

Our Lady of Sorrows Parish Finance Summary

As of June 30, 2016

Our Lady of Sorrows Annual Report

As your Parish Finance Council, we are pleased to present to you this Annual Report, providing you details of our financial results for fiscal year 2016 and our budget for fiscal year 2017.

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.

Our financial results for 2016 were very promising, coming off of a very difficult 2015, but our future will continue to require involvement from all parishioners to improve both our spiritual and financial health.

Your Parish Finance Council,

Jim Spoto, Chair

Stan Graveline

Miguel Villanueva

Chuck Ahern

Joe Green

Agenda

- Fiscal Year 2016 Results

- Cash Balance Analysis

- Fiscal Year 2017 Budget

Looking back on fiscal year 2016

Our results for 2016, presented on the following pages, show a net income of \$19k. This net income is due primarily to an increase in our offertory giving over 2015 as well as a conservative approach to spending to ensure our continued financial viability.

Our weekly offertory was up 6.5% from 2015 thanks to parishioners overwhelming response to our increased offertory campaign in the fall. Our annual campaign also surpassed our budget and was up 25% from 2015. Thank you!

Our expenses in 2016 came in under budget, primarily due to budgeted health benefits for open positions that were not elected by income staff. In addition, savings on utilities and reallocation of funds to other programs (coffee hours vs parish assembly) helped to keep our costs under our budget.

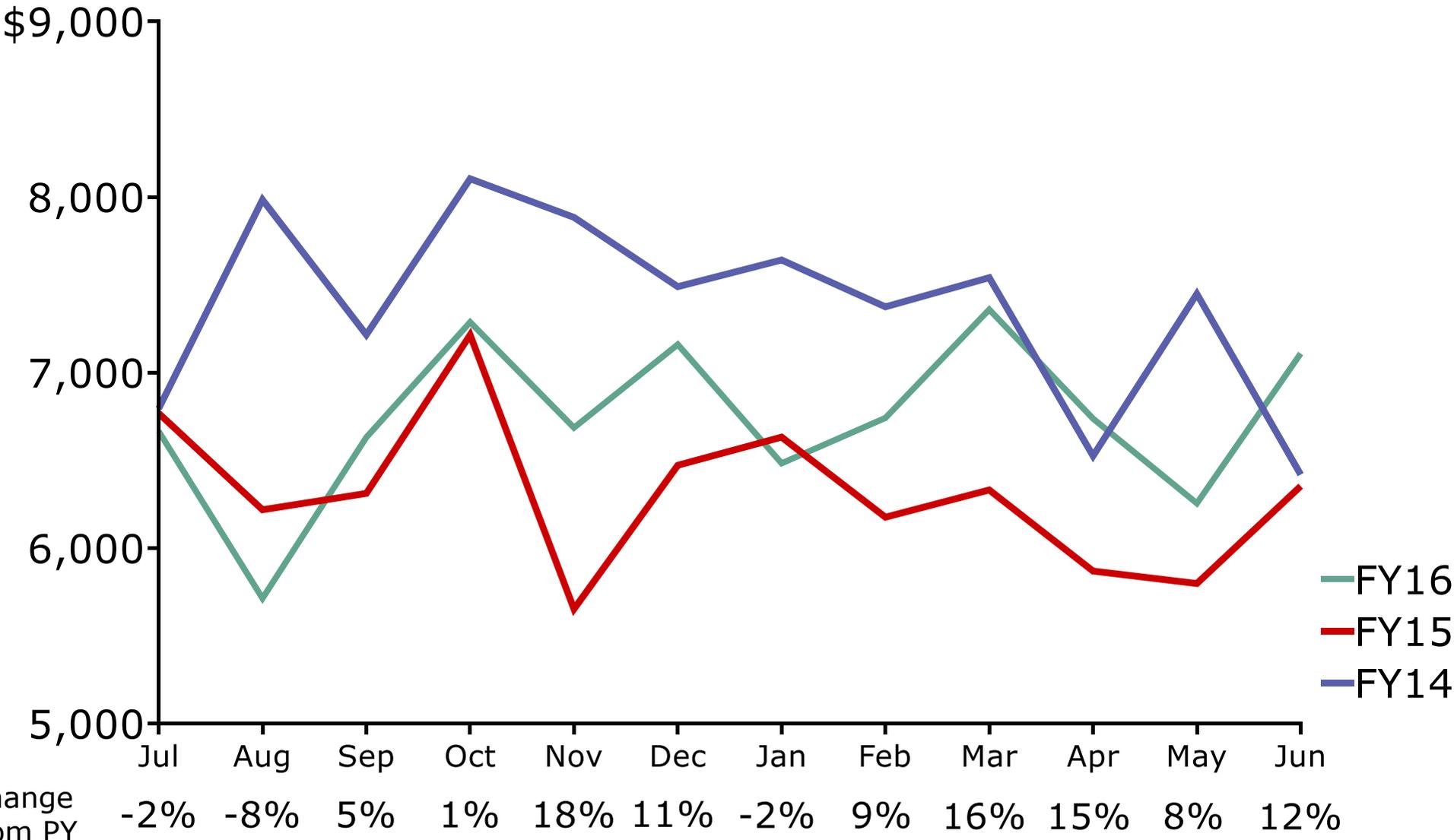
Finally, our cash balance increased by a corresponding \$20k, which allows the parish more flexibility in future spending and programs.

FY16 results show income is ahead of budget and costs are below budget

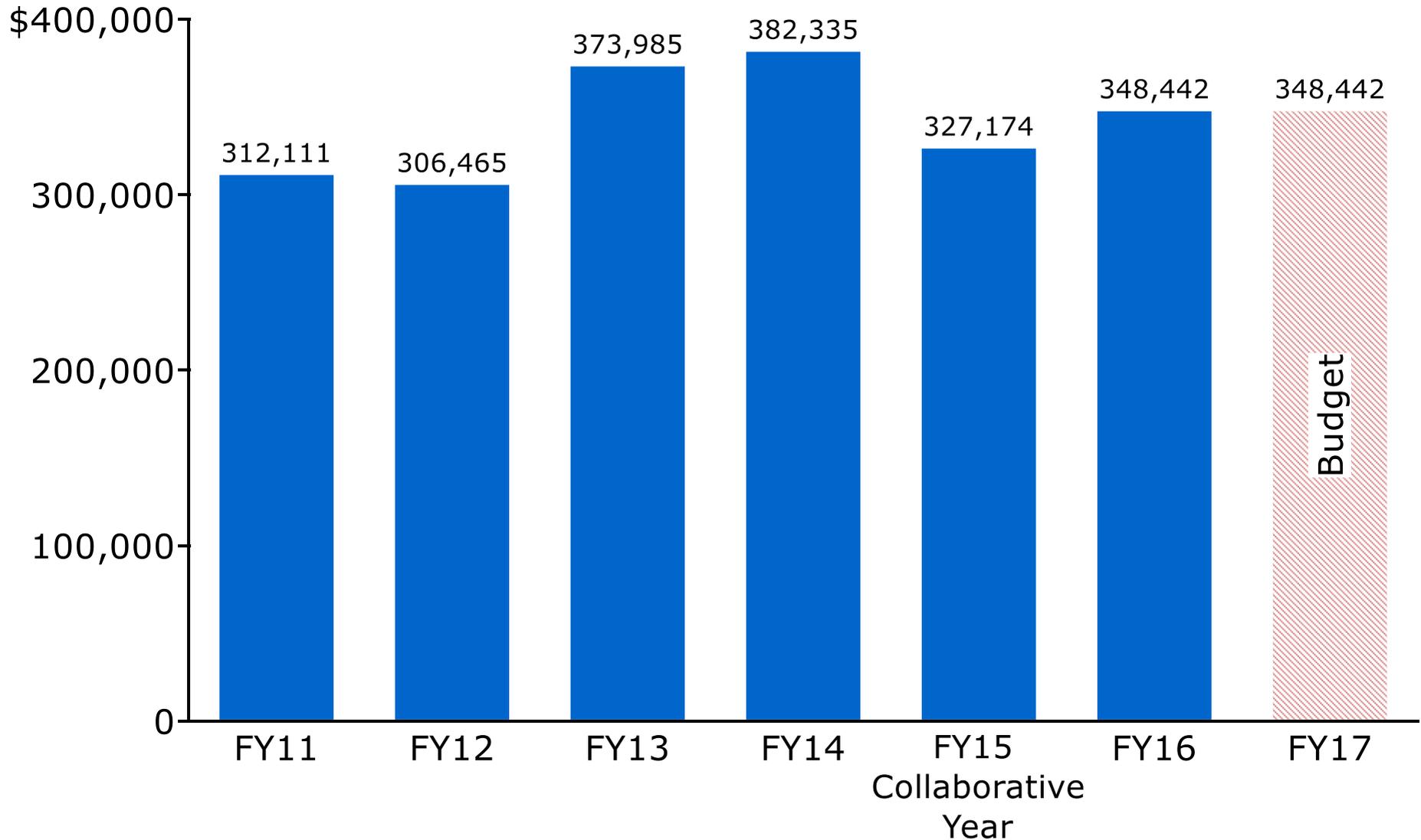
	Fiscal Year 2016		Favorable (Unfavorable)	
	Actual	Budget	Variance	
Weekly Offertory	348,442	342,051	6,391	6.5% increase over prior year
Annual Collection	78,917	73,304	5,613	25% increase over prior year
Other Income	33,057	36,375	(3,319)	Reduction in receipts for gifts/bequests
Religious Education Fees	27,407	26,871	536	
Interest Income	1,909	2,067	(158)	
Total Income	489,731	480,667	9,064	
Salary	252,275	255,828	3,553	Savings in open Volunteer Coordinator role and reduced facilities team usage, offset by intentional overlap of office manager to help with transition/training
Benefits	57,099	71,106	14,007	Budgeted health ins. for new hires not used in Q1/Q2 ; 401k over budgeted
Utilities/Maintenance	57,971	63,757	5,786	Lower heating costs and less snow plow costs due to warmer winter
Liturgical	25,680	27,938	2,258	Reduced flower, printing and postage costs offset by increased food costs for coffee hour
Archdiocesan Contributions	35,319	27,513	(7,806)	Increase due to Catholic Appeal shortfall required to be funded by OLOS
Religious Education	13,578	18,618	5,040	Parish Assembly cancellation lowered costs. Also lower book costs.
Office	12,245	8,995	(3,250)	Due to high collaborative phone system service cost and \$1.5k new phones purchased to reduce monthly service costs - Payback on new system in 6 mths
Capital Improvements	4,012	4,012	0	Only capital impvmt cost was to reestablish network wiring to Bullock Center
Other	8,965	4,848	(4,117)	Food and supplies for rectory and onsite pastor not budgeted
Music	2,368	1,500	(868)	Transportation costs not budgeted
Total Operating Expenses	469,510	484,115	14,604	
Youth Ministry Program Income	19,984	8,513	11,471	Gross income for YM service trips & retreats
Youth Ministry Program Expense	(21,646)	(13,565)	8,081	Gross expense for YM service trips & retreats
Net Youth Ministry Expense	(1,662)	(5,052)	3,390	
Net Income (Loss)	18,559	(8,500)	27,058	

Offertory: FY16 giving typically above FY15 level but still below FY14

Avg Wkly Collection



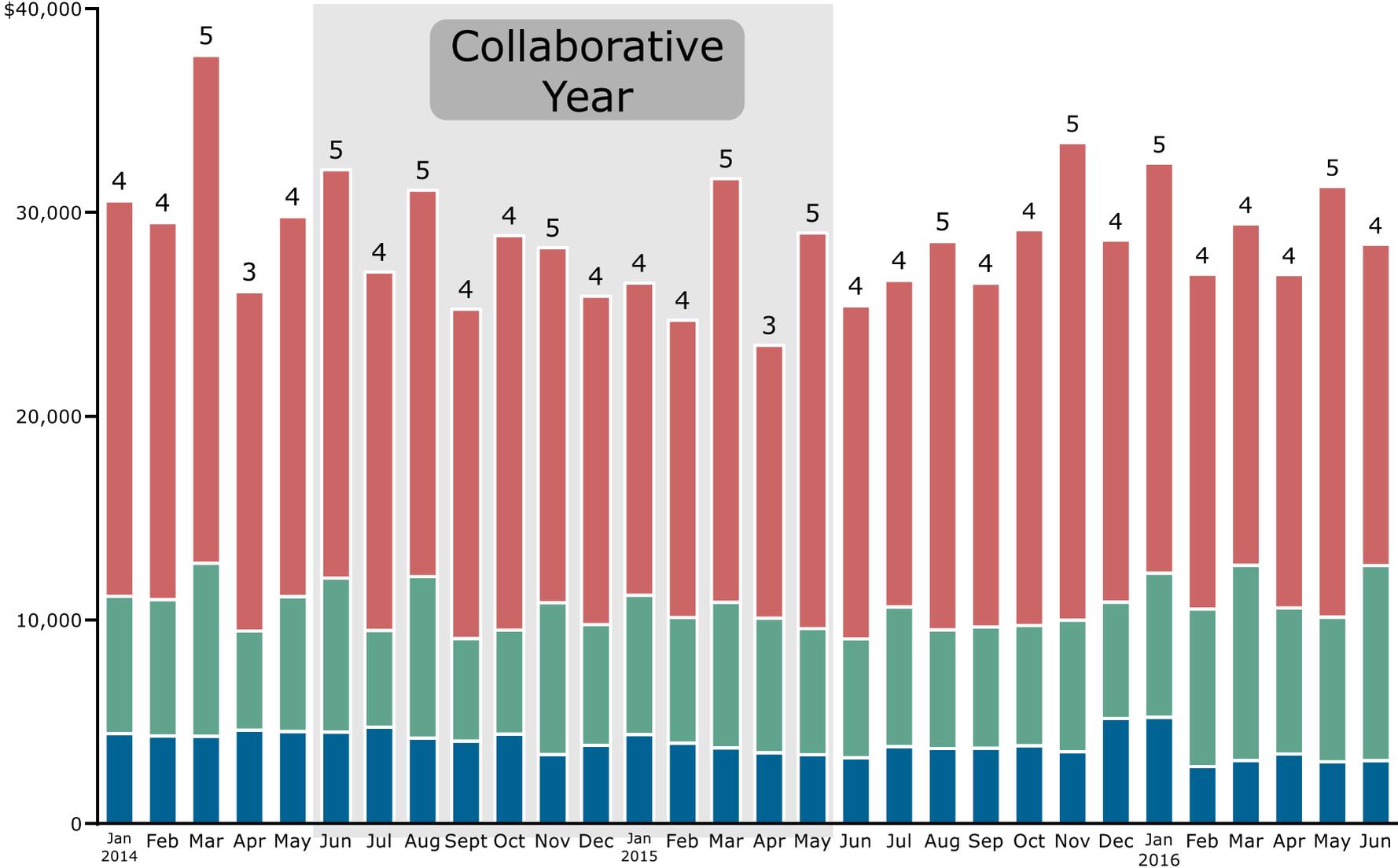
Offertory: FY16 up 6.5% from prior year



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

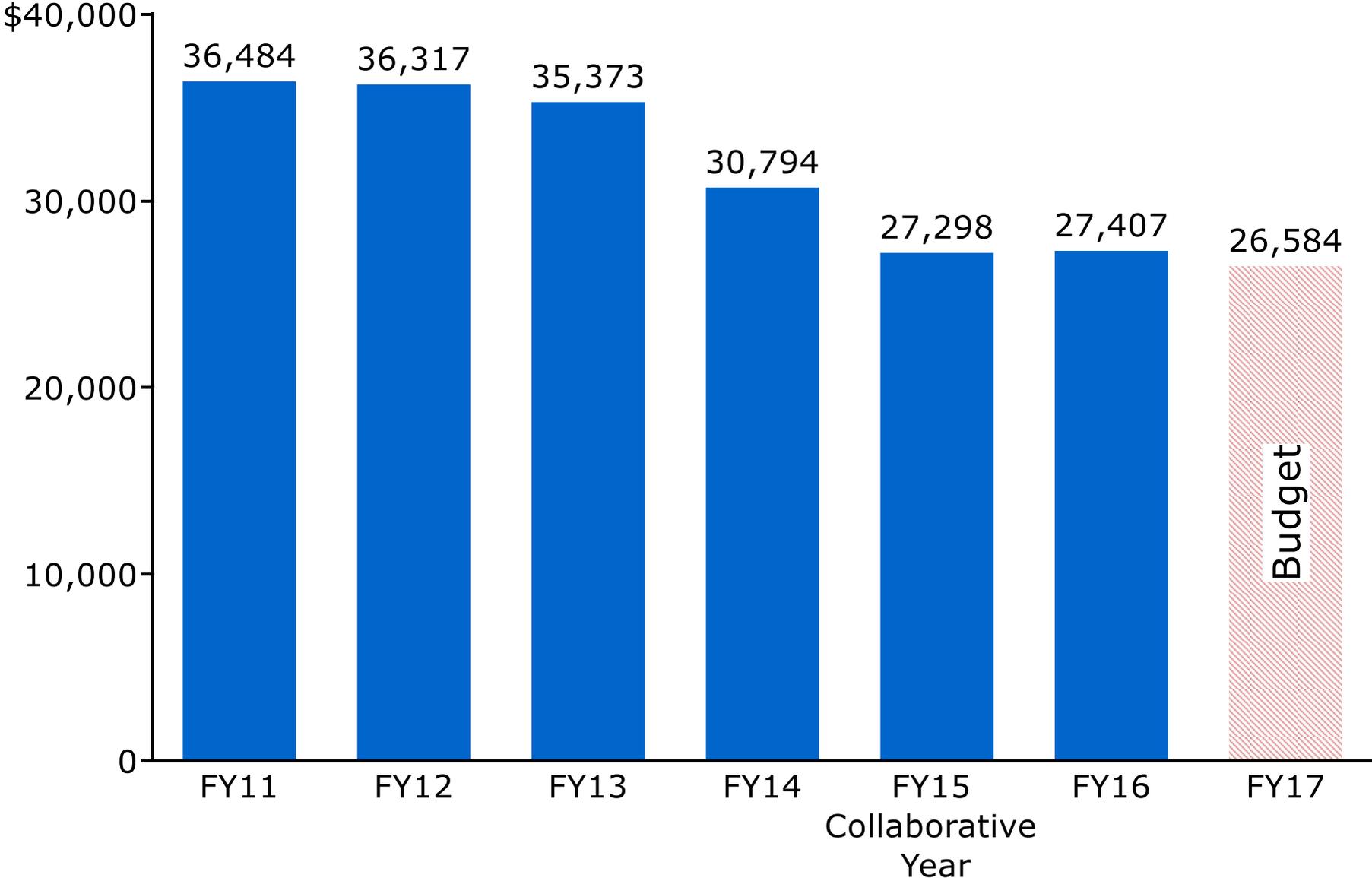
Offertory: Electronic payments increased to 37% of monthly offertory in FY16

Monthly Offertory

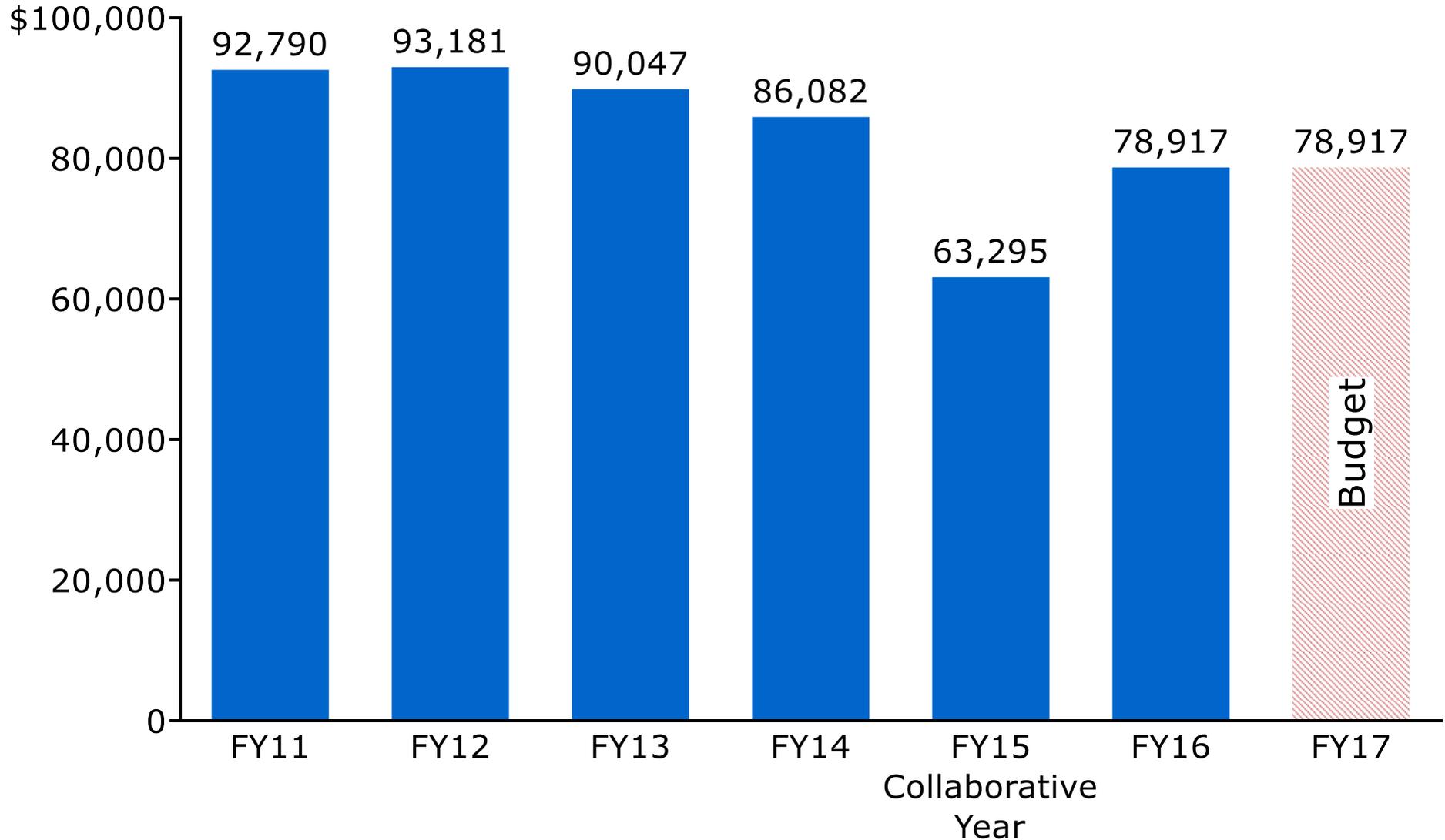


Number at top of bar represents number of Sunday collections each month.
 Red bar = Basket and mail-in giving; Green bar = Bank online giving; Blue bar = ParishPay giving

Religious Education: FY16 tuition equal to prior year



Annual collection: FY16 up 25% from prior year



Agenda

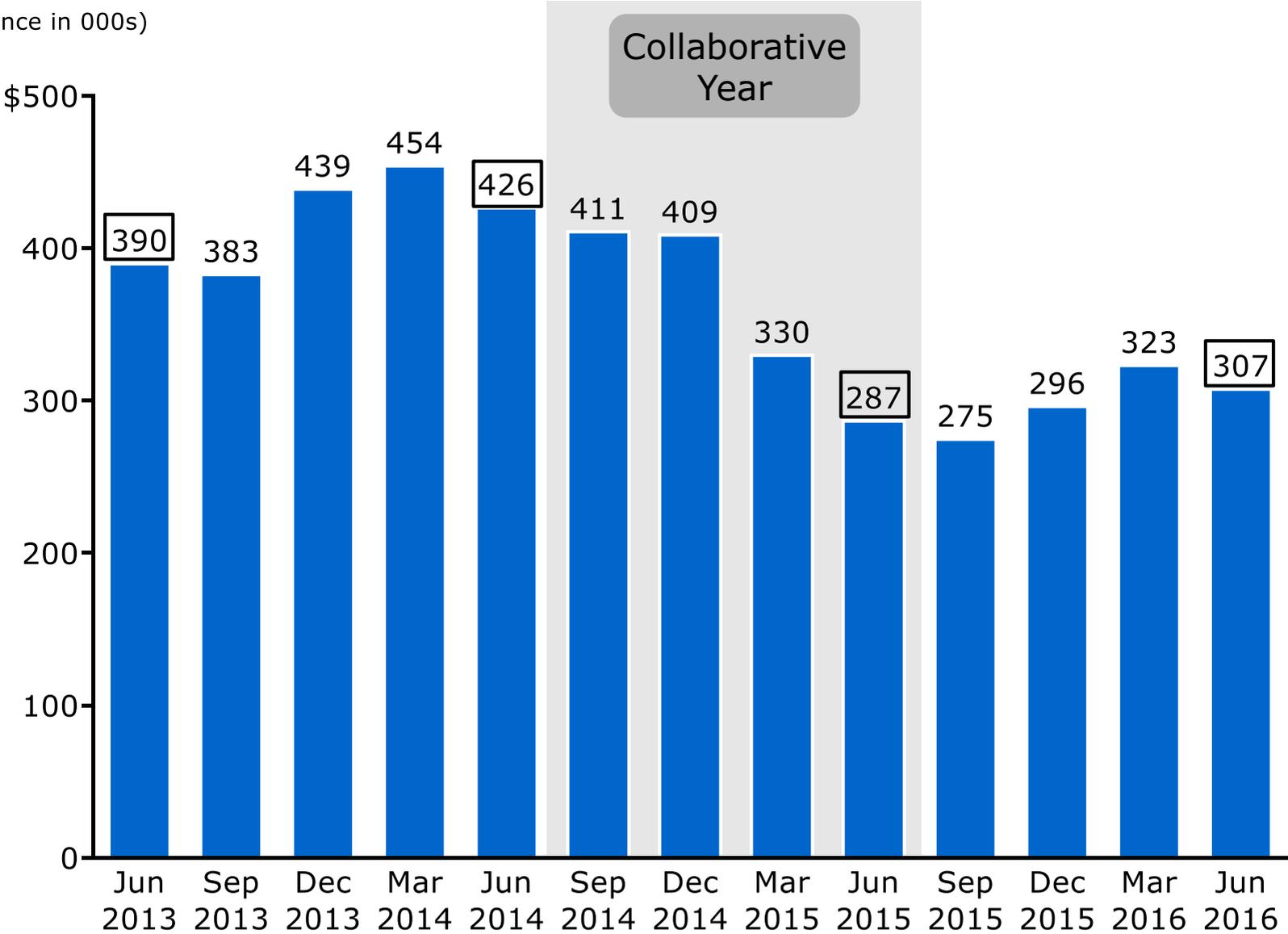
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Total cash balance down \$16k in quarter, but up \$20k from June 2016

(Cash balance in 000s)



Agenda

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Looking ahead to fiscal year 2017

Our budget for fiscal year 2017 shows a net loss of \$20k, nearly equaling our net income for fiscal year 2016.

We have budgeted our income to remain stable with 2016 levels, and look to our parishioners to continue to maintain or increase their level of giving as our costs rise with the continued increase in the cost of living that impacts not only individuals and families, but also our Parish.

Our expenses show an increase in staffing costs primarily due to a calendar quirk requiring an extra bi-weekly payroll in FY17 plus the increase in cost for a full-time business manager (versus the part time schedule in prior years), which has proven to be invaluable to our Parish over the past 6 months, and increased facilities salaries, as we add work to make much delayed improvements to our Parish grounds and buildings. In addition, the Archdiocesan contributions have increased as the Diocese continues to look to OLOS to pay our fair share of central ministry expenses to be in line with other parishes of our size in the Diocese.

Also of note is that there is currently no budget for capital improvements. However, we have a significant list of items that require immediate attention. We will be undertaking a campaign this year to assist us in funding these much needed projects.

As we did in 2016, the PFC will monitor our spending continuously, meeting monthly, reviewing results and making adjustments as necessary to ensure the protection of your generous contributions.

2017 Budget

	2017 Budget	2016 Actual	Increase (Decrease)	
Weekly Offertory	348,442	348,442	-	
Annual Collection	78,917	78,917	-	
Other Income	33,235	33,057	179	
Religious Education Fees	26,584	27,407	(822)	
Interest Income	1,914	1,909	5	
Total Income	489,093	489,731	(638)	
Salary	279,777	252,275	27,502	Incr due to extra biweekly payroll in 2017, increase in facilities work and full year of full time business mgr
Benefits	68,237	57,099	11,138	Full year of benefits budgeted for Bus Mgr & Music Dir
Utilities/Maintenance	57,925	57,971	(46)	\$2k additional plowing costs offset by \$2.5k savings on change in phone service
Archdiocesan Contributions	45,497	35,319	10,178	Reduced abatements for Tithe and Catholic Appeal
Liturgical	23,555	25,680	(2,125)	Reduced printing cost
Religious Education	14,415	13,578	837	
Office	9,013	12,245	(3,232)	2016 included cost of new phones
Other	7,700	8,965	(1,265)	
Capital Improvements	-	4,012	(4,012)	No capital improvements budgeted. Funding campaign will be run for needed improvements.
Music	1,500	2,368	(868)	
Total Operating Expenses	507,619	469,510	38,109	
Youth Ministry Program Income	15,881	19,984	(4,103)	
Youth Ministry Program Expense	(17,850)	(21,646)	3,796	
Net Youth Ministry Expense	(1,969)	(1,662)	(306)	
Net Income (Loss)	(20,495)	18,559	(39,053)	

Archdiocesan contributions: Explanation

A few years ago, the Archdiocese changed the way parishes assist in funding the central ministries of the diocese. Previously, parishes paid various, unequal amounts to the Archdiocese. The new contributions simplify the process and ensure all 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 (8% of parish income) and the Catholic Appeal payments made by OLOS parishioners

The Archdiocese allows parishes to request a reduction in payment each year if there are special circumstances.

For 2017, the calculated tithe for OLOS is \$44k. The Archdiocese granted OLOS a reduction for a net tithe of \$36k. In 2016, the net tithe was \$24k.

OLOS’s Catholic Appeal goal for 2017 is \$35k and OLOS Catholic Appeal collections last year were \$21k. Therefore, the gross payment owed is expected to be \$14k. However, we are budgeting for a \$5k reduction and a net payment of \$9k. In 2016, the net Catholic Appeal contribution was \$11k