The Paulist Center
Financial Report to the Community
November 2026

We are pleased to share with you the financial results for the fiscal year ending August 31, 2026, and the budget for Fiscal Year 2027 just 2½ months following the close of the Fiscal Year 2026.

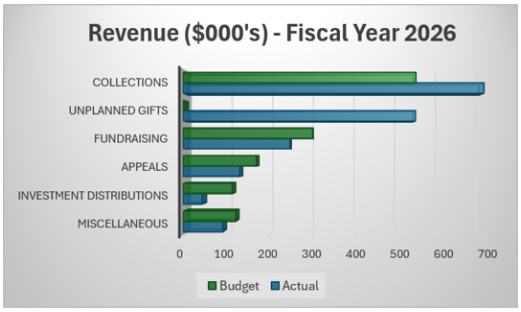
Over the past year and a half, our dedicated team completely overhauled the Center's administrative and finance functions. The goal of this project was to adopt and implement a distributed operating model that would utilize both staff personnel and contracted resources. By taking this approach, we can distribute responsibilities and gain seamless access to broader skillsets and backup resources when needed.

We are still working to complete ramp-up of the Realm system which we introduced to you through the bulletin earlier this year. This critical component will be integrated with other systems and give us an enhanced toolset to efficiently manage community membership information, community communications, and process and track donations. Having the whole community registered on this platform is important. Please set up your account profile if you have not already done so. If you need help, call Eryn Underwood, Program Coordinator at (617) 948-2428 or email eryn@paulistcenter.org.

On the finance front, there is mixed news to report. At the operating level, our results were good. Revenue for the year was $1,754.3k which was $506.8k better than budget, and Operating Surplus was $237.3k which was $327k better than budget. Higher than budget Operating Expense partially offset the higher revenue. (See table to the right).

($000's)	Fiscal Year 2026		
	Actual	Budget	Variance
Revenue	1,754.3	1,247.5	506.8
Expense	1,517.0	1,337.2	(179.8)
Operating Surplus	237.3	(89.7)	327.0

The key drivers behind our favorable variance to budget was a combination of positive community response to our giving appeal, a hugely successful auction, and receipt of some large non-recurring donations that totaled approximately $450k. The "one-time gifts" included one gift of $250k and several others that were $50k or more and are reflected in the Unplanned Gifts category. The graph to the right shows the distribution of revenue by category against budget.



The higher-than-budget expenses were primarily concentrated on higher-than-budget maintenance costs and professional fees. Professional fees were related to structural reorganization, while maintenance costs stemmed from the challenges and sometimes unpredictable costs that come with operating a historic building—specifically, HVAC related problems this past year. This fiscal year we anticipate and have budgeted for significant investment to replace certain HVAC components.

Unfortunately, there is some unwelcome financial news to report below the Operating Surplus line. In July 2025, our pension administrator notified us that a significant portion of the pension obligation was unfunded. In reviewing the financial records as part of our financial restructuring project, we determined that the unfunded pension liability, totaling $629k, was not reflected in the books. Unfunded represents the shortfall between the already funded amount and the required amount to be funded. Recording an unfunded pension plan liability is required under Generally Accepted Accounting Principles, and we have now done so.

Simply stated, unfunded pension liability occurs when the balance of funds in a pension plan falls below the balance of funds that are expected to be needed (per actuarial calculations) to pay retired employees their defined benefit through their retirement years. Many factors can contribute to a shortfall, but our current situation can be traced back to certain investment decisions made by the outside plan administrator company around the time of the COVID epidemic. Our pension plan is not the only plan facing this problem; it affects many other insured parties including other plans within the Paulist Fathers family and beyond. We are still in the process of gathering information from outside experts to determine the most workable solution to resolve this challenge and will keep you posted when there is more to report.

For fiscal year 2027, we budgeted revenue of $1,490k (compared to $1,754k in actual revenue last year), and operating expenses of $1,551k. This results in a projected Operating Deficit of $61k. (See table to the right). The budget anticipates lower revenue than last year because it would not be prudent to expect that large one-time gifts will recur. Accordingly, we budgeted only a slight increase in operating expenses. Our budget approach was to plan prudently using the best information available, while remaining hopeful that we will see recurring contributions and other revenue sources grow and additional [unexpected] one-time gifts received.

($000's)	2027 Budget vs. 2026 Actual		
	FY27	FY26	Change
Revenue	1,490.0	1,754.3	(264.3)
Expense	1,551.0	1,517.0	(34.0)
Operating Deficit	(61.0)	237.3	(298.3)

So, in closing, we ask that you take away the following thoughts:

First, we want to express our sincere thanks to you for considering and acting on increasing your giving. You responded generously when we addressed this need earlier this year. We respectfully ask that you continue or consider again increasing your giving as much as you can going forward.

Second, while the Operating Surplus was better than expected this past year, it was supported heavily by one-time donations that may not be repeated. So, the fiscal 2027 budget anticipates a modest Operating Deficit. This is why weekly or monthly recurring giving is so important for our planning and executing the various programs that are at the heart of who we are as a community. Also, don't forget that the Advent/Christmas Concert and the Annual Auction are significant revenue generators. Please plan to join the fun and help make these events even more successful.

Third, the Finance Committee will find and report back to you a workable strategy to address the unexpected pension plan liability we face in a manner that is fiscally responsible and fair to our Paulist Center staff and our community.

Fourth, we ask that you consider introducing others to become active members of our community. More members will enhance the vibrancy of who we are and strengthen financial support for continued growth for our ministries. Share the good news that the Paulist Center is the place to be.

Sincerely,

Paulist Center Finance Committee