

ST. PATRICK PARISH FINANCIAL UPDATE, SEPTEMBER 2011

At the parish, we “close the books” on our finances at the end of our fiscal year, which is June 30. We would like to provide you with information from the last fiscal year (July 1, 2010 – June 30, 2011), share some observations and trends, and let you know overall how the parish is doing financially.

Summary Report

Over the last two years, we have experienced significant setbacks financially. First, we incurred large expenses in fixing some long term maintenance issues and capital improvements that needed attention: new sanctuary lights, a security system and boilers at church (approximately \$ 70,000) plus a new roof at the church which cost \$ 245,000. Second, during this same time period, our Mass attendance continued a downward trend which we had been seeing over several years. Our weekend Mass attendance averaged 1406 individuals in July 2010 compared to 1676 individuals measured the same way four years earlier. Third, we discontinued use of “special envelopes” such as our monthly debt reduction collection hoping to increase regular weekly giving. Finally, we all experienced the general economic conditions of a recession, resulting in reduced levels of giving because many of our parishioners experienced household financial strain and unemployment. All of these conditions contributed to a decrease in income during the last two fiscal years. In our last fiscal year (2010-2011), we experienced a shortfall of \$ 110,000, that is, our income was short this amount compared to our expenses (Income = \$ 2,774,398 and Expenses = \$ 2,884,607 for a net loss of \$ 110,299). We covered our expenses and paid our bills by borrowing, both on a line of credit (\$ 80,000) and a loan to our parish from our school endowment fund (\$ 120,000 in new funds in addition to a previous loan of \$ 103,000). These new loans are now additions to our current mortgage which is approximately \$ 1.7 million, for a total debt load of just over \$ 2,000,000. For several months this spring, we paid only interest on the mortgage with the agreement of our creditor.

To address our on-going shortfall, we have held staff salaries at last year's levels (no raises), we

eliminated our Youth Minister position, we raised school tuition, and we have eliminated all discretionary spending. We currently are only paying the salary and housing expenses of one priest. We are currently postponing additional maintenance needs such as the air conditioning system and parking lot at church and the heating system upgrade at the school. We feel the expenses side of the ledger is as lean as we can make it without more drastic measures. We are holding our breath that no emergency repairs are necessary in the near future.

Regarding the income side of the picture, we are continuing to educate parishioners, both at Masses and in small groups, about our need to increase weekly giving and special gifts. We appreciate all the donations we receive from our loyal parishioners who continue to give even when times are tough all over. We have spoken about the stewardship concept that all parishioners consider giving at the minimum level of 3% of gross income. At this time, approximately 50% of our regular weekly giving comes from just 100 households so we believe there is room for improvement on the average giving from the remaining parishioners as their situations permit. Our lay leaders on the Parish Council and Finance Council have pledged to give at the minimum 3% level as an example of all our responsibilities.

Where possible, we encourage those who are able to strive for attaining and even surpassing the 5% level of gross income donated to the parish as a traditional form of tithing.



Discipleship
Living a Life of Gratitude

The bottom line on our income/expense situation is that our average weekly giving needs to increase for the long haul to address our on-going expenses; in addition, we need a way to provide for future maintenance needs so we are not caught short and forced into emergency borrowing as in previous years.

Trends

We are seeing some encouraging trends. First, and most importantly, we are noticing increased Mass attendance and seeing more parishioners in Mass is the most encouraging news of all! Second, we re-introduced monthly Debt Reduction envelopes and we have seen a tremendous response from parishioners to this second collection. Thank you for this response, your extra donations are really helping! Third, we are seeing the fruit of the work of a Development Committee which has been hard at work on long term strategies to stabilize the income picture and assure the support we need for long term financial viability. This Development Committee sponsored a series of summer time picnics in August and September to get the word out about our financial strain and has already engaged our top givers in a program of special gifts to get us through our current rough spot. Our top givers have shown a burst of generosity which will help us in the short term, but everyone needs to do their part; it would be unfair and unwise if we expected just 100 households to continue to carry the majority of the financial burden in a parish of 1800 households.

Observations and the Future

We cannot tip-toe around the issue that our abrupt change of leadership in March of this year did not help our financial picture and had a negative impact on many aspects of our parish life. However, under the new leadership of Fr. Gene Murphy, we have seen a resurgence in Mass attendance, financial giving, volunteering and optimism about our future. We are blessed to have such a strong minister who is willing to collaborate with lay leadership on these financial issues. Additionally, we will welcome a new pastor in January, Fr. John Gerrits, who comes to us with very strong pastoral and administrative skills. Both Fr. Gene and Fr. John can be expected to continue our program of financial transparency,

which we think is foundational to building trust and encouraging greater giving and support.

Thank you, Thank you, Thank you

St. Patrick Parish recently celebrated our 150th birthday and surely we will be around for another 150 years. We have benefited from the generosity and sacrifice of previous generations who came before us and left us with a legacy which we now must steward and carry forward. We thank each and every parishioner who gives of his or her time, talent and treasure to make this parish a vibrant faith community. It was a tough and disappointing fiscal year, but we are encouraged about the days ahead. We want to thank you for your past support and thank you in advance for giving what you can to ensure the bright future of the parish and our ministries. May God bless you abundantly for your generosity.

Questions?

If you have any questions, please contact Finance Council Chair Brian Huffman at 715-426-0220 or Finance Council member Curt Carey at 715-386-8233 or our Parochial Administrator Fr. Gene Murphy at 715-381-5120.

The giving guide below shows the amount of weekly giving that represents 3% and 5% of giving for the income levels shown at the left.

Annual Gross Household Income	3% of Gross	5% of Gross
\$20,000	\$11.54	\$19.23
\$40,000	\$23.08	\$38.46
\$60,000	\$34.62	\$57.69
\$80,000	\$46.15	\$76.92
\$100,000	\$57.69	\$96.15
\$120,000	\$69.23	\$115.38
\$140,000	\$80.77	\$134.62
\$160,000	\$92.31	\$153.85
\$180,000	\$103.85	\$173.08
\$200,000	\$115.38	\$192.31

Please prayerfully consider your personal financial situation and how you can best support St. Patrick Parish with regular giving that is appropriate for your household. We thank all our benefactors and appreciate all financial support, no matter what amount. May God bless you for your gifts of time, talent, and treasure.