

Parishioners,

On behalf of the St. Philip Parish Temporal Affairs Council (the "TAC"), I present to you the parish's financial results for the year ending December 31, 2020, and the parish budget for 2021. This report is part of the TAC's commitment to provide ongoing communication about the state of the parish's finances. This report also serves to update the parish community on any other temporal (i.e. non-spiritual) matters concerning our parish and parish administration.

2020 Financial Results

It goes without saying that 2020 was a year like no other. And that applies for the parish's financial results as well.

For 2020, the parish recorded a surplus from ordinary operations of approximately \$28,000. "Ordinary operations" means the usual and normal revenue received and expenses paid concerning the running the parish, conducting Masses, hosting activities that promote our spiritual growth, and maintaining our church, rectory and parish hall properties. On the revenue side, a few sources of revenue declined significantly (e.g. hall rentals, Easter and Christmas donations) due to church and hall closures followed by attendance restrictions on parish Masses and activities. However, these declines were entirely offset by increased offerings and donations from parishioners, generous donations from the C.W.L. and the Knights of Columbus, federal government support through the Canada Emergency Wage Subsidy program, and increased community support through increased bulletin advertising from local businesses and our local government representatives. The parish recorded total revenue from ordinary operations of over \$179,000, but when the federal subsidy is considered, revenue in 2020 was approximately \$166,000. This amount is more in line with the parish's revenue results in recent years. On the expenditure side of ordinary operations, the pandemic resulted in a net decrease in expenditures compared to prior years. In 2020, the parish incurred approximately \$151,000 in expenditures, with pastoral expenses, Diocesan Tax, and repairs and maintenance associated with the church and parish hall experiencing pandemic-related declines.

The parish's results from extraordinary operations for 2020 was more or less flat. While the parish took in money for restoration, the Peru Mission and, probably most noticeably, approximately \$5,800 towards the installation of new live-stream equipment, we also spent the same amount on the live-stream equipment (and improvements to the balcony to accommodate it), a new plexi-glass barrier for the balcony railing, a new water softener for the parish rectory, and expenses relating to the Peru Mission.

Overall, parish revenue from *all* sources was essentially flat in 2020 (\$203,000) compared to 2018 (\$201,000) and 2019 (\$200,000). However, when you factor out the \$13,000, we received in federal wage subsidy support, our revenue in 2020 was down 5% compared to 2019. However, our total expenditures declined by over 26% compared to 2019.

So where did the parish stand at the end of 2020? As at December 31, 2020, we had cash on hand (and available to cover our ordinary expenses) of almost \$36,000! This represents a significant increase over our financial position on December 31, 2019 and is the cumulative effect of 1) increased revenue received in 2020, 2) decreased expenses paid in 2020, and 3) a transfer of an "operating reserve" out of the parish's investment account and into our bank account.

We are *very* fortunate that, throughout the first part of the pandemic, the parish was given a financial cushion that will enable it to weather the remaining (and hopefully, concluding) months of the pandemic. Quite honestly, this year-end bank balance amount surprised me; while there were a few large lump-sum amounts received (e.g. the federal wage subsidy, the C.W.L. and Knights donations), the increase in the bank balance was otherwise slow-and-steady throughout the year, the cumulative effect of our lower-than-normal expenses and our higher-than-normal revenues.

Financial Budget for 2021

As required under the Archdiocese's financial protocol, the parish is required to present a balanced budget for any given year.

For 2021, the parish has developed a balanced budget whereby our revenue from ordinary operations equals our "best guess" of what our expenses from ordinary operations will be. For 2021, we are budgeting to receive approximately \$162,000 in revenues from ordinary operations. This amount is consistent with pre-pandemic and pre-200th Anniversary Year revenues from ordinary operations but relies more heavily on parishioner donations compared to those earlier years. It also reflects expected decreases in payments from St. Clare Mission to cover shared expenses (due to the specific manner in which these shared expenses are calculated) as well as continued restrictions on Mass attendance and use of the parish hall but reflects the assumption that we will be back to "full attendance" come Christmas. While we do not anticipate receiving any federal wage subsidy support in 2021 (and hence, have not budgeted to receive any), we do report our monthly revenues to the Archdiocese as required, where we may learn we do qualify for further support payments.

On the expenditure side, our financial budget for 2021 also estimates our expenses from ordinary operations (\$162,000) to be in line with pre-pandemic and pre-200th Anniversary Year expenses. We do anticipate, though, to pay considerably more in Diocesan Tax in 2021 based on the amount of tax due for 2020. However, if restrictions on Mass and other parish attendance continue throughout the remainder of 2021, the "best case" scenario is that our expenses for the year may be more in line with our 2020 final expenditures (\$151,000), which would help offset any potential shortfall we experience in parishioner offerings and other donations.

Conclusion

Few predicted on January 1, 2020 what the rest of the year would have brought the world, the country, our village, and our parish community. In mid-March 2020, our church closed, and Masses were cancelled. They remained closed until June, when we were allowed to re-open but at significantly reduced capacity. All aspects of the day-to-day sacramental and social life within the parish were impacted. But throughout it all, parishioners figured out ways to remain connected: bible study and prayer meetings were "Zoomed" into parishioners' living rooms, weekend Masses were first recorded, but then were live streamed, to YouTube, and our First Communion students (and soon, Confirmation students) completed, and will continue to complete, these important stages of their spiritual journey.

I am sincerely blessed by the continued financial and other support parishioners have shown the parish during these difficult times, support that has allowed our parish to remain together and keep us growing as a community of faith.

To everyone who contributed to making our parish and our community a better place over the last year, I offer my simple, but heartfelt, "Thank You."

Should any parishioner have questions concerning the contents of this report, or about any other area concerning parish administration, please do not hesitate to see me to discuss them.

Fr. Bob Poole, Pastor
St. Philip Parish
March 2021

St. Philip Parish
2018, 2019 and 2020 Financial Results and 2021 Parish Budget

	2018	2019	2020	2021
	Actual	Actual	Actual	Budget
<u>ORDINARY OPERATIONS:</u>				
Ordinary Revenue:				
Collections	\$ 109,544	\$ 108,111	\$ 115,687	\$ 118,470
St. Clare's Portion of Shared Expenses	15,000	20,400	21,585	13,200
Government Assistance			12,968	
Hall Rent and Bar Revenues	13,415	15,741	6,245	7,560
Donations (Easter, Christmas)	7,793	8,163	2,681	6,212
Bulletin Revenues	6,420	6,030	8,190	8,100
Sale of Objects (Candles)	1,349	1,321	713	1,000
Other Revenues (including Parochial Donations for 2020/2021)	7,208	5,355	11,519	7,250
Total Ordinary Revenues:	\$ 160,729	\$ 165,120	\$ 179,588	\$ 161,792
Ordinary Expenses:				
Payroll Expenses	85,744	89,736	84,708	86,950
Pastoral Expenses (Altar Supplies, etc.)	7,476	8,946	2,203	2,300
Office Expenses	8,908	8,666	8,397	8,343
Electricity and Heat	10,879	10,495	9,292	9,300
Municipal Taxes and Insurance	7,152	10,995	9,747	9,700
Diocesan Tax	14,679	21,449	17,117	24,499
Repairs and Maintenance - Church and Rectory	22,323	18,657	14,745	15,600
Repairs and Maintenance - Parish Hall	4,027	5,185	1,230	1,400
Pandemic-Related Expenses			2,457	2,500
Miscellaneous and Other Expenses	1,789	1,766	1,178	1,200
Total Ordinary Expenses:	\$ 162,977	\$ 175,895	\$ 151,074	\$ 161,792
SURPLUS (DEFICIT) FROM ORDINARY OPERATIONS	\$ (2,247)	\$ (10,775)	\$ 28,514	\$ 0
<u>EXTRAORDINARY OPERATIONS:</u>				
Extraordinary Revenues:				
Collections for Restoration and Major Projects	\$ 24,744	\$ 13,963	\$ 14,912	\$ 9,100
Collections for 200th Anniversary Projects	368	(1,436)		
Peru Mission and Parochial Donations (ex. 2020/2021)	13,781	22,687	7,450	-
Interest Earned on Restricted Funds	1,364		1,519	1,500
Total Extraordinary Revenues	\$ 40,257	\$ 35,214	\$ 23,881	\$ 10,600
Extraordinary Expenses:				
Major Repairs, Projects and Asset Purchases	10,579	13,939	10,339	
Peru Mission	3,531	9,206	8,856	
200th Anniversary Projects	13,470	19,728	3,118	
Total Extraordinary Expenses	\$ 27,580	\$ 42,873	\$ 22,313	\$ -
SURPLUS (DEFICIT) FROM EXTRAORDINARY OPERATIONS	\$ 12,677	\$ (7,659)	\$ 1,569	\$ 10,600
Total Revenue from All Sources	\$ 200,986	\$ 200,334	\$ 203,469	\$ 172,392
Total Expenses from All Sources	190,557	218,768	173,387	161,792
Surplus (Deficit) from Parish Operations	\$ 10,429	\$ (18,434)	\$ 30,082	\$ 10,600

St. Philip Parish
Balance Sheet and Statement of Changes in Cash Reserves & Restricted Funds

	December 31, 2019	December 31, 2020
Assets		
General Operating Bank Account	\$ (5,464)	\$ 35,957
Mass Account	240	795
Accounts Receivable	1,240	2,305
Cash Reserves & Restricted Funds on Hand	41,291	30,158
Diocesan Loan Fund	44,661	43,688
Total Assets	\$ 81,968	\$ 112,902
Liabilities & Accumulated Surplus (Deficit)		
Accounts Payable	\$ -	\$ 296
Masses Owed	240	795
Operating Cash Reserve	8,000	-
Restoration Fund	64,035	64,450
200th Anniversary Fund	4,061	942
Peru Mission	9,860	8,453
Accumulated Surplus (Deficit) from Operations	(4,227)	37,965
Total Liabilities & Accumulated Surplus (Deficit)	\$ 81,968	\$ 112,902

	Operating Cash Reserve	Restoration Fund	200th Anniversary Fund	Peru Mission	Total
Opening	\$ 8,000	\$ 64,035	\$ 4,061	\$ 9,860	\$ 85,955
Add: Cash Inflows					
Restoration Donations Received		\$ 9,109			\$ 9,109
Peru Mission Donations Received				\$ 7,450	\$ 7,450
HST Adjustment on Amounts Previously Withdrawn		\$ 469			\$ 469
Deduct: Cash Outflows					
Transfer to Operating Account	\$ (8,000)				\$ (8,000)
Peru Mission Expenses				\$ (8,856)	\$ (8,856)
200th Anniversary Expenses			\$ (3,118)		\$ (3,118)
Diocesan Tax Due on Restoration Donations		\$ (1,742)			\$ (1,742)
Parish Hall Water Softener		\$ (4,746)			\$ (4,746)
Service Charges		\$ 1			\$ 1
Balcony Construction Costs relating to Livestream Project		\$ (1,698)			\$ (1,698)
Prior Year Interest Adjustment		\$ (977)			\$ (977)
Ending Cash & Restricted Funds - December 31, 2020	-	\$ 64,450	\$ 942	\$ 8,453	\$ 73,846
Less: Amount on deposit in Diocesan Loan Fund	-	\$ (43,688)	-	-	\$ (43,688)
Ending Cash & Restricted Funds on Hand - December 31, 2020	-	\$ 20,762	\$ 942	\$ 8,453	\$ 30,158