

St. Paul Parish
ANNUAL FINANCIAL REPORT



October 2020

My dear friends in Christ,

As I begin my fifth year as pastor of St. Paul's, I can say without exaggeration that this has been a year like no other! As the fiscal year began in July of 2019, we entered our usual tranquil summer months when we all take a respite from our busy lives. Soon, fall arrived and our parish and collaborative sprang to life at full speed. Our Youth Mass was packing in crowds of 400 with our teens participating in large numbers as musicians, singers, Eucharistic ministers, and lectors. Our service ministries were thriving and we offered myriad opportunities for adult faith enrichment. And then the weekend of March 14 arrived and everything changed. The unthinkable happened. The global pandemic necessitated our closing the doors of the church for months on end.

Despite these unprecedented challenges, the life of our parish and collaborative never stopped but rather adapted to the reality at hand. First, we sprang into action with a robust online presence. We were able to celebrate Mass "together" virtually. Our staff offered reflections on our collaborative blog, led bible studies and faith sharing groups... all virtually. We found creative ways to minister to the sick. On one occasion, I offered prayers for the dying while standing on a stepladder and speaking through a bedroom window.

As restrictions have been lifted somewhat, we have resumed public Mass on the lawns of our churches, our own "Tanglewood East." We have celebrated many baptisms, first communions, funerals and have heard countless confessions. The celebration of these sacraments has brought tears to peoples' eyes as we realize how much we treasure our faith in this time of deprivation. Our St. Vincent de Paul Society has been busier than ever in serving the needy of our community. Our amazing parishioners and staff have continued to serve the needs of the Rwandan refugee family we are sponsoring with all of the challenges that come from the demands of social distancing.

Our parish needs your help as we continue to minister in these very challenging circumstances. We do not know what the future holds or how long it will be before we are able to resume in-person Masses at full capacity. We ended the last fiscal year with a significant surplus thanks to a large bequest combined with the outstanding generosity of our parishioners in supporting the Offertory and Annual Appeal collections throughout the period when in-person Masses were not permitted. However, we are significantly behind where we were last year for both collections. Even if we achieve the budgeted levels of Offertory and Annual Appeal, we are still projecting a modest deficit. We really need your help! Since most of the usual weekly offertory collections are not being received, we must rely on donations sent into the office and given online. Please consider online giving as a means of assuring a consistent source of income to fund our many ministries. In these challenging times, your parish continues to be there for you. Your generous financial support will assure our ability to continue to do so in the year ahead.

The life of our parish looks very different from the way it did six months ago. Despite this, through the creativity and devotion of our staff and volunteers, and through the great generosity of our parishioners, St. Paul Parish continues to thrive. Thank you for all that you do to make St. Paul's the vibrant community of faith that it is!

Yours in Christ Jesus,

Reverend James J. Laughlin, Pastor

October 2020

Reverend James Laughlin, Pastor
St. Paul Parish
502 Washington Street
Wellesley, MA 02482

Financial Report for the Fiscal Year Ended June 30, 2020

Dear Father Laughlin,

We present the following unaudited financial statements as of June 30, 2020 (attached), along with highlights and explanatory comments:

1. Statement of Revenue and Expenditures (actual results for the fiscal years ended June 30, 2019 and 2020, and budget for the fiscal years ending June 30, 2020 and 2021)

- **For the fiscal year ended June 30, 2020**, the Parish reported an Operating Surplus of \$97,444. Included in this surplus is a \$50,000 partial estate distribution and two \$10,000 gifts from thoughtful parishioners.
- **Revenue** sources are grouped together in the top section of the Statement of Revenue and Expenditures. Total Revenue decreased by \$42,666 from 2019. This decrease was principally due to a decline of \$73,402 in the Gifts & Donations category. Despite the global pandemic and the suspension of Masses that began in March 2020, parishioners gave generously to the Weekly Offertory and Annual Appeal, increasing the revenue in those categories by \$32,989 in total. The remaining revenue categories comprised the rest of the difference.
- **Operating Expenses** decreased by \$42,193 for the fiscal year ended June 30, 2020 as compared to actual spending for the same period in fiscal year 2019, which offset the decrease in Operating Revenue. Music & Liturgical spending decreased by \$16,705, as a result of lowered spending due to Mass suspension as well as less spending on charitable works, as the Society of St. Vincent de Paul took over much of this responsibility. Property Maintenance declined by \$6,055 due to a sizable decrease in heating costs which offset small increases in the maintenance of grounds and buildings and the costs of tree removal along the property line. Miscellaneous Expenses decreased by \$13,144, as fiscal year 2019 amounts included a one-time write off of old accounting items related to the 2015 closing of St. Paul School. Small changes in other categories make up the remainder of the difference.
- **Capital Expenditures** of \$31,187 were due to renovation of St. Paul Hall basement, with the remaining expenditures of \$8,250 attributable to sound system upgrades and masonry improvements.
- The **FY2021 Budget** projects an operating deficit of \$9,270, which reflects the uncertainty of giving to the Weekly Offertory, Annual Appeal and Gifts & Donations categories as the global pandemic continues. It is anticipated that Total Operating Expenses will continue to decrease, with notable reductions in the Salary & Benefits and Religious Education categories, mainly due to the necessity of having a mostly virtual religious education program in fiscal 2021.

2. Statement of Financial Position or balance sheets (as of June 30, 2019 and 2020)

- **Cash & Cash Equivalents** increased by \$169,374 year over year. This change is primarily due to the fact that the parish received a federal CARES Act/Paycheck Protection Plan forgivable loan in the amount of \$120,900, for which use is restricted to spending on salary and benefits and utilities. The loan proceeds, which are reflected in the Cash & Cash Equivalents - Other Restricted and Notes Payable categories, were fully expended for their restricted purpose during the fall of 2020, and the loan forgiveness is expected to be shown in the fiscal year 2021 financial statements.

As required by the Archdiocese of Boston, the unaudited financial statements of the Parish have been prepared on a basis of accounting that is not in accordance with generally accepted accounting principles; the property, plant and equipment of the Parish are not reported in the Balance Sheet of the Parish, and all improvements and repairs are expensed when incurred. This has been done over the years to more accurately reflect the annual cash costs to maintain and upkeep the property and facilities in the Parish.

Respectfully submitted by the Finance Council of St. Paul Parish

James Drury, Chair Lisa Cremonini David Foley Harold Foley Susan Looney

ST. PAUL PARISH
Statements of Revenue and Expenditures
for the years ended June 30

	<u>2019 Actual</u>	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2021 Budget</u>
Operating Revenue				
Offertory	\$ 469,038	\$ 470,000	\$ 497,747	\$ 470,000
Annual Appeal	269,181	275,000	273,461	275,000
Sacramental Offerings	13,841	12,400	13,079	12,400
Gifts and Donations	212,053	60,000	138,651	44,800
Religious Education	44,900	44,000	38,793	35,000
Catholic Appeal Rebate	40,950	46,000	45,661	46,000
Interest Income	1,381	1,100	2,464	1,100
Rental Donations	2,000	-	500	-
Miscellaneous	6,078	5,000	6,400	5,250
Total Operating Revenue	<u>1,059,422</u>	<u>913,500</u>	<u>1,016,756</u>	<u>889,550</u>
Operating Expenses				
Salary and Benefits	593,359	619,727	587,602	571,961
Other Operating Expenses				
Administrative	49,565	44,060	50,474	47,660
Music and Liturgical	30,046	28,700	13,341	23,200
Religious Education	12,955	10,500	13,432	5,000
Rectory and Household	14,307	14,000	14,209	14,000
Property Maintenance	160,602	149,488	154,547	162,535
Parish Tithe	39,107	37,287	37,287	37,285
School Tithe	34,679	34,679	34,679	34,679
Miscellaneous	26,885	2,950	13,741	2,500
Total Other Operating Expenses	<u>368,146</u>	<u>321,664</u>	<u>331,710</u>	<u>326,859</u>
Total Operating Expenses	961,505	941,391	919,312	898,820
Operating Surplus/(Deficit) before Capital Expenditures	<u>97,917</u>	<u>(27,891)</u>	<u>97,444</u>	<u>(9,270)</u>
Capital Expenditures	-	-	(39,437)	-
Net Surplus/(Deficit)	<u>\$ 97,917</u>	<u>\$ (27,891)</u>	<u>\$ 58,007</u>	<u>\$ (9,270)</u>

Certain prior year amounts have been reclassified to conform to current year presentation.

ST. PAUL PARISH
Statements of Financial Position
as of June 30

	<u>Jun 30, 2019</u>	<u>Jun 30, 2020</u>
ASSETS		
Cash & Cash Equivalents		
Cash & Cash Equivalents - Unrestricted	\$299,957	\$357,526
Cash & Cash Equivalents - Restricted for Capital Improvements	11,364	0
Cash & Cash Equivalents - Other Restricted	32,826	155,995
Total Cash & Cash Equivalents	<u>344,147</u>	<u>513,521</u>
Other Assets		
Accounts Receivable	0	7,256
Total Other Assets	<u>0</u>	<u>7,256</u>
TOTAL ASSETS	<u><u>\$344,147</u></u>	<u><u>\$520,777</u></u>
LIABILITIES & NET ASSETS		
Liabilities		
Accounts Payable & Other Current Liabilities	\$25,553	\$23,276
Notes Payable	0	120,900
Total Liabilities	25,553	144,176
Net Assets		
Fund Balance	220,677	318,594
Net Income	97,917	58,007
Total Net Assets	<u>318,594</u>	<u>376,601</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$344,147</u></u>	<u><u>\$520,777</u></u>