

## **St Carthage's Finance Report for the 2023 Year Annual General Meeting**

**Delivered by Michel Pirotta -Chair, on behalf of the Finance Council**

(Members Michael Pirotta – Chair, David Menzies (resigned as at December 2023), Michael Lewis, Fr Joe Caddy and Parish Council Representative, Constant Mews)

### **Introduction**

Good morning, my name is Michael Pirotta. I Chair the Finance Council for St Carthage's and present the 2023 report on behalf of all members: David Menzies (now resigned) and Michael Lewis, with Constant Mews as the Parish Council representative. It's encouraging to see parishioners here today showing interest in the running of the parish. From the Finance Council's perspective, thank you for your ongoing support and in particular the support shown to date for our 2023 giving's renewals program that runs until 30 June 2024.

### **Summary**

The Audit conducted by A3X Partners is unqualified and confirms the accounts in all material aspects represent fairly the financial position of the parish. *Refer Attachment A for details.*

In summary the annual operating surplus for the year was \$10,333 including the Church Development Fund (CDF) of \$7,260 and Maintenance Sinking Fund (MSF) of \$6,630. Without the two funds a deficit of (\$3,557) was recorded. This compares to a budget deficit of (\$2,879), an increase of (\$678). Income was \$101,564 (excluding the MSF and CDF funds that were not anticipated at budget setting time), compared to a budget of \$122,210, a reduction of (\$20,646). This reduction was largely offset by a reduction in expenses from a budget of \$125,089 to actuals of \$105,121, a saving in expenses of \$19,968. *Refer Attachment B for details.*

From a supporter giving perspective, the 2022 average supporter numbers were 125, for 2023 this reduced by 35 to 90 or approximately 28%. From a per person per week perspective in 2022 it was \$17.96 and 2023 \$22.90<sup>1</sup>.

For the 2024 year these declines are not forecast to continue, a result of our 2023 Givings Renewal Program (refer below for more details).

### **Detail**

#### **Revenues:**

92% of St Carthage's income is from the giving's program. We have no other immediate source of income and any additional funds raised through other events are donated to charity. We saw the gradual take up of the tap and go machine donation process option by parishioners and visitors. The budget didn't allow for this additional revenue, but on average

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<sup>1</sup> The average is easily distorted by lump sum single donations.

\$65 per week or a total of \$3,400 was donated. This is allocated 100% to the Church Account.<sup>2</sup>

Average attendance at the parish over the last 3 years is approximately 153, 145 and 142 respectively from 2021 to 2023. St Carthage’s has experienced a small reduction in parishioners relative to other parishes. We have also seen a decrease in the ratio of supports to average church attendance from circa 82% to 63%. The decline in the ratio of supports suggests we need to do more to reach out to our new parishioners. Our recent St Carthage’s bookmark is an example of how we can reach out to the parish.

### 2023 Givings Renewal Program

We highlighted at the 2022 AGM the need to revive and expand the giving’s program. At that stage our forecasts predicted a likely deficit in 2023. While an actual deficit of (\$3,557) was recorded, the success of the program should see on going contributions of \$13,000<sup>3</sup>. The program introduced the Church Development Fund (CDF) and the Maintenance Sinking Fund (MSF) to provide supports alternative ways to support the parish. We are very pleased with results to date and hope new and existing parishioners continue to support the program. At the time of this report progress was as follows:

Table 1. 2023 Givings Renewal Progress as at end of February 2024<sup>4</sup>

Regular contributions expressed as annual amounts & includes \$5,750 of one off donations :					
Fortnight Update	Year to Date	Weeks to Go	Target	Shortfall	% of Target
\$ 3,000	\$ 19,130	18	\$ 20,000	\$ 870	95.7%
Maintenance Sinking Fund					
Fortnight Update	Year to Date	Weeks to Go	Target	Shortfall	% of Target
\$ -	\$ 6,630	18	\$ 20,000	\$ 13,370	33.2%
Church Development Fund					
Fortnight Update	Year to Date	Weeks to Go	Target	Shortfall	% of Target
\$ 140	\$ 7,260	18	\$ 10,000	\$ 2,740	72.6%
Presbtery contributions expressed as annual amounts & includes \$1,700 of one off donations					
Fortnight Update	Year to Date	Weeks to Go	Target	Shortfall	% of Target
\$ -	\$ 2,420	18	na	na	na

The CDF will help with initiatives such as improved audio-visual facilities in the church and the MSF for material maintenance as required. We expect to recommend how we use the CDF when the giving’s renewal program ends in June. We are conducting a maintenance audit that will inform the MSF application.

<sup>2</sup> Refer to the Appendix A for the different funds St Carthage’s has for donations. In 2023 100% was allocated to the Church Account by agreement with Fr Joe Caddy. The usual allocation to the Church Account is 75%.

<sup>3</sup> This excludes one off donations, is on an annualized basis and is subject to those commitments and other existing commitments remaining during the year.

<sup>4</sup> The Presbytery Account does not form part of the Finance Council direct responsibilities.

The 2024 budget expects income of \$106,510, with \$97,740 from weekly giving's or 92%. The 2023 Givings Renewal Program will run to 30 June 2024. Ongoing support is very important to St Carthage's achieving its financial goals.

## **Expenses**

### **Administration:**

Actual expenses were \$58,236 compared to a budget of \$67,776, a reduction of \$9,540 or 14.0%. Savings were recorded in telecommunication, Archdiocesan Fees, Postage and Special Collection Contra Fees, an allowance for offsets to the Presbytery Account.

### **Pastoral Expenses:**

Actual expenses were \$8,351 compared to budget of \$9,000, recorded a saving of \$649.

### **Property Costs:**

Actual expenses of \$38,533 compared to budget of \$48,313, recorded a saving of \$9,780. Savings were incurred in Cleaning and Gardening, Gas & Electricity and Water, with expected increase in the costs not materialised. Insurance also reduced. Insurance is no longer available through Catholic Church Insurance (CCI). The new provider is AON and the premiums for the 2024 year have increased by approximately 10.0%. These savings were offset by increases in Repairs and Maintenance including gutter and fence repairs and the new sound system. Repairs and Maintenance, shows the potential vulnerability of the parish if a material repair event occurs and led to the establishment of the MSF as part of the renewal program.

The Finance Council will continue to review expenses for savings were available.

### **Cash Position:**

The closing 2023 forecast bank balance was \$21,894, with an actual balance, excluding the CDF & MSF, of \$26,231. With this closing balance adjusted for accrual items i.e., items incurred in 2023 i.e. items included in the Profit and Loss, but not paid for, the balance reduces to \$13,482. The cash balance for the MSF and CDF is \$13,750. This amount is held in a separate bank account currently receiving at 5.35% and maturing on 17th of April 2024. The FC will make recommendations to the Parish Council (PC) for future investment and allocation of the funds.

### **2023 Summary:**

While the parish achieved a better outcome than expected outcome pre the giving's renewal program, our closing adjusted cash balance of \$13,482 is still a risk for the Parish. The risk is somewhat mitigated by the MSF which currently has \$6,630 and the CDF a balance of \$7,120.

Both the Parish Council and Finance Council have reviewed additional funding options, all of which are not easy or straight forward to initiate and unlikely to materially change the

parishes operating cash. Church attendance and continued generous support is the foundation for the parish's financial viability.

### **2024 Budget**

The Revenue for 2024 is set at \$106,510. Budgets are set in November and prior to the full 2023 Accounts completion. Actual Revenue for 2023 was \$115,454.

Expenses are forecast at \$102,639, a slight reduction from the 2023's actuals, leaving a surplus of \$3,871.

The closing cash balance forecast after allowance for accruals and provisions is \$16,402 at the end of the 2024 year, compared to \$13,482 in 2023. This of course is subject to forecast revenues and expenses and is still below a level of comfort the FC would prefer, but acknowledges the MSF and CDF are now in place.

### **Conclusions:**

The support the parish receives from its loyal base is acknowledged and greatly appreciated. Church attendance and generous donations from our loyal supports is key to maintaining our financial viability. Incremental expense savings are unlikely, and the parish is susceptible to material maintenance and /or other cost events.

**Thank you.**

**Michael Pirotta – Chair Parish Finance Council**

**Attachment A – Audit Report**

**ST CARTHAGES CATHOLIC CHURCH**

**AUDITED FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

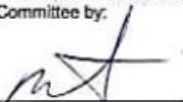
**ST CARTHAGES CATHOLIC CHURCH  
STATEMENT BY MEMBERS OF THE COMMITTEE**

The Committee has determined that the Church is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee the financial report

1. Presents fairly the receipts and payments position of St Carthages Catholic Church as at 31 December 2023 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that St Carthages Catholic Church will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for on behalf of the Committee by:

  
\_\_\_\_\_  
Michael Pirotta  
Chairman

Dated this 15 day of March 2024

**ST CARTHAGES CATHOLIC CHURCH  
RECEIPTS & PAYMENTS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023**

<b>Receipts</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Donations	11,921	2,424
Interest Income – Bank	523	90
Other Income	3,095	-
Other Income – Refunds	-	(1,136)
Thanksgiving Income	99,916	113,065
<b>Total Receipts</b>	<b>115,454</b>	<b>114,443</b>
<b>Payments</b>		
Accounting Charges	3,695	3,000
Archdiocesan Levies	15,008	18,655
Audit Fees	2,100	1,600
Bank Charges	950	893
Books, Publications & Resources	116	230
Church Requisites	7,379	5,227
Cleaning & Gardening	3,483	2,190
Computer Expenses	(18)	2,663
Donations	140	385
Electricity, Gas, Water	9,796	6,334
General Expenses	873	229
Hospitality (Entertainment)	857	(2,426)
Insurance	11,453	12,290
Liturgical Expenses	-	227
Municipal Charges	1,413	1,349
Office Furniture & Equipment (Minor)	363	194
Photocopy, Facsimile & Stationery	696	854
Postage	-	167
Printing	363	-
Repairs & Maintenance	11,631	8,163
Security	-	865
Social Welfare Expenses	-	156
Subscription	-	397
Staff Amenities	-	336
Staff Annual Leave Provision	(552)	4,081
Staff Long Service Leave Provision	636	904
Staff Superannuation	3,574	2,832
Staff Workcover Insurance Premiums	338	255
Staff Charges	161	537

Staff Salaries	30,614	29,646
Telecommunications Costs	(705)	-
Water	757	1,675
<b>Total Payments</b>	<b><u>105,121</u></b>	<b><u>103,909</u></b>
<b>Net Surplus</b>	<b><u>10,333</u></b>	<b><u>10,534</u></b>



**Ax3 Partners Pty Ltd**  
ABN: 63 626 270 184  
E: [info@Ax3.com.au](mailto:info@Ax3.com.au)  
P: (03) 9995 7261 F: (03) 9017 8918  
Suite 201, 2 Queen St, Melbourne 3000



## **ST CARTHAGES CATHOLIC CHURCH**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

The financial statements for St Carthages Catholic Church have been prepared to meet the needs of the members of the Church.

Comparatives are consistent with prior years, unless otherwise stated.

#### **Note 1: Basis of Preparation**

The Church is non-reporting since there are unlikely to be any users who would rely on the general-purpose financial statements.

This financial report is a special purpose report prepared for use by the members of the Church. The Committee has determined that the Church is not a reporting entity and therefore there are no requirements to apply Australian Accounting Standards or other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report is prepared, on a cash basis whereby items are brought into account as money is paid or received, from the records of the Church.

The amounts in the receipts and payments statements have been rounded to the nearest dollar.

**Ax3 Partners Pty Ltd**

ABN: 63 626 270 184

E: [info@Ax3.com.au](mailto:info@Ax3.com.au)

P: (03) 9995 7261 F: (03) 9017 8918

Suite 201, 2 Queen St, Melbourne 3000



**ST CARTHAGES CATHOLIC CHURCH**

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
ST CARTHAGES CATHOLIC CHURCH**

**Report on the Financial Report**

We have audited the accompanying financial report being a special purpose financial report, of St Carthages Catholic Church, which comprises receipts and payments statement for the year ended 31 December 2023, notes comprising a summary of significant accounting policies and other explanatory information. The financial report has been prepared to meet the needs of the members of the Church.

*Opinion*

In our opinion, the financial report presents fairly, in all material respects, the financial position of St Carthages Catholic Church as at 31 December 2023, and its financial performance for the year then ended in accordance with Note 1 of the financial statement.

*Basis of Accounting*

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist St Carthages Catholic Church to meet the needs of the members of the Church. As a result, the financial report may not be suitable for another purpose.

*Independence*

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

*Committee's Responsibility for the Financial Report*

The members of the Committee of St Carthages Catholic Church are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1, is appropriate to meet the needs of the members. The Committee's responsibility also includes such internal control as the Committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

**Ax3 Partners Pty Ltd**

ABN: 63 626 270 184

E: info@Ax3.com.au

P: (03) 9995 7261 F: (03) 9017 8918

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**ST CARTHAGES CATHOLIC CHURCH**

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
ST CARTHAGES CATHOLIC CHURCH**

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Church's preparation of the financial report that gives a true and fair view, 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 Church's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report.

*Ax3 Partners*  
Ax3 Partners  
SUIT 201, 2 Queen St  
MELBOURNE 3000

  
DANIEL TAI, FCA  
DIRECTOR

Date ..... 18 / ..... March ..... / 2024

## Attachment B – Detailed Profit & Loss

### St Carthages Catholic Church Profit & Loss Statement

December 2023 Finance Report

	January 2023 to December 2023			2024 Budget
	Actual	Budget	Variance to budget	
<b>Income</b>				
Church Development Fund	\$7,260		\$7,260	\$1,220
Maintenance Sinking fund	\$6,630		\$6,630	\$1,040
Thanksgiving	\$93,286	\$120,000	(\$26,714)	\$97,740
Refunds	\$0	\$0	\$0	
<b>Net Thanksgiving</b>	<b>\$107,176</b>	<b>\$120,000</b>	<b>(\$12,824)</b>	<b>\$100,000</b>
Loose Collection	\$0	\$0	\$0	
Books and Papers	\$0	\$0	\$0	
Special Collections & Others	\$0	\$1,000	(\$1,000)	\$750
Interest Received - Other	\$523	\$10	\$513	\$400
Parish Dinner	\$0	\$0	\$0	\$0
Wedding / Baptism deposit	\$0	\$0	\$0	\$0
Refunds		\$0		
Other income	\$7,755	\$1,200	\$6,555	\$5,360
<b>Total Income</b>	<b>\$115,454</b>	<b>\$122,210</b>	<b>(\$6,756)</b>	<b>\$106,510</b>
<b>Administration Expenses</b>	<b>\$58,236</b>	<b>\$67,776</b>	<b>(\$9,540)</b>	<b>\$55,771</b>
Accountancy	\$3,695	\$4,850	(\$1,155)	\$3,980
General Expenses	\$875	\$250	\$625	\$250
Printing & Stationery	\$1,059	\$1,000	\$59	\$1,000
Repairs & Maint of Equipment		\$0	\$0	
Office equipment - small assets	\$363	\$0	\$363	
Annual leave	(\$552)	\$0	(\$552)	
Long service leave	\$636	\$0	\$636	
Secretarial Salaries	\$30,614	\$30,662	(\$48)	\$33,006
Salary Service Charges	\$161	\$276	(\$115)	\$276
Superannuation Guarantee Levy	\$3,573	\$3,373	\$200	\$3,631
Workcare premium	\$338	\$300	\$38	\$750
Subscriptions	\$0	\$0	\$0	
Telephone	(\$705)	\$0	(\$705)	
Internet /Website hosting Expense	(\$18)	\$3,500	(\$3,518)	\$180
Postage		\$500	(\$500)	\$150
Bank Charges	\$950	\$910	\$40	\$910
Interest on Loans / Overdraft		\$0	\$0	
Archdiocesan Levies/QUOTA	\$15,008	\$18,655	(\$3,647)	\$8,389
Donations	\$140	\$0	\$140	\$0
Audit fees	\$2,100	\$2,500	(\$400)	\$2,500
Special Collections Contra (b)		\$1,000	(\$1,000)	\$750
<b>Pastoral Expenses</b>	<b>\$8,351</b>	<b>\$9,000</b>	<b>(\$649)</b>	<b>\$9,050</b>
Liturgy		\$4,000	(\$4,000)	\$1,000
Books and Papers	\$115	\$500	(\$385)	\$250
Church Requisites	\$7,379	\$4,500	\$2,879	\$7,500
Music		\$0	\$0	
Motor Vehicle Expenses		\$0	\$0	
Hospitality	\$857	\$0	\$857	\$300
<b>Property Costs</b>	<b>\$38,533</b>	<b>\$48,313</b>	<b>(\$9,780)</b>	<b>\$37,818</b>
Cleaning & Gardening Expenses	\$3,483	\$6,196	(\$2,713)	\$2,500
Gas & Electricity-Church	\$9,796	\$12,928	(\$3,132)	\$7,518
Repairs & Maint Buildings	\$11,631	\$10,162	\$1,469	\$10,000
Rates & Municipal Charges	\$1,413	\$1,620	(\$207)	\$1,800
Insurance	\$11,453	\$15,000	(\$3,547)	\$15,000
Security		\$600	(\$600)	\$250
Water	\$757	\$1,807	(\$1,050)	\$750
<b>Total Expenses</b>	<b>\$105,120</b>	<b>\$125,089</b>	<b>(\$19,968)</b>	<b>\$102,639</b>
<b>Net Operating Surplus / (Deficit)</b>	<b>\$10,333</b>	<b>(\$2,879)</b>	<b>\$13,212</b>	<b>\$3,871</b>