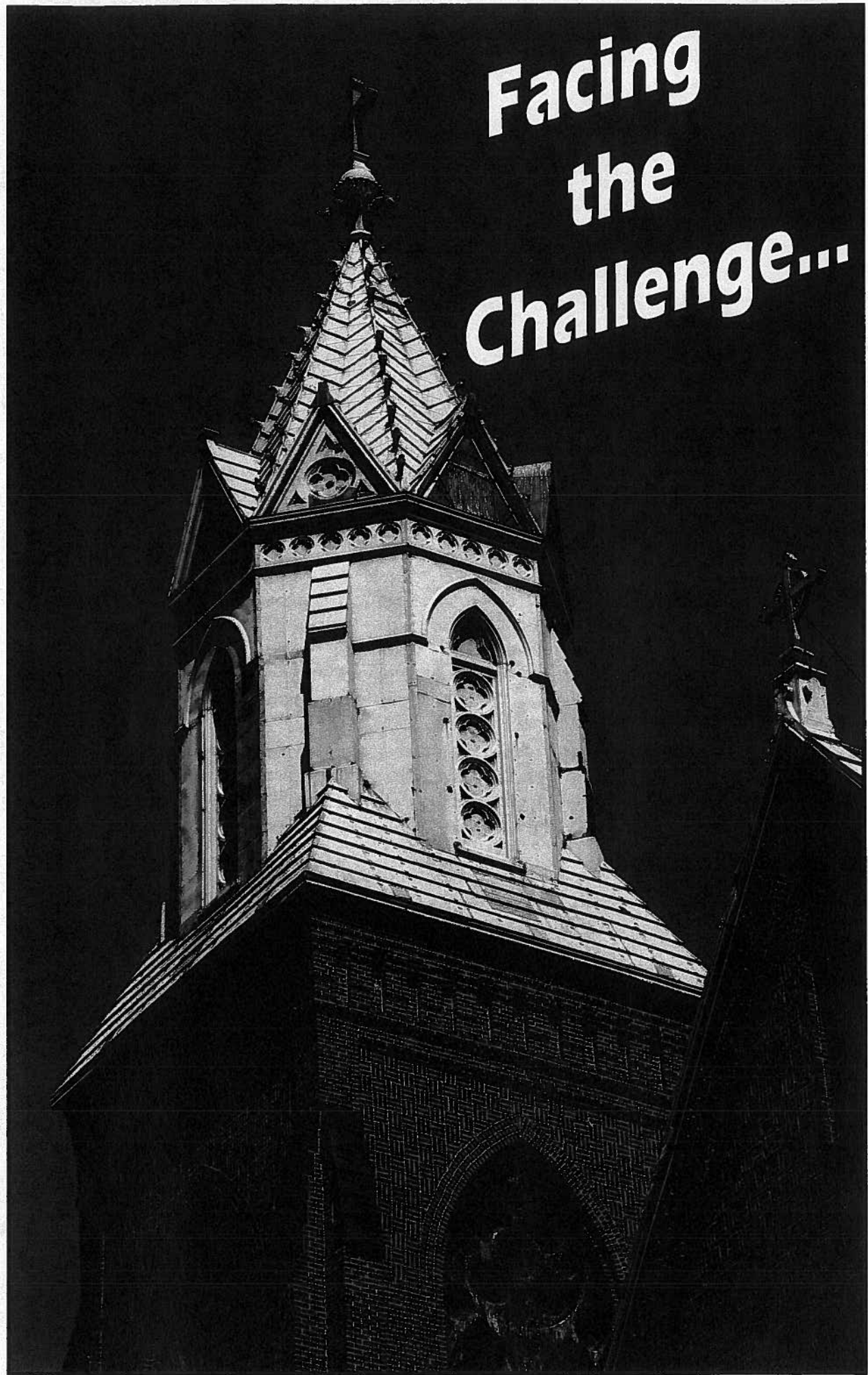


**SAINT PATRICK PARISH**

**Facing  
the  
Challenge...**



**2009 ANNUAL FINANCIAL REPORT**

## **Facing the Challenge . . . of Economic Crisis**

Saint Patrick Parish is a community of disciples of Jesus Christ who strive to help build His Kingdom in Lawrence, Massachusetts. Day by day, we focus on growing in our relationships with Christ, understanding better His teaching, discerning His will for us, and working to put into action His Word in our community. The focus of Saint Patrick Parish is *faith* in Jesus Christ.

People of faith live in a *material* world. When we choose to put into action our faith in Christ, we find ourselves using much material to do His will. For our parish, that means operating large worship spaces in which we celebrate the sacraments. It means buying educational materials and operating buildings in which we gather to explore and share our Catholic faith. Putting into practice the love of Jesus Christ involves maintaining and improving facilities in which thousands of young people connect with the Lord. It involves paying the salaries of staff members who serve all of our parish community, as well as administering the organizational infrastructure on which we all rely. When we make the choice to live out our faith through Saint Patrick's, we take on significant material responsibilities.

During the past year, the economy of the entire world has been shaken. In the United States, we are experiencing some of our greatest economic difficulties since the Great Depression. In Lawrence, economic poverty has risen and our unemployment rate has soared to nearly twice the state's average. Most of us at Saint Patrick's have been living in a time of unprecedented economic crisis.

During the past year, an unavoidable question for Saint Patrick's has been: Given the material responsibilities we face as a parish, how will we respond to the economic crisis in which we live? Will the bad economy reveal the weakness of our faith? Or will the strength of our faith be revealed through the bad economy?

In this Annual Financial Report, we offer the financial facts and figures for the past fiscal year at Saint Patrick's, consider what these statistics reveal about our faith, and identify some areas that merit close attention for the financial future of our parish.

## **Facts and Figures**

This booklet offers the detailed financial reports for Saint Patrick Parish, Saint Patrick School, Holy Sepulchre Cemetery, and the Cor Unum Meal Center – their Fiscal Year (FY) 2009 budgets, FY 2009 actuals, FY 2009 variances, and FY 2010 budgets – in accordance with the reporting standards of the Archdiocese of Boston. Because this space does not allow for an explanation of the specific line items in the reports, parishioners who have detailed questions or comments are invited to attend the Parish Finance Council meeting on Saturday, December 5, 2009 at 8:00 am.

The budgets for the various institutions of Saint Patrick Parish are established each spring

for the next fiscal year, which runs from July 1 to June 30. Budgets are monitored on a daily, weekly, and monthly basis by our staffs and by the members of the Parish Finance Council. (During FY 2009, the members of the Parish Finance Council were David Abdo, Ron Caredeo, Jack Kaslow, Paula MacPherson, Padre Paul McManus, Phu Nguyen, Father Paul B. O'Brien, and Ed Sampson.) The Archdiocese of Boston monitors all of Saint Patrick's financial transactions and accounts through a monthly reporting system, and our parish is formally audited every three years by an independent auditing agency.

From our detailed financial reports for FY 2009, the following facts are especially important to note.

Saint Patrick Parish is operated on an exceedingly tight budget. All categories of expense are fixed and spending is closely monitored. When actual expenses exceed budget projections, it is because of factors or prices that are beyond our control. In FY 2009, our expenses came in at just one and half percent over budget – a strong reflection of our leaders' commitment to being responsible stewards of our parish's financial resources.

During FY 2009, our parish's total offertory income decreased by \$16,986 as compared to FY 2008. Challenged with an increased goal for the FY 2009 Grand Annual Appeal, our community responded with remarkable kindness – an increase of \$27,724 over the previous year. Informed of the possibility of a deficit for the fiscal year, parishioners contributed a generous \$37,372 to the Spring Collection.

At the end of FY 2009, Saint Patrick's revenue fell just \$1,088 short of actual expenses. To balance our budget for the fiscal year, \$1,088 was transferred from our Parish Revolving Fund.

Part of the reason our parish was able to contain expenses during FY 2009 was that we paid for most of our significant facilities improvements from our Facilities Fund (which held the profit from the sale of our convent) and funds reserved in our Promise for Tomorrow Fund (monies raised several years ago through the Archdiocesan capital campaign). As had long been planned, during FY 2009 we spent over \$300,000 to address a prioritized list of major deferred maintenance projects at Saint Patrick's, including major brick and copper work on our church's tower; slate and copper replacement on our church's roof; electrical and plumbing upgrades in our church and parish center; gutter installation on our church and parish center; purchase of a new HVAC system for our parish center; and masonry repairs on our parish center. (Line-item accounting for these projects is not included in this budget report, but is available through the parish office.) Our Promise for Tomorrow Fund still holds \$25,704, which will be spent during Fiscal Year 2010 for additional upgrades to our physical plant.

Our parish's two non-restricted savings accounts, the Parish Endowment Fund and the Parish Revolving Fund, are available for emergencies or temporary transfers. At the end of FY 2009, these accounts together held \$309,238. This figure is \$51,507 lower than our savings at the end of FY 2008, which reflects the investment losses experienced by

all parishes with savings pooled in the investment accounts managed by the Archdiocese of Boston. We can only hope that future positive investment returns will recoup some of our large losses in these funds during the past two fiscal years.

Saint Patrick School operates financially on a break-even basis. The school must end each fiscal year in the black, and any net income is placed immediately into the next fiscal year's budget. During FY 2009, our parish contributed \$76,740 from our offertory income to help support our school. From a financial perspective, the most significant news at Saint Patrick School during FY 2009 was that the work of our new Director of Advancement resulted in very positively expanded development income for our school.

Our parish's cemetery, Holy Sepulchre Cemetery in North Andover, also operates financially on a break-even basis, without any subsidy from our offertory income. Any net income is placed immediately into the next fiscal year's budget. Our Perpetual Care Fund, which is restricted solely for the long-term care of the cemetery, is solidly endowed (\$224,614), but was also negatively affected during FY 2009 by the same kinds of investment losses experienced in the parish's savings accounts.

The Cor Unum Meal Center, which is funded entirely by sources separate from the rest of the organization of Saint Patrick Parish, is in very good financial shape. The leaders of Cor Unum and Labels Are For Jars do a fine job of raising the funds needed to run the meal center, as well as reserve funds that are available to cover long-term capital improvements and unforeseen budget necessities.

## **What has been Revealed about Us?**

As noted above, the current economic crisis has posed some challenging questions about the faith of the members of Saint Patrick Parish. If our faith were shallow or insincere, we would likely back away from financially supporting the work of Christ when we experienced personal and national financial troubles. People of little faith would presumably not sacrifice much to support material works in which they did not believe. During an economic crisis, a parish of weak faith would have less, do less, and plan less for the future.

Thankfully, we have experienced during the past year at Saint Patrick's that we are a community of people with very profound and sincere faith. As we have faced economic hardship, many of us have dug deeper to support the work of God. When our parish has fallen short in certain traditional sources of revenue (for example, weekly offertory), we have sacrificed to surpass those shortfalls through other sources (for example, the Grand Annual and Spring Collections). We have not compromised our parish's expansive spiritual, pastoral, and social service efforts because of financial considerations. We have continued to plan for how we will expand the ministry of Christ in Lawrence in the future.

The economic crisis has revealed the very strong faith of the people of Saint Patrick Parish. Amidst great hardship, this has been a time of powerful grace.

## **Considerations for the Future**

From the experience of the past fiscal year, we recognize challenges and opportunities regarding our financial future at Saint Patrick Parish. In order for us to continue to exercise the ministry of Jesus Christ in Lawrence, it would be helpful for our faith community to reflect on five areas that merit close attention.

### ***Offertory Giving***

To do the Lord's work, we collectively rely upon the weekly sacrificial generosity of our parishioners. The most important positive factors related to offertory income are: (1) the sacrifice of treasure by parishioners who make formal stewardship commitments, and (2) the financial donations made by parishioners who sign up for ParishPay (our electronic giving service) or who faithfully use the envelope system. Weekly sacrificial giving, done in a systematic way, is a strong indicator of the commitment of our faith.

### ***Buck in the Basket***

Our greatest financial weakness at Saint Patrick's is the "buck in the basket" syndrome. Despite the sacrificial commitment of so many people who use ParishPay or who faithfully use the envelope system, more than 1,000 people who worship each week at St. Patrick's contribute a dollar or less to the offertory. In a typical week's offertory collection, an amazing 78 percent of cash contributions are one dollar bills. If everyone who puts a buck in the basket each week at Saint Patrick's simply contributed a five dollar bill, our annual income would increase by over \$400,000. At this time in the life of our parish, it seems only fair to ask those who have the resources to contribute at least five dollars to the offertory to make this modest contribution on a weekly basis.

### ***Grand Annual and Spring Collections***

The Grand Annual and Spring Collections during FY 2009 were great blessings for Saint Patrick Parish – powerful proof of many parishioners' eagerness to support the work of God. In the upcoming fiscal year, we will depend on raising \$95,000 through the Grand Annual Collection and \$40,000 through the Spring Collection to meet the revenue requirements of our budget. These collections are important opportunities for us to come together to meet our shared faith responsibilities.

### ***Major Gifts***

During FY 2009, one family at Saint Patrick's contributed a donation of \$25,000. This major gift was uniquely important for providing financial stability for our entire community. In recent years, major gifts have allowed us to avoid deficits and have provided for major facilities improvements (including most of the renovations in our parish center). For those who are in the position to offer major gifts, sacrifice for Saint

Patrick's has an enormously positive impact on our entire family of faith, as well as the much larger community we serve. Conversation about possibilities for major gift giving is welcomed by the leaders of our parish.

### ***Planned Giving***

Our parish's financial strength comes from the sacrifices of faithful people who choose to support the work of God that is done through Saint Patrick's. At the end of our earthly lives, many of us have the opportunity to continue this faithful stewardship – sometimes in very significant ways – through planned giving. Planned giving refers to the variety of opportunities to support the ministry of God at Saint Patrick's through bequests and life income gifts. It is hoped that all parishioners will consider the many possibilities available for making planned gifts to our parish. In the upcoming year, further information about planned giving possibilities and resources will be provided for our community.

### **Conclusion**

God has blessed us at Saint Patrick's with a large, constantly growing, very vibrant faith community. As we grow in Christ's love and expand the ways we put our discipleship into service, the Lord guides and protects us. The past fiscal year has offered much evidence of God's grace in our parish. If we remain true to Him and to one another, we are able to look forward to a very bright future at Saint Patrick's.

**ST. PATRICK PARISH  
ANNUAL REPORT TO PARISHIONERS  
FISCAL YEAR ENDED JUNE 30, 2009**

<u>PARISH REVENUE</u>	ACTUALS	FISCAL YR 2009 BUDGET	VARIANCE TO BUDGET	FISCAL YR 2010 BUDGET
Offertory Collection	\$ 528,972	\$ 550,961	\$ (21,989)	\$ 532,335
Monthly Parish Projects Collection	50,503	53,000	(2,497)	51,000
Grand Annual Collection	94,107	90,000	4,107	95,000
Gifts, Bequests, Donations, Memorials	37,863	32,500	5,363	36,000
Sacramental Offerings	24,640	27,200	(2,560)	25,000
Christmas & Easter Flowers	10,268	9,900	368	10,000
Fundraising	5,000	5,200	(200)	5,000
Religious Education Fees	7,700	8,000	(300)	7,700
Other (including bulletin advertisement & rental income)	5,437	14,117	(8,680)	14,030
Spring Collection	37,372	-	37,372	40,000
Transfer from Revolving Loan	1,088	-	1,088	-
<b>TOTAL PARISH REVENUE</b>	<b>\$ 802,950</b>	<b>\$ 790,878</b>	<b>\$ 12,072</b>	<b>\$ 816,065</b>

**PARISH EXPENSES**

Employee Compensation & Benefits	\$ 341,549	\$ 343,405	\$ 1,856	\$ 341,086
Clergy Stipend & Benefits	105,614	104,933	(681)	109,539
Office Expense	53,751	48,000	(5,751)	53,800
Household	11,182	14,500	3,318	11,200
Utilities & Maintenance	140,812	122,800	(18,012)	142,000
Property Insurance	25,357	22,000	(3,357)	25,400
Vehicle Expense	9,322	9,000	(322)	8,000
Pastoral/Liturgical	20,405	20,000	(405)	20,000
Altar supplies/Flowers	16,631	17,500	869	16,700
Capital Acquisitions/Improvements	0	10,000	10,000	10,000
School Support	76,740	76,740	0	76,740
Other	1,587	2,000	413	1,600
<b>TOTAL PARISH EXPENSES</b>	<b>\$ 802,950</b>	<b>\$ 790,878</b>	<b>\$ (12,072)</b>	<b>\$ 816,065</b>

<b>NET INCOME</b>	\$ 0	\$ 0	\$ 0	\$ 0
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**Recap Other Financial Information:  
(as of June 30, 2009)**

Parish Endowment Fund	\$ 260,033
Parish Revolving Fund	\$ 49,205
Promise for Tomorrow Fund	\$ 25,704
Family Faith Formation	\$ 13,678

**ST. PATRICK SCHOOL  
ANNUAL REPORT TO PARISHIONERS  
FISCAL YEAR ENDED JUNE 30, 2009**

<u>SCHOOL REVENUE</u>	ACTUALS	FISCAL YR 2009 BUDGET	VARIANCE TO BUDGET	FISCAL YR 2010 BUDGET
Tuition and Fees	\$ 809,748	\$ 919,028	\$ (109,280)	\$ 792,000
Scholarship/Financial Aid	71,104	50,000	21,104	50,000
Fundraising Activities	38,033	30,000	8,033	50,000
Transfer from Parish	76,740	76,740	0	76,740
Catholic School Foundation	149,832	136,322	13,510	129,832
RCAB Support	44,364	28,104	16,260	40,000
Gifts and Bequests	800	-	800	0
Transfer from After School Program	8,000	8,000	0	8,000
Cafeteria Sales	3,200	3,200	0	4,000
Rental Income	2,500	2,500	0	2,500
Other	8,810	8,800	10	10
Prior FY Cash Balance	<u>35,521</u>	<u>35,521</u>	<u>0</u>	<u>8,709</u>
<b>TOTAL SCHOOL REVENUE</b>	<b><u>\$ 1,248,652</u></b>	<b><u>\$ 1,298,215</u></b>	<b><u>\$ (49,563)</u></b>	<b><u>\$ 1,161,791</u></b>
 <b><u>SCHOOL EXPENSES</u></b>				
Compensation	\$ 712,438	\$ 736,564	24,126	\$ 631,446
Employee Benefits	140,005	143,577	3,572	130,425
Religious Stipend & Benefits	178,364	186,063	7,699	175,251
Restricted Pending Expenses	40,443	0	(40,443)	0
Utilities & Maintenance	157,329	205,100	47,771	167,600
Other Expenses	2,699	5,300	2,601	7,700
Capital Acquisitions/Improvements	<u>8,665</u>	<u>15,000</u>	<u>6,335</u>	<u>15,000</u>
<b>TOTAL SCHOOL EXPENSES</b>	<b><u>\$ 1,239,943</u></b>	<b><u>\$ 1,291,604</u></b>	<b><u>\$ (51,661)</u></b>	<b><u>\$ 1,127,422</u></b>
 <b>NET INCOME</b>				
	<b>\$ 8,709</b>	<b>\$ 6,611</b>	<b>\$ 2,098</b>	<b>\$ 34,369</b>

**Recap Other Financial Information:  
(as of June 30, 2009)**

Scholarship Fund Account	\$ 54,518
Program Account	\$ 13,601
Tuition Account	\$ 2,941
Milk Account	\$ 6,395



**HOLY SEPULCHRE CEMETERY  
ANNUAL REPORT TO PARISHIONERS - FISCAL YEAR ENDED JUNE 30, 2009**

<u><b>CEMETERY REVENUE</b></u>	<b>ACTUALS</b>	<b>FISCAL YR 2009 BUDGET</b>	<b>VARIANCE TO BUDGET</b>	<b>FISCAL YR 2010 BUDGET</b>
Sale of Lots	\$ 7,640	\$ 25,000	\$ (17,360)	\$ 16,000
Openings	37,375	43,000	(5,625)	38,475
Concrete Burial Units	12,900	11,000	1,900	13,000
Foundations/Markers	550	1,000	(450)	600
Vault Preparation	1,850	2,800	(950)	2,000
Tents/Interest	326	608	(282)	417
Prior FY Cash Balance	3,213	3,213	-	-
<b>TOTAL CEMETERY REVENUE</b>	<u>\$ 63,854</u>	<u>\$ 86,621</u>	<u>\$ (22,767)</u>	<u>\$ 70,492</u>
 <b><u>CEMETERY EXPENSES</u></b>				
Office & Related	\$ 1,926	\$ 10,000	\$ 8,074	\$ 10,000
Professional Services	46,806	65,000	18,194	44,592
Utilities & Maintenance	14,222	11,000	(3,222)	15,000
Vehicle & Related	900	800	(100)	900
Other	0	400	400	0
<b>TOTAL CEMETERY EXPENSES</b>	<u>\$ 63,854</u>	<u>\$ 87,200</u>	<u>\$ 23,346</u>	<u>\$ 70,492</u>
<b>NET INCOME</b>	<u>\$ 0</u>	<u>\$ 579</u>	<u>\$ (579)</u>	<u>\$ 0</u>

**Recap Other Financial Information: (as of June 30, 2009)**

Perpetual Care Fund                   \$ 224,614

**COR UNUM MEAL CENTER  
ANNUAL REPORT TO PARISHIONERS – FISCAL YEAR ENDED JUNE 30, 2009**

<u><b>COR UNUM REVENUE</b></u>	<b>ACTUALS</b>	<b>FISCAL YR 2009 BUDGET</b>	<b>VARIANCE TO BUDGET</b>	<b>FISCAL YR 2010 BUDGET</b>
Donations	\$ 592,866	\$ 195,000	\$ 397,866	\$ 205,000
<b>TOTAL COR UNUM REVENUE</b>	<u>\$ 592,866</u>	<u>\$ 195,000</u>	<u>\$ 397,866</u>	<u>\$ 205,000</u>
 <b><u>COR UNUM EXPENSES</u></b>				
Liability, Auto Insurance, Benefits	\$ 13,646	\$ 15,000	\$ 1,354	\$ 15,000
Office, Professional services, and General Operating	64,876	65,000	124	65,000
Utilities & Maintenance	79,459	75,000	(4,459)	85,000
Food, Beverage and Supplies	29,617	30,000	383	30,000
Fundraising & Communications	6,430	10,000	3,570	10,000
<b>TOTAL COR UNUM EXPENSES</b>	<u>\$ 194,028</u>	<u>\$ 195,000</u>	<u>\$ 972</u>	<u>\$ 205,000</u>
<b>NET INCOME</b>	<u>\$ 398,838</u>	<u>\$ 0</u>	<u>\$ 398,838</u>	<u>\$ 0</u>

**Recap Other Financial Information: (as of June 30, 2009)**

Cor Unum Reserve Funds:               \$ 1,452,848