

MID-YEAR FINANCE COUNCIL REPORT TO PARISHIONERS FOR THE PERIOD ENDED DECEMBER 31, 2020

The Our Lady of the Lake Parish Finance Council is pleased to provide the Mid-Year Financial Report for the period ended December 31, 2020. Attached as Exhibits I-VIII are an Operating Income Statement, Balance Sheet, Statement of Cash Flows and Graphics. Please refer to these Exhibits as you review the following highlights of the past six months. This data has been approved by the Parish Finance Council and made available to the parishioners of Our Lady of the Lake in accordance with Diocesan guidelines.

Revenue

Offertory is the Parish's primary source of revenue and accounted for 94.9% of total revenue (see Exhibits I and V). Offertory collections have decreased from the same period in the prior year by about 8%, or \$31,000 due to the Covid-19 pandemic. Please refer to Exhibit VIII for a graphic comparing offertory by month for the six months ended December 31, 2020 versus the six months ended December 31, 2019.

Father Dennis Willey and Parish Finance Council have met monthly, rather than bimonthly, since the pandemic began, and have closely monitored offertory and expenditures during this time. Father Dennis began a weekly email via Constant Contact to keep parishioners up to date, which includes an analysis of the weekly offertory. Online giving has currently increased to more than 50% of total offertory, an increase from 30% of total offertory at the same period last year. The budget prepared by Finance Council for the current fiscal year, and submitted to the Diocese, based projections for the year ended June 30, 2021 on a return to normal, in-person Mass attendance by January 2021. The Parish remains under budget as of December 31, 2020 due to this projection. Unfortunately, the pandemic continues into 2021 across our country. However, we are very thankful for our parishioners whose generosity has kept our offices open and allowed for socially distanced attendance at Mass.

Other revenue includes Interest on Diocesan Savings, which has decreased over the past six months. While our investments remain intact, the Diocese has lowered the interest rate on deposits from 2.25% to 1% until June 2021.

Operating Expenditures

Parish expenditures in their entirety support the mission of our Parish, which is to maintain a Roman Catholic presence in Chapin, SC. At mid-year, operating expenditures in total continue to stay well under budget by 6.5%, and when measured against the prior year are 5% lower.

This was a result of detailed planning by Father Dennis and Parish Finance Council to trim expenditures in direct response to the Covid-19 pandemic.

Note that the interest paid on debt has decreased when compared to the prior mid-year and the budget. This is due to both the continued paydown of principal, and Diocesan rate on loans being decreased from 4.5% to 3.25% until June 2021. Since the inception of the pandemic last spring, the Diocese has allowed interest only payments on debt. Our Lady of the Lake has, however, continued to make our normal payment, taking advantage of the lower interest rate to further decrease principal. Please refer to Exhibits VI and VII for graphics depicting the breakdown of Parish expenditures in total, and a side by side three year comparison of revenue and expenditures.

Restricted Receipts

Restricted Receipts are ear-marked for specific spending and are not available for use in reducing operating expenditures. Cemetery Sales, Diocesan Collections (Second Collections), and Bicentennial Fund Receipts are accounted for separately. Capital Campaign Pledge Receipts and the Debt Reduction Collection are also accounted for separately and used solely for paydown of debt on our new sanctuary and land.

Capital Campaign and Debt Reduction

Please refer to the lower portion of the Operating Income Statement (Exhibit I) for the balances in our Built on Faith Campaign and the Debt Reduction accounts. As originally planned by the Capital Campaign Committee prior to building, our goal was to aggressively pay down the loan principal so that when the campaign ended, the monthly payment will be manageable. This goal has been accomplished. The principal on Parish debt has been reduced by over \$989,000 since the inception of the loan in 2016. Thanks to our generous parishioners, the Parish was able to make extra monthly principal and semi-annual lump sum payments. The Diocese re-amortized the loan every six months, reducing the total interest due on our debt and also reducing our monthly payment to a more manageable amount as planned.

The Built on Faith Capital Campaign has officially closed, with few pledges remaining outstanding. We have collected approximately \$44,000 in pledges over the past six months, and we have collected approximately \$21,000 in the Debt Reduction collection. The combination of these two collections has allowed us to pay down our debt for the first six months of this fiscal year, and make a lump sum principal payment of \$20,000, without the use of operating cash and savings. Pledge receipts from the Capital Campaign are nearing full utilization, and we will begin to rely on the Debt Reduction collection and operating cash to pay

our monthly mortgage for the second half of this fiscal year. We have budgeted that we will collect \$6,000 in remaining outstanding pledges for the next six months of this year. We also anticipate collecting approximately \$10,000 over the next six months in our Debt Reduction collection. These two projections are not sufficient to cover the debt payments for the remainder of this year, and we anticipate using operating cash to make these payments for the first time.

Diocesan Bicentennial Campaign

Our Lady of the Lake began its Diocesan Bicentennial Campaign in late January 2020. By the end of March, and prior to introducing the Campaign to the Parish, 80 families had already pledged \$700,000. This surpassed our Parish Standard Target of \$680,000 (Exhibit IV). As part of the campaign, the Parish receives 50% of funds received up to the Parish Standard Target, 75% of all funds raised over and up to 125% of the Standard Target, and 100% of all funds raised over 125% of the Standard Target. The Parish has now surpassed this Standard Target by \$204,555, which exceeds 125%, and therefore all future pledge collections will flow directly to Our Lady of the Lake. Funds from this Campaign are being used solely for the Case Elements identified in the MAP process held last year, and several projects are already complete or in process.

Balance Sheet (Exhibit II)

Total Parish Assets have increased in the past six months by approximately \$82,000 (Exhibit II). Our cash accounts show a net increase of approximately \$17,000 (refer to Exhibit III for the Statement of Cash Flows). This net increase includes net operating income, property repairs and purchases, and paydown of debt. Included in the increase in cash is the loan from the Federal Payroll Protection Plan. The Diocese elected to participate in the Federal Payroll Protection Plan, and Our Lady of the Lake received \$45,279 in Federal funds to assist with our payroll. These funds are reflected as a loan in the Liabilities section of the Statement of Financial Position (Exhibit II). We expect this loan to be forgiven in 2021.

Parish Liabilities have decreased primarily due to the paydown of loan principal discussed above.

Summary

The Parish's financial health remains stable despite the decline in offertory due to the Covid-19 pandemic. Our most formidable challenge as the pandemic continues beyond 2020 is our monthly debt payment. We again thank our parishioners for their generosity in contributing to our monthly Debt Reduction collection.

The Finance Council works in collaboration with the Parish Pastoral Council, the Stewardship Council, the Capital Campaign Committee, Building Committee, Pastor and Staff to appropriately address current financial needs and plan for future needs. Detail of the Operating Income Statement and Balance Sheet are available upon request at the Parish Office, as are hard copies of this package.

Our Lady of the Lake Catholic Church
Net Operating Income for Mid-Years Ended 12/31/19 and 12/31/20,
and Budget for Mid-Year Ended 12/31/20

	Mid-Year Net Operating Income 12/31/19	Mid-Year Net Operating Income 12/31/20	Mid-Year Budgeted Net Operating Income 12/31/20
Revenue			
Offertory	\$ 380,174	\$ 349,143	\$ 359,860
Flowers, candles, misc.	4,301	1,497	5,950
Other Income	2,781	230	2,350
Religious Education and Youth Programs	10,721	8,515	10,501
Total Assessable Parish Revenue	\$ 397,977	\$ 359,385	\$ 378,661
Interest on Diocesan Savings	\$ 4,416	\$ 2,181	\$ 3,900
Other Unrestricted Funding	2,612	6,324	1,000
Total Non-assessable Parish Revenue	7,028	8,505	4,900
Total Parish Revenue	\$ 405,005	\$ 367,890	\$ 383,561
Operating Expenditures			
Administration	\$ 64,846	\$ 66,840	\$ 66,487
Mission and Liturgical Support	96,311	81,422	101,873
Facilities/Campus Maintenance	77,311	84,847	83,530
Diocesan Assessment	39,261	37,167	37,076
Religious Education and Youth Programs	66,142	55,112	60,864
Total Operating Expenditures	\$ 343,871	\$ 325,389	\$ 349,830
Non-operating Expenditures			
Diocesan Mortgage Loan Interest Paid	\$ 23,660	\$ 15,055	\$ 18,400
Total Non-Operating Expenditures	\$ 23,660	\$ 15,055	\$ 18,400
Total Parish Expenditures	\$ 367,531	\$ 340,444	\$ 368,230
Total Parish Net Operating Income	\$ 37,474	\$ 27,446	\$ 15,331
Restricted Receipts (A)			
Cemetery Sales, Net	\$ 3,011	\$ 3,334	\$ 1,000
Diocesan Collections Received	12,701	9,198	7,300
Diocesan Collections Paid	(11,184)	(9,018)	(5,600)
Bicentennial Campaign Funds Received	-	54,667	30,000
Capital Campaign Receipts (B)	87,296	43,764	25,000
Debt Reduction Receipts (B)	16,631	20,999	15,500
Total Parish Operating Income Including Restricted Receipts	\$ 145,929	\$ 150,390	\$ 88,531

(A) Restricted Receipts are unavailable for use in meeting general parish expenditures

(B) Capital Campaign and Debt Reduction Funds Available for Debt Service at Mid-Year Ended 12/31/20:

Debt Reduction and Capital Campaign Pledge Balance available at 07/01/20	\$ 13,342
Add: Capital Campaign Pledge Receipts from 7/1/20 through 12/31/20	43,764
Debt Reduction Receipts from 7/1/20 through 12/31/20	20,999
Less: Loan Payments made from 7/1/20 through 12/31/20	(52,829)
Less: Lump Sum Principal Payments made from 7/1/20 through 12/31/20	(20,000)
Total Remaining to Pay Down Debt at 12/31/20	\$ 5,276

Our Lady of the Lake Catholic Church
Balance Sheet at Mid-Year 12/31/20 and Prior Year Ended 6/30/20

	<u>12/31/20</u>	<u>6/30/20</u>
Assets		
Operating Cash and Checking Account	\$ 243,482	\$ 230,009
Cemetery/Columbarium Account	81,191	77,532
Total Cash	<u>\$ 324,673</u>	<u>\$ 307,541</u>
Investments and Saving Accounts	435,275	433,094
Land, Buildings and Equipment	<u>7,044,410</u>	<u>6,981,638</u>
Total Assets	<u><u>\$ 7,804,358</u></u>	<u><u>\$ 7,722,273</u></u>
Liabilities		
Accounts Payable	\$ -	\$ 20,914
Loans, Building and Land	909,770	959,484
PPP Loan (A)	45,279	45,279
Other	<u>12,796</u>	<u>10,473</u>
Total Liabilities	\$ 967,845	\$ 1,036,150
Equity	<u><u>\$ 6,836,513</u></u>	<u><u>\$ 6,686,123</u></u>
Total Liabilities and Equity	<u><u>\$ 7,804,358</u></u>	<u><u>\$ 7,722,273</u></u>

Our Lady of the Lake Catholic Church
Statement of Cash Flow
Mid-Year Ended 12/31/20 and Prior Year Ended 6/30/20

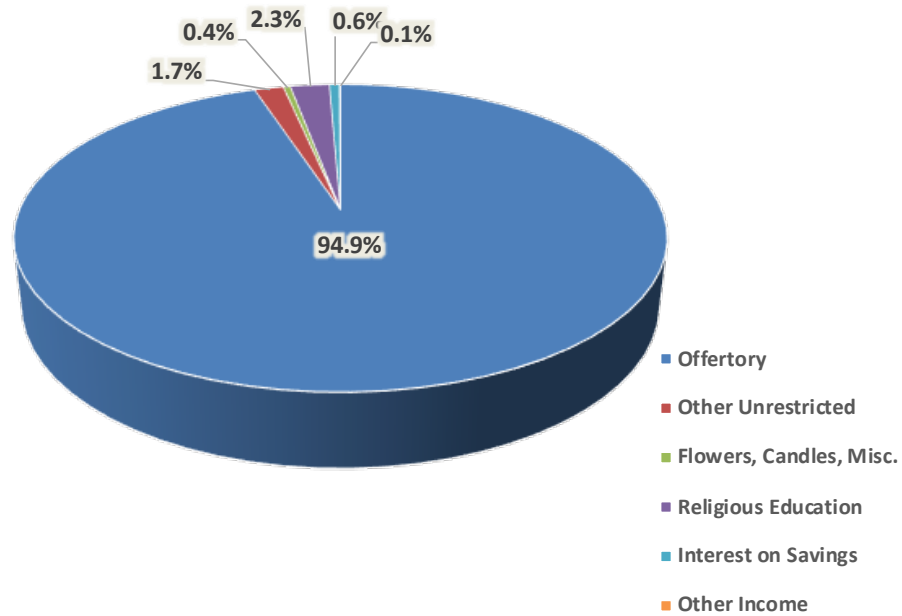
	<u>12/31/20</u>	<u>06/30/20</u>
<i>Cash flows from operating activities:</i>		
Net Operating Income	\$ 150,390	\$ 338,991
Adjustments to reconcile change in net assets to net cash from operating activities:		
Change in Accounts Payable and other liabilities	(18,591)	(2,626)
PPP loan payments received	-	45,279
	<u> </u>	<u> </u>
Net cash from operating activities	<u>\$ 131,799</u>	<u>\$ 381,644</u>
<i>Cash flows from investing activities:</i>		
Purchases of property and equipment	(62,772)	(43,793)
Increase in Diocesan Savings	(2,181)	(52,767)
	<u> </u>	<u> </u>
Net cash from investing activities	<u>\$ (64,953)</u>	<u>\$ (96,560)</u>
<i>Cash flows from financing activities:</i>		
Principal payments on debt	(49,714)	(237,416)
	<u> </u>	<u> </u>
Net cash from financing activities	<u>\$ (49,714)</u>	<u>\$ (237,416)</u>
Net Cash Flow	<u>\$ 17,132</u>	<u>\$ 47,668</u>
Cash Reconciliation:		
Beginning Cash Balance	\$ 307,541	\$ 259,873
Net Cash Flow	17,132	47,668
Ending Cash Balance	<u>\$ 324,673</u>	<u>\$ 307,541</u>
Less: Cemetery Funds (Restricted Use)	<u>(81,191)</u>	<u>(77,532)</u>
<i>Cash Available for Operations</i>	<u>\$ 243,482</u>	<u>\$ 230,009</u>

***Our Lady of the Lake Catholic Church
Bicentennial Campaign Status Summary
December 31, 2020***

Bicentennial Campaign Goal	\$680,000	
Total Pledges to Date	\$884,555	130.08%
Cash Received from Foundation in Quarterly Disbursements	\$54,667	
Funds Used for Designated Projects	\$20,207	
Families Participating to Date	168	

Parish Revenue as a Percent of Total Revenue
Mid-Year 12/31/20

EXHIBIT V



Parish Expenditures as a Percent of Total Expenditures
Mid-Year 12/31/20

EXHIBIT VI

