



May 7, 2021

Dear Family Members of the Eparchy of Parma,

I am pleased to present the Annual Financial Report for the Byzantine Catholic Eparchy of Parma on behalf of Bishop Milan Lach and the Eparchial Finance Council. This report summarizes key information from the audited financial statements for the fiscal year ended June 30, 2020, which are available for review online at <https://parma.org/finance>.

The consolidated financial statements are presented on the “modified cash basis” of accounting and include the Eparchy’s general administration and programs and the Byzantine Catholic Eparchy of Parma Foundation, Inc. They do not include the assets, liabilities, net assets or results of operations of the parishes, shrine, Parishes Together Fund, or Pension Fund.

While we certainly experienced challenges during 2020 with the pandemic, we were blessed with the generous support of donors, the USCCB, and foundations to help us navigate the difficult financial pressures. With this support, and cost reduction strategies, we were able to generate a surplus and improve our financial position as summarized below:

- Net assets increased from \$1.1 million to \$1.2 million from the previous year.
- Cash and equivalents at June 30, 2020 totaled \$805 thousand compared to \$725 thousand at June 30, 2019.
- We had a surplus of \$128 thousand for 2020 compared to a deficit of \$33 thousand for 2019.
- Total revenue was consistent for 2020 and 2019 at \$1.5 million, while expenses dropped to \$1.3 million from \$1.6 million.

Although, we expect further financial strain into 2021 as a result of the pandemic, as well as other challenges that continue to present themselves, we are optimistic about the future and believe we are heading in the right direction, as can be seen from the historical financial presented in this report.

Your generous support of our eparchial programs and efforts to serve the needs of the faithful this past year is greatly appreciated. Special thanks are given to the pastors, laity, and eparchial staff for their dedicated service to God and His Church.

Sincerely yours in Christ,

Martin F. Kopmeyer, CPA
Eparchial Chief Financial Officer

View the complete financial report at:
<https://parma.org/finance>

FINANCIAL POSITION (MODIFIED CASH BASIS)

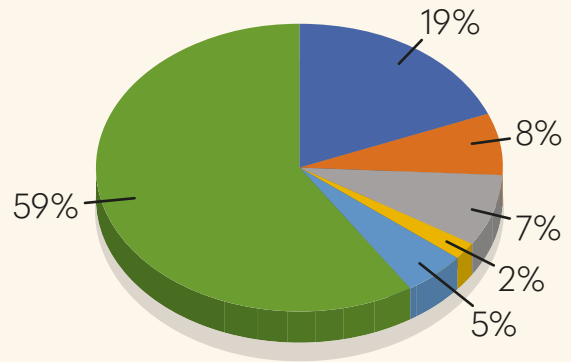
AS OF	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017
ASSETS				
Cash and liquid investments	\$ 805,817	\$ 725,309	\$ 265,030	\$ 643,960
Property, equipment & land, net	564,259	597,530	994,292	997,199
Other	17,292	24,500	17,441	25,577
TOTAL ASSETS	\$1,387,368	\$1,347,339	\$1,276,763	\$1,666,736
LIABILITIES AND NET ASSETS				
LIABILITIES				
Due to Parishes Together Fund	\$ 106,550	\$ 102,892	\$ 99,368	\$ 95,965
Other	53,685	145,501	45,365	782
TOTAL LIABILITIES	160,235	248,393	144,733	96,747
NET ASSETS				
Without donor restrictions:				
Undesignated	1,020,235	1,077,946	891,944	840,901
Designated	128,425	-	240,086	729,088
With donor restrictions	78,473	21,000	-	-
TOTAL NET ASSETS	1,227,133	1,098,946	1,132,030	1,569,989
TOTAL LIABILITIES & NET ASSETS	\$1,387,368	\$1,347,339	\$1,276,763	\$1,666,736

RESULTS OF OPERATIONS (MODIFIED CASH BASIS)

FISCAL YEAR ENDED	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017
REVENUE, SUPPORT & GAINS				
Eparchial assessments	\$388,800	\$395,307	\$373,861	\$414,719
Stewardship cotributions	221,215	211,889	188,628	191,773
Grants and other contributions	686,117	340,023	181,877	93,029
Life insurance proceeds	49,443	101,241	50,175	50,294
Gain on sale of property	-	350,617	-	-
Horizons income	39,308	66,520	64,763	39,897
Other	71,729	57,484	84,216	147,387
TOTAL REVENUE, SUPPORT & GAINS	1,456,612	1,523,081	943,520	937,099
EXPENSES				
Clergy Support	258,938	251,671	264,382	355,680
Horizons & Communications	92,265	138,040	109,207	82,952
Seminary, Diaconate & Vocations	105,752	108,947	96,913	126,366
Evangelization, Religious Ed, Youth & Family Ministry	21,269	86,529	143,347	167,826
Parishes, Missions & Shrine	61,390	58,459	85,238	79,590
Management, General & Development	788,811	912,519	682,392	664,193
TOTAL EXPENSES	1,328,425	1,556,165	1,381,479	1,476,607
NET SURPLUS (DEFICIT)	\$128,187	\$(33,084)	\$(437,959)	\$(539,508)

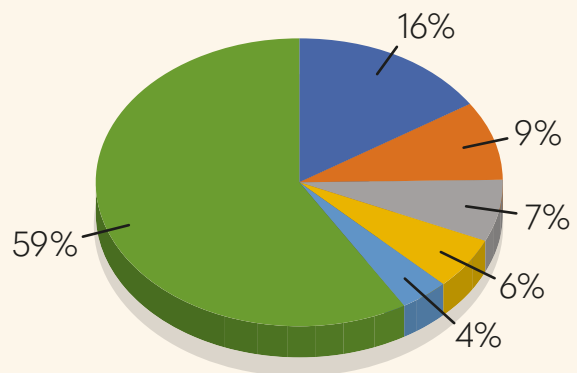
2020 OPERATING EXPENSES

Clergy Support	\$258,938	19%
Horizons & Communications	92,265	7%
Seminary, Diaconate & Vocations	105,752	8%
Evangelization, Religious Ed, Youth & Family Ministry	21,269	2%
Parishes, Missions & Shrine	61,390	5%
Management, General & Development	788,811	59%
	<u>\$1,328,425</u>	



2019 OPERATING EXPENSES

Clergy Support	\$251,671	16%
Horizons & Communications	138,040	9%
Seminary, Diaconate & Vocations	108,947	7%
Evangelization, Religious Ed, Youth & Family Ministry	86,529	6%
Parishes, Missions & Shrine	58,459	4%
Management, General & Development	912,519	59%
	<u>\$1,556,165</u>	



Clergy Support primarily includes health insurance premiums paid for retired priests, contributions to the Pension Fund, and life insurance premiums. It also includes the cost of maintaining the bishop's residence, travel, clergy conferences and retreats, and relocation costs for clergy coming to the United States.

Horizons & Communications includes the direct and related costs of publishing and distributing the Horizons publication as well as related costs.

Seminary, Diaconate & Vocations includes tuition, room & board, living expenses, and other related costs of educating seminarians and men in formation. It also includes costs related to activities related to promoting vocations.

Evangelization Religious Ed, Youth & Family Ministry includes the costs of providing evangelization programs including the streaming of Divine Liturgies, retreats, conferences, camps, and an annual grant to St. Mary's Byzantine Catholic School.

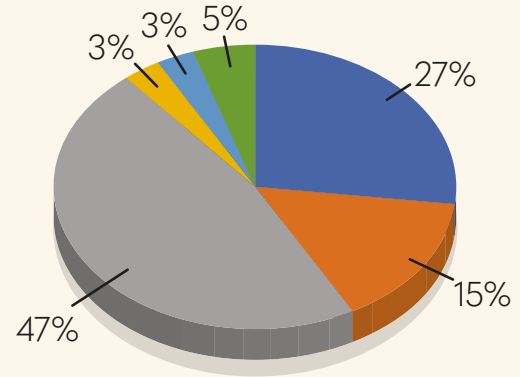
Parishes, Missions & Shrine includes contributions to the Shrine of Mariapoch, parishes, and the wider Catholic Church in support of their programs and initiatives. It also includes the cost of maintaining closed parish properties.

Management, General & Development includes the costs of the overall administration of the Eparchy including:

- Office of the Bishop, which is responsible for oversight and support of all clergy, parishes, administration, interaction with the wider Catholic Church and society.
- Development Office, which is responsible for identifying, soliciting, and obtaining grants; managing the Stewardship Appeal; and growing and cultivating financial support for the Eparchy and its parishes.
- Finance Office, which is responsible for financial administration and reporting for the Eparchy, the Foundation, the Pension Fund, and the Parishes Together Fund; financial oversight and support for parishes on financial and tax matters; coordination of eparchial insurance programs; and all other financial and legal matters.
- Tribunal, which is the official ecclesiastical court of the Catholic Church, and is responsible for assisting the bishop in carrying out his responsibility as shepherd of the local Christian community which has been entrusted to him.
- Safe Environment Office, which is responsible for the administration of the Eparchy's program to ensure the protection of children and young people in accordance with guidelines of the USCCB.

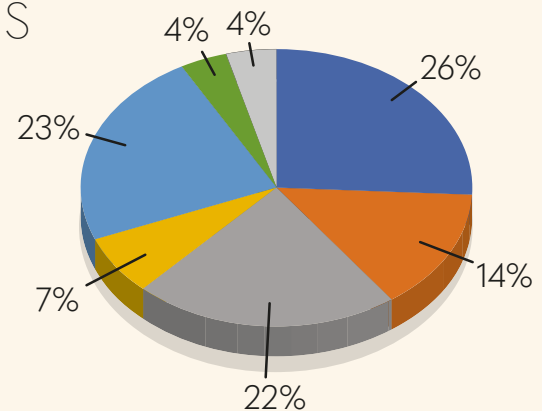
2020 REVENUE, SUPPORT & GAINS

Eparchial Assessments	\$388,800	27%
Stewardship Contributions	221,215	15%
Grants and Other Contributions	686,117	47%
Life Insurance Proceeds	49,443	3%
Horizons Income	39,308	3%
Other	71,729	5%
	<u>\$1,456,612</u>	



2019 REVENUE, SUPPORT & GAINS

Eparchial Assessments	\$395,307	26%
Stewardship Contributions	211,889	14%
Grants and Other Contributions	340,023	22%
Life Insurance Proceeds	101,241	7%
Gain on sale of property	350,617	23%
Horizons Income	66,520	4%
Other	57,484	4%
	<u>\$1,523,081</u>	



Eparchial Assessments are paid by parishes to cover the overall costs administering the Eparchy and its programs. The assessments are calculated as 10% of the parishes' collections, contributions, and net income from activities. Assessments are billed in monthly installments beginning July 1st based on the previous calendar year numbers. The financial statements are presented on a modified-cash basis and recognize assessments as they are collected. Parishes also contribute directly to the health insurance plan, pension plan, and pay property and general liability insurance premiums directly to our broker. These amounts are not included in assessments reported herein.

Stewardship Contributions represents amounts donated by parishioners and other friends of the Eparchy as part of the Annual Stewardship Appeal that occurs during a nine-month period between October and June.

Grants and Other Contributions includes grants from the U.S. Council of Catholic Bishops (USCCB) and other grant-making foundations as well as donations and bequests from individuals and organizations.

Life Insurance Proceeds represents death benefits received by the Eparchy as a beneficiary on life insurance policies owned by the Eparchy for certain of its priests.

Gain on Sale of Property includes the net proceeds less book value from the sale of certain properties owned by the Eparchy. The gain recognized in 2019 was from the sale of properties in Lakewood (former St. Gregory school building) and Cleveland (former Holy Ghost), which the Eparchy had been managing since the parish closures.

Horizons Income represents subscriptions, advertising, proceeds from the sale of publications, DVDs and books. It also includes contributions specifically designated for the support of Horizons.

Other Income includes rental income, interest and dividends, insurance proceeds, and various other amounts.