

End of Year Report: Statement of Activities

Actual Results	2018/2019 actual	2019/2020 budget	2019/2020 actual	% of total
Offertory donations	\$ 2,226,232	\$ 2,300,000	\$ 2,172,413	42.1%
Other church income	\$ 205,982	\$ 122,580	\$ 277,639	5.4%
Faith Formation tuition	\$ 59,140	\$ 80,300	\$ 58,597	1.1%
School tuition	\$ 2,162,585	\$ 1,992,570	\$ 2,030,813	39.3%
ETF grant	\$ 97,000	\$ 102,000	\$ 102,000	2.0%
School clubs and other school income	\$ 62,569	\$ 166,650	\$ 163,498	3.2%
Child Care Income	\$ 448,585	\$ 448,600	\$ 358,264	6.9%
Total Income	\$ 5,262,093	\$ 5,212,700	\$ 5,163,224	100.0%
Church administration	\$ 1,095,243	\$ 1,441,410	\$ 1,259,116	26.0%
Plant operation and maintenance	\$ 746,479	\$ 643,400	\$ 615,753	12.7%
Capital expense	\$ 127,524	\$ 57,000	\$ 69,759	1.4%
Faith Formation Expense	\$ 330,750	\$ 373,440	\$ 306,011	6.3%
School administration	\$ 358,751	\$ 617,930	\$ 584,533	12.0%
School Instructional	\$ 1,989,658	\$ 1,710,150	\$ 1,704,861	35.1%
School clubs and other school expense	\$ -	\$ 26,750	\$ 43,563	0.9%
Child Care	\$ 359,239	\$ 316,900	\$ 267,331	5.5%
Total expense	\$ 5,007,643	\$ 5,186,980	\$ 4,850,926	100.0%
Surplus	\$ 254,449	\$ 25,720	\$ 312,298	

It goes without saying that this year has been unusual in all respects. From a financial standpoint, although many things did not go the way they were planned, we are grateful that the end result was similar to the previous year. On the income side, we appreciate how parishioners were able to continue to make donations electronically, by mail, or by dropping envelopes in the office in the absence of public mass. The school was able to teach from a distance and we were able to continue to earn tuition income. On the expense side, you may notice “church administration” and “school administration” were higher than the previous year. All health insurance costs were grouped into these two administrative categories rather than distributing into individual department budgets to show this expense more clearly. In general, expenses at St. Francis are managed pretty tightly by the heads of ministry resulting in a budget surplus that is consistent with the magnitude of the previous fiscal year’s surplus. This year, the surplus was a little higher due to expense reductions during the COVID shutdown period, changing HVAC providers, and a lighter than expected winter.

Current Budget	2020/2021 budget	% of total
Offertory donations	\$ 2,180,000	41.6%
Other church income	\$ 207,500	4.0%
Faith Formation tuition	\$ 85,000	1.7%
School tuition	\$ 2,026,000	38.1%
ETF grant	\$ 100,000	2.1%
School clubs and other school income	\$ 185,000	3.6%
Child Care Income	\$ 410,500	7.8%
Budgeted income	\$ 3,189,000	100.0%
Church administration	\$ 1,358,300	26.2%
Plant operation and maintenance	\$ 700,000	13.6%
Capital expense	\$ 85,000	1.6%
Faith Formation Expense	\$ 282,700	5.3%
School administration	\$ 641,500	12.4%
School Instructional	\$ 1,785,000	34.6%
School clubs and other school expense	\$ -	0.0%
Child Care	\$ 311,000	6.0%
Budgeted expense	\$ 3,183,900	100.0%
Budgeted surplus	\$ 28,900	

The goals of these year’s budget included:

- Improve teacher compensation.
- Improve facility maintenance, capital expense planning, and cleanliness in light of living with the coronavirus.
- Shift expenses from church administration to parish ministry.

Challenges included:

- Managing the rising cost of health insurance.
- Balancing attractive and fair compensation with fiscal responsibility.
- Handling the unknowns with respect to the coronavirus.

End of Year Report: Statement of Financial Position

Balance as of:	7/1/2019	6/30/2020	Annual change
Local checking and savings accounts	\$ 767,123	\$ 159,846	\$ (607,277)
Diocesan savings	\$ 344,760	\$ 1,028,875	\$ 684,115
PPP funds and other assets	\$ -	\$ 704,939	\$ 704,939
School Development Fund	\$ 58,086	\$ 149,364	\$ 91,278
Hopes and Dreams Tuition Assistance Fund	\$ 390,010	\$ 496,082	\$ 106,073
Other endowed scholarships	\$ 92,902	\$ 95,247	\$ 2,344
School clubs	\$ -	\$ 195,807	\$ 195,807
Witness to Hope Fund	\$ 1,678,271	\$ 2,909,480	\$ 1,231,208
Saint Vincent de Paul Fund	\$ 40,185	\$ 49,050	\$ 8,866
Educational Trust Fund	\$ 2,384,176	\$ 2,548,849	\$ 164,673
Total Assets (Local and Diocesan Savings)	\$ 5,755,511	\$ 8,337,537	\$ 2,582,026
Balance as of:	7/1/2019	6/30/2020	Annual change
Accounts Payable and other short term liabilities	\$ 99,646	\$ 221,774	\$ 122,128
PPP Loan	\$ -	\$ 670,300	\$ 670,300
Deferred revenue and other liabilities	\$ 198,408	\$ 94,642	\$ (103,767)
Total Liabilities	\$ 298,054	\$ 986,716	\$ 688,662
Net Assets	\$ 5,457,458	\$ 7,350,822	\$ 1,893,364
Total Liabilities plus Net Assets	\$ 5,755,511	\$ 8,337,537	\$ 2,582,026

Parish assets increased 45% largely due to Witness to Hope pledges that continue to be paid by donors (THANK YOU!) plus more than \$50,000 in earned interest. The Hopes and Dreams appeal continues to be well supported by our parish and its matching donor. The program is going into its eighth year and it is greatly appreciated by the school families that receive the tuition assistance from this fund. Also, in support of the school, the Educational Trust Fund benefit was a huge financial success. The money raised from several fundraisers in the previous year was set aside in the School Development Fund so it can be used for a school facility/program enhancement at some point in the future. Our last parish financial audit required the consolidation of all banking activity for several school clubs: Parent Teacher Group, Fine Arts Department, and the Athletic Booster Club. While these assets are maintained in their own separate diocesan savings accounts, they are now reflected as managed assets on the parish books. Finally, the parish is making better use of its diocesan savings accounts. The 2.0-2.5% interest rate paid by Lansing was certainly attractive and was a welcome benefit when reducing our combined local balances below the FDIC limit of \$250,000.

The only other noteworthy item on the parish's statement of financial position is the presence of Paycheck Protection Program (PPP) funds which we received through the CARES Act. During the shutdown portion of the pandemic, the diocese was encouraging parishes, especially those with large schools, to apply for the loan due to the uncertainty everyone was faced with. The program was pushed through Congress in order to make the resources available to small businesses, non-profit corporations, and religious organizations as quickly as possible. The formula for the loan was fairly standard, only took gross payroll expense into account, and resulted in St. Francis being eligible. Unlike many parishes, our parish had considerable savings and our parishioners continued to support St. Francis by mailing in offertory donations or using ParishSoft Giving to donate electronically. Another differentiator was that our school was able to effectively continue to provide distance learning to our students, earn tuition income, and pay teacher salaries, which was a major part of our payroll expense used in the formula.

Submitted by Robert Kehn, Parish Business Manager