

MID-YEAR FINANCE COUNCIL REPORT TO PARISHIONERS FOR THE SIX MONTHS ENDING DECEMBER 31, 2018

We are pleased to provide a mid-year report of the finances of Our Lady of the Lake Catholic Church. Attached as Exhibits I-VI are an Operating Income Statement, Graphics, and a Balance Sheet. Please refer to these Exhibits as you review the following highlights of the past six months versus the six months ended 12/31/17 and the budget for the period ended 12/31/18. This data has been approved by the Parish Finance Council for review by the parishioners of Our Lady of the Lake in accordance with Diocesan guidelines.

Operating Income Statement (Exhibit I)

The Parish's primary source of income is offertory at 89% of total receipts (Exhibit II). Offertory has declined from the prior year by about 1.5 %, and is down 5% when compared to what was budgeted. After a detailed analysis we determined that the loss of parishioners due to the local nuclear plant closing is partly the cause for the decline. Finance Council is addressing this shortage in giving by creating initiatives to encourage parishioners to consider online giving. Online giving is preferred as it is the most consistent means of supporting our Parish.

Other revenue includes Religious Education fees, which are lower compared to last year. This decrease is a timing difference attributable to the Confirmation classes beginning in January 2019 rather than August 2018. Due to the expansion of the cemetery, sales of new spaces have increased, however this revenue is only used for cemetery improvements and maintenance. Transit and Diocesan Collections are earmarked revenues that the Parish does not retain. Additionally, in late February we received a refund of approximately \$11,000 from the Diocese with the success of the 2018 Bishop's Stewardship Appeal.

Parish operating revenue does not include Capital Campaign pledge receipts. Pledge receipts for the Capital Campaign are accounted for separately and are used only for mortgage payments on our church building and land. Please refer to the lower portion of the Operating Income Statement (Exhibit I) for an analysis of Parish debt service for the year. Many parishioners have paid off their pledges early, and for that we are extremely grateful. Note the decrease in pledge receipts as the third successful campaign, Built on Faith, begins to wind down. Due to the generosity of so many, we have significantly reduced the principal on our debt.

Parish operating expenditures increased by about 5.5% over last year, but are under budget by about 5%. Much of the increase over 2017 was due to anticipated campus maintenance. Religious education expenditures are also on an upward trend due to the hiring of a full time

Youth Minister along with a part time Assistant Youth Minister in July 2018. Parish expenditures in their entirety support the mission of our Parish, which is to maintain a Roman Catholic presence in Chapin, SC. Please refer to Exhibit III for an illustration of Parish expenditures, and to Exhibit IV for a side by side comparison of total Parish revenue and operating expenditures for the years ended 12/31/17, 12/31/18 and the budget for 12/31/18.

Exhibit V illustrates monthly revenue versus operating expenditures for the six months ended 12/31/18. Note that some months, such as August, show an increase in expenses. This is due to the number of payroll periods within a given month. December includes our Christmas offertory which helps to offset operating expenses for the post-Christmas months. Christmas offertory was over both the prior year and budget by about 13% and 17%, respectively.

Balance Sheet (Exhibit VI)

Lastly, attached is a Balance Sheet as of 12/31/18. The Parish's cash position remains strong and includes collected Capital Campaign pledges. Note the decrease in Liabilities which is primarily attributed to the extra principal payments made both monthly and as lump sum payments for both the debt on the new church building and land loan and the land loan for future use (refer back to Exhibit I).

SUMMARY

The Parish's financial health remains strong despite the decline in offertory which we believe is due to the closing of the local nuclear plant. The Finance Council works in collaboration with the Pastoral Council, Capital Campaign Committee, Stewardship Committee, Pastor and Staff to appropriately address current financial needs and plan for future needs. Hard copies of this package are available in the Parish Office.

Our Lady of the Lake Catholic Church

Operating Income for the Six Months Ended 12/31/17 and 12/31/18, and Budget for the Six Months Ended 12/31/18

	Operating Income 12/31/17	Operating Income 12/31/18	Budgeted Income 12/31/18
Revenue			
Offertory	\$ 382,455	\$ 377,154	\$ 396,828
Flowers, candles, misc.	3,561	4,887	6,100
Other Income	1,456	3,235	1,100
Religious Education and Youth Programs	8,415	7,525	7,700
Total Assessable Parish Revenue	395,887	392,801	411,728
Interest on Diocesan Savings	\$ 2,607	\$ 3,527	\$ 2,900
Cemetery Sales	6,624	25,325	3,900
Diocesan Collections (Second Collections)	24,343	13,881	16,400
Transit and Other	17,705	12,715	19,150
Total Non-assessable Parish Revenue	51,279	55,448	42,350
Total Parish Revenue	\$ 447,166	\$ 448,249	\$ 454,078
Operating Expenditures:			
Administration	\$ (81,874)	\$ (81,072)	\$ (83,090)
Mission and Liturgical Support	(90,001)	(91,634)	(101,490)
Facilities/Campus Maintenance	(83,385)	(96,669)	(92,529)
Diocesan Assessment	(37,455)	(38,364)	(39,800)
Religious Education and Youth Programs	(47,431)	(52,415)	(63,800)
Total Operating Expenditures	(340,145)	(360,154)	(380,710)
Non-operating Expenditures:			
Diocesan Mortgage Loan Interest Paid	\$ (34,575)	\$ (28,666)	\$ (28,453)
Diocesan Collections	(24,124)	(12,705)	(17,950)
Transit and Other	(14,903)	(9,975)	(17,950)
Total Non-Operating Expenditures	(73,602)	(51,346)	(64,353)
Total Parish Expenditures	(413,747)	(411,500)	(445,063)
Total Parish Operating Income	\$ 33,419	\$ 36,749	\$ 9,015
Extraordinary Items:			
Capital Campaign Pledge Receipts	\$ 288,895	\$ 143,129	\$ 103,500
Capital Campaign Expenditures	(4,090)	(253)	(1,750)
Debt Reduction Second Collection	17,250	14,618	16,150
Total Operating Income Including Extraordinary Items	\$ 335,474	\$ 194,243	\$ 126,915
Analysis of Debt Service:			
Beg. balance on new church building loan and land used in construction	3/1/17	\$	1,600,000
Paydown of principal through monthly payments	4/1/17-12/31/18		(168,400)
Lump Sum Paydown of Principal	6/30/17		(200,000)
Lump Sum Paydown of Principal	12/1/17		(70,000)
Lump Sum Paydown of Principal	6/30/18		(50,000)
Lump Sum Paydown of Principal	12/31/18		(51,000)
Balance on new church building loan and land used in construction	12/31/18	\$	1,060,600
Beg. Balance on loan on land for future use	3/1/17	\$	300,000
Lump Sum Paydown of Principal	12/1/17		(19,967)
Lump Sum Paydown of Principal	6/30/18		(12,000)
Lump Sum Paydown of Principal	12/31/18		(12,000)
Balance on loan on land for future use	12/31/18		256,033
Total Debt	12/31/18	\$	1,316,633

Exhibit II

Parish Revenue - Six Months Ended 12/18

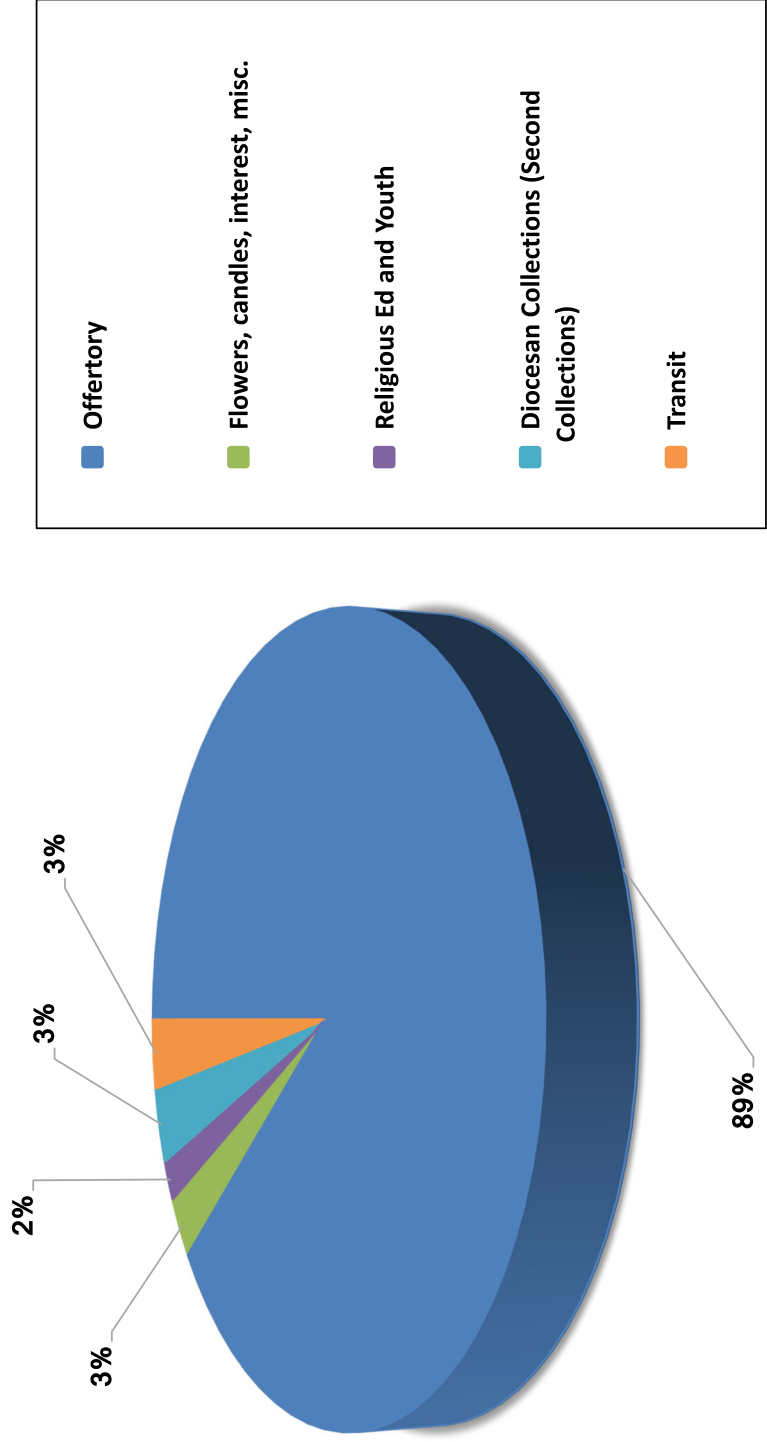


Exhibit III

Parish Expenditures - Six Months Ended 12/18

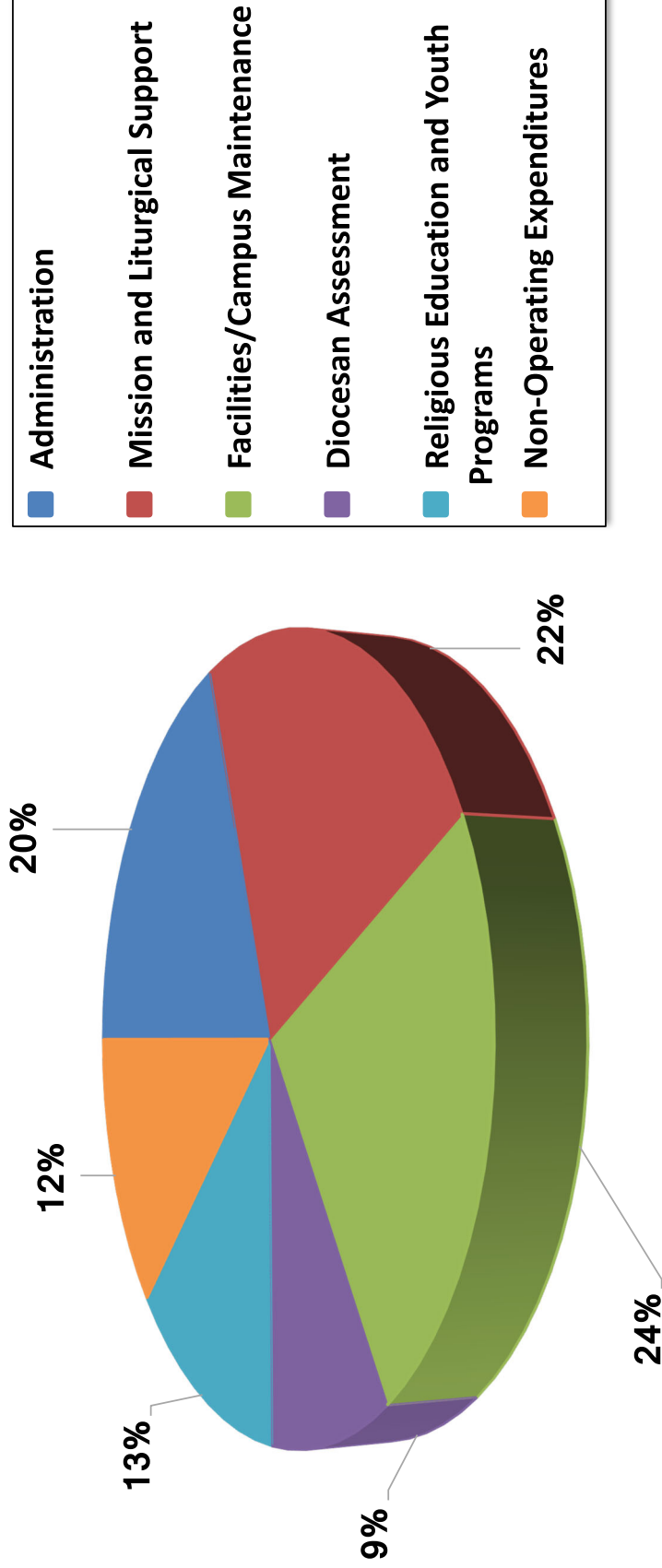
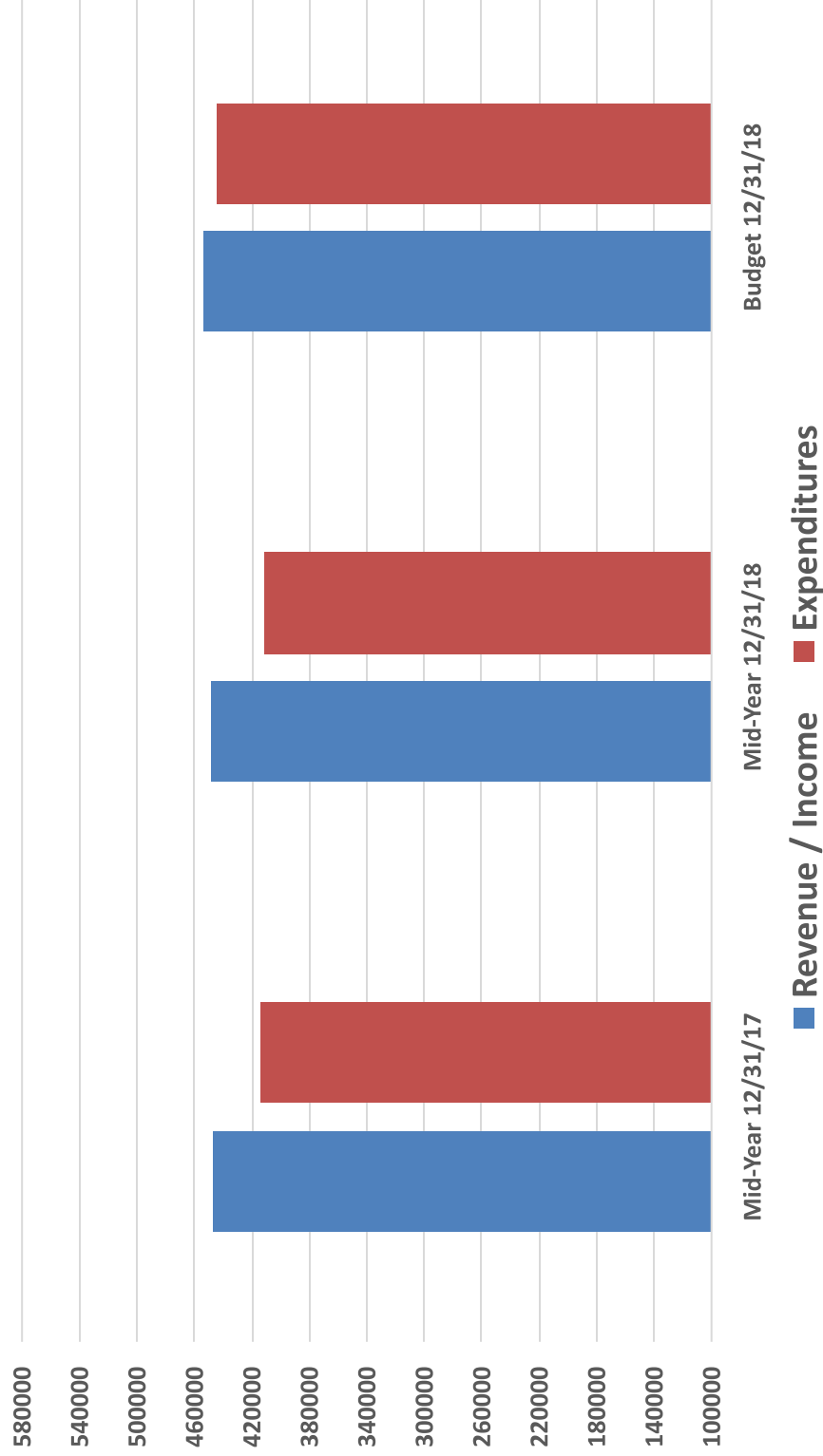


Exhibit IV

Parish Revenue and Expenditures Comparative 3 Period Trend



■ Revenue / Income ■ Expenditures

Exhibit V

Offertory vs. Operating Expenses

7/1/18-12/31/18



—●— Offertory —●— Operating Expenses

**Our Lady of the Lake Catholic Church
Balance Sheet at 12/31/2018**

	<u>12/31/17</u>	<u>12/31/18</u>
Assets		
Cash and Checking Accounts	\$ 273,322	\$ 229,271
Investments and Saving Accounts	231,334	313,029
Land, Buildings and Equipment	<u>6,849,819</u>	<u>6,920,218</u>
Total Assets	<u>\$ 7,354,475</u>	<u>\$ 7,462,518</u>
Liabilities		
Accounts Payable	\$ 16,147	\$ 180
Loans, Building and Land	1,537,326	1,316,633
Other	<u>5,674</u>	<u>14,310</u>
Total Liabilities	\$ 1,559,147	\$ 1,331,123
Equity	<u>\$ 5,795,328</u>	<u>\$ 6,131,395</u>
Total Liabilities and Equity	<u>\$ 7,354,475</u>	<u>\$ 7,462,518</u>