilities:				
Accounts payable	\$ 165,314	\$ -	\$ (200)	\$ 165,114
Accrued expenses	210,345	-	-	210,345
Advanced tuition	110,509	-	-	110,509
Unearned revenue	57,328	-	-	57,328
Capital lease obligations	73,331	-	-	73,331
Total liabilities	616,827	-	(200)	616,627
Net assets:				
Without donor restrictions:				
Undesignated	6,241,463	710,575	(710,575)	6,241,463
Board designated	9,201	-	-	9,201
Total without donor restrictions	6,250,664	710,575	(710,575)	6,250,664
With donor restrictions:	4,424,913	-	-	4,424,913
Total net assets	10,675,577	710,575	(710,575)	10,675,577
Total liabilities and net assets	\$ 11,292,404	\$ 710,575	\$ (710,775)	\$ 11,292,204

Our Lady Queen of Peace Parish and Subsidiary

Consolidating Statement of Activities
Year Ended June 30, 2019

	Without Donor Restrictions				With Donor Restrictions				Total
	Our Lady Queen of Peace	CMC West, LLC	Eliminations	Total	Our Lady Queen of Peace	CMC West, LLC	Eliminations	Total	
Revenues:									
Contributions	\$ 2,084,403	\$ -	\$ -	\$ 2,084,403	\$ 816,201	\$ -	\$ -	\$ 816,201	\$ 2,900,604
Contributions - In-kind rent	368,720	-	(58,220)	310,500	-	-	-	-	310,500
School tuition and fees	1,966,881	-	-	1,966,881	-	-	-	-	1,966,881
Legacy and bequests	19,588	-	-	19,588	1,008	-	-	1,008	20,596
Operating	388,246	-	-	388,246	-	-	-	-	388,246
Investment income	26,341	-	-	26,341	146,185	-	-	146,185	172,526
Fundraising events	318,422	-	-	318,422	3,254	-	-	3,254	321,676
Rent income - In-kind	-	58,220	(58,220)	-	-	-	-	-	-
Catering services	-	-	-	-	341,160	-	-	341,160	341,160
Other	66,819	200	(100)	66,919	136,885	-	-	136,885	203,804
Total revenue	5,239,420	58,420	(116,540)	5,181,300	1,444,693	-	-	1,444,693	6,625,993
Expenses:									
Salaries	3,506,913	-	-	3,506,913	-	-	-	-	3,506,913
Payroll taxes	260,602	-	-	260,602	-	-	-	-	260,602
Employee benefits	139,318	-	-	139,318	-	-	-	-	139,318
Health insurance	255,583	-	-	255,583	-	-	-	-	255,583
Training and development	49,524	-	-	49,524	-	-	-	-	49,524
Programs	265,888	-	-	265,888	-	-	-	-	265,888
Culinary Creations - catering	172,466	-	-	172,466	-	-	-	-	172,466
Maintenance	296,613	-	-	296,613	-	-	-	-	296,613
Insurance	60,027	-	-	60,027	-	-	-	-	60,027
Utilities	224,152	-	-	224,152	-	-	-	-	224,152
In-kind building rent	368,720	-	(58,220)	310,500	-	-	-	-	310,500
Contribution - In-kind	-	58,220	(58,220)	-	-	-	-	-	-
Administration expenses	189,858	-	-	189,858	-	-	-	-	189,858
Network services and supplies	116,207	-	-	116,207	-	-	-	-	116,207
Catholic Herald subscriptions	26,823	-	-	26,823	-	-	-	-	26,823
Tuition assistance	65,118	-	-	65,118	-	-	-	-	65,118
Other	30,201	2	(100)	30,103	-	-	-	-	30,103
Fees	22,957	-	-	22,957	-	-	-	-	22,957
Instructional	247,585	-	-	247,585	-	-	-	-	247,585
Diocesan annual assessment	109,893	-	-	109,893	-	-	-	-	109,893
Fundraising events	286,121	-	-	286,121	-	-	-	-	286,121
Total expenses	6,694,569	58,222	(116,540)	6,636,251	-	-	-	-	6,636,251
Excess (deficiency) of revenues over (under) expenses before depreciation	(1,455,149)	198	-	(1,454,951)	1,444,693	-	-	1,444,693	(10,258)
Depreciation	(322,620)	(8,709)	-	(331,329)	-	-	-	-	(331,329)
Equity in net loss of subsidiary	(8,511)	-	8,511	-	-	-	-	-	-
Net assets released from restrictions	1,552,829	-	-	1,552,829	(1,552,829)	-	-	(1,552,829)	-
Change in net assets	(233,451)	(8,511)	8,511	(233,451)	(108,136)	-	-	(108,136)	(341,587)
Net assets, beginning of year	6,484,115	719,086	(719,086)	6,484,115	4,533,049	-	-	4,533,049	11,017,164
Net assets, end of year	\$ 6,250,664	\$ 710,575	\$ (710,575)	\$ 6,250,664	\$ 4,424,913	\$ -	\$ -	\$ 4,424,913	\$ 10,675,577

Our Lady Queen of Peace Parish and Subsidiary

**Schedule of Organization Funds - Revenues and Expenses
Year Ended June 30, 2019**

	Athletic Association	School and Family	Total
Revenues:			
Contributions	\$ 40	\$ -	\$ 40
Activity fees	15,494	9,455	24,949
Fundraising events	5,708	253,195	258,903
Other	-	1,258	1,258
Total revenue	21,242	263,908	285,150
Expenses:			
Activity fees	13,242	4,345	17,587
Fundraising events	505	167,566	168,071
Other	3,639	71,906	75,545
Total expenses	17,386	243,817	261,203
Transfer for support	2,000	(2,000)	-
Excess of revenues over expense and change in net assets	5,856	18,091	23,947
Fund balances, beginning of year	3,431	104,395	107,826
Acquisition of capital assets	-	(21,418)	(21,418)
Fund balances, end of year	\$ 9,287	\$ 101,068	\$ 110,355

Our Lady Queen of Peace Parish and Subsidiary

**Schedule of Catholic Multicultural Center Fund Activity - Revenues, Expenses, and Transfers
Years Ended June 30, 2019 and 2018**

	2019	2018
Revenues:		
Contributions	\$ 653,848	\$ 666,440
Contributions in kind - building rent	368,720	351,970
Legacy and bequests	1,008	10,000
Investment income	42,546	99,828
Fundraising events	3,254	12,099
Catering services income	341,160	251,012
Other	136,885	109,917
Total revenue	<u>1,547,421</u>	<u>1,501,266</u>
Expenses:		
Salaries	735,865	671,436
Payroll taxes	54,908	50,177
Employee benefits	17,927	11,222
Health insurance	39,912	37,029
Training and development	9,516	9,374
Programs	8,924	9,553
Culinary Creations - catering	172,466	144,600
Maintenance	160,273	108,400
Insurance	18,790	21,228
Utilities	67,311	66,813
Building rent - in kind	368,720	351,970
Administration expenses	45,049	43,421
Network services and supplies	8,702	5,933
Other	595	504
Instructional	736	2,029
Total expenses	<u>1,709,694</u>	<u>1,533,689</u>
Deficit of revenues over expenses before depreciation	(162,273)	(32,423)
Depreciation	(23,964)	(22,819)
Gain on sale of property and equipment	-	(4,311)
Change in net assets	<u>(186,237)</u>	<u>(59,553)</u>
Net assets, beginning of year	<u>1,690,337</u>	<u>1,749,890</u>
Net assets, end of year	<u>\$ 1,504,100</u>	<u>\$ 1,690,337</u>