



ANNUAL FINANCIAL REPORT FISCAL YEAR 2014-2015

Finance Council

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Pastor, OLC Church

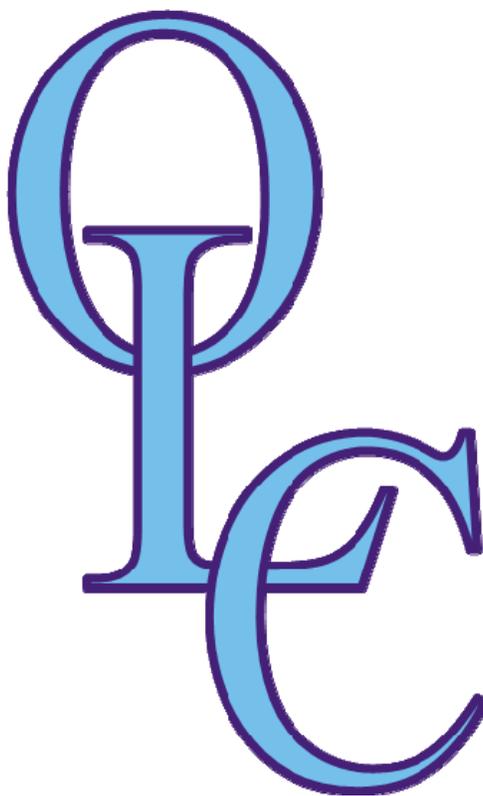
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Mrs. Christa Reddy
*Attorney
Reddy & Reddy*



**Commitment
is a Devotion to
What Matters**

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The contents of this report are intended to accurately reflect the financial status of Our Lady of Consolation Parish. Contained in this report is an analysis of the past fiscal year which ended on June 30, 2015 as well as a projection of the current fiscal year which will end on June 30, 2016. Please review the information and feel free to contact us with any questions or comments.

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FINANCIAL STATEMENT

Shown here is a financial statement reflecting our actual income and expenses for the 2014-2015 fiscal year, as well as a budget of our income and expenses for fiscal year 2015-2016.

	Profit & Loss	
	Actual Fiscal Year 7/1/14 - 6/30/15	Budget Fiscal Year 7/1/15 - 6/30/16
Income		
Sunday Collections	\$ 761,345.55	\$ 800,236.04
Christmas & Easter Collections	79,627.00	81,627.00
Holy Day Collections	11,771.50	11,771.50
Candles, Memorials, Gifts	11,734.00	9,554.00
Baptisms, Weddings & Funerals	19,125.00	19,225.00
Mass Cards	8,750.00	8,750.00
Bulletin Rebate	566.00	0.00
Rental	45,151.00	12,000.00
Fundraising (Net of Expenses)	47,160.00	63,000.00
Religious Education	<u>62,675.00</u>	<u>44,005.00</u>
Total Income	\$ 1,047,905.05	\$ 1,050,168.54
Expenses		
Salaries, Benefits & Pensions	\$ 696,800.41	\$ 612,529.46
Diocesan Assessment	85,175.52	75,285.04
Utilities & Telephones	86,405.94	88,880.00
Catholic Education Subsidy ¹	15,125.00	15,125.00
Liturgical Expenses		
Bread, Wine, Candles, etc	\$ 17,486.97	\$ 10,995.00
Musical Support	42,000.21	41,743.12
Video Support	<u>6,540.00</u>	<u>9,625.00</u>
Total Liturgical Expenses	76,027.18	72,363.12
Maintenance - Buildings, Vehicles & Grounds	39,881.55	23,401.50
Beacon Subsidy	8,747.36	8,569.04
Car & Property & Casualty Insurance	39,869.32	39,879.00
Office and Other Expenses	62,700.61	82,270.60
Household Expenses	19,042.53	7,422.00
Stewardship Expenses & Charity	15,847.98	17,945.00
Parish Ministry Activities (Net Cost)	2,426.00	4,058.75
Professional Fees	<u>\$ 2,280.00</u>	<u>\$ 2,400.00</u>
Total Expenses	<u>\$ 1,150,329.40</u>	<u>\$ 1,050,128.51</u>
Net Income	<u>\$ (102,424.35)</u>	<u>\$ 40.03</u>

¹This 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 Campaign loans must also be paid off.

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, 2016 is \$75,285.

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 \$8,569.

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 balances owed for Employee Benefits and Pensions, Automobile Insurance, Property & Casualty Insurance or Assessments at the end of a fiscal year. In those years we ended in a deficit position and did not have enough money to pay all of our outstanding bills. Our loans to the Diocese have been accumulating since 2002. 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, 2015, we made payments towards this debt of \$95,000 from Legacy campaign funds. As of June 30, 2015 our outstanding debt (principal and interest) to the Diocese was \$596,761.

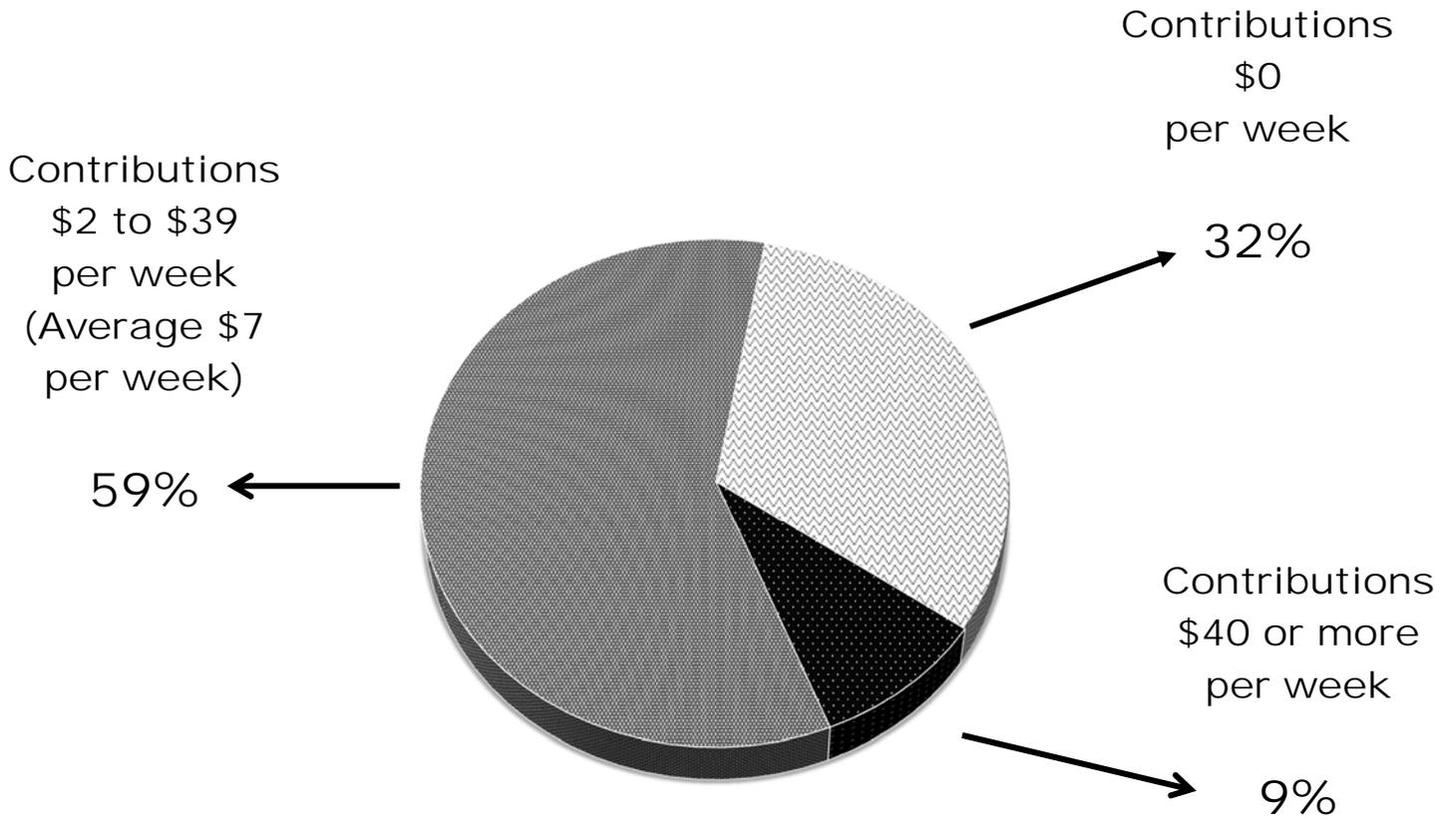
At the end of fiscal year ended June 30, 2015, we had unpaid bills to the Diocese totaling \$87,615. However, we were unable to borrow funds from the Diocese to pay these bills. In the past, funds owed to the Diocese were automatically converted to a loan and added to our outstanding debt. This year, with the hiring of a new CFO, it was decided that these outstanding bills would remain on our books as payables to the Diocese. Our special debt reduction campaign was introduced as a way of raising additional funds to pay not only these bills but also other unpaid bills to outside vendors. As of September 30, 2015, we have received \$59,574.

FUNDRAISING REVIEW

Last fiscal year we had three major fundraisers and a few smaller social events. The Holiday 50/50, the Tricky Tray and the Golf Outing generated a profit of \$48,840, which unfortunately was below the profit we had projected. In this current fiscal year, as of now, we are planning to run the same three events. We feel with a slightly different approach and more widespread support from the parish and the general public we can generate greater profits from these events in this coming year.

OFFERTORY REVIEW

2014 CALENDAR YEAR RECORDED CONTRIBUTIONS WEEKLY GIVING PATTERNS



LOOKING TOWARDS NEXT YEAR

As you probably are aware, for the past few years our parish has been operating at a deficit. The Diocese has adopted a much stricter stance towards parishes to encourage them to become more fiscally responsible. We have had to take a long hard look at our finances. You will remember from last year's annual report that our forecast for the fiscal year projected a deficit. We had examined our expenses and did our utmost to cut them as best we could. We projected our income based on the previous year with a modest projected increase. **Our hope was that our parishioners would review these projections and realize that they needed to increase their offertory contributions and support our fundraisers in greater fashion. Unfortunately this did not happen as you can see from the financial statement for the fiscal year 2014-2015, contained in this report.**

While constructing this year's budget, our goal (as mandated by the Diocese) was to produce a balanced budget. We again reviewed our expenses. We had to make extremely difficult decisions with regard to personnel and other issues. This allowed us to make additional cuts. **However, these cuts alone were not enough to balance our budget. We needed to address our declining income.**

In looking at income we devised a simple plan to increase our offertory. This plan was revealed to parishioners over the summer. We asked parishioners to raise their existing offertory commitment by \$2.00 per week in the current year and in each of the following 2 years. This results in an additional commitment of \$6.00 per week over the 3 year period. We requested that this be done during our Annual Stewardship Renewal Commitment of Time, Talent and Treasure or sooner if possible. We thank those who have increased their commitment and ask those of you that have not to again consider our request.

We have anticipated that parishioners will embrace our suggestion and have based our projections for next year's offertory on this assumption. We also ask anyone who is not currently contributing regularly, to reflect on the benefits that they derive from the parish and become more involved in our financial support.

The other area in which we have anticipated an increase is fundraising. As mentioned earlier, fundraising last year fell short of our projections. While many of our parishioners do support the fundraisers, we ask support from **all** parishioners. Support can come not only in the form of monetary support, but also from offering your time for set-up, clean-up, solicitation, etc. and for participation in the actual event.

LEGACY CAMPAIGN

Pledge Information

Total Pledges: \$2,491,700
of Participating Families: 352

Income & Expenditures

As of 9/22/15

Income

Contributions	\$	1,516,436.94
Stock Related Adjustments		227.36
Interest		<u>87.41</u>

<u>Total Income</u>	\$	<u>1,516,751.71</u>
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Expenditures

Buildings and Grounds		
Church	\$	58,638.72
Parish Center		46,953.80
Rectory		37,749.57
Ministry Center		401,958.17
Grounds		<u>138,395.46</u>
	\$	683,695.72

Ministry Support		38,101.46
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Diocesan Obligations		
Debt Repayment		190,977.82
Partner's in Faith Campaign		<u>324,062.53</u>
		515,040.35

Campaign Development Expenses		98,633.46
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Designated Contributions & Projects		12,200.00
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Trucks		39,699.87
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Loans		113,986.65
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Stewardship		<u>1,124.00</u>
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<u>Total Expenditures</u>	\$	<u>1,502,481.51</u>
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<u>Cash Available</u>	\$	<u>14,270.20</u>
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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. Interacts with accounting firm when necessary. Processes employee payroll and provides assistance to employees regarding benefits and pension issues.

ACCOUNTING – Geltrude & Company, LLC – Michael Carlon, Partner

A Certified Public Accounting firm that, if necessary, is available to advise us with regard to our accounting procedures and the preparation of financial reports. We have reduced our use of the accounting firm over the past few years but a representative does attend our Finance Council Meetings.

COLLECTIONS – Joe Donnelly

Supervises collectors and collection procedures. Parishioners, working in teams of four or more, count weekend 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 / FUND-RAISING – 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.