

Saint Teresa of Calcutta Parish

17856 NE Woodinville Duvall RD, Woodinville, WA 98077 • (425) 806-8096 • www.blessedteresa.org



Fiscal Year 2016-2017 Year End Financial Report

November 2017

Parishioners, Staff, and Father Frank,

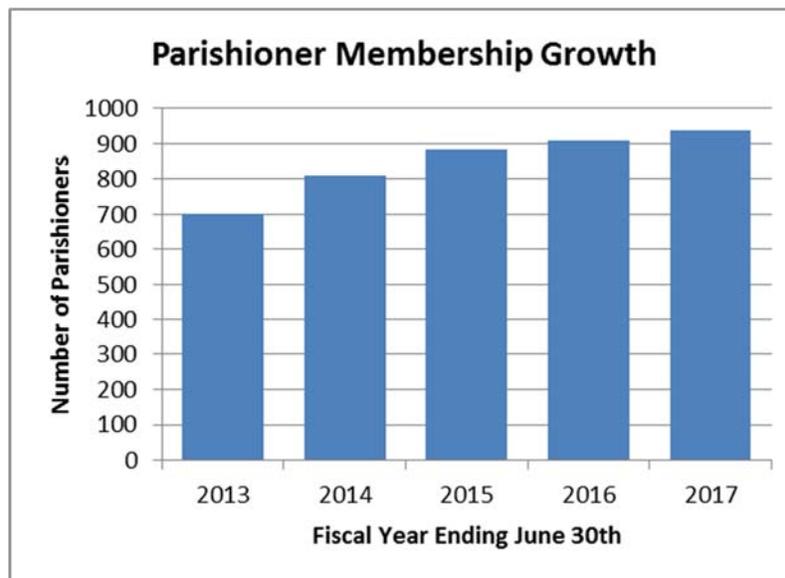
The members of the Finance Council are very pleased to share this parish financial report for our full fiscal year ending June 30, 2017. This past year we continued to experience parishioner growth, consistent giving from our parishioners, and solid financial performance. The other major highlight was the start of our latest Forward in Faith campaign, focused on expanding the church campus as well as debt reduction. We are happy to announce that based on the generosity of the parish, we have just paid down \$500,000 of our parish debt, reducing the debt to just over \$3.1M!

The next few pages provide a summary of our parish finances, followed by an appendix containing financial statements and information on our FY'17-18 budget.

Parish Membership Growth

We continue to see membership growth, as shown in the chart below. As of June 30th 2017, we have **935** registered members, which reflects a 3% growth versus last year.

As our parish continues to attract new members, we'd like to extend another hearty welcome to newcomers to join our parish family by registering as parishioners of Saint Teresa of Calcutta Parish.



Tithing Trends

Total collections for the fiscal year were \$1,049,846, up 3% from last year, which is consistent with our membership growth. In any given month, approximately 47% of registered members tithe something, and the average monthly tithe is \$181. This is strong participation, but is also a reminder to all parishioners to try to tithe something regularly and, if you are able, to increase your tithe.

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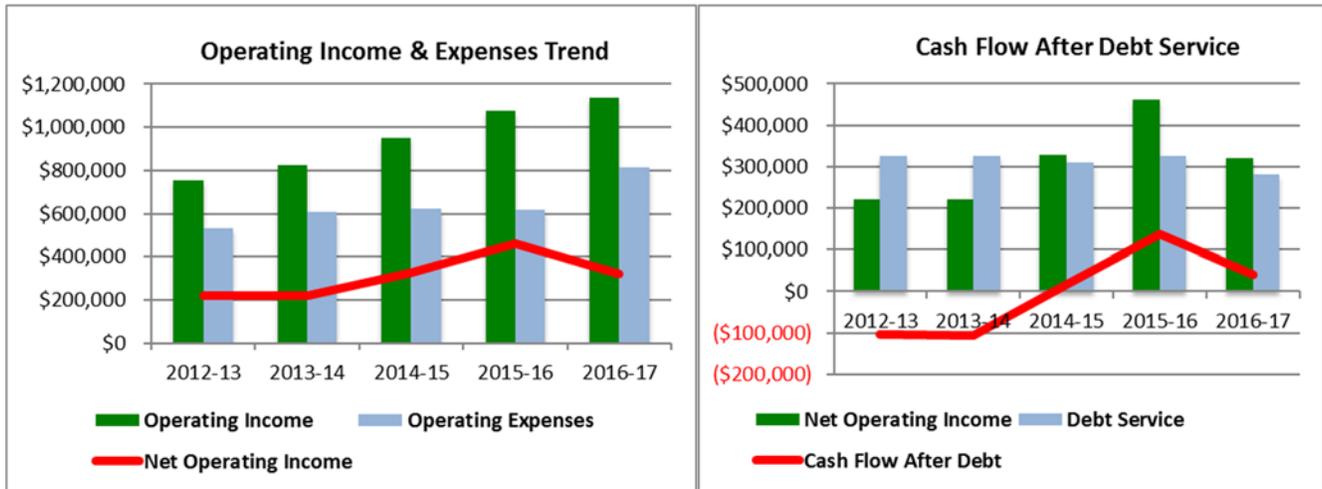
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Operating Income and Expenses

Total operating income for July through June was \$1,135,418, up 5% from last year. Operating expenses before debt service were \$815,163, up 32% from last year. This was primarily driven by increases in church campus expenses such as landscaping and watering, and ministry expenses. This resulted in a net operating income of \$320,255 before debt service.

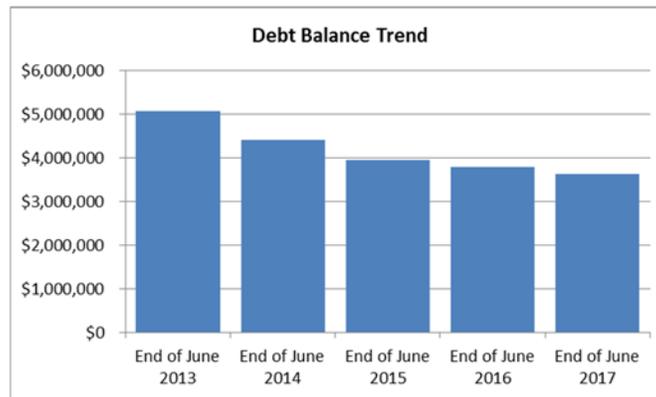
The two charts below shows a multi-year trend of our annual operating income and expenses before debt service, and a trend of our cash flow after debt service. For more details on our income and expenses, please see the table included in the appendix of this report.



Debt Balance Trend

As a recap from prior years' reports, in order to fund the building of our church we received two loans from the archdiocese. We were able to pay off the \$1.2M bridge loan in the spring of 2015 due to pledge receipts from our past capital campaigns, and now are paying interest and principal on the base loan, which was originally \$4M. As shown in the debt balance trend chart below, as of the end of June 2017 the base loan amount was \$3.619M, down from \$3.784M as of end of June last year.

And as mentioned above, in October of 2017 we authorized a pay down of another \$500,000 to further reduce our debt as of November 2017 to \$3.1M.



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Update on Our Latest Capital Campaign and Church Construction

We kicked off our latest capital campaign after the first of the year, and thanks to the generosity of our parish we received pledges for \$1.51 million of our total goal of \$1.5 million. Your generosity and feedback for the capital campaign is greatly appreciated and supports so many current and future missions of our parish.

In addition, we have a loan approved by the archdiocese of \$1.2M that we will draw upon when construction begins, and this would be paid down from pledge fulfillment.

While we hoped to start construction this fall, King County did not issue our permits on time. In order to mitigate building during the rainy season and considering our wetland property, this pushes our construction into Spring/Summer of 2018 due to the wet nature of our property. In spite of this delay, the council remains committed to ensuring that your feedback through our 2 parish surveys are fulfilled:

- Expansion of our church to accommodate programs and events totaling ~\$1.6M
 - Build more classroom and office space
 - Expand the current social hall
- Reduce the parish debt by \$500,000 over the pledge fulfillment period. We have already achieved this goal!

Right now, it is a very strong construction environment in our region. It remains our commitment to the parish to ensure that we are able to fulfill our commitment for this project, but also to continually drive down the debt on our current loan for our parish.

Highlights of our 2017-2018 Budget

As we look at the current fiscal year, we are planning for slight growth in our operating income next year driven by expected slight membership growth and consistent giving. However, since we did not achieve our Annual Catholic Appeal goal in FY16-17, we are not receiving a refund this year, which reduces income slightly overall.

On the expenses side, we are planning for an overall reduction in operating expenses, with these highlights:

- An increase in staff-related expenses as we grow our parish staff and services
- An increase in investment in Faith Formation
- Offset by decreases in church and facility maintenance, a decrease in expense for Guidance in Giving (since the majority of this expense occurred last fiscal year), and generally reduced administrative expenses

We will also make a down payment of \$50,000 from our African Orphans fund and program to start building the church in Nimbani village – another great example of the generosity of our parishioners.

We expect to have slightly positive operating cash flow after paying approximately \$200,000 of interest expense against our loan, and as mentioned above we have authorized a debt pay down of \$500,000 based on the contributions we've already received from our latest Forward in Faith campaign.

A detailed financial statement is included at the end of this report.

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Summary

Our parish remains in good, stable financial condition. Our focus in this coming year will be to begin the construction project, reduce debt, and continue to fund the operations of the parish and expanding our ministries.

We continue to be blessed with great support and generosity from our parishioners giving of their time, talent, and treasure, and we're excited to be able to expand our ministries and meet the needs of our growing faith community.

To this end, we ask for your continued contributions and pray that the Holy Spirit inspires all parishioners to be able to give what they can.

For parishioners that would like more information on parish finances, feel free to contact any member of the Finance Council, members and email addresses are listed below.

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Detail – Operating Income and Expenses, FY'17-18 Budget

The table below shows a multi-year trend of income and expenses, as well as our 2017-18 budget.

Income	FY14-15 Actuals	FY15-16 Actuals	FY16-17 Actuals	FY17-18 Budget
Regular giving	513,243	552,902	549,486	565,970
EFT	363,151	437,116	485,836	500,417
Holy Days	24,946	25,892	14,128	14,584
Liturgy Donations & Stipends	3,410	9,390	8,580	9,000
Interest Income - PRF	11,719	9,616	17,846	17,900
Misc. Revenue	3,476	3,153	3,750	4,800
Annual Appeal	31,161	39,943	55,791	0
Total Revenue	951,106	1,078,011	1,135,418	1,112,671
Operating Expenses				
Staff	239,501	241,539	270,933	327,607
Ministry	146,747	149,710	274,934	202,570
Facilities	104,721	122,738	181,882	178,389
Administrative	132,671	102,791	87,414	67,263
Total Expense	623,641	616,777	815,163	775,829
Net Operating Income	327,465	461,234	320,255	336,842
Principal payments on Rectory	(5,436)	(4,951)	(5,382)	(5,000)
Debt Service - Interest Expense	(268,697)	(269,005)	(214,948)	(197,000)
Principal Paydown on \$4M	(42,629)	(56,007)	(65,867)	(70,000)
Total Debt Service	(316,762)	(329,962)	(286,197)	(272,000)
Cash Flow After Debt Service	10,703	131,272	34,058	64,842
Other Cash Inflows (Outflows)				
Forward in Faith Campaign Income	375,000	378,065	517,452	490,000
Capital Expenses			(158,331)	(35,000)
Principal Pay down	(412,028)		(100,000)	(500,000)
Net Cash Inflow/(Outflow)	-26,325	509,336	293,179	54,842