

St. Elizabeth Ann Seton 2009 Annual Report

Dear brothers and sisters in Christ:

We are pleased to provide you with this annual financial report for our parish. The most important message conveyed with this report is *thank you!* Your amazing generosity allows SEAS to be the active, dynamic presence of Christ in Hastings that it is. Thank you!

You will note that our weekly income actually *went up* over the prior year, at a time when many parishes saw no increase or actual decreases in donations. You are truly a faithful people!

Despite our best efforts to control costs, we ended the fiscal year with an operating loss of \$75,000. We budgeted to make that up this year. Please see the financial figures and accompanying notes for more information, or contact one of us below.

May God bless you, your families, and our life together!

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St. Elizabeth Ann Seton School

SEAS School continues to be a vital part of our Catholic life together. A large majority of our students, graduates, and staff serve our parish (and the larger Catholic Church) as choir members, servers, extraordinary ministers of the Eucharist, lectors, youth group leaders, Knights of Columbus Pancake Breakfast servers, Fall Festival workers, Fish Fry helpers, and in many other ministries. Our school is so much more than a building - it builds up our church and community, and develops faith-filled leaders of the future who will make decisions that will affect many lives. Thank you all for your support of this educational and life-enriching ministry!



You will note in this report that the school subsidy increased from the prior year to 34% of parish income. (In 2007/08 the subsidy was 33% of parish income.) It is significant to note, however, that the final subsidy figure came in 2.4% less than budgeted due to the school staff's efforts at reducing expense. The parish's financial support of the school is budgeted to go down in the new year, to a figure that represents 30% of parish income. Our K-8 enrollment for 2009/10, as of this report date, is 298, a decrease of 3.5% from 2008/09's K-8 enrollment of 310. There is encouraging news, however, in that our kindergarten enrollment is up 23% this year over last, and our middle school has seen a 13% increase!

Looking at enrollment from the archdiocesan perspective helps put our numbers into context. Across the archdiocese, Catholic elementary school enrollment declined from 2003-2008 by 11% in the archdiocese. During this same period 60 elementary schools lost 5% or more of their enrollment and 32 elementary schools lost 20% or more of their enrollment.

Catholic education was of paramount importance to our patron St. Elizabeth Ann Seton, and it remains a priority for our parish today. At SEAS School, we are always looking for ways to improve quality, efficiency, and our commitment to our Catholic mission. Your support is vital to our efforts toward achieving these goals!

School Endowment Fund

Balance on June 30, 2008	685,967
Spring Fling proceeds	28,836
Contributions	4,540
Distributions to school	(30,000)
Investment gain/(loss)	(176,184)
Balance on June 30, 2009	<u>513,159</u>



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PARISH

	12 months ending June 30			
	<u>Income</u>	<u>2008 Actual</u>	<u>2009 Actual</u>	<u>2010 Budget</u>
Envelopes, plate, direct contributions		1,704,792	1,796,869	1,781,000a.
Other Unrestricted Income		118,339	93,139	90,700
Fundraising		69,634	68,923	70,000
Faith Formation		72,701	48,331	52,650b.
Total Parish Income		1,965,466	2,007,262	1,994,350
	<u>Expense</u>			
Salaries & Benefits		758,728	790,511	747,657c.
General Operations		106,436	141,554	96,980d.
Maintenance/utilities		209,541	222,983	207,375
Music & Liturgy		30,353	40,379	35,400
Pastoral Outreach		24,181	21,657	23,050
Faith Formation & Youth Ministry		59,279	31,029	38,250
Archdiocese Assessment		118,721	159,576	158,679e.
School Subsidy		646,018	674,609	603,810
Total Parish Expense		1,953,257	2,082,298	1,911,201

SCHOOL

	12 months ending June 30			
	<u>Income</u>	<u>2008 Actual</u>	<u>2009 Actual</u>	<u>2010 Budget</u>
Donations		50,131	41,511	35,000
Tuition (Pre-K, K-8, BASE)		966,257	959,537	949,509f.
Fees (reg., activity, band, athletics)		77,578	77,797	71,700
Fundraising		110,056	112,664	105,827
Hot Lunch (net)		-18,840	-11,409	0
Public textbook funds		27,482	24,442	25,000
Endowment Draws		30,000	30,000	30,000
Parish Subsidy		646,018	674,609	603,810
		1,888,682	1,909,151	1,820,846
	<u>Expense</u>			
Salaries & Benefits		1,567,969	1,576,916	1,484,070g.
Instructional expense		133,332	144,901	148,349
Admin/General Operations		56,895	63,382	62,227
Maintenance/utilities		73,070	68,953	71,200
Tuition Assistance		57,416	55,000	55,000
Total School Expense		1,888,682	1,909,152	1,820,846
SEAS Grand Net		12,209	-75,037	83,149h.

NOTES

a. Weekly income increased 5.4% from 2008 to 2009.

b. Faith Formation income and expense is reduced due to changes in the Jeff Cavins program.

c. Reduction in staff; raises not given for 2010; benefit costs reduced.

d. Increased expense from 2008 to 2009 due primarily to financial stewardship program in fall 2008.

e. The archdiocesan assessment for 2008 was calculated from 2006/07 financials, when there were significant capital outlays for Phase II.

f. K-8 enrollment figures: 333 for 2008; 310 for 2009; 305 budgeted for 2010, 298 actual as of this report date.

g. Reduction in staff; raises not given for 2010; benefit costs reduced.

h. Grand operating net, revenue over expense. The operating net for 2010 is budgeted to be in the black \$83,149 to make up for 2009's operating loss.

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Cemetery Operations

Lot sales	35,172
Other income	19,209
Total income	54,381
Maintenance contract	37,345
Maintenance/utilities/other	8,551
Total expense	45,896
Operating gain	8,485

Perpetual Care Fund

Value on June 30, 2008	118,791
Contributions	9,435
Investment gain/(loss)	(30,871)
Value on June 30, 2009	97,355



Capital Improvement Fund

Balance on June 30, 2008	70,236
Carpet in classroom	(1,626)
Sound system in Seton Hall	(6,086)
Sound system in school gym	(5,006)
Floor scrubber	(3,167)
West vestibule doors	(20,357)
Lighting in Seton Hall	(5,035)
HVAC controls	(22,525)
Church microphones	(3,138)
Lift for church peak repair	(1,400)
Gift from Reinardy Estate	117,870
Interest/other income	1,879
Balance on June 30, 2009	121,645

Sacramental Statistics for 2008/09

Infant Baptisms	93
Received into Full Communion (RCIA)	14
First Communion	112
First Reconciliation	113
Confirmations	84
Marriages	12
Deaths	71

Phase II Loan Report

Loan balance on June 30, 2008	2,429,987
Principal payments	(39,154)
Loan balance on June 30, 2009	2,390,833

Calculation for 2008/09 principal payment

2008/09 Parishioner Contributions	126,873
Interest earned	429
Interest expense	(121,503)
Net of contributions	5,799 *

*The \$5,799 was applied to the loan principal in July 2009. Therefore the current loan balance (as of this report date) is \$2,385,034.



Some Interesting Facts for 2008-2009

- Number of registered households: 2954
- New registered families: 51
- Number of funeral lunch teams: 28
- Number of active ushers: 42
- Number of Volunteer Opportunities & Ministries: over 100!

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Phase III: Our Future Together

SEAS leadership, in the form of the Finance Council and Parish Council, has determined that we should delay the beginning of the SEAS Phase III project (a new grade 1-8 educational facility on our church campus) for about ten years. There are several factors behind this decision; primary among them are the fact that the parish is currently carrying debt, and concerns that the current economic conditions may not be favorable to a capital campaign of the magnitude a Phase III project would require.

A decision to delay the construction of a new school necessitates an honest evaluation of our current school facility, which was built in 1959. That building, at 600 Tyler Street, will need to serve our parish for at least another ten years. To do so, it will need several upgrades, and the most urgent needs of the school building are being evaluated now. Based on what we now know, the costs are estimated at between \$300,000 to \$500,000.

In order to pay for these needed improvements, the Finance Council has recommended that the parish borrow the funds as part of the refinancing of our existing debt, and begin a debt reduction campaign to retire the entire amount over the next several years.

Phase II Loan

As has been previously reported, to complete Phase II in 2006 the parish borrowed \$2,755,635. Due to your generosity, we have been able to reduce the principal balance to today's figure of \$2,385,034. Each week our generous parishioners continue to contribute to the Building Fund. These contributions support payments on our debt, including interest and principal. The terms of our loan allow for interest-only payments until the fall of 2010, at which time the loan will have to be repaid or refinanced.

If the high-end cost estimate of the proposed improvements to our school building is added to our debt, the new total is not expected to exceed \$2,885,034. The best planning for our future together includes a sound plan to retire this debt.

Eliminating Debt in 2010

The Finance Council, in conjunction with the Stewardship Commission, has determined that our parish should develop a strategic plan beginning in 2010 to eliminate our debt. Please watch the bulletin and other parish communications for information as these plans develop.

Agreed-Upon Procedures Report for 2008/09

The Archdiocese of Saint Paul and Minneapolis requires parishes to conduct financial audits every five years or at the change of a pastor. SEAS' last audit was conducted for the fiscal year 2003/04 making the fiscal year 2008/09 the next year for an audit. The archdiocese now accepts "agreed-upon procedures" performed by an independent accounting firm as an alternative to a full financial audit.

The parish contracted with the accounting firm Boyum & Barendscheer to conduct the archdiocesan-recommended Agreed-Upon Procedures. The procedures tested general financial processes (including internal financial controls); confirmation of bank, savings, and investment accounts; cash receipts, revenue, and disbursements; payroll (including proper documentation in personnel records); capital expenditures; accounts payable; debt; and net assets. No significant exceptions were noted in any of these areas. The Finance Council has reviewed the Agreed-Upon Procedures Report, including recommendations made by the accounting firm, and accepted the report. Please contact Parish Administrator Mark Dittman or one of the Finance Council members if you have questions about the Agreed-Upon Procedures Report.

St. Elizabeth Ann Seton, pray for us!

SEAS Reaches Out!

Your generosity touches lives beyond our parish!

In fiscal year 2009 SEAS parishioners contributed \$301,537 to the following charities or causes:

2008 Mission Cooperation, Archdiocese of St. Paul & Minneapolis ministries & operations, Catholic Campaign for Human Development, Catholic Services Appeal, Disaster Relief, Food Resource Bank, Franciscan Brothers of Peace, Giving Tree, Hastings Community Car Care, Hastings Family Service, Holy Land, Little Sisters of the Poor, Minnesota Citizens Concerned for Life, Mission Mexico, Operation Rice Bowl, Retirement Fund for Religious, Sharing & Caring Hands, St. Mary's of Red Lake, Water Project, World Mission Sunday.