

ANNUAL FINANCE COUNCIL REPORT TO PARISHIONERS

FOR THE YEAR ENDED JUNE 30, 2019

We are pleased to provide you with the year-end financial report for Our Lady of the Lake Catholic Church. Attached as Exhibits I-VI are an Operating Income Statement, Graphics, and a Balance Sheet. Please refer to these Exhibits as you review the following highlights of the past year and the budget for next year. This data has been approved by the Parish Finance Council and submitted to the Diocese of Charleston on August 15, 2019 in accordance with Diocesan guidelines.

Operating Income Statement (Exhibit I)

Offertory, the Parish's primary source of income, accounted for 85% of total receipts (see Exhibits I and II). Offertory collections have increased overall from the prior year by about 2%. Online giving was down this year by about 2%. We attribute this decrease to the loss of parishioners due to the local nuclear plant shutdown. Father Dennis and Finance Council have addressed this shortage by contracting with a new online giving vendor, Our Sunday Visitor. This company offers a much more user-friendly approach that we expect parishioners to find less cumbersome. Parishioners that already utilize online giving will find this change seamless. Details of this new venture will be forthcoming.

Other revenue includes religious education fees which remained steady, and the refund received of approximately \$11,000 due to another successful Bishop's Stewardship Appeal. Cemetery Sales amounting to \$66,000 were due to the sale of new spaces created during 2018. This is designated revenue and is held in a separate account only used to offset cemetery expenses. Diocesan Collections are earmarked revenues that the Parish does not retain.

Parish operating revenue does not include Capital Campaign pledge receipts. Pledge receipts for the Capital Campaign are accounted for separately, and are used only for mortgage payments on our church building and land. Please refer to the lower portion of the Operating Income Statement (Exhibit I) for an analysis of parish debt service for the year. As originally planned by the Capital Campaign Committee prior to building, the goal has been to aggressively pay down the loan principal so that when the campaign ends the monthly payment will be manageable. We have accomplished this goal with the help of our generous parishioners by paying down over \$700,000 in principal since the inception of the mortgage in 2017 and we continue to pay extra principal monthly and semi-annually. Many parishioners have paid off their pledges early and as the third campaign, Built on Faith, winds down in 2020 you can see that we have anticipated this decrease in pledge receipts (Exhibit I).

Parish expenditures increased by about 2% over last year. This increase was in part due to the hiring of a full time Youth Minister. Other increases include support for our growing parish ministries. Budgeted figures for 2020 include a salary increase for all parish staff (there has been no increase since 2017). Continued expansion of our youth programs accounts for an additional portion of the budgeted increase.

Parish expenditures in their entirety support the mission of our Parish, which is to maintain a Roman Catholic presence in Chapin, SC. Please refer to Exhibit III for an illustration of Parish expenditures, and to Exhibit IV for a side by side comparison of total Parish revenue and operating expenditures for the years ended 6/30/18, 6/30/19 and our projections for 6/30/20.

Exhibit V illustrates monthly offertory versus operating expenditures for the twelve months ended 6/30/19. Note that December and April, which include our Christmas and Easter offertories, show a spike in offertory which helps to offset operating expenses for the summer and post-Christmas months.

Balance Sheet (Exhibit VI)

Attached is a Balance Sheet as of 6/30/19. The Parish's cash position includes collected Capital Campaign pledges. Note the decrease in Liabilities which is primarily attributed to the extra principal payments made monthly and as lump sum payments for both the debt on the new church building and land and also on the loan for the land we hold for future use (refer back to Exhibit I).

SUMMARY

The Parish's financial health remains strong despite the slight decline in offertory growth which we believe is attributable to parishioners relocating after the closing of the nuclear plant. The cash position is strong and we continue to thrive as a growing Catholic community. The Finance Council works in collaboration with the Parish Pastoral Council, Stewardship Council, Capital Campaign Committee, Pastor and Staff to appropriately address current financial needs and plan for future needs. Details of the Operating Income Statement and Balance Sheet are available upon request at the Parish Office, as are hard copies of this package.

EXHIBIT I

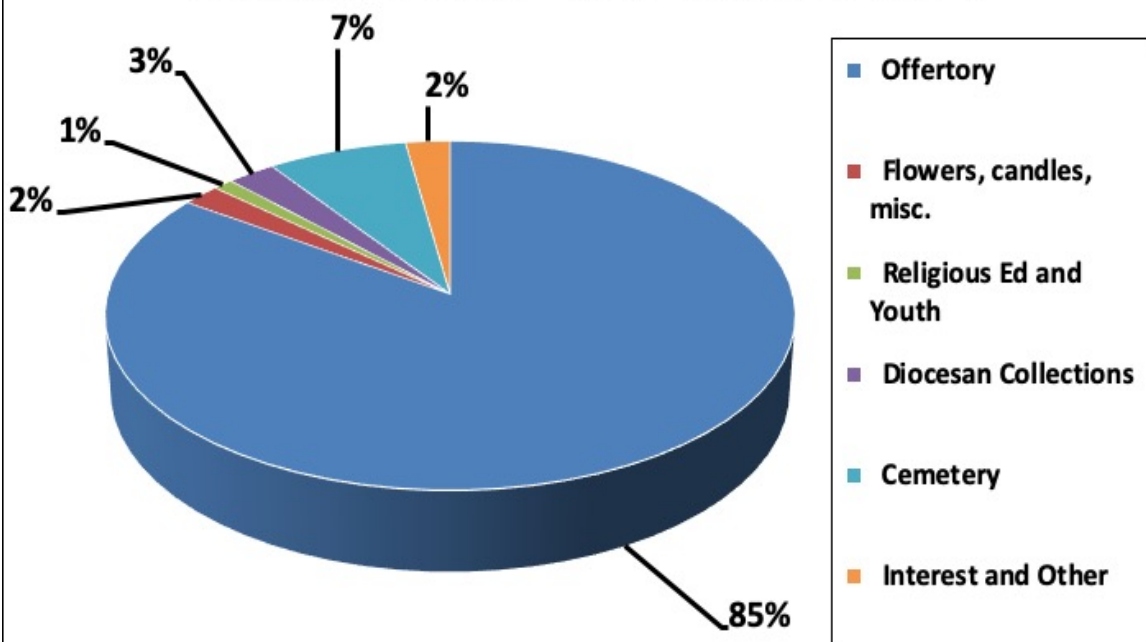
**Our Lady of the Lake Catholic Church
Operating Income and Budget for the Years Ended 6/18, 6/19, 6/20**

	<u>Operating Income Year Ended 6/30/2018</u>	<u>Operating Income Year Ended 6/30/2019</u>	<u>Budgeted Income Year Ended 6/30/2020</u>
Revenue			
Offertory	\$ 748,879	\$ 765,009	\$ 762,700
Flowers, candles, misc.	12,011	13,594	13,700
Other Income	1,756	4,384	4,400
Religious Education and Youth Programs	10,793	9,595	10,279
Total Assessable Parish Revenue	<u>773,439</u>	<u>792,582</u>	<u>791,079</u>
Interest on Diocesan Savings	\$ 5,774	\$ 7,825	\$ 7,800
Cemetery Sales	7,844	66,660	18,000
Diocesan Collections (Second Collections)	36,488	23,116	15,700
Bishop's Stewardship Appeal and Other	18,263	13,362	18,200
Total Non-assessable Parish Revenue	<u>68,369</u>	<u>110,963</u>	<u>59,700</u>
Total Parish Revenue	<u>\$ 841,808</u>	<u>\$ 903,545</u>	<u>\$ 850,779</u>
Operating Expenditures			
Administration	\$ (154,360)	\$ (166,952)	\$ (172,907)
Mission and Liturgical Support	(174,533)	(187,080)	(199,622)
Facilities/Campus Maintenance	(211,631)	(177,291)	(176,168)
Diocesan Assessment	(75,399)	(77,148)	(79,600)
Religious Education and Youth Programs	(94,183)	(118,137)	(130,438)
Total Operating Expenditures	<u>(710,106)</u>	<u>(726,608)</u>	<u>(758,735)</u>
Non-operating Expenditures			
Diocesan Mortgage Loan Interest Paid	\$ (63,485)	\$ (54,873)	\$ (50,548)
Diocesan Collections	(35,644)	(23,961)	(15,700)
Total Non-Operating Expenditures	<u>(99,129)</u>	<u>(78,834)</u>	<u>(66,248)</u>
Total Parish Expenditures	<u>\$ (809,235)</u>	<u>\$ (805,442)</u>	<u>\$ (824,983)</u>
Total Parish Operating Income	<u>\$ 32,573</u>	<u>\$ 98,103</u>	<u>\$ 25,796</u>
Extraordinary Items			
Capital Campaign Pledge Receipts	414,161	279,784	205,000
Capital Campaign Expenditures	(3,691)	-	-
Debt Reduction (Second Collection)	32,259	32,120	31,000
Bequest , Net of legal expenses	2,000	-	-
Total Operating Income Including Extraordinary Items	<u>\$ 477,302</u>	<u>\$ 410,007</u>	<u>\$ 261,796</u>

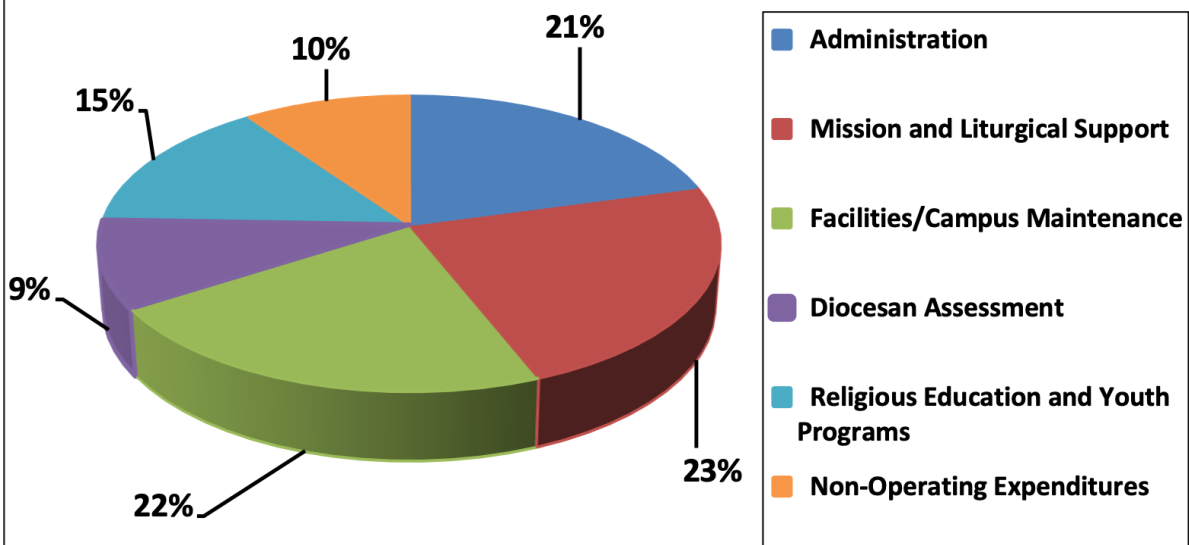
Analysis of Debt Service

Beg. balance on new church building loan and land used in construction	7/1/18	\$ 1,159,389
Paydown of principal through monthly payments	7/1/18-6/30/19	(97,832)
Lump Sum Paydown of Principal	12/31/18	(51,000)
Lump Sum Paydown of Principal	6/30/19	(55,000)
Balance on new church building loan and land used in construction	6/30/19	<u>955,557</u>
Beg. Balance on loan on land for future use	7/1/18	\$ 268,032
Paydown of principal through monthly payments	7/1/18-6/30/19	(26,689)
Balance on loan on land for future use		<u>241,343</u>
Total Debt	6/30/19	<u>\$ 1,196,900</u>

Parish Revenue - Year Ended 6/30/19

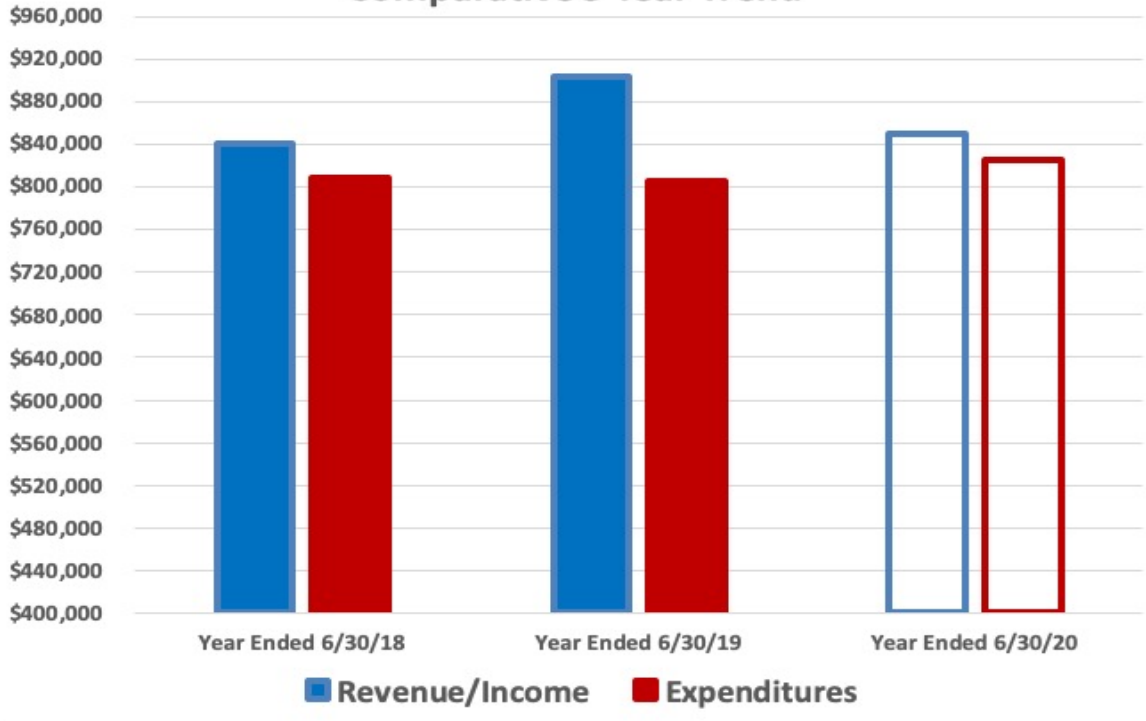


Parish Expenditures - Year Ended 6/30/19



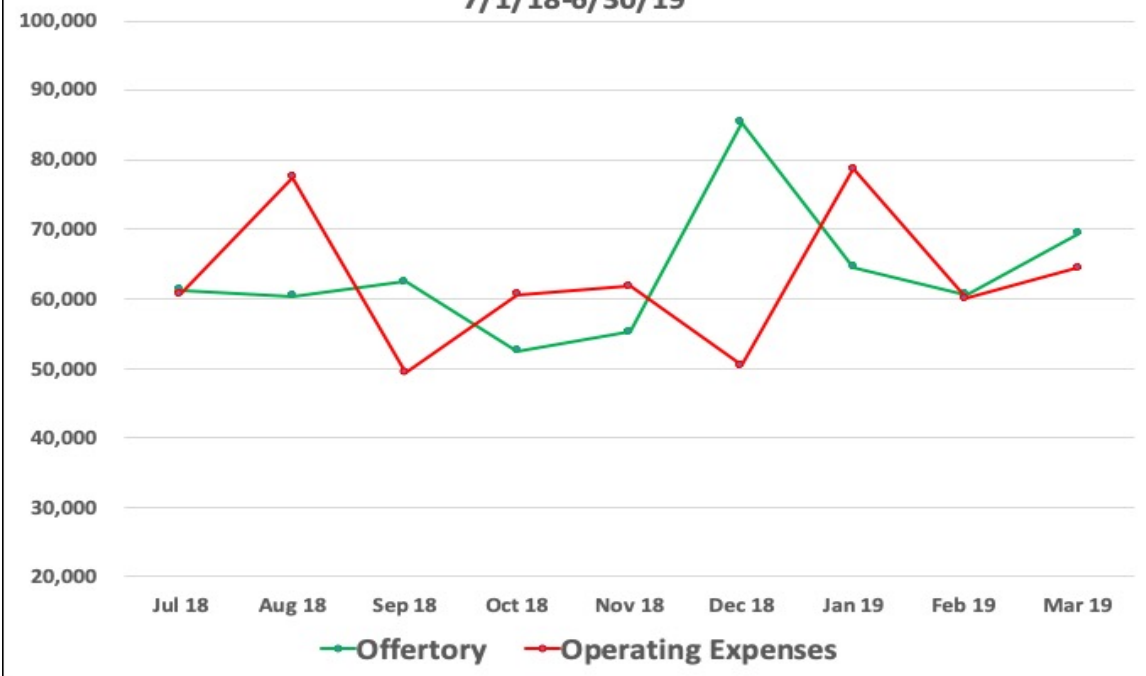
Parish Income and Expenditures Comparative 3 Year Trend

EXHIBIT IV



Offertory vs. Operating Expenses 7/1/18-6/30/19

EXHIBIT V



**Our Lady of the Lake Catholic Church
Balance Sheet at 6/30/19**

	<u>6/30/19</u>	<u>6/30/18</u>
Assets		
Cash and Checking Accounts	\$ 259,899	\$ 189,477
Investments and Saving Accounts	380,327	309,502
Land, Buildings and Equipment	<u>6,937,845</u>	<u>6,882,845</u>
Total Assets	<u>\$ 7,578,071</u>	<u>\$ 7,381,824</u>
Liabilities		
Accounts Payable	\$ 8,457	\$ 5,022
Loans, Building and Land	1,196,900	1,427,422
Other	<u>25,556</u>	<u>12,228</u>
Total Liabilities	\$ 1,230,913	\$ 1,444,672
Equity	<u>\$ 6,347,158</u>	<u>\$ 5,937,152</u>
Total Liabilities and Equity	<u>\$ 7,578,071</u>	<u>\$ 7,381,824</u>