

# Old St. Joseph's Church

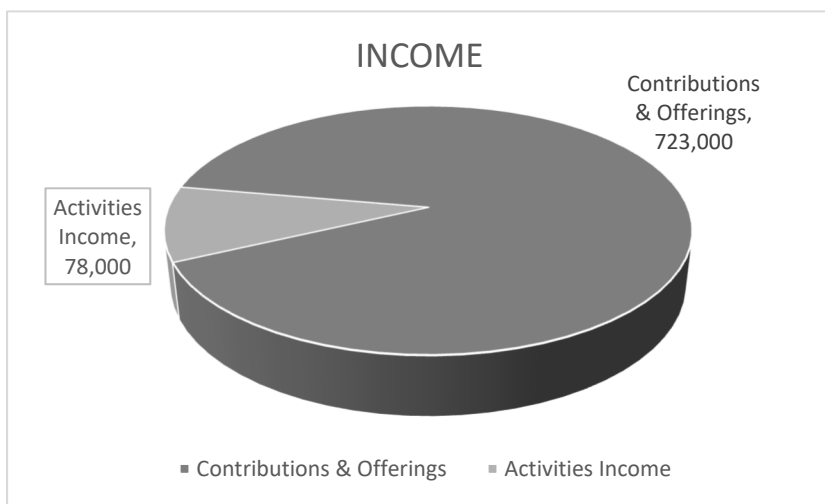
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## Parish Financial Report FY 2018

A few weeks ago a parishioner approached me at the coffee hour after Mass with a question: "How is the parish doing?" she asked. I said, "Fine." "No," she responded, "I mean about the money. Are we doing all right?"

Since I spend a certain amount of time and energy on the money, I was pleased with her question because it's nice to know when someone shares your concern. I told the inquirer that Eric German, our business manager, and I were preparing a report for an upcoming meeting of the Finance Committee. I would now like to share that report with you.

"Fine," is not far off the mark. Thanks to all of you, parish donors, for making that response possible. But, of course, the full story about how we are doing is more complicated, especially when one projects into the future and looks at the challenges that lie ahead. So, here's the full story.

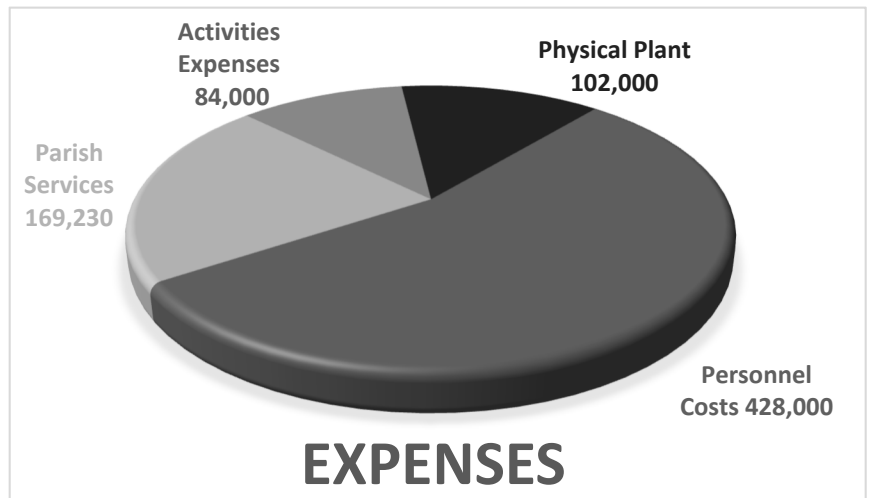


The annual operating income and corresponding expenses of the parish—which I call the bread and butter operation (as you can see, I am no accountant)—amounted to a little less than \$800,000. We ended last year (that is the fiscal year, FY2018, that runs from July 2017 through June 2018) with a cash surplus of \$17,000. The first two accompanying pie charts provide an overview of our operating income and expenses. That's good news. It gets even better. If you add investment income and subtract capital expenses, the bottom line for the parish in fiscal year 2018 was a surplus of \$93,000. So, we're not going broke!

But hold on, that's not the whole story. In addition to the operating income and expenses, the parish has two other reserve funds, the Barbelin Trust (largely reserved for social justice causes) and the Historic Preservation Corporation (HPC). The value of the Barbelin Trust decreased last year by almost \$13,000 to \$342,000. And the HPC decreased in value by \$155,000 and now holds just \$196,000.

Why did the HPC lose so much money in FY 2018? For two reasons: first, we spent over \$48,000 on the sound systems in the Church and in Barbelin Hall; second, we spent over \$178,000 to repair the front of the rectory building. Fortunately, we were able to raise money for the sound systems to minimize the loss to the HPC fund, but we didn't raise enough for the rectory facade, so we had to draw down our HPC reserves.

Taking all this into consideration—operating income and expenses, investment income, capital expenses, special funds like the Barbelin Trust and the HPC—if you're still with me—the parish financial resources



are being used to maintain the parish's financial health and support its mission.

decreased by \$134,000. The result is that our cash and investment holdings now total just over two million dollars. (See the third pie chart).

All this is listed on the accompanying spreadsheet with all the numbers. The spreadsheet compares last year, FY 2018, with the previous year, FY 2017. And then there's the budget for the present fiscal year, FY 2019 that just began last July. Something to say about that:

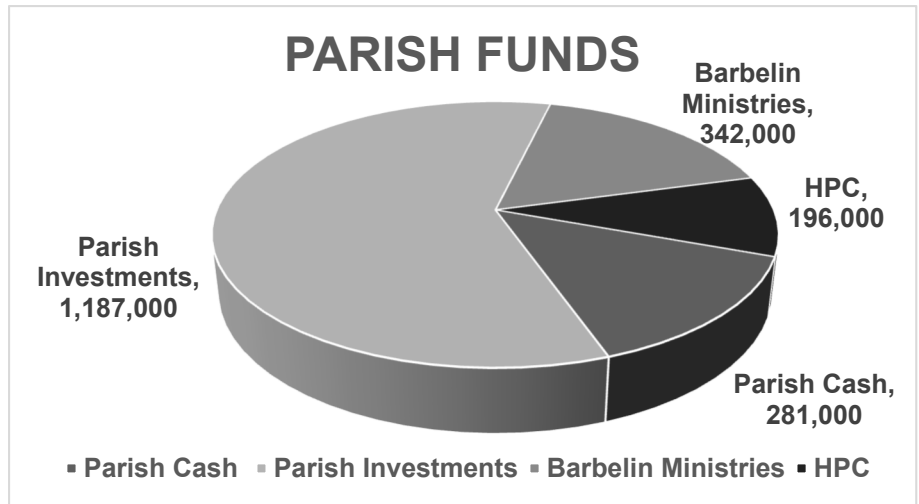
The budget serves as a guideline for the future, but no one knows the future and so the budget is only a rough estimate of where we will end up a year from now. But the budget also reflects our pastoral goals—what kind of Catholic parish we want to be, how active, how engaged, how responsive. We can slash expenses, but that would greatly damage parish services and activities and should be done only as an absolute last resort. On the other hand, we can be wasteful and extravagant through imprudent spending. We want to avoid that. Or we can drain our reserves by curtailing donations and just live off the savings we have inherited from previous generations of parishioners. That would be selfish, unless absolutely necessary. The budget should reflect our legitimate goals, the financial implications of responsible care for the goods entrusted to us and energetic zeal for pastoral care and the living out of the gospel message.

Looking ahead, you will note that the new budget reflects a 7% increase in Sunday, Christmas and Easter donations. Is that realistic? Why is this important? We need increased revenue to fund increased spending that is necessary and worthwhile. Personnel costs are increasing by almost 6%. The reason is that we needed to expand our pastoral staff in order to improve the effectiveness of our parish programs. Furthermore, we don't want to economize by offering substandard compensation to Church employees, so salaries are keeping pace with inflation. We can't preach to others about just wages if we don't lead by example. In addition, last year we spent a lot on computer and technical upgrades to replace outdated equipment. This year we will spend on furnishings for the public areas of the rectory. Without these kinds of expenditures, we would fall back significantly on the quality of parish resources. Then over the long run, the bill for catching up would become truly daunting.

In conclusion, a couple of general points:

- The Parish Finance Committee meets quarterly through the year. I thank Paul Shay and all the members of the Committee for their support and guidance. Thanks also to Eric German, our Business Manager, who is highly proficient in overseeing the daily operation of parish finances.
- At the end of every fiscal year our accountant, John McGovern & Associates, reviews our financial records and prepares a report. This report is available to any parishioner upon request. The difference between this report in the parish bulletin and the account's report is one of presentation; I contend that my report is clearer to the average layperson. Not everyone agrees, but the numbers agree.
- If you have any questions, please send them to me and I will get back to you. If there is enough interest, I would be happy to hold an open discussion to explain this report in fuller detail.
- The budget presented does not include future capital expenses. This is a topic in its own right and we will have a lot to say about this in coming weeks. There are plans I will be proposing soon for a major enhancement of our parish facilities. We'll be speaking about this when the planning is more fully advanced and a presentation will be more complete.

To end where we began, thank you to all our donors for your support of this beautiful and faith-filled parish of Old Saint Joseph.



—Walter F. Modrys, SJ, Pastor

|   | <b>FY 2017</b> | <b>FY 2018</b> | <b>FY 2019</b> |
|---|----------------|----------------|----------------|
|   | <b>Actual</b>  | <b>Actual</b>  | <b>Budget</b>  |
| <b>INCOME FROM OPERATIONS</b>               |                |                |                |
| <b>Contributions &amp; Offerings</b>        |                |                |                |
| Sunday Collections                          | 504,040        | 520,188        | 549,400        |
| Weddings                                    | 83,050         | 97,300         | 90,000         |
| Christmas - Collection                      | 49,935         | 34,092         | 40,000         |
| Easter - Collection                         | 35,401         | 28,429         | 33,000         |
| Daily Mass Collections                      | 13,700         | 13,712         | 14,000         |
| Special Donations for Liturgy               | 9,776          | 12,449         | 12,800         |
| Candles                                     | 6,366          | 8,216          | 8,200          |
| Baptisms                                    | 5,855          | 7,320          | 7,500          |
| Other Donations                             | 15,617         | 828            | 0              |
| <b>TOTAL: Contributions &amp; Offerings</b> | <b>723,740</b> | <b>722,534</b> | <b>754,900</b> |
| <b>Activities Income</b>                    |                |                |                |
| FFF Program                                 | 37,401         | 40,122         | 40,000         |
| Religious Education Program                 | 13,760         | 12,785         | 13,500         |
| Jesuit Housing Reimbursement                | 8,000          | 12,100         | 12,775         |
| Music Income                                | 7,472          | 6,759          | 5,600          |
| Collections for Liturgical Decorations      | 2,954          | 2,842          | 3,000          |
| Bulletin reimbursement                      | 2,000          | 1,500          | 2,500          |
| St Ignatius Day                             | 1,251          | 878            | 1,000          |
| St Joseph's Day                             | 1,019          | 1,028          | 1,000          |
| Rental Income                               | 750            | 450            | 500            |
| <b>TOTAL: Activities Income</b>             | <b>74,607</b>  | <b>78,464</b>  | <b>79,875</b>  |
| <b>TOTAL INCOME FROM OPERATIONS</b>         | <b>798,347</b> | <b>800,998</b> | <b>834,775</b> |
| <b>OPERATING EXPENSES</b>                   |                |                |                |
| <b>Personnel Costs</b>                      |                |                |                |
| Salaries (Clergy and Lay)                   | 334,904        | 338,615        | 364,707        |
| Employee Taxes & Benefits                   | 77,110         | 44,325         | 50,311         |
| Health Insurance                            | 55,132         | 45,300         | 38,395         |
| <b>TOTAL: Personnel Costs</b>               | <b>467,146</b> | <b>428,240</b> | <b>453,413</b> |
| <b>Parish Services</b>                      |                |                |                |
| Diocesan Assessments                        | 62,130         | 78,417         | 82,500         |
| Jesuit Community Expenses                   | 19,737         | 22,360         | 42,620         |
| Computer Expenses                           | 11,974         | 30,251         | 12,000         |
| Accounting Fees                             | 8,240          | 8,000          | 8,000          |
| Banking & Payroll Fees                      | 8,456          | 8,919          | 10,100         |
| Office Supplies & Equipment                 | 5,685          | 10,913         | 12,000         |
| Outside Printing and Publicatio             | 2,274          | 3,382          | 3,000          |
| Catholic Education Association              | 0              | 0              | 2,500          |
| Other Administration Expenses               | 20,789         | 6,988          | 5,000          |
| <b>TOTAL: Parish Services</b>               | <b>139,285</b> | <b>169,230</b> | <b>177,720</b> |
| <b>Activities Expenses</b>                  |                |                |                |
| FFF Expenses                                | 41,621         | 39,834         | 40,300         |
| Liturgical Supplies/Equipment               | 16,581         | 9,438          | 10,000         |
| Religious Education Program                 | 6,884          | 8,162          | 9,500          |
| Music Expenses (non-personnel)              | 6,386          | 8,635          | 9,250          |

|  | <b>FY 2017</b>   | <b>FY 2018</b>   | <b>FY 2019</b> |
|--|------------------|------------------|----------------|
|  | <b>Actual</b>    | <b>Actual</b>    | <b>Budget</b>  |
| Candles Expense                                  | 4,130            | 5,877            | 5,500          |
| Altar Flowers                                    | 2,636            | 2,521            | 3,000          |
| Hospitality (coffee hours, etc.)                 | 2,552            | 2,756            | 3,250          |
| Other Activitiess                                | 3,569            | 6,636            | 11,642         |
| <b>Total: Activities Expenses</b>                | <b>84,359</b>    | <b>83,859</b>    | <b>92,442</b>  |
| <b>Physical Plant</b>                            |                  |                  |                |
| General Maintenance                              | 50,616           | 49,226           | 54,000         |
| Electricity                                      | 15,800           | 14,151           | 15,000         |
| Property and Liability Insuranc                  | 13,656           | 10,863           | 12,000         |
| Gas & Petroleum                                  | 11,187           | 12,889           | 14,000         |
| Equipment Rental                                 | 6,387            | 1,620            | 2,000          |
| Water & Sewer                                    | 5,250            | 5,271            | 5,200          |
| Telephone  | 4,316            | 3,333            | 4,000          |
| Transportation & Vehicle Insura                  | 4,203            | 2,500            | 2,500          |
| Real Estate Taxes                                | 2,242            | 2,396            | 2,500          |
| <b>TOTAL: Physical Plant</b>                     | <b>113,657</b>   | <b>102,249</b>   | <b>111,200</b> |
| <b>TOTAL OPERATING EXPENSES</b>                  | <b>804,447</b>   | <b>783,578</b>   | <b>834,775</b> |
| <b>NET INCOME FROM OPERATIONS</b>                | <b>-6,100</b>    | <b>17,420</b>    | <b>0</b>       |
| <b>NON-OPERATING INCOME &amp; EXPENSES</b>       |                  |                  |                |
| 4201 · Legacies and Bequests                     | 133,564          | 10,683           | 0              |
| 4202 · Trust Income                              | 17,958           | 15,656           | 17,000         |
| 4203 · Other Donations (Schwab & vari)           | 13,346           | 980              | 1,000          |
| 4204 · Interest & Dividends                      | 18,803           | 30,038           | 30,000         |
| 6001 · Unrealized Capital Gains & Loss           | 83,630           | -15,495          | -16,000        |
| 6002 · Realized Capital Gains & Loss             | 2,187            | 79,351           | 60,000         |
| 6005 · Other Non-Operating Expenditure           | 0                | -5,695           | -5,000         |
| 6006 · Capital Expenses                          | 0                | -39,820          | 0              |
| <b>TOTAL NON-OPERATING INCOME &amp; EXPENSES</b> | <b>269,488</b>   | <b>75,699</b>    | <b>87,000</b>  |
| <b>NET INCOME</b>                                | <b>263,388</b>   | <b>93,119</b>    | <b>87,000</b>  |
| <b>CASH &amp; INVESTMENTS - JUNE 30, 2018</b>    |                  |                  |                |
| Parish Cash on Hand                              | 265,897          | 281,183          |                |
| Parish Investments                               | 1,132,290        | 1,186,858        |                |
| Barbelin Ministries                              | 358,523          | 341,870          |                |
| Historical Preservation Corporation              | 382,775          | 195,966          |                |
| <b>TOTAL</b>                                     | <b>2,139,485</b> | <b>2,005,877</b> |                |