

# Sacred Heart Parish Annual Report, 2010

## SACRED HEART PARISH ANNUAL REPORT TO PARISHIONERS FISCAL YEAR ENDED JUNE 30, 2010

|   | 2009<br>ACTUALS | 2010<br>ACTUALS | 2011<br>BUDGET |
|---|-----------------|-----------------|----------------|
| <b>PARISH REVENUE</b>                     |                 |                 |                |
| Offertory                                 | 248.6           | 244.2           | 250.6          |
| Grand Annual                              | 89.7            | 103.0           | 105.0          |
| Religious Education Fees                  | 19.9            | 20.9            | 12.3           |
| Gifts, Bequests, Donations                | 19.3            | 14.8            | 15.0           |
| Sacramental Offerings                     | 2.7             | 4.4             | 4.5            |
| Rental Income                             | 19.2            | 21.6            | 17.2           |
| Interest Income                           | 22.3            | 6.4             | 2.2            |
| Other Parish Revenue                      | 27.2            | 11.0            | 11.4           |
| <b>TOTAL PARISH OPERATING INCOME</b>      | <b>448.9</b>    | <b>426.3</b>    | <b>418.2</b>   |
| <b>PARISH EXPENSES</b>                    |                 |                 |                |
| Compensation                              | 151.6           | 182.4           | 146.3          |
| Employee Benefits                         | 42.6            | 45.8            | 51.5           |
| Clergy Stipend & Related                  | 41.1            | 43.0            | 37.5           |
| Professional Services                     | 7.2             | 2.8             | 2.9            |
| Office & Related                          | 36.5            | 38.5            | 34.5           |
| Household                                 | 11.2            | 8.2             | 11.5           |
| Utilities & Maintenance                   | 116.7           | 106.9           | 93.5           |
| Pastoral/Religious/Liturgical             | 46.7            | 46.3            | 43.3           |
| Professional Development                  | 4.7             | 4.7             | 3.3            |
| Other Expenses                            | 2.0             | 3.9             | 6.3            |
| Fund Raising                              | 0.0             | 0.6             | 5.6            |
| School Tax                                | 0.0             | 16.0            | 14.9           |
| <b>TOTAL PARISH OPERATING EXPENSES</b>    | <b>460.3</b>    | <b>498.9</b>    | <b>451.1</b>   |
| <b>NET PARISH OPERATING INCOME (LOSS)</b> | <b>(11.5)</b>   | <b>(72.6)</b>   | <b>(32.9)</b>  |
| Extraordinary Bequests                    | 0.0             | 0.0             | 50.0           |
| Capital Acquisitions/Improvements         | (65.9)          | (441.4)         | 0.0            |
| <b>NET PARISH INCOME (LOSS)</b>           | <b>(77.3)</b>   | <b>(514.0)</b>  | <b>17.1</b>    |
|   | 2009<br>ACTUALS | 2010<br>ACTUALS | 2011<br>BUDGET |
| <b>Cash Reserves</b>                      |                 |                 |                |
| Beginning Reserve Balance                 | 687.7           | 610.4           | 96.4           |
| Extraordinary Bequest                     | 0.0             | 0.0             | 50.0           |
| Major Improvements                        | (65.9)          | (441.4)         | 0.0            |
| Net Operating Income                      | (11.5)          | (72.6)          | (32.9)         |
| <b>Ending Reserve Balance</b>             | <b>610.4</b>    | <b>96.4</b>     | <b>113.5</b>   |
|   | 2009<br>ACTUALS | 2010<br>ACTUALS | 2011<br>BUDGET |
| <b>Capital Acquisitions/Improvements</b>  |                 |                 |                |
| Church Refurbishment                      | 37.7            | 390.3           | 0.0            |
| Church Window Repairs                     | 7.2             |                 | 0.0            |
| Sound System Improvements                 | 5.0             | 10.2            | 0.0            |
| Stone Wall Repair (South Side of Church)  |                 | 13.4            | 0.0            |
| Church Gutter Repairs                     | 15.4            | 2.7             | 0.0            |
| Upper Parking Lot Re-grade & Resurface    |                 | 10.5            | 0.0            |
| Lamp & Light Fixture Replacement          |                 | 4.9             | 0.0            |
| Other                                     | 0.6             | 9.4             | 0.0            |
| <b>Total</b>                              | <b>65.9</b>     | <b>441.4</b>    | <b>0.0</b>     |

## Sacred Heart Parish Annual Report, 2010

This section details Sacred Heart Parish finances for fiscal year 2010 covering the period of July 1, 2009, to June 30, 2010. In the third column is the FY 2011 budget. All figures are in thousands of dollars.

### PARISH INCOME

Parish income declined in FY 2010 by more than \$22,000 despite the increase of \$9,000 in the total of the offertory and grand annual collections and has required using reserves to meet the payrolls and other expenses of the parish. The 2011 budget projects a further decline of \$8,000 in parish revenues. For the past two years, Sacred Heart has had *net operating losses*: \$11,500 in FY 2009 and \$72,600 in FY 2010. Religious education fees have been increased in the last two years but still cover less than half of the actual costs. Rental income has risen substantially in the last two years compared with FY 2008 because of the rental of the rectory and the parish hall. Interest income declined in FY 2010 because of the reduction in reserves and the lower rate of return on invested funds.

### PARISH EXPENSES

On the expense side, compensation increased in FY 2010 because staff hired during FY 2009 were full time in FY 2010. Because of some reductions of full and part-time staff, these expenses will drop in FY 2011, though the attendant employee benefits for all staff members will increase. It is important to note that utilities and maintenance costs have declined sharply from FY 2008 to FY 2010 due to the energy conservation measures initiated by the Facility Manager.

The Religious Education program is the largest of our ministries. In FY 2010, the two parishes funded approximately 60 percent of the total costs, with registration fees covering the remainder. Sacred Heart's share for Religious Education and Youth Ministry was over \$29,000. The Religious Education and Youth Ministry programs are essential for supporting and deepening the faith development of the youngest members of our parish.

### OTHER

Sacred Heart has provided outreach support of \$8,110 to communities throughout the world. Additional support includes \$18,459 for retired priests in special collections, \$11,844 to sister parish St. Katharine Drexel, and \$33,034 to the Catholic Appeal.

In September 2009, the refurbishment project finished on time and under budget, providing our faith community with a beautiful and reverential worship space. Other maintenance projects completed in FY 2010 include: improvements to the sound system, repair of the stone wall on the south side of the church, church gutter repairs, regrading and resurfacing the upper parking lot behind the church, and implementation of the energy audit.

### SPECIAL NOTE AND WARNING

As noted above, the net parish operating budget has been in deficit for the past two fiscal years. For FY 2011, the net parish operating budget is projected to have a positive balance of \$17,000 *because of the use of a bequest of \$50,000 for parish maintenance*. Without this bequest, the parish would face an operating deficit of nearly \$33,000, further depleting our already thin reserves. In July and August, the use of parish reserves was again necessary for the parish to meet payroll and other expenses.

For the past three fiscal years, the Offertory and Grand Annual collections have failed to meet the ongoing needs of the parish. Sacred Heart Parish lists 755 households on its rolls, but the average online and envelope usage includes only 110 households. This means that only 15 percent of the listed households contribute to the upkeep of the parish on a regular basis. The Finance Councils of both Sacred Heart and St. Brigid recommended that both parishes undertake a stewardship program to raise the knowledge, sensitivity, and understanding of parishioners on the value and costs of parish activities. This program will be conducted by the Cunneen Company and will begin this month. A stewardship program will offer parishioners an opportunity to reflect on the importance of their faith, the role of the parish, and their contribution of time and money to support the parish.

The Sacred Heart Finance Council includes Father Colletti, Dick Donato, Peter Holland, Karen Levin, Bob McNamara, and Dick Pemberton.