

St Carthage's Finance Report for the 2022 Year Annual General Meeting

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

(Members Michael Pirotta – Chair, David Menzies, 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 2022 report on behalf of all members: David Menzies 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.

Summary

2022 was a full post COVID restrictions year with patterns emerging for the Parish. The Audit conducted by A3X Partners is unqualified and confirms the accounts in all material aspects represent fairly the financial position of the parish.

In summary the annual operating surplus for the year was \$10,535, compared to a budget of \$16,945, a reduction of (\$6,410). Income was \$114,443, compared to a budget of \$147,010, a reduction of (\$32,567). This reduction was partially offset by a reduction in expenses from a budget of \$130,065 to actuals of \$103,908, a saving of \$26,157.

From a supporter giving perspective, the 2021 average supporter numbers were 165, for 2022 this reduced by 44 to 121 or approximately 26%. From a per person per week perspective in 2021 this was \$16.22 and 2022 \$17.96.

For the 2023 year these declines unfortunately are expected to continue as we saw in the last quarter of 2022 a material reduction of approximately 25% in givings dollars.

Detail

Revenues:

Almost 100% of St Carthage's income is from the givings program. We have no other immediate source of income and any additional funds raised through events such as the Parish Dinner are donated to charity.

During the year the system of recording and monitoring givings was updated in line with best practice in the Archdiocese. Our records are now part of the Zero accounting system, including full credit card privacy. While the parish was exploring this, the need was escalated by discovery of supporters' contributions dropping off from the manual system. The Finance Council wrote to all supporters impacted and were pleased with the response of some who continued to support the parish.

Average attendance at the parish has steadily declined since 2019 from a high of approximately 900 per week to approximately 140, a reduction of 760. The loyalty of current parishioners is second to none. In 2022 the ratio of supporters to average weekly parishioners was approximately 80% compared to approximately 25% in 2019. Despite this loyalty the givings reduction from 2019 of \$213,000 to 2022's \$113,000 is simply a matter of mass attendance.

During 2022 we introduced a "tap & go" machine. In keeping with the times this acknowledges most people prefer cards over cash and for events such as weddings or baptisms, it may assist in supporting the parish. We have agreed with Father Joe the Church Account will receive 75% of this revenue source and the Presbytery the balance.¹ In addition we are exploring other ways to generate income through ideas such as rental of the church or contracting a third party for music recitals or lectures in keeping with St Cartage's values.

To date we are reluctant to seek additional support from existing parishioners, but this will always be an option.

Expenses

Administration:

Actual expenses were \$65,432 compared to a budget of \$67,365, a reduction of \$1,933 or 2.8%. While the variance is minor, there were positive and negative movements within the category. Savings were recorded in telecommunications and a reversal of a deposit from 2021. This deposit was incorrectly shown as an expense item for the Parish Dinner of \$3,272, rather than a balance sheet item. Increases in expenses to budget relate to Archdiocesan Levies and Secretarial Salaries.

In summary Administration expenses are generally fixed in nature and provide little room for future savings.

Pastoral Expenses:

Actual expenses were \$5,610 compared to budget of \$16,000, recorded a saving of \$10,390. Savings were recorded in Books and Papers and Liturgy costs.

Property Costs:

Actual expenses of \$32,866 compared to budget of \$47,700, recorded a saving of \$13,834. Savings were incurred in Cleaning and Gardening, a result of changes to suppliers and voluntary work and reduced Gas & Electricity due to a change in suppliers and activity in the parish. These savings were offset by increases in Repairs and Maintenance including the new entrance and alter railings, tuning of the organ and the church plaque. While this year some structural saving was found compared to budget, the main item increasing, Repairs and Maintenance, shows the potential vulnerability of the parish if a material repair event occurs.

¹ For the 2022-year Fr Joe agreed to 100% allocation to the Church Account. This will be reviewed at the March Finance Council meeting. Current receipts are not material.

Cash Position:

The closing 2022 forecast bank balance was \$30,137, with an actual balance of \$40,727. With this closing balance adjusted for accrual items i.e., items incurred in 2022, but not yet paid, the balance reduces to \$14,943 showing a negative variance of (\$15,194).

2022 Summary:

While the parish maintained its viability with material reductions in givings income and material expense savings, the adjusted cash balance of \$14,943 is considered barely acceptable. Any material maintenance events, significant cost increases or further material declines in givings may risk the parish to be technical insolvent i.e., unable to pay its bills as due.

Both the Parish Council and Finance Council are reviewing options for St Carthage's which may include an open forum to explore opportunities for raising revenues. We will keep you informed of progress.

2023 Budget

The Revenue for 2023 is set at \$120,000. Budgets are set in November and prior to the full 2022 Accounts completion. Actual Revenue for 2022 was \$113,000, \$7,000 less than 2023 forecast. The Finance Council will closely monitor progress and other options available to the parish if further declines are recorded.

Expenses are forecast at \$125,000, \$22,000 higher than 2022's actuals. The key variances are as follows: Pastoral Expenses, Liturgy and Church Requisites increasing by \$4,000 and \$5,000 respectively; in Property Costs additional money for cleaning of \$4,000, and Gas & Electricity an increase of \$6,000 in anticipation of much higher costs along with Insurance increases of \$3,000. The Pastoral items may leave some room for further expense reductions.

The closing cash balance forecast is \$22,000 at the end of the 2023 year. This of course is subject to forecast revenues and expenses.

Conclusions:

The support the parish receives from its loyal base is acknowledged and greatly appreciated, but without material increases in church attendance or alternative income streams, the parish is facing a lean financial period. Incremental expense savings are unlikely, and the parish is susceptible to material maintenance and /or cost events.

Thank you.

Michael Pirotta – Chair Parish Finance Council

St Carthages Catholic Church
Profit & Loss Statement
2022 Actuals & 2023 Budget

	Dec YTD 2022	2022 Budget	Variance to Budget	2023 Budget
	Actual	Forecast	Forecast	Forecast
Income				
Thanksgiving	\$113,065	\$140,000	(\$26,935)	\$120,000
Giving transferred to House account				\$0
Net Thanksgiving	\$113,065	\$140,000	(\$26,935)	\$120,000
Loose Collection		\$0	\$0	\$0
Books and Papers		\$0	\$0	\$0
Special Collections & Others		\$2,500	(\$2,500)	\$1,000
Interest Received - Other	\$90	\$10	\$80	\$10
Parish Dinner		\$0	\$0	\$0
Wedding/Baptism Deposits		\$0	\$0	\$0
Refunds	(\$1,136)		(\$1,136)	
Other i.e. Donations	\$2,424	\$4,500	(\$2,076)	\$1,200
Total Income	\$114,443	\$147,010	(\$32,567)	\$122,210
Administration Expenses	\$65,432	\$67,365	\$1,933	\$66,438
Accountancy	\$3,000	\$3,850	\$850	\$4,850
Archdiocesan Levies/QUOTA	\$18,655	\$17,500	(\$1,155)	\$18,655
Audit fees	\$1,600	\$2,100	\$500	\$2,500
Bank Charges	\$893	\$1,330	\$437	\$822
Book Publications & Resources	\$230	\$3,800	\$3,570	\$250
Donations	\$385	\$0	(\$385)	\$0
General Expenses	\$229		(\$229)	
Hospitality (Entertainment)	(\$2,426)		\$2,426	
Internet /Website hosting Expense (incl Telephone)	\$2,663	\$1,000	(\$1,663)	\$3,500
Office equipment - small assets	\$194	\$0	(\$194)	\$0
Postage	\$167	\$600	\$433	\$0
Printing & Stationery	\$854	\$1,980	\$1,126	\$250
Repairs & Maint of Equipment		\$2,500	\$2,500	\$0
Secretarial Salaries	\$29,646	\$26,105	(\$3,541)	\$30,662
Special Collections Contra (b)		\$0	\$0	\$1,000
Staff Amenities	\$336	\$0	(\$336)	\$0
Staff -Annual Leave	\$4,081	\$0	(\$4,081)	\$0
Staff -Long Service Leave	\$904	\$0	(\$904)	\$0
Staff -Salary Service Charges	\$537	\$0	(\$537)	\$276
Staff -Superannuation Guarantee Levy	\$2,832	\$2,750	(\$82)	\$3,373
Subscriptions	\$397	\$0	(\$397)	\$0
Telephone		\$3,500	\$3,500	\$0
Workcare premium	\$255	\$350	\$95	\$300
Pastoral Expenses	\$5,610	\$16,000	\$10,390	\$14,500
Books and Papers		\$3,000	\$3,000	\$500
Church Requisites	\$5,227	\$6,000	\$773	\$10,000
Liturgy	\$227	\$7,000	\$6,773	\$4,000
Motor Vehicle Expenses		\$0	\$0	\$0
Music		\$0	\$0	\$0
Social welfare	\$156	\$0	(\$156)	\$0
Property Costs	\$32,866	\$46,700	\$13,834	\$44,151
Cleaning & Gardening Expenses	\$2,190	\$12,500	\$10,310	\$6,196
Gas & Electricity-Church	\$6,334	\$12,000	\$5,666	\$12,928
Insurance	\$12,290	\$14,100	\$1,810	\$15,000
Municipal Charges	\$1,349	\$1,500	\$151	\$1,620
Repairs & Maint Buildings	\$8,163	\$5,000	(\$3,163)	\$6,000
Security	\$865	\$0	(\$865)	\$600
Water	\$1,675	\$1,600	(\$75)	\$1,807
Total Expenses	\$103,908	\$130,065	\$26,157	\$125,089
Church Operating Margin	\$10,535	\$16,945	(\$6,410)	(\$2,879)
Opening Bank Balance	\$9,193	\$13,192	\$30,137	\$24,773
Closing Bank Balance	\$40,727	\$30,137	\$10,590	\$21,894
Overdraft	NIL	NIL	NIL	NIL