

THE CHURCH of ST. WENCESLAUS

Financial Report

For July 1, 2008-June 30, 2009

Included in this report are summaries of the financial statements for The Church of St. Wenceslaus for fiscal years '07-'08, '08-'09 and the budget for fiscal year '09-'10.

PARISH REVENUE:

This report shows three main sources of parish income or revenue. First are *Adult Envelope Collections* and other parish-wide revenue, which includes the Parish Festival. The total of these revenues constitutes the *Common Parish Resources*. The common resources are spent in all areas of parish ministry. The common parish resources make up the difference in revenue generated by fees in various areas and cover the overhead for maintenance, utilities and administration. Overall, Common Parish Resources increased by 2.2% from fiscal year 2007-08 to fiscal year 2008-09. In this economy that is a remarkable testament to your generosity. For fiscal year 2009-10 which began on July 1, 2009, the expected amount of Common Parish Resources is the same as fiscal year 2008-09.

The second source of revenue is *Fees* for the various programs offered at St. Wenceslaus Parish. Primarily, this consists of a family's out-of-pocket expense or "tuition" at St. Wenceslaus School and fees associated with the Faith Formation/Youth Ministry Programs. St. Wenceslaus School raises significant revenue from fundraising efforts and receives support from the New Prague School District for special programs, counseling, and textbooks. In fiscal year 2008-09 this generated 50% of all revenue the parish brought in, with the rest coming from the endowment and common parish resources.

The third main source of revenue comes from the Church of St. Wenceslaus' *Endowment Fund*. As with all investments, the Endowment has suffered losses and as of June 30, 2009 had a value of \$854,394. This is down from almost \$1.3 million on June 30, 2008. As a result of this loss there will be no profits from the endowment available to support parish ministries for fiscal year 2009-10. In the 2008-09 fiscal year profits from the endowment was \$91,322 and these supported all areas of ministry of the parish. The endowment board will continue to monitor the endowment fund and will act prudently to rebuild the principal so that the endowment continues to be a strong source of support to the parish.

PARISH EXPENSES:

This report breaks parish expenses into two separate areas. The first is *Non-Ministry Expenses* for administration, maintenance and utilities. The second area of expense is *Ministry Expenses*. Ministry expenses include program and staff costs associated with all parish ministries.

Trends in Administration, Maintenance and Utilities:

Administration expenses have increased for fiscal year 2009-10 due to increased costs in the Archdiocesan Assessment, property insurance, and repayment of cash reserves.. In addition to the pastor's salary and benefits, this area includes the cost for five full-time and eight part-time staff positions. (Maintenance staff is factored here.)

The parish's facilities and grounds continue to be in good repair. Due to the loss of endowment funding larger maintenance projects will be deferred where prudent or charged to the parish's operational budget when we must do a particular project

Over the course of the winter, when the heat was turned down in the church, the parish saved almost \$11,000 in heating the building during the 2008-09 fiscal year.

Trends in Ministry Expenses:

Parish ministry expense areas include: Liturgy & Music, Faith Formation/Youth Ministry, St. Wenceslaus School, Pastoral Care, and Adult Faith Formation.

Personnel costs continue to be the parish's largest expense. Our professional lay staff is essential to providing all the ministerial opportunities the parish offers. The most essential role in this is to recruit and train the hundreds of volunteers that are necessary each year to what the parish does. Parish employees did not receive an increase in salary for fiscal year 2009-10. Thanks to your generosity all employees had the five month 10% salary reduction paid to them on June 30, 2009. Health insurance costs grew by 6% this year for all staff who apply and qualify for this benefit.

Overall Results in 2008-09:

For Fiscal Year 2008-09 the parish showed an operational surplus of \$25,889. In this economic climate, we are very grateful for this result. Overall parish expenses in Fiscal Year 2009-10 are expected to go up by just 2.1% over the 2008-09 actual result. This is the second time in 3 years the parish shows an operational surplus at the end of a fiscal year.

Report on the Team of 720:

In February 2009 Fr. Kevin Clinton reported to the parish community that we were anticipating up to a \$72,000 deficit due to a down turn in collections. It was at this time that we instituted the cost reductions and invited parishioners to participate in the Team of 720. The purpose of the team was to ensure that the parish would not end the fiscal year in a deficit. The response to this invitation was overwhelming with 462 families returning a card to the parish. Over \$42,000 in income was generated from folks who returned their cards. Additionally, there are many families who participated in the Team of 720 who did not return a card but still made contributions to the parish. It truly is remarkable that these funds have come in to strengthen the parish financially.

Use of Team of 720 Collections:

The Finance and Property Board monitors the cash that is available to the parish on monthly basis. We need to have enough cash on hand to meet our expenses. There are times during the year, when the parish needs to have cash reserves to cover operational expenses, because in that month the income that comes in is not sufficient to meet the monthly expenses. Just like your family, we rely on money in a savings account to handle these times when we are a bit short on cash. When this money is used, we replenish savings as soon as possible. For the parish, the money is paid back during the months when the parish has more revenue than expenses, and things even out. The key for us is to have the necessary cash available to pay our bills in months when revenue is low.

Since fiscal year 2001-02 the parish has run deficits in 6 of those 8 years. These deficits were financed out of our savings. In effect we have borrowed unrestricted and restricted funds to maintain parish operations. The total amount that we have used is \$224,700. We need to pay these funds back and the Finance and Property Board has recommended to the Parish Pastoral Council and Fr. Clinton, that we begin an intentional program of budgeting surpluses each year and starting a savings plan to intentionally pay back these reserves.

The income generated from the Team of 720 makes the parish more financially healthy. We have more cash to cover expenses when we need it. That is a tremendous help in giving the parish the flexibility it needs to face financial challenges. In order to maintain cash that the parish needs to cover operational expenses the funds from the Team of 720 were used to payback \$42,755 of the \$224,700 that the parish ran as deficits in prior years.

PARISH REVENUE:

Envelope Income:	Actual 2007-08	Actual 2008-09	Budget 2009-10
Adult Envelopes	\$719,427	\$755,754	\$747,742
Children's Envelopes	\$556	\$262	\$345
Christmas Envelopes	\$34,002	\$37,249	\$37,249
Easter Envelopes	\$22,971	\$19,902	\$22,902
Holy Day Collections	\$6,929	\$11,324	\$9,859
Cash Plate Collections	\$30,860	\$26,343	\$27,685
Winter Calendar Raffle Profit	\$23,290	\$25,103	\$25,000
Team of 720 Revenue		\$42,755	
Total Envelope Income	\$838,035	\$918,692	\$870,782
Other Parish Revenue Sources:			
Mass Offerings, Baptisms, Weddings & Funerals	\$10,173	\$9,589	\$9,589
Investment Income	\$3,468	\$1,892	\$900
Bequests & Memorials	\$2,000	\$250	\$1,250
Annual Catholic Appeal Rebate	\$6,490	\$7,365	\$6,779
Operational Use of Endowment Income	\$12,069		
Vendor Reimbursements		\$2,683	
Net Insurance Reimbursement (Repair Wind Damage to Towers)		-\$500	
Rental Income	\$10,290	\$11,203	\$9,170
Net Parish Festival	\$60,841	\$59,221	\$59,300
Net 150 th Anniversary Revenue	\$2,777		
Total Common Parish Resources	\$946,143	\$967,140	\$957,770
Parish Ministry Revenues:			
Faith Formation/Youth Ministry	\$35,948	\$34,642	\$53,800
Adult Faith Formation & Pastoral Care	\$3,707	\$3,514	\$3,600
Votive Candle/Ornament Fundraiser	\$2,556	\$2,895	\$2,430
St. Wenceslaus School			
Tuition - Little Spirits Preschool	\$30,124	\$21,030	\$36,000
Family Out-of-Pocket Expense/Tuition	\$721,692	\$747,104	\$893,750
Registration Fee			\$15,000
Non Parishioner Assessment	\$23,100	\$25,300	\$19,000
Employee Benefit – Tuition Discount	\$20,158	\$20,157	
Outside Financial Aid Sources	\$6,838	\$5,663	
St. Wenceslaus School Financial Aid	\$25,739	\$15,000	
Total St. Wenceslaus School Tuition Income	\$821,930	\$834,254	\$963,750
Other School Revenue Sources:			
School's Misc. Income - Use of Savings	\$19,890	\$10,364	\$18,017
Net School Fundraising Efforts	\$148,114	\$152,354	\$151,000
Subsidy from Archdiocese for School	\$10,166	\$10,166	\$5,000
Aid from New Prague School District	\$54,174	\$41,342	\$48,000
Foreign Exchange Student Program		\$45,328	\$15,000
Clubhouse After School Program		\$14,587	\$15,000
Total Parish Ministry Revenue	\$1,095,536	\$1,108,395	\$1,215,767

<u>Endowment Fund Disbursements to Ministries & Maintenance:</u>	Actual 2007-08	Actual 2008-09	Budget 2009-10
Maintenance	\$6,139	\$24,900	
Faith Formation/Youth Ministry	\$53,000	\$32,000	
Adult Faith Formation & Pastoral Care	\$1,772	\$4,538	
St. Wenceslaus School	\$16,135	\$29,884	
Endowment Fund Disbursements	\$77,046	\$91,322	
Total Parish Revenue From All Sources	\$2,119,674	\$2,250,663	\$2,233,367

PARISHES EXPENSES:

<u>Administration:</u>	Actual 2007-08	Actual 2008-09	Budget 2009-10
Salaries & Benefits: Maintenance, Administration & Clergy	\$326,005	\$345,722	\$335,592
General Administration: Supplies, Insurance, Equipment	\$107,959	\$95,232	\$97,891
Archdiocesan Assessment	\$51,863	\$60,184	\$93,519
Replenishment of Cash Reserves		\$4,239	\$16,236
Total Administration	\$485,827	\$505,378	\$543,238

<u>Maintenance:</u>			
Total Contracted Services	\$20,189	\$22,328	\$22,000
Total Repair and Maintenance	\$17,307	\$11,149	\$10,700
Total Supplies	\$12,309	\$12,269	\$13,050
Church Repairs Including Endowment Profit	\$9,228	\$15,127	\$2,700
Total School Repairs	\$2,996	\$1,544	\$3,475
Grounds Maintenance	\$2,884	\$5,934	\$3,950
Total Maintenance	\$64,913	\$68,351	\$55,875

<u>Utilities:</u>			
Electric/Gas	\$77,081	\$68,414	\$83,500
Water/Sewer	\$4,644	\$5,145	\$5,100
Garbage	\$6,653	\$6,231	\$7,200
Telephone	\$13,337	\$16,756	\$16,600
Total Utilities	\$101,715	\$96,546	\$112,400
Total Administration, Maintenance and Utilities	\$652,455	\$670,275	\$711,513

Parish Ministry Expenses:

School

School Staff: Salaries and Benefits	\$1,112,599	\$1,129,213	\$1,134,816
Tuition Assistance	\$10,185	\$30,721	
Program Expenses	\$53,676	\$49,250	\$52,500
School Other	0	\$23,965	
Uses of Aid Funds from New Prague Public Schools	\$40,327	\$28,180	\$38,000

Non-School Ministry Expenses

Ministry Staff Salaries and Benefits for: Faith Formation/ Youth Ministry, Pastoral Care & Music	\$214,248	\$204,538	\$229,585
Liturgy	\$8,646	\$11,007	\$10,900
Sacramental Preparation	\$4,064	\$2,226	\$9,500
Faith Formation/Youth Ministry Expenses	\$24,893	\$17,946	\$25,325
Adult Faith Formation and Pastoral Care	\$6,945	\$5,394	\$6,500
Music	\$8,875	\$9,334	\$9,100
Total Ministry Expenses	\$1,484,452	\$1,511,744	\$1,516,226

	Actual 2007-08	Actual 2008-09	Budget 2009-10
Pay Back of Cash Reserves with funds from Team of 720		\$42,755	
Total Expenses	\$2,136,896	\$2,224,774	\$2,227,739
Year End Surplus or Deficit	-\$17,222	\$25,889	\$5,628

Report on loan for the Parish Activities Center:

In August of 2008, the parish, with the assistance of the Catholic Finance Corporation, renegotiated the interest rate on the tax exempt loan. It went from 5.14% to 4.427%. The renegotiation resulted in a new principle and interest payment of the \$17,412 a month. The principle accounts for \$10,527 of the payment and the interest accounts for \$6,882. The parish saves \$18,250 in interest costs per year. Each month we are paying \$2,000 above what is required by the bank, reducing the loan principle by an additional \$24,000 more each year.

As of 6/30/2009, the end of the fiscal year, we owe \$2,007,222. This is down from \$2,109,000 that we owed in November 2008 which was the date of the Town Hall Meetings.

Parishioners interested in reviewing the parish balance sheet for Fiscal Year End June 30, 2009 are invited to contact Peter Guzulaitis at 952-758-3225 or members of the Property and Finance Board to have their questions answered.

2009-10 Property & Finance Board:

Paul Sirek, Chair
 Greg Aase
 Peg Anzelc
 Ben Bartusek
 Al Beatrez
 Joe Meyer
 Kytyn Schoenbauer

Peter Guzulaitis: Parish Business Administrator