

NOTES TO THE FINANCIAL REPORT

STATEMENT OF FINANCIAL POSITION

- A. The parish holds cash in commercial banks in a total of not more than 10 % of its operating budget. The remaining funds are on deposit with the Diocese of San Jose's Deposit and Loan Fund earning interest based on the terms of individual deposit amounts. The Shirley Silva Fund is invested in the Diocesan Investment Pool.
- B. The parish is owed tuition funds from the school as well as payments from families that have scheduled weddings and Quinceneras in future fiscal years.
- C. New property is recorded on the books of the parish at its purchase cost. That cost is then apportioned over that piece of property's useful life. Because of the age of the parish's buildings, most of the buildings and their improvements have met their useful life end. You should note that the *replacement cost* of the buildings would be far in excess of their current book value.
- D. The costs incurred at June 30 for the construction of the new handicapped ramp and grounds improvements. Additional expenditures of \$ 96,566.74 have been made to October 25, 2014.
- E. At June 30 there were bills for goods and services provided before the close of the fiscal year. These bills had not been presented but were an obligation against the parish's resources (assets) at June 30.
- F. Because of timing requirements of the Diocesan Payroll Office to submit for month-end payroll, the parish owed employees \$ 7,509.14. That amount was paid at July 10. In addition, a provision is made for Vacation and Sick time not yet used. The remainder, Other Responsibilities, represents the amount the parish will earn from weddings and Quinceneras on the books now but will be performed in future fiscal years.
- G. The amount owed to the Diocese of San Jose for obligations of the now closed school operation to be paid by 2019. There is no interest charge for this obligation.
- H. Assets that the parish can use for any purpose.
- I. These are funds solicited for or given for a specific purpose; the parish may use them only for *that* purpose. For example, the largest purpose restricted fund is for the restoration of the stained glass of the church. The parish may not expend monies from this fund for purposes other than window repair.
- J. The parish has an asset which the donor restricted permanently, a share of the Sylvia Silva Trust. The donor's restriction, with a minor exception, allows the parish to use only 5% of the fund, its principal and income, in any one year.

Revenue and Expense Budget Performance

- 1. The parish met its budget goal only because of the addition of the Latin Mass. The parish First Collection needs average \$4,000 a week or greater in order to provide a stable funding base for parish operations.**
- 2. Income from Baptism, Weddings, Funerals and Masses met the budget goal. However, the number of Weddings and Quinceaneras can vary widely from year to year.**
- 3. There was a significant unrealized gain in the Silva Fund in FY 13-14, \$ 45,639 that is not expected in FY 14-15. Cristo Rey rental income begins in FY 14-15.**
- 4. \$ 102,100 of this line were restricted gifts or grants.**
- 5. There was a decline in Catechetical enrollment and support for St. Isabel's Kitchen in FY 13-14.**
- 6. The celebration of the Anniversary of the Church was re-introduced.**
- 7. After a review of vacation and sick leave obligations, an additional \$ 11, 000 was set aside.**
- 8. Textbook costs to support increased enrollment expectations.**
- 9. Budget was raised to meet increased need for lay staff and visiting priests for liturgical celebrations.**
- 10. We routinely budget to support our youth's participation in the Diocesan Leadership retreat. There were no participants this year.**
- 11. The variation is due to the timing of the signing of the lease with Cristo Rey and the transfer of the plant expense responsibilities.**
- 12. The increase of net assets for the year ended June 30, 2014 is the result of addition of the Latin Mass, the change in investment income and restricted funds noted above which totaled \$ 171,588. Without those one-time revenues, the net asset change would have been only \$ 17, 312.28. The FY 14-15 budget projects a cash surplus in order to fund on-going capital projects. At October 25, 2014 on-going projects had consumed that surplus.**

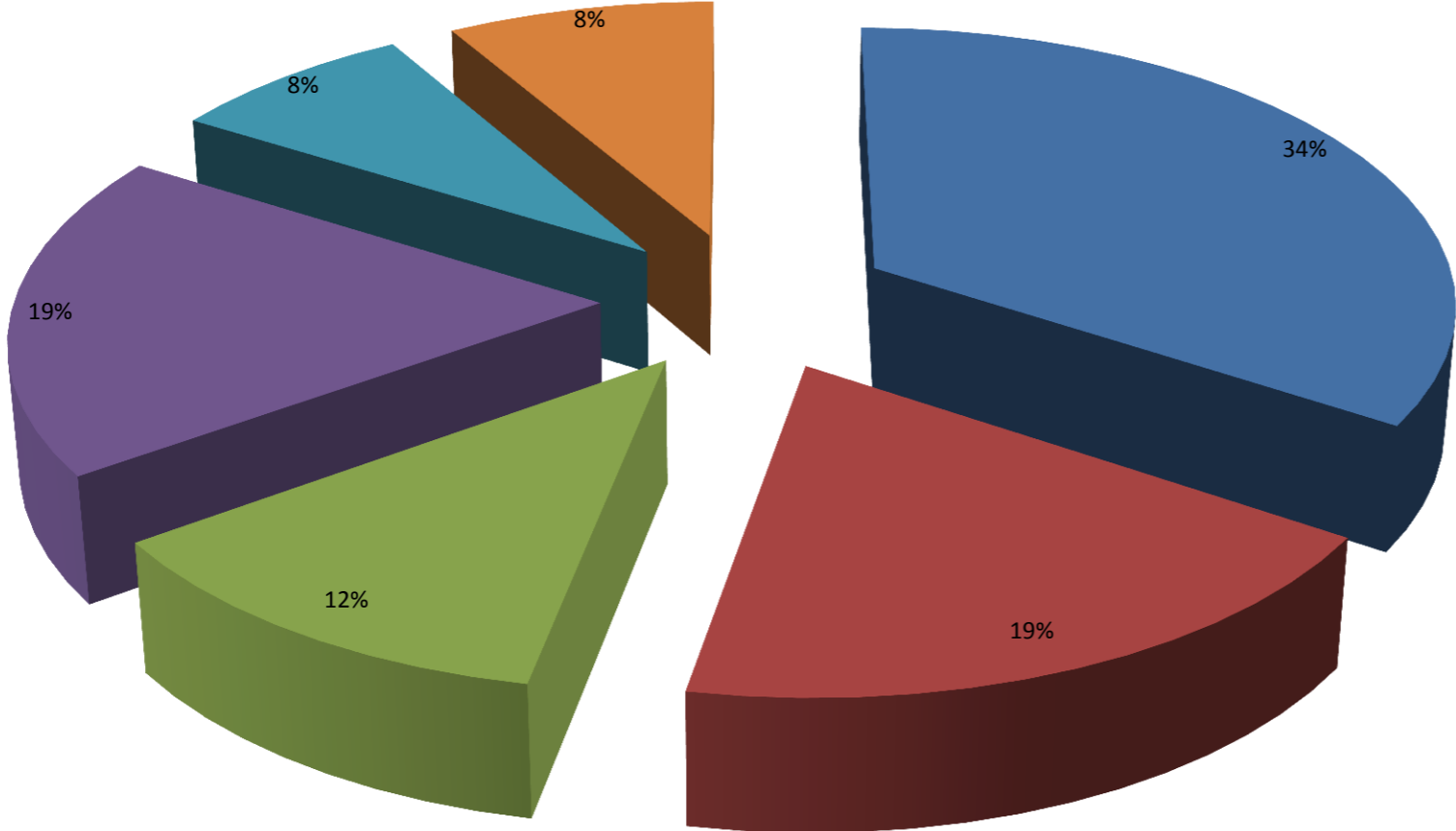
The Five Wounds Portuguese National Church

Summary Statement of Financial Position

As of June 30, 2014

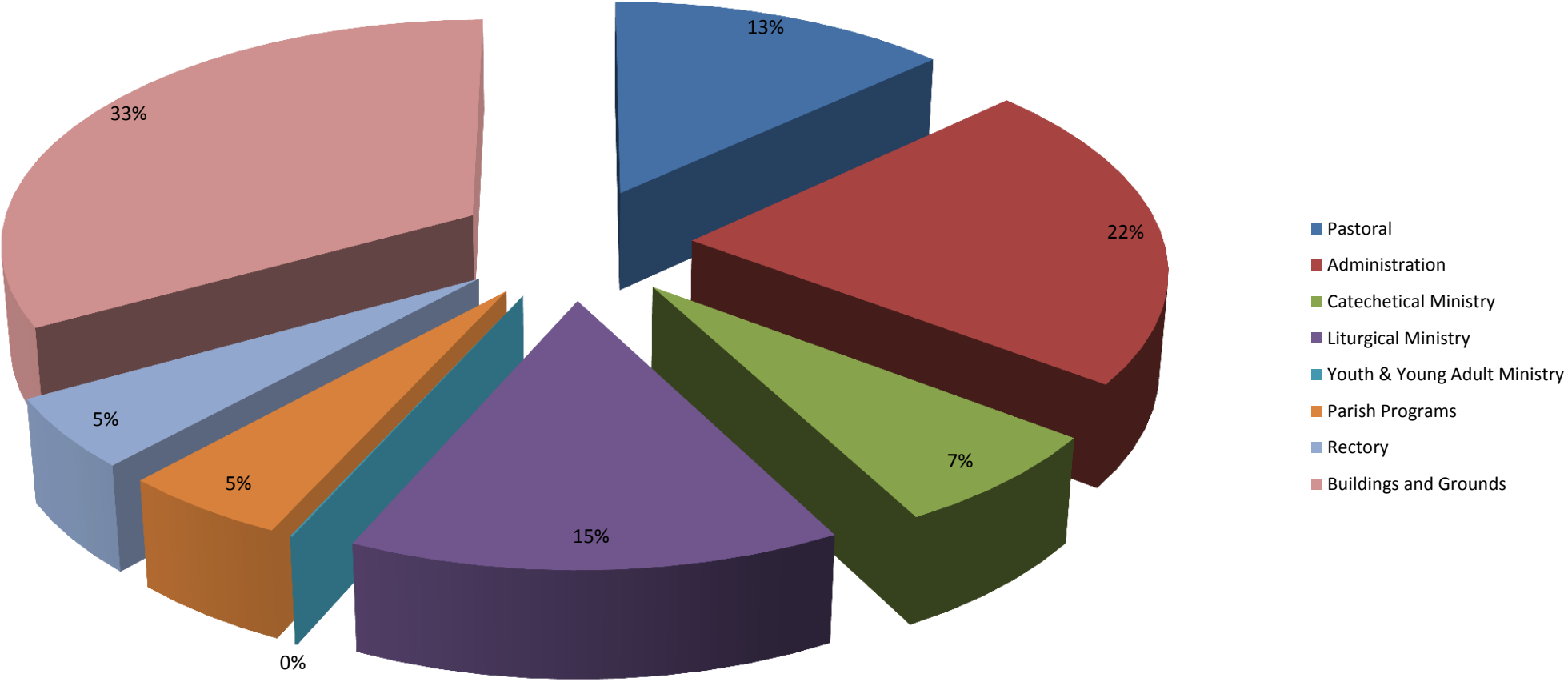
Assets		Notes
Immediately Available Funds		
Cash in banks and in transit	\$152,928.63	
Funds invested in Time Deposits & Mutual Fund	\$961,045.23	A
Payments owed the Parish	\$132,985.86	B
Total	\$1,246,959.72	
Property		
Land & Buildings Net of Depreciation	\$373,486.98	C
Furniture & Equipment Net of Depreciation	\$10,541.66	
Equipment Net of Depreciation	\$10,691.18	
Construction in Progress	\$24,450.61	D
Total	\$419,170.43	
Total Assets	\$1,666,130.15	
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Bills due to others	\$26,354.96	E
Other responsibilities at the end of the year	\$131,798.35	F
	\$158,153.31	
Amounts to be paid over time	\$112,342.56	G
Total Liabilities	\$270,495.87	
Net Assets		
Net Assests - Unrestricted	\$684,266.35	H
Funds Temporarily Restricted		
Parish Organization Funds	\$50,435.98	
Organ Restoration	\$27,100.00	
Choir project	\$6,800.00	
Window Project	\$75,000.00	I
	\$159,335.98	
Funds Permanently Restricted	\$552,031.95	J
Total Net Assets	\$1,395,634.28	
Total Liabilities and Net Assets	\$1,666,130.15	

Revenue FY 13-14



- Collections, 1st, 2nd, & Holydays
- Baptisms, Weddings, Funerals and Masses
- Earnings from Rentals and Interest
- Gifts, Donations & Rebates from Diocese
- Income from Parish programs
- Support from Festas

Expense FY 13-14



Five Wounds Portuguese National Church

Revenue & Expense Budget Performance

Fiscal Year Ended June 30, 2014

	FY 13 - 14		FY 14-15	Notes	
	Budget	Actual	Budget		
Revenue					
Collections, 1st, 2nd, & Holydays	\$238,800.00	263,181.11	297,200.00	1	34.3%
Baptisms, Weddings, Funerals and Masses	\$126,000.00	143,809.20	131,096.00	2	18.7%
Earnings from Rentals and Interest	\$50,216.00	92,706.39	80,316.00	3	12.1%
Gifts, Donations & Rebates from Diocese	\$34,100.00	144,131.41	35,100.00	4	18.8%
Income from Parish programs	\$65,750.00	59,491.22	56,350.00	5	7.7%
Support from Festas	\$54,765.00	64,614.16	60,818.00	6	8.4%
Total Revenue	569,631.00	767,933.49	660,880.00		
Expenses					
Pastoral	\$72,682.00	76,372.15	78,299.00		
Administration	\$112,839.00	127,754.14	132,374.00	7	
Catechetical Ministry	\$46,755.00	40,160.16	49,060.00	8	
Liturgical Ministry	\$90,337.00	84,451.78	100,630.00	9	
Youth & Young Adult Ministry	\$2,000.00	403.26	1,500.00	10	
Parish Programs	\$31,877.00	28,960.20	30,377.00		
Rectory	\$28,326.00	29,120.09	30,750.00		
Buildings and Grounds	\$185,262.56	191,829.44	165,679.00	11	
Total Expenses	570,078.56	579,051.22	588,669.00		
Other Charge		18.01			
Increase/(Decrease) in Net Assets	(447.56)	188,900.28	72,211.00	12	