

Stewardship Weekend Address, October 2016

Greetings, Ladies and Gentlemen. My name is Pat Morgan, Business Manager here at Our Lady of Lourdes parish. I'm here today to give you a brief financial status of the parish. Our parish financial position for FY2016, which ended on June 30, 2016, improved somewhat over previous years. Since FY2014, total income increased by 12%, and total expenses declined by about 3%. Increases in income are primarily due to increases in Sunday collections and increases in student tuition and voucher reimbursements from the state of Ohio.

	FY 2014	FY2015	FY2016
Income	\$ 2,527K	\$ 2,636K	\$ 2,831K
Expenses	\$ 2,502K	\$ 2,422K	\$ 2,431K
Surplus	\$ 25K	\$ 214K	\$ 400K

It costs Our Lady of Lourdes parish over \$2.4 million a year to cover the bare essentials of operations, maintenance, salaries, benefits, and related expenses. Our largest annual operating expense is our school. Last fiscal year, Our Lady of Lourdes School cost over \$1.7 million to operate and maintain, but only generated about \$1.6 million in income—a \$143K annual shortfall which had to be subsidized by income from other parish resources. We estimate that the cost to educate a child at OLL is about \$5,500 a year. In-parish tuition covers only \$2,900 of that amount; the parish subsidizes the remaining \$2,600 for every in-parish student.

Over the past fiscal year (FY2016), the parish experienced several significant monthly shortfalls (losses) which amounted to over \$397K. During that time, we also experienced several significant monthly surpluses (gains) which amounted to over \$797K, resulting in a \$400K net surplus for the year. So far this fiscal year (FY2017) in July, August, and September, we experienced shortfalls which totaled over \$223K. Current shortfalls will eventually be resolved later in the year after we receive and account for voucher reimbursements from the state of Ohio. All things considered, we are projecting a \$190K annual surplus for FY2017. This is significantly more optimistic than three years ago when we projected a \$300 thousand annual deficit for the year. (Current fiscal summary for July through September is displayed below. Additional details for FY2015, FY2016, and FY2017 follow at the end of this document.)

	Jul 2016	Aug 2016	Sep 2016	Fiscal Year-to-Date (FY2017, Q1)
Income	\$ 110K	\$ 118K	\$ 161K	\$ 389K
Expenses	\$ 185K	\$ 187K	\$ 240K	\$ 612K
Deficit	(\$ 75K)	(\$ 68K)	(\$ 79K)	(\$ 223K)

Stewardship Weekend Address, October 2016

We considered several alternatives for increasing parish income over the last two years. We conducted appeals for increasing parish collections; we held additional fundraisers; we increased student tuition and maximized reimbursements from the State of Ohio. We considered exploring other income-generating uses of our facilities. We believe that the initiatives we implemented will result in additional future income.

We also considered several alternatives for reducing expenses. About 72% of our annual expenses are contractually based (teacher/staff salaries and benefits), so it's difficult to reduce these expenses appreciably. The remaining 28% of expenses have been reduced about as much as possible by pursuing better utility rate contracts, cooperative pricing arrangements, and controlling costs in other ways. We want to emphasize the need to remain competitive with other schools and parishes in the area. We realize the need to make investments in salaries, benefits, facilities, and other parish programs, and we are implementing some of those this fiscal year. Internally, we provide significant tuition assistance to non-voucher parishioners.

Two years ago, we asked you to increase your Sunday offering, if possible, to help improve our parish financial situation. In FY2016, the average Sunday collection was up over 3% compared to FY2015 which allowed us to cover many of our operations and maintenance costs and reduce some of our deficits. Because of your continued generosity, in FY2016, we were also able to increase our cash reserves to over \$250,000. The OLL Finance Committee, Fr. Len, our students, and I would like to thank you for your continued generosity.

As we move forward, we are attempting to maintain our school enrollment levels by improving school facilities and extracurricular activities. Because of this and associated tuition increases, soon the school should be able to better support itself without the need to consume so many other parish resources. We eliminated prior year deficits and replenished our cash reserves where possible. We deeply appreciate all the sacrifices you made to the Lord and His parish. Your generous contributions to weekly collections and other programs are wonderful examples. Because of this, I believe Our Lady of Lourdes parish future is bright. Thank you for your generosity. Remember, Our Lord's generosity will never be outdone.

If you have any questions about this report, please contact me at the Parish Office Center by phone, email, or stop by for a visit. May Our Lord bless you and keep you; may His face shine upon you and be gracious to you; may He grant you His everlasting peace. Thank you.

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<i>Our Lady of Lourdes Parish Finances for Fiscal Years 2015, 2016, and 2017</i>				
	FY 2015	FY2016	FY2017	
Income	Jul 14-Jun 15	Jul 15-Jun 16	First Quarter Jul-Sep 16	Annual Budget Jul 16-Jun 17
Collections	831,662	858,611	199,186	858,611
Bequests	48,102	81,264	-	-
Festival	50,000	40,000	52,000	40,000
Other Parish Income	144,766	228,056	52,151	146,433
Tuition	1,004,161	1,179,110	65,609	1,179,110
Latchkey	26,079	22,124	1,196	22,124
School Fundraising	79,140	71,314	-	71,314
Safety/O&M Campaign	113,148	1,000	-	-
Other School Income	339,656	350,419	19,243	290,461
Total Income	\$ 2,636,713	\$ 2,831,899	\$ 389,386	\$ 2,608,055
Expenses				
Parish Salaries/Benefits	371,521	369,866	84,897	369,866
Ministry & Liturgy	98,395	83,428	18,187	87,578
Religious Formation	32,244	37,025	9,392	36,224
Parish Facilities	16,787	16,894	4,786	16,894
Other Parish Expenses	175,522	162,242	28,135	161,974
School Salaries/Benefits	1,291,790	1,377,669	310,227	1,377,669
Latchkey	18,079	19,072	3,576	19,122

Stewardship Weekend Address, October 2016

Religious Curriculum	29,717	33,967	10,981	33,967
Library	20,282	18,947	4,698	18,947
School Facilities	78,110	79,846	20,354	79,846
School Fundraising	34,297	40,187	-	32,884
Safety/O&M Campaign	114,301	8,023	-	-
Other School Expenses	141,527	184,568	117,643	182,836
Total Expenses	\$ 2,422,578	\$ 2,431,734	\$ 612,876	\$ 2,417,807
Surplus/Deficit	\$214,135	\$ 400,164	\$ 223,490	\$ 190,221