

Paulist Center Finance Report

Dear Members of the Paulist Center Community,

The past year has been challenging from an administrative point of view while we dealt with key staff turnover, staff medical issues and technology deficiencies. As these challenges continued and grew, our financial reporting timetables to ourselves and to you fell behind. For our lateness in reporting, please accept our apology with understanding.

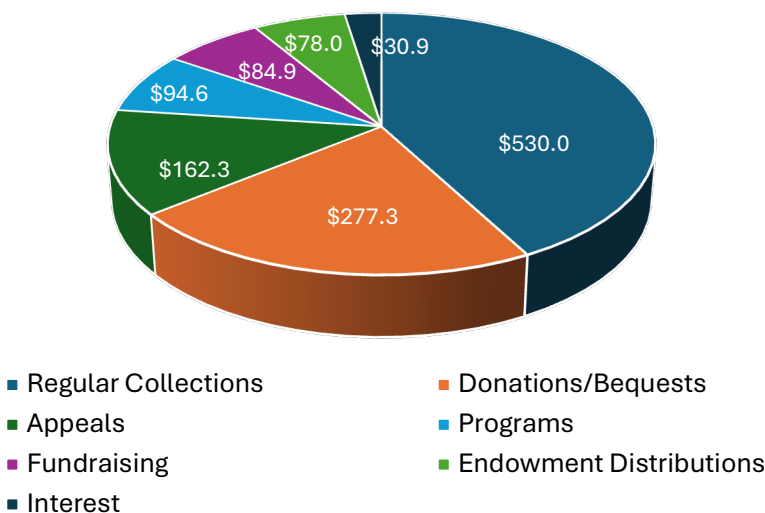
Over the past six months, we have taken major actions to address and fix the challenges we faced. To help us move forward, we contracted a professional services firm to assist us with the implementation of a new financial system and bring our accounting records up to date. A lot of progress has been completed in a short period of time, and the good news is that much of the work is done. However, we are still working through further review and analysis of fiscal year 2025 results while we stay current with current fiscal year activity, so there is a possibility that we may need to reclassify certain prior year revenue and expense items that could change the reported results we share with you here. We expect that any additional changes will be immaterial. Also note that our fiscal year runs from September 1 to August 31.

For fiscal year 2025, the good news is that revenue exceeded our budget projection by \$83.0k which helped reduce our projected deficit by \$41.6k. This is a good result during a year of change internally and in the world. During the same time, recurring revenue from marriage preparation programs fell year over year while community contributions remained consistent.

(\$000's)	Fiscal 2025		
	Actual *	Budget	Variance
Revenue	1,258.0	1,175.0	83.0
Operating Expenses	1,311.9	1,270.5	(41.4)
Surplus/(Deficit)	(53.9)	(95.5)	41.6

* May be subject to certain immaterial adjustments.

Revenue Sources in FY2025



The cautionary takeaway on the revenue improvement was that it was driven by one-time donations that we cannot plan on recurring in the future, so generosity from community giving remains extremely critical to ensure our financial health. THANK YOU.

The reported \$41.4k unfavorable variance in operating expenses was largely caused by unexpectedly high repair and maintenance costs for elevator and other building repairs which partially offset the positive impact of the revenue improvement we saw.

In the Fiscal Year 2026 budget we shared with you recently, it anticipated another operating deficit. Following that, you responded generously to our giving appeal. So far, over 30 people have increased their recurring giving plan, and another dozen offered a one-time boost to their annual gift. We are most grateful. Thank you!

So far in fiscal year 2026, we have also received three sizable donations that were unexpected. When we combine these donations with your continuing generosity, and assuming we meet our goals for the Easter and summer appeals and auction, we are hopeful that we can break even this year.

The relief your increased giving has brought cannot be overstated. It is deeply meaningful to feel so supported. Your support has also energized our staff who can now stay focused on their ministry without the weight of hard financial decisions during a season of organizational change. There is a palpable sense of calm and reassurance here, and that is because of you.

Finally, your generosity has also allowed us to continue investing in some important improvements. You may have noticed that we have upgraded technology in the chapel with an enhanced sound system and new projectors. Behind the scenes, we have invested in a new financial system as mentioned earlier that will bring enhanced financial and operating efficiencies and controls. Supplementing the base accounting system, we will be implementing new systems for donation processing, donor acknowledgments, event registration, and communications management. Many of these processes were cumbersome and required excessive manual effort. These new systems will give us the tools to operate more effectively and efficiently.

While much of this work is happening behind the scenes and you won't see it, you will feel the impact as it lays a new foundation for an exciting future. If you have questions or would like to discuss this report, you can email Deborah Heibel at deborah@paulistcenter.org.

Thank you for your patience and generosity to make all this possible.

Sincerely,

The Paulist Center Finance Committee

Mary Lesko (chair), Bill Ballou, Interim Administrator Deborah Heibel, Fadi Kanaan, Maggie Keefe, John Marston, Fr Rick Walsh C.S.P.