

December 18, 2020

Financial Trends at Immaculate Conception and Our Lady of Perpetual Help Parishes

In this Strategic Planning communication we will be looking at the “Financial” element of how we are doing in North Everett. Similar to the last communication, this will be focused specifically on our parishes, but will not show any comparative data from other parishes in the Archdiocese of Seattle. The data will focus on the most recent trends, looking at data from 2016 to the year ending in June of 2020. In the 2020 data, you will see some impacts of COVID, including the positive impacts of PPP dollars received.

All data will be reported by parish and also include a short summary of the financial health of our school. You will note some large fluctuations from one year to another in maintenance expenses. This largely reflects large capital expenditures for improvements or deferred maintenance items. All areas have seen an increase in fund raising to support improvements.

At the end of each of the short summaries in key findings, I have calculated the average months of expenses in reserves for each entity. This is a measure that many parishioners may use to determine their personal financial exposure in times of crisis. I think this is a good way to look at the health of our parishes and school as well. Most recommend 3 to 6 months of expenses in savings. Our facilities offer us a large financial exposure and as such, I would recommend getting to at least 6 months reserves. This will be better assessed following the Facilities assessment which will be looked at in the coming weeks.

Due to the size of this document, you will find “**Key Findings**” at the beginning of the document.

I hope this review of the Financial Trends is helpful to you. Don’t hesitate to contact me if you have any questions. Please keep our parishes in your prayers. Ask that the Holy Spirit will reveal to us the path forward in achieving the mission that Christ has for us.

Blessings...

Duane Schireman

Key Findings

- **Immaculate Conception Parish**

- Collections have been fairly flat with a slight increase prior to COVID.
- Expenses have increased due to facilities improvements and maintenance with the cost being offset by additional contributions.
- Cash and savings trend remains strong with increases year over year driven by minimal restricted funds and continued contributions to cover facility's needs.
- Current reserves stand at over \$450,000, or 10 months of expenses.
- If PPP loan requires repayment \$65,700, reserves would be \$386,299.

- **Our Lady of Perpetual Help Parish**

- Collections have been fairly flat with a slight increase in 2020.
- Perpetuate II Campaign has resulted in increases in overall collections in recent years.
- Expenses have increased due to facilities improvements and maintenance with the cost being offset by additional contributions (Perpetuate II).
- Cash and savings trends have turned positive in 2020.
- Current reserves stand at \$73,826, or 7 weeks of expenses.
- If PPP loan requires repayment (\$47,000) then \$27,000 will be in reserves.

- **Immaculate Conception/Our Lady of Perpetual Help School**

- Income sources have seen moderate increases that are generally keeping pace with expenditures.
- Expenses for planned facilities improvements and maintenance are progressing as planned.
- Cash and savings trend remains strong with increases year over year.
- Endowments holding at approximately \$1,000,000.
- Current reserves stand at over \$1,537,855, or a bit over 1 year of expenses (includes endowments, some restricted and PPP repayment of approx. \$202,000).
- Significant expenditures are planned in coming years for building maintenance.
- The impacts of COVID will be most visible in future years as there are real and predicted impacts to fund raising and enrollment.

Financial Data - Immaculate Conception Parish 2016-2020

Income (What comes in) - ICP

Source/Year	2016	2017	2018	2019	2020
Collections	\$631,362	\$640,024 (+1.4%)	\$613,422 (-4.3%)	\$642,053 (+4.7%)	\$574,199 (-10.6%)
Other	\$25,054	\$75,991 (+203%)	\$84,259 (+10.9%)	\$58,698 (-30.3%)	\$167,045 (+184.6%)
Total	\$656,416	\$716,015 (+9%)	\$697,681 (-2.6%)	\$700,751 (+.4%)	\$741,244 (+5.8%)

- 1.7% increase in collections between 2016 and 2019 (non-COVID). 9% decrease between 2016 and 2020.
- “Other” increases due in part to Mattie Hall improvements (ADA bathroom, kitchen oven, and dishwasher), Church improvements (HVAC control system, boiler, flooring replacement), Rectory improvements and Chalice gift.

Expenses (What gets spent/goes out) - ICP

Source/Year	2016	2017	2018	2019	2020
Salary/Benefits	\$278,726	\$282,231	\$360,808	\$267,746	\$256,001
Programs	\$234,297	\$271,999	\$220,926	\$223,204	\$261,367
Operations	\$85,921	\$148,816	\$126,208	\$99,002	\$229,520
Assessments	\$39,657	\$38,162	\$37,176	\$36,983	\$31,847
Total	\$638,601	\$741,208 (+16%)	\$745,118 (+.5%)	\$626,935 (-15.9%)	\$778,735 (+24.2%)

- Increased by 22% between 2016 and 2020.
- For 2020, \$138,000 of “Program” expense went to support IC/OLPH School.

Cash & Savings (What's in the bank) - ICP

Source/Year	2016	2017	2018	2019	2020
Checking	\$80,198	\$61,088	\$89,002	\$125,118	\$163,697
Savings	\$283,930	\$293,258	\$299,912	\$306,835	\$313,104
Total	\$364,128	\$354,346 (-2.7%)	\$388,914 (+9.8%)	\$431,953 (+11.1%)	\$476,801 (+10.4%)

- Increased by 31% between 2016 and 2020.

Liabilities (What is owed or what is committed) - ICP

Source/Year	2016	2017	2018	2019	2020
Restricted Funds	\$367,718	\$4,145	\$70,982	\$56,847	\$24,802

- 2016 Restricted funds included major renovation to Altar and Nave of Church building (pews, tile, Tabernacle).

Cash Reserve or Deficit (What we really have left to spend, Cash & Savings – Liabilities) - ICP

Source/Year	2016	2017	2018	2019	2020
\$\$ Reserves – Deficits (-)	-\$3,590	\$350,201	\$317,932	\$375,106	\$451,999

- Cash reserves reflects funds that can be spent for any potential need.
- Current reserves would cover approximately 10 months of expenses (expenses of \$44,150/mo.).
- There is a PPP liability of \$65,700 until forgiven. Would reduce reserve to \$386,299.

Financial Data - Our Lady of Perpetual Help Parish 2016-2020

Income (What comes in) - OLPH

Source/Year	2016	2017	2018	2019	2020
Collections	\$557,666	\$607,365 (+8.9%)	\$560,902 (-7.6%)	\$552,103 (-1.6%)	\$558,677 (+1.2%)
Other	\$146,543	\$47,470 (-68%)	\$48,890 (+3%)	\$82,649 (+69%)	\$167,547 (+103%)
Total	\$704,209	\$654,835 (-7%)	\$609,792 (-6.4%)	\$634,752 (+4.1%)	\$726,224 (+14.4%)

- 1% decrease in collections between 2016 and 2019, 2016-2020 increase of .2%.
- Perpetuate II Campaign started in 2017 and closed in 2020.
- 2016 “Other” included Booster Club revenue which was removed in follow-on years.
- 2019 & 2020 “Other” increases due to Perpetuate II.

Expenses (What gets spent/goes out) - OLPH

Source/Year	2016	2017	2018	2019	2020
Salary/Benefits	\$301,938	\$302,771	\$310,204	\$263,921	\$279,697
Programs	\$238,022	\$150,364	\$147,452	\$162,256	\$157,172
Operations	\$80,706	\$115,306	\$92,534	\$115,768	\$215,772
Assessments	\$45,129	\$43,696	\$40,750	\$46,866	\$46,969
Total	\$665,795	\$612,137 (-8%)	\$590,940 (-3.5%)	\$588,811 (-.4%)	\$709,610 (+20.5%)

- Increased by 6.7% between 2016 and 2020.
- Should see continued upward trend as Perpetuate II is implemented.
- Expenses in 2017 due to water/sewer line and Parish Office boiler work.
- Expenses increase in 2020 due to capital improvements funded through Perpetuate II campaign.
- For 2020, \$70,000 of “Program” expense went to support IC/OLPH School.

Cash & Savings (What's in the bank) (OLPH)

Source/Year	2016	2017	2018	2019	2020
Checking	\$40,674	\$44,698	\$197,361	\$140,786	\$156,698
Savings	\$89,456	\$76,850	\$84,096	\$262,432	\$267,897
Total	\$130,130	\$121,548 (-6.6%)	\$281,457 (+132%)	\$276,518 (-1.8%)	\$424,595 (+54%)

- Increased by 226% between 2016 and 2020.
- Additional Restricted Funds in the Mt. Carmel Cemetery Fund for Perpetual Care (not included in savings above or liabilities below). 2016 = \$143,964, 2020 - \$152,388.
- Recent increases in “Checking” and “Savings” due to Perpetuate II restricted funds (see liabilities).

Liabilities (What is owed or what is committed) - OLPH

Source/Year	2016	2017	2018	2019	2020
Restricted Funds	\$88,424	\$67,596	\$231,192	\$321,459	\$291,583
Loan	\$136,810	\$108,928	\$89,547	\$72,659	\$59,186
Total	\$225,234	\$176,524	\$320,739	\$394,118	\$350,769

- Increase and decrease in restricted funds primarily due to capital improvements associated with Perpetuate II.
- Loan is for completed earthquake retrofit and church improvements.

Cash Reserve or Deficit (What we really have left to spend, Cash & Savings – Liabilities) (OLPH)

Source/Year	2016	2017	2018	2019	2020
\$\$ Reserves – Deficits (-)	(-\$95,104)	(-\$54,976)	(-\$39,282)	(-\$117,600)	\$73,826

- Cash reserves reflects funds that can be spent for any potential need.
- Current reserves would cover approximately 7 weeks of expenses (expenses of \$40,518/mo.).
- There is a PPP liability of \$47,000 until forgiven. Would reduce reserve to \$26,826.

Immaculate Conception/Our Lady of Perpetual Help School 2016-2020

Income (What comes in) – IC/OLPH School

Source/Year	2016	2017	2018	2019	2020
Tuition	\$1,278,708	\$1,404,653	\$1,590,665	\$1,491,984	\$1,560,910
Other	\$431,514	\$355,062	\$323,987	\$342,356	\$360,765
Total	\$1,710,222	\$1,759,715 +2.9%	\$1,914,652 +8.8%	\$1,834,340 -4.2%	\$1,921,675 +4.8%

- Tuition increase due in part to families paying annual vs. monthly installments.
- “Other” includes fund raisers (Sausage Fest, Auction etc.) and grants.
- 2021 Other will be impacted by reduced fund raising opportunities.
- Budgeted income target for Sausage Fest is \$60,000 and Auction is \$80,000 (does not include “Fund a Need”).
- For 2020, “Other” income includes \$138,000 from IC Parish and \$70,000 from OLPH Parish.

Expenses (What gets spent/goes out) – IC/OLPH School

Source/Year	2016	2017	2018	2019	2020
Salary/Benes	\$1,350,742	\$1,294,324	\$1,393,821	\$1,355,966	\$1,375,857
Programs	\$225,297	\$276,409	\$242,453	\$237,945	\$233,341
Maintenance	\$225,634	\$72,519	\$88,634	\$69,612	\$205,014
Assessments	\$6,210	\$7,188	\$7,456	\$5,932	\$6,172
Total	\$1,807,883	\$1,650,440 -8.7%	\$1,732,364 +5%	\$1,669,455 -3.6%	\$1,820,384 +9%

- Increased by .7% from 2016-2020.
- Maintenance included STEM lab, gym blinds, preschool floor, school building tuck pointing and contributions toward other Mattie Hall improvements.
- Increase in expenses in 2020 due primarily to bathroom remodels and West side tuck pointing.

Cash & Savings (What's in the bank) – IC/OLPH School

Source/Year	2016	2017	2018	2019	2020
Checking	\$234,445	\$257,056	\$184,542	\$271,556	\$232,535
Savings	\$109,238	\$364,527	\$926,037	\$1,096,775	\$1,268,882
Endowments	\$876,464	\$991,331	\$1,052,036	\$1,106,146	\$1,102,078
Total	\$1,220,147	\$1,612,914	\$2,162,615	\$2,474,447	\$2,603,495

- Increased by 113% from 2016-2020.
- Endowment includes Jim Wilson Memorial, Weller Endowment and General Endowment.

Liabilities (What is owed or what is committed) – IC/OLPH School

Source/Year	2016	2017	2018	2019	2020
Restricted	\$13,062	\$18,981	\$68,252	\$96,121	\$164,459
Salary Payable			\$123,487	\$140,149	\$135,562
Tuition Unearned	\$290,896	\$448,708	\$602,344	\$658,209	\$428,792
Loan	\$128,299	\$119,659	\$107,334	\$95,272	\$85,138
Custodial	\$30,967	\$33,131	\$22,352	\$43,778	\$49,647
PPP					\$202,042
Total	\$463,224	\$620,479	\$923,769	\$1,033,529	\$1,065,640

- Salary Payable is salary due in the future.
- “Tuition” is Unearned Tuition which reflects people paying annually vs monthly. The money paid early is considered a liability until it is “earned”.
- Custodial is Script, Parents Assoc., Earthquake Fees, 8th Grade Fund Raiser.
- PPP is a liability until forgiven.

Cash Reserve or Deficit (What we really have left to spend, Cash & Savings – Liabilities) – IC/OLPH School

Source/Year	2016	2017	2018	2019	2020
\$\$ Reserves – Deficits (-)	\$759,923	\$992,435	\$1,238,846	\$1,440,918	\$1,537,855

- Current reserves would cover approximately 13 months of expenses (expenses of \$118,500/mo.).