

Catholic Development Fund - Diocese of Ballarat



Annual Report 2016

 *Siena*
CATHOLIC
PRIMARY SCHOOL

Principal: Mrs Jo Brewer
Governing Authority: Fr. Justin Driscoll VG
Website: slucas.catholic.edu.au
E-mail: admin@slucas.catholic.edu.au

Through learning we flourish 

The sign is white with a blue and red design. It features a stylized cross inside a heart shape, the school name 'Siena' in a cursive font, and 'CATHOLIC PRIMARY SCHOOL' in a sans-serif font. Below this, contact information is listed in a red banner. At the bottom, a slogan and a small logo are present.

CDF Staff

FUND MANAGER

Mr. Mark Bromley

ASSISTANT MANAGER

Mrs. Sharyn Simpson

CUSTOMER SERVICE OFFICERS

Mrs. Lisa Gehan

Mrs. Claire Blewitt

Mrs. Julie Boyd

Address: P.O. Box 576
15 Lyons Street Sth
Ballarat Vic 3350

Phone: 1800 134 100

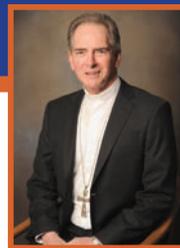
Fax: 03 53 315 625

Web address: www.ballarat.catholic.org.au

E-mail: cdf@ballarat.catholic.org.au



L-R: Julie Boyd, Philip Westbrook, Sharyn Simpson, Lisa Gehan, Mark Bromley, Claire Blewitt



On the morning of February 3 this year, mums, dads, children and teachers gathered near the entrance to Siena Catholic Primary School in the Ballarat suburb of Lucas. It was the start of a new school year. But not only that. It was the very first day in the life of a new school.

The school building was brand new. The classrooms had not yet been used. The outside sports area was waiting for students to run around on the green turf for the first time. The families were excited to be the first wave of families in the history of this new school. Most of all, the children were excited to be starting on this adventure at a school that had just been built. They looked extra fresh in their blue and orange uniforms and carrying their new school bags.

It was wonderful to be part of such a gathering, focussed on providing the best opportunities we can for the young members of our community. Siena Catholic Primary School had been a dream of families in the parish and the dream had come true. Our diocesan Catholic Development Fund helped to make the dream a reality. The Catholic Development Fund provided all the funding for Stage 1 with a loan of \$1,500,000. The CDF has been a key player in this wonderful new venture and will continue to be so for the years ahead.

In fact, the CDF is involved in virtually every capital works program that occurs in our diocese – works for the good of parishes and schools all across the western half of Victoria.

I thank the parishes, schools, agencies and individuals who have entrusted deposits to our Catholic Development Fund. By making these deposits, they have provided a pool of resources from which parishes and schools and agencies throughout the diocese can draw to finance new buildings and other vital projects for communities large and small.

I thank Mr Paul Foley, who has chaired the CDF Board, and all the members of the Board for guiding the Fund through the year. I also thank Mr Mark Bromley, the manager of the Fund. This year I would like to emphasise my gratitude to Mark. He has laboured for many moons in caring for the Fund and in this way providing a great resource for parish communities throughout our diocese. Mark will be retiring from this role shortly and I take this opportunity to thank him for his generous service over so many years. I also express my thanks to the CDF staff who have worked with Mark to offer all the services that the CDF provides.

I give thanks to God for the success of the Catholic Development Fund in 2016, a success achieved in difficult times for such funds. I give thanks for the support the Fund has continued to give to the life of our Catholic Community throughout our diocese.

+ Paul Bird

*+ Paul Bird CSSR
Bishop of Ballarat*

Chairman's Report 2016



It is a pleasure to present the 41st Annual Report of the activities of the Catholic Development Fund - Diocese of Ballarat for the year ended December 31, 2016.

The Board and Management of the Fund continue to be challenged in a difficult economic environment as low level growth has been evident throughout the economy in 2016. Opportunities for improved and sustainable growth is yet to appear and these factors can potentially have an enormous impact of the operations and financial results Catholic Development Fund. I am pleased to advise that in 2016, the Fund has been able to continue to increase its assets by \$10m to \$166m. I sincerely thank the continued support from depositors which demonstrates the important role that the Fund plays within the Diocese.

FINANCIAL RESULTS

The surplus for the year of \$1,971,936 is another outstanding result given the 'flat' interest rate environment, whilst improving our gross margin of the Fund by over \$140,000 from 2015 with our *cost of funds* improving. This result would not have been possible if it were not for the astute management of the Fund by Mr Mark Bromley and staff.

The Board handled all challenges it faced throughout the year and I am proud of the thoughtful and prudent manner of the decision making process employed.

A synopsis of the year is below:

- Excellent surplus of \$1,971,936
- Deposits growth of \$10m
- Assets exceed \$166m
- \$1,000,000 distribution to Diocese

The ability of the Board to be able to increase the distribution to \$1,000,000 to the Diocese is a fantastic achievement for the 2016 year. After consultation with the Diocesan Finance Committee it has been determined that a distribution to the Retired Priest Facilities is not required as sufficient funds are held in reserve to provide for the accommodation of our retired priests.

The Board has elected to distribute the 2016 surplus as follows:

Diocese of Ballarat	\$1,000,000
Retained Earnings	\$ 971,936

THE BOARD

The Board meets on six occasions during the year to assist and provide guidance to the management of the Fund, assessing and approving loans, policy implementation and reviewing interest rates.

A key to the on-going success of the CDF is the determination by the Board to maintain a rate structure that is fair to borrowers and depositors.

I thank all Board members for their thoughtful and considered contributions to the overall management of the Catholic Development Fund in 2016.



LOANS

Lending is primarily provided to primary and secondary schools throughout the Diocese. Loans settled during the year exceed \$16,500,000

Every school, both primary and secondary has benefited in some way in recent years with the assistance of the Fund.

OUTLOOK

Unfortunately, since my report of this time a year ago, there has been only a very slight improvement in the world and Australian economy. The short term expectation is that interest rates will continue at historic lows in the short term.

We believe that the economic environment will continue to be difficult for the foreseeable future as governments around the world struggle to implement effective strategies to stimulate growth and improved economic activity. The expectation is that these factors will continue to challenge the Fund in being able to achieve another satisfactory financial result for 2017 with loan demand remaining steady.

STAFF

I congratulate the Fund Manager, Mr Mark Bromley for his outstanding management of the Fund over many years. His astute financial knowledge and management of the Fund is without peer. Mark as always administers the Fund a most efficient, effective and caring manner.

It is with a heavy heart that the Board accepted Mark's resignation in December, 2016. Mark has acted as Business Manager to the Board and the Diocese for more than twenty-eight years. It has been due to Mark's business acumen and sound decision making that the Diocese has been able to remain financially sound through an extremely difficult period for of us associated with the church. Mark has always managed the many challenges

presented to him in a considerate and caring manner throughout his tenure with the best interests of the Diocese at the forefront of his mind. Mark is to be sincerely congratulated for his work and the Board wish him well in pursuing his other interests.

Assistant Manager Sharyn Simpson plays an important role for the Fund and her vast experience in the banking sector is critical to the sound management of the Fund.

Customer Services Officers Lisa Gehan, Claire Blewitt and Julie Boyd provide competent and friendly service to all who have contact with the Fund.

APPRECIATION

I extend my appreciation to Bishop Paul Bird for his on-going guidance, confidence, support and trust he places in all the Board members of the Fund. It is a privilege and a pleasure to be able to serve the Catholic Church in the Diocese.

I thank all Board members who willingly volunteer their own valuable time and expertise in the assistance of the management of the Fund.

CONCLUSION

I must acknowledge the support and loyalty that the Fund continues to receive from the clergy, parishes, schools and colleges throughout the Diocese of Ballarat. The Fund is delighted to continue to be seen as the preferred lender to our parishes and schools for the important projects that they require financial funding to assist to maintain and grow their assets. The Fund is acutely aware it can only achieve any financial success from the loyalty and support all sectors of the Diocese.

The Fund continues to strive to provide a caring, efficient and competitive service for the Diocese of Ballarat.

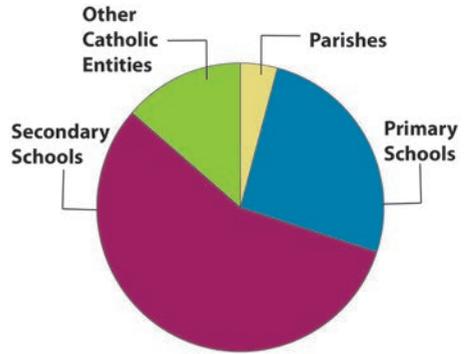
Paul D. Foley
CHAIRMAN

*Helping each other
and building
a stronger church
and community*

2016 at a glance.....

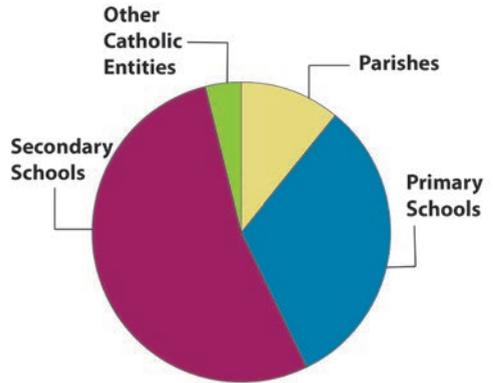
Loans Advanced 2016 \$Mil

Parishes	0.70
Primary Schools	4.28
Secondary Schools	9.38
Other Catholic Entities	2.23



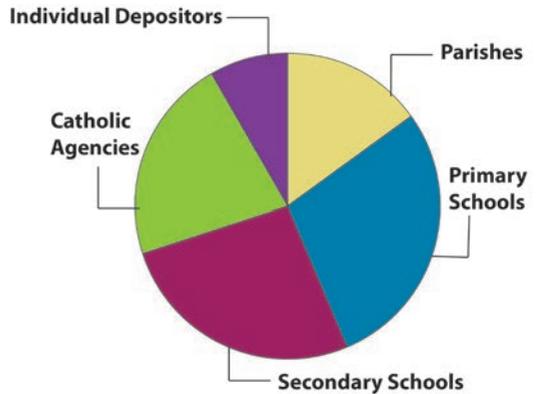
Loans Outstanding (as at 31/12/16) \$Mil

Parishes	6.38
Primary Schools	18.82
Secondary Schools	31.43
Other Catholic Entities	2.24



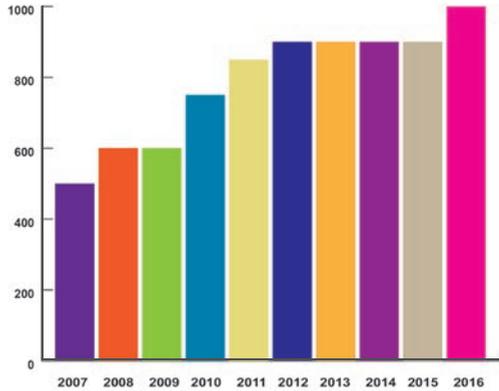
Deposits Held (as at 31/12/16) \$Mil

Parishes	22.59
Primary Schools	42.17
Secondary Schools	39.47
Catholic Agencies	32.15
Individual Depositors	12.05



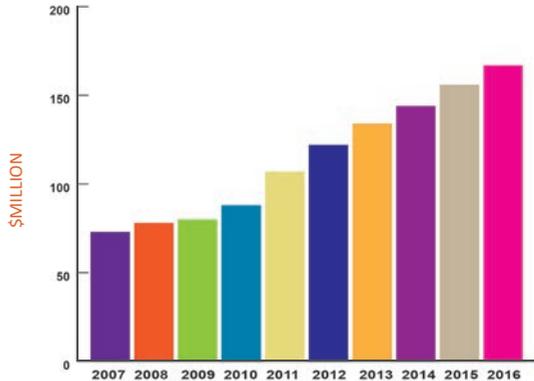
Distribution to the Diocese \$

2007	500,000
2008	600,000
2009	600,000
2010	750,000
2011	850,000
2012	900,000
2013	900,000
2014	900,000
2015	900,000
2016	1,000,000



Total Assets \$Mil *(as at 31/12/16)*

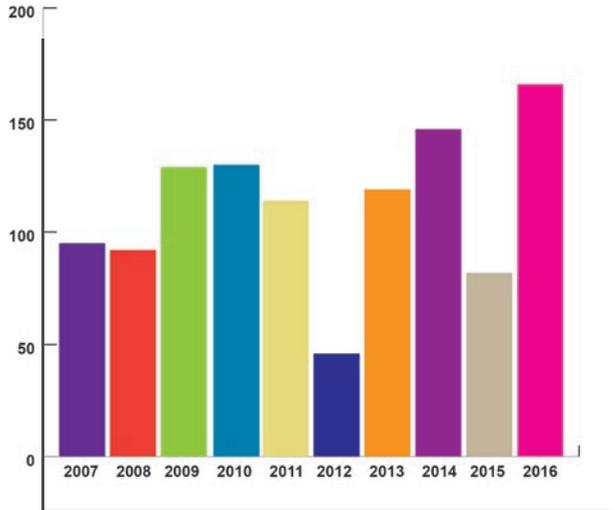
2007	73
2008	78
2009	80
2010	88
2011	107
2012	122
2013	134
2014	144
2015	156
2016	167



2016 at a glance.....

Loans Funded \$

2007	9,540,348
2008	9,164,741
2009	12,946,229
2010	13,054,504
2011	11,368,663
2012	4,586,813
2013	11,917,639
2014	14,456,679
2015	8,161,826
2016	16,591,336
<hr/>	
TOTAL	111,788,778



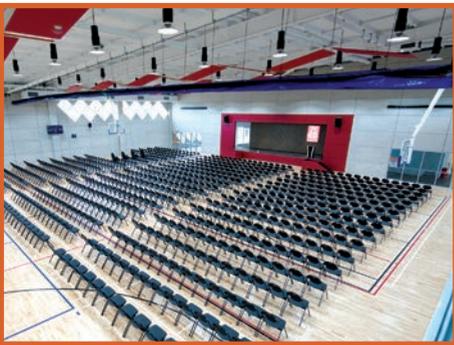
Recent Projects



St Paul's Primary School, Mildura



Siena Primary School, Lucas



Emmanuel College, Warrnambool



Recent Projects



St Patrick's Primary School, Stawell



St Malacy's Primary School, Edenhope



St Mary's Primary School, Swan Hill



Statement of Income and Expenditure

For the Year Ended 31st December 2016

INCOME	2016	2015
	\$	\$
Interest on Loans	2,674,726	2,928,465
Interest on Investments	3,513,605	3,399,224
Total Income	\$6,188,331	\$6,327,689
EXPENDITURE		
Interest paid to Depositors	3,714,332	3,980,915
Operating Expenditure	502,063	494,123
Total Expenditure	4,216,395	4,475,038
SURPLUS FOR THE YEAR	\$1,971,936	\$1,852,651
Allocated as follows:		
Distribution to Diocese	1,000,000	900,000
Transferred to Reserve Funds	971,936	\$952,651
	\$1,971,936	\$1,852,651
Reserve Funds at Beginning of Year	16,727,654	15,775,003
Add Surplus Transferred to Reserves	971,936	952,651
Reserve Funds at End of Year	\$17,699,590	\$16,727,654

Completed Audited Financial Statements are available on request from the Fund Office

Balance Sheet

For the year ended 31st December 2016

ASSETS	2016	2015
	\$	\$
Loans Advanced	58,868,180	50,547,421
Investments	106,969,880	104,989,223
Accrued Interest Receivable	850,115	712,833
Fixed Assets	10,637	17,728
Total Assets	\$166,698,812	\$156,267,205
LIABILITIES		
Depositors' Funds	148,428,800	138,962,162
Sundry Creditors	28,575	26,105
Accrued Interest Payable	277,926	275,200
Provision for Leave Entitlements	263,921	276,084
Total Liabilities	\$148,999,222	\$139,539,551
Net Assets	\$17,699,590	\$16,727,654
EQUITY		
Accumulated Surplus	8,199,590	7,227,654
Retired Priests Facility Reserve	1,500,000	1,500,000
General Reserve	8,000,000	8,000,000
Total Equity	\$17,699,590	\$16,727,654

Our Mission Statement

Our aim is to maximise the use of resources within the Catholic community in order to provide facilities to invest funds, offer loans at favourable cost for capital and other projects, and provide the means of promoting the pastoral and educational needs of the Ballarat Diocese

Church Clients

With the CDF – Ballarat Parishes and schools have access to a fund which is user friendly.

The continuing support of the Fund from parishes and schools is most important, as it ensures that we can continue our mission within the Diocese. The CDF provides a range of financial services, including fee-free accounts with a competitive return on investments and also offers low-cost loans with minimum fuss.

Our Savings and Term Investments are available to all parishes and schools.

The CDF provides loans to all parishes, schools and catholic organisations within the Ballarat Diocese.

- No fees / minimal paperwork
- Affordable Interest rates
- Negotiable repayment terms

Please contact the CDF for more information.



CDF Board of Management

Bishop Paul BIRD

Mr. Paul FOLEY (Chairperson)

Rev. Justin DRISCOLL

Ms. Julie DUYNHOVEN

Mr. Luke DUNNE

Mr. Jeff PRIMMER

Mr. Peter JOHNSON

Mr. Luke RIENIETS

Mrs. Kim BUTLER

Mr. Mark BROMLEY

Auditors Report

We have audited the financial reports of the Catholic Development Fund comprising the Balance Sheet and Income and Expenditure Statement, extracts of which are included in this Annual Report, in accordance with Australian Auditing Standards. In our opinion, the financial report presents fairly the financial position of the Catholic Development Fund as at the 31st December 2016 and the results of its operations for the year ended.

In our opinion, the information given in this report is consistent with the unabridged financial report from it is derived.

BALLARAT
23 March, 2017

CHRIS KOL
Coffey Hunt.





The Diocese of Ballarat – Catholic Development Fund (the **Fund**) is required by law to make the following disclosure. The Fund is not prudentially supervised by the Australian Prudential Regulation Authority nor has it been examined or approved by the Australian Securities and Investments Commission. An investor in the Fund will not receive the benefit of the financial claims scheme or the depositor protection provisions in the Banking Act 1959 (Cth). Investments in the Fund are intended to be a means for investors to support the charitable religious and educational works of the Catholic Diocese of Ballarat and for whom the consideration of profit are not of primary relevance in the investment decision. The investments that the Fund offers are not subject to the usual protections for the investors under the Corporations Act (Cth) or regulation by Australian Securities and Investments Commission. Investors may be unable to get some or all of their money back when the investor expects or at all and any investment of the Fund are comparable to investments with banks, finance companies or fund managers. The Fund's identification statement may be viewed at www.ballarat.catholic.org.au or by contacting the Fund. The Fund does not hold an Australian Financial Services Licence.