



Annual Financial Report

Prince of Peace Catholic Church

Period Ending June 30, 2021



PRINCE of PEACE
Catholic Church & School
1209 Brushy Creek Rd.
Taylors, SC 29687
www.princeofpeacetaylors.net **864.268.4352**

2021 Annual Letter from Father Smith

Dear Friends in Christ,

I am very happy to present to you the Financial Report of the Parish for the period from July 2020-June 2021. First of all, I have to apologize that this report has come out much later than usual. The process by which we took our school accounting back in house from the diocese ended up in two competing sets of data that had to be deconflicted before presenting the report to you. We have given you a few updates during the announcements lately about where we are now in February 2022, so please keep in mind the time frame of this report, which basically covers the reopening of the church and its activities in the midst of the pandemic, after the lockdowns that ended right before the start date for this report.

The best news about this report is that, even though your parish insisted on a very strict curtailing of expenses during the pandemic with an extremely conservative approach to spending in view of the uncertainty of that time period, those of you who call Prince of Peace their spiritual home really stepped up in a big way to not only maintain your level of giving, but to increase it for the weekly offertory, which funds the ordinary day to day expenses of the parish. At a time when I honestly thought we were going to lose our shirts, we actually ended up with a modest surplus.

I also had a lot of fears that the pandemic would have a negative effect on our school, given that it was just beginning to recover from some lean years after our rededication to our mission as your parochial school. The pandemic forced many parents to rethink their educational choices, and that actually resulted in a notable *increase* in enrolment. Parents who joined our school community realized what they were missing when they came here, and the vast majority have stayed with us even when their previous schools reopened.

We have some interesting numbers for members. We actually grew by 337 newly registered households even as the average at Sunday Mass was quite low, because of the pandemic, so that makes for an interesting metric! The current number of registered families and Sunday Mass attendance as of February 2022 is much higher, and now places us well within the top tier of largest parishes in the Diocese.

Now that the worst of the pandemic seems to be over, we can reassess our conservative spending policies so they can reflect what best meets the spiritual needs of our parishioners. We now actually have a decent reserve and are committed to plan for systems failure and preventive instead of reactive maintenance. For years, HVAC, roofs and leaks were all addressed in a reactive rather than pro-active way; now we can get out in front of problems instead of lagging behind them, but that is possible only because of your continuing generosity during a time of financial uncertainty for everyone.

As the pledges of the Bicentennial Campaign continue to be paid, we can act on those very important projects that were identified as part of that Campaign, such as the staining and sealing of the floor and the lighting project, both of which were long overdue. Increased enrolment in the school means that we can enrich the curriculum and recruit the best teachers possible. But we also desperately need to address cost of living raises for both parish and school staff. They had years where their compensation grew not at all or very little, with more and more expected of them. The virtue of justice and the social teaching of the Church require that we begin to redress this lopsided issue by compensation that reflects their hard work and sacrifice. We can't keep the best if we don't invest in them, which is why your weekly offertory is so crucial to excellence in our parish and school.

We are also committed to providing a Catholic education for any member of the parish who wishes. We are now in a place where we can expand financial aid options for those who need it, and also have ended an untenable situation where families defaulted on tuition payments at an alarming rate. The fine leadership of Steve Cunningham and the Finance Subcommittee of the School Advisory Council, Thierry Wersinger and the Parish Finance Council, Phil Head as Director of Administration and Mark Pulley as Director of Finance have gotten us through a time which could have been quite precarious and endangered the sustainability of the school and many parish programs. We also have reduced the subsidy the parish pours into the school, so that they can grow towards greater financial independence. A few years ago some 28% of the school's budgeted expenses was floated by the parish. We hope next year to reduce that to 8%, which is a very healthy sign.

I want to take a moment to thank you for believing in Prince of Peace during this time. I very much look forward to all we can do together as you continue to give your time, talent and treasure for this great work of God.

Sincerely in Christ,

A handwritten signature in black ink that reads "Fr. Christopher E. Smith". The signature is written in a cursive, slightly slanted style.

Father Christopher Smith, STD

Pastor



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Annual Financial Letter to the Parish

Dear Parishioners,

Prince of Peace is devoted to our mission of Catholic formation, fellowship, evangelization, service, and worship. By remaining committed to these core principles, our parish has and will continue to grow and flourish.

We are pleased to provide the results for the fiscal year ending June 30, 2021 and the Budget for the next fiscal year. This past year was particularly rewarding as we maintained our offertory of \$1.464M at \$3K above the prior year. Without your generous support from the weekly offertory and the quarterly proceeds from the Bicentennial Campaign (\$84K received during FY21), we would not have been able to maintain the campus while making necessary capital improvements. In FY22, we have budgeted a 2.5% increase in offertory over FY21. In addition, the parish's Payroll Protection Program loan of \$91K was forgiven during FY21 further strengthening our financial position.

Prince of Peace Catholic School, our parish's primary apostolate, had a very successful year with enrollment reaching 175 students at the end of FY21. This was an 11.5% increase from 157 students for FY20. The parish was able to increase support of the school to \$165K during FY21, up from \$132K in FY20. Most of this \$33K increase was for the LED lighting upgrades (\$28K) in all the classrooms and administrative offices combined with the completion of deferred maintenance at the school. The school's Payroll Protection Program loan of \$216K was forgiven which is reflected in the FY21 financials. The FY22 Budget for the school is based on 170 student enrollment allowing the school to operate at a \$57K budgeted surplus. With this level of enrollment and the continued stabilization of the school under the leadership of Steve Cunningham, the parish has budgeted \$112K of support to the school (8% of the school's budgeted expenses) for FY22.

In addition to the normal parish administrative, operational and maintenance expenses found on the income statement and the parish support of the school described above, we had another active year with required capital expenditures across the campus. FY21 net capital expenditures totaled \$220K which were made for our parish's long-term future including LED lighting, network and phone system upgrades for the church and school.

We remain grateful to our parish and school staff and our incredibly faithful volunteers who make our church and school community that wonderful place of worship and education for our children – and a special thanks to our parishioners who have continued to generously support both the parish and school during these challenging times making outstanding things possible at Prince of Peace, our Spiritual Home.

As always, we invite any questions you might have. Please contact Phil Head should you have questions.

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Prince of Peace Catholic Church
Parish Annual Report
For the Fiscal Year Ending June 30, 2021

Parish Income Statement
Fiscal Year Ending June 30
In Dollars

	FY21 Actual	FY20 Actual	FY21 Budget	FY22 Budget	Variance *	
					FY21 Actual vs Budget	FY21 Actual vs FY20 Actual
Revenue						
Offerory	\$ 1,464,202	\$ 1,461,084	\$ 1,461,000	\$ 1,500,600	\$ 3,202 F	\$ 3,118 F
Designated Offerings	69,748	69,093	60,000	67,200	9,748 F	656 F
Other Income **	25,671	** 29,236	28,000	25,700	(2,329)	(3,566)
Specific Fundraising ***	1,078	*** 2,179	2,500	2,000	(1,422)	(1,100)
Diocesan Collections	7,136	9,840	8,900	7,000	(1,764)	(2,704)
Total Parish Revenue	\$ 1,567,835	\$ 1,571,431	\$ 1,560,400	\$ 1,602,500	\$ 7,435 F	\$ (3,596)
Expenditures						
Salaries & Benefits	\$ 632,820	\$ 654,856	\$ 646,474	\$ 705,300	\$ (13,654) F	\$ (22,035) F
Administrative	42,774	47,969	61,120	61,000	(18,346) F	(5,194) F
Church & Rectory	131,994	121,307	158,400	163,700	(26,406) F	10,687
Operations	166,381	158,072	180,300	185,300	(13,919) F	8,309
Repairs & Maintenance	88,570	99,210	90,000	85,000	(1,430) F	(10,640) F
Utilities	74,271	76,697	80,300	80,700	(6,029) F	(2,426) F
Parish Assistance to School	164,805	131,910	124,000	112,000	40,805	32,895
Religious Education	20,016	24,053	42,600	42,000	(22,584) F	(4,037) F
Diocesan Assessment	147,656	146,283	160,000	158,000	(12,344) F	1,373
Diocesan Collections	7,136	9,840	8,900	7,000	(1,764) F	(2,704) F
Other Non-Operating	6,738	8,024	8,200	2,500	(1,462) F	(1,285) F
Total Parish Expenditures	\$ 1,483,162	\$ 1,478,220	\$ 1,560,294	\$ 1,602,500	\$ (77,132) F	\$ 4,942
Surplus (Deficit)	\$ 84,674	\$ 93,212	\$ 106	\$ -	\$ 84,568 F	\$ (8,538)

* Note: "F" Denotes Favorable Variance.

** FY21 Actual Other Income Adjusted for Payroll Protection Program Loan Forgiveness and Nativity Donations.

*** FY21 Specific Fundraising Adjusted for \$20K Bequest.

Parish Balance Sheet
Fiscal Year Ending June 30

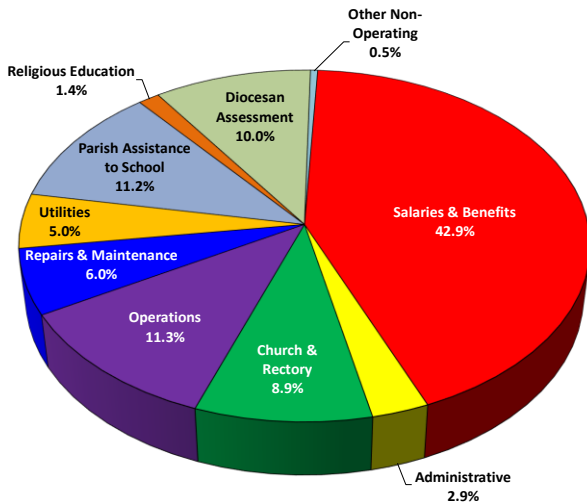
	June 30, 2021	June 30, 2020	Year over Year Change	Comments
Current Assets				
Cash & Checking	\$ 172,079	\$ 313,819	\$ (141,740)	
Diocesan Savings	108,582	107,504	1,078	No significant variance.
Accounts Receivable	1,083	1,083	-	No variance.
Other	1,200	-	1,200	No significant variance.
Current Assets	\$ 282,944	\$ 422,406	\$ (139,462)	
Fixed Assets				
Land, Buildings & Equipment	13,226,778	13,006,989	219,790	Mostly for Church lighting project, technology upgrades including phone system and live streaming combined with various campus-wide renovations in Knights of Columbus, Pope Francis House, Parish House/Croghan Hall; Nativity set (partial) plus various Ecclesiastical Furnishings.
Total Assets	\$ 13,509,723	\$ 13,429,394	\$ 80,328	
Liabilities & Equity				
Diocesan Loan	270,450	330,450	(60,000)	Paid back \$60K of Diocesan Assessment Loan
Capital Projects Liability	-	70,327	(70,327)	Bicentennial Campaign funds used during FY21 for capital projects at the parish and school.
Nativity	13,768	-	13,768	Nativity donations not yet spent.
Paycheck Protection Plan Loan	-	91,275	(91,275)	Paycheck Protection Plan Loan forgiven.
Other Liabilities	10,698	10,004	695	No significant variance.
Equity	13,214,807	12,927,338	287,469	FY21 Retained Surplus combined with Bicentennial Campaign Contributions, partially offset by prior years Construction in Process cleared through Retained Earnings.
Total Liabilities & Equity	\$ 13,509,723	\$ 13,429,394	\$ 80,328	

Prince of Peace Catholic Church

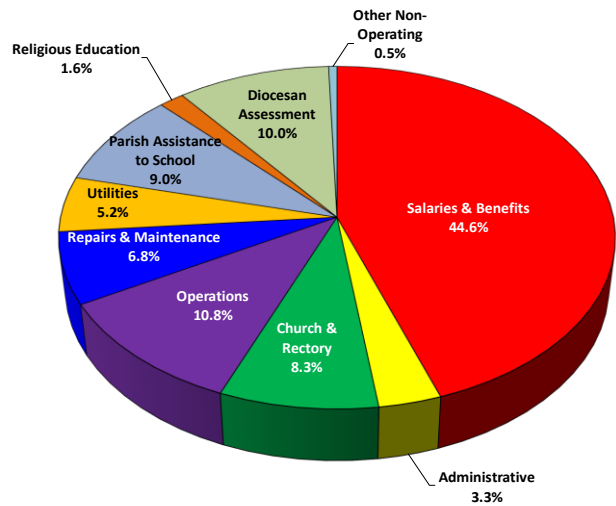
Parish Annual Report

For the Fiscal Year Ending June 30, 2021

Parish Expenditures - FY21 Actual



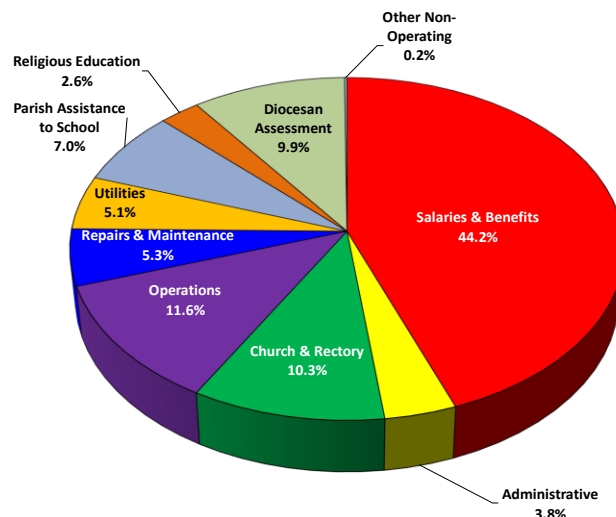
Parish Expenditures - FY20 Actual



Financial Highlights

- ◆ Total Offertory of \$1,464K was \$3K favorable to Budget and \$3K higher than the prior fiscal year; Designated Offerings of \$70K were \$10K favorable to Budget and \$0.7K higher than the prior year.
- ◆ Other Income of \$26K was within \$2K of Budget, and unfavorable to the prior year by \$4K after adjusting for PPP loan forgiveness and Nativity donations.
- ◆ Salaries & Benefits were \$14K favorable to Budget while Administrative plus Church/Rectory expenses were \$18K and \$26K favorable to Budget, respectively.
- ◆ Utilities were \$6K and \$2K lower than Budget and prior fiscal year, respectively as cost saving measures continue to be implemented across our campus.
- ◆ Repairs and Maintenance were favorable to Budget by \$1K and prior year by \$11K as deferred maintenance has slowed due to the efforts of the last several years.
- ◆ Land, Buildings & Equipment increased a net \$220K for various campus wide lighting projects combined with technology upgrades, partially offset by prior year's Construction in Progress reduction cleared through retained surplus.
- ◆ Parish support to the school of \$165K was higher than Budget by about \$41K and \$33K higher than prior year due mostly to \$28K for LED lighting upgrades at the school. FY22 support of the school by the parish is budgeted for \$112K as the enrollment has increased and the school has stabilized.
- ◆ The balance sheet at June 30, 2021 shows cash of \$281K in checking and savings including \$109K in capital reserves.
- ◆ Parish obtained \$91K loan from the Paycheck Protection Program due to COVID-19 in FY20 which was forgiven in FY21.
- ◆ The ~8 acre 1225 Brushy Creek Road property was sold subsequent to FY21. The proceeds were used to pay off all remaining parish and school-related debt.
- ◆ The FY22 Budget forecasts Parish Offertory of \$1.5M, an increase of 2.5% over FY21, although concerns with the COVID-19 pandemic remain.

Parish Expenditures - FY22 Budget



Prince of Peace Catholic Church Membership Data

	FY21	FY20	YoY Change
Registered Households	1,796	1,459	337
Active Households	1,076	834	242
Average Sunday Mass *	1,012	1,445 *	(433)
New Families	162	126	36
Infant Baptism	32	23	9
Youth & Adult Baptism	9	10	(1)
First Holy Communion **	100	1 **	99
Confirmation **	144	1	143
Marriages	13	13	-
Vocations	1	-	1
Deacons	5	2	3
Deaconate Candidates	-	3	(3)

* FY20 Average Sunday Mass until COVID-19 pandemic declared in mid-March 2020.

** FY20 Holy Communion and Confirmation were deferred to FY21 due to COVID-19 pandemic.

Prince of Peace Catholic School
School Annual Report
For the Fiscal Year Ending June 30, 2021

School Income Statement
Fiscal Year Ending June 30
In Dollars

	FY21 Actual	FY20 Actual	FY21 Budget	FY22 Budget	Variance *	
					FY21 Actual vs Budget	FY21 Actual vs FY20 Actual
Revenue						
Tuition & Fees, Net	\$ 1,204,693	\$ 923,497	\$ 1,109,816	\$ 1,200,279	\$ 94,877 F	\$ 281,196 F
Subsidies	170,531	144,910	118,000	134,000	52,531 F	25,622 F
Fund Raising/Development	94,253	78,348	53,000	63,000	41,253 F	15,905 F
All Other Operating Revenue **	21,361	4,232	58,000	-	(36,639)	17,129 F
Other Funding Sources	4,662	14,509	11,300	2,200	(6,638)	(9,847)
Total School Revenue	\$ 1,495,501	\$ 1,165,497	\$ 1,350,116	\$ 1,399,479	\$ 145,385 F	\$ 330,005 F
Expenditures						
Administrative Salaries & Benefits	\$ 209,232	\$ 155,814	\$ 216,130	\$ 192,674	\$ (6,898) F	\$ 53,418
Other Administrative Expenditures	89,670	53,973	56,550	53,038	33,120	35,696
Instructional Salaries & Benefits	744,762	802,253	780,171	837,830	(35,409) F	(57,491) F
Other Instructional Expenditures	87,314	58,660	72,100	107,600	15,214	28,655
Operation & Maintenance Expenditures	143,202	135,966	125,000	119,000	18,202	7,235
All Other Operating Expenditures **	31,868	32,233	34,387	28,931	(2,519) F	(364) F
Non-Operating Expenditures	6,633	8,650	9,300	3,100	(2,667) F	(2,017) F
Total School Expenditures	\$ 1,312,681	\$ 1,247,550	\$ 1,293,639	\$ 1,342,172	\$ 19,043	\$ 65,131
Surplus (Deficit)	\$ 182,819.76	\$ (82,053)	\$ 56,477	\$ 57,307	\$ 126,342 F	\$ 264,873 F

* Note: "F" Denotes Favorable Variance.

** FY21 Actual All Other Operating Revenue and Non-Operating Expenditures Adjusted for Payroll Protection Program Loan Forgiveness.

School Balance Sheet
Fiscal Year Ending June 30

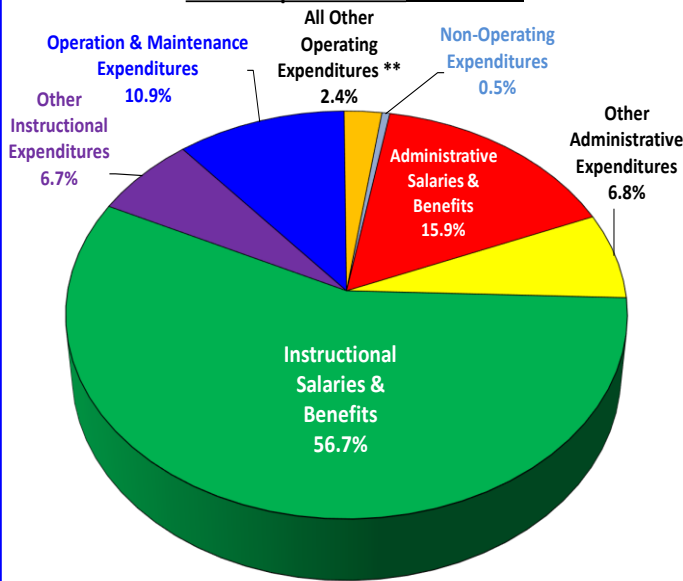
	June 30, 2021	June 30, 2020	Year over Year Change	
<u>Current Assets</u>				
Cash & Checking	\$ 232,435	\$ 143,452	\$ 88,983	
Non-Diocesan Savings	97,854	37,064	60,789	Year-over-Year changes in School Savings/Fund Raising.
Tuition Receivable	16,387	3,393	12,994	Year-over-Year timing of Tuition Receivable payments.
Accounts Receivable	-	1,640	(1,640)	No significant variance.
Other	-	-	-	
Current Assets	\$ 346,676	\$ 185,549	\$ 161,127	
<u>Fixed Assets</u>				
Land, Buildings & Equipment	2,284,135	2,251,626	32,509	K-4 Playground surface upgrade funded by grant (fixed asset was under construction at Fiscal Year-End and placed in Construction in Progress).
Total Assets	\$ 2,630,811	\$ 2,437,175	\$ 193,635	
<u>Liabilities & Equity</u>				
Accounts Payable	\$ 2,389	\$ 7,543	\$ (5,154)	No significant variance.
Advanced Registration Fees	47,150	37,730	9,420	Year-over-Year timing.
Advanced Tuition	3,646	8,348	(4,702)	Year-over-Year timing.
Other Current Liabilities	17,688	6,437	11,251	No significant variance.
Current Liabilities	\$ 70,873	\$ 60,058	\$ 10,816	
<u>Liabilities & Equity</u>				
Diocesan Loan	\$ -	\$ -	\$ -	No variance.
Paycheck Protection Plan Loan	-	216,375	(216,375)	Paycheck Protection Plan Loan at start of COVID-19 pandemic assuring continuing staff employment was forgiven during FY21.
Equity	2,559,937	2,160,742	399,195	Current year surplus including the Paycheck Protection Loan Forgiveness.
Total Liabilities & Equity	\$ 2,630,811	\$ 2,437,175	\$ 193,635	

Prince of Peace Catholic School

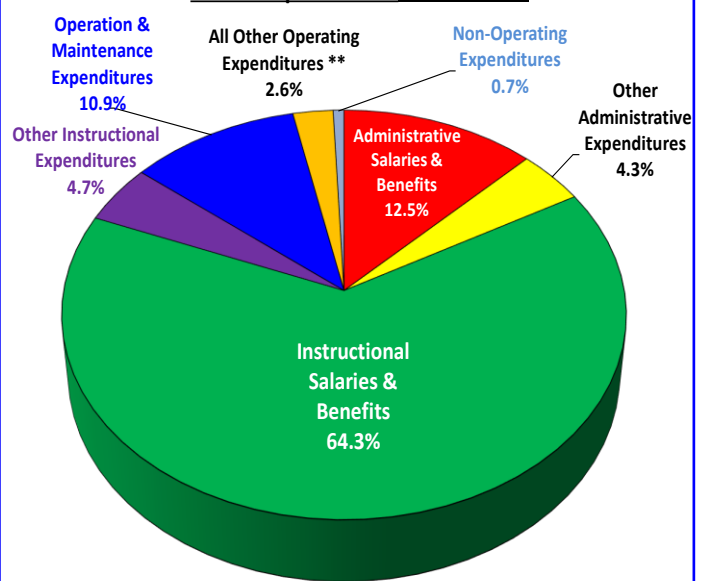
School Annual Report

For the Fiscal Year Ending June 30, 2021

School Expenditures - FY21 Actual



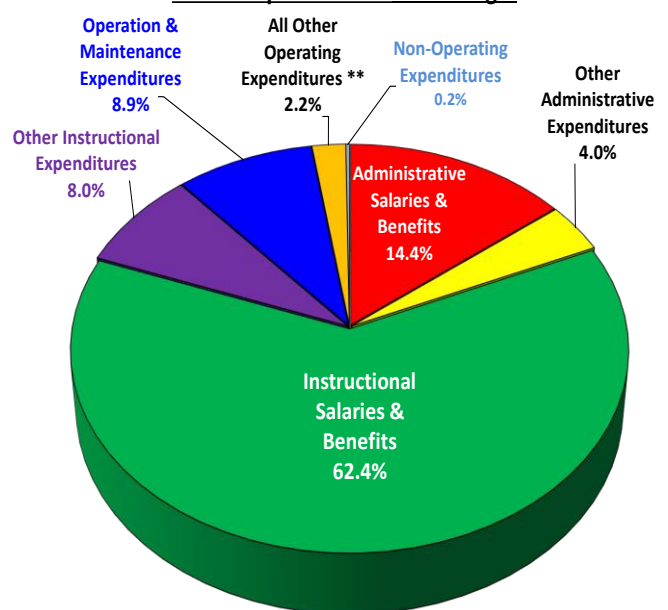
School Expenditures - FY20 Actual



Financial Highlights

- ◆ Total Tuition & Fees, Net increase of 30.4% from FY20 to FY21 Actual.
- ◆ Total Tuition & Fees, Net basically flat from FY21 Actual to FY22 Budget as enrollment has stabilized.
- ◆ Actual enrollment has increased from 157 in FY20 to 175 in FY21, and from 175 in FY21 to 177 (*current enrollment*) for FY22 (FY22 Budget at 170 enrollment).
- ◆ FY21 had no write-off for tuition non-payment versus FY20 which included a write-off of \$44.6K for tuition non-payment dating back to 2017.
- ◆ FY21 Cash (including savings) increased ~\$150K over FY20 reflecting a growing/vibrant school.
- ◆ Paycheck Protection Program loan including interest was forgiven (\$216K principal plus \$2.7K interest).
- ◆ FY22 Budget provides \$57K surplus for school at 170 student enrollment.
- ◆ FY22 Actual enrollment is currently 177, a 25% increase since FY19.
- ◆ FY22 Budget assumes a nurse, learning specialist, and academic summer camp paid for by CARES Act as well as Personal Protective Equipment (PPE).
- ◆ Parish support to the school of \$165K was higher than Budget by about \$41K and \$33K higher than prior year due mostly to \$28K for LED lighting upgrades at the school. FY22 support of the school by the parish is budgeted for \$112K as the enrollment has increased and the school has stabilized.
- ◆ K-4 Playground surface upgrade funded by \$55K from two grants partially completed at end of FY21.

School Expenditures - FY22 Budget





PRINCE of PEACE
Catholic Church & School

Mission Statement:

We are the primary apostolate of Prince of Peace Parish, collaborating with families to offer children a rigorous curriculum that promotes intellectual formation and virtue development, immersed in the teachings of the Catholic faith. *(revised - 2019)*

Vision Statement:

Bound by our Catholic tradition, Prince of Peace Catholic School will provide an academic experience rooted in excellence through eighth grade. Each staff member will endeavor to recognize that all members of the community are created in the image of God, are called to nourish the body, mind and soul of each student. We aspire to graduate students of virtue and faith.

Prince of Peace Catholic School - at a glance:

- ◆ **Founded in 2003, with a current annual operating budget of \$1.3M.**
- ◆ **Present school enrollment is 177 in grades K4 through 8 (25% increase since 2018-2019).**
- ◆ **For the past eight years, students in grades 3 through 8 have placed in the top 15% nationally in math and reading on MAP standardized test scores.**
- ◆ **Recognized as a National Blue Ribbon School of Excellence in 2014.**
- ◆ **Recognized as a Cardinal Newman Society Catholic Education Honor Roll School in 2019-2020.**
- ◆ **Recognized as a National BETA Club School of Distinction in 2019-2020.**
- ◆ **Recognized as a National BETA Club School of Merit in 2019-2020.**
- ◆ **2020 graduate named St. Joseph's Scholar as an incoming freshman.**
- ◆ **State of South Carolina BETA Club Middle School Quiz Bowl champions in 2019-2020.**
- ◆ **Regional SCISA Battle of the Books competition champions for both elementary and middle school teams in 2019-2020.**
- ◆ **2018 PSAT Honoree named through Duke University.**
- ◆ **Related arts experiences in art, music and Spanish, with extra-curricular options in drama, band, choir, cross country, soccer and archery for interested students.**
- ◆ **Supplemental Latin Roots program launched in 4th and 5th grade in 2019-2020.**
- ◆ **IXL learning enrichment program in math and reading established for all grades in 2019-2020.**
- ◆ **Service Club established for students in 4th through 8th grade in the fall of 2021.**

