

St. Pius X Parish

2017 Financial Overview

Parish Newsletter

We are pleased to provide you with the financial results for the St. Pius X parish (the “Parish” or “St. Pius”) for the year ended December 31, 2017. These financial results relate to the Parish’s operations only and **do not incorporate any considerations for the facilities expansion initiative**, which are accounted for separately, but briefly discussed later in this update.

Operational Receipts

Operational Receipts are amounts received by the Parish from various sources. The major component of these receipts is Sunday Collections, which are donations received both in the form of envelopes and loose change at each Mass. The Parish’s collections in 2017 increased from those in 2016. During 2017 St. Pius collected approximately \$394,100, which is approximately \$20,500 or five percent more than that collected in 2016. Sunday Collections have been variable, but the trend is generally increasing.

Another component of Operational Receipts is net income from the grocery card program. This amount is the total of grocery card sales minus the cost of the cards, as well as some expenses to administer the program. During 2017 the net income generated by the program was approximately \$26,300, which is approximately \$2,700 or 11 percent greater than that in 2016. One third, or \$8,775 of the net income from the grocery card program was allocated to Parish operations, while the remaining two thirds was allocated to the facilities expansion initiative (the “Initiative”) to pay down debt associated with the Initiative and fund repairs to the church arches.

The remaining component of Operational Receipts is Other Receipts. These include, but are not limited to, receipts from registration fees for education programs, sales of religious articles, public company share donations, and stole fees. Other Receipts in 2017 were roughly \$22,700 or 64 percent greater than those in 2016 due to increased amounts donated through public company shares, as well as donations from estates, and excess donations for the processional cross.

Operational Disbursements

Operational Disbursements are cash amounts paid by the Parish for the following categories:

Salaries and Benefits

This is the Parish’s largest expenditure category. In no particular order, it relates to amounts paid for our priest, relief clergy, full time, part time, and casual labour for pastoral assistants, secretary, bookkeeper, and some musicians.

During 2017 the Salaries and Benefits expenses were approximately equal to those incurred in the prior year.

Property Maintenance and Operating

This expenditure category accounts for items such as utilities for the church, rectory, and hall.

During 2017 the Property Maintenance and Operating expenses increased by roughly \$7,900 or 10 percent over those incurred in 2016. Contributing factors to this include repairs to St. Pius' facilities, as well as snow removal costs.

Administration and Office

These are expenses for office supplies and, primarily, Diocesan Support, which is basically a tax charged by the Diocese of Calgary. Historically, Diocesan Support for St. Pius has been approximately \$57,600 per year depending on the level of the Parish's revenues and certain expenses. During 2017 this expense amounted to roughly \$59,400, which is higher than the average historical amount due to increased donations.

Church Programs

Expenses associated with this category relate to church supplies, parish socials, and expenses to run various programs such as sacramental preparation. The amounts of these expenses incurred in 2017 were approximately \$7,000 or 24 percent greater than those in 2016. No specific factor contributed to this result.

Total Operational Disbursements in 2017 of \$365,300 were approximately \$3,600 or one percent greater than those in 2016.

Based on average annual Operational Disbursements of \$366,000, the Parish needs to collect approximately \$7,040 each weekend just to break even. This is prior to any expenditures for capital assets such as repairs to buildings.

Operating Surplus (Deficit) / Cash Inflow (Outflow)

The Net Operating Surplus (Deficit) is determined by subtracting the Operational Disbursements from the Operational Receipts. The Parish achieved a Net Operating Surplus of approximately \$95,800 during 2017.

During 2017 St. Pius also spent approximately \$9,300 on capital expenditures, which were primarily related to the Parish's photocopier and printer leases, as well as office furnishings. However, other significant capital expenditures were incurred during 2017, which were paid from the Initiative and discussed further below.

As at December 31, 2017 the Parish had a cash account balance of approximately \$160,700. St. Pius also had \$65,200 of Grocery Card Inventory (December 31, 2016 amount was \$102,600 so account significantly reduced), \$8,200 of Accounts Payable, and \$15,000 of Trust Liabilities that include, but are not limited to, funds held for St. Rita's, Together in Action, and Manna Ministry. When considering all of this, the Parish's Net Working Capital balance was approximately \$202,700, as at December 31, 2017, which is significantly higher than the \$116,200 balance that existed a year earlier. Over the past three years, St. Pius' Net Working Capital balance has been considerably increasing.

Facilities Expansion Initiative – Financial Information

Although the subject of this overview concerns the financial results and position related to the Parish's operations, the following are some points concerning the Initiative:

- During 2017 donations to the Initiative totalled approximately \$127,100, which were approximately \$44,500 or 54 percent greater than the amounts received in 2016. Contributing factors to this increase were two thirds of the grocery card program proceeds, being roughly \$17,500, allocated to the Initiative, public company share donations of approximately \$15,500, and close to \$8,200 of donations for the processional cross;
- The Initiative funded approximately \$77,800 of capital expenditures for the church and hall buildings. The most significant component was close to \$71,600 for repairs to the church arch pillars.
- After cash outflow considerations for categories such as capital expenditures and principal and interest payments on the loan from the Calgary Diocese (the "Central Fund Loan"), the Initiative incurred a net cash outflow of approximately \$11,900 during the year ended December 31, 2017;
- As at December 31, 2017 the balance on the Central Fund Loan was approximately \$166,100. Annual interest and principal payments are \$26,400, with the interest rate being 4.2 percent; and
- When considering all cash inflows and outflows related to the Initiative since 1997, which include, but are not limited to, donations and the costs to acquire properties, the Initiative had a cash balance of \$175,000, as at December 31, 2017.

Summary

The Parish continues to be financially sound. For the eighth consecutive year St. Pius experienced a Net Operating Surplus and Sunday Collections are generally increasing. Also, the Parish's Net Working Capital balance was approximately \$202,700, as at December 31, 2017, which is significantly greater than the prior year's balance. The Net Working Capital balance reflects the Parish's cash balance amount plus any accounts receivable amounts less any accounts payable amounts. A positive and either stable or growing Net Working Capital balance is an indicator of favourable financial health.

The Finance Committee would like to truly thank the parishioners of St. Pius for their generous support throughout the years.

Rob Koller
Chairman of the St. Pius X Finance Committee

St. Pius X Parish
Financial Summary
For the Years Ended December 31,
(Unaudited)

Income Statement

	2017	2016	2015	2014	2013
Operational receipts:					
Sunday collections	\$ 394,140	\$ 373,618	\$ 387,008	\$ 357,965	\$ 365,112
Grocery card program, net income (Note 1)	8,773	15,756	12,043	-	-
Other receipts (Note 2)	58,250	35,575	28,348	30,441	21,752
Total operational receipts	<u>\$ 461,163</u>	<u>\$ 424,949</u>	<u>\$ 427,399</u>	<u>\$ 388,407</u>	<u>\$ 386,864</u>
Operational disbursements:					
Salaries and benefits (Note 3)	\$ 167,868	\$ 166,061	\$ 174,086	\$ 170,455	\$ 196,619
Property maintenance and operating (Note 4)	86,687	78,787	83,794	84,365	77,044
Administration and office (Note 5)	78,295	82,902	76,433	68,990	71,342
Church programs (Note 6)	36,351	29,320	30,773	34,915	35,050
Refugee family program, net loss	(3,852)	4,631	-	-	-
Total operational disbursements	<u>\$ 365,349</u>	<u>\$ 361,702</u>	<u>\$ 365,085</u>	<u>\$ 358,724</u>	<u>\$ 380,056</u>
Net operating surplus (deficit)	<u>\$ 95,815</u>	<u>\$ 63,247</u>	<u>\$ 62,314</u>	<u>\$ 29,683</u>	<u>\$ 6,808</u>

Statement of Cash Flows

	2017	2016	2015	2014	2013
Operating activities:					
Net operating surplus (deficit) (per above)	\$ 95,815	\$ 63,247	\$ 62,314	\$ 29,683	\$ 6,808
Changes in non-cash working capital items	30,189	(59,403)	(24,191)	1,081	5,736
Net cash provided by (used in) operating activities	<u>\$ 126,003</u>	<u>\$ 3,844</u>	<u>\$ 38,123</u>	<u>\$ 30,764</u>	<u>\$ 12,544</u>
Capital expenditures (Note 7)	(9,330)	(10,690)	(15,995)	(30,699)	(5,799)
Changes in trust liabilities (Note 8)	(15,486)	(39,559)	25,019	14,372	2,254
Net cash inflow (outflow)	<u>\$ 101,187</u>	<u>\$ (46,406)</u>	<u>\$ 47,147</u>	<u>\$ 14,437</u>	<u>\$ 8,999</u>

Other Financial Information

Cash balance, end of period	\$ 160,667	\$ 59,480	\$ 105,886	\$ 58,229	\$ 43,792
Add: Accounts receivable, end of period	-	-	-	7,562	5,691
Add: Grocery card inventory, end of period	65,200	102,600	39,100	-	-
Less: Accounts payable, end of period	(8,201)	(15,412)	(11,315)	(3,968)	(608)
Less: Trust liabilities, end of period	(15,011)	(30,497)	(70,057)	(45,038)	(30,665)
Net working capital, end of period	<u>\$ 202,655</u>	<u>\$ 116,171</u>	<u>\$ 63,614</u>	<u>\$ 16,785</u>	<u>\$ 18,209</u>

Note 1: Total grocery card program net income in 2017 was \$26,319 (2016 - \$23,634). Of this amount, one third was allocated to Parish operations and two thirds was allocated to the facilities expansion initiative (2016 - two thirds allocated to Parish operations and one third to facilities expansion).

Note 2: Includes, but is not limited to, receipts from registration fees for education programs, sales of religious articles, public company share donations, and stole fees.

Note 3: Amounts paid to, but are not limited to, priest, relief clergy, pastoral assistants, secretary, bookkeeper, and musicians.

Note 4: Includes, but is not limited to, payments for maintaining and operating the church, hall, and rectory buildings.

Note 5: Includes, but is not limited to, payments for Diocesan support (2017 - \$59,446, 2016 - \$54,643, 2015 - \$61,979, 2014 - \$55,369, 2013 - \$56,570), telephone and fax, and office supplies.

Note 6: Includes all expenses related to religious education and sacramental preparation programs, music, social events, welfare donations, and sacristy.

Note 7: Significant capital expenditures in 2017 include the photocopier and printer leases, as well as office furnishings.

Note 8: Trust liabilities include, but are not limited to, funds held for St. Rita's, Together in Action, and Manna Ministry.

Miscellaneous Points:

The figures above do not reflect facilities expansion activities.

Should anyone require further details regarding the Financial Summary above, please email the St. Pius X office at bookkeeper.stpiusx@telus.net.

Sincerely,

Rob Koller
Chairman of the St. Pius X Finance Committee