

**CHURCH OF ST PETER-OUR LADY OF THE ROSARY PARISH
INCOME AND EXPENSES FOR THE YEARS ENDED AUGUST 31, 2018
and 2017**

	Year Ended 8/31/2018	Year Ended 8/31/2017
<u>Operating Income</u>		
Collections	\$ 681,744	633,062
Votives, shrines, stole fees	131,434	137,639
CCD	90,526	57,320
Fundraising, donations & bequests	58,879	63,791
Other income	<u>40,244</u>	<u>3,000</u>
Total Operating Income	\$1,002,827	894,812
<u>Operating Expenses</u>		
Salaries & benefits	\$436,272	\$406,931
CCD expenses	104,010	103,833
Office & altar	103,104	101,637
Utilities	95,403	100,258
Repairs & maintenance	116,358	83,861
Rent, taxes & fines	48,661	308,091
Insurance	61,237	60,069
Rectory	19,708	16,374
Cathedraticum & school tax	117,312	116,927
Interest	2,196	5,016
Prior Period Adj.	(8,160)	----
Miscellaneous expense	<u>40,244</u>	<u>10,135</u>
Total Operating Expenses	\$1,136,345	1,313,132
(Net Operating Deficit)	<u>(133,518)</u>	<u>(418,320)</u>
Other income (Cell tower rental & Investment income & Cardinal's Appeal rebate)	<u>102,393</u>	<u>86,188</u>
(Net Deficit)	<u>(31,125)</u>	<u>(332,132)</u>
Support from Archdiocese of New York	----	170,000
(Final Net Deficit)	<u>(31,125)</u>	<u>(162,132)</u>

CHURCH OF ST PETER-OUR LADY OF THE ROSARY PARISH

Fiscal Year 2018 (Sept. 2017-August 2018) Financial Summary

The pastor, trustees and members of the Finance Council thank our parishioners for generously supporting St Peter-Our Lady of the Rosary Parish (the parish) in Fiscal Year (FY) 2018. Please know that the parish is supported **solely** by your contributions. Although the church is not subject to real estate taxes on the property it owns, the parish must pay for all services such as power, heat, light, telecom, internet, plumbing, service contracts for elevators and alarm systems, flowers and so on. Further, the parish pays the priests & parish staff salaries and employee benefits much as your employers do; the organist and cantors are all paid for their services.

The parish's operating deficit is much smaller this year than in fiscal year 2017-that's great news. **But please prayerfully consider increasing your support for fiscal year 2019 so that the parish can pay all of its operating expenses out of operating income.** It is important for the parish to restrict the use any extraordinary income for repairs, maintenance and capital needs.

P&L for FY 2018

Total Operating income \$1,002,894
Total Operating Expenses 1,136,345
Net Operating Deficit (133,518)
Other income \$102,393
Net deficit of \$31,125 for fiscal year 2018.

Income

Collections are up approximately 7% over the prior year.

Other income consists of reimbursement (via donation from LeFrak) for expenses in removing sacred objects from St Joseph's Chapel. Please note that this is balanced out by the same amount under Miscellaneous Expense.

Expenses

Total operating expenses dropped from \$1,313,132 for 2017 to \$1,136,345 for 2018. Most of our expenses are comparable with those of FY 2017 with the following exceptions:

Salaries & benefits: Up over FY 2017 mainly due to timing differences

CCD Expenses: this line item does not include crucial expenses such as employee benefits, heat & electricity, or cleaning services. Our goal is simply to cover parish expenses in providing CCD to parish children, not to make a profit.

Repairs and maintenance: SPC & OLR are both aging buildings that need extensive maintenance, repair and capital improvements. Approximately \$30K represents non-recurring items including asbestos removal, laundry room work and repair of the air conditioning at OLR. Repairs at SPC included removing and re-positioning pews & sidewalk repairs. \$15K for repairs of compressors at SPC will not be reflected until FY 2019 although the work was done in FY 2018.

Rent & real estate taxes down from prior year: The parish only had to pay two months of rent and real estate taxes on St Joseph's Chapel (September & October of 2017) vs. 12 months for FY 2017. The Chapel ultimately closed in January 2018.

Support from Archdiocese of NY: FY 2017 we received \$170K; In FY 2018 that support was discontinued.

Capital Improvements and Repayment of Some Debts

We used \$162K of our investments (not reflected in expenses) to pay for a serious face-lift to Our Lady of the Rosary, an old building that continues to need more maintenance and is now often being used as a wedding chapel. The work was done in FY 2016 but was not paid for until FY 2017.

We also used \$78K of investments to pay off \$78K in old debt: \$24K for basement project and \$46K for various rectory improvements and \$8K other.

Closing of St Joseph's Chapel

St Joseph's Chapel was officially closed in January 2018. LeFrak donated \$100K to the Archdiocese of NY to defray the costs of closing the Chapel and moving religious artifacts to St Peter's. \$40K of moving expenses for St J's Chapel included in our P&L this year and the related income. The remaining expenses (\$60K) were paid by the ADNY and they retained the remainder of LeFrak's donation.

Comparison with FY 2017/Unrealized Gains on Investments

Last year the parish Statement of Revenues and Expenses included \$58,925 unrealized gains on Investments; in FY 2018 such unrealized gains were \$49,091. This year the Finance Committee Chair decided it would be a fairer presentation not to include such unrealized gains in either year's results.

Conclusion

The parish is moving in the right direction from a financial perspective. As painful as it was for all the staff and the parishioners to close St Joseph's Chapel, the closure has significantly reduced operating expenses. We are now operating at a much smaller deficit with a healthy push from investment income but that strategy is not sustainable or fiscally prudent. If the parish continues to spend its investments, we will ultimately lose the investments and the related stream of investment income.

The Trustees, the Finance Council, the pastor and priests, and staff of St Peter's-OLR Parish thank all parishioners for your strong support.