

**St Vincent Martyr Parish  
 Gifted, Grateful and Giving  
 Annual Financial Report to Parishioners  
 Fiscal Year Ended June 30, 2020**

**Overview**

Through the continued generosity of the parishioners and prudent financial management, St Vincent Martyr Parish and School (collectively "St Vincent Martyr ") was able to deal with the challenges and burdens encountered during the COVID-19 crisis. St Vincent Martyr was required to close the School and move to virtual education in March 2020. The church was closed to in-person services in March 2020 and moved to virtual services. The church was reopened to limited in-person services in June, 2020 with enhanced safety protocols. Despite these challenges, St Vincent Martyr was able to access the financial resources needed to fulfil our mission sharing the love of Christ in prayer, ministry, education and service.

For our fiscal year 2020 (period from July 1, 2019 to June 30, 2020), St Vincent Martyr Parish ("the parish" or "SVM") generated a deficit of \$40,615 compared to our fiscal year 2019 surplus of \$5,394, due to additional costs associated with the impact of COVID-19. St Vincent Martyr School ("the school" or "SVMS") generated a surplus of \$312,872 compared to \$0 in fiscal year 2019, due to a significant increase in enrolment in fiscal year 2020.

**Statement of Operations - St Vincent Martyr Parish and School**

	<b>SVM</b>		<b>SVMS</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Income</u>				
Collections	\$1,790,287	\$1,748,735	\$ -0-	-0-
Tuition	-0-	-0-	2,980,089	2,781,415
HSA Contributions	-0-	-0-	197,155	207,709
Program Fees	93,085	122,026	-0-	-0-
Donations/Gifts/Other	<u>84,635</u>	<u>107,994</u>	<u>78,847</u>	<u>88,908</u>
Total	\$1,968,007	\$1,978,755	\$3,256,091	\$3,078,032
<u>Expenses</u>				
Salaries/Benefits	\$1,057,398	\$ 981,177	\$2,431,891	\$2,578,243
<u>Operating Costs</u>				
- Operations	189,907	194,338	155,970	188,951
- Facilities	431,496	349,090	301,650	301,070
- Office	80,547	92,510	53,708	50,314
Charitable giving	74,207	56,637	-0-	-0-
Diocesan Assessment	<u>125,067</u>	<u>149,063</u>	<u>-0-</u>	<u>-0-</u>
Total	\$1,958,622	\$1,822,815	\$2,943,219	\$3,118,578
Surplus/(Deficit)	\$ 9,385	\$ 155,940	\$ 312,872	(\$ 40,546)
School Subsidy	\$ -0-	(\$ 40,546)	\$ -0-	\$ 40,546
<u>Allocation to</u>				
Capital Fund	(\$ 50,000)	(\$ 110,000)	\$ -0-	\$ -0-
Net Surplus/(Deficit)	(\$ 40,615)	\$ 5,394	\$ 312,872	\$ -0-

## The Parish

### Income

The Parish encountered significant challenges resulting from the COVID-19 crisis, which required closing of our church and school in March 2020 and the need to move liturgical services and classroom education to online resources. The closing of our church also resulted in the inability to offer sacramental events (e.g., baptisms, weddings and funerals) in our church. We experienced extraordinary generosity from our Parishioners during the pandemic through an increase in online and postal contributions and extraordinary donations. Along with proactive management, this enabled the Parish to address costs associated with the crisis.

Collection income, which includes weekly and holy day (e.g., Christmas and Easter) collections, the Annual Second Collection offering and income from sacramental events, increased by 2% compared with 2019. Weekly collections averaged \$28,422 in 2020 compared to \$27,071 in 2019, an increase of 5% due to the continued success of the Parish Stewardship initiative. Holy day collections also increased by 5% in 2020 compared to 2019. The Annual Second Collection offering was conducted to assist with the cost of the Diocesan assessment, resulting in a collection of \$28,724 in 2020 (\$32,859 in 2019) covering 23% of our assessment (22% in 2019). Income from sacramental events decreased by 35% as a result of the closure of the church in March and inability to conduct sacramental events.

Program fees represent fees received from the participants in Adult and Christian formation and youth ministry programs. Fees collected historically cover only a portion of the cost of the programs such that parish support is required. Such programs strive to maintain program fees at a level which encourages extensive participation of the community as such programs are viewed as an important component of the parish mission. Program fees were 24% lower in 2020 compared to 2019 due to curtailment of programs due to COVID-19

Donations and gifts include a rebate of \$20,793 in 2020 and \$27,903 in 2019 from our share of the Bishops Appeal campaign. One-half of parish contributions in excess of the campaign assessment (\$78,221 in 2020 and 2019) are rebated to the parish. SVM contributed \$123,023 in 2020 and \$134,027 in 2019 to the campaign

Collections for the Holy Land, CoOp and the Retired Religious of \$22,596 are not recognized as income but rather netted against the related contribution of the same amount, as proceeds from such collections are remitted directly to the diocese and are not available for parish use. The financial statements also do not include the value of non-monetary contributions by members of the parish to charitable and social causes such as Hope House and semi-annual clothing drives. These contributions are a critical component of meeting the overall needs of the community and reflect the generosity of the parish.

### Expenses

Parish expenses increased by 8% in 2020 compared to 2019 due primarily to increased salary and benefit costs and maintenance and cleaning costs resulting from the COVID-19 crisis. Expenses were impacted by the reopening of the church in June 2020 due to the additional requirements for cleaning and disinfecting mandated by the State of NJ. These costs are expected to continue throughout the fiscal year ended June 30, 2021.

## **The School**

### **Income**

Tuition income, the principle source of school income, increased by 7% compared to 2019 due to an 8% increase in 2020 enrolment (461 students) compared to 2019 (428 students). Tuition in 2020 remained at the same level as 2019 tuition. Average tuition per student was \$6,464 in 2020 compared to \$6,499 in 2019. The increase in enrolment is attributed to school marketing initiatives.

HSA contributions represent contributions by the St Vincent Martyr Home School Association (HSA) towards education costs. HSA income results from various fundraising activities throughout the year. In addition to the annual contribution of \$150,000 the HSA made significant contributions to support the educational needs of SVMS through purchases of school equipment and supplies as well as the cost of various school activities. Donations and Gifts decreased 11% in 2020 compared to 2019 resulting from the closure of the school in March 2020 due to COVID-19. The HSA and SVMS parents are critical to meeting the educational needs of our community and the parish is grateful for their contribution of time, talent and treasure.

### **Expenses**

Total school expenses decreased 5% in 2020 compared to 2019. Salary and benefit costs, which represent 83% of total school costs in 2020 and 2019, decreased by 6% in 2020 compared to 2019 due to human resources management in replacement of teachers who retired in 2019.

**Statement of Financial Position**

**As of June 30**

	<u>2020</u>	<u>2019</u>
<b>UNRESTRICTED FUNDS</b>		
<b>Cash</b>	\$ 189,943	\$ 313,039
<b>Investments</b>		
<u>Parish</u>		
-Budget Fund	\$ 352,121	\$ 375,353
-Capital Fund	325,288	323,541
-Special Funds	102,105	76,559
<u>School Fund</u>	312,872	-0-
HSA School Fund	<u>190,340</u>	<u>188,847</u>
<b>Total Investments</b>	\$1,282,726	\$ 964,301
 <b>Total Unrestricted Funds</b>	 \$1,472,679	 \$1,277,340
 <b>RESTRICTED FUNDS</b>		
SVM Cemetery	\$ 429,769	\$ 379,433
Partners in Faith/ Building Our Future Campaign	\$ -0-	\$ 106,500

The investment funds of the parish and school are designated for purposes described below and are invested in high quality securities. The funds are monitored by the Pastor and Finance Council in accordance with Diocesan directives and guidelines. The cash balance is net of the liability for the Payroll Protection Program loan which SVM received in April 2020.

The **Parish Budget Fund** is used to support parish operations when a net deficit results from unbudgeted expenditures or a shortfall in income. To the extent the parish operations yields a net surplus, the surplus is transferred to this fund.

The **Parish Capital Fund** is used for capital expenditures (equipment, modernization, repairs & maintenance) to parish and school buildings and grounds. Transfers of annual surplus are made to this fund in amounts deemed necessary to support future capital expenditures. In 2020 expenditures totalled \$142,030 (\$30,000 in 2019). The strategy for the Capital Fund is to build the fund in order to provide for the continuing repairs and replacement of the parish and school facilities in accordance with the long-term facilities management plans.

The **Parish Special Fund** includes “special bequests” where the contributor has specified the purpose for which their contributions should be targeted. Expenditures from special funds are made in accordance with the terms of the bequest.

The **School Fund** is used to support school operations when a net deficit results from unbudgeted expenditures or a shortfall in income. To the extent the school operations yields a net surplus, the surplus is transferred to this fund. The fund can also be used for school improvements.

The **HSA School Fund** represents the Home School Association funds held in reserve to provide the operating needs of the school.

**Restricted Funds** are funds that have been dedicated for a specified use or project.

The **Cemetery Fund** is dedicated to the perpetual maintenance of the SVM cemetery.

The **Partners in Faith/Building Our Future Campaign Fund** was established for donations to the Diocese capital campaign as well as the SVM church renovation project (hereafter referred to as “the campaign”). As of June 30, 2020, the campaign fulfilled its pledge to the Diocese of Paterson capital campaign as well as all obligations related to the SVM church renovation project and the Fund was closed. Remaining pledges from the campaign are used for parish capital requirements.