

## ST. TIMOTHY ANNUAL REPORT, JUNE 30, 2009

Dear friends--

Each year we present a report on the financial condition of our parish. In the summary portion of this report you will find information about our sources of revenue and an accounting of our expenses. I am grateful to our parish finance committee for putting this report together and for their advice throughout the year. I am also grateful to all of our parishioners who faithfully support our parish throughout the year. In these difficult financial times, your gifts are a sign of your loyalty to our parish and represent a real sacrifice on your part. You deserve a full accounting of the trust you have placed in us.

In many ways operating a parish is like operating your home but on a larger scale. We have to maintain the physical plant. We need to remove snow and cut lawns. We have to pay for insurance and utilities. We need to offer our dedicated employees a just wage and health, pension, and disability benefits. Many of those "set" expenses rise each year.

In accordance with the Scriptures we should tithe a portion of our income to assist those in need and we must-- help as much as we can-- those who cannot help themselves or find themselves in a time of crisis.

We try to be fiscally conservative and prudent with our expenditures. We have set aside some resources so that if an unexpected problem arises we will be able to meet our obligations. We have improved the property this year by doing work on the steps of the church and adding air conditioning. We are exploring options to improve our heating system and hope to make changes in that regard next spring if our financial condition is healthy at that time.

Again, thank you for your trust and support and as always we welcome your ideas and input on our parish financial condition.

Fr. Culloty

### Revenues and expense summary

St. Timothy Parish total revenues were \$670,336 for the year ended June 30, 2009. This was a decline of (\$64,758) or (9%) from the prior year figure of \$735,094. While the offertory collection declined slightly (1% decline to \$462,114), the Grand Annual Appeal experienced a (19%) decline of (\$24,823) to \$105,785. The Grand Annual Appeal is critical for the Parish to meet the rapidly increasing costs of energy and maintenance associated with the parish physical plant. Other significant sources of Parish revenue represent less predictable, one-time, nonrecurring items such as Sacramental Offerings, Gifts and Bequests and Other Miscellaneous Income. These three categories registered an additional aggregate decline of (\$20,593) representing a (19%) decline in revenues in those categories from the prior fiscal year. Lastly, with deterioration in the financial markets, interest/dividend income on parish assets decreased by (\$10,522) from the prior year.

Expenses for FY 2009 were \$635,823, which represented a decrease of \$35,846 or 5% from FY 2008 expenses of \$671,669. The major reason for the reduction in expenses is related to the decrease in church renovation expenses of \$36,473 from FY 2008. Total parish capital expenditures in FY 2009 were \$40,449 as compared to \$76,922 in FY 2008. In FY 2009, the completion of the air conditioning units in the church accounted for the major capital expense.

In reviewing the parish expenses, we wish to provide you with explanations for the major operating (non-capital) expenses, which support the on-going activities of the parish. Salaries and benefits for our superior staff make up the greatest portion of our expenses. Total salaries and benefits in FY 2009 were \$339,243 which accounted for 57% of total non-capital expenditures. Maintenance expenses for the parish building and grounds were \$60,939 or approximately 10% of operating expenses. Utility expenses were \$39,029 for heat, telephone and other utilities. Combined, these expenses represented a decrease of \$11,934 from the prior year due to a renegotiation of the ground maintenance contract and lower heating expenses. Pastoral & Liturgical expenses of \$40,723 are in direct support of parish liturgies and worship and represented 7% of expenses. Religious Education expenses for the parish-run program were \$18,643 as compared to \$3,870 in FY 2008. The major reason for the increase in expenses was attributable to the timing of purchases of religious education books and pamphlets, which overlapped fiscal years. Other Expenses of \$38,816 represents a summary of numerous expense categories that individually are not large in value but do account for approximately 7% of expenses. As a tithing parish, it is our goal to donate 10% of our offertory collection to charitable works. In FY 2009, parish donations for charitable works including an archdiocesan assessment for catholic school education totaled \$44,197, which did represent approximately 10% of our offertory collections.

In FY 2009, parish income exceeded expenses resulting in a surplus of \$34,513 for the twelve month period, which represented a 45% decrease from the surplus of \$63,425 in FY 2008. These surplus funds are used to support future deferred maintenance projects and parish programs.

**ST. TIMOTHY PARISH  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2009 & 2008**

<b>Assets:</b>		<b>2009</b>	<b>2008</b>
Cash and savings	\$ 157,281	\$ 119,762	
RCAB Depository	453,619	437,016	
RCAB Common Investment Fund	<u>102,978</u>	<u>120,961</u>	
Total assets	<u>\$ 713,878</u>	<u>\$ 677,739</u>	
<b>Liabilities and Equity:</b>			
Accounts payable	\$ 5,618	\$ 3,992	
Total liabilities	<u>5,618</u>	<u>3,992</u>	
Equity designated for capital projects	475,000	475,000	
Equity available for operations	<u>233,260</u>	<u>198,747</u>	
Total equity	<u>708,260</u>	<u>673,747</u>	
Total liabilities and equity	<u>\$ 713,878</u>	<u>\$ 677,739</u>	

St. Timothy Parish's Statements of Financial Position at June 30, 2009 and 2008 are a snapshot of assets held and liabilities owed as of these dates. The assets are comprised of cash in Norwood Bank and the Citizens Bank in the amounts of \$157,281 and \$119,762 @ June 30, 2009 and 2008 respectively. The balance is in the normal range of 3 months of operating expenses that has been recommended by the Archdiocese. Additionally, the parish had \$453,619 and \$437,016 for 2009 and 2008 in the RCAB Depository which operates similar to a savings account. Remaining funds of \$102,978 and \$120,961 are invested in the RCAB Common Investment Fund that invests in stocks and bonds.

St. Timothy Parish is debt free and at year end only owed currently due bills of \$5,618 and \$3,992 for 2009 and 2008, respectively. The Parish Finance Council designated that a portion of the church's equity should be designated for future capital projects as they may arise. Those amounts were \$475,000 for each of the years ended June 30, 2009 and 2008.

**ST. TIMOTHY'S PARISH  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2009 & 2008**

	Total FY 2009 Actuals	Total FY 2008 Actuals	\$ Change
<b>REVENUES</b>			
Offerory	\$ 462,114	\$ 466,986	\$ (4,872)
Grand annual appeal	105,785	130,608	(24,823)
Sacramental offerings	23,034	25,541	(2,507)
Gifts & bequests	10,644	15,280	(4,636)
Religious education	14,339	18,287	(3,948)
Interest & investment income	(1,460)	9,062	(10,522)
Other income	55,880	69,330	(13,450)
Total revenues	<u>670,336</u>	<u>735,094</u>	<u>(64,758)</u>

**EXPENSES**

Salaries	251,325	254,722	3,397
Benefits	54,860	52,450	(2,410)
Non-employee compensation	33,058	33,547	489
Maintenance of buildings	23,651	17,199	(6,452)
Maintenance of grounds	37,288	50,562	13,274
Utilities	39,029	44,141	5,112
Office related	13,784	10,359	(3,425)
Pastoral & liturgical	40,723	40,938	215
Charity / Catholic education	44,197	47,054	2,857
Religious education	18,643	3,870	(14,773)
Other	<u>38,816</u>	<u>39,905</u>	1,089
Total non-capital expenses	595,374	594,747	(627)
Capital expenditures	40,449	76,922	36,473
Total expenses	<u>635,823</u>	<u>671,669</u>	<u>35,846</u>
Net income (loss)	<u>\$ 34,513</u>	<u>\$ 63,425</u>	<u>\$ (28,912)</u>

These financial statements are UNAUDITED