

Financial Status of St. Mary Magdalene Catholic Parish
July 1, 2022 – June 30, 2023

We are pleased to make this financial report to you for the fiscal year ending June 30, 2023. The attached financial statement covers the revenue, expenses, progress toward paying off the debt on the existing church building, and end of year cash balance. When you review these results, please remember that Fr. Terry and the Finance Council are required to develop a budget each year that balances the income from your generous donations against the many fixed costs of operating the parish and our ministries.

- **Total Operating Revenue** was budgeted at **\$1,093,000** with actual revenue at **\$1,117,923** from offertory, Annual Appeal refund, Faith Formation and Preschool fees, and other minor income.
- **Total Operating Expenses** were budgeted at **\$1,296,650**. The parish ended the year at **\$1,281,628**. Expenses include our **loan interest payments** which were **budgeted at \$41,500**, but do not include the targeted principal payment.
- Between income and expenses, the parish had budgeted a loss of **\$203,650** (to be covered by carryover savings from the previous year). The actual loss was **\$163,705**, or **\$39,945** better than expected. The main reason for the shortfall was a parking lot improvement, which corrected many areas that were not installed correctly when the church was built.
- The Parish received **\$55,401** from debt reduction income and paid **\$53,356** toward the original Building Loan. We started the year with a balance of **\$1,259,427** and ended the year with a balance of **\$1,206,072** in loan principal.
- The Parish maintains several savings/checking accounts; at the end of the year, the Checking account balance was **\$186,458**, the Operating Savings and Capital Campaign Savings balances were **\$101,899** and **\$43,871**, and our endowment balance was **\$34,208**. We drew down the Operating savings to cover the parking lot repair as planned in the budget (as noted above).
- Our Annual Appeal assessment for the current calendar year is **\$72,900**. We have pledges for **\$85,692** and have received actual donations of **\$61,845**. Any deficit will have to be covered by savings so please complete your pledge before the end of the calendar year. It is not too late to donate to the Archdiocese Annual Appeal.

I have been the Chair of the Finance Council for just over 11 years and Father Terry has completed his tenth year with our Parish. By background we are both engineers (and thus geeks) and have both been responsible for managing the profit and loss of an organization. Father Terry as our pastor and I as the retired CEO for a German manufacturing company located here in Newnan.

As we look back at this last fiscal year it must be noted this is our first significant deficit since Father Terry joined us. We have been blessed with solid financial support from the Parish over the last decade and for this we are most grateful. The deficit noted in the figures above was expected as we undertook a major capital project, the refurbishment of the parking lot. Originally budgeted at \$85k it actually cost \$145k. Fortunately, we had been accumulating savings to cover this. As we look at this fiscal year, we have budgeted another deficit; but unlike last year, we don't have any major planned repairs, even though our building is over 15 years old and significant, costly issues are more likely every year, especially the HVAC units.

For many years your Finance Council has been able to report consistently that we have either exceeded our revenue targets and/or significantly reduced planned expenses. Looking at this next year and into the future, I can't confidently state this is still possible. We have taken steps in this year's budget to reduce several programs, but over the last decade our revenue has increased by only 1.5% per year. This was ok as inflation in the US had also averaged 1.5% for 8 of the last 10 years, but inflation in the last 2 years jumped to an average of 6.4% as we are all painfully aware! We have all been affected by higher costs in food, energy, and housing; your Parish is no exception. Salaries, energy, and services have all dramatically increased in the last two years and without increased revenue we will continue to face future deficits.

Unless we are willing to dramatically cut programs, we need to see a significant increase in offertory. This is not an easy ask for families who are also struggling to make ends meet, but this is my job as the Finance Council chair. Yet, I also have to ask myself if this is really a reasonable request; over the last decade how are we as Georgians doing financially? While US inflation in the last decade has averaged 2.5%, per capita personal income in Georgia has increased by 4.7% per year. Yes, inflation has been difficult but average wage increases have consistently outpaced inflation.

So once again, please look at what you provide for offertory and debt reduction. Do you contribute the same dollar amount today as you did five or ten years ago? In that same time has your income increased or maybe decreased? I would only ask that you consider your giving in direct relation to your change in income from year to year.

The word "tithe" comes from the Old English word for tenth and is now understood to represent one-tenth of one's income as a donation in thanksgiving for all that God gives us. The Catholic Church has consistently asked that each of us considers giving 5% of our income to our Parish, 1% to the Archbishop's Annual Appeal, and 4% to other worthy charities in our community, country, or around that world.

For some, this indicates a large increase from what you are currently giving; it may take a few years to get to that goal of 10%, but now is the time to seriously consider how you can increase your donations and still meet the needs of your own household. May God bless your generosity!

Thank you to everyone who has supported our parish spiritually, financially, and creatively. If you have any questions, or if we can be of any assistance whatsoever, please do not hesitate to contact either of us.

Yours in Christ,



Fr. Terry Crone
Pastor



David Keller
Finance Council Chair

Statement of Parish Revenue and Expenses
July 1, 2022 – June 30, 2023

Operating Revenue:	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Offertory	\$640,000	\$621,605	(\$18,395)
Online Giving	\$350,000	\$382,014	\$32,014
Interest Income	\$1,450	\$3,444	\$1,994
Georgia Bulletin	\$800	\$366	(\$434)
Annual Appeal Refund	\$0	\$0	\$0
Faith Formation	\$25,300	\$30,134	\$4,834
Preschool	\$62,700	\$58,769	(\$3,931)
Other Income (A)	\$12,750	\$21,591	\$8,841
Total Operating Revenue	\$1,093,000	\$1,117,923	\$24,923
Operating Expenses:			
Liturgy	\$17,500	\$17,038	\$462
Evangelization	\$69,400	\$68,864	\$536
Faith Formation	\$118,200	\$95,430	\$22,770
Special Ministries	\$5,300	\$1,499	\$3,801
Preschool	\$134,950	\$141,584	(\$6,634)
Admin/General	\$312,000	\$309,374	\$2,626
Facilities (B)	\$373,100	\$384,545	(\$11,445)
Rectory	\$24,400	\$21,575	\$2,825
Archdiocese Support	\$156,000	\$146,799	\$9,201
Mortgage Interest Expense (C)	\$41,500	\$45,744	(\$4,244)
Stewardship	\$1,100	\$0	\$1,100
Music	\$43,200	\$49,176	(\$5,976)
Total Operating Expenses	\$1,296,650	\$1,281,628	\$15,022
Net Income (Deficit)	(\$203,650)	(\$163,705)	\$39,945

(A) other income includes memorials, cash back rewards from credit card, and one-time income adjustment to reconcile Mass stipend account

(B) Parking lot repair cost was \$50,000 more than expected

(C) Archdiocese increased interest rate from 3.5% to 4% in Jan 2023, and to 4.25% in March 2023

Statement of Deposit and Loan Accounts
July 1, 2022 – June 30, 2023

	<u>Last Year</u>	<u>Current Year</u>
Ending Balance in Checking Account	\$199,135	\$186,458
Ending Balance in Operating Savings (1)	\$228,647	\$101,899
Ending Balance in Capital Campaign Savings	\$679	\$43,871
Ending Balance in Endowment	\$32,940	\$34,208

(1) \$130,000 paid from savings for Parking Lot repair

Loan on Main Church Building		
Beginning of Year	\$1,310,841	\$1,259,427
Principal Payments on Mortgages	\$51,413	\$53,356
Balance YTD	<u>\$1,259,427</u>	<u>\$1,206,072</u>
 Debt Reduction Income	 \$55,485	 \$55,401