

Narrative related to Our Lady of Peace Parish & Notre Dame de Lourdes Parish summary of cash receipts and disbursements for the period July 1, 2011 through June 30, 2014 (Pre-Merger) and Our Lady of Peace Parish summary of cash receipts and disbursements for the period July 1, 2014 through June 30, 2018 (Post-Merger)

This narrative, when used in connection with a review of the summary of cash receipts and disbursements, is intended to provide a general understanding of the financial position of the parish. Please note that the schedules include the financial results of Notre Dame de Lourdes School, as this is one of many ministries that the parish supports by providing spiritual guidance and financial support.

Summary of Fiscal Years 2012-2014 (Pre-Merger)

The analysis below presents a summary of the cash receipts and disbursements for the three fiscal years prior to the merger of the parishes on July 1, 2014. We believe the analysis provides a meaningful disclosure of each parish’s financial position at the time of merger.

	Our Lady of Peace Parish	Notre Dame de Lourdes Parish	
Cash & Investments– July 1 , 2011	\$ 596,955	\$ 190,215	
Church Surplus/(Deficit)	(73,597)	10,882	
Bequests (A)	23,000	3,286,858	
Capital Campaign Receipts (B)	386,055	102,551	
Other Cash Receipts/(Disbursements) (C)	(16,995)	(123,112)	
Capital Projects (D)	(240,517)	(181,639)	
Cash & Investments – June 30, 2014	\$ 674,901	\$ 3,285,755	\$ 3,960,656

The table below presents a summary of Sunday and Other Collections for the three fiscal years prior to the merger on July 1, 2014. The average total collection for both parishes was \$958,380 during this period.

Fiscal Year	Our Lady of Peace Parish	Notre Dame de Lourdes Parish
2012	\$ 425,531	\$ 543,173
2013	\$ 448,209	\$ 525,187
2014	\$ 425,835	\$ 507,206

(A) Bequests

Notre Dame de Lourdes Parish was the beneficiary of a large unrestricted gift from Dr. Helen North’s estate at the time of her death. The \$3,286,858 represents two large distributions from the estate in fiscal years 2013 and 2014. The \$23,000 received by Our Lady of Peace Parish represents other cash bequests from several individuals.

(B) Capital Campaigns

The capital campaign receipts include the activity of two distinct, concurrent campaigns: the Archdiocese-wide “Heritage of Faith~Vison of Hope” campaign (**HOF~VOH**) and Our Lady of Peace’s independent “With Grateful Hearts” campaign. The HOF~VOH campaign was a campaign undertaken to provide financial

resources to meet the challenges facing parishes and Archdiocesan ministries. It was structured to raise funds for specific capital and endowment needs, as well as provide additional financial support to parishes. Specifically, parishes identified capital and endowment needs in “case statements,” which outlined parish fund-raising goals and served as the basis for the funding allocation.

(C) Other Cash Receipts/(Disbursements)

Other cash receipts/disbursements primarily include changes in investments and the net replacement cost of casualty losses after taking into account insurance proceeds.

(D) Capital Projects

The capital projects during the three fiscal years prior to the merger of the parishes on July 1, 2014 consisted of the following:

Our Lady of Peace

New organ and sound system	\$ 78,130
Brick pointing of Church façade	56,625
Major modifications to Church sanctuary and lighting - 2013	45,890
Major modifications to Church sanctuary and artistic painting - 2014	41,436
Roof and brick pointing work on Church façade	18,436
	\$ 240,517

Notre Dame de Lourdes

Church roof	\$ 75,700
Church doors	48,150
Church carpeting	31,915
Computer room air conditioning	15,329
Light fixtures for parish hall and gym	10,545
	\$ 181,639

Summary of Fiscal Years 2015-2018 (Post-Merger)

The analysis below presents a summary of the cash receipts and disbursements for the four fiscal years ending June 30, 2018.

	Our Lady of Peace Parish
Cash & Investments – July 1, 2014	\$ 3,960,656
Church Deficit	(194,009)
School Subsidy (E)	(1,482,228)
Bequests (F)	397,257
Capital Campaign Receipts (G)	229,672
Other Cash Receipts/(Disbursements) (H)	42,489
Capital Projects (I)	(759,288)
Cash & Investments – June 30, 2018	\$ 2,194,549

The table below presents a summary of Sunday and Other Collections for the four fiscal years ending June 30, 2018. The average collection for the merged parish was \$647,579 during this four year period, representing an annual average decrease of \$310,801 when compared to the average total collection pre-merger. This annual average decrease represents the main reason the parish had to use cash reserves to subsidize the school subsequent to the merger.

Fiscal Year	Our Lady of Peace Parish
2015	\$ 632,849
2016	\$ 563,064
2017	\$ 714,192
2018	\$ 680,213

Debt

At the time of the merger, Our Lady of Peace Parish debt totaled \$684,130. This includes pre-merger invoices to Our Lady of Peace for assessment, priest benefits, and property and liability insurances. In 2017, sale proceeds from a parish parking lot totaling \$140,630 were applied to the past due debt. The debt was further reduced by \$45,650 of additional payments from cash reserves. At June 30, 2018, the parish had \$497,850 of debt remaining. We will work closely with the Finance Council to develop a plan to pay back the remainder of the debt.

(E) School Subsidy

The \$1,482,228 subsidy to Notre Dame de Lourdes School represents the parish support to families choosing to provide their children a Catholic education. We hope to give our young people a solid foundation in their relationship with Jesus Christ at our school, where the Catholic way of life is taught and lived daily. The parish makes this possible by subsidizing student education to make tuition affordable for our parents. The economics of subsidy at this level, however, need to be reevaluated in order to avoid serious financial stress to the parish going forward. Since July 2018, the parish community has taken major steps to ensure that we have a sustainable education model.

(F) Bequests

The bequest primarily represents \$373,257 of sales proceeds from Dr. Helen North’s home located on the property of Swarthmore College. It was Dr. North’s intention that the house be inherited by Notre Dame de Lourdes Parish and that the parish school be the beneficiary of said proceeds. The house was sold in early 2015 and the proceeds were ultimately used to replace the school windows and pave the school parking lots. The remaining \$24,000 represents other cash bequests from several individuals.

(G) Capital Campaigns

The parish received contributions of \$97,895 from the HOF~VOH campaign and \$131,777 from the “With Grateful Hearts” campaign.

(H) Other Cash Receipts/(Disbursements)

The \$42,489 receipt primarily represents changes in the investment balances during this period.

(I) Capital Projects

The capital projects during the four fiscal years subsequent to the merger on July 1, 2014 consisted of the following:

Notre Dame de Lourdes School window installation*	\$ 227,739
Notre Dame de Lourdes School yard parking lot *	119,060
Repaving of parking lots at Our Lady of Peace	106,100
Boilers in Church and Convent and the associated plumbing	57,216
Bronze aluminum doors (5)	56,546
Paint OLP and Notre Dame de Lourdes Church	49,308
Nelson Hall doors	29,925
Our Lady of Peace Church lighting	24,045
Church sound system	23,419
Notre Dame de Lourdes School classroom shades	20,059
Install floors in Nelson Hall	17,330
Church Murals Liturgical Arts Studio	14,845
Consulting fee for possible daycare in OLP building	7,046
Church sign deposit	6,650
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	\$ 759,288

* The proceeds from Dr. Helen North's home located on the property of Swarthmore College were used for these capital projects. The remaining \$26,458 of the \$373,257 in proceeds was used to offset the subsidy to the school.

Looking Forward

It is important that we, as a parish community, realize that although the cash and investments of the parish appear healthy, we must not become complacent. We must constantly challenge ourselves to ensure we are proceeding in a way that makes the most financial sense and contributes to our long-term sustainability. We must remain committed to improving our financial position. In this light, we have already taken the following significant steps to address the challenges thus far:

- We are working closely with the Strategic Planning Assistance Team of the Archdiocesan Executive Board of Elementary Education, a team consisting of individuals who have significant experience related to school finances, enrollment, governance, and fund raising.
- We have established a Board of Limited Jurisdiction which will now be responsible for the long-term sustainability of the school.
- We have created and are operating within a budget. The fiscal year 2019 parish budget shows an operating loss of approximately \$200,000 after subsidizing the school \$317,000. We expect that fiscal year 2020 will show improvement. We acknowledge that the deficit needs to be eliminated completely in the very near future.
- We have engaged the Finance Council to oversee the parish finances going forward.