On behalf of Father Colletti and the Sacred Heart Finance Council, I present the parish’s operating statement for FY 2011 (July 1, 2010-June 30, 2011), information on the cash reserves and capital improvements, and the parish budget for FY 2012.

**FY 2011 INCOME, EXPENSES, AND RESERVES**

The financial picture for Sacred Heart parish brightened in 2011. Comparison with previous years indicates that the parish has turned around the net operating losses of FY 2010 and FY 2009 and shows a net operating income of $16,000 in FY 2011. A major factor in this turnaround was the bequest of Fr. O’Donohoe. Nonetheless, your thoughtful understanding of the financial difficulties of the parish and your generous response to the Offertory Campaign has enabled the parish to stabilize our financial standing.

The Offertory and Grand Annual campaigns increased by $34,800 over 2010 and enabled the parish to meet its budgeted obligations and ultimately to increase the cash reserves. Total parish revenues rose by over $70,000 in 2011, largely due to a bequest of $50,000. On the expense side, the parish spent $18,100 less in 2011 than in the previous year. This increase in revenues and decrease in expenses allowed Sacred Heart parish to complete the year by modestly increasing the cash reserves by $15,300.

The Religious Education program is the largest of our ministries. In FY 2011, the two parishes funded approximately 65 percent of the total costs, with registration fees covering the remainder. Sacred Heart’s share for Religious Education and Youth Ministry was $22,250. The Religious Education and Youth Ministry programs are essential for supporting and deepening the faith development of the youngest members of our parish.

In 2011, Sacred Heart provided special collection support of $7,162 to charities throughout the world. Additional support included $18,285 for retired priests in the Christmas and Easter collections, $12,076 to sister parish St. Katharine Drexel, $3,466 to Japan relief, $3,829 to the Vietnam Mission and $29,397 to the Catholic Appeal. Other contributions were made to Haiti and Honduras campaigns, and donations of clothing, food and gift cards were made to those needing our assistance in Lexington and beyond. Your support of these charities underscores the universality of our Catholic faith.

**FY 2012 BUDGET**

Despite the good news above, we are not yet on a solid financial footing. The parish budget for FY 2012 anticipates an Offertory revenue of $311,500, an increase of $8,300 over 2011, and a Grand Annual collection of $103,000, the same amount as collected in 2010 and an increase of $24,200 over 2011. As you may recall, the Grand Annual started later than usual last year because of the Offertory Campaign in the fall. These revenue numbers less the budgeted expenses for 2012, will allow the parish to show a marginal budget surplus of $2,000.

You will note that the utilities and maintenance account has decreased in each of the last two years. The reduction in utilities expenses reflects the efforts to make the physical plant more efficient and take advantage of programs offered by NStar and others. Major maintenance issues, however, are underfunded in the current budget and we need to invest more in our church and parish hall. For example, the parish hall and church need exterior painting ($19,600) and for safety reasons the granite steps at the front of the church and the side of the parish hall need to be re-set ($49,000). Neither project will be undertaken in 2012, but both will need to be budgeted and addressed in the near future. Your continued support of the parish is more important than ever for funding our ministries and keeping the church and parish hall in good condition.

The Sacred Heart Finance Council includes Father Colletti, Dick Donato, Leslie Leary, Bob McNamara, Dick Pemberton, and me.

Peter Holland Co-Chair, Finance Council August 2011