



# FINANCIAL REPORT

## NOVEMBER, 2016

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*Sr. Vice President & CFO  
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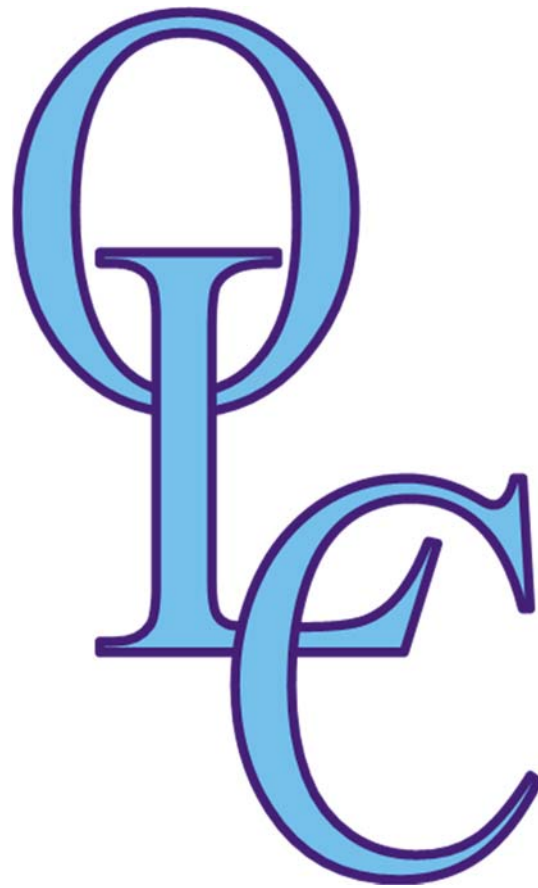
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**Commitment**  
**is a Devotion to**  
**What Matters**



***Our Lady of Consolation Church***  
***1799 Hamburg Turnpike, Wayne, New Jersey 07470***  
***973-839-3444 ~ [www.olcparish.org](http://www.olcparish.org)***

November, 2016

Dear Parishioners,

I am pleased to present to you the financial results of the fiscal year which ended on June 30, 2016 and the results of the First Quarter of our current fiscal year which ended on September 30, 2016. This report is intended to keep you informed as to the financial condition of our Parish. I trust that you will find the information helpful and informative.

As you review the financial statements for the past fiscal year, it is evident that we had a successful year. We were able to reach our goal of improving our financial position. As noted in previous reports, our success was the result of increased parishioner financial support and the difficult decisions that needed to be made to reduce expenses. Parishioner support took the form of increased offertory contributions, as many responded to our request for a \$2 weekly increase. Parishioners also generously contributed to last year's debt reduction campaign, which was very successful. We thank those parishioners who participated in these initiatives. As a parish, however we cannot become complacent. Our next fiscal year will continue to bring challenges; we still have a lot of work in front of us.

In preparing this year's budget we again needed to look at our projected expenses. Because we had made significant reductions in our budget the previous year, the opportunities for reduction this year were marginal. We were also faced with expense increases that we had no control over as the Diocese increased premiums for Auto Insurance, Property & Casualty Insurance, and Medical Insurance. Our Annual Assessment to the Diocese was also increased. We used these known figures along with estimates of all our other expenses to construct the expense side of our budget. We then made assumptions based on commitment returns and last year's actual results to determine how much income we could expect for the coming year. This allowed us to produce a balanced budget.

Unfortunately, in reviewing the financial statement for the first quarter of this fiscal year, you can see that our results are significantly below our expectations. While part of our underperformance against our budget is due to an underestimation of expenses; the more significant reason for our underperformance lies in our offertory being significantly below our expectations. As a stewardship parish our goal is to rely on parishioners for the funding of the parish. We cannot stress enough how important it is for parishioners to sustain their commitments and to be as generous as possible concerning the parish.

In the near future, we will be presenting additional plans for improving our financial situation. Together, as a team, we will ensure the continued growth and future of the Our Lady of Consolation Parish family.

May God bless you for sharing your Time, Talent and Treasure.

Yours in Christ,

Reverend Michael Lombardo  
Pastor

# Table of Contents

The contents of this report are intended to accurately reflect the financial status and well-being of Our Lady of Consolation Parish. Contained in this report are financial statements covering the fiscal year which ended on June 30, 2016 and the 1<sup>st</sup> Quarter of our new fiscal year which ended on September 30, 2016. Also included in this report is our budget for the 2016-2017 fiscal year which will end on June 30, 2017. Please review the information and feel free to contact us with any questions or comments.

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# Financial Statement

## Fiscal Year Ended June 30, 2016 - Budget vs. Actual Fiscal Year Ended June 30, 2017 - Budget

	Budget Fiscal Year 7/1/15 - 6/30/16	Actual Fiscal Year 7/1/15 - 6/30/16	Budget Fiscal Year 7/1/16 - 6/30/17
<b>Income</b>			
Sunday Collections	\$ 800,236.04	\$ 793,198.43	\$ 824,259.00
Christmas & Easter Collections	81,627.00	88,887.20	88,700.00
Holy Day Collections	11,771.50	11,811.00	9,750.00
Candles, Memorials, Gifts	9,554.00	10,477.00	10,100.00
Baptisms, Weddings & Funerals	19,225.00	18,710.00	19,800.00
Mass Cards	8,750.00	6,967.00	6,915.00
Rental	12,000.00	12,977.50	12,000.00
Fundraising (Net of Expenses)	63,000.00	53,988.25	53,500.00
Religious Education	44,005.00	51,800.00	50,000.00
<b>Total Income</b>	<b>\$ 1,050,168.54</b>	<b>\$ 1,048,816.38</b>	<b>\$ 1,075,024.00</b>
<b>Expenses</b>			
Salaries, Benefits & Pensions	\$ 612,529.46	\$ 625,570.68	\$ 618,902.90
Diocesan Assessment	75,285.04	75,284.90	81,714.00
Utilities & Telephones	88,880.00	75,893.93	78,759.20
Catholic Education Subsidy <sup>1</sup>	15,125.00	10,800.00	6,700.00
Liturgical Expenses			
Bread, Wine, Candles, etc	\$ 10,995.00	\$ 12,702.88	\$ 12,945.00
Musical Support	41,743.12	38,862.14	42,181.19
Video Support	19,625.00	14,155.00	19,625.00
Total Liturgical Expenses	72,363.12	65,720.02	74,751.19
Maintenance - Buildings, Vehicles & Grounds	39,001.50	55,656.99	44,409.50
Beacon Subsidy	8,569.04	6,954.72	7,280.00
Car & Property & Casualty Insurance	39,569.00	39,569.32	42,678.12
Office and Other Expenses	67,070.60	45,880.91	59,157.56
Household Expenses	7,422.00	15,578.36	12,705.60
Stewardship Expenses & Charity	17,945.00	18,943.22	22,183.00
Interest on Diocesan Loans	-	7,326.87	19,800.00
Parish Ministry Activities (Net Cost)	3,968.75	1,897.59	3,550.00
Professional Fees	2,400.00	2,400.00	2,400.00
<b>Total Expenses</b>	<b>\$ 1,050,128.51</b>	<b>\$ 1,047,477.51</b>	<b>\$ 1,074,991.07</b>
<b>Net Income</b>	<b>\$ 40.03</b>	<b>\$ 1,338.87</b>	<b>\$ 32.93</b>

<sup>1</sup> This is a Diocesan requirement for parishioners' children who are attending Catholic elementary schools.

In addition to the expenses above, prior years' liabilities, outstanding Diocesan debt and outstanding Legacy Loans must also be paid off.

# Financial Statement

## 1st Fiscal Quarter Ended September 30, 2016

### Actual vs. Budget

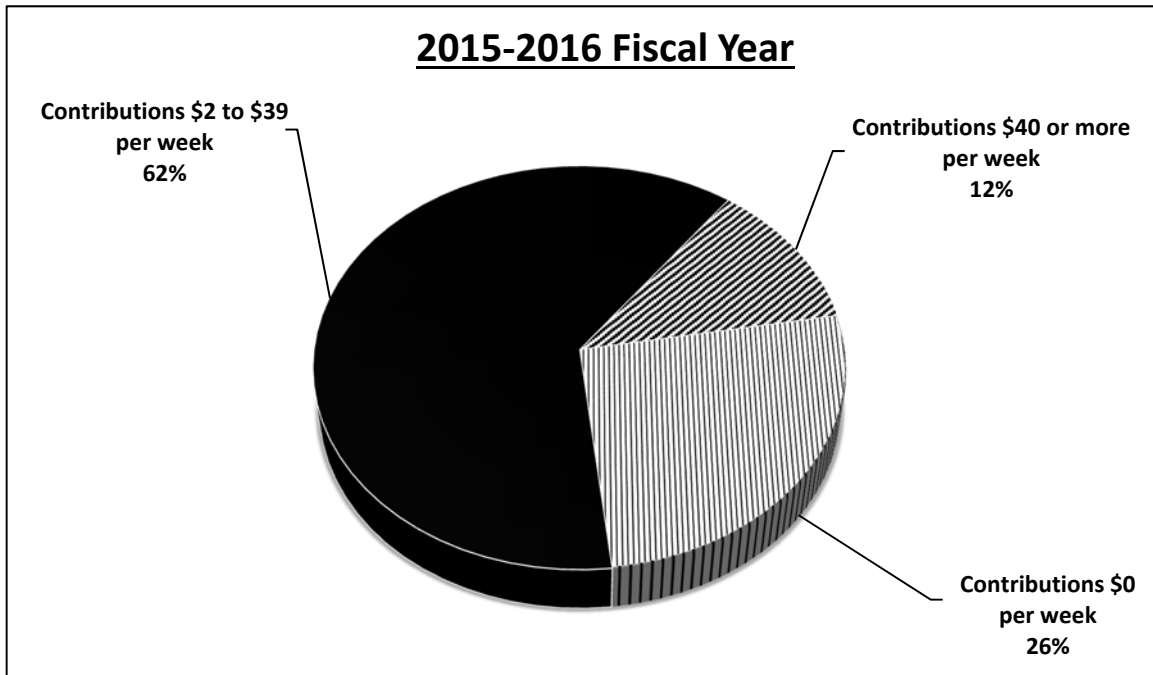
	Actual Fiscal Quarter 7/1/16 - 9/30/16	Budget Fiscal Quarter 7/1/16 - 9/30/16
<b>Income</b>		
Sunday Collections	\$ 180,820.50	\$ 209,191.00
Christmas & Easter Collections	-	-
Holy Day Collections	710.00	900.00
Candles, Memorials, Gifts	2,259.00	1,910.00
Baptisms, Weddings & Funerals	5,350.00	5,450.00
Mass Cards	800.00	1,125.00
Rental	4,970.00	3,000.00
Fundraising (Net of Expenses)	(28.33)	-
Religious Education	47,220.00	50,000.00
<b>Total Income</b>	<b>\$ 242,101.17</b>	<b>\$ 271,576.00</b>
<b>Expenses</b>		
Salaries, Benefits & Pensions	\$ 168,432.91	\$ 169,556.35
Diocesan Assessment	-	-
Utilities & Telephones	19,292.98	19,445.80
Catholic Education Subsidy <sup>1</sup>	1,480.00	1,340.00
Liturgical Expenses		
Bread, Wine, Candles, etc	\$ 1,047.15	\$ 1,445.00
Musical Support	8,355.88	9,449.81
Video Support	4,770.00	5,000.00
Total Liturgical Expenses	14,173.03	15,894.81
Maintenance - Buildings, Vehicles & Grounds	16,475.34	12,851.50
Beacon Subsidy	1,770.00	1,820.00
Car & Property & Casualty Insurance	16,369.53	16,369.53
Office and Other Expenses	17,119.39	17,018.39
Household Expenses	3,790.05	3,235.20
Stewardship Expenses & Charity	5,796.05	3,581.00
Interest on Diocesan Loans	4,894.43	4,950.00
Parish Ministry Activities (Net Cost)	55.19	55.00
Professional Fees	5,037.50	600.00
<b>Total Expenses</b>	<b>\$ 274,686.40</b>	<b>\$ 266,717.58</b>
<b>Net Income</b>	<b>\$ (32,585.23)</b>	<b>\$ 4,858.42</b>

<sup>1</sup> This is a Diocesan requirement for parishioners' children who are attending Catholic elementary schools.

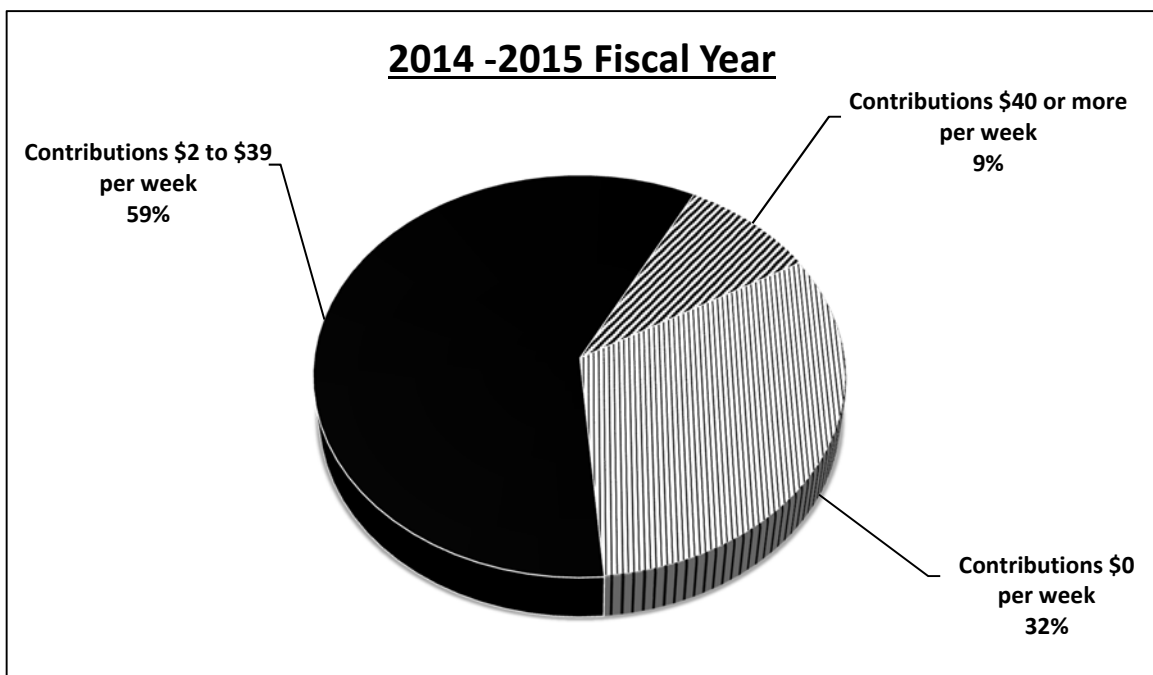
In addition to the expenses above, prior years' liabilities,  
outstanding Diocesan debt and outstanding Legacy Loans must also be paid off.

# Offertory Review

## Weekly Giving Patterns



It is worth noting that our weekly giving patterns have improved as the percentage of parishioners contributing nothing decreased by 6%. Hopefully this trend will continue.



**Fundraising  
Actual vs. Budget  
July 1, 2015 - June 30, 2016**

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	<u>Profit (Loss)</u>	<u>Budget</u>	<u>Variance</u>
<b>MAJOR FUNDRAISERS</b>			
Tricky Tray 2016	\$ 24,422.84	\$ 33,000.00	\$ (8,577.16)
Holiday 50/50 2015	14,206.50	16,500.00	(2,293.50)
Golf Outing 2016	11,837.69	13,500.00	(1,662.31)
	<u>\$ 50,467.03</u>	<u>\$ 63,000.00</u>	<u>\$ (12,532.97)</u>
<b>MINOR FUNDRAISERS</b>			
Parish Picnic (Festival & Garage Sale) 2015	\$ 2,547.34	\$ -	\$ 2,547.34
Miscellaneous (prior year collections plus donations)	491.15	-	491.15
Macy's Coupons 2015	200.00	-	200.00
California Pizza Kitchen Fundraiser	197.67	-	197.67
Target School Program (residual from school account)	72.12	-	72.12
AmazonSmile	12.94	-	12.94
	<u>\$ 3,521.22</u>	<u>\$ -</u>	<u>3,521.22</u>
<b>TOTAL</b>	<u>\$ 53,988.25</u>	<u>\$ 63,000.00</u>	<u>\$ (9,011.75)</u>

**PROJECTION FOR 2016 -2017**

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Tricky Tray 2017	\$ 25,000.00
Holiday 50/50 2016	15,000.00
Golf Outing 2017	13,500.00
	<u>\$ 53,500.00</u>

## Debt Reduction as of 6/30/16

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At the end of fiscal year ended June 30, 2015, we had unpaid bills to the Diocese totaling \$87,615. In the past, funds owed to the Diocese at the end of a fiscal year were automatically converted to a loan and added to our existing outstanding debt. This is no longer the case. Any outstanding bills at the end of the year remain as payables until the balance is paid in full.. This debt reduction campaign was introduced as a way of raising additional funds to pay these bills. The campaign was very successful as indicated in the results below.

Donations	\$ 70,614.00
Prior Year Rental Income	7,500.00
Current Year General Funds	<u>5,865.26</u>
Total	\$ 83,979.26
Bills Paid	<u>83,979.26</u>
Balance	\$ 0.00

### Breakdown of Expenses Paid

	UNPAID AS OF 6/30/2015	PAID	UNPAID AS OF 6/30/2016	
Monthly Benefits	\$ 26,672.13	\$ 26,672.13	\$ 0.00	
Diocesan Assessment	21,293.88	21,293.88	0.00	
Property & Casualty Insurance	8,079.83	8,079.83	0.00	
Lay Pension Trust	18,433.44	18,433.44	-	
Priest Pension Trust	9,499.98	9,499.98	0.00	
Finance Charges	3,635.57	0.00	3,635.57	} \$ 0.00
Finance Charges Waived	<u>0.00</u>	<u>0.00</u>	<u>(3,635.57)</u>	
	<u>\$ 87,614.83</u>	<u>\$ 83,979.26</u>	<u>\$ 0.00</u>	

**During the final quarter of the 2015 - 2016 Fiscal Year,  
we received an additional \$6,030.00 in donations.**

**Also, the finance charges were waived by the Diocese.**

**We thank everyone who contributed  
for their support!**



## Diocesan National Collections

### Fiscal Year 2015-2016

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Each year we are asked by the Diocese to contribute to certain National Collections. Shown below are the totals that were collected for these worthy causes the past fiscal year 2015-2016.

Catholic Communications Campaign, Black and Indian Missions, Catholic University of America	\$ 975.00
Missionary Cooperation Plan	2,085.00
World Mission Sunday	1,037.00
Catholic Home Missions	1,213.00
Retirement Fund for Religious	3,597.00
Church in Central & Eastern Europe	1,055.00
Holy Land (Good Friday)	1,686.00
Campaign for Human Development	1,520.00
Peter's Pence	869.30
Paterson South American & Latin American Mission & Catholic Relief Services	923.00
Fathers' Day Collection for Seminarian Education	219.00
Rice Bowl	881.00
<b>Total</b>	<b>\$ 16,060.30</b>

# Diocesan Responsibilities Review

## **ANNUAL ASSESSMENT**

We are required to pay the Diocese of Paterson an Annual Assessment. This assessment supports the administrative expenses of the Diocese, as well as programs and services provided to the parishes from the Diocesan Center. It is calculated based on a Diocesan formula that takes into account the income received by the parish reduced by certain expenses incurred. The deductible expenses include previous year assessment paid, expenses incurred in the operation of youth programs and capital campaign donations. The annual assessment for the fiscal year ending June 30, 2017 is \$81,714, which is a \$6,429 increase from last year.

## **BEACON SUBSIDY**

The Beacon is the newspaper of the Diocese of Paterson. The parish is required to subsidize the cost of the distribution of the Beacon to its parishioners. Based on the formula used by the Diocese which determines the amount of our subsidy, we estimate the annual cost to be approximately \$7,280 for fiscal year 2016-2017.

## **BISHOPS ANNUAL APPEAL**

This is a Direct-Mail and In-Pew campaign to parishioners. It helps support a variety of important Diocesan needs and causes which are determined by the Bishop in consultation with his advisors. This year the Diocese has set our goal at \$34,250.

## **OUTSTANDING DIOCESAN DEBT**

Outstanding Diocesan debt is the result of funds borrowed from the Diocese to pay any outstanding bills owed to the Diocese at the end of a fiscal year. This would include bills for Employee Benefits and Pensions, Automobile Insurance, Property & Casualty Insurance or Assessments. In those years, we finished in a deficit position and simply did not have enough money to pay all of our outstanding bills. These annual deficits were in large part due to our obligation to sustain and support our Catholic school. The subsidies paid to the school each year reduced our ability to pay outside vendors and to fund other endeavors.

Our loans to the Diocese have been accumulating since 2002 and accrue additional interest each month. We have the responsibility to make payments towards the principal and interest of these loans for the purpose of eliminating the liability.

During the fiscal year ended June 30, 2016, we made payments towards this debt of \$15,022.18 from Legacy campaign funds and \$8,977.82 from Operating funds. As of June 30, 2016 our outstanding debt (principal and interest) to the Diocese was \$592,365.47.

We will be presenting a plan to the parishioners for the eventual elimination of this debt.

# LEGACY CAMPAIGN

## Pledge Information

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Total Pledges: \$2,403,458  
# of Participating Families: 353

## Income & Expenditures

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As of 09/30/2016

### Income

Contributions		\$ 1,988,596.65
Stock Related Adjustments		118.80
Interest		147.06
		<hr/>

### Total Income

\$ 1,988,862.51

### Expenditures

Buildings and Grounds			
Church	\$	67,018.43	
Parish Center		46,664.78	
Rectory		37,517.21	
Ministry Center		509,921.51	
Grounds		139,646.64	
		<hr/>	\$ 800,768.57

Ministry Support			48,950.97
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Diocesan Obligations			
Debt Repayment		200,000.00	
Partner's in Faith Campaign		520,454.38	
		<hr/>	720,454.38

Campaign Development Expenses			99,096.46
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Designated Contributions & Projects			14,216.27
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Trucks			48,930.28
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Loans to Operating Account			113,986.65
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Stewardship			1,124.00
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### Total Expenditures

\$ 1,847,527.58

### Cash Available

\$ 141,334.93

# Internal Financial Controls

## **BUSINESS MANAGEMENT – Elena Walsh**

Maintains all financial data relevant to the operation of the Church, the Parish Center and the Ministry Center. Records all income and expense transactions in QuickBooks financial software and makes necessary payments. Prepares and analyzes financial statements and other financial reports (including budgets) for the Pastor, the Parish, the Finance Council and the Diocese. Processes employee payroll and provides assistance to employees regarding benefits and pension issues.

## **COLLECTIONS – Joe Donnelly**

Supervises collectors and collection procedures. Parishioners, working in teams of four or more, count week-end collections, prepare and seal bank deposits and prepare related accounting information in accordance with Diocesan guidelines. All monies are deposited within 24 hours of receipt and are never in the possession of the Pastor. Prepares and distributes yearly summaries to parishioners reflecting their contributions.

## **DEPOSITS / FUNDRAISING – Victoria Trentacost**

Verifies and makes deposits for additional parish income that is not a part of the offertory collection process, as described above. Also responsible for all financial matters concerning fund-raising, including deposits and payments. Please note that Debra Dericks and Laura Haftek are responsible for verifying and making deposits related to our Religious Education programs. After any deposits are made, the deposit information and receipts are given to the Business Manager for recording.

## **PARISH DATA SYSTEMS (PDS) – Susan McGorty**

Maintains the Parish Data Systems (PDS) Database; this database contains the information necessary to efficiently track parishioner census data and financial activity at the parishioner level. Acts as liaison between PDS and the Parish. Develops and analyzes custom extracts and reports for use in managing parish activities and ministries.

## **ENVELOPE PROCESSING – Joe Donnelly**

Maintains census records and coordinates with the Envelope Distribution Company to ensure the accurate and timely distribution of contribution envelopes to parishioners; posts envelope collections (including those made by electronic debit and credit card) to the Parish Data System (PDS) and prepares related reports.

## **BANK STATEMENT RECONCILIATION – Joe Nevatinski**

Reconciles all bank statements; balances all accounts within the QuickBooks financial software; investigates any exception and prepares appropriate documentation accordingly.

## **FINANCE COUNCIL**

A Finance Council is mandated by the Diocese. It exists to assist the Pastor by providing valuable insight and to advise in parish financial matters. Its role is advisory and consultative to the Pastor and it is directly responsible to the Pastor. Current members are Chairman Victor DeMarco, Mary Kate Bertone, Andy Church, Angelo DiNome, Fr. Michael Lombardo, Nicholas Mattered, Peter McGourty, Gene McNamara and Christa Reddy.

## **TRUSTEES**

All parishes of the Diocese of Paterson are separately incorporated. The Bishop serves as President, the Vicar General serves as Vice President and the Pastor serves as Secretary. In addition, every parish has three trustees, including the Pastor. Trustees are to serve on the Finance Council. Current trustees are Peter McGourty and Christa Reddy.