

2019 Report of the Our Lady of the Magnificat Parish Finance Council

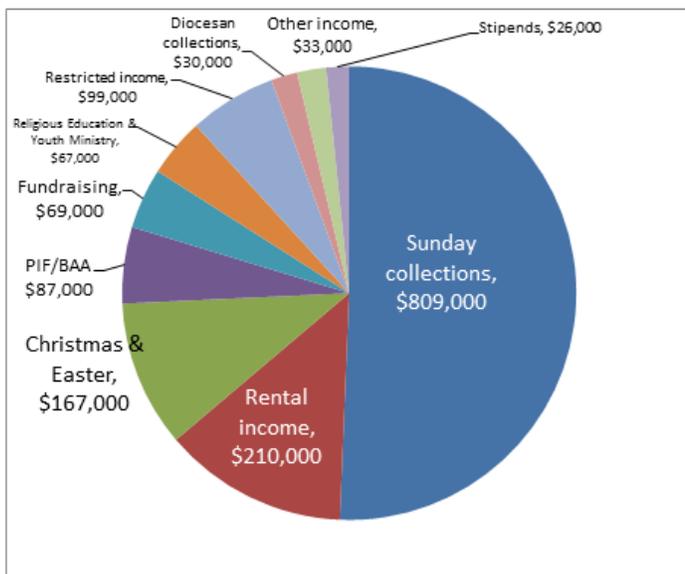
Greetings and welcome to the New Year! First, we would like to extend our sincerest thank you to the entire Parish community for the incredible gifts of time, talent and treasure that you have shared with our Parish this past year.

2019 was a year of change for Our Lady of the Magnificat ("OLM") - Msgr. Carroll retired at the end of February after 28 years as Pastor of OLM and Fr. Steve Shadwell returned to OLM after growing up in Kinnelon and attending the OLM school, ultimately serving the Diocese of Paterson in several other parishes before returning home. We want to thank Msgr. Carroll for his significant contributions to our Parish community over the years and we offer him our best wishes in retirement. He will always be a cherished member of our family. We also to welcome Fr. Steve back into the OLM family and we look forward to working with him in the future.

As you know, both the Diocese of Paterson and the Parish rely on the Finance Council to keep a diligent eye on how Our Lady of the Magnificat ("OLM") accomplishes the goals of its ministries within its financial resources. Historically, with the support of our Pastor and this Council, OLM has continued to maintain a very stable financial position. Below is a summary of our financial results for the fiscal year:

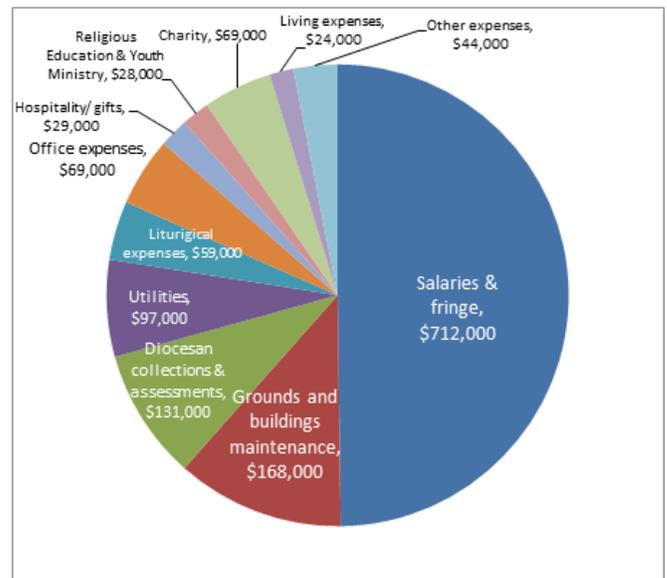
2018-2019 Revenue

Total = \$1,597,000



2018-2019 Expenses

Total = \$1,430,000



OLM's operations again resulted in a surplus for the year of \$167,000, in total, which is an increase from the prior year's surplus of \$130,000, and a significant improvement over our budgeted break even position for the '18-'19 year. Included in these results were \$99,000 in restricted donations for various facility related needs of the Parish and a \$41,000 Partners in Faith rebate from the Diocese, representing the final installment of our sharing in the 2013 campaign conducted on behalf of Bishop Serratelli. It should be noted that cumulatively we have received a total of \$384,000 as our share of the proceeds of this campaign. In addition, we again set a record for contributions to the Bishop's Annual Appeal of \$144,000. Of this amount, over \$46,000 has been returned to the Parish as a rebate for our exceeding our goal. Many thanks for your generous contributions!

During the year we completed building and facility projects totaling \$66,000, including parking lot and long over due convent repairs, HVAC maintenance in both the school and the church, lighting improvements in the school, on-going tree maintenance work and continued improvements to the Parish House. Excess operating income, such as that experienced in 2019, along with restricted donations, have been used to fund these types of facility projects in the past and, hopefully, in future years. As discussed in the past, the prudent financial management of the Parish over the last several years and the continued generosity of our Parishioners has allowed us to pay off all the Parish's external debt to third parties and internal debt to the OLM cemetery.

While not included in the numbers above, the OLM Cemetery continues to operate in a fiscally responsible manner, also posting a net surplus, and our loved ones resting there can be assured of many years of outstanding care.

A sure sign of a vibrant Parish is a look at the numbers of activities happening throughout the year. This past year OLM conducted 12 weddings and 66 baptisms, hosted 2 Pre-Cana sessions and sponsored 7 Faith Sharing/Bible Study groups. The Faith Formation programs facilitated 36 First Holy Communions, 70 Confirmations and 1 newly initiated through RCIA. The Knights of Columbus,

which total 140 men, contributed \$30,000 to local charities and those in need, collected thousands of pounds of food for local food pantries, and lent hands to help for many, many activities. The Ladies Guild, with 50 members, contributed over \$11,500 to those in need in our area. In addition, we said goodbye to over 35 family and friends who celebrated funerals here at OLM or have been buried in the Parish cemetery.

Fr. Lukasz Iwanczuk has continued to serve our Parish as Parochial Vicar and he has proven to be a valuable resource to our Pastors and the Parish staff by sharing liturgical responsibilities as well as the many other tasks associated with serving our Parish and the community. We continued to benefit from weekly assistance from both Fr. Ed Lambro and Fr. Henry Schreitmueller throughout the course of the year for masses, funerals and weddings.

As responsible stewards, the OLM staff and Finance Council have exercised conservative spending while still trying to provide the high quality of ministries and services you have come to expect. Looking forward, however, we need to be cognizant of the on-going operating and maintenance costs associated with OLM's extensive and aging Catholic community campus. As always, we appreciate your continued support in funding our plant operations. A comparison of the past two year's financials, along with the budget for 2019-2020 is as follows:

Income	Actual	Actual	Budget	'18A to '19A		'19A to '20B		Budget vs. Actual Comments
	FYE June '18	FYE June '19	FYE June '20	Inc. (Dec.)	Inc. (Dec.)	B-A	C-B	
	A	B	C					
Sunday collections	\$826,000 50%	\$809,000 51%	\$740,000 55%	(\$17,000)	(\$69,000)			Sunday collection trending downward
Rental income	\$204,000 12%	\$210,000 13%	\$230,000 17%	\$6,000	\$20,000			Annual increase, plus additional space leased
Christmas & Easter	\$192,000 12%	\$167,000 10%	\$158,000 12%	(\$25,000)	(\$9,000)			Downward trend
Partners in Faith/Bishop's Appeal Rebates	\$100,000 6%	\$87,000 5%	\$15,000 1%	(\$13,000)	(\$72,000)			PIF has ended; BAA was record in 2019
Fundraising	\$95,000 6%	\$69,000 4%	\$65,000 5%	(\$26,000)	(\$4,000)			Golf outing, Christmas Concert and Project Faith collections
Religious Education & Youth Ministry	\$76,000 5%	\$67,000 4%	\$62,000 5%	(\$9,000)	(\$5,000)			Downward trend in enrollment
Restricted income	\$44,000 3%	\$99,000 6%	\$0 0%	\$55,000	(\$99,000)			Not budgeted as these are unplanned/unsolicited restricted donations
Diocesan collections	\$42,000 3%	\$30,000 2%	\$23,000 2%	(\$12,000)	(\$7,000)			Downward trend
Stipends	\$29,000 2%	\$26,000 2%	\$28,000 2%	(\$3,000)	\$2,000			Mass & candle memorials and funerals/weddings/baptisms
Other income	\$39,000 2%	\$33,000 2%	\$27,000 2%	(\$6,000)	(\$6,000)			Miscellaneous items
Total	\$1,647,000	\$1,597,000	\$1,348,000	(\$50,000)	(\$249,000)			
Expenses								
Salaries & fringe	\$731,000 48%	\$712,000 50%	\$703,500 51%	(\$19,000)	(\$8,500)			New Pastor and elimination of Youth Minister position
Grounds and buildings maintenance	\$261,000 17%	\$209,000 15%	\$185,000 13%	(\$52,000)	(\$24,000)			Dependent on projects implemented and needs
Diocesan collections & assessments	\$144,000 9%	\$131,000 9%	\$127,000 9%	(\$13,000)	(\$4,000)			Increased assessment offset by lower Nat'l Collections
Utilities	\$93,000 6%	\$97,000 7%	\$99,000 7%	\$4,000	\$2,000			Fairly consistent as expected
Liturgical expenses	\$69,000 5%	\$59,000 4%	\$54,000 4%	(\$10,000)	(\$5,000)			Prudent spending planned
Office expenses	\$67,000 4%	\$64,000 4%	\$57,000 4%	(\$3,000)	(\$7,000)			Prudent spending planned
Hospitality/ gifts	\$29,000 2%	\$29,000 2%	\$23,000 2%	\$0	(\$6,000)			Prudent spending planned
Religious Education & Youth Ministry	\$31,000 2%	\$35,000 2%	\$37,500 3%	\$4,000	\$2,500			General cost increases
Charity	\$60,000 4%	\$69,000 5%	\$72,000 5%	\$9,000	\$3,000			Fr. English, school subsidies and other charity
Living expenses	\$32,000 2%	\$25,000 2%	\$31,000 2%	(\$7,000)	\$6,000			Fairly consistent as expected
Total	\$1,517,000	\$1,430,000	\$1,389,000	(\$87,000)	(\$41,000)			
NET INCOME	\$130,000	\$167,000	(\$41,000)	\$37,000	(\$208,000)			

This year's Financial Report is both encouraging and cautionary – while we generated a surplus this past year, recent trends, particularly in the Sunday and the Christmas/Easter collections, have required us to develop and submit to the Diocese a budget with a shortfall for the first time in many years. The well-being of the Parish is ultimately dependent upon the generosity of time, talent and treasure of its Parishioners. Engaged Catholic faith communities are dependent on their own resources for creating and sustaining the many programs needed for spiritual nourishment. Your continued generosity and financial support are essential to the long-term success of our parish and maintenance of its' facilities.

Our OLM family continues to have the opportunity to reach out to all those who have lost their way and may have fallen distant from the Church. OLM provides support through its many ministries, as well as serving as a welcoming place for all to worship and listen to the Word of God. While your generous monetary contributions continue to pay our bills, the time and talent you share with your fellow Parishioners is equally as important to the vitality and success of our Parish. When the OLM Parish community joins together, we believe wholeheartedly that it can do great things for the ministry and mission to which Jesus Christ calls.

We want to truly thank you for your past generosity and future support. May God Bless you and all that you do for the Parish community of Our Lady of the Magnificat and may you find a greater spiritual closeness and joy in God's light throughout the coming year.

Our Lady of the Magnificat Finance Council 2018-2019

Oliver Mueller - Chair

Steve Cobell

John Farmer

Sue D'Angelo

Barbara Nemits

Cyndy Fuhro

Fr. Steve Shadwell – Pastor

Fr. Lukasz Iwanczuk – Parochial Vicar

George Casagrand – Business Administrator and Bookkeeper