

Church of the Annunciation

Parish Financial Report for the Year of September 1, 2020-August 31, 2021

The Parish is reporting a surplus of \$222,463 for the fiscal year ending on August 31, 2021. This includes non-operating (capital) expenditures of \$40,283. This compares to a gain of \$106,604 for the prior year.

The Parish received a Payroll Protection Program loan for \$102,200 that was included in the prior year surplus and recorded as a liability. Since the Parish was compliant with the terms of the loan, it was forgiven in the current year. Please see the section below for a more detailed explanation.

Receipts

Overall receipts totaled \$914,585 a decrease of \$58,704 (6%) compared to last year.

- Collections from weekend Masses increased by \$22,514 (4%).
- Our annual picnic was virtual again this year. And like last year, parishioner support enabled the parish to report a net of \$102,137.
- Other receipts declined by \$67,305. Tuition and fees from Youth Faith Formation program decreased because of the pandemic.
- In prior year, the Parish applied for and received a PPP loan of \$102,200. The PPP was part of the federal government's pandemic response, and loan proceeds were targeted primarily to keep staff employed. According to Diocesan policies, the loan was recorded as a receipt in prior year and offset by recording a liability in the summary of assets and liabilities. In current year, the loan was forgiven according to the terms of the federal legislation. Liabilities were decreased, and the loan forgiveness was recorded as a receipt on the current year statement.

Operating Expenses

Operating expenses decreased by \$58,615, an 8% decline over prior year. Here is a breakdown of major expense categories:

- Salary and payroll related expenses decreased by \$32,462 because of lower maintenance and clergy retirement spending.
- The Diocesan assessment was flat compared to last year.
- Religious education decreased by \$14,486 (11%) due to lower pandemic-related expenses.

Capital Expenses

Capital expenses—improvements to the Parish grounds and buildings—totaled \$40,284. Major projects included the portico roof, a computer equipment upgrade in the Parish Office, and live streaming capabilities in the church and Selbert Hall. Prior year reflected the last year of funding the Master Plan, accounting for the high level of capital expended.

Changes in Assets and Liabilities

Our net worth (assets minus liabilities) increased by \$224,781, reflective of our year-end surplus.

Audit Oversight

We continue to rely on the active oversight of our Audit Sub-Committee, which is chaired by Becky Lankes. This group has developed a recurring audit process for all critical Parish operations and organizations to ensure the money you entrust is safeguarded.

Finance Committee Objectives

The Finance Committee is guided by these objectives:

- *Maintain emergency funds equaling three months of operating expenses.*
 - We are still maintaining this reserve despite the Master Plan spending and the impact of the pandemic.
- *Invest in basic capital improvements.*
 - Due to the sustained support of our Parishioners, we have been able to continuously invest in basic capital upgrades.
- *Invest in adult ministry programs as directed by Parish leadership.*
 - We anticipate continuing to grow our investment in adult ministries to reach more parishioners at various stages of their lives.
- *Invest in youth ministry programs as directed by Parish leadership.*
 - The Parish and the Finance Committee remain fully committed to supporting the education of the next generation of Parish leaders and members.

In addition, we will remain focused on the on-going crisis in the Diocese and the potential impact it might have on Parish finances. We will be diligent in protecting Parish assets, and your donations that make them possible.

Change in Finance Committee Leadership

This will be my last report to the Parish, as Kris DiScipio has agreed to take over as Chair of the Finance Committee. It has been my privilege to serve under the outstanding leadership of Father Gene. The Committee is in excellent hands with Kris, and with the addition of several new members with outstanding financial expertise.

If any parishioner has any questions on our financial statements, please send them to me at larryzielinski@gmail.com.

Respectfully submitted,

A handwritten signature in black ink, reading "Larry Zielinski". The signature is written in a cursive, flowing style.

Larry Zielinski
Chairman, Finance Committee