

St. Francis of Assisi 2021-2022 Annual Report

Our 2022 Fiscal Year (July 1, 2021-June 30, 2022) was a year of recovery. The community was recovering from the COVID pandemic and our daily lives were starting to appear somewhat normal again. Attendance at weekend masses was on the rise. Parish programming was returning to face-to-face meetings and gatherings. Summer camps were again offered on campus. Enrollment in our schools was up year-to-year and classes were being held 100% on campus. We are once again a campus that never sleeps.

From a financial view, we also experienced a return to Pre-COVID levels. Offertory recovered to a level that we would have projected if the pandemic never occurred. The restart of on-campus programming generated both additional income and expenses. We are happy to report that each of our budget areas, the Church, TFS, Pre-School, and Columbarium all closed the year in a positive fashion and we were able to increase our reserves.

At the close of the previous Fiscal Year, we were able to retire the Phase V mortgage associated with the construction of the Community Center, Chapel, and Elizabeth Hall expansion. That left us with one remaining mortgage for Siena Hall. In an effort to speed up the retirement of the Siena loan, the Finance Council and Pastor agreed to redirect the funds the Church would have paid on the Phase V loan, along with the Mortgage Sunday collection, towards an extra principal payment on the Siena loan. Last year, we made a collective \$1,037,301 in principal payments on the mortgage, and we are on track to be mortgage free by March of 2023.

From a campus operations perspective, we also made significant investments to maintain and enhance our facilities. Over the course of the fiscal year, we spent over \$411,000 from our Maintenance Reserves on replacement of roofs and decking, renovations at the rectory, painting of the interiors and exteriors of several buildings, adding gutters, and replacement of several water heaters and HVAC units. This work was all identified as part of the Giles+Flythe Capital Asset and Reserve study which concluded the next 20 years would require over \$18M to maintain the campus.

The following pages will present a summary of Parish finances. The most frequently asked question concerns the Offertory collections and how those funds are used. The first page shows how the Offertory funds are applied in support of the Parish. While some of the offered programs have fees associated with them, those fees typically cover just the cost of program support materials. Offertory continues to serve as the primary funding source of our Parish ministries. The next page is a high-level summary of the Parish financial posture for the 2021-2022 fiscal year. The remaining pages show the year end summaries for each of the four budget areas (Church, TFS, Pre-School, and Columbarium).

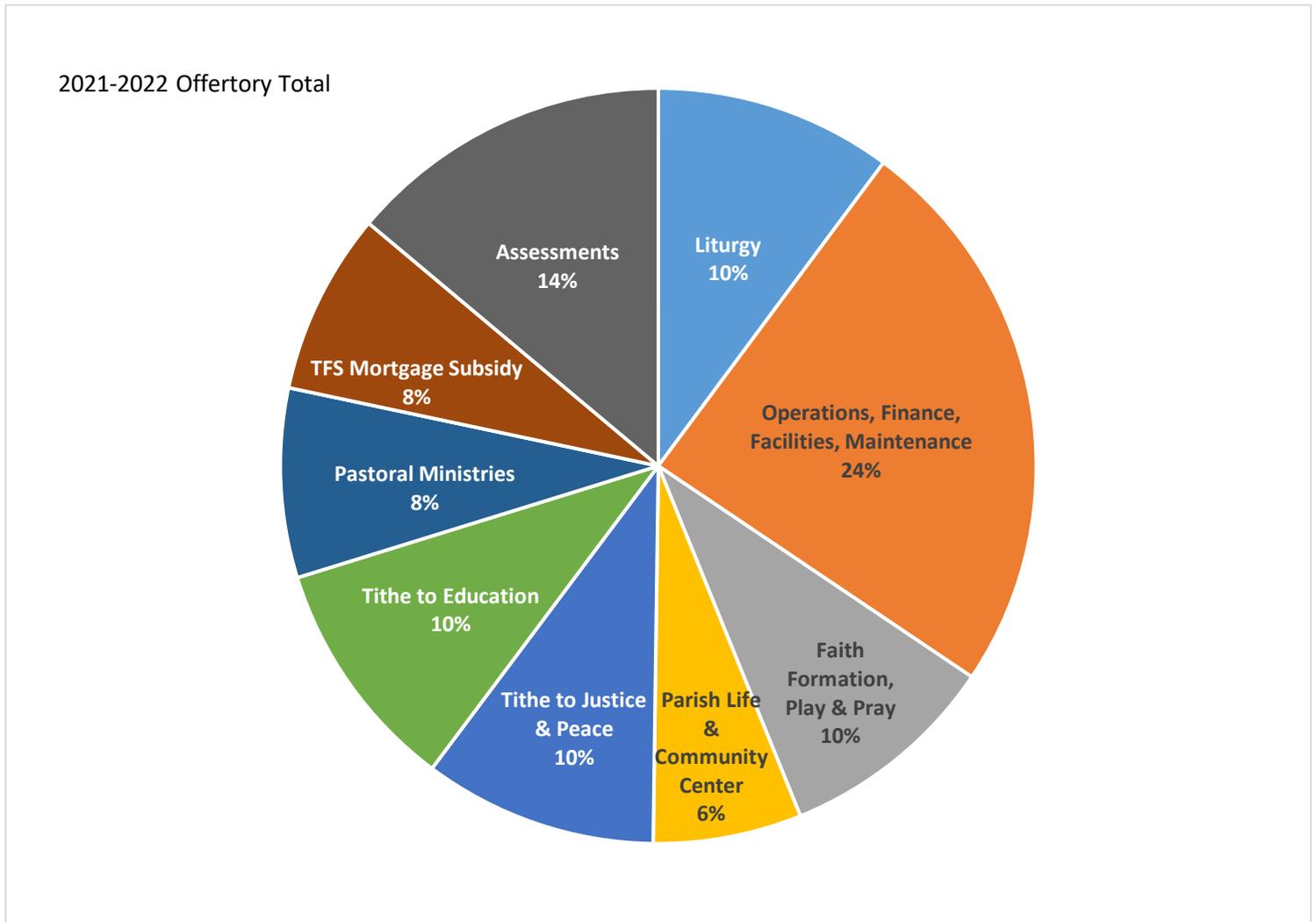
On behalf of the Finance Council and Msgr. Clay, I am happy to report that the Parish is financially sound and strong. We could not have done this without the financial support of many parishioners. Thank you for your continued support and generosity.



Rob Neppel
Director of Finance and Planning

Offertory

During the 2021-2022 fiscal year, the Parish received \$3,802,288 in Offertory contributions. The following diagram shows how those funds were applied in support of the Parish:



The Parish has a long-standing commitment of two 10% Offertory tithes going equally towards Justice & Peace and the schools (TFS and Pre-School) to provide tuition assistance to families with financial need.

The Assessments are set by the Diocese and are based upon the prior year's total Offertory. They include Cathedralicum (8.3%), Priest Welfare & Retirement (5.8%), and support of Catholic High Schools (1%).

Looking forward, when the Siena mortgage is retired, funding currently going to extra principal payments will be redirected to help build our Maintenance Reserves, as called for by the Giles+Flythe study.

Collective Parish Budget Summary

	Church	TFS	Pre-School	Columbarium	Total Parish
Operating Revenue/Expense					
Income	\$4,808,721	\$6,766,060	\$1,052,783	\$155,296	\$12,782,860
Expense	\$4,698,363	\$5,449,056	\$788,128	\$92,790	\$11,028,338
Net Operating Totals	\$110,358	\$1,317,003	\$264,656	\$62,506	\$1,754,522
Checking					
Beginning Balance	\$181,780	\$117,858	\$98,323	\$40,546	\$438,507
End Balance	\$279,210	\$473,820	\$225,588	\$403,419	\$1,382,036
Savings					
Beginning Balance	\$887,767	\$742,250	\$353,631	\$249,188	\$2,232,836
End Balance	\$1,087,867	\$787,766	\$557,470	\$539,496	\$2,972,599
Endowment - The Foundation					
Beginning Balance	\$1,780,890	\$2,549,612	\$125,474	\$1,070,626	\$5,526,602
End Balance	\$1,542,886	\$2,233,642	\$156,336	\$296,116	\$4,228,980
Debt - Mortgage					
Beginning Balance		\$1,513,898			
End Balance		\$476,596			
Debt - Internal Loan (30 yr-2044 end date)					
Beginning Balance		\$767,396			
End Balance		\$734,024			

Note: The internal loan was established in 2014 when it was determined that TFS had actually been running in the red. Over time, \$1M had been borrowed from two, at the time, savings accounts to balance the books. The Finance Council and Pastor, then Fr. Mark Reamer, decided those funds would have to be repaid as a 30 year no interest loan. The loan has since been consolidated to one account. TFS is making annual payments to the TFS Tuition Assistance Endowment, formerly a savings account, and we just completed year 8 of the payback schedule.

As a result of the findings above, a number of checks and balances processes were implemented:

- 1) All our large designated savings accounts have been converted to Endowment accounts with strict governance on their access and use.
- 2) All withdrawals from savings accounts require the approval & signatures of the budget owner, Director of Finance & Planning, Chair of the Finance Council, and Pastor, as an added control and to ensure transparency.

Church Operating Budget

Church	Budget	YTD Budget	YTD Actuals	Budget Delta
Revenue	Offertory	\$3,799,072.86	\$3,802,288.25	\$3,215.39
	Other Ordinary	\$175,300.00	\$65,045.13	(\$110,254.87)
	Non-Ordinary	\$47,500.00	\$67,606.38	\$20,106.38
	Restricted Donations	\$138,575.00	\$120,622.92	(\$17,952.08)
	Word	\$535,673.00	\$423,738.85	(\$111,934.15)
	Service	\$4,374.00	\$16,361.03	\$11,987.03
	Operations	\$295,336.32	\$313,058.73	\$17,722.41
	Fundraising	\$2,500.00	\$0.00	(\$2,500.00)
	Total Revenue	\$4,998,331.18	\$4,808,721.29	(\$189,609.89)
Expense	Word	\$500,323.00	\$274,368.83	\$225,954.17
	Worship	\$51,800.00	\$53,887.36	(\$2,087.36)
	Service	\$237,260.43	\$281,136.30	(\$43,875.87)
	Personnel	\$2,067,205.27	\$1,828,654.29	\$238,550.98
	Operations	\$143,250.00	\$157,622.88	(\$14,372.88)
	Plant	\$739,805.52	\$734,266.15	\$5,539.37
	Assessments & Subsidie	\$896,378.23	\$899,372.53	(\$2,994.30)
	Committee & Commissi	\$1,000.00	\$0.00	\$1,000.00
	Loan Repayment	\$357,518.92	\$469,054.96	(\$111,536.04)
	Total Expense	\$4,994,541.37	\$4,698,363.30	\$296,178.07
	Net Total	\$3,789.81	\$110,357.99	\$106,568.18

The Franciscan School Operating Budget

TFS	Budget	YTD Budget	YTD Actuals	Budget Delta
Revenue	Education	\$5,792,880.00	\$5,934,189.74	\$141,309.74
	General	\$409,419.00	\$512,658.07	\$103,239.07
	Auxiliary	\$351,906.00	\$319,211.70	(\$32,694.30)
	Total Revenue	\$6,554,205.00	\$6,766,059.51	\$211,854.51
Expense	Education - Wages & Ben	\$4,337,786.00	\$4,094,524.56	\$243,261.44
	Education - Other	\$118,899.00	\$110,569.48	\$8,329.52
	General - Office	\$374,944.00	\$352,347.93	\$22,596.07
	General - Special Projec	\$31,857.00	\$34,108.48	(\$2,251.48)
	General - Plant	\$763,663.00	\$724,706.22	\$38,956.78
	Auxiliary Services	\$132,152.00	\$132,799.51	(\$647.51)
	Total Expense	\$5,759,301.00	\$5,449,056.18	\$310,244.82
	Net Total	\$794,904.00	\$1,317,003.33	\$522,099.33

Notes:

- 1) While TFS finished the year with what appears to be a Net Total of over \$1.3M, \$794,904 was to cover planned balance sheet transactions such as Mortgage Principal payments and contributions to the Maintenance Reserve. The actual Net Operational Total was a healthy \$522,099.
- 2) The remaining Net Total is used to cover July expenses, prior to the new school year and its supporting tuition revenue.

Pre-School Operating Budget

Pre-School	Budget	YTD Budget	YTD Actuals	Budget Delta
Revenue	Education	\$863,304.00	\$1,011,999.48	\$148,695.48
	General	\$34,000.00	\$40,783.80	\$6,783.80
	Total Revenue	\$897,304.00	\$1,052,783.28	\$155,479.28
Expense	Education - Wages & Ben	\$653,531.00	\$607,630.36	\$45,900.64
	Education - Other	\$9,700.00	\$7,999.18	\$1,700.82
	General - Office	\$65,317.00	\$54,606.42	\$10,710.58
	General - Special Projec	\$4,400.00	\$8,186.84	(\$3,786.84)
	General - Plant	\$70,627.00	\$83,217.78	(\$12,590.78)
	General - Endowment Co	\$0.00	\$25,000.00	(\$25,000.00)
	Auxiliary Services	\$21,950.00	\$1,487.11	\$20,462.89
	Total Expense	\$825,525.00	\$788,127.69	\$37,397.31
	Net Total	\$71,779.00	\$264,655.59	\$192,876.59

Notes:

- 1) While Pre-School finished the year with what appears to be a Net Total of over \$264,656, \$71,779 was to cover planned balance sheet transactions such as contributions to the Maintenance Reserve and General Saving accounts. The actual Net Operational Total was a healthy \$192,877.
- 2) The remaining Net Total is used to cover July expenses, prior to the new school year and its supporting tuition revenue.

Columbarium Operating Budget

Columbarium	Budget	YTD Budget	YTD Actuals	Budget Delta
Revenue	Income	\$84,000.00	\$155,100.00	\$71,100.00
	Interest	\$0.00	\$195.87	\$195.87
	Total Revenue	\$84,000.00	\$155,295.87	\$71,295.87
Expense	Operating Expenses	\$61,587.40	\$92,790.36	(\$31,202.96)
	Total Expense	\$61,587.40	\$92,790.36	(\$31,202.96)
	Net Total	\$22,412.60	\$62,505.51	\$40,092.91

While the above represents a high-level summary of the Columbarium operational finances, there was a significant amount of funds movement on the balance sheet in preparation for the Expansion Project.

As Msgr. Clay has shared on several occasions, the Expansion Project is being totally funded by Columbarium operation over the years. An Endowment was initially established to ensure funding for the following:

1. Perpetual Care of the Columbarium, including maintenance, administration, and ordinary landscaping
2. Future construction of Columbarium Expansions
3. Ministries related to death and bereavement

In October 2021, we withdrew \$786,878 from the endowment in preparation for construction to start, leaving \$270,000 in the endowment for perpetual care. In addition, the Columbarium had \$251,000 in savings and \$59,000 in its checking account. The above collectively represents \$1,096,878 in available funds for the planned expansion.

The project, approved by the Finance Council, Pastor, and Diocese, was estimated to cost \$1,293,376. The additional funding required will be initially covered by other reserves but will eventually be paid back by future Columbarium niche sales income.

Also to be noted, we are required by the Diocese to deposit 15% of our niche sales income to the Endowment. St. Francis has a history of depositing far more than that on an annual basis.