

*St. Paul Parish*  
ANNUAL FINANCIAL REPORT



October 2021

My dear friends in Christ,

When I penned this letter at this time last year, I was certain that in 2021 we would be entering a “normal” fall season in our parish and collaborative. While things are certainly better, the global pandemic continues to affect our lives in so many ways, and we realize our need for God and our faith community more profoundly than ever. These are indeed challenging times, and thanks to your support, St. Paul Parish is meeting the challenge. Our superb collaborative staff continues to respond in creative ways, and the many lessons learned and skills acquired over the past year and a half will enhance our ministries for years to come.

Our investment in live stream technology allows those who can't worship in person at this time the best possible virtual experience. It also enables grieving family and friends from across the globe to be present at funeral services held in our sanctuaries, providing a source of comfort for so many. And it allows grandparents who can't be physically present to share in the joy of baptisms, First Communions, and weddings.

Our Adult Faith Enrichment offerings - Bible studies, small group faith sharing, bereavement programs, men's and women's groups, and expert speakers - have continued throughout the pandemic. We are now providing hybrid offerings, combining in-person and virtual options, so everyone can participate according to their comfort level. Our Service and Outreach to those on the margins has grown throughout the pandemic. Our St. Vincent de Paul Society continues to provide emergency assistance with food, rent, and other expenses to those in need in our local community. Through our POWIR partnership, parishioners cared for and supported the Rwamuhinda family, refugees who arrived in Boston at the beginning of the pandemic and are now completely self-sufficient financially - a beautiful example of the success of our faithful volunteers and Catholic Charities. We are dedicated to continuing the POWIR partnership and supporting the acute need of arriving Afghan refugees in the coming weeks.

Inspired by the vibrancy and joy of the Collaborative *Sunday 5pm Youth Mass* and the way it has reinvigorated our Confirmation and Youth Ministry programs, we recently launched a new Collaborative *Sunday 9am Family Mass*, which serves as the centerpiece of our Collaborative Religious Education program for children in Grades 1-5. In a significant way, this is our Collaboration coming to full fruition!

Earlier this year we executed a lease with Star Academy Boston for the former Saint Paul School building. This lease will provide a stream of rental income over the next twenty years that will allow us to make needed investments in our physical plant. These long-term improvements will serve our parish for generations to come.

St. Paul Parish has experienced a decrease in the Weekly Offertory during the past fiscal year. Thankfully, unexpected gifts from generous parishioners, including two large bequests, balanced out this reduction. The Parish cannot, however, continue to rely on these unexpected donations to fund day-to-day operations. Your generous support of both the Weekly Offertory and the Annual Appeal is critical to ensuring that St. Paul Parish continues to thrive in the years ahead. You make the mission of our parish possible and for this I am ever grateful.

As I begin my sixth year as your pastor, I am grateful to God for the privilege of serving in a community of such committed disciples of Jesus Christ. Your living faith inspires me every day.

Yours in Christ Jesus,

Reverend James J. Laughlin, Pastor

October 2021

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

Dear Father Laughlin,

### Financial Report for the Fiscal Year Ended June 30, 2021

We present the following unaudited financial statements as of June 30, 2021, along with highlights and explanatory comments:

#### **STATEMENTS OF CHANGES IN NET ASSETS** (*actual results for the fiscal years ended June 30, 2020 and 2021, and budgets for the fiscal years ending June 30, 2021 and 2022*)

- **For the fiscal year ended June 30, 2021**, the Parish reported an Operating Surplus of \$203,204 and a Total Change in Net Assets of \$299,108. Contributing to this result was growth in Operating Revenue of \$32,415, coupled with a decrease in Operating Expenses of \$61,643, as compared to fiscal year 2020. The Parish also received official forgiveness of its CARES Act/Paycheck Protection Plan (“PPP”) Loan of \$120,900, which is shown as Gain on Extinguishment of Loan.
- **Operating Revenue** increased from \$1,016,756 in fiscal 2020 to \$1,049,171 in fiscal 2021. Although Weekly Offertory decreased by \$71,804 from fiscal year 2020, unsolicited Gifts and Donations of \$226,255 from generous parishioners more than made up for the decrease. Included in this amount were estate distributions totaling \$125,813. Total giving to the Annual Appeal increased by \$15,422 and the Parish received a Catholic Appeal Rebate that was \$10,359 higher than prior year. Religious Education Revenue decreased by \$10,829 due to lower enrollment as there are fewer school-aged children in Wellesley.
- **Operating Expenses** decreased from \$907,610 in fiscal 2020 to \$845,967 in fiscal 2021, mainly due to the effects of the COVID-19 pandemic. Spending in the Salary and Benefits category decreased by \$49,994 which was the result of not paying musicians for the majority of the fiscal year, more sharing of positions within the Collaborative, and lower spending on health insurance. Music & Liturgical spending decreased by \$7,755, due in part to fewer masses during the year. Property Maintenance spending held steady despite increased snow removal costs, and Miscellaneous Expenses declined by \$9,294.
- **Net Assets Released from Restrictions** reflects the use of donor restricted funds for their intended purpose, and is shown as an increase in Net Assets without Donor Restrictions and as a corresponding decrease in Net Assets with Donor Restrictions.
- **Capital Expenditures** of \$23,975 included the cost of \$16,716 to install a Live Stream system in the church, which was funded by an unrestricted estate distribution.
- The **FY2022 Budget** projects a Total Change in Net Assets of \$14,388. Budgeted Operating Revenue includes the addition of Rental Income, net of \$106,979 due to the leasing of the St. Paul School building to Star Academy Boston, Inc. (“Star Academy”) and the beginning of Star Academy’s rental payments in September 2021. Budgeted Operating Expenses are anticipated to increase mostly in the areas of Salary and Benefits and Religious Education.

#### **STATEMENTS OF FINANCIAL POSITION** (*as of June 30, 2020 and 2021*)

- **Cash & Cash Equivalents** grew by \$200,786, which is related to the Parish’s \$203,204 Operating Surplus.
- **Long-term Security Deposit** of \$54,611 in the Assets grouping represents the security deposit paid by Star Academy in accordance with the terms of the St. Paul School lease.
- **Deposits** of \$54,611 in the Liability grouping corresponds to the Long-term Security Deposit in the asset grouping. This amount, less any charges for damages, must be repaid to Star Academy upon termination of the lease in 20 years.
- **Notes Payable** equaled \$0 at the end of fiscal 2021, as the PPP Loan forgiveness eliminates this category.

*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 Parish’s Statements of Financial Position, 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    John Cullinane    David Foley    Harold Foley    Susan Looney

**ST. PAUL PARISH**  
**Statements of Changes in Net Assets**  
for the years ended June 30

	<u>2020 Actual</u>	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2022 Budget</u>
<b>Net Assets without Donor Restrictions:</b>				
<b>Operating Revenue</b>				
Weekly Offertory	\$ 497,747	\$ 470,000	\$ 425,943	\$ 470,000
Annual Appeal	273,461	275,000	288,883	275,000
Sacramental Offerings	13,079	12,400	20,865	12,400
Gifts and Donations	138,651	44,800	226,255	42,000
Religious Education	38,793	35,000	27,964	26,000
Catholic Appeal Rebate	45,661	46,000	56,020	34,110
Interest Income	2,464	1,100	1,994	1,100
Rental Income, net	500	-	-	106,979
Miscellaneous Revenue	6,400	5,250	1,247	5,250
<b>Total Operating Revenue</b>	<b>1,016,756</b>	<b>889,550</b>	<b>1,049,171</b>	<b>972,839</b>
<b>Operating Expenses</b>				
Salary and Benefits Expense	587,602	571,961	537,608	608,264
Administrative Expenses	45,751	47,660	42,258	41,220
Music and Liturgical	18,814	23,200	11,059	21,450
Religious Education	13,669	5,000	8,724	10,545
Rectory and Household	14,209	14,000	16,560	14,000
Property Maintenance	153,797	162,535	153,499	160,810
Parish & School Tithes	71,966	71,964	73,070	74,662
Miscellaneous Expense	13,504	2,500	4,210	2,500
Net assets released from restrictions	(11,702)	-	(1,021)	-
<b>Total Operating Expenses</b>	<b>907,610</b>	<b>898,820</b>	<b>845,967</b>	<b>933,451</b>
<b>Operating Surplus/(Deficit) before Capital Expenditures</b>	<b>109,146</b>	<b>(9,270)</b>	<b>203,204</b>	<b>39,388</b>
Capital Expenditures	(39,437)	-	(23,975)	(25,000)
Gain on Extinguishment of Loan	-	120,900	120,900	-
<b>Net Surplus/(Deficit) in Assets without Donor Restrictions</b>	<b>69,709</b>	<b>111,630</b>	<b>300,129</b>	<b>14,388</b>
<b>Net Assets with Donor Restrictions:</b>				
Net assets released from restrictions	(11,702)	-	(1,021)	-
<b>Net Surplus/(Deficit) in Assets with Donor Restrictions</b>	<b>(11,702)</b>	<b>-</b>	<b>(1,021)</b>	<b>-</b>
<b>Total Change in Net Assets</b>	<b>\$ 58,007</b>	<b>\$ 111,630</b>	<b>\$ 299,108</b>	<b>\$ 14,388</b>

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

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

	<b>Jun 30, 2020</b>	<b>Jun 30, 2021</b>
<b>ASSETS</b>		
Cash & Cash Equivalents	\$ 513,521	\$ 714,307
Accounts Receivable	7,256	1,243
Long-term Security Deposit	0	54,611
<b>TOTAL ASSETS</b>	<b>\$520,777</b>	<b>\$770,161</b>
 <b>LIABILITIES &amp; NET ASSETS</b>		
Liabilities		
Accounts Payable & Other Current Liabilities	\$23,276	\$39,841
Deposits	0	54,611
Notes Payable	120,900	0
Total Liabilities	144,176	94,452
Net Assets		
Net Assets without Donor Restrictions	345,263	645,392
Net Assets with Donor Restrictions	31,338	30,317
Total Net Assets	376,601	675,709
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$520,777</b>	<b>\$770,161</b>

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