

**CHURCH OF ST PETER-OUR LADY OF THE ROSARY PARISH
INCOME AND EXPENSES FOR THE YEARS ENDED AUGUST 31, 2017
and 2016**

	Year Ended 8/31/2017	Year Ended 8/31/2016
<u>Operating Income</u>		
Collections	\$633,062	611,857
Votives, shrines, stole fees	137,639	146,345
CCD	57,320	56,377
Fundraising, donations & bequests	63,791	81,744
Other income	<u>3,000</u>	<u>4,600</u>
Total Operating Income	894,812	900,953
<u>Operating Expenses</u>		
Salaries & benefits	\$406,931	\$553,584
CCD expenses	53,833	56,837
Office & altar	111,637	112,396
Utilities	140,258	152,829
Repairs & maintenance	83,861	124,704
Rent, taxes & fines	308,091	369,038
Insurance	60,069	59,274
Rectory	16,374	57,407
Cathedraticum & school tax	116,927	166,443
Interest	5,016	3,413
Miscellaneous expense	<u>10,135</u>	-----
Total Operating Expenses	1,313,132	1,655,925
(Net Operating Deficit)	<u>(418,320)</u>	<u>(754,972)</u>
Other income (Cell tower rental & Investment income for OLR)	<u>145,113</u>	<u>122,673</u>
(Net Deficit)	<u>(273,207)</u>	<u>(632,299)</u>
Support from Archdiocese of New York	170,000	540,431
(Final Net Deficit)	<u>(\$103,207)</u>	<u>(91,868)</u>

St Peter-Our Lady of the Rosary Parish
Income and Expenses for the Year ended August 31, 2017
Executive Summary

CONTEXT

The parish fiscal year (FY) begins on September 1 and ends August 31. The financial information for fiscal years 2017 and 2016 includes income and expenses for St Peter's Church, St Joseph's Chapel and Our Lady of the Rosary (OLR).

HEADLINE

Although *Operating Income* of \$894,812 for FY 2017 was essentially flat vs. FY 2016's \$900,953, *Operating Expenses* for FY 2017 reflected an impressive decrease of 21% from FY 2016 (see *Operating Expenses* below).

While tremendous progress has been made in cutting expenses, the Trustees and the Finance Council continue to believe that the parish must bring revenues and expenses in line on an annual basis.

OPERATING INCOME

Operating income for FY 2017 totaled \$894,812, down slightly from FY 2016's \$900,953.

OPERATING EXPENSES

Operating expenses totaled \$1,313,132, down \$347,793 or 21% from FY 2016's \$1,655,925. Careful attention to every invoice received and every contract for which the parish was involved paid off significant savings.

With the legal merger of St Peter's Parish and OLR as of September 1, 2016, some duplicate functions were eliminated.

Rent and Real Estate Taxes: St Joseph's Chapel rent expense & real estate taxes for FY 2017 totaled \$308,000; in FY 2016, that expense item was \$369,038 due to (1) unpaid RE taxes for prior years and (2) fines related to a Permit for Certificate of Public Assembly.

Utilities were down close to 10%.

Cathedraticum and School Tax: Cathedraticum represents the Archdiocese of New York's (ADNY) tax on the parish's prior year's collections and other income items; the parish's share of School Tax supports Catholic schools within ADNY.

OTHER INCOME (Non-Operating)

Not included in the parish's operating income are (1) income from the rental of cell-towers at OLR and (2) investment income. This reflects interest income & unrealized gains since the parish's investments grew in value in FY 2017.

NET DEFICITS

In FY 2017 the parish suffered a net deficit, or loss, of \$273,207 after including investment income & cell tower revenue. After receipt of the \$170K subvention from ADNY for the Chapel lease, our net deficit or loss dropped to \$103,207.

In FY 2016 the parish suffered a net deficit or loss of \$632,299 after including investment income and cell tower revenue. The parish received \$170K for the chapel lease but needed another \$370K subvention (for a total of \$540K) from ADNY to pay our bills in FY 2016; after this our net deficit or loss dropped to \$91,868.

Subventions from & Notes Payable to ADNY

Subventions represent *contingent* loans from ADNY. These loans are to be paid back *only if* the parish comes into a windfall profit, for instance, on the sale of real estate. If and when such an event occurs the parish would also be responsible for paying 5% interest on such subventions from the original date of the subvention. As of August 31, 2017, the Parish has contingent liabilities of approximately \$1.2 million to ADNY.

The Parish has Notes Payable to ADNY of \$78,714 with 5% interest per annum.

The View Forward

The Parish owns three properties, two of which are very old buildings: St. Peter's Church and OLR; such structures require constant maintenance and/or renovation. In the autumn of 2017 (our fiscal year 2018), some investment money (\$140,000) was used to pay for substantial renovations at Our Lady of the Rosary. Since the balance of investments will decrease in 2018, investment income will likely decrease.

The Parish Center at 22 Barclay St, which will be one year old in December 2017, has sophisticated equipment such as HVAC, the elevator, and a fire alarm that need to be serviced on a regular basis; since the warranties on that equipment will expire in December 2017, related expenses will increase in FY 2018.