

ANNUNCIATION PARISH

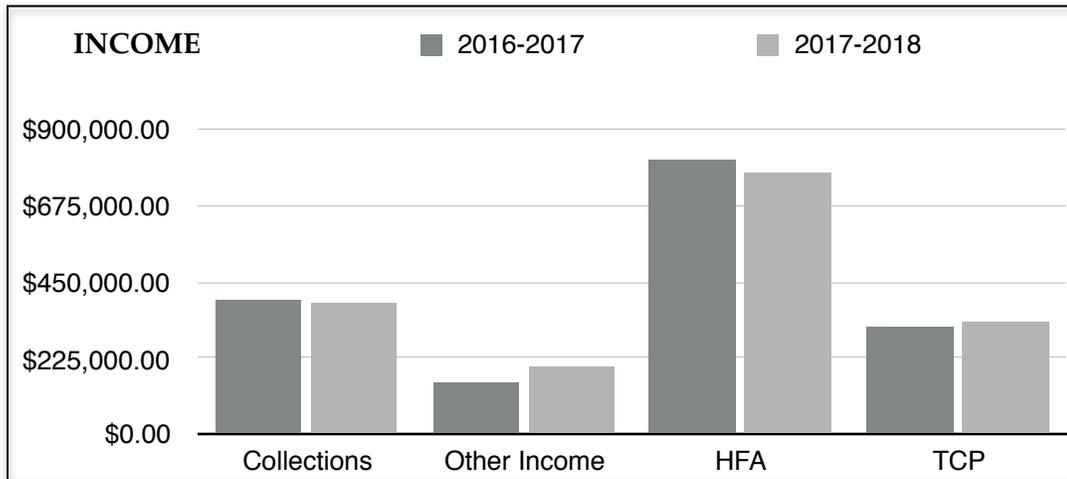
Interim Financial Report to Parishioners

September 1, 2017 to June 1, 2018

This report has been prepared and verified by the parish Finance Council to inform parishioners of the current status of the parish finances and to look towards the needs for the future. The Finance Council and Fr. Steve have worked hard to reduce expenses and to maintain a responsible use of the parish's resources and are looking to the next steps. In the sections that follow, you can compare where we were at the same time last year and where we are now.

INCOME:

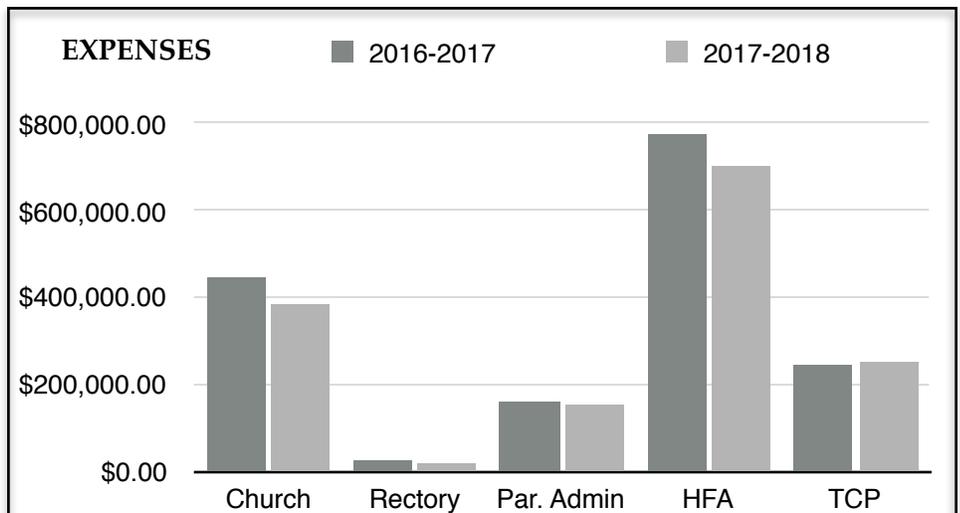
On the whole, our overall income this year is slightly less than that of last year for the same period. Last year by June 1 we had received \$1,696,411.27 in income. This year we have received **\$1,665,531.53** (a reduction of \$30,379.74 or 1.8%). On the parish side, collections were down \$10,323.91 (2.6%), yet other parish income (such as cemetery income and gifts) were up by an unusual 29.4%. Holy Family Academy income was down by 4.5%, yet The Caring Place income was up by 5.8%.



This chart shows the differences in income for the various entities. Holy Family Academy income is down due to a lower enrollment. The other parish income that offset the lower collections is unusual and *not guaranteed in the future*. The Caring Place is stable at present.

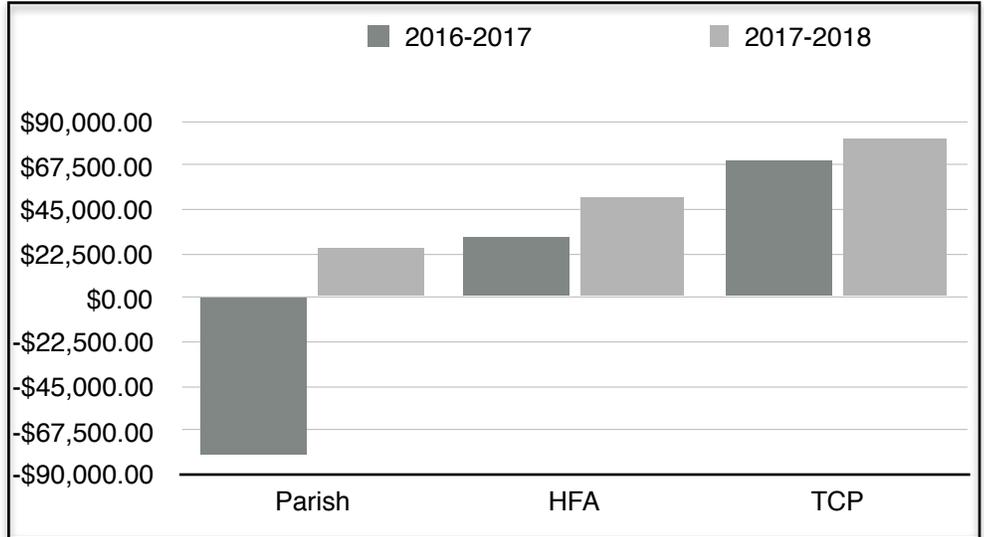
EXPENSES:

We have put significant effort into reducing expenses wherever possible and implementing new policies for accounting. Last year by June 1 we had spent \$1,674,856.95, this year we have spent **\$1,550,362.10** (a reduction of \$124,494.85 or 7.4%). We have reduced Church expenses by 13%, Rectory expenses by 25%, parish administration costs by 4.5%, and school expenses by 9.2% from last year. The Caring Place's expenses are slightly higher than at this point last year (3%); this was due to a change in fuel costs and a needed replacement of the building fire alarm panel. We've trimmed about as much as we can at present.



THE BOTTOM LINE:

If we compare the income to expenses for the Parish, Holy Family Academy and The Caring Place, we see a good trend developing. Compared to last year at this time, all three entities are in a stronger position. Parish, School, and Caring Place are all running "in the black." (See chart to the right)

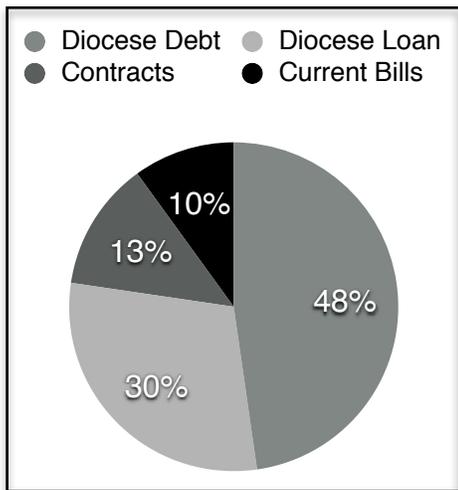


REMAINING CHALLENGES:

Although things are looking better, we still have some work to do to bring us out of debt,

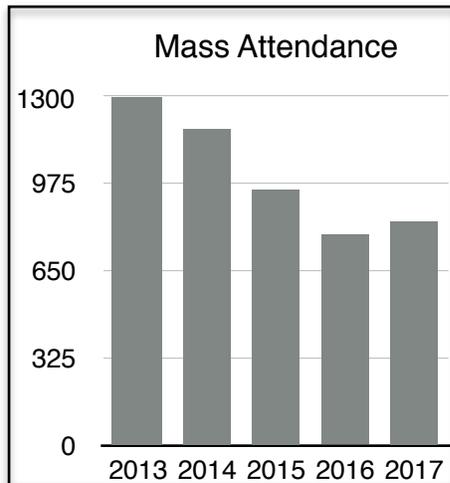
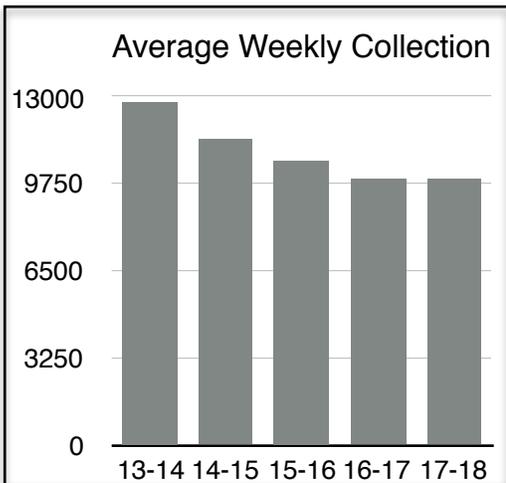
tackle neglected repair issues, and plan for future repairs and maintenance. We have to keep up with preventative maintenance and put money aside for the larger repairs that will certainly come our way. If we

don't have extra income that we can put in savings, then the next time we need a major repair, we will have to go into debt again. We have estimated that that there is up to **\$480,000.00** of neglected maintenance and repairs that need to be done (including the need very soon to buy a new parish truck). This can be done in parts, but we must address these issues soon. Our parish debt as of June 1 was **\$393,973.44**. We have money coming our way from the sale of churches - this can get us out of the debt *once* only. Our goal is to implement a savings program so we can be *self-sufficient*, and not have to borrow from the Diocese or go into debt in the future. As you can see from the chart to the left, only 10% of what we owe is current bills, most of the rest is debt owed to the Diocese. The remainder is related to issues with contracts we are settling - a move which will save us significant money in the future. We also have negotiated with the Diocese to drop an old debt of \$112,000.00, and our work with a lawyer has got us out another contract that would have cost us tens of thousands over five years.



SOME ENCOURAGING TRENDS:

Two things to note. First, although the collection has been dropping over the last several years, it seems to be leveling out. This year we have been receiving \$250.00 less per week on average than the previous year (as



opposed to drops of as much as \$ 700 - \$1400 per week in past years). This loss has been offset by other parish income that is less stable than the collection and may not be there next year. Second, the number of people attending Mass has also increased this past year, after years of steady decline. If we all work to continue to move *both* of these trends in their current direction, we will build a strong and secure future.