

Report of the Diocese of Antigonish Finance Council Financial Position at December 31, 2021



Financial Position December 31, 2021

The Audited Financial Statements for the year ended December 31, 2021 represent a Diocese that: 1) has extinguished its financial obligations related to a multi-million dollar debt required to settle the class action lawsuit; 2) continues to fund programs as directed by pastoral planning, in part, through bequests and donations; 3) was proactive in its support of parishes as they navigated through the pandemic without consistent Sunday collections and fewer opportunities to fundraise by applying for wage subsidies provided for by the federal government, delaying automated payments for those parishes for which collections were slow or non-existent, supporting parishes' operational requests as needed, etc.; and 4) continues to have a financial surplus in the Priests' Pension Plan following both a significant restructuring and change in professional management of that plan.

The financial statements at December 31, 2021 report an overall excess of revenue over expenditures for the Diocese of \$3,350,872 (2020 - \$394,553). This seemingly excessive overall surplus primarily reflects the final extinguishment through property sales of the debt related to the settlement of the class action lawsuit not the sustained operations of the Diocese. The excess relates to both operations (**\$14,294 deficit**) and activities directed to extinguishing the debt related to the class action lawsuit (\$3,365,166 surplus). The operations include: 1) a declining levy of \$919,664 (2020 - \$962,200); 2) a varying amount of donations and bequests of \$225,957 in 2021 (2020- \$513,903) which continues to fund pastoral programs of the Diocese; 3) a continuous increase in the allowance for doubtful accounts (i.e., bad debt expense of 2021 - \$28,601; 2020- \$95,388) reflecting delayed payment of receivables by several parishes; 4) a wage subsidy from the federal government in the amount of \$82,077 (2020 - \$160,035) related to pandemic circumstances; and 5) a reduction in travel and meeting costs replaced by virtual meetings, workshops and conferences as a result of pandemic protocols. The financial statements at December 31, 2021 were audited by Grant Thornton.

Planning 2022

The Diocese has budgeted to spend \$1,392,900 in 2022 (2021 -\$1,268,500). The Diocese budgeted expenditures support the work of the Diocese including administration (\$480,600), pastoral support (\$100,700), programming (\$423,100), property (\$135,600), grants (\$185,000), etc. The Diocesan levy fuels much of the operational expenses of the Diocese (70% of the revenue base) however the percentage of revenue provided by the levy is in decline which is problematic as other forms of revenue generation are less stable than is the levy. The levy is calculated as 13.5% of parish revenues based on a rolling average (over three years). In 2022 the levy is projected to be \$895,000 (2021 - \$919,664). In the face of a declining levy, increasing costs and slower payment by parishes generally, the Diocese is endeavoring to shorten its cash cycle for payments from parishes. In late 2021, the Diocese offered an inaugural workshop for Parish Finance Councils with 54 people attending and will offer another workshop in the fall of 2022. The topics included roles and responsibilities of Parish Finance Councils, long term planning, responsibility ministry protocol, etc.