

31 March, 2024

Dear Parishioners,

Please find attached a copy of the Financial Statement for St. Augustine's Parish for the 2023 Calendar Year. The tables include the corresponding figures for 2022 for comparison, and an indicative budget for 2024.

We are pleased to note that the Planned Giving/Second Collections appear to have stabilised at around \$80,000 p.a. in 2022 and 2023, following a sharp decline from around \$90,000 p.a.- \$95,000 p.a. in the years prior to Covid. In the Budget for 2024, we have assumed that there will be some modest growth to around \$82,000, which would still leave our Planned Giving/Second Collections well below pre Covid levels.

We are also pleased to note that the Parish First Collections increased a little in 2023 to around \$37,000, following a sharp decline during the Covid period. However, the First Collections remain well below pre-Covid levels of around \$45,000 - \$50,000 p.a. The First Collections are, of course, not managed by the Parish. Rather, they are forwarded to the Archdiocese and pooled with the First Collections from all other Parishes used by the Archdiocese primarily to support the priests across the Archdiocese.

Prior to Covid, the combined First Collections from the Yass Parish and the Gunning Parish (with whom we share our priest) were more than covering the overall cost of supporting our priest, as assessed by the Archdiocese. Since then, despite the small pick-up in 2023, the combined First Collections from the Yass and Gunning Parishes are falling short of covering the cost of supporting the priest. This is something we need to reflect on in an era where priests are short in number and the Archdiocese needs to make hard decisions in the allocation of available priests across the Archdiocese.

Of course, as is also the case with the Planned Giving/Second Collections as mentioned above, a key driver in these trends is the decline in the numbers attending Mass and actively participating in the life of the Parish since Covid. And this is despite strong population growth in the Yass/Murrumbateman region over recent years, and healthy enrolments at Mt. Carmel School. Boosting numbers actively participating in the life of the Parish remains an important challenge for us all.

Rental income from various Parish properties (106 Meehan Street, St. Augustine's Hall, parts of the Hartigan Centre and occasional functions in the Lovat Chapel) continues to make a vital contribution to Parish finances. In 2022 and 2023, rental income was only marginally less than the Planned Giving/Second Collections. In the Budget for 2024, if realised, rental income would actually exceed our Planned Giving/Second Collections.

That said, the income from these rental properties is also subject to a considerable degree of uncertainty. St. Augustine's Hall has been vacant since mid 2023, despite ongoing efforts to find suitable new tenants. Similarly, 106 Meehan Street was vacant for several weeks in the latter part of 2023 and early 2024, although we are pleased to report that new tenants are now in place. At the same time, all Parish properties come with significant costs for insurance, rates and repairs and maintenance.

St Augustine's Parish Yass
Letter to Parishioners
31 March, 2024

In 2023, the total operating costs of the Parish were just over \$180,000, including just over \$40,000 for repairs and maintenance. With a total income of around \$165,000, the Parish had an operating deficit of around \$15,000 in 2023. Most of the regular operating costs have increased significantly over recent years, with high inflation and wage increases. One item which stands out in that regard is insurance. With Catholic Church Insurance no longer providing insurance, the Archdiocese has organised insurance through a new broker for the entire Archdiocese, with each Parish meeting its share of the cost. For St. Augustine's Parish, commencing in mid 2023, our total insurance bill has almost doubled, from around \$22,000 in 2022 to almost \$40,000 in 2024. And the excess for each property claim has increased from \$1,000 previously to \$25,000!

The Budget for 2024 also includes a significant increase in the allowance for wages and salaries. This reflects not just ongoing wage increases, but also the payment of final entitlements to Peter Patrick, who retired from his role as groundsman at the end of February 2024, after many years of service. We are sure that the entire Parish will join us in thanking Peter for his loyal service and for often donating his own time above and beyond the call of duty, and to wish him well in retirement. The Budget also includes an allowance of around \$5,000 for employment of one or two Youth Ministry workers on a part time basis.

In 2024, we have budgeted for a small operating deficit of around \$10,000. In essence, we have sought to cover the increased cost of insurance by significantly reducing the allowance for repairs and maintenance relative to recent years. Of course, it needs to be recognized that repairs and maintenance can often be both urgent and unexpected. The much higher insurance excess also means that we will now be forced to cover the cost of some repairs that might previously have been covered by insurance. Therefore, it remains to be seen whether we can, in fact, hold expenditure on repairs and maintenance to these lower levels.

The Budget for 2024 does not include any allowance for major capital items at this stage, either sales or purchases. Never-the-less, there are several issues which are being considered, although not yet to a point where firm decisions can be made and firm estimates provided. First, we currently have a process underway to place the land on which the St. Vincent de Paul Shop sits onto a separate title, which will then open up the possibility of selling that land to St. Vincent de Paul. Unfortunately, the sub division process is taking longer than expected but we hope to be able to bring this project to fruition during 2024.

We are also working toward placing St. Augustine's Hall, and the land immediately surrounding it, onto a separate title to open up the possibility of a sale of the Hall in the future. In that regard, Mt. Carmel School in conjunction with the Catholic Education Office, are considering options for possible future use of the Hall by the School. In the meantime, we will continue to actively seek tenants for the Hall.

Consideration is also being given to making some structural alterations to the rear of the Church to create a covered 'breakout' area for use in, for example, the Children's Liturgy, other meetings, social gatherings after Mass, and for mourners after funeral services. Bob Nash and Peter Cleary are currently working on some indicative plans and costs, and plans have been circulated to parishioners for comment. It should be stressed, however, that this proposal is still at a very early stage and could probably only go ahead if most or all of the cost would be covered by donations.

We are continuing to consider options for further development of the Hartigan Centre, particularly the second floor of the building. There is scope to develop that space into as many as eleven offices which could be rented out, generating much needed income for the Parish. The cost of the work required, including bathroom facilities, a kitchen and new external stairs, is likely to be in the vicinity of \$400,000 - \$500,000.

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The Parish Finance Committee considers that, on realistic assumptions, the rental income from these additional offices would be sufficient to allow a loan of around \$400,000 or a little more to be financed – in other words the rent would cover the interest and principal repayments. However, it would be a number of years before the principal would be reduced sufficiently to allow the Parish to start drawing on some of the rent to help meet general Parish running costs. And, of course, there are all the attendant risks associated with the Parish taking on a large loan, including uncertainty around future interest rates and the strength of the commercial rental market. On the other hand, if the St. Vincent's land sale and/or sale of St. Augustine's Hall, as outlined above, were to go ahead, some or all of the proceeds could be reinvested in the Hartigan Centre, reducing or eliminating the need to borrow.

Finally, we are waiting for further advice from the Archdiocese on future arrangements for our ongoing use of the Uniting Church Hall and grounds in Murrumbateman. Parishioners will be aware that, since early 2023 the Vigil Mass has been celebrated in the Uniting Church Hall in Murrumbateman each Saturday evening. Murrumbateman parishioners have raised funds to pay the Uniting Church a relatively small rental for the use of the facility. We understand that long term options for use of the Uniting Church is still being considered by the Archdiocese and the relevant authorities in the Uniting Church. At this stage, we are unaware of what implications, if any, there may be for Parish finances.

Father Peter and members of the Finance Committee would welcome any questions or comments you may have on any of these matters.

Yours faithfully,

Paul O'Mara
Chairperson – Parish Finance Committee

Fr Peter My
Parish Priest

FINANCIAL STATEMENT FOR 2023 CALENDAR YEAR

2022 \$	<u>Regular Income</u>	2023	Budget 2024 \$
80,052	Planned Giving/2nd Collect./Tap Donations	80,624	82,000
9,981	Donations/Bequests	945	1,150
1,755	Functions/Fundraising/Ceremonies	4,944	5,350
77,525	Hire/Rent of Facilities	71,750	87,640
	<u>Sundry Income:</u>		
13,069	Insurance Claim (<i>Earthquake damage to church</i>)	0	0
568	Advertising	994	1,000
863	Interest Parish Accounts	3,406	2,030
1,290	Educational Recoupment (<i>Sacramental Programme</i>)	2,705	1,700
185,103	Total	165,368	180,870
	<u>Regular Expenses</u>		
12,966	Administration Costs	13,202	14,427
6,778	Motor Vehicle Expenses	6,835	6,830
4,550	Education Resources	2,750	2,560
59,044	Salaries/Super./Ann.& Long Serv.Leave/Parish Support	64,358	80,000
0	Youth Ministry part-time employee/s	0	5,500
22,225	Insurances	31,517	39,544
9,781	Diocesan Levies/Donations	4,303	5,250
4,373	Property: Charges - <i>Land & water rates</i>	6,032	5,300
7,290	Property: Rental Management Fees/Strata	5,606	5,110
4,037	Presbytery/Parish Office: <i>PropertyCharges/Elect/Gas</i>	5,308	5,480
131,044		139,911	170,001
	<u>Repairs & Maintenance</u>		
31,707	Church (<i>Repair brickwork \$31,707</i>)	511	4,000
546	Chapel	790	1,000
181	Parish Hall	2,604	7,500
6,627	Hartigan Centre	7,327	6,500
7,595	Presbytery/Parish Office	3,292	2,000
46	106 Meehan Street	8,617	500
46,702		23,141	21,500
	<u>Loan Interest</u>		
51	Town House	0	0
1,677	106 Meehan Street	0	0
1,728		0	0
179,474	Total Regular Expenses	163,052	191,501
5,629	OPERATING SURPLUS/DEFICIT	2,316	-10,631

CAPITAL ITEMS

	<u>Capital Expenditure</u>		
14,660	Loan Repayment Townhouse (<i>Paid out in 2022</i>)	0	0
625,000	Loan Repayment 106 Meehan Street	0	0
0	Church Heating		
0	Storage Shed/Photocopier,	15,035	0
639,660	Total Capital Expenditure	15,035	0
	<u>Capital Receipts</u>		
530,000	Sale Dutton St Townhouse (<i>net of Agent's Fees, Legal Fees</i>)	0	0
245,000	Sale Wee Jasper Church (<i>net of Agent's Fees, Legal Fees & GST</i>)	0	0
775,000	Total Capital Receipts	0	0
	Youth Ministry		
135,340	Capital Balance	-15,035	0

960,103	TOTAL RECEIPTS	165,368	180,870
819,134	TOTAL EXPENDITURE	178,087	191,501
140,969	OVERALL SURPLUS/(DEFICIT)	-12,719	-10,631



BALANCE SHEET AS AT 31 DECEMBER

2022		2023	Budget 2024
	Assets		
167,624	*Parish Cheque Account	145,195	137,320
1,662	Youth Cheque Account	1,698	1,750
600,000	106 Meehan Street (<i>Book Value</i>)	600,000	600,000
4,296	GST Refundable	1421	1500
773,582	Total Assets	748,314	740,570
	Liabilities		
6,512	Employee Long Service Leave	8,174	1,600
13,599	Employee Annual Leave	17,398	21,198
20,111	Total Liabilities	25,572	22,798
753,471	Net Assets	722,742	717,772

*Balance Parish Cheque Account as of 29 February 2024: \$135,066.75

FIRST COLLECTIONS

2022	2023
35,205	37,122

** These collections are forwarded directly to the Archdiocese and are not controlled by the Parish. The Collections are used primarily for the support of the priests across the Archdiocese.*