

Our Lady of Sorrows – Annual Report / Parish Finance Summary

For the fiscal year July 1, 2019 through June 30, 2020



Summary

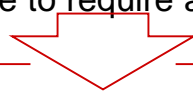
Your Parish Finance Council is pleased to present to you this Annual Report for the fiscal year ended June 30, 2020, providing you details of our financial results for fiscal year 2020, with comparison to prior years. Our goal in this Annual Report is to continue with the transparency of our finances so that all parishioners can see and easily understand our financial results.

The Good News:

- Income increased 5%, led by an increase of 10% in our annual collection and a 4% in our offertory. Our offertory from March to June, when we could not hold Mass due to COVID-19, was equal to our prior year offertory, thanks to a significant increase in mailed in and electronic payments. Electronic payments ensure continued recurring giving when we can't celebrate Mass together, and we encourage parishioners to consider this option.
- Operating expenses decreased ~6%, primarily due to a drop in salaries. Efficiencies were gained by the staff without a loss in services.
- In total, the Parish had a modest operating profit (\$13k) as compared to a large operating loss (\$38k) in the past fiscal year
- Many maintenance projects were completed, including the Bathroom/Kitchen in the rectory, the refurbishment of the Pieta, replacement of the fire alarm system in all buildings & the replacement of one of the furnaces in the church.
- The parish received a PPP loan from the government of \$62k in May, which has helped our cash balance. The PFC expects to receive a full forgiveness of this loan, which has not been reflected in our 2020 operating results.

The Challenge:

- The many maintenance projects generated a cash outflow of \$50k in the fiscal year, and additional projects must be addressed, including the resurfacing of the parking lot.
- We expect that the upcoming year (Jul 2020 to Jun 2021) will continue to require a limited Mass schedule and thus reduced offertory giving.



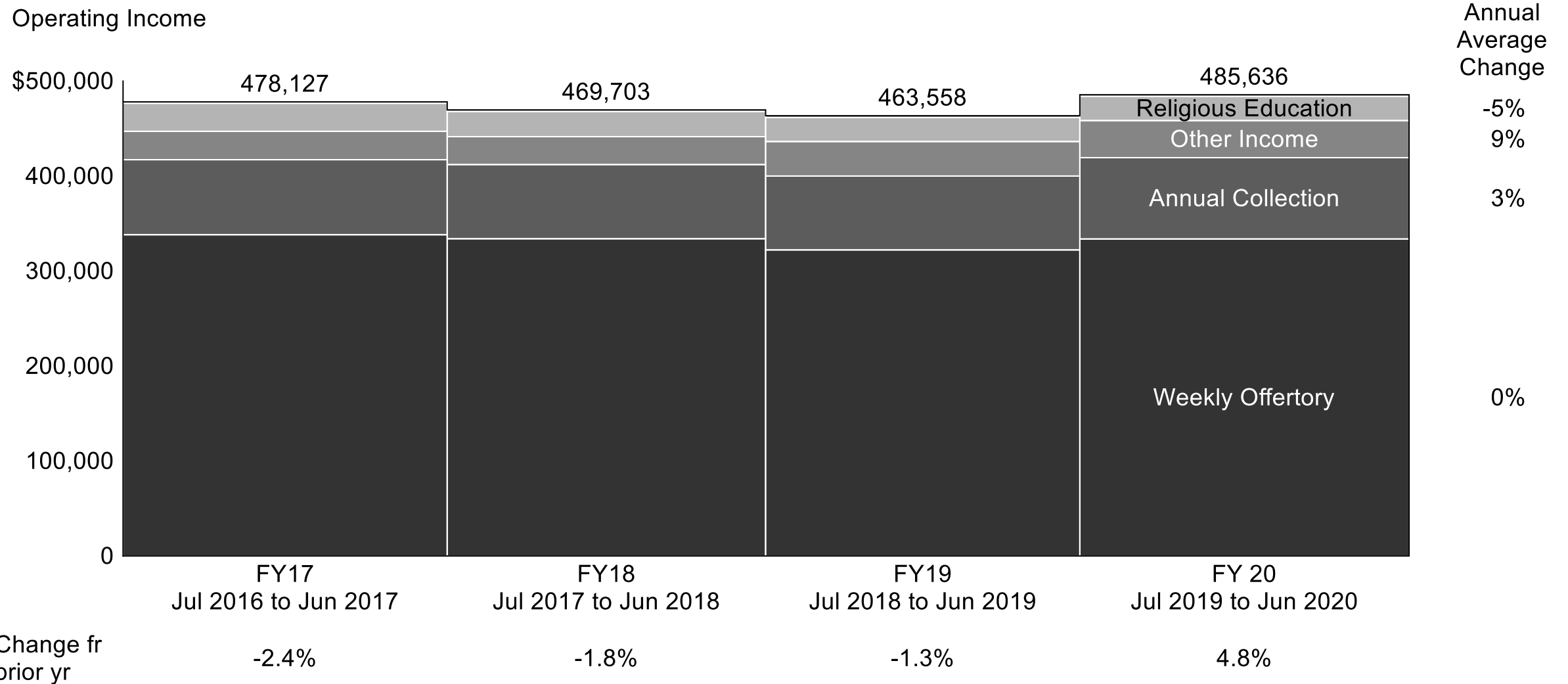
**The PFC and staff are extremely grateful for the Parish community's generosity during this pandemic.
THANK YOU and we look forward to your continuing generosity throughout this pandemic.**

Operating income and expenses showed significant improvement in FY2020

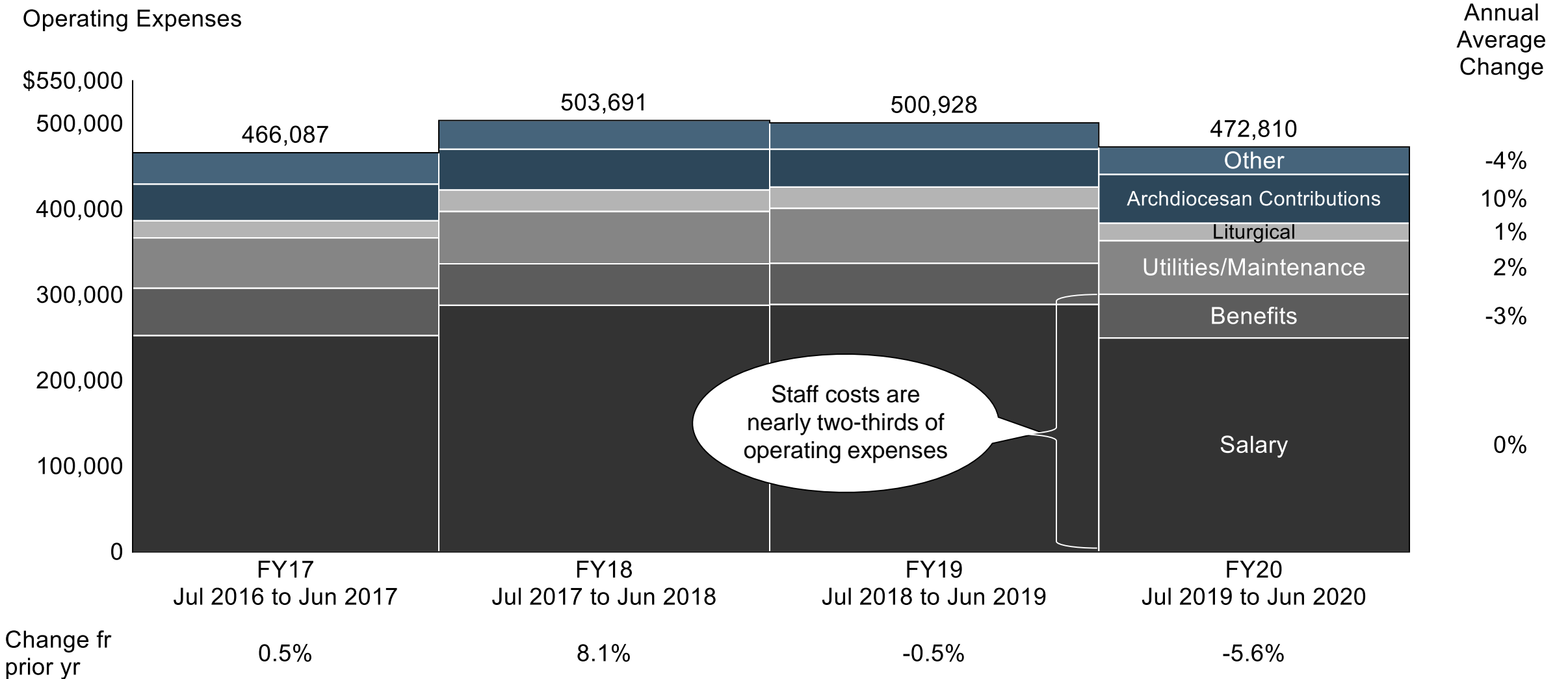
INCOME:	Fiscal year actuals				Change
	2017	2018	2019	2020	2020 v 2019
Weekly Offertory	338,250	334,016	322,245	333,789	11,545
Annual Collection	79,000	78,086	77,814	85,586	7,771
Other Income	29,888	29,408	36,309	39,076	2,767
Religious Education Fees	29,517	26,532	25,355	25,581	226
Interest Income	1,471	1,660	1,835	1,604	(231)
Total Operating Income	478,127	469,703	463,558	485,636	22,077
EXPENSES:					
Salary	252,598	287,941	288,910	249,749	(39,161)
Benefits	55,285	48,419	48,053	51,069	3,015
Utilities/Maintenance	58,742	61,110	64,233	62,514	(1,719)
Archdiocesan Contributions	42,728	47,566	44,178	56,970	12,792
Liturgical	20,036	25,083	24,802	20,414	(4,389)
Religious Education	15,142	15,591	13,094	11,484	(1,610)
Office	13,987	13,852	13,636	10,408	(3,228)
Other	6,743	1,924	3,466	9,440	5,974
Music	827	2,205	557	763	207
Total Operating Expenses	466,087	503,691	500,928	472,810	(28,118)
Youth Ministry Program Income	11,860	11,786	9,152	4,170	(4,982)
Youth Ministry Program Expense	(14,559)	(13,160)	(9,401)	(3,416)	5,986
Net Youth Ministry Expense	(2,699)	(1,374)	(250)	754	1,004
Net Income (Loss)	9,341	(35,363)	(37,620)	13,580	51,200

Note: Fiscal year represents period from July 1 through June 30; The above amounts exclude maintenance and other fundraising campaign income/expenses. See appendix for full results.

Operating income up 2% from FY 2017



Operating expenses down 6% from FY18 high



Non-compensation costs – Largest categories

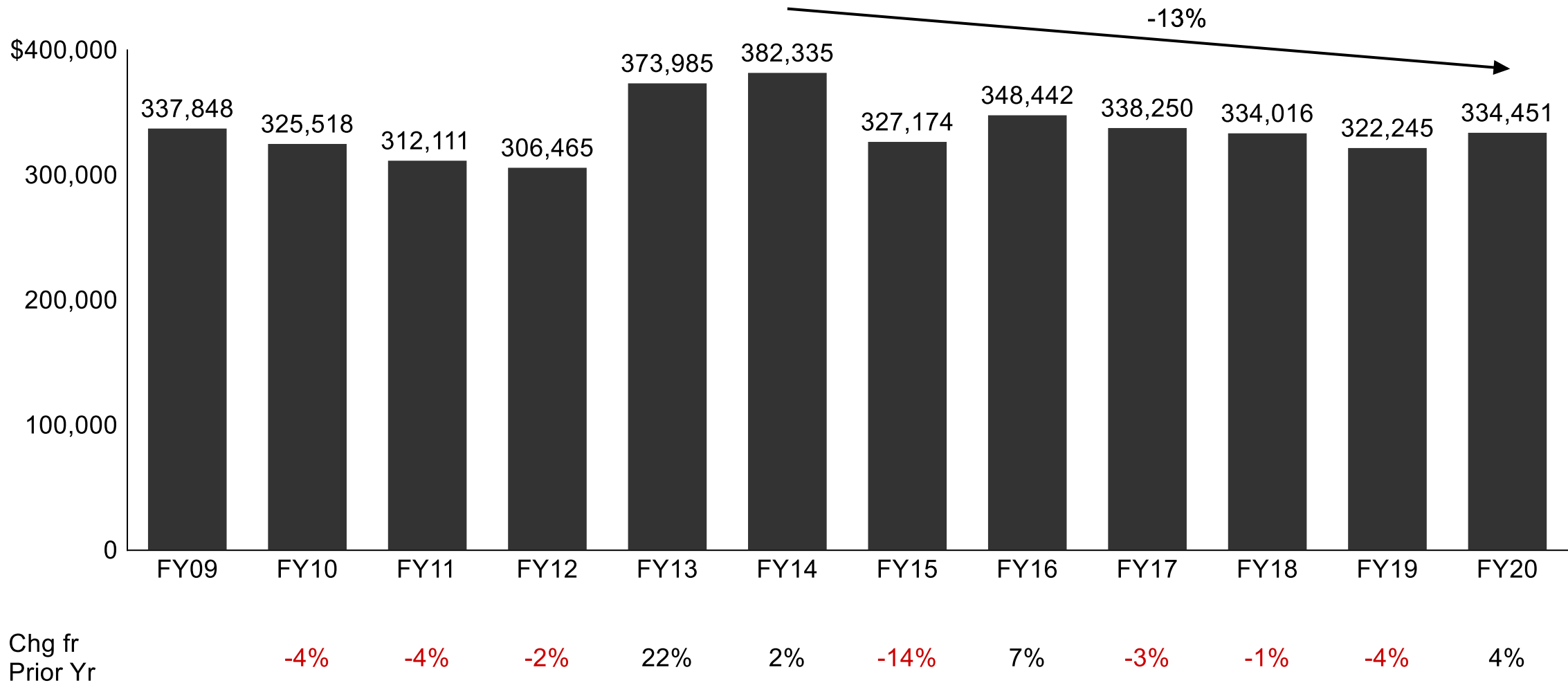
	FY 2018	FY 2019	FY2020
Fire Insurance	\$8,500	\$9,000	\$9,700
Natural Gas	10,000	10,000	8,300
Electric	7,700	8,000	7,200
Food for Pastor	1,500	2,900	6,900
Snow Plowing / Salt	9,000	8,000	6,400
Internet/Cable	2,900	3,200	4,800
Cleaning	8,500	9,000	4,500
Cottage Street Rental (Religious Education)	4,000	4,500	3,400
Alarm Monitoring	1,000	1,000	3,300
Religious Education Books	3,600	3,000	3,100
Trash/Dumpster	2,200	2,500	2,400
Liability Insurance	2,000	2,000	2,200
Recording Fee - Online Masses	0	0	1,700
Payroll Processing Fee	<u>1,700</u>	<u>1,900</u>	<u>1,500</u>
	\$62,600	\$65,000	\$65,400

Maintenance Expenditures (by Campaign) – Fiscal Years 2017 through 2020

	FY17 Grand Annual Additional	Church Painting & Other	Cool the Lights & Other	Pieta Refurbishment	Rectory Kitchen/ Bathroom	Other 2020 projects	TOTAL
FUNDRAISING INCOME	\$ 9,963	\$ 44,114	\$ 22,682	\$ 10,573	\$ 71,976	\$ -	\$ 159,308
EXPENSES							
O'Connell Hall bathroom flood repair	3,300						3,300
Rectory front steps repair	1,960						1,960
Church organ repair	850						850
Landscaping / tree removal	750						750
Bullock skylight repair	500						500
Rectory upstairs bathroom		30,716					30,716
Church painting & landscaping/tree removal		21,015					21,015
Rectory office refurbishment & painting		6,025					6,025
O'Connell Hall refrigerator replacement		1,100					1,100
Church furnace repair		1,000					1,000
Parking lot-Seal and repair cracks - DELAYED		-					-
All buildings - Light replacement			11,692				11,692
Landscaping / tree removal			4,965				4,965
Church side ramp repair			2,200				2,200
Bullock/rectory storm doors			1,125				1,125
Bullock broken water pipe			975				975
Pieta refurbishment				12,373			12,373
Rectory kitchen/bathroom renovation					83,637		83,637
Fire alarm replacement (net of insurance reimb)						6,412	6,412
Church furnace replacement						5,200	5,200
Church lock installation						2,930	2,930
TOTAL EXPENSES	7,360	59,856	20,957	12,373	83,637	14,542	198,725
NET SURPLUS/(SHORTFALL)	\$ 2,603	\$ (15,742)	\$ 1,725	\$ (1,800)	\$ (11,661)	\$ (14,542)	\$ (39,417)
Original Fundraising Goal	\$ 10,000	\$ 50,000	\$ 10,000	\$ 8,000	\$ 65,000	N/A	

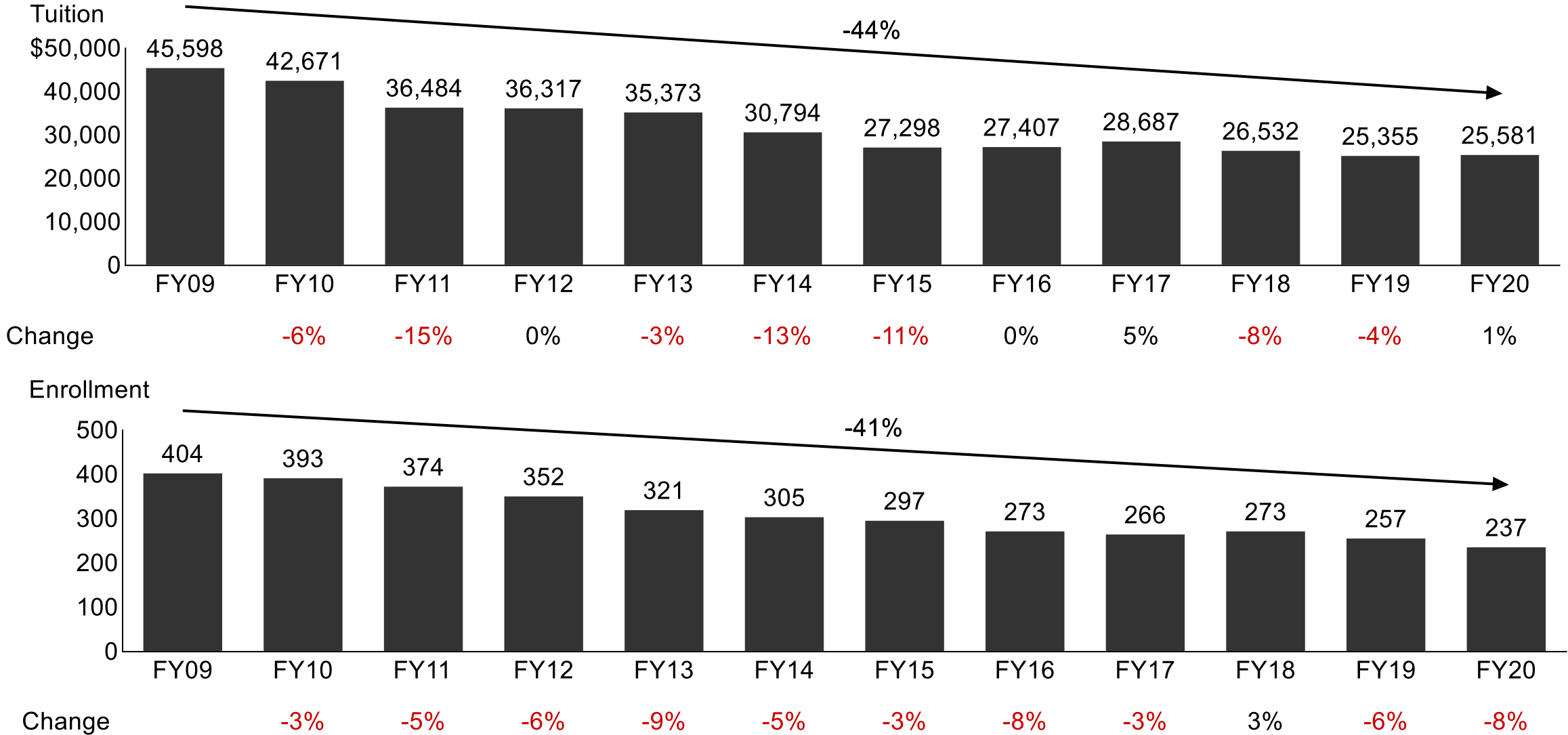
Note: The original fundraising goal for FY17 Grand Annual was \$40,000. The shortfall of \$30,000 was rolled into the Church Painting & Other project campaign. (\$30,000 Grand Annual shortfall plus additional \$20,000 equals goal of \$50,000)

Offertory: Increase of 4% in 2020 - Decline of 13% since peak in fiscal year 2014

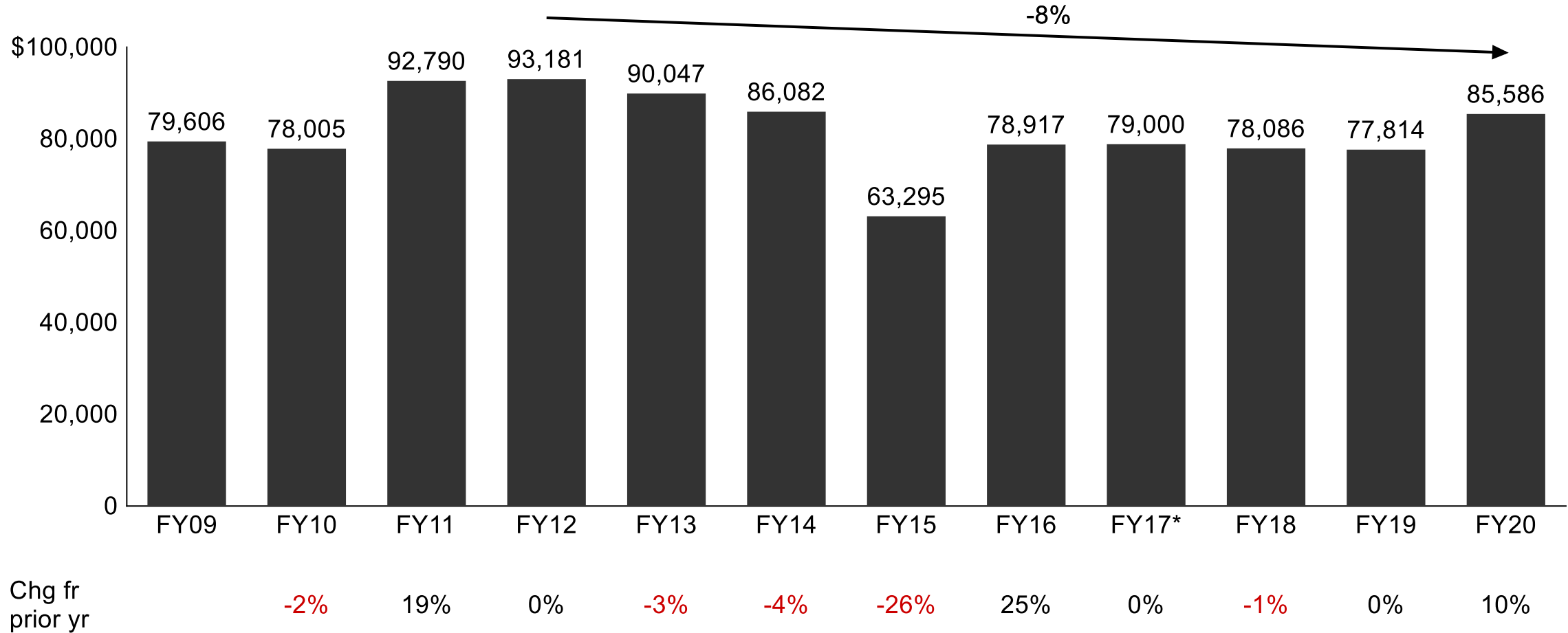


Note: Collections on Easter Sunday and Christmas (including those years that Christmas falls on a Sunday) are applied to the Clergy Retirement Fund

Religious Ed: FY20 tuition up 1%; Student enrollment down 8%



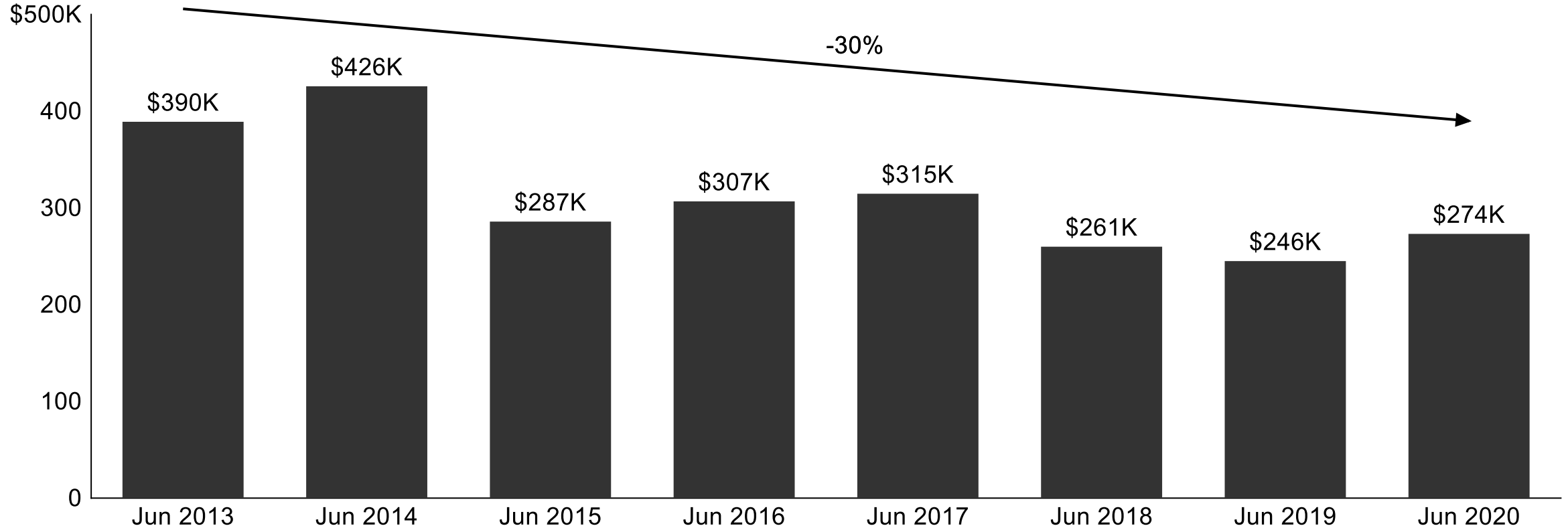
Annual collection: FY20 collection up 10%, but down 8% from FY12 peak



• - Excludes \$10k raised for additional maintenance campaign

Total cash in our bank accounts is down 30% since June 2013.
Increase in 2020 helped by \$62k PPP funds.

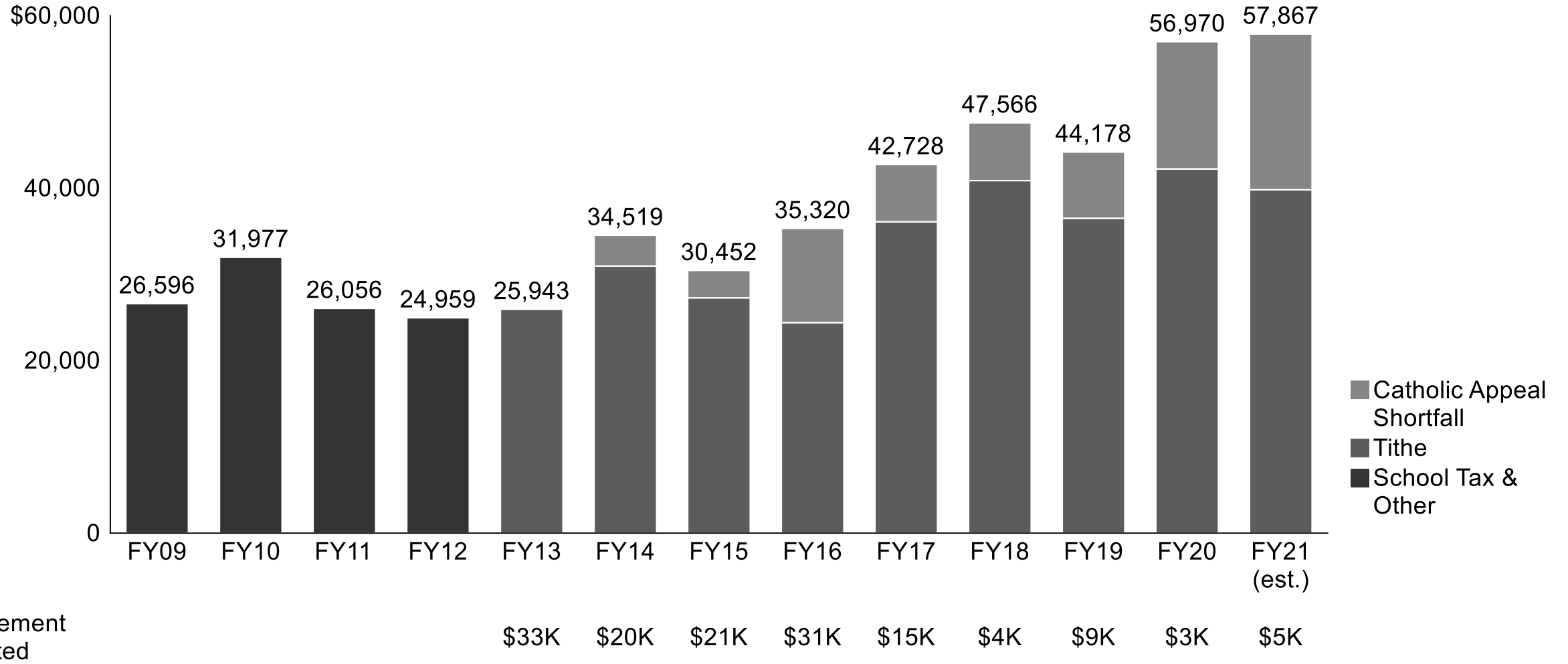
Cash balance



Archdiocese Contribution: Explanation

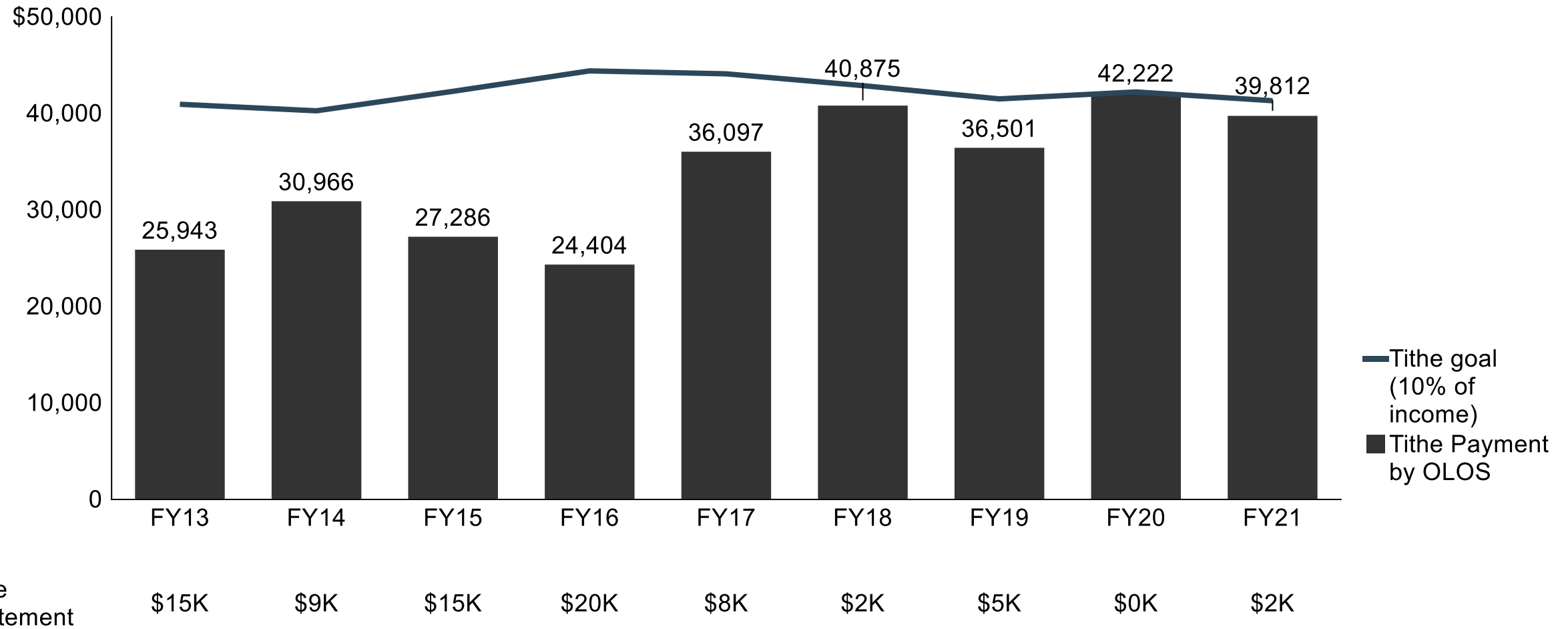
- In FY2013, the Archdiocese changed the way parishes assist in funding the central ministries of the diocese
 - > Prior to FY2013, parishes paid various and unequal School/Chaplaincy Tax amounts to the Archdiocese
 - > The new contributions simplified the process and ensured parishes in the diocese are paying their “fair share”
- The current contribution is made up of two payments that are based on parish income (3-year average offertory and annual collections):
 - > Tithe: Based on 10% of parish income
 - > Catholic Appeal: Calculated as the difference between our goal of 8% of parish income and the Catholic Appeal donations made by OLOS parishioners
- The Archdiocese allows parishes to request a reduction in payments (“Abatement”) each year if there are special circumstances
 - > OLOS received Tithe and Catholic Appeal abatements from FY13 through FY20
 - > OLOS will receive a \$1.5k Tithe abatement for FY21 and any Catholic Appeal abatement will be determined in early 2021

Archdiocese Contribution History - Total

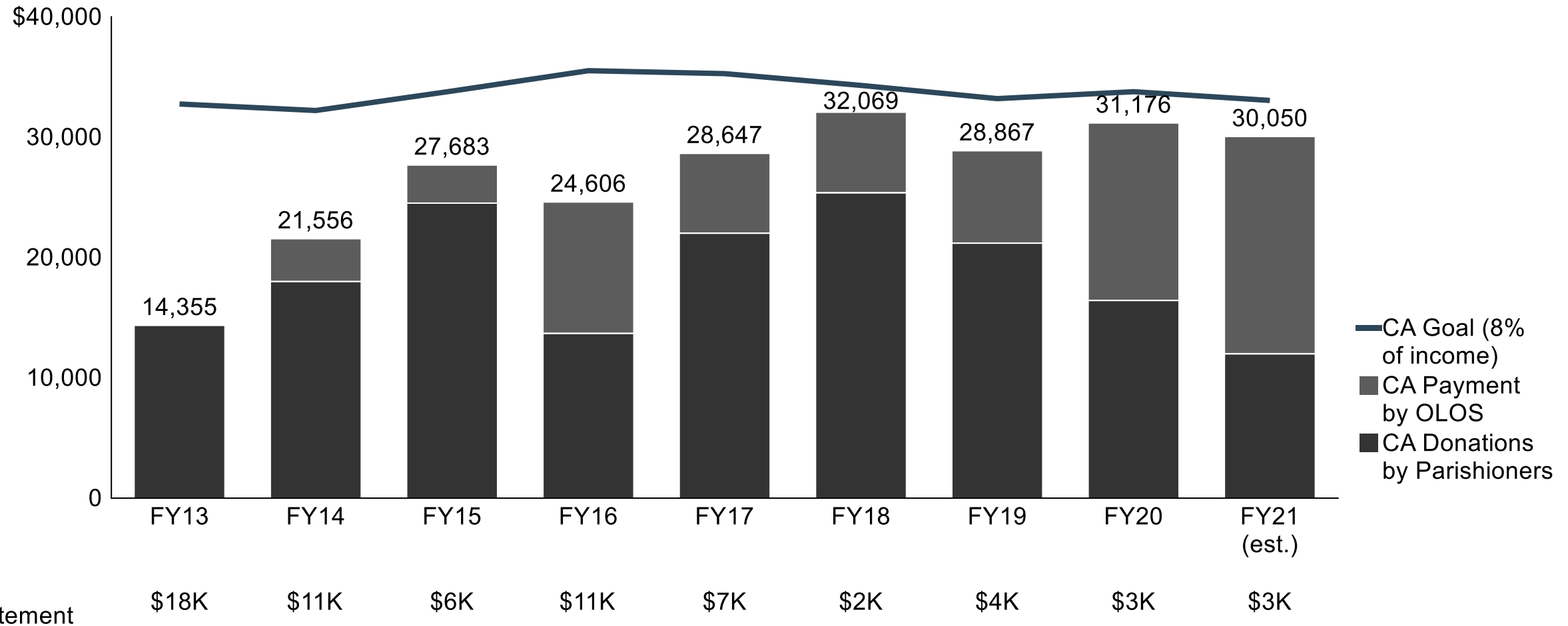


Note: FY2021 Catholic Appeal amount is not finalized. Donations by parishioners through end of July are more than \$4k lower than FY20 (and more than \$9k lower than FY19)

Archdiocese Contribution History - Tithe



Archdiocese Contribution History - Catholic Appeal (CA)



Note: FY2021 Catholic Appeal amount is not finalized. Donations by parishioners through end of July are more than \$4k lower than FY20 (and more than \$9k lower than FY19)

Your Parish Finance Council

Chuck Ahern

Joe Green

Amy Nau

Jim Spoto

Tim Caplice

Joel Lessard

Sam Solomon

Lisa Uebelacker

If you have a finance or development background and are interested in learning more about OLOS finances and joining the Parish Finance Council, please contact Jim Spoto at james.spoto1@gmail.com

Appendix

Combined Operating, Maintenance & Other Campaign Income and Expenses

Fiscal years 2019 and 2020

	Year ended June 30		Favorable
	2019	2020	(Unfavorable) Change
Weekly Offertory	322,245	333,789	11,545
Annual Collection	77,814	85,586	7,771
Other Income	53,561	40,038	(13,523)
Religious Education Fees	25,355	25,581	226
Maintenance Campaign Income	46,982	56,826	9,844
Interest Income	1,835	1,604	(231)
Total Income	527,792	543,424	15,632
Salary	288,910	249,749	39,161
Benefits	48,053	51,069	(3,015)
Utilities/Maintenance	64,233	71,856	(7,623)
Liturgical	42,000	21,582	20,418
Archdiocesan Contributions	44,178	56,970	(12,792)
Religious Education	13,094	11,484	1,610
Office	13,636	10,408	3,228
Maintenance Campaign Expenses	25,946	98,533	(72,588)
Other	3,466	9,440	(5,974)
Music	557	763	(207)
Total Operating Expenses	544,071	581,853	(37,782)
Youth Ministry Program Income	9,152	4,170	(4,982)
Youth Ministry Program Expense	(9,401)	(3,416)	(5,986)
Net Youth Ministry Expense	(250)	754	1,004
Net Income (Loss)	(16,529)	(37,676)	(21,146)

Maintenance & Other Campaigns – By Year

Income & Expenses

	Year ended June 30		TWO YEAR
	2019	2020	TOTAL
Rectory Bathroom-Kitchen	\$ 15,150	\$ 56,826	\$ 71,976
Cool the Lights	22,682	-	22,682
Other Campaigns	17,252	962	18,214
Pieta Repair	9,150	-	9,150
Total Income	64,234	57,788	122,022
Rectory Bathroom-Kitchen		83,637	83,637
Other Campaigns	17,198	1,168	18,366
Pieta	11,243	1,130	12,373
Light Replacement	543	8,567	9,110
Alarm Installation		6,412	6,412
Furance Replacement		5,200	5,200
Church Locks		2,930	2,930
Landscape/Tree Removal	4,965		4,965
Rectory Office repair	4,894		4,894
Church side ramp repair	2,200		2,200
Bullock/Rectory Storm Doors	1,125		1,125
Bullock broken water pipe	975		975
Total Operating Expenses	43,143	109,044	152,187
Net Campaign Income (Loss)	\$ 21,091	\$ (51,256)	\$ (30,165)

Note: Other Campaign income and expenses in 2019 and 2020 includes amounts raised for the Archdiocese of Tororo Uganda and Salmeron family. These amounts are included in the "Other Income" and "Liturgical Expense" line items.