

ANNUNCIATION PARISH

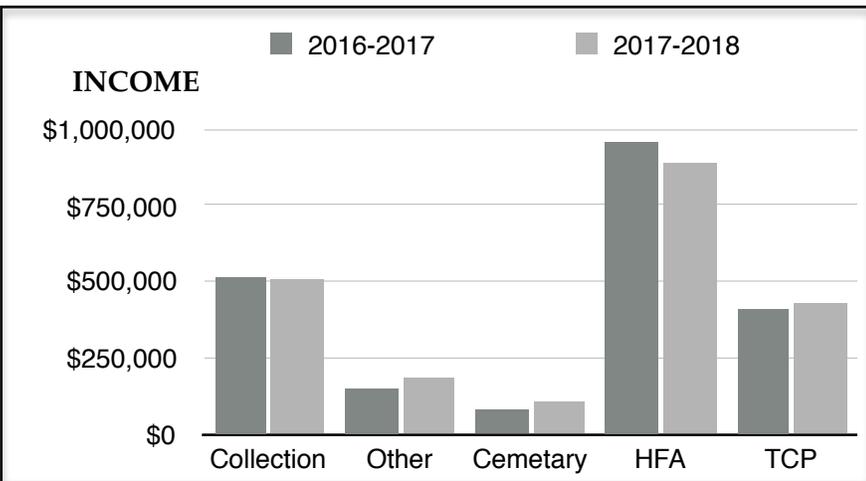
Financial Report to Parishioners

Fiscal Year 2017 - 2018

In collaboration with the Finance Council, we are pleased to present this annual financial report to you. Our fiscal year is September 1 to August 31. This report compares fiscal 2018 (9/1/17 - 8/31/18) to fiscal 2017. Overall, our financial health continues to improve and stabilize. We have worked diligently to reduce expenses wherever possible. We are thankful for the efforts made at Holy Family Academy, The Caring Place, Gardner Catholic Cemeteries, Parish Administration, and the Rectory to carefully review expenses and investigate opportunities to save and reduce costs where possible.

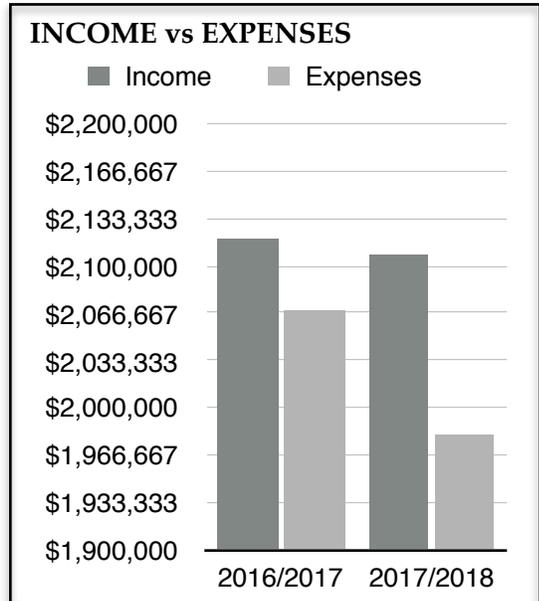
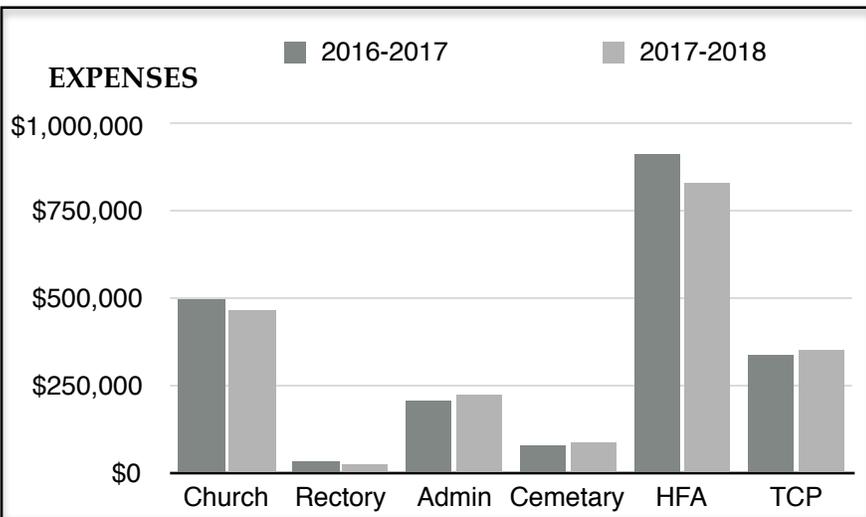
INCOME:

As a parish, our overall income in FY18 was less than the previous year, **\$2,107,075** as compared to \$2,118,617, a difference of \$11,542 or 0.54%. The chart below compares the incomes of the weekly collections, "other parish income" (including interest earned, donations, mass intentions, funerals & weddings), and the incomes of our other parish entities.



EXPENSES:

Our expenses were down 4.2%, **\$1,980,365** last year as compared to \$2,067,696 in FY17, a difference of \$87,331. We have reduced Church expenses by 5.3%, Rectory expenses by 22%, and School expenses by 9.5%. Expenses at The Caring Place were up slightly, 4.5% as were administration expenses at 6.9%. The Expense Chart below to the left shows the comparison for each entity for the last two years.

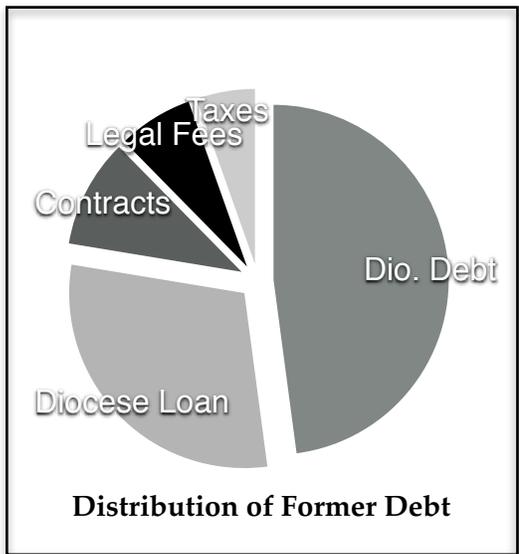


INCOME vs EXPENSES:

Looking at our income compared to expenses, we are encouraged to see our spending controls having an impact on our operations. The sale of our properties has also had a significant effect on our operating costs. As we grow together as a parish, we can see the spirit of stewardship spreading among the parish that will increase our collections to help us reach our long term goals.

DEBT and SALE OF ST. JOSEPH CHURCH:

As you are aware, the parish incurred debt to the Diocese - the collective debt of the four historical parishes -



for the Cathedral tax, insurance payments made on our behalf by the Diocese, and a loan taken from the Diocese. In addition, in order to bring us to our present level of stability we incurred legal fees and settlements on cancelled contracts, and had outstanding tax bills to the city. Our debt was \$392,579. With the agreement of the Finance Council, we decided to pay off the debt in two stages, following the sale of the two churches. The sale of St. Joseph closed in FY18 (\$447,903), and we paid off approximately one half the debt with those funds. The sale of Sacred Heart occurred in this current fiscal year, and we recently paid off the remainder of the debt. We are very pleased to report that our parish is *debt free!* The balance of the sale proceeds have been placed in the DEF (Diocesan bank) where it is earning 3.5% interest. These funds represent the legacy of those churches and will be held in long term savings, we must not view these funds simply as cash to be spent for current expenses.

FUTURE CHALLENGES:

NEEDED REPAIRS: As we look to the future, our properties have suffered wear and tear from use and weather. We have formed a committee to inspect, assess and prioritize a number of long term capital projects. Some are small and easy, others are quite extensive. Our goal is responsible use of our resources to tackle those projects while maintaining the financial health of the parish. Please feel free to forward your suggestions, concerns and ideas where maintenance and repairs may be needed. We are blessed to have so many talented individuals in our parish, so we welcome your ideas and suggestions on how to best accomplish the projects that are identified. The committee will be providing updates as they study and prioritize the various projects.

COLLECTIONS: The financial lifeblood of the parish are the generous donations from our parishioners. Your Finance Council worked very hard at developing a realistic and responsible budget this year based on past year's weekly collection figures. We have noticed a slight dip in the weekly collections so far this fiscal year. As you can see in the chart labeled "Average Weekly Collection" we have been below our projections. Our budget is based on an average weekly collection of \$9,700. While we are continually working to manage and reduce expenses, we depend on the loyal generosity of our parishioners who offer their time, talents and treasures in so many ways to make our parish vibrant, successful and an important part of our community. As active parishioners, we are stewards of the church. Each generation before has made sacrifices to establish and

grow the church. We ask only that you prayerfully consider maintaining, and if at all possible, increasing by even a small amount your weekly donation. With over 500 regular offertory envelopes on average, even a modest increase of \$5 a week would easily lift us above our budget target and provide needed funds for repairs. We understand many of our parishioners are on fixed incomes and we do not ask to give beyond your means. With our debt now behind us, we are looking optimistically to the future to enhance and improve not only the physical grounds and buildings of the parish but more importantly the reflection of Jesus' love in each and every one of us by coming together and growing the spirit of Annunciation Parish.

Thank you for your time reviewing this report. Please feel free to contact any member of the Finance Council with questions, concerns or suggestions. We are always open to new ideas and volunteers willing to help out in any way.

