

Church of the Holy Cross Financial Statements

Statement of Income and Expenses

ORDINARY INCOME/EXPENSE	Jul-Mar, 2017	Jul-Mar, 2017	Annual
Income	Actual	Budget	Budget
Ordinary Collections	\$ 1,098,315	\$ 1,126,600	\$ 1,515,400
Other Income	\$ 85,532	\$ 73,100	\$ 96,665
Grade School Revenue	\$ 796,138	\$ 878,000	\$ 1,049,850
Child Care/Preschool Revenue	\$ 344,301	\$ 321,500	\$ 402,000
Cafeteria Revenue	\$ 71,778	\$ 65,000	\$ 82,000
Total Income	\$ 2,396,064	\$ 2,464,200	\$ 3,145,915
Expense			
Parish Personnel Expenses	\$ 332,277	\$ 336,465	\$ 446,434
Parish Operations	\$ 134,116	\$ 118,832	\$ 156,986
Capital Expenditures	\$ 1,661	\$ 2,250	\$ 3,000
Parish Programs and Services	\$ 39,968	\$ 33,724	\$ 47,855
Parish Mission Responsibility	\$ 221,943	\$ 199,085	\$ 273,379
Grade School Expenses	\$ 1,369,210	\$ 1,390,607	\$ 1,829,397
Child Care/Preschool Expenses	\$ 226,708	\$ 242,809	\$ 324,550
Cafeteria Expenses	\$ 42,480	\$ 35,000	\$ 46,000
Total Expense	\$ 2,368,363	\$ 2,358,772	\$ 3,127,601
NET ORDINARY INCOME	\$ 27,701	\$ 105,428	\$ 18,314
OTHER INCOME/EXPENSE			
Capital Campaign Income	\$ 241,845	\$ 120,000	\$ 120,000
Capital Campaign Expenses	\$ (64,603)	\$ -	\$ -
Construction Loan Interest	\$ (15,279)	\$ (18,600)	\$ (24,600)
Unrealized Gain (Loss)	\$ 9,089	\$ -	\$ -
NET OTHER INCOME	\$ 171,052	\$ 101,400	\$ 95,400
TOTAL NET INCOME	\$ 198,753	\$ 206,828	\$ 113,714

Statement of Financial Position

	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016
ASSETS			
Operating Checking	\$ 149,110	\$ 57,746	\$ 191,380
Capital Campaign Checking	\$ 6,832	\$ 90,270	\$ 64,015
*Special School Checking	\$ 64,646	\$ 74,893	\$ -
Archdiocesan Savings	\$ 41,589	\$ 15,411	\$ 41,220
Accounts Receivable	\$ -	\$ 574	\$ 12,450
**Deferred Expenses	\$ 168,684	\$ 170,356	\$ 85,098
School Endowment	\$ 36,880	\$ 35,442	\$ 33,470
Parish Endowment	\$ 83,977	\$ 80,511	\$ 75,362
TOTAL ASSETS	\$ 551,718	\$ 525,203	\$ 502,996
LIABILITIES & EQUITY			
Accounts Payable	\$ 71,524	\$ 47,780	\$ 24,852
Accrued ArchKCK Assess./Cathedralic	\$ 321,802	\$ 332,937	\$ 165,748
*Deferred Revenue	\$ 202,292	\$ 153,786	\$ 106,587
ArchKCK St. James Loan	\$ 369,010	\$ 377,412	\$ 402,006
ArchKCK Construction Loan	\$ 491,604	\$ 571,987	\$ 738,138
Total Liabilities	\$ 1,456,232	\$ 1,483,902	\$ 1,437,331
Equity	\$ (904,514)	\$ (958,700)	\$ (934,334)
TOTAL LIABILITIES & EQUITY	\$ 551,718	\$ 525,203	\$ 502,996

*Special school accounts are offset on the balance sheet by the corresponding amount in Deffered Revenue Liability.

**The current year archdiocesan assessments and cathedralic are placed on the balance sheet as a deferred expense and accrued over the fiscal year.



Quarterly Financial Summary

January 1, 2017 – March 31, 2017

In the third quarter, support for the Capital Campaign has remained solid with several large one time contributions and many more steady contributors helping average nearly \$20,000 per month, even after the formal conclusion of the campaign last December. This allowed us to pay for the acoustical treatment in the sanctuary at a cost of \$59,855 while also paying \$85,000 on our construction loan this quarter with Capital Campaign money previously held in reserve in anticipation of the sound project. Currently there is approximately \$49,000 in extended pledges outstanding and another \$113,000 in past due pledges from active parishioners who received a reminder statement in April. The overall response to the renovation and sound treatment have been very positive and your continued support to reduce the outstanding debt is truly appreciated.

For the annual operating budget, several challenges in the third quarter continued to result in a significantly under budget net ordinary income. The annual appeal last fall, while still a laudable increase, ended up short of the initially communicated 14% (\$175k) offertory increase due to a calculation error by the vendor and was revised to a 7% (\$85K) overall offertory increase. This fell well short of the \$200k planned offertory increase needed to address the annual deficit this year.

This revision along with an underperforming school tuition income is projected to result in a significant deficit this year. Without cash reserves, Archdiocesan assessment and cathedraic payments have been halted and will likely end the year at the current \$321k balance past due.

While many efforts to reduce expenses have been made, nearly 70% of the operating budget pays for personnel expenses which the Holy Cross leadership has been hesitant to reduce due to the impact on affected individuals. Given the significant projected deficit and other long term financial priorities such as debt reduction and immediate capital needs, the leadership has already started taking the difficult steps necessary to dramatically reduce our operating expenses moving forward, primarily through position consolidation and elimination at both the school and church. The full July 2017 thru June 2018 fiscal year budget and long term financial priorities will be shared soon.

The parish finances must always be seen through the lens of the life changing encounters with Jesus Christ occurring every day at the church and school. Overall the Holy Cross leadership is firmly committed to a sustainable financial path forward so we as a community can continue this mission into the future.

In Christ,
Fr. Mike

Quarterly Financial Statements on Other Side

