

GENERAL

The primary role of the Holy Angels Finance Commission group is to advise Fr. Dan and his staff about the financial aspects of pastoral, educational and administrative affairs of our Parish. Today, I will communicate the financial state of the Parish to you, the parishioners of Holy Angels.

Periodically, we are reminded that God has provided us with a solid foundation. He asks that we be careful as to how we build upon it. God has also called upon us to make our gifts available for the good of our Parish community.

This week, you will receive a letter from Fr. Dan with a summary financial report for the Parish. This report shows the actual operating results for the fiscal years ended June 30, 2005 through 2009 and our current budget for the fiscal year ending June 30, 2010, all of which include "your gifts" made available to our parish community. I would like to share some highlights of that report with you now:

2009 RESULTS

A year ago, I mentioned to you that Fiscal 2009 would be a "tough" year as we anticipated a deficit of about \$140,000.

This negative operating result was anticipated because of the following factors: 1. Stewardship offerings were expected to decrease by over \$60,000 due to one extra weekend in our 2008 year, fewer one-time gifts and the severe economic and stock market conditions that we were experiencing; 2. Healthcare costs were expected to and did increase by \$58,000 due to a combination of premium increases and increased employee participation; and 3. salary costs were expected to increase by \$170,000 due salary increases that were in line with the Archdiocese's top pay tier guidelines and two additional educators. We anticipated that these negative trends would be partially offset by higher tuition revenues and some additional donations from Parish and School organizations. Fr. Dan gives thanks to the volunteers of these organizations for all

their hard work as it directly contributes to our success. Our actual Fiscal 2009 deficit was about \$130,000, which was \$10,000 better than anticipated. We covered the cash shortfall resulting from the Fiscal 2009 deficit as follows:

1) \$27,000 came from our Special School and Other Funds accounts, which, by the way, will not be available going forward as these accounts are now at minimum levels;

2) \$39,000 came from proceeds of a Note Payable entered into with the Archdiocese; and

3) \$64,000 came from funds built-up in the Operating Cash account over the prior years. As a result, the Operating Cash account is now also at its minimum required level.

Notwithstanding the difficulties I just mentioned, Fr Dan and his leadership team give thanks to each of you for your generosity via your weekly Stewardship of Offering as well as your hard work as volunteers at our Parish's many programs and events. We truly behave as a faith-filled community.

2010 BUDGET

We have made reasonably good progress in reducing our anticipated operating deficit for Fiscal 2010. Our 2010 budget reflects a deficit of \$46,000 or about 2% of total expenditures. Let me share with you some of our key assumptions:

Overall, our Fiscal 2010 Revenues are budgeted to increase about \$31,000 when compared to the prior year.

2010 CHURCH REVENUES

1. For Fiscal 2009, our weekly and annual Stewardship of Offering amounted to \$750,000 based on 1296 households. This amount is comparable to 2005 and 2006 levels when we had slightly fewer households, but it is about \$50,000 less than our 2008 level. For Fiscal 2010, we are budgeting about the same amount as Fiscal 2009 as we have a similar number of households registered as parishioners. For the four months ended October 31, 2009, our Stewardship

Offerings are about 2% behind prior year actual. If this trend continues, our Fiscal 2010 deficit could be \$20,000 higher.

2. As far as other Parish Revenue sources, we project that such sources will decrease by about \$20,000 in Fiscal 2010 as we do not anticipate the same level of special gifts or bequests as we received last year. Along this line, you will soon be receiving a LIVING OUR LEGACY brochure that will explain a number of different possibilities for planned giving.

2010 SCHOOL REVENUES

1. Our school tuition plus tuition aid will increase \$43,000 in FY 2010 as a result primarily of our 3.5% tuition price increase, but offset by a slight reduction of several students in our Kindergarten through 8th Grade classrooms. Our School's student count has been very good relative to other Dayton Deanery schools because we have a solid curriculum in the areas of Science, Technology, Engineering, Math, Music and Art that is enhanced by a wonderful working relationship with the University of Dayton and

Chaminade-Julienne High School in many of these academic areas.

2. Today, Parish leadership is still discussing with U.D. officials our desire to have space in its College Park Center facility so that we are able to further bolster our challenging curriculum. This expansion would be an important foundational step for our Parish school and this opportunity is being given prayerful consideration by Fr Dan, Rob Fortener and other members of the Parish and School leadership teams. We are in the process of determining whether we can secure additional capital from outside sources to fund the build-out, furnishing, and start-up of this new classroom space for the 2010-2011 school year. Please rest assured that a careful review of the economics of this transaction is underway.

3. Tuition Aid in the amount of \$100,000 will be given to approximately 25% of our 302 students during Fiscal 2010.

Our Angels In Education program is the primary source for

Holy Angels – provided tuition aid. The annual Angels In Education fund drive begins later this month. School leadership, along with the families that receive this aid, thank all of you for your past generous contributions to that Fund and ask that you prayerfully consider another contribution this year. Also, more of our students are taking advantage of outside tuition assistance programs this year such as PACE or Ohio EdChoice; such programs represent 30% of our “cash” tuition amount.

4. The number of children participating in our Afternoon Kindergarten Enrichment program is holding steady at 20 this year. The number of students participating in our Pre-school program has increased significantly this year to 38 students from 22 students last year. This results in an additional \$24,000 of revenues. Kate Reynolds has been our full-time Pre-School Director for the past year, during which time she has enhanced a number of our offerings.

Continued growth in these programs should lead to building a stronger foundation for our elementary school.

4. FF enrollment is at 220 students, which is comparable to FY 2009. Jeanne Fairbanks has a number of innovative social outreach programs including Junior St. Vincent DePaul Society, mission trips and Summer of Service activities. There is still time to enroll your child into this year's Faith Formation classes and activities.

2010 EXPENSES

Our FY 2010 expenses are budgeted to decrease by \$53,000 over last year. Following are some reasons:

1. Salary expense will decrease by just over \$50,000. Given the current economic environment, there were no salary increases given to any School or Parish employees for the current fiscal year. In fact, we reduced the number of elementary school teacher positions by two in order to better align with the number of students in our elementary school, but we did add a part-time employee to the Pre-

school operation given the growth in this program between years.

2. Healthcare costs will decrease by \$6,000. A 5% increase in the Archdiocese health insurance premiums will be offset by fewer employees participating in this health insurance plan. As you may recall, we currently pay 100% of our employees' health insurance premiums per Archdiocese policy. Fr. Dan has been informed that the Archdiocese has reviewed this policy and will require employees to start modestly sharing in the medical premium costs during the 2011 fiscal year.
3. We anticipate some small increases in other typical business costs such as repairs and maintenance, program fees, and supplies.
4. Our parish will continue to invest in faith enriching programs / activities such as Why Catholic?, Bible Study, RENEW, liturgical music and sacramental programs. I

hope that you are participating in the program or activity that best meets your needs.

CAPITAL CAMPAIGN

In addition, we still have more than \$600,000 available for future capital campaign projects for the Holy Angels campus.

Our Parish Advancement Team is discerning a capital improvement plan for our church and school.

CALL TO ACTION

So where do we go from here to solve this year's deficit and improve revenue streams for the future so that our parish is able to retire its debts?

1. As of June 30, 2009, our parish owed the Archdiocese \$28,000 for the church air conditioners (which represents just 40% of the original balance) and \$39,000 for our Fiscal 2009 Operating Loan from the Archdiocese. We anticipate that we will pay down another \$7,000 of the air conditioners loan during Fiscal 2010.

2. Rob Fortener and his leadership team are once again pursuing additional monies from inside and outside of our Parish to both replenish our Angels In Education fund balance and to continue to fund these newer School programs.

3. Each of us can help find new students for the Pre-school, K thru 8 School as well as Faith Formation programs. We should share some of our personal stories about Holy Angels School with our neighbors, co-workers, family members, and perhaps with some of our friends in nearby areas. As many of you would agree, our School is a welcoming, faith-based learning community that offers top-notch academic programs.

4. Another possible revenue option is to have a fundraiser with a unique theme. If any of you have "revenue – generating" ideas along this line, please talk with Fr Dan at your convenience.

5. Finally, it comes back to each of us. In last week's gospel, we heard how the widow gave from her means and not from her surplus. The widow understood this basic concept of Stewardship - that we are called to give back to God what he has given to us. God truly blesses us when we give generously from our hearts. In his letter, Fr. Dan asks each of us to prayerfully consider what level of financial support we can provide to our Parish via our Stewardship of Offering. As many of you may recall, our parish was started in 1902 with parishioners from just a few zip codes. We have a rich tradition that has evolved over almost 110 years such that today, our parish is made up of people from over **30 Miami Valley zip codes**. That tells me that the ultimate viability of our Parish is still in our control! Our Fiscal 2010 deficit of \$46,000 can be eliminated if each of us steps up our current Stewardship of Offering by around 10% so that our parish's total Stewardship of

Offering returns back to 2008 levels. Please increase your support of our vibrant, faith-sharing parish!

SUMMARY

In Summary, our Parish wants to continue to meet your **spiritual and educational** needs while maintaining the necessary level of fiscal responsibility required to achieve our long-term vision.

Please feel free to contact either Fr. Dan at 229-5914 or Joe Zehenny at 478-0300 with any questions.

Finally, thanks for all that you do on behalf of Holy Angels parish as together, we continue to lead, learn and live our Faith!

Respectfully Submitted By:

The Finance Commission

November 14, 2009